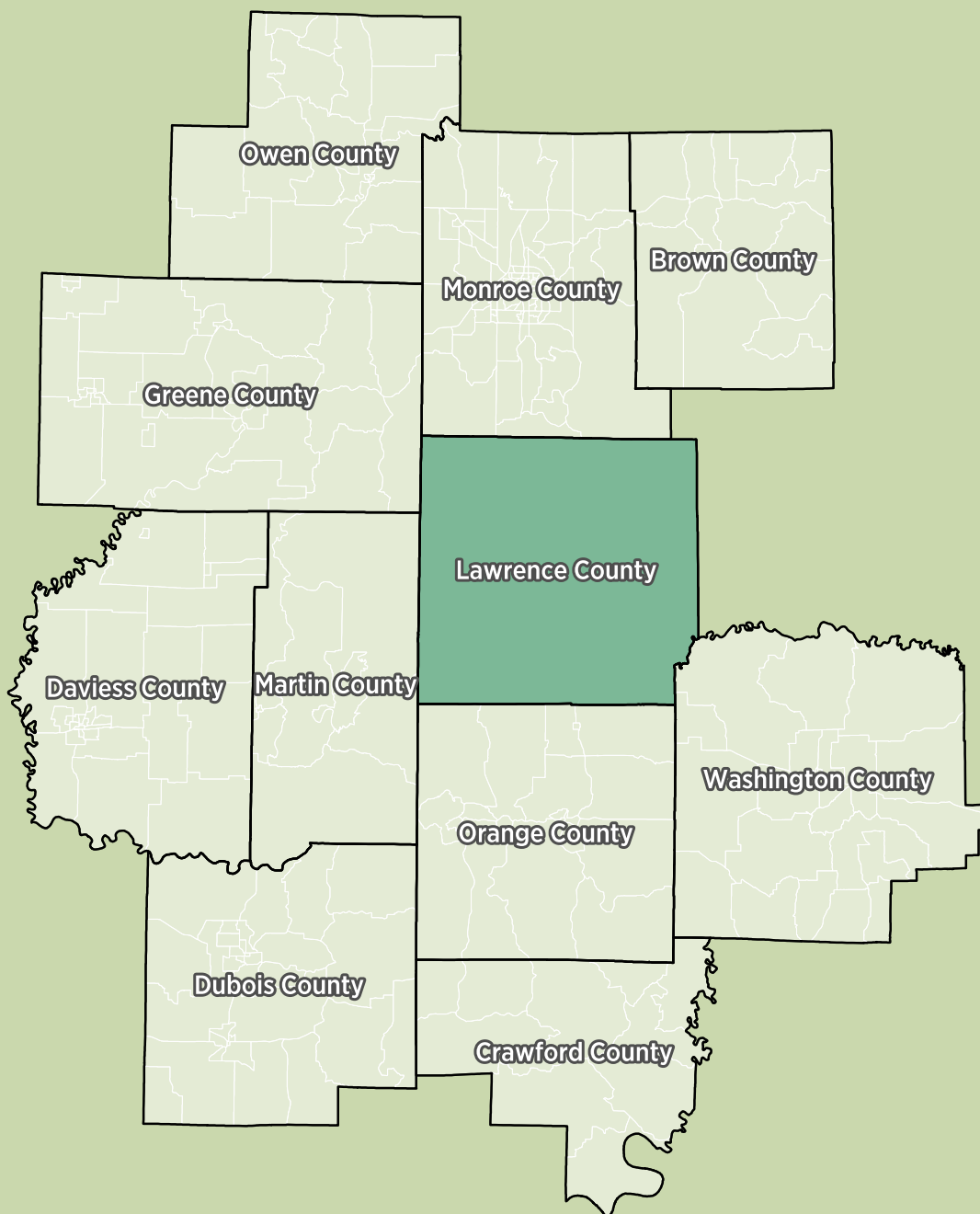# ADDENDUM 2.F
LAWRENCE COUNTY

This section provides an updated overview of the issues and opportunities related to housing within Lawrence County as of 2023. 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 regionalopportunityinc.org/housing.

Owen County

Monroe County

Brown County

Greene County

Lawrence County

Daviess County   Martin County

Washington County

Orange County

Dubois County

Crawford County

Population Characteristics

Historic Trends. Lawrence County lost population for the first time in recent history, shown in Figure F.1.

- Since 2000 the county's population has been flat or declining.

- Historically, flatter decades have been followed by a decade of population gain, that was not the case in the 2010s.
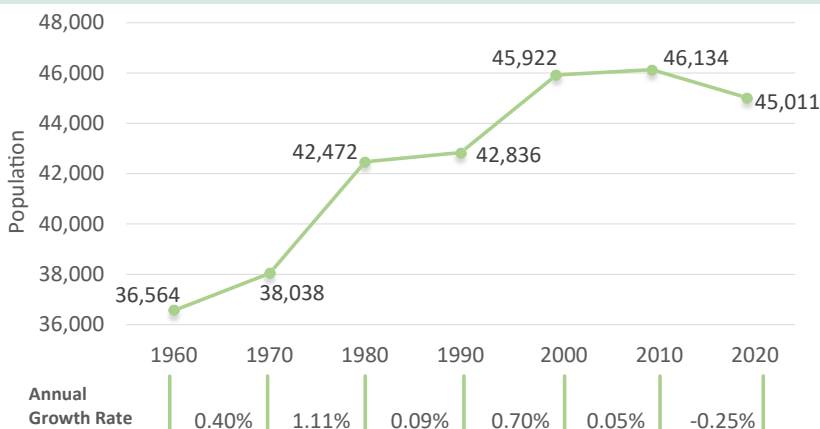
Predicted vs Actual. When the predicted population (based on standard birth and death rates) is compared to the actual, Lawrence County experienced an out-migration of 328 residents.

- Lawrence County has an aging population. Since 2000, the county's median age has steadily increased, which would naturally result in a population decline.

- The apparent out-migration of 25 to 34 year olds may indicate a lack of first-time homebuyer options.

Modest Growth Projected. In the 2019, study two population scenarios were proposed. The more aspirational 0.5% was used at that time.

- The aging population will result in continued natural population decline.

- If Lawrence County can capture its own workforce potential, it should reverse the losses of the last decade.

- If Lawrence can achieve the aspirational growth projection of 0.5%, it will grow to 48,500 by 2035.

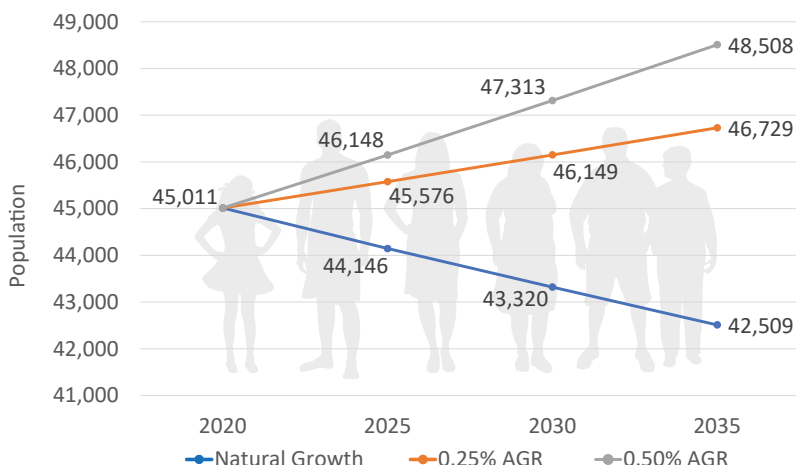**FIGURE F.1:** *Historic Population Change*

Source: 2020 US Census Bureau; RDG Planning & Design

FIGURE F.2: *2020 Predicted vs Actual Population*
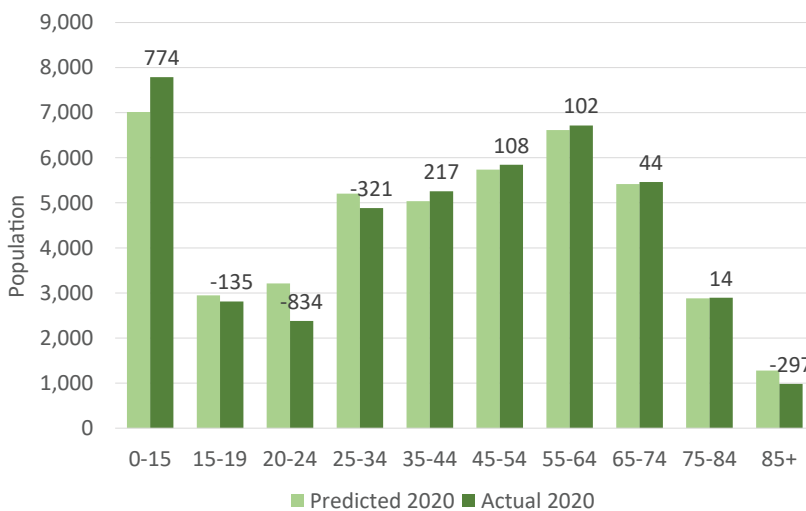
Source: 2020 US Census Bureau

FIGURE F.3: *Future Growth Rate Scenarios*

AGR - Average Growth Rate

Source: 2020 US Census Bureau; RDG Planning & Design

Economic Characteristics

Industry Breakdown. Figure F.4 illustrates the percent of people employed by industry regardless of location of their employment:

- Since 2019, Lawrence has almost 600 more workers living in the county. Some of these may be new residents and others may just be individuals rejoining the workforce or switching jobs.

- More residents are employed in Manufacturing today than was estimated in 2019.

Commuting Patterns. Figure F.5 illustrates the percent of people employed by industry regardless of location of their employment:

- More residents are living and working in Lawrence County today then in 2019 and more appear to be commuting out of the county for work.

- Employment rates do not support the population loss recorded by the 2020 Census, but this may indicate more individuals in the workforce or existing residents finding jobs in Lawrence County rather than the region.
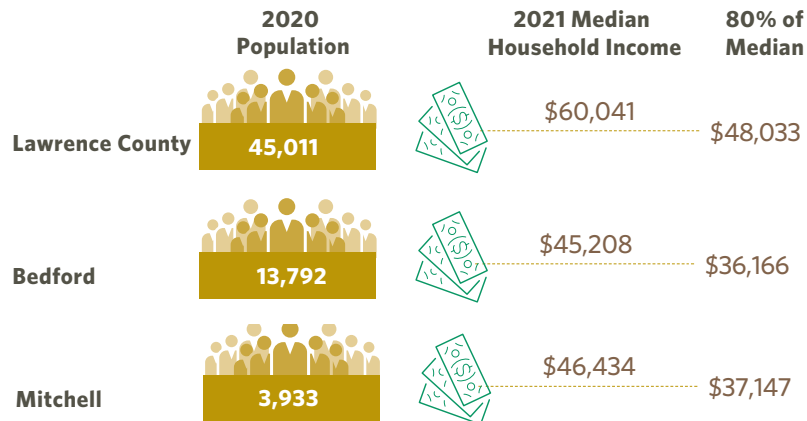
Household Income. Figure F.6 provides an overview of the county's estimated household incomes.

- Lawrence County's median household income appears to have grown at a stronger rate than Bedford.

- Based on the 2021 Census data, it would appear that the highest income households live outside the county's two largest communities.

FIGURE F.4: *Employment By Industry*

Manufacturing	Educational Services, Health Care, Social Assistance	Retail Trade	Construction	Entertainment, Recreation, Arts, Accommodation, Food Services
4,930 | 23.40%	4,397 | 20.80%	2,141 | 10.10%	1,570 | 7.40%	1,560 | 7.40%
Public Administration	Professional, Scientific, Management, Administration	Finance, Insurance, Real Estate, Rental & Leasing	Other Services, Except Public Administration	Transportation & Warehousing, Utilities
1,538 | 7.30%	1,424 | 6.70%	1,144 | 5.40%	948 | 4.50%	870 | 4.10%
Agriculture, Forestry, Fishing, Hunting, Mining	Information	Wholesale Trade	Civilian employed population 16 years and over 21,108	
321 | 1.50%	184 | 0.90%	81 | 0.40%		

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 F.5: *2021 Commuting Patterns*

2,788

In Commuters: Employed in the county, live outside

Live and Work Inside the County 24,798

Out Commuters: Employed outside the county, live inside

6,614

Source: 2021 STATS Indiana

FIGURE F.6: *Household Income*

	2020 Population	2021 Median Household Income	80% of Median
Lawrence County	45,011	$60,041	$48,033
Bedford	13,792	$45,208	$36,166
Mitchell	3,933	$46,434	$37,147

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

Map F.1: *Employers by Size (25 Largest Employers)*
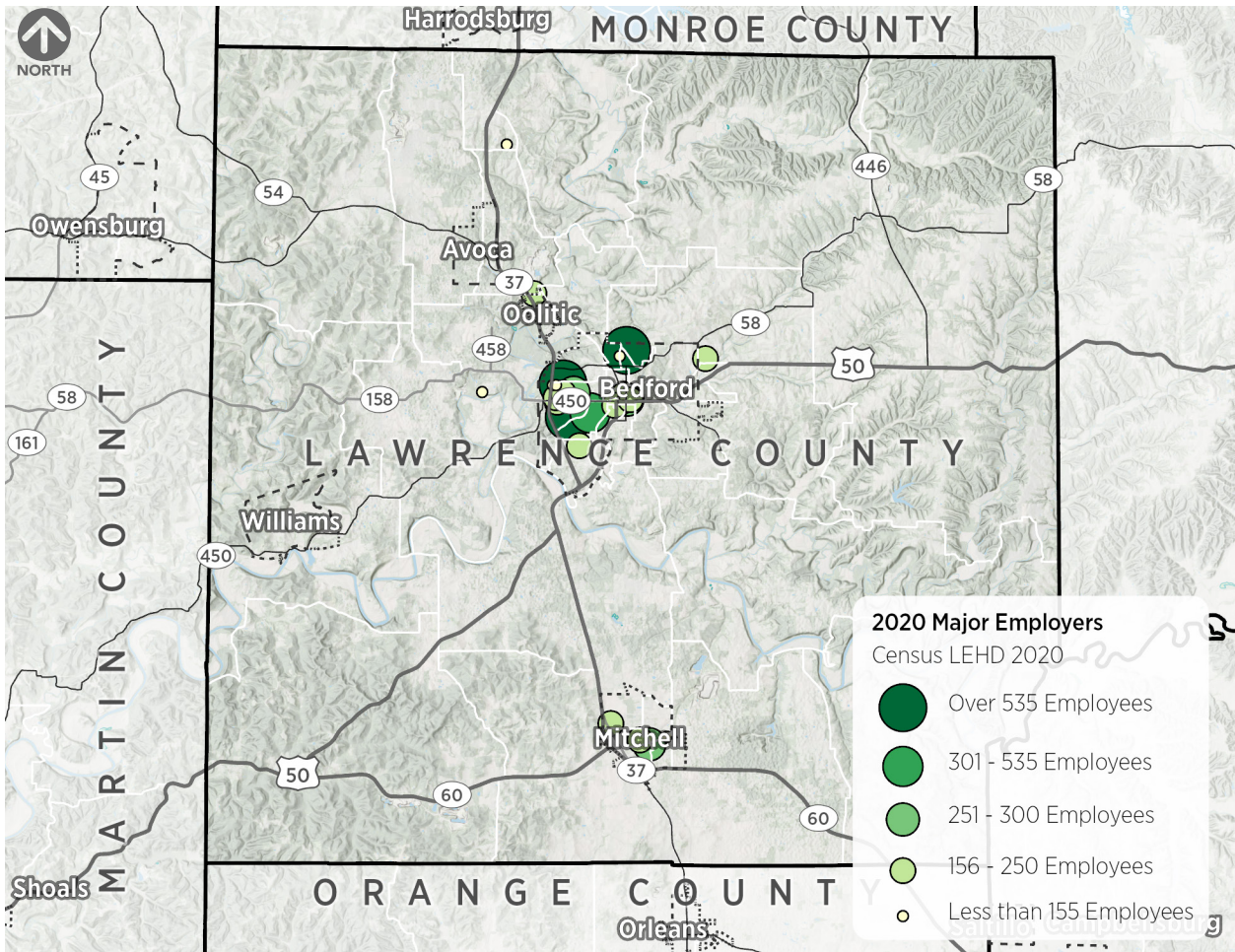
Source: 2020 Census Longitudinal Employer-Household Dynamics (LEHD)

Housing Characteristics

Housing Age. Map F.2 shows the median age of housing in Lawrence County.

- Parts of Lawrence County have fairly new housing with median years in the last 20 years.

- Bedford and Mitchel have the oldest homes and these will be the best source of entry level and affordable housing. Preservation of these units will be essential to meeting future housing demands.

- In average, the Lawrence County has been adding 88 single-family units a year. The county has not added new multifamily units since 2015.

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

- Overall it would appear that the county lost more owner-occupied units than were constructed since 2000.

- Since 2000, the number of renter-occupied units has increased while the number of owner-occupied units has decreased. This could signal a conversion of single-family homes from owner occupancy to rental.

- Since 2010, the number of rental units has declined. This hopefully indicates the removal of units that were in dilapidated condition.

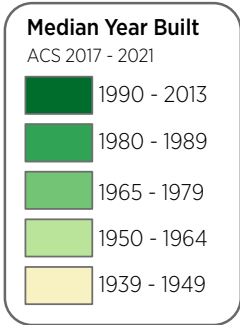**FIGURE F.7:** *Residential Building Permit History*
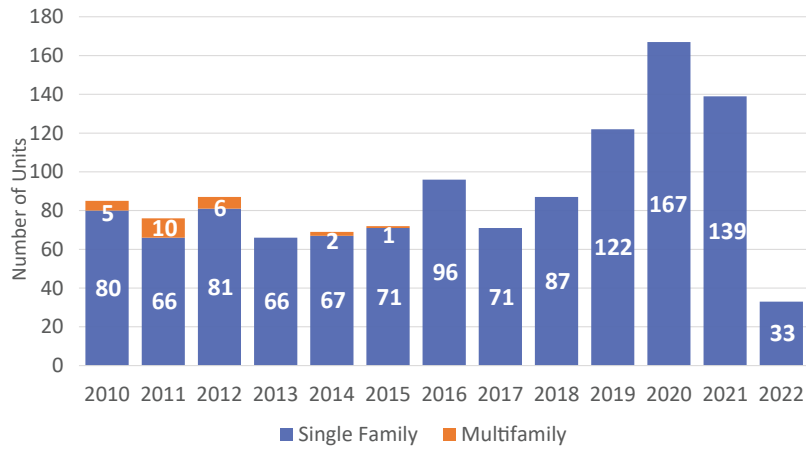
Source: Lawrence County Assessor's Office

FIGURE F.8: *Occupancy Status*

Occupancy	2000		2020		Change 2000-2020
	Number	% of Occupied Units	Number	% of Occupied Units	
Owner-Occupied	14,624	78.90%	14,326	77.30%	-298
Renter-Occupied	3,911	21.10%	4,216	22.70%	305
Total Vacant	2,025		1,942		-83
Vacancy rate	9.80%		9.50%		
Total Units	20,560		20,484		-76

Source: US Census Bureau

Map F.2: *Median Year Residential Structure Built*

Median Year Built
ACS 2017 - 2021

■	1990 - 2013
■	1980 - 1989
■	1965 - 1979
■	1950 - 1964
■	1939 - 1949

Source: 2021 American Community Survey (5-Year Estimates)
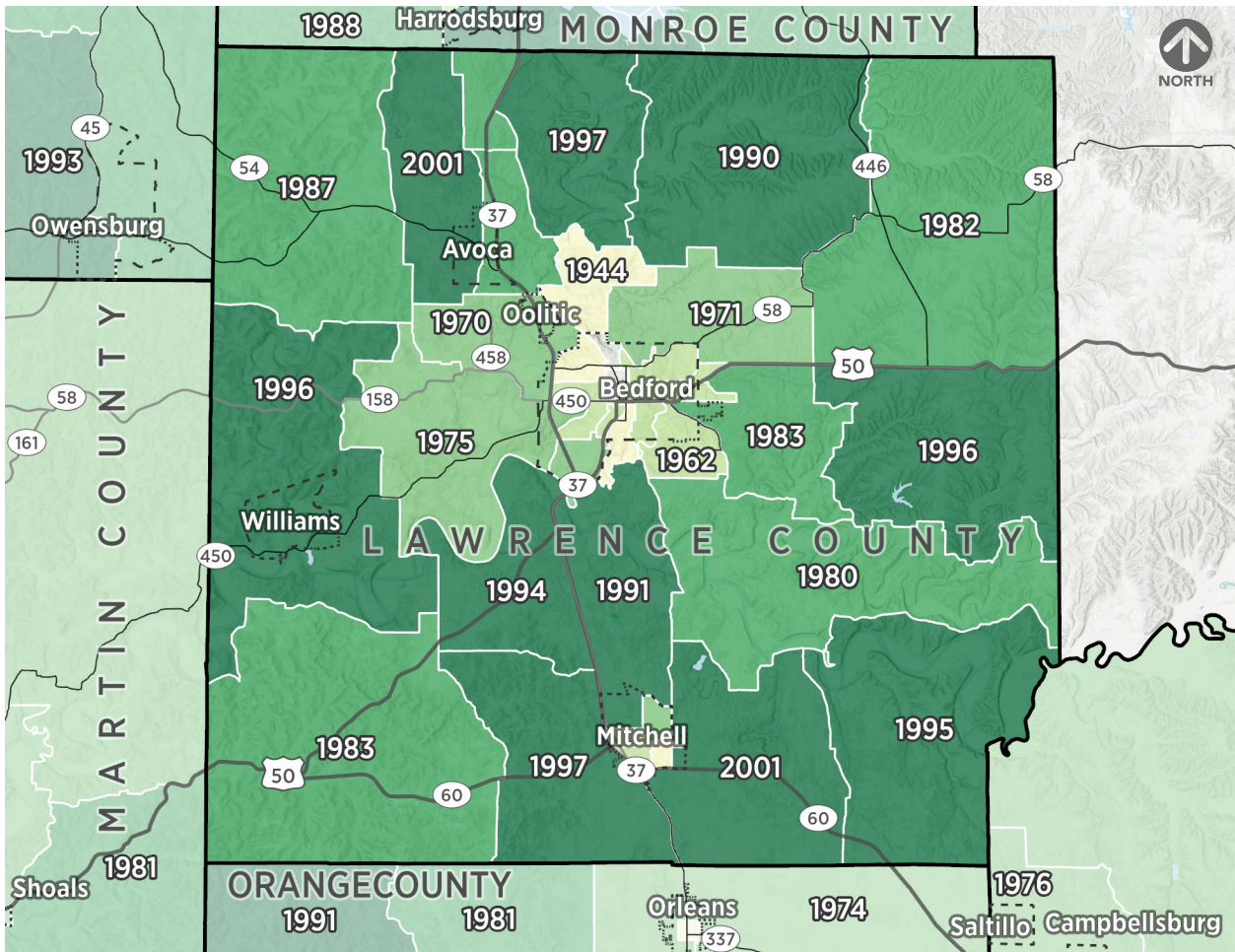
- The county's newest housing appears to be located in the rural areas, supporting the assumption that the highest income households are living outside the incorporated communities.

Map F.3: *People Per Household*

Average Household Size
ACS 2017 - 2021

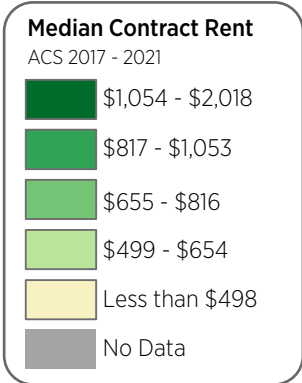|	
■	3.37 - 4.86
■	2.87 - 3.36
■	2.52 - 2.86
■	2.14 - 2.51
■	0.00 - 2.13
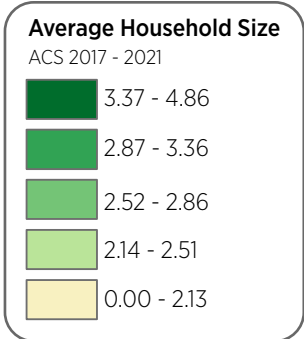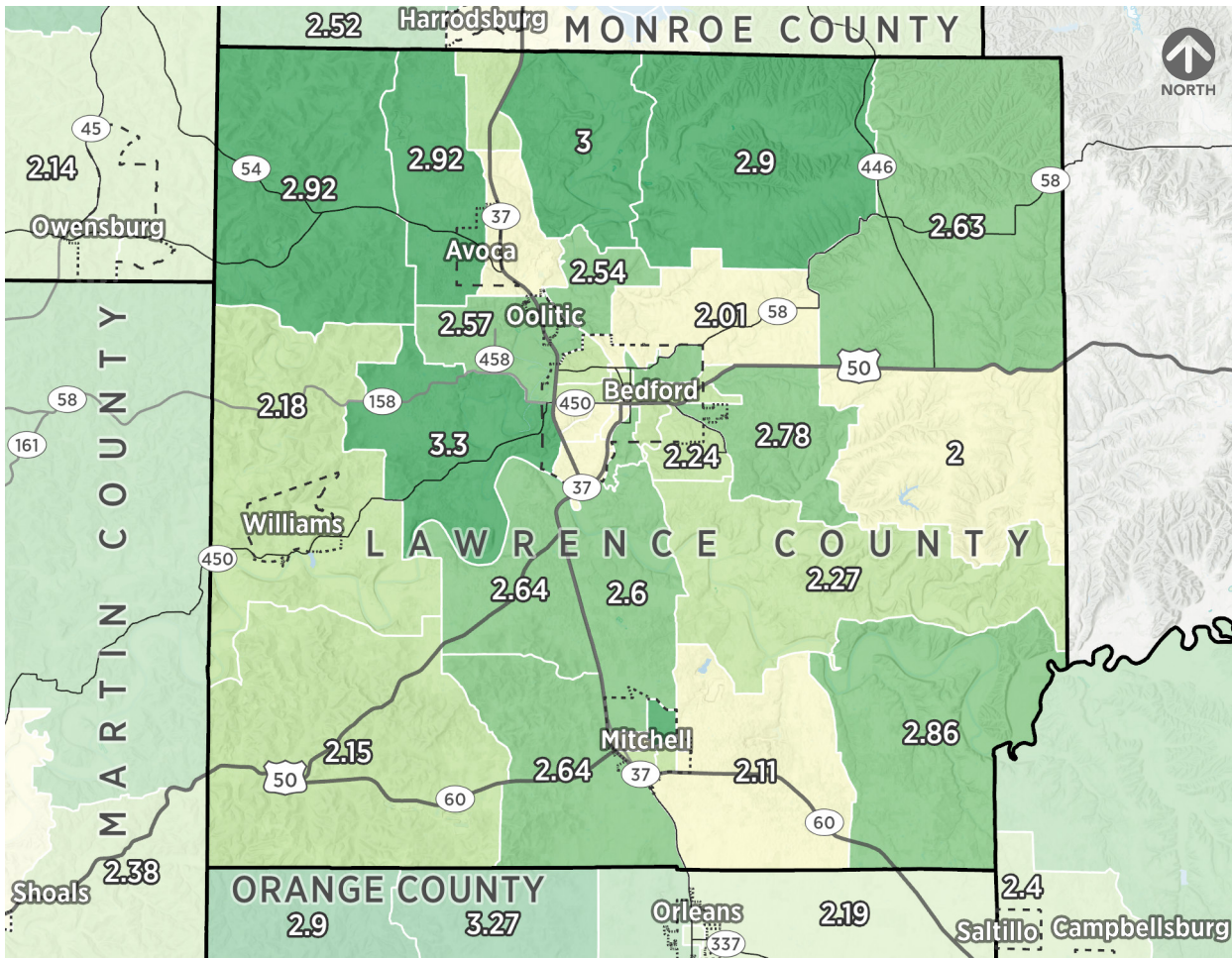
- Household size impacts the number of units needed to house a population. The larger the household size, the fewer the units needed and vice versa, the smaller the household size, the more units needed to support the same population.

- It would appear that many of the county's families live outside the incorporated communities.

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

Map F.4: *Median Contract Rent by Census Tract*

Median Contract Rent
ACS 2017 - 2021

- $1,054 - $2,018
- $817 - $1,053
- $655 - $816
- $499 - $654
- Less than $498
- No Data

Source: 2021 American Community Survey (5-Year Estimates)
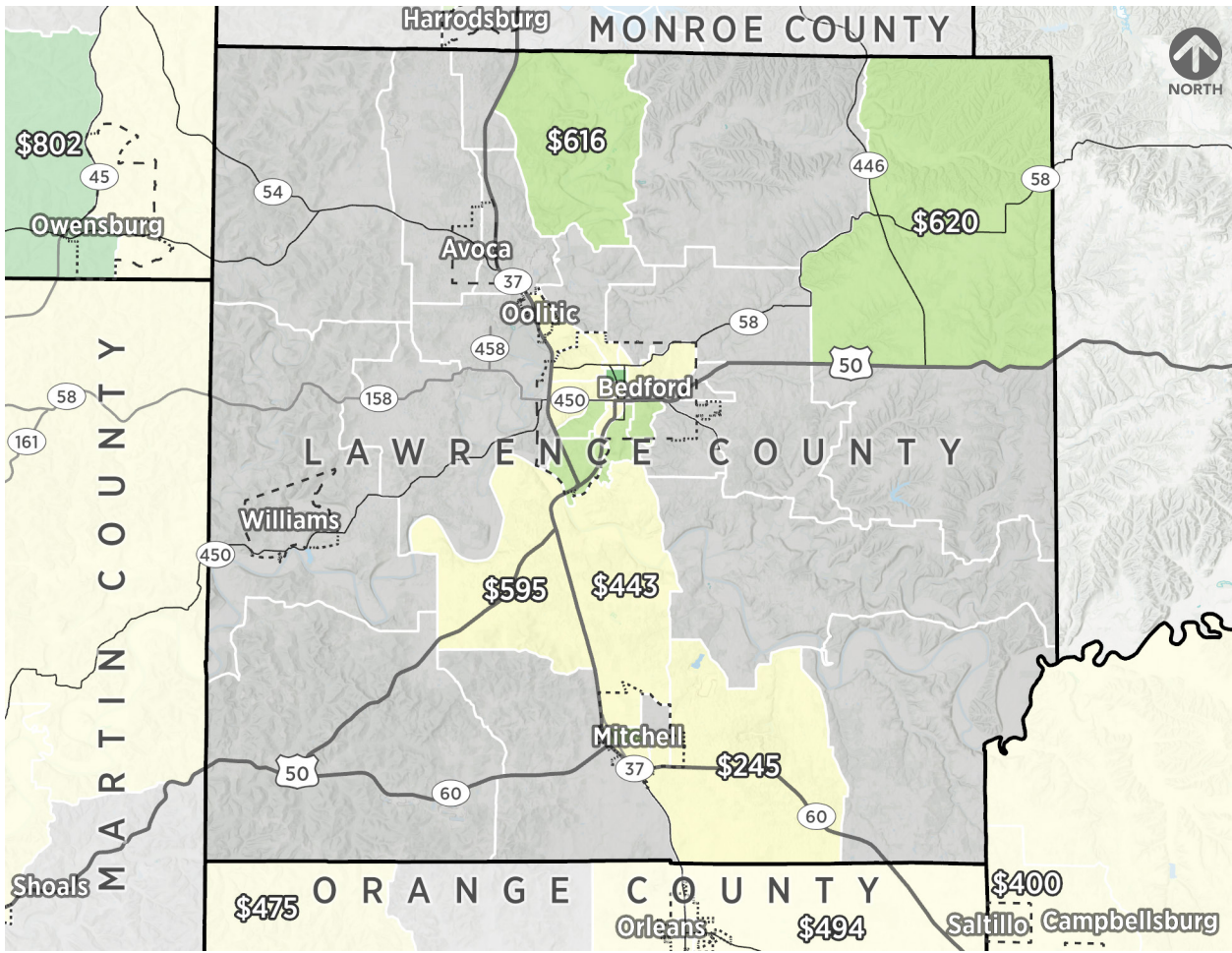
- *"Contract Rent"* is defined by the Census as monthly rent not including furnishings, utilities, or services.

- Small sample sizes result in areas with no data available.

Map F.5: *Median Home Value by Census Tract*

Median Home Value
ACS 2017 - 2021

- $243,301 - $411,500
- $171,301 - $243,00
- $128,301 - 171,300
- $91,101 - $128,300
- Less than $91,100
- No Data

Source: 2021 American Community Survey (5-Year Estimates)
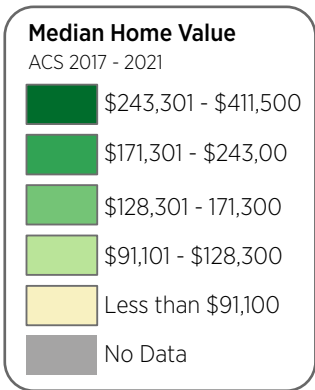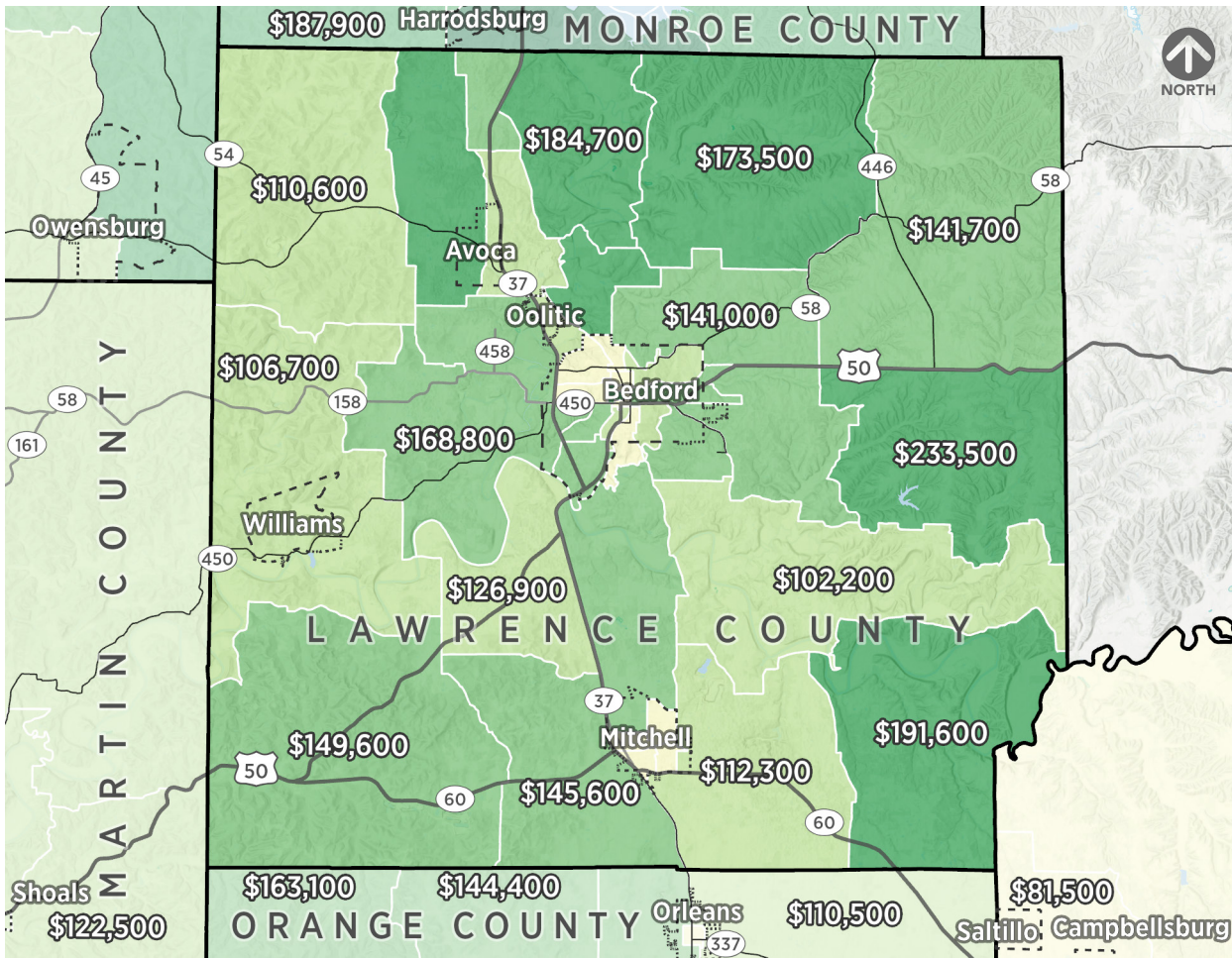
- The newest housing does not always match the highest values in the county. This may reflect the margin of error that is occurring with the small sample sizes. Values in some Census tracts may be tens of thousands of dollars higher than the estimates indicated on the map.

- Overall, values in most of Lawrence County appear to be strong with some areas having values close to the cost of new construction.

Map F.6: *Value to Income Ratio*

2021 Value to Income Ratio

Undervalued
- 2.00 or Less
- 2.01 - 2.50

Affordable
- 2.51 - 3.00
- 3.01 - 3.50

Unaffordable
- 3.51 - 4.00
- 4.00 or More

No Data

Source: 2021 American Community Survey (5-Year Estimates)
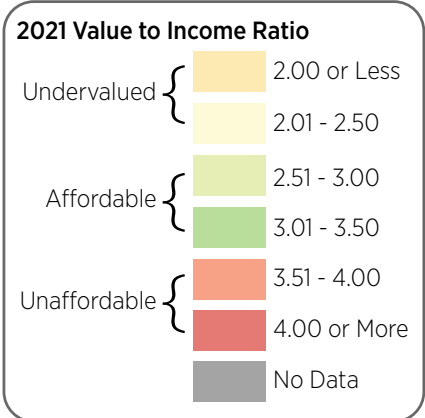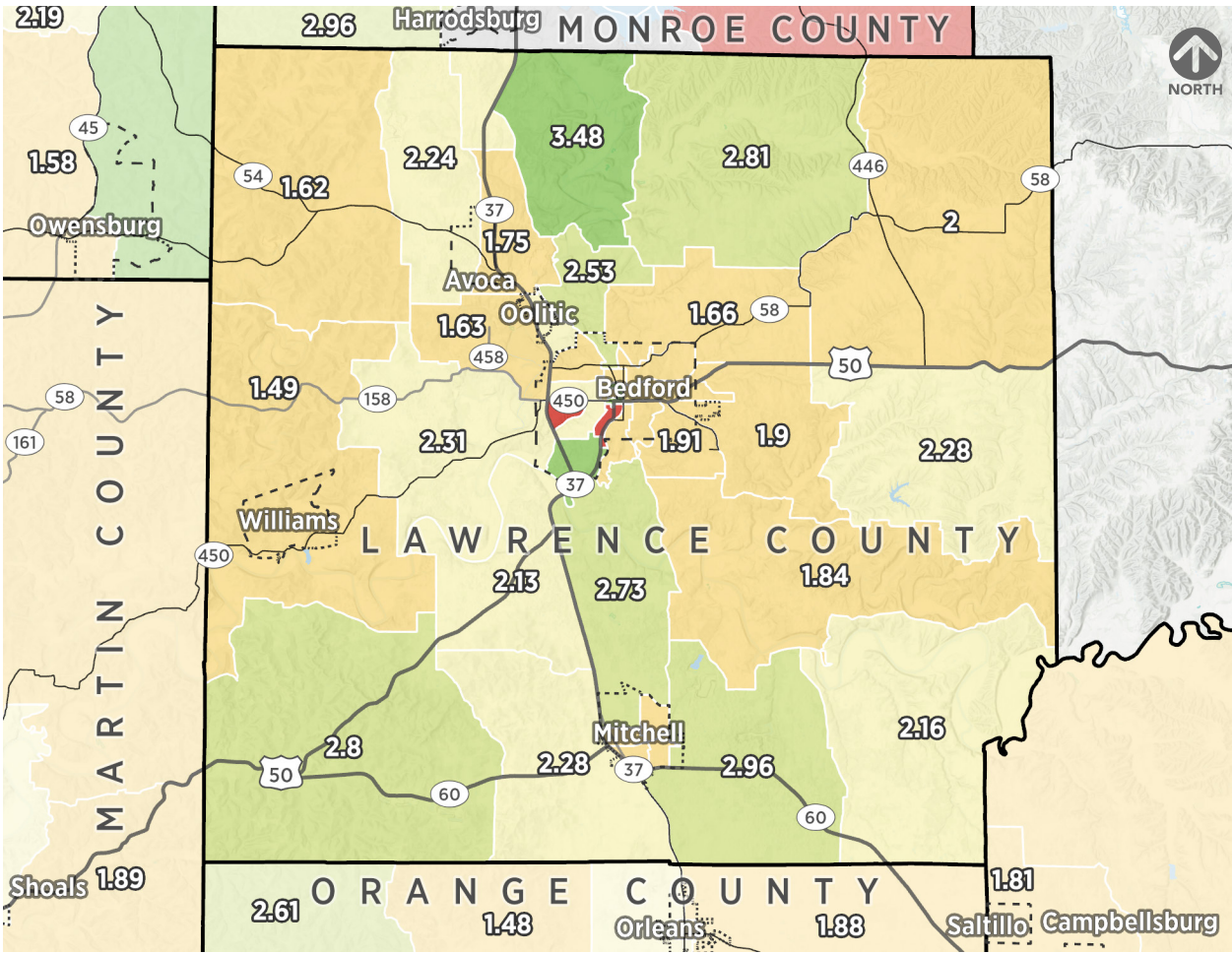
- An affordable, self-sustaining housing market, with adequate value or revenues to support market rate new construction, typically has a Value to Income value between 2.5 and 3.

- It should be noted that some rural areas with higher values may have homes with higher to moderate values but owners that are retired, living on savings and no longer having mortgage payments.

Costs and Incomes. A healthy, self-sustaining housing market will have adequate housing that allows residents to spend no more than 30% of their income on housing.

- Median home value has increased since 2019, but the value to income ratio has only increased slightly due to incomes also increasing.

- Increasing values and median contract rents better aligns with rates required for new construction.

- Increasing incomes have also resulted in fewer households being cost burdened.

  » Nationally, the number of renter households that are cost burdened has increased but for Lawrence County it has actually remained constant.

FIGURE F.9: *Lawrence 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
$60,041	$518	40.94%	14.65%	$124,500	2.07

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

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

- The shortage of housing for households making less than $25,000 appears to have improved since 2019 due to fewer households in this income range or/and potentially more available units.

- The availability of a greater lower price of units could signal:

  » The construction of more income qualifying units.

  » The deterioration of existing units.

  » Margin of error in the sample data collected by the Census Bureau.

- Even a with some margin of error, it would appear that Lawrence County has a number of households living in housing that is well below their means.

FIGURE F.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	3,731	>$60,000	2,058	$0-499	1,744	3,802	71
$25,000-49,999	4,168	$60,000-124,999	5,480	$500-999	1,916	7,396	3,228
$50,000-74,999	3,826	$125,000-199,999	3,953	$1,000-1,499	57	4,010	184
$75-99,999	2,805	$200,000-249,999	1,400	$1,500-1,999	10	1,410	-1,395
$100-149,999	2,788	$250,000-399,999	1,619	$2,000-2,999	16	1,635	-1,153
$150,000+	1,405	$400,000+	471	$3000+	0	471	-934

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

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

- Sale prices have steadily increased and owners are pricing homes higher.

- Due to the increase in demand for housing, the number of days homes are on the market has decreased significantly.

- Since 2012, the median sale price in Lawrence County has increased by 130%, one of the largest in the region.

FIGURE F.11: *Home Sales, Lawrence County*

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	% Change
Listings	813	812	731	696	661	634	629	566	628	669	629	-23%
Median Days on Market	85	79	83	75	58	51	33	30	29	19	24	-72%
Median List Price	89K	90K	90K	100K	100K	113K	120K	135K	150K	170K	180K	102%
Median Sale Price	75K	80K	95K	87K	96K	100K	101K	123K	142K	163K	172K	130%

Source: 2022 MLS;

Housing Demand Analysis. The market could add over 1,600 housing units through 2030 to support the 2035 population forecast and meet housing demand. Figure F.12 shows the factors determining the forecast:

- An aspirational growth rate of 0.5% annually.

- A people per household rate that is lower than 2019, which disperses the population over more households.

  » If the county attracts more families, the people per household rate will go up and could result in demand for fewer housing units.

- A steady vacancy rate. This rate should decrease with the removal of units that are not available due to condition or because they are being used for other purposes.

The annual demand in this model is the same as that proposed in the 2019 study and likely greater than that produced in the past decade based on the decline in the total number of units in the county (Figure F.8)

FIGURE F.12: *Housing Demand Summary*

	2020	2023-2030	2030-2035	Total
Population at End of Period	45,011	47,313	48,508	
Household Population at End of Period	44,374	46,912	48,097	
Average People Per Household	2.38	2.38	2.38	
Household Demand at End of Period	18,644	19,711	20,209	
Projected Vacancy Rate	9.5%	9.5%	9.5%	
Unit Needs at End of Period	20,597	21,775	22,325	
Replacement Need (total lost units)		160	100	260
Cumulative Need During Period		1,010	650	1,660
Average Annual Construction		126	127	128

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

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

- Over the next several years, greater production of options should focus on pent-up demand and the need to offer more affordable variety beyond traditional single-family detached dwellings. Therefore, the development program assumes that 50% of new units should support rental households with that proportion dropping to 40% after 2030. However, greater variety in housing will also be needed in ownership options (townhomes, duplexes, ect.).

- Based on current proportion of household income, an additional 644 units priced below $250,000 will be needed. These will be generated in four potential ways:

  » Production of ownership options that are not the traditional single-family detached, but include 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.

- The 196 units needed with rents below $500 a month will likely require programs that assist with construction of units specifically targeted to lower income and elderly households.

  » It is important to note that over 45% of the rental housing that is needed will support what many in Lawrence County would consider high market rate construction.

  » Like ownership demand, many of the below market rate units exist in the market.

FIGURE F.13: *Housing Development Program*

Total Owner-Occupied	2023-2030	2030-2035	Total
Affordable Low: <$125k	140	108	248
Affordable Moderate: $125-$200k	129	99	228
Moderate Market: $200-$250k	95 → 505	73 → 390	168 → 895
Market: $250-350k	94	73	167
High Market: Over $350k	47	37	84

Total Renter-Occupied	2023-2030	2030-2035	Total
Low: Less than $500	130	67	196
Affordable: $500-$1,000	145 → 505	75 → 260	219 → 765
Market: $1,000-$1,500	133	68	202
High Market: $1,500+	97	50	148

Total Need	1,010	650	1,660

Source: RDG Planning & Design

Community Profile: Bedford

Bedford is the largest community in Lawrence County and the third largest city in the Indiana Uplands region. Bedford was historically known for a base of good manufacturing jobs. Over the last 30 years, a number of those jobs have been lost, but based on the county's workforce evaluation, that trend may be reversing.

Overview

- After three decades of population loss, Bedford experienced a small increase in population between 2010 and 2020. The momentum created by investments and new construction should continue into the next decade.

FIGURE F.14: *Projected Growth*

Growth Rate	2020	2025	2030	2035
Natural Growth	13,792	13,533	13,309	13,092
0.25%	13,792	13,798	13,971	14,147
0.50%	13,792	14,140	14,497	14,863

Source: US Census Bureau; RDG Planning & Design

- Figure F.14 illustrates two growth scenarios, both modest projections compared to Bedford's historic patterns. A 0.5% annual growth rate will be used to project housing demand, a rate that creates a housing demand that is attainable for the city.

- Bedford household income would indicate continued demand for housing priced below what is needed to support new construction. However, the city has a large supply of older units or naturally occurring affordable units that can meet much of this demand. Offering options to households living in those units that better meet their stage of life is one important way to addressing the housing needs in the community.

Housing Demand Analysis

- The housing demand model (Figure F.15) is based on an aspirational 0.5% annual growth rate, stable 2.11 people per household, a declining vacancy, and conversion or demolition of approximately five units annually. The vacancy rate could potentially decrease further if the city and owners take more aggressive action to remove dilapidated structures and convert older housing back to ownership.

- By 2035, Bedford would need to produce approximately 33 units annually or a total of 428 units to continue to support population growth. Although building data was not provided by the city, this rate would appear to be greater than that experienced in the last decade, but necessary to support pent-up demand and modest growth.

FIGURE F.15: *Housing Demand Summary*

	2020	2023-2030	2030-2035	Total
Population at End of Period	13,792	14,497	14,863	
Household Population at End of Period	13,217	13,893	14,244	
Average People Per Household	2.11	2.11	2.11	
Household Demand at End of Period	6,264	6,584	6,751	
Projected Vacancy Rate	9.8%	9.0%	8.5%	
Unit Needs at End of Period	6,943	7,233	7,376	
Replacement Need (total lost units)		40	25	65
Cumulative Need During Period		261	167	428
Average Annual Construction		33	33	33

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

Source: RDG Planning & Design

Housing Gaps

To better understand the gaps in housing that stakeholders noted in 2019, a comparison between household incomes and appropriately priced units can be made. Figure F.16 compares the number of households in an income range with the number of units that would be affordable to that household.

- The American Community Survey is estimating that the number of households making less than $25,000 has increased since 2019, which could potentially be accurate with the aging population. However, the Survey is also estimating that the number of units affordable to this income range has also increased. This is less likely and indicates that the data does not reflect housing cost increases in the last three years. It would seem more likely that these households have fewer housing options.

- In general terms, the data is likely correct in the indication that there are a number of higher income house-holds living in housing units that are well below their means.

FIGURE F.16: *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	1,812	>$60,000	621	$0-499	927	1,548	-264
$25,000-49,999	1,523	$60,000-124,999	1,940	$500-999	1,132	3,072	1,549
$50,000-74,999	1,050	$125,000-199,999	956	$1,000-1,499	37	993	-57
$75-99,999	763	$200,000-249,999	274	$1,500-1,999	9	283	-480
$100-149,999	728	$250,000-399,999	277	$2,000-2,999	0	277	-451
$150,000+	395	$400,000+	98	$3000+	0	98	-297

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

Housing Development Program

Building on the housing demand model, the development program forecasts production targets based on a 60/40 split between owner- and renter-occupied. This split should support the needed mix of owner and renter options that stakeholders noted in 2019.

- The demand for units priced below $130,000 will likely be met by the city's existing housing stock or products that do not fit the traditional detached single-family homes, or the production of higher priced units that allows households to move up.

- Enough demand exists to support new market rate rentals and even some mixed income rentals. Over 35% of new units should be priced over $1,000 a month and even more can likely be supported as higher income renters can move to units that better fit their needs.

Figure F.17: *Housing Development Program*

Total Owner-Occupied	2023-2030	2030-2035	Total
Affordable Low: <$125k	53	34	86
Affordable Moderate: $125-$200k	37	24	60
Moderate Market: $200-$250k	27 } 157	17 } 100	44 } 257
Market: $250-350k	26	16	42
High Market: Over $350k	14	9	23
Total Renter-Occupied	**2023-2030**	**2030-2035**	**Total**
Low: Less than $500	37	23	60
Affordable: $500-$1,000	31 } 104	20 } 67	51 } 171
Market: $1,000-$1,500	21	14	35
High Market: $1,500+	15	10	25
Total Need	261	167	428

Source: RDG Planning & Design