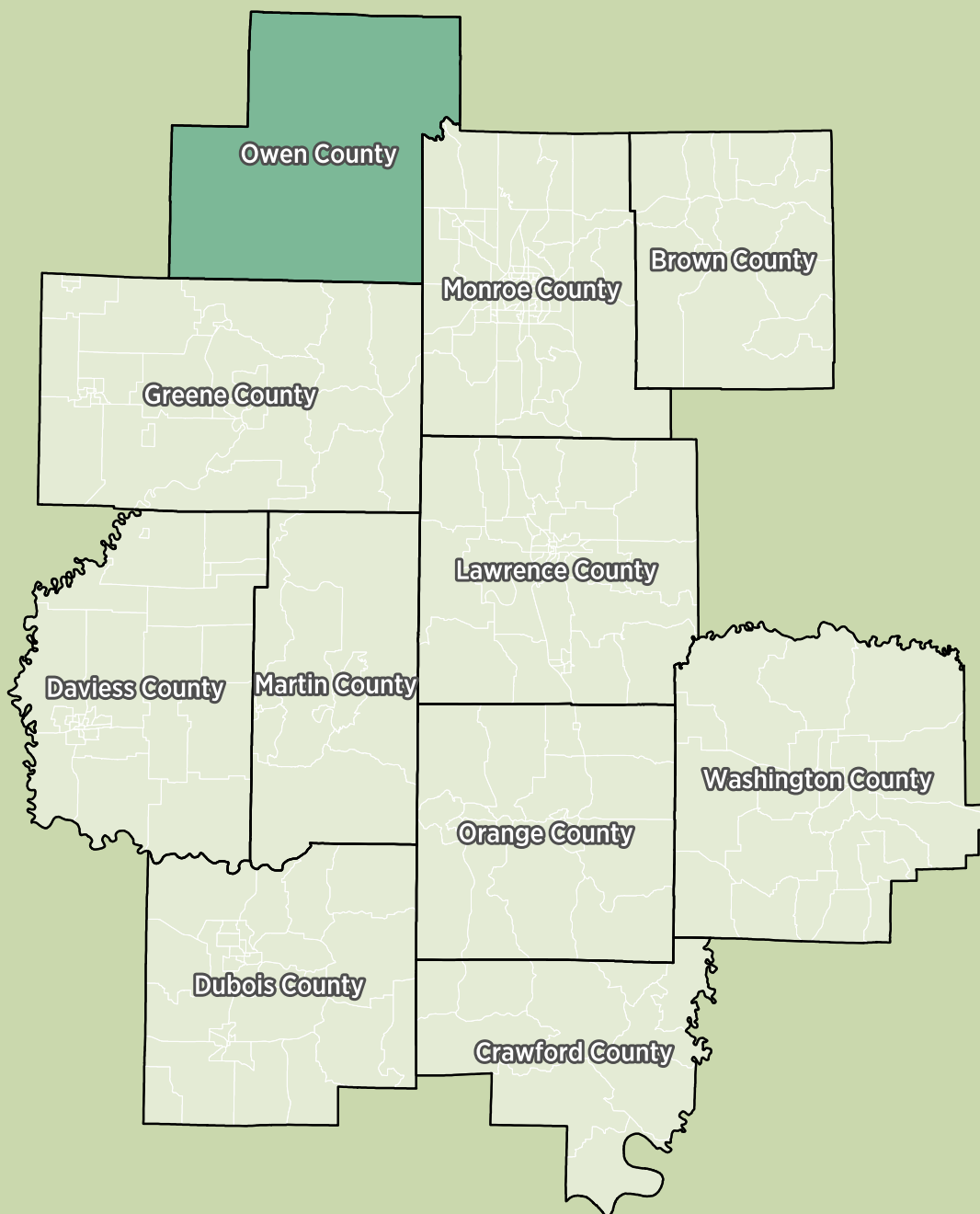


# ADDENDUM 2.J

## OWEN COUNTY

*This section provides an updated overview of the issues and opportunities related to housing within Owen 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 [regionalsoportunityinc.org/housing](https://regionalsoportunityinc.org/housing).



## Population Characteristics

**Historic Trends.** After four decades of population gain, Owen has struggled to maintain population the last twenty years.

- Owen County has not experienced a steep decline in population like other rural counties across the country but has struggled to maintain population.
- Future growth will have to capitalize by adding jobs and marketing to remote workers in the region or even Indianapolis.

**Predicted vs Actual.** The county's population loss does not appear to be the result of a significant out-migration.

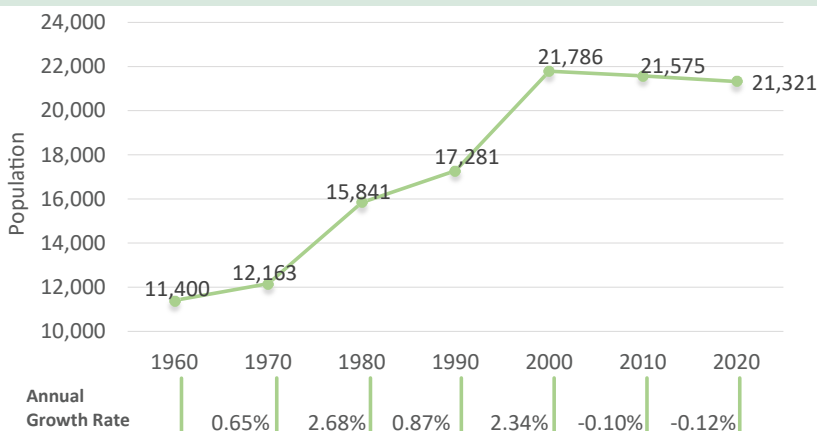
- There were only 54 fewer residents than predicted in 2020, indicating that much of the county's population decline occurred due to deaths and aging population.
- The county did capture more residents than predicted for those between the ages of 35 and 74.
- The county appears to struggle to keep young households (20-34) but higher birthrates have sustained the younger age range.

### Population Loss Can Reverse.

Although the county has lost population in the last two decades, job opportunities in the region remain strong with the potential to support growth (see Figure J.3).

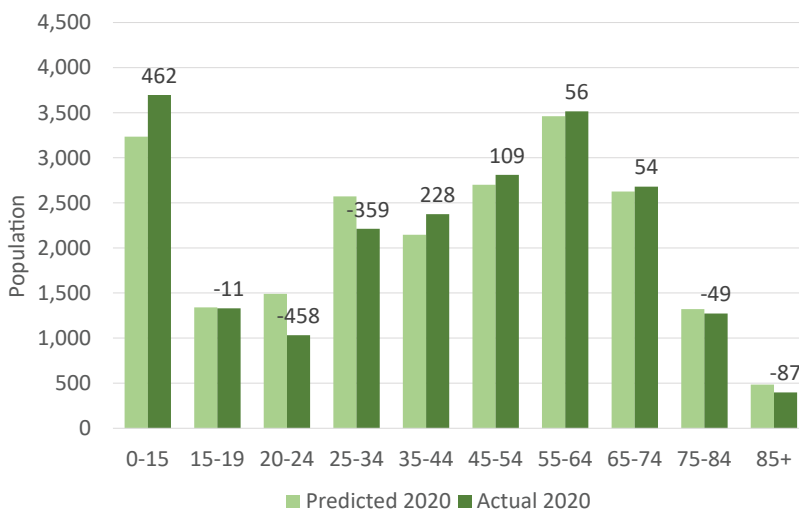
- If the county can reverse historic trends and capture even a modest 0.7% annual growth rate, it could grow to nearly 23,682 by 2035.

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



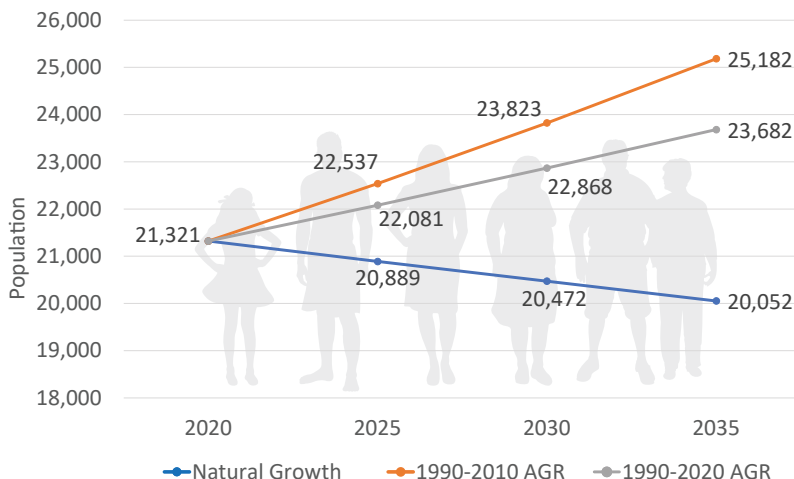
Source: 2020 US Census Bureau; RDG Planning & Design

**FIGURE J.2: 2020 Predicted vs Actual Population**



Source: 2020 US Census Bureau

**FIGURE J.3: Future Growth Rate Scenarios**



AGR - Average Growth Rate

Source: 2020 US Census Bureau; RDG Planning & Design

## Economic Characteristics

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

- The top five industries that employ residents have not changed since 2019.
- There was a slight increase in the number of employed residents and the most growth occurred in Construction and Transportation.

**Commuting Patterns.** Figure J.5 illustrates commuting patterns of residents and employees of Owen County:

- The number of residents living and working in Owen County appears to have increased.
- Almost 32% of residents find work that is located outside of the county. With additional housing options out commuters could grow for the county.

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

- Owen County's median household income appears to have increased since 2019 but Spencer has been flat.
- With smaller sample sizes, like that in Spencer, the margin of error on income estimates can vary by thousands of dollars.
- It would appear that many of the county's higher income households live outside incorporated areas.

**FIGURE J.4: Employment By Industry**

Manufacturing 2,170   22.20%	Educational Services, Health Care, Social Assistance 1,907   19.50%	Construction 1,315   13.40%	Transportation & Warehousing, Utilities 755   7.70%	Retail Trade 679   6.90%
Entertainment, Recreation, Arts, Accommodation, Food Services 660   6.70%	Professional, Scientific, Management, Administration 593   6.10%	Other Services, Except Public Administration 483   4.90%	Finance, Insurance, Real Estate, Rental & Leasing 424   4.30%	Public Administration 337   3.40%
Agriculture, Forestry, Fishing, Hunting, Mining 286   2.90%	Information 114   1.20%	Wholesale Trade 73   0.70%	Civilian employed population 16 years and over 9,796	

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

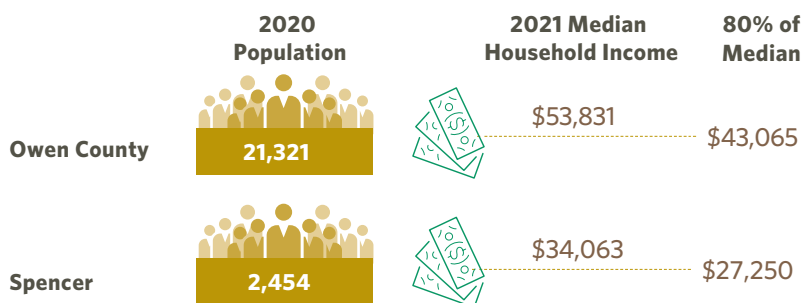
\*Number represents the number of people employed within the industry, percentage represents share of all workers within the industry

**FIGURE J.5: 2021 Commuting Patterns**



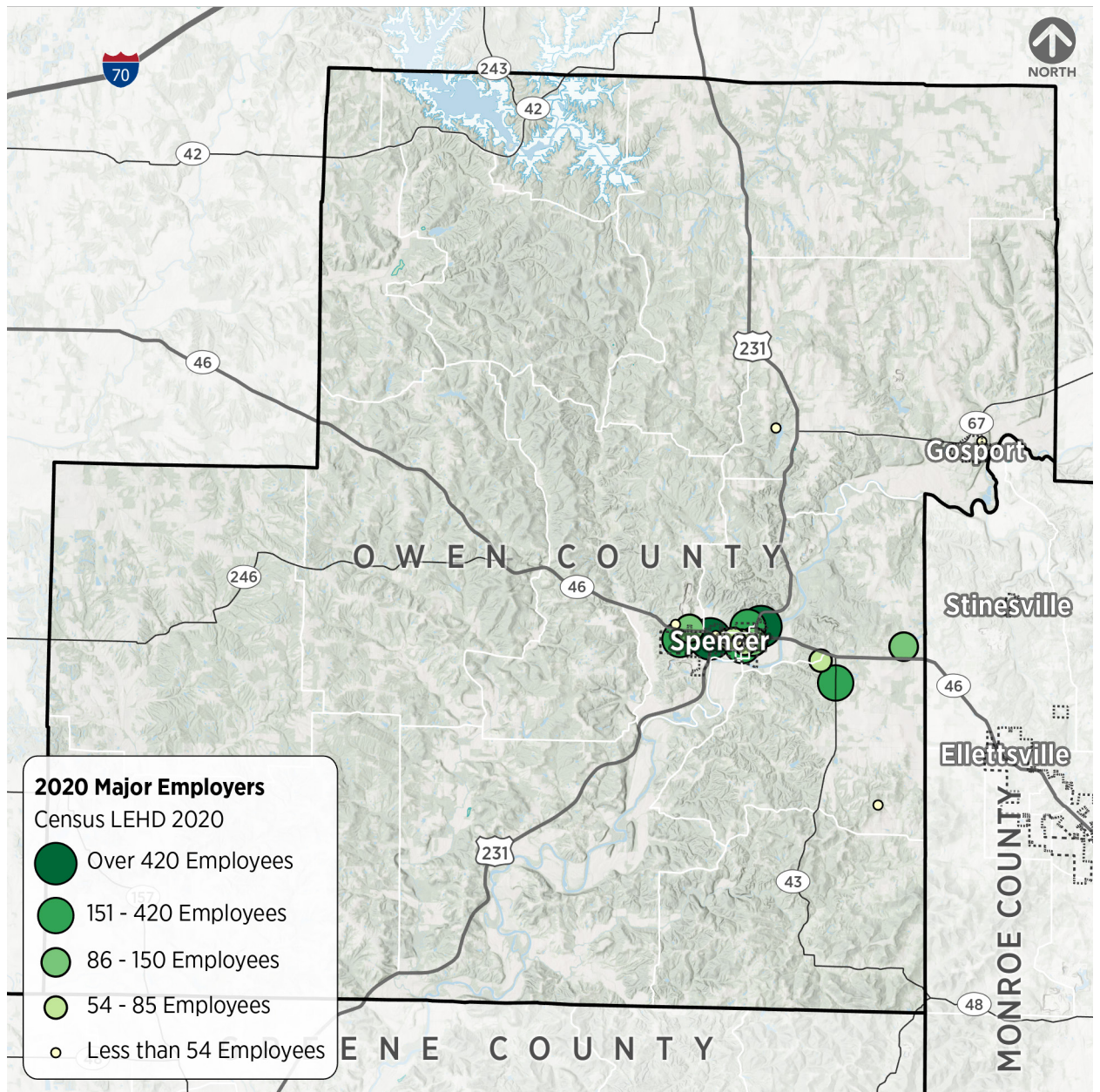
Source: 2021 STATS Indiana

**FIGURE J.6: Household Income**



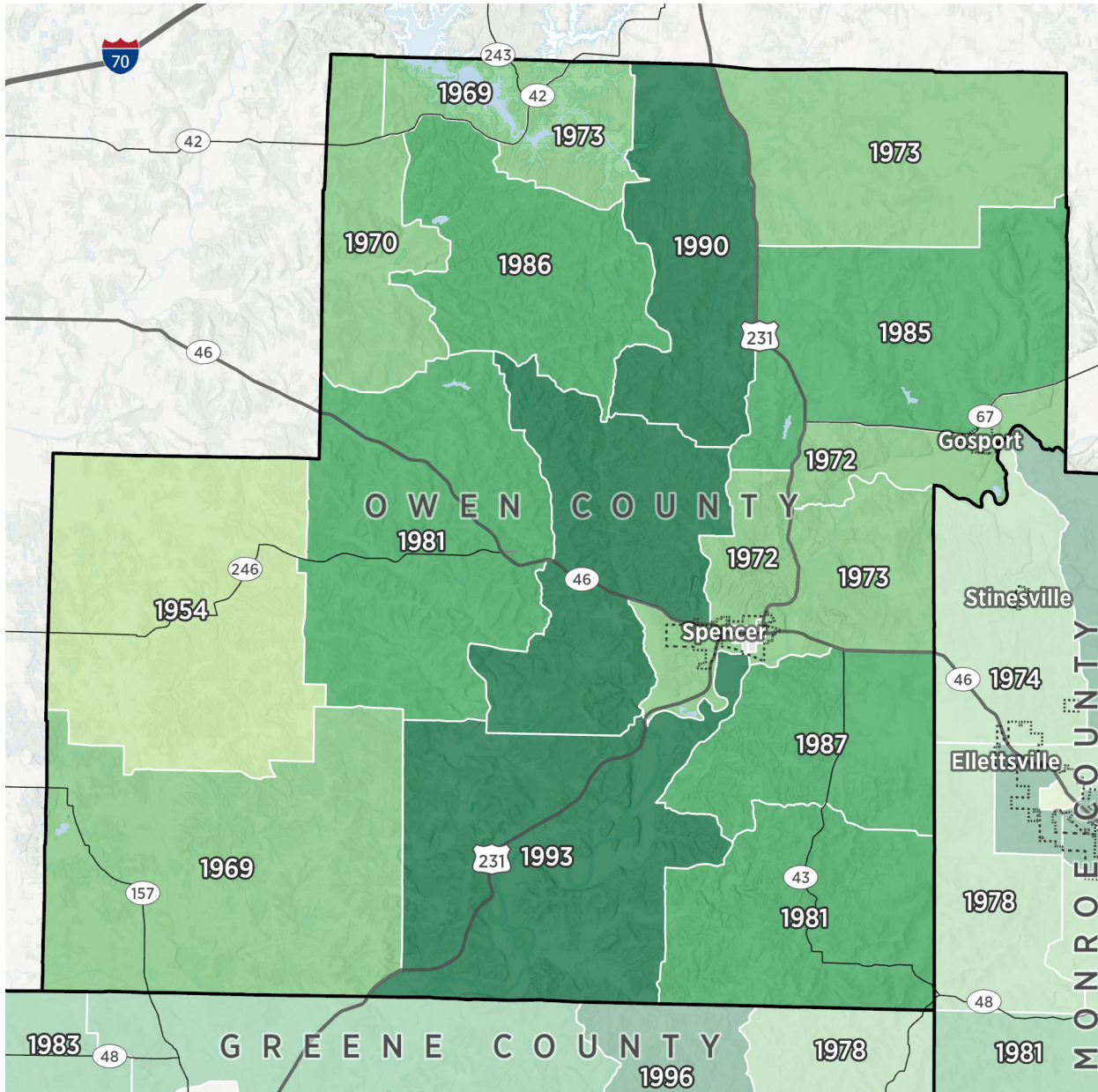
Source: 2021 American Community Survey (5-Year Estimates)

Map J.1: Employers by Size

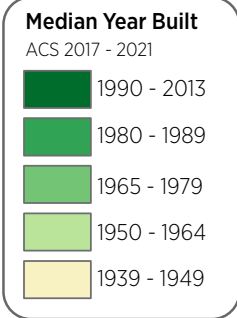


Source: 2020 Census Longitudinal Employer-Household Dynamics (LEHD)

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



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



- Spencer has some of the oldest housing in the county, which as one of the oldest settlements in the county that would be expected. These homes are important to offering entry level housing options to those making the county's median household income or less.

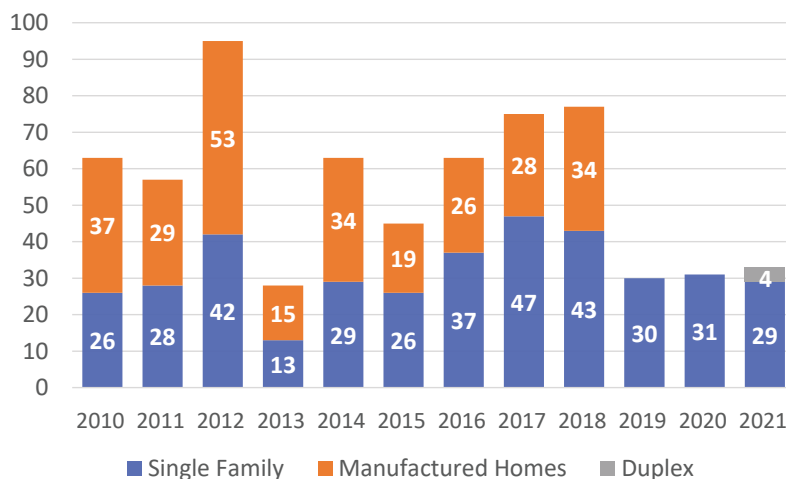
## Housing Characteristics

### Housing Age and Building

**History.** Figure J.7 shows the construction activity in Owen County since 2010.

- From 2010 to 2019, Owen County added approximately 59 units annually.
- This level of production was not enough to support new growth but likely supported smaller households and removal of dilapidated units.
- In many years, manufactured housing accounted for 50% or more of the new housing stock. These units can be a good source of affordable housing but more diversity is needed in the market.

**FIGURE J.7: Residential Building Permit History**



Source: Owen County Building Department

**Housing Occupancy.** Figure J.8 illustrates the change in housing occupancy since 2000 and Map J.3 illustrates average household size.

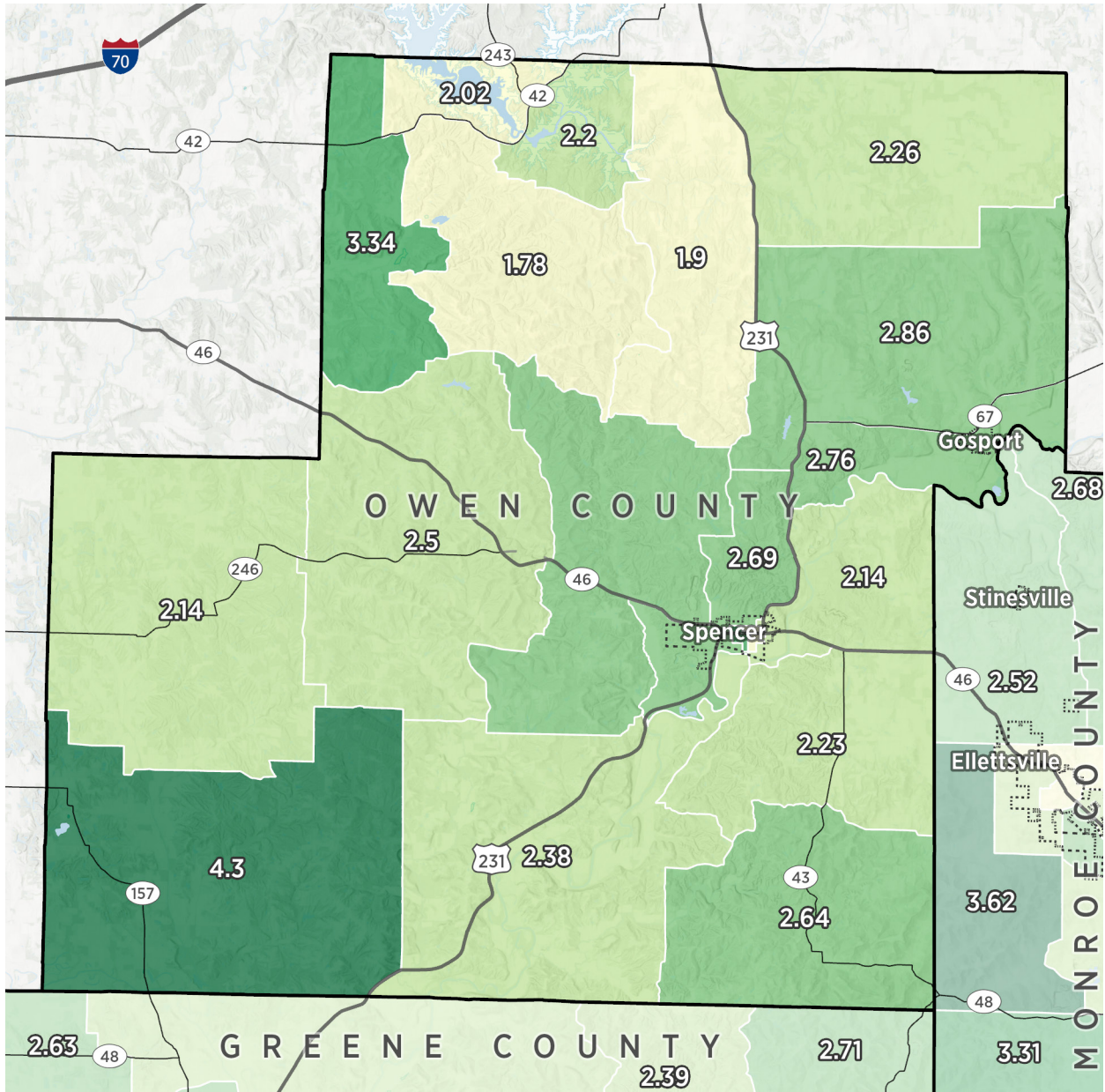
- The decline in total units was driven by the loss of vacant units.
  - » The decline in the number of vacant units is a good sign. Removal of dilapidated structures and occupancy of existing units should support future growth along with new construction.
- The county has the lowest renter-occupancy rate in the region. This may signal issues for workers and new residents looking to rent.

**FIGURE J.8: Occupancy Status**

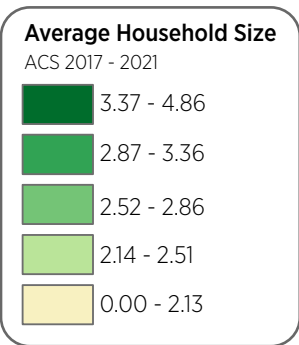
Occupancy	2000		2020		Change 2000-2020
	Number	% of Occupied Units	Number	% of Occupied Units	
<b>Owner-Occupied</b>	6,759	81.60%	6,954	80.40%	195
<b>Renter-Occupied</b>	1,523	18.40%	1,691	19.60%	168
<b>Total Vacant</b>	1,571		1,150		-421
<b>Vacancy rate</b>	15.90%		11.70%		
<b>Total Units</b>	9,853		9,795		-58

Source: US Census Bureau

**Map J.3: People Per Household**

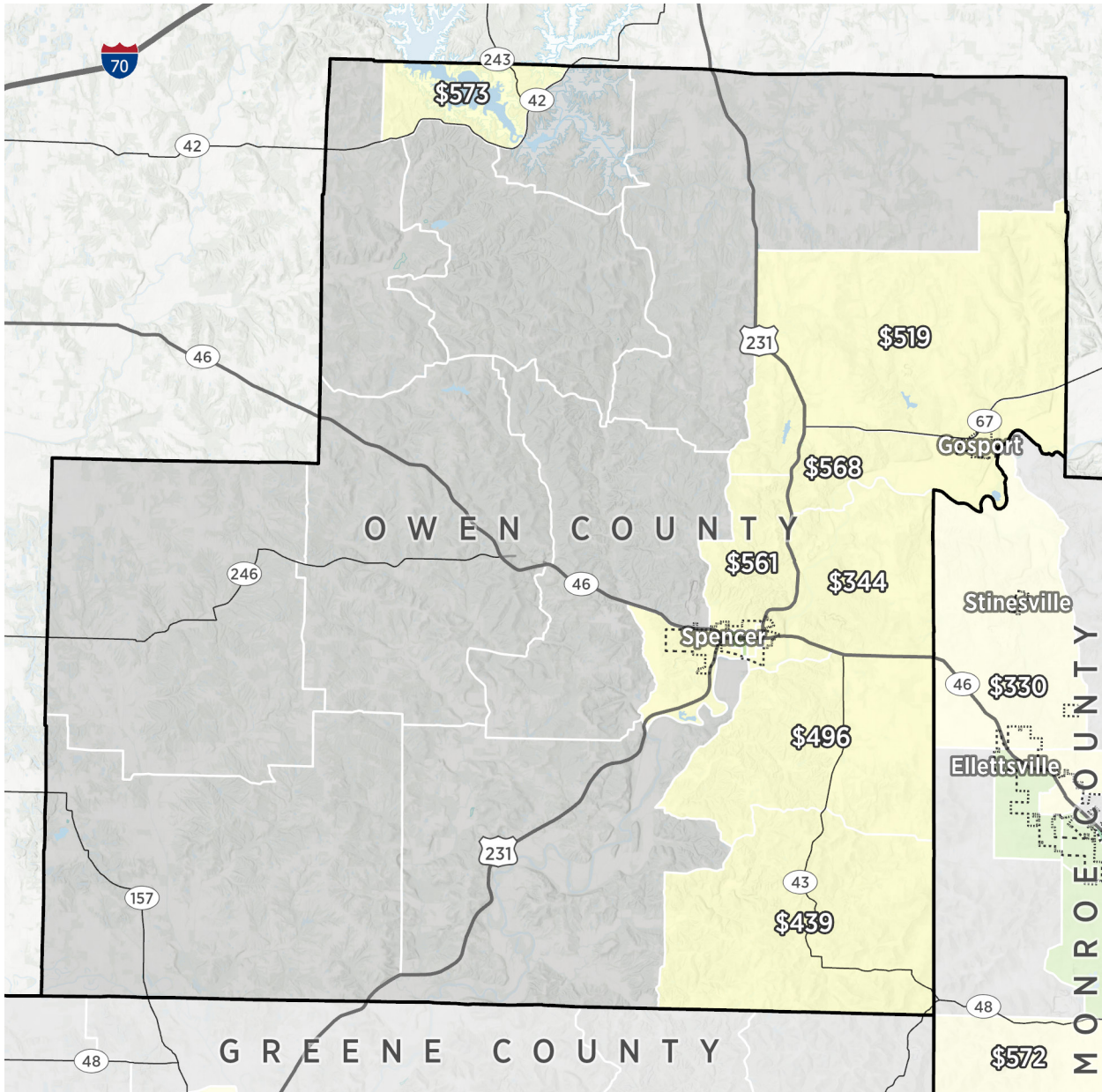


Source: 2021 American Community Survey (5-Year Estimates)



- 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.
- Owen County has an older population, reflective of the smaller household sizes.

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



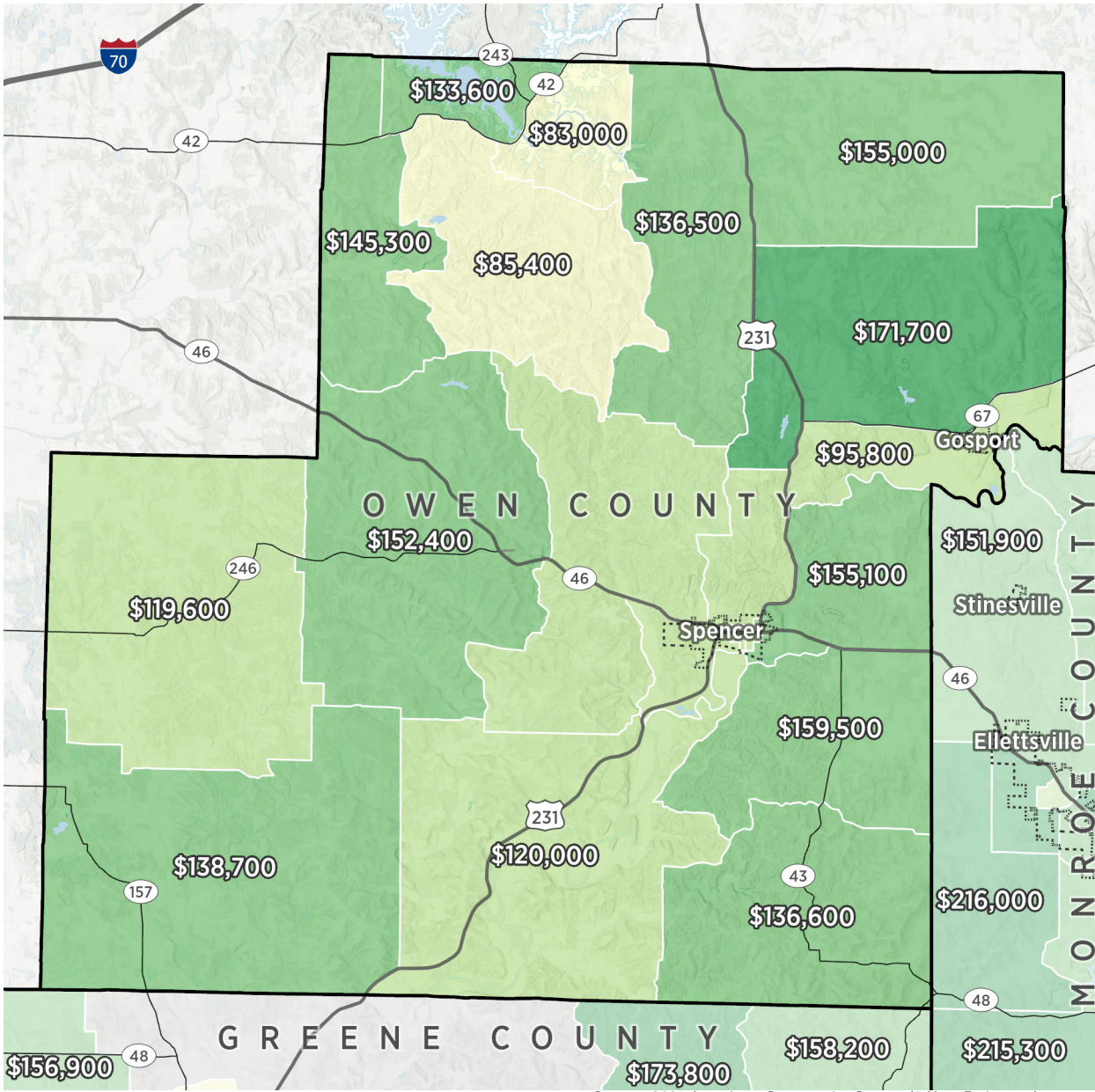
Source: 2021 American Community Survey (5-Year Estimates)



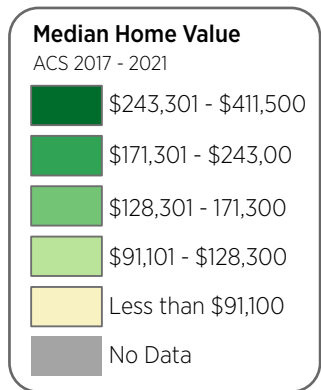
- "Contract Rent" is defined by the Census as monthly rent not including furnishings, utilities, or services.



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

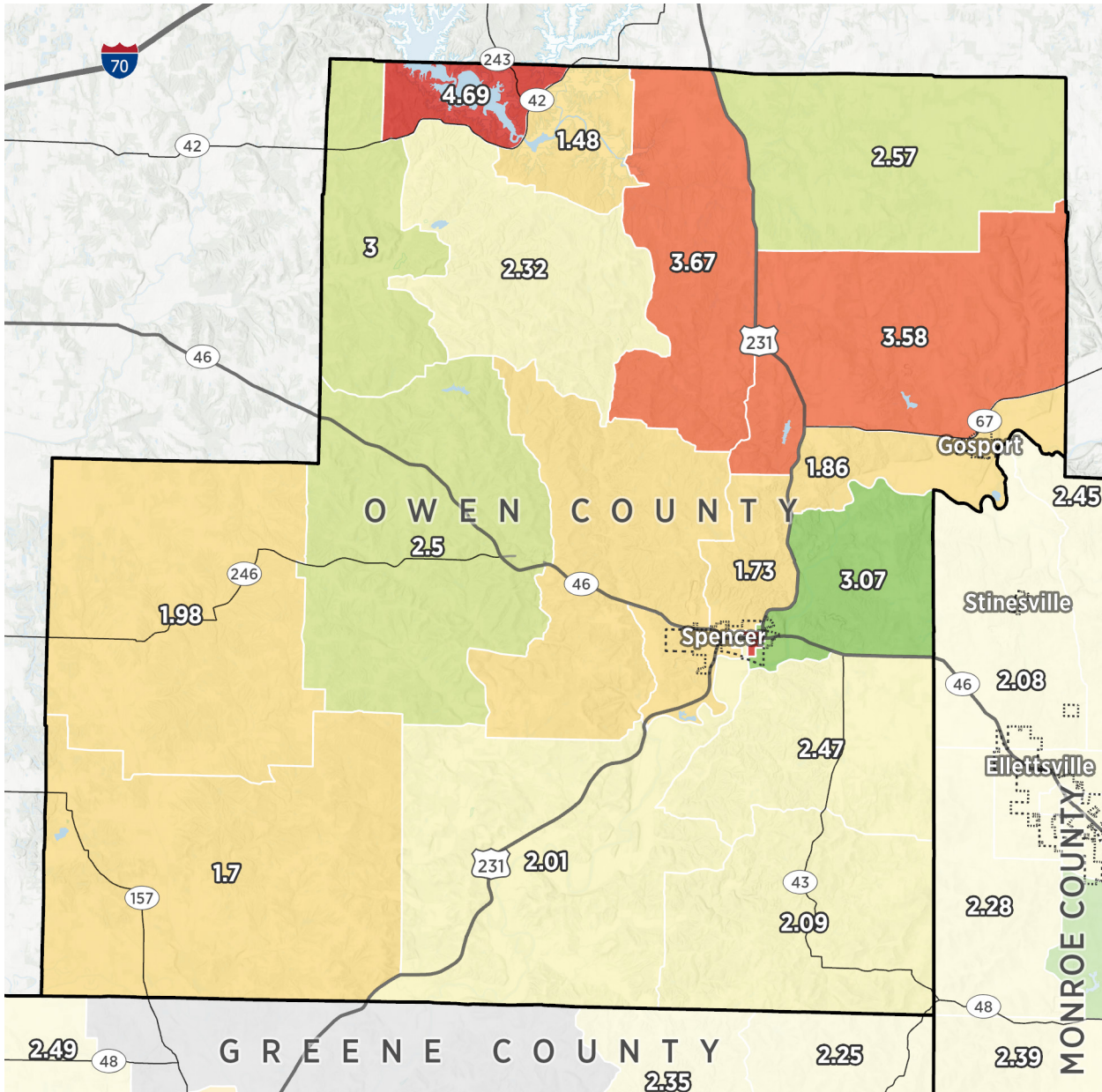


Source: 2021 American Community Survey (5-Year Estimates)

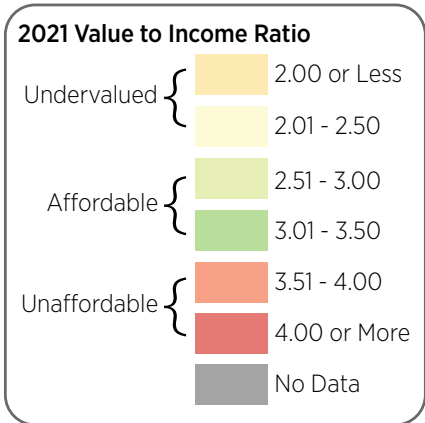


- Almost all areas of Owen County have experienced appreciation in home values but some areas remain at levels that could make new construction challenging.

**Map J.6: Value to Income Ratio**



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 rate between 2.5 and 3.
- Ratios below 2.0 are significantly undervalued relative to income and make it difficult to support new construction costs.
- Ratios above 3.0 exhibit significant unaffordability issues.
- Areas around lakes often attract retirees resulting in higher value to income ratios. These households often use capital from an existing home and net worth rather than annual income to purchase a home.

**Costs and Incomes.** Traditionally, households spending more than 30% of their income on housing are cost burdened.

- The percentage of cost burdened rental households has increased over the last several years.
  - » Median contract rents remains very low but more renters appear to be cost burdened today than in 2019.
- Home values have increased, which should create a stronger and more appealing investment market.
  - » Despite increases in values, many owners in 2020 and 2021 leveraged record low interest rates to lower their housing costs.
  - » The value to income has increased slightly since 2019 but remains at a healthy level.

**FIGURE J.9: Owen 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
\$53,831	\$551	45.76%	17.15%	\$134,500	2.50

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

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

- A shortage of housing for those making over \$50,000 has grown since 2019.
- New rental housing will likely require rents over \$900 a month due to land and material costs, but there are very few of these options in the market. These units are important for professionals looking to rent when they first arrive to a community.
  - » The margin of error in any of this data likely has little impact on the overall trends illustrated in Figure J.10. Median sale price hit \$220,000 in 2022 (Figure J.11), and this reflects just over 200 homes sold in that year or less than 3% of the total owner-occupied housing stock.

**FIGURE J.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	1,694	>\$60,000	1,040	\$0-499	662	1,702	8
\$25,000-49,999	2,195	\$60,000-124,999	2,054	\$500-999	1,054	3,108	913
\$50,000-74,999	1,941	\$125,000-199,999	1,646	\$1,000-1,499	10	1,656	-285
\$75-99,999	1,067	\$200,000-249,999	876	\$1,500-1,999	0	876	-191
\$100-149,999	1,097	\$250,000-399,999	848	\$2,000-2,999	0	848	-249
\$150,000+	450	\$400,000+	254	\$3000+	0	254	-196

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

**Home Sales.** The number of homes being listed in the last three years is the lowest in the last decade.

- With fewer listings, homes are selling faster and at higher price points.
- The demand for housing, illustrated by the declining days on market, appears to have increased in the middle part of the decade when listings and days on market declined.
- Median sale prices represents only the homes sold in a year, not the full market.

**FIGURE J.11: Home Sales, Owen County**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	% Change
<b>Listings</b>	297	272	332	297	278	267	244	231	214	227	211	86
<b>Median Days on Market</b>	74	75	63	58	47	44	43	44	38	39	35	
<b>Median List Price</b>	114K	109K	119K	118K	125K	135K	145K	150K	170K	190K	240K	53%
<b>Median Sale Price</b>	67K	85K	89K	98K	111K	121K	135K	145K	161K	178K	220K	69%

Source: 2022 MLS;

**Housing Demand Analysis.** The housing demand model assumes that the job potential and investments opportunities for Owen County in 2019 have not changed and therefore the county can grow with the support of additional housing. Figure J.12 shows the factors determining the forecast:

- A nearly three-quarter percent annual growth rate, similar to that experienced since 1990.
- A higher people per household rate than estimated in 2019.

In 2019, it was estimated that the county should be producing over 100 units annually. Building permit activity has only averaged 55 units annually since 2010 and many of those units were manufactured homes resulting in very little variety in the market.

- A building rate of over 80 units annually should include greater housing variety.
- An assessment of the vacancy rate should also be completed. The vacancy rate would appear to be high even though demand for housing exists. These units are likely not viable or even available and therefore should be removed from the count. If they are viable, then they should be targeted for reinvestment and put back on the market.

**FIGURE J.12: Housing Demand Summary**

	2020	2023-2030	2030-2035	Total
<b>Population at End of Period</b>	21,321	22,868	23,682	
<b>Household Population at End of Period</b>	21,126	22,674	23,482	
<b>Average People Per Household</b>	2.50	2.50	2.50	
<b>Household Demand at End of Period</b>	8,451	9,070	9,393	
<b>Projected Vacancy Rate</b>	11.7%	11.7%	11.7%	
<b>Unit Needs at End of Period</b>	9,575	10,276	10,642	
<b>Replacement Need (total lost units)</b>		80	50	130
<b>Cumulative Need During Period</b>		638	416	1,055
<b>Average Annual Construction</b>		80	83	81

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

**Housing Development Program.** Figure J.13 distributes the forecasted demand by price point based on the 2020 distribution of household incomes in Owen 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.
- Based on current proportion of household income, an additional 438 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, potentially through the conversion of single-family homes converting from owner to renter occupancy.
  - » Construction of higher priced units that allow existing households to make the next step up.
- The 119 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 43% of the rental housing that is needed will support what many in Owen County would consider high market rate construction.
  - » Like ownership demand, many of the below market rate units exist in the county’s older rental housing stock.

**FIGURE J.13: Housing Development Program**

Total Owner-Occupied	2023-2030	2030-2035	Total
Affordable Low: <\$125k	104	81	185
Affordable Moderate: \$125-\$200k	92	72	164
Moderate Market: \$200-\$250k	50	39	89
Market: \$250-350k	52	41	93
High Market: Over \$350k	21	17	38
	319	251	569
Total Renter-Occupied	2023-2030	2030-2035	Total
Low: Less than \$500	78	42	120
Affordable: \$500-\$1,000	102	53	155
Market: \$1,000-\$1,500	90	47	137
High Market: \$1,500+	49	25	74
	319	166	486
Total Need	638	416	1,055

Source: RDG Planning & Design