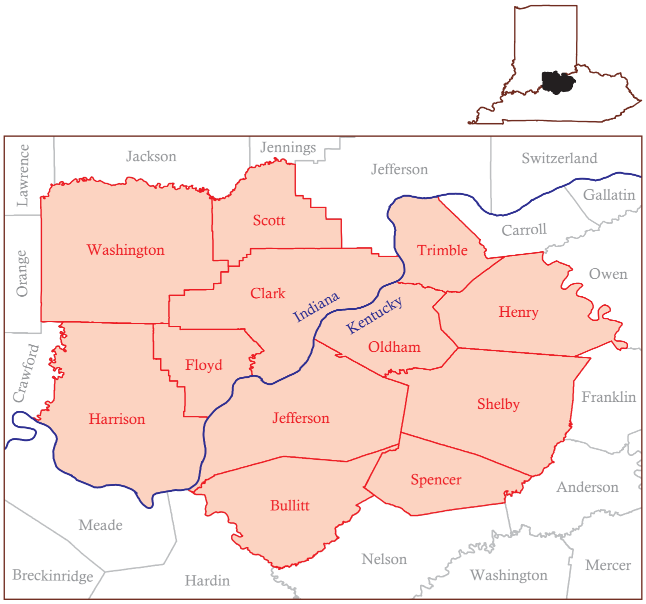
COMPREHENSIVE HOUSING MARKET ANALYSIS

Louisville, Kentucky-Indiana

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of September 1, 2016

PD&R



Housing Market Area

The Louisville Housing Market Area (hereafter, Louisville HMA), in northern Kentucky and southern Indiana, is coterminous with the Louisville/Jefferson County, KY-IN Metropolitan Statistical Area. For the purpose of this analysis, the HMA is divided into three submarkets: the Louisville submarket, comprising Jefferson County, Kentucky, which includes the city of Louisville; the Kentucky submarket, made up of the Kentucky counties Bullitt, Henry, Oldham, Shelby, Spencer, and Trimble; and the Indiana submarket, consisting of Clark, Floyd, Harrison, Scott, and Washington Counties in Indiana. The Louisville HMA is known for producing the Louisville Slugger, hosting the Kentucky Derby, and being home to numerous bourbon distilleries.

Summary

Economy

Economic conditions remained strong in the Louisville HMA during the past 12 months, continuing a trend that began at the end of 2010. During the 12 months ending August 2016, year-over-year nonfarm payroll growth increased to 16,800 jobs, or 2.6 percent, from 16,000 jobs, or 2.6 percent, during the previous 12-month period. The wholesale and retail trade sector is the largest employment sector in the HMA, accounting for nearly 15 percent of all jobs. During the next 3 years, nonfarm payrolls are expected to increase by an average of 17,200 jobs, or 2.6 percent, annually.

Sales Market

Sales housing market conditions in the HMA are balanced, with an estimated vacancy rate of 1.9 percent, down from 2.5 percent in April 2010. During the 3-year forecast period, demand is expected for approximately 6,200 new homes in the HMA (Table 1). The 1,450 homes currently under construction will meet a portion of this demand. In addition, a portion of the estimated 21,500 other vacant units likely will reenter the market and satisfy some of the demand.

Rental Market

Rental housing market conditions are currently slightly soft in the HMA, with an estimated vacancy rate of 8.4 percent, down from 9.4 percent in April 2010. Apartment market conditions are balanced with a vacancy rate of 3.7 percent during the second quarter of 2016, down from 4.8 percent during the second quarter of 2015 (MPF Research). During the next 3 years, demand is expected for an additional 3,165 rental units (Table 1). The 1,985 units currently under construction will satisfy some of this demand.

Market Details

Table 1. Housing Demand in the Louisville HMA During the Forecast Period

	Louisville HMA		Louisville Submarket		Kentucky Submarket		Indiana Submarket	
	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units
Total demand	6,200	3,165	2,400	2,525	1,875	0	1,925	640
Under construction	1,450	1,985	500	1,575	560	220	390	190

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of September 1, 2016. A portion of the estimated 21,500 other vacant units in the HMA will likely satisfy some of the forecast demand. Sales demand includes an estimated demand for 20 mobile homes. The forecast period is September 1, 2016, to September 1, 2019.

Source: Estimates by analyst

Economic Conditions

Following 3 years of decline, nonfarm payrolls in the Louisville HMA began to rebound during the end of 2010 and continued to increase during the past 12 months. During the 12 months ending August 2016, nonfarm payrolls increased by 16,800 jobs, or 2.6 percent, from the previous 12 months, to 653,400 jobs (Table 2). The unemployment rate decreased to 4.5 percent during this period, down from 4.9 percent during the previous 12 months (Figure 1). From 2001 through 2003, nonfarm payrolls declined by an average of 8,700 jobs, or 1.4 percent, annually as a result of the national recession. Job losses occurred in every sector except financial activities and education and health services, with the manufacturing sector, the wholesale and retail trade sector, and the transportation and utilities sector leading job losses by declining by an average of 4,700, 2,400 and 1,600 jobs, or 5.2, 2.4, and 4.0 percent, annually, respectively. Payrolls began to rebound in 2004 and increased by an average of 7,000 jobs, or 1.2 percent, annually from 2004 through 2007. The professional and business services and the transportation and utilities sectors led job growth, with average annual increases of 2,400 and 1,800 jobs, or 3.6 and 4.6 percent, respectively. In 2006, United Parcel Service, Inc. (or UPS), the largest package delivery company in the world and the largest employer in the HMA (Table 3), announced it was doing a more than $1 billion expansion of its Worldport package and handling hub, adding approximately 1,300 full-time and 3,800 part-time jobs in the city of Louisville. As the HMA was hit with the national recession of the late 2000s, the number of

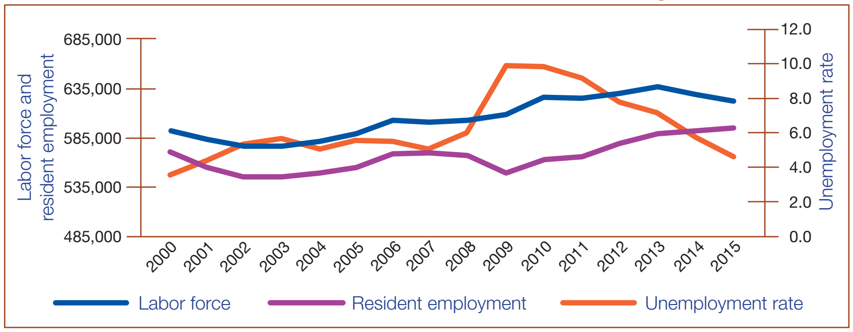
Table 2. 12-Month Average Nonfarm Payroll Jobs in the Louisville HMA, by Sector

	12 Months Ending		Absolute Change	Percent Change
	August 2015	August 2016		
Total nonfarm payroll jobs	636,600	653,400	16,800	2.6
Goods-producing sectors	103,200	107,500	4,300	4.2
Mining, logging, & construction	28,000	29,200	1,200	4.3
Manufacturing	75,200	78,300	3,100	4.1
Service-providing sectors	533,400	545,900	12,500	2.3
Wholesale & retail trade	93,200	97,200	4,000	4.3
Transportation & utilities	46,500	48,200	1,700	3.7
Information	9,100	9,100	0	0.0
Financial activities	45,600	47,000	1,400	3.1
Professional & business services	83,300	86,200	2,900	3.5
Education & health services	85,700	89,900	4,200	4.9
Leisure & hospitality	66,000	67,200	1,200	1.8
Other services	24,800	25,000	200	0.8
Government	79,100	76,100	– 3,000	– 3.8

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through August 2015 and August 2016.

Source: U.S. Bureau of Labor Statistics

Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Louisville HMA, 2000 Through 2015



Source: U.S. Bureau of Labor Statistics

Table 3. Major Employers in the Louisville HMA

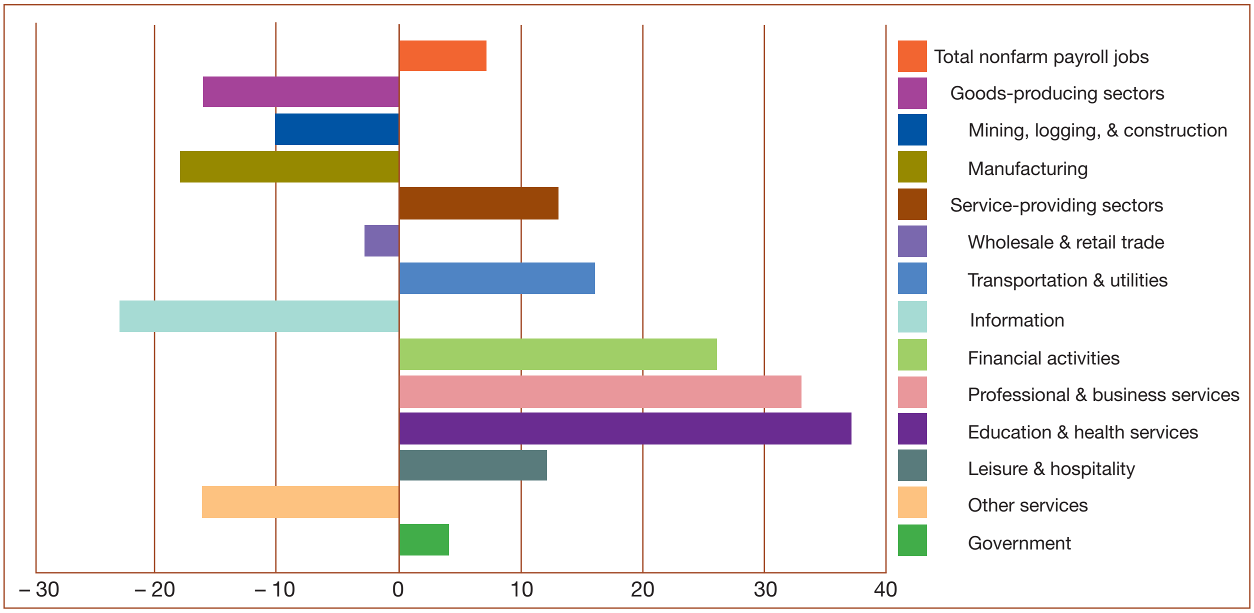
Name of Employer	Nonfarm Payroll Sector	Number of Employees
United Parcel Service Inc.	Transportation & utilities	22,100
Ford Motor Company	Manufacturing	13,000
Humana Inc.	Financial activities	12,500
Norton Healthcare	Education & health services	12,000
University of Louisville	Government	7,000
Louisville-Jefferson County Metro Government	Government	6,100
Amazon.com LLC	Wholesale & retail trade	6,000
General Electric Company	Manufacturing	6,000
KentuckyOne Health	Education & health services	6,000
Baptist Healthcare System Inc.	Education & health services	5,000

Note: Excludes local school districts.
Source: Louisville Business First

nonfarm payrolls began to decline in June 2008. From 2008 through 2010, payrolls declined by an average of 10,800 jobs, or 1.8 percent, annually, with the majority of losses occurring in 2009, when 26,000 jobs were lost. The manufacturing sector lost the greatest number of jobs in the HMA during this period, declining by an average of 4,800 jobs, or 6.8 percent, annually. Ford Motor Company, which has had a manufacturing facility the HMA since 1913, laid off nearly 760 employees in 2008 at its assembly plant in the city of Louisville. During the fourth quarter of 2010, the economy began to improve, and from 2011 through 2015, nonfarm payrolls increased by an average of 12,600 jobs, or 2.1 percent, annually, to 643,400, the highest level of employment since 2000. Growth in the service-providing sectors accounted for nearly 70 percent of growth during this period, with the greatest average annual increase in the professional and business services, the wholesale and retail trade, and the leisure and hospitality sectors, which rose by 2,700, 1,500, and 1,500 jobs, or 3.5, 1.7, and 2.5 percent, respectively. In 2013, eBay Enterprise, an online retailer, expanded its office in the city of Louisville, adding 150 permanent jobs.

During the 12 months ending August 2016, the education and health services sector led job growth with an increase of 4,200 jobs, or 4.9 percent, from the previous 12 months, to 89,900. As the second largest sector in the HMA, at 13.8 percent of payroll jobs, education and health services has been the fastest-growing sector in the HMA since 2000 (Figure 2) and the only sector to have added jobs each

Figure 2. Sector Growth in the Louisville HMA, Percentage Change, 2000 to Current

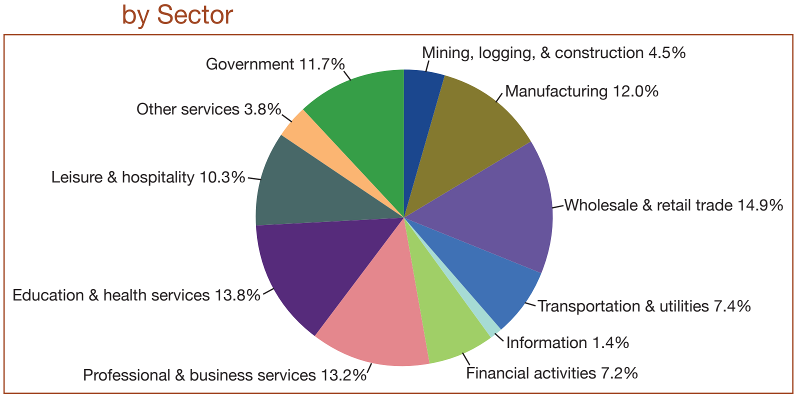


Note: Current is based on 12-month averages through August 2016.
Source: U.S. Bureau of Labor Statistics

year since 2001. Norton Healthcare is headquartered in the city of Louisville and is the fourth largest employer in the HMA with approximately 12,000 employees. Norton Healthcare has added approximately 1,150 new jobs during the past 4 years (Norton Healthcare).

The wholesale and retail trade sector, the largest employment sector in the HMA (Figure 3), and the manufacturing sector added the second and third highest number of jobs during the past 12 months. During the 12 months ending August 2016, 4,000 jobs were added in the wholesale and retail trade sector, reaching 97,200 jobs, a 4.3-percent increase from the previous 12 months. In July 2015, Amazon.com, Inc., an electronic commerce company, announced it would add an additional 700 jobs at its city of Jeffersonville fulfillment center and 500 jobs at its city of Shepherdsville fulfillment center. During the past 12 months, the manufacturing sector increased by an average of 3,100 jobs, or 4.1 percent, from the previous 12-month period, to 78,300. Distilleries in Kentucky produce 95 percent of the bourbon in the world and, in the past 3 years, the $3 billion Kentucky bourbon industry has doubled the size of its workforce and tripled the number of distilleries (WKJY-TV). The city of Louisville is home to 10 bourbon distilleries, 3 of which—Angel's Envy & Louisville Distilling Company, Brown-Forman Distillers Company, and Michter's Distillery—have opened or will open during 2016. In November

Figure 3. Current Nonfarm Payroll Jobs in the Louisville HMA, by Sector



Note: Based on 12-month averages through August 2016.
Source: U.S. Bureau of Labor Statistics

2015, Ford Motor Company announced it was investing $1.3 billion in its Kentucky Truck Plant in Jefferson County and has begun hiring an expected 2,000 new workers in preparation for the new F-Series Super Duty trucks.

The government sector was the only sector to lose jobs during the past 12 months, continuing a declining trend that began in 2014. During the 12 months ending August 2016, the government sector fell by 3,000 jobs, or 3.8 percent, from the previous 12-month period to 76,100 jobs. Approximately 60 percent of the job loss was in the state government subsector which lost 1,800 jobs, a 9.3-percent decline from the previous 12 months as a result of statewide budget cuts in Kentucky. The University of Louisville (UofL) is the fifth largest employer in the HMA and the largest government-sector employer (excluding local school districts) with nearly 7,000 faculty and staff. Despite losses in the government sector, current employment at UofL increased nearly 2 percent from the 2014–15 school year. UofL has an annual economic impact of more than $1.8 billion on the state (*The Lane Report*, 2015).

Nonfarm payrolls are expected to increase at a relatively constant rate during the next 3 years, averaging growth of 17,200 jobs, or 2.6 percent, annually, to 705,000 jobs. The education and health services sector and manufacturing sector are expected to continue to lead in job growth during the 3-year forecast period. Kindred Healthcare, Inc., is expanding its downtown Louisville headquarters, which is expected to add 500 jobs during the next 3 to 5 years. Three new distilleries are planning to start construction in the city of Louisville by 2018. The number of expected jobs to be added is not known at this time.

Population and Households

As of September 1, 2016, the estimated population of the Louisville HMA is 1.29 million, an increase of 7,850, or 0.6 percent, annually since 2010. Nearly 47 percent of the population growth in the HMA since 2010 has been from net in-migration, which has averaged 3,700 people annually. From 2003 to 2008, during a time of economic expansion, population grew moderately, increasing by an average of 13,050, or 1.1 percent, annually (U.S. Census Bureau population estimates as of July 1). Net in-migration accounted for 59 percent of population growth during this period, averaging 7,700 people annually. From 2008 to 2010, a period of economic decline, population growth slowed slightly to an average of 11,700, or 1.0 percent, annually, with net in-migration accounting for nearly 55 percent of the population growth, averaging 6,425 people annually. Since 2010, although the HMA has rebounded from the economic downturn, population growth has been slow, due in part to net in-migration slowing as residents moved to other parts of the country. During the next 3 years, the anticipated stabilization in nonfarm payrolls is expected to contribute to total population growth of 8,325, or

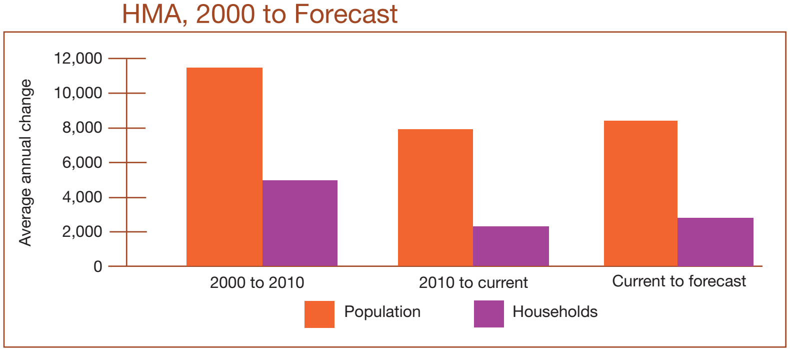
0.6 percent, annually (Figure 4). Figure 5 shows components of population change in the HMA from 2000 to the forecast date.

Nearly 60 percent of the population in the HMA resides in the Louisville submarket, which is the economic epicenter of the HMA and includes the city of Louisville. The population in the Louisville submarket is currently estimated at 767,100, an average increase of 4,050, or 0.5 percent, annually since April 2010. Population growth has declined from the average of 4,750, or 0.7 percent, annually from 2000 through 2010. From 2003 to 2008, population growth averaged an increase of 5,250, or 0.7 percent, during a time of positive economic growth, with net in-migration accounting for nearly 38 percent of growth. As the economic recession began at the end of 2008, population growth slowed, but remained relatively stable averaging 6,025, or 0.8 percent, annually from 2008 to 2010, with net in-migration increasing to 45 percent of population growth. During the next 3 years, population in the submarket is expected to increase by an average of 3,625, or 0.5 percent, annually.

Enrollment at UofL plays a role in the net in-migration to the Louisville submarket. In 2010, the enrollment was 22,290 students and increased to 22,367 students during the fall of 2015. Enrollment during 2015 was down, however, approximately 1 percent from 2014, which had the highest level of enrollment since 2010.

The population of the Kentucky submarket is currently estimated at 168,400, an average increase of 1,675, or 1.0 percent, annually since April 2010. Net in-migration has accounted for nearly 62 percent of population growth since 2010. From 2001 to 2007, population growth was fast in the submarket, averaging 3,300, or 2.4 percent, annually, the highest growth rate in the HMA. Housing affordability, relative to the Louisville submarket, attracted many people to this suburban submarket. Net in-migration averaged 2,475 people annually during this period. Population growth declined significantly from 2007 to 2010, to an average of 1,825, or 1.2 percent, annually with net in-migration averaging 1,125 people annually as economic conditions weakened. During the next 3 years, population in the submarket is expected to increase by an average of 1,800, or 1.1 percent, annually, remaining the fastest growth rate in the HMA.

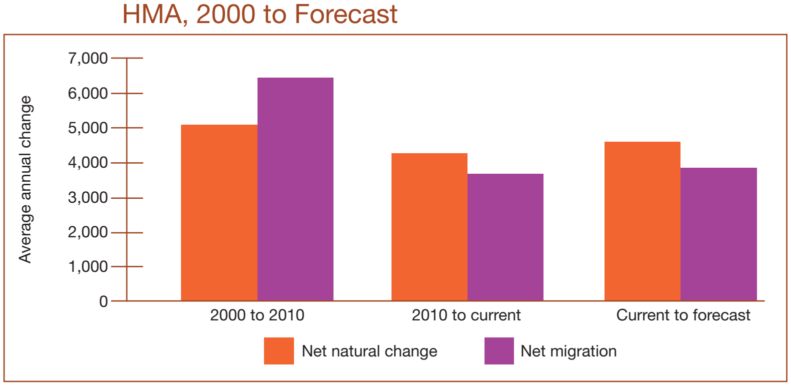
Figure 4. Population and Household Growth in the Louisville HMA, 2000 to Forecast



Note: The current date is September 1, 2016. The forecast date is September 1, 2019.

Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst

Figure 5. Components of Population Change in the Louisville HMA, 2000 to Forecast



Note: The current date is September 1, 2016. The forecast date is September 1, 2019.

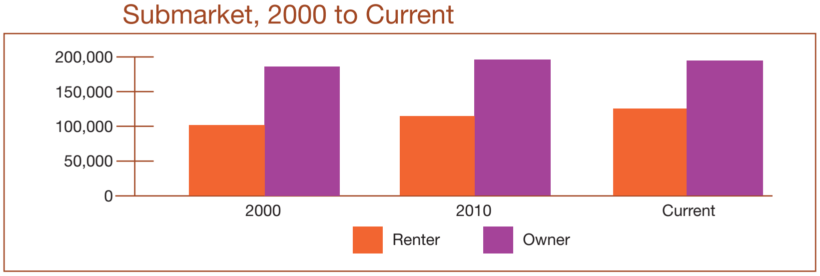
Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst

The Indiana submarket has an estimated current population of 351,000. The population increased from 2010 to the current date by an average of 2,200, or 0.6 percent, annually with net in-migration accounting for nearly 62 percent of growth. Population growth averaged 4,475, or 1.4 percent, from 2003 to 2008 and decreased to 2,975, or 0.9 percent, from 2008 to 2010 as the economy declined. During the next 3 years, population growth in the submarket is expected to increase by an average of 2,775, or 0.8 percent, annually.

Since 2000, renter households in the HMA have increased as homeownership has continued to decline. An estimated 511,100 households currently live in the HMA, an increase of 2,300, or 0.5 percent, since 2010, a decline from an increase of 4,875, or 1.0 percent, from 2000 to 2010 as the rate of population growth declined. Figure 6 illustrates the number of households by tenure in the Louisville submarket from 2000 to the current date. The homeownership rate in the HMA declined from 69.3 percent in 2000 to 67.9 percent in 2010. The decline has accelerated since 2010 to 65.9 percent currently, in part, because the preference to rent rather than buy a home has increased. Renter households have increased an average of 1.4 percent annually since 2010 to a current estimate of 174,300, accounting for nearly all household growth during the period. By comparison, renter households increased 1.5 percent annually from 2000 to 2010 and accounted for 45 percent of household growth during that period. During the 3-year forecast period, the number of households is expected to increase by an average of 2,675, or 0.5 percent, as the rate of population growth stabilizes. Tables DP-1, DP-2, DP-3, and DP-4 at the end of this report provide additional data on households for the HMA and the submarkets.

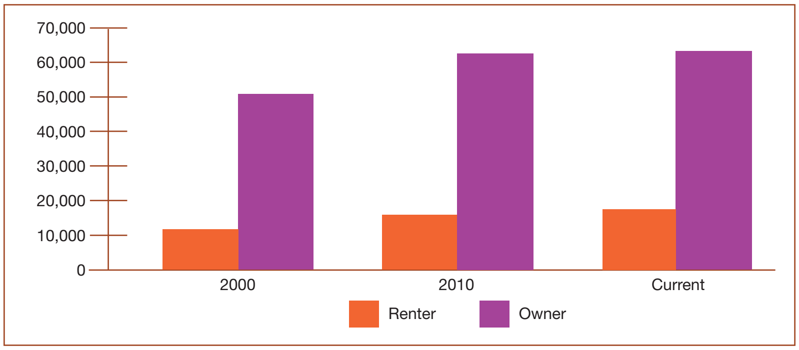
The Louisville submarket has an estimated 318,500 households, accounting for more than 62 percent of the households in the HMA. Household growth in the submarket declined from an average of 2,225 households, or 0.7 percent, annually from 2000 through 2010 to an average of 1,450 households, or 0.5 percent, annually from 2010 to the current date, following the same declining growth trend as population. The homeownership rate is currently 60.7 percent, the lowest in the HMA, as a result of the large amount of rental housing due to the presence of UofL. Like the HMA as a whole, the shift from ownership to renting expanded the number of renter households in the submarket 1.4 percent annually from 2010 to the current date, which accounted for virtually all the submarket household growth during the period. Household growth in the Kentucky submarket declined from 1,550 households, or 2.3 percent, annually from 2000 through 2010 to 370, or 0.5 percent, annually and again from 2010 to the current date to 80,350 households as a result of the significant decline in population growth. Figure 7 illustrates the number of households by tenure in the Kentucky submarket from 2000

Figure 6. Number of Households by Tenure in the Louisville Submarket, 2000 to Current



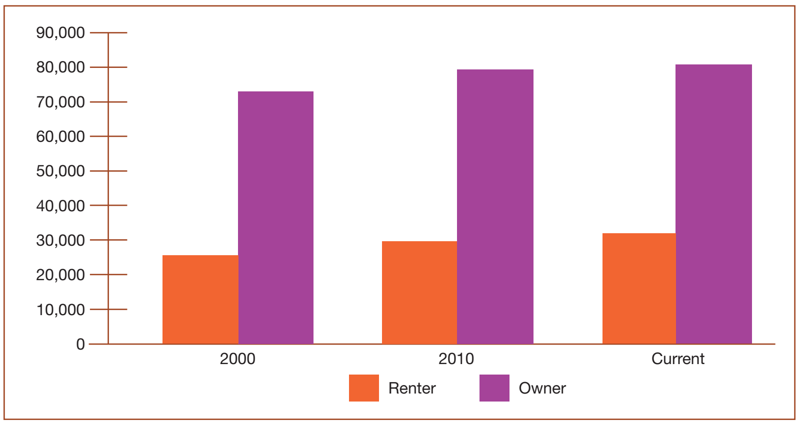
Note: The current date is September 1, 2016.
Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Figure 7. Number of Households by Tenure in the Kentucky Submarket, 2000 to Current



Note: The current date is September 1, 2016.
Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Figure 8. Number of Households by Tenure in the Indiana Submarket, 2000 to Current



Note: The current date is September 1, 2016.
Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

to the current date. The homeownership rate in the submarket is currently estimated at 78.3 percent, the highest rate in the HMA, partly because the home sales prices are relatively lower than in the Louisville submarket. The number of households in the Indiana submarket grew by an average of 1,100 households, or 1.1 percent, annually from 2000 to 2010 and declined to an average of 490 households, or 0.4 percent, annually from 2010 to the current date, to 112,300 households as population growth slowed. Renter household growth has accounted for nearly 72 percent of the household growth in the submarket since 2010. Figure 8 illustrates the number of households by tenure in the Indiana submarket for 2000 to current date.

During the next 3 years, the number of households is expected to increase annually in the Louisville submarket by 1,500 households, or 0.5 percent; in the Kentucky submarket by 450 households, or 0.6 percent; and in the Indiana submarket by 700 households, or 0.6 percent.

Housing Market Trends

Sales Market—Louisville Submarket

The sales housing market conditions in the Louisville submarket are currently balanced, with an estimated vacancy rate of 1.9 percent, down from 2.5 percent in April 2010. Improving economic conditions since 2010 have led to increased home sales and lower vacancy rates. During the 12 months ending August 2016, approximately 14,750 existing homes (including single-family homes, townhomes, and condominiums) sold compared with 14,200 homes sold during the previous 12 months, an increase of 550 homes, or 4 percent (CoreLogic, Inc., with adjustments by the analyst). Due to increased demand for homes near the economic hub of the Louisville HMA, the submarket was the only submarket to report an increase in existing home sales during the past 12 months.

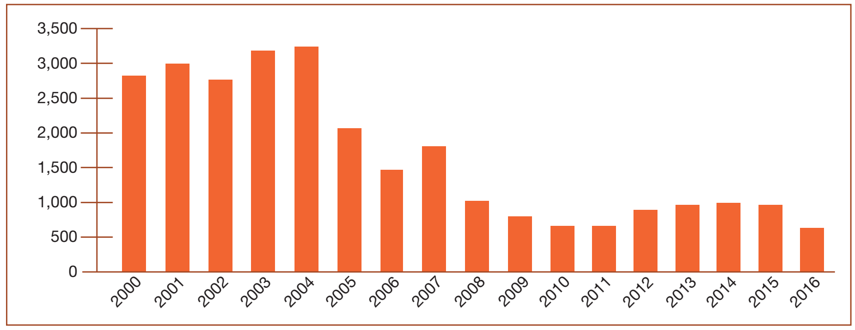
Existing home sales reached a peak of 19,550 in 2005 and declined to an average of 15,000 homes annually from 2006 through 2011, a period that included the economic recession. Home sales increased 7 percent in 2012 as economic conditions strengthened, but declined 5 percent annually in 2013 and 2014 as sales prices increased. As economic conditions strengthened significantly in 2015, existing home sales increased 5 percent from the previous year, and nearly 14,600 homes sold. As a result of increasing home sales, the average sales price increased. The average sales price was $176,700 during the past 12 months, up 5 percent from the previous 12-month period. Average existing home sales prices increased from 2005 through 2007, averaging an increase of 4 percent annually, and declined an average of 3 percent annually in 2008 and 2009. Improved economic conditions at the end of 2010 helped prices improve, averaging an increase of 2 percent annually from 2010 through 2015.

The number of homes in real estate owned (REO) status or with seriously delinquent home loans (90 or more days delinquent or in foreclosure) decreased in the submarket from the previous year. As of August 2016, approximately 2,925 home loans were seriously delinquent or had transitioned into REO status, comprising 2.8 percent of home loans in the submarket, down from 3,650 home loans, or 3.5 percent of home loans, in August 2015 (CoreLogic, Inc.). The rate in August 2016 was slightly higher than the 2.7-percent national rate. In the submarket, the rate of seriously delinquent loans and REO properties peaked in January 2010 at 7,250 homes, or 6.4 percent of all home loans.

During the 12 months ending August 2016, sales of new homes (including single-family homes, townhomes, and condominiums) increased by 40 homes, or 5 percent, to 910 homes compared with the number of homes sold during the previous 12 months. New home sales also peaked in 2005, when 3,050 homes sold, and declined to an average of 1,400 home sales from 2006 through 2011. After reaching a low of 640 homes sold in 2011, home sales increased in 2012 and averaged 870 sales annually from 2012 through 2015. The average new home sales price increased 3 percent from $316,800 during the 12 months ending August 2015 to $327,000 during the 12 months ending August 2016 as a result of increasing sales activity. The average new home sales price increased an average of 5 percent annually from 2004 through 2007 during a period of strong economic growth. The price declined an average of 3 percent in 2008 and 2009 before averaging an increase of 7 percent annually from 2010 through 2015 as economic conditions improved.

Single-family homebuilding activity, as measured by the number of single-family homes permitted, increased during the past 12 months partly because economic conditions improved and new home sales increased. During the 12 months ending August 2016, approximately 1,100 single-family homes were permitted, up 200 homes, or 22 percent, from the previous 12 months (preliminary data). From 2000 through 2004, the number of single-family homes permitted was relatively high, averaging 2,975 homes annually (Figure 9). Homebuilding declined by more than one-half to an average of 1,200 homes annually from 2005 through 2011 as supply

Figure 9. Single-Family Homes Permitted in the Louisville Submarket, 2000 to Current



Notes: Includes townhomes. Current includes data through August 2016.
Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

began to exceed demand. Permitting rebounded in 2012 as economic conditions strengthened; however, permitting levels were low, averaging 930 homes annually from 2012 through 2015. The Primrose Meadows subdivision in the city of Louisville broke ground in February 2016 and is currently under construction. When complete, the community will consist of 91 single-family homes with sales prices starting at $184,950. The expected completion date has not yet been determined.

During the 3-year forecast period, demand is expected for an estimated 2,400 new homes in the submarket (Table 1). Demand is expected to be greatest in the $175,000-to-$299,999 price range (Table 4). The 500 homes currently under construction and a portion of the 12,000 other vacant units that may reenter the market will satisfy some of the demand. New homes should start to come on line during the second year of the forecast period and increase during the third year to allow for the absorption of units currently under construction.

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Louisville Submarket During the Forecast Period

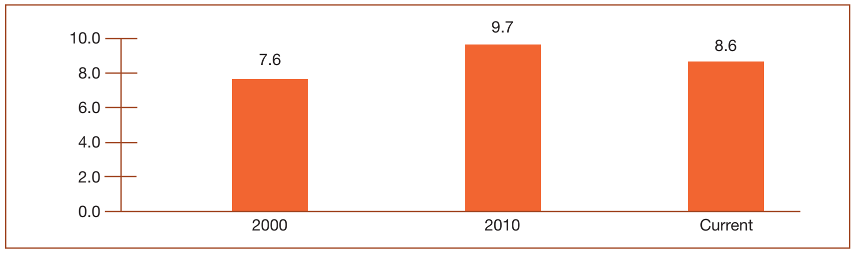
Price Range ($)		Units of Demand	Percent of Total
From	To		
175,000	199,999	600	25.0
200,000	299,999	600	25.0
300,000	399,999	480	20.0
400,000	499,999	360	15.0
500,000	699,999	240	10.0
700,000	and higher	120	5.0

Notes: The 500 homes currently under construction and a portion of the estimated 12,000 other vacant units in the submarket will likely satisfy some of the forecast demand. The forecast period is September 1, 2016, to September 1, 2019.
Source: Estimates by analyst

Rental Market—Louisville Submarket

The conditions in the overall rental housing market in the Louisville submarket are currently soft, with an estimated vacancy rate of 8.6 percent, down from 9.7 percent in April 2010 (Figure 10). The rebounding economy increased demand for rental units during the past 5 years, decreasing vacancy rates and increasing rents. As of the second quarter of 2016, apartment market conditions in the submarket were balanced, with a vacancy rate of 5.3 percent, up slightly from 5.2 percent during the second quarter of the previous year (Reis, Inc.). The average rent was $792, an increase of 4 percent from the second quarter of 2015. The Reis-defined Northeast Jefferson County market area, where the UofL Shelby Campus

Figure 10. Rental Vacancy Rates in the Louisville Submarket, 2000 to Current

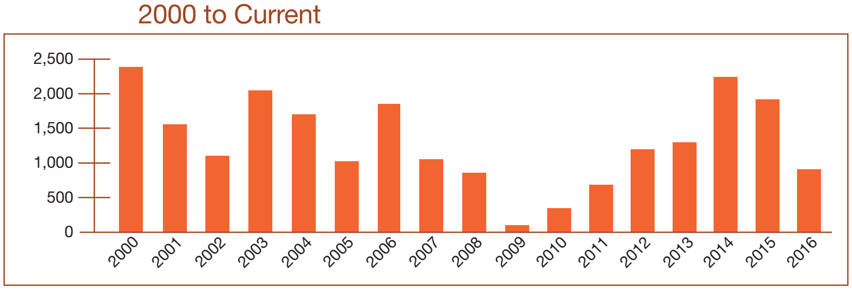


Note: The current date is September 1, 2016.
Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

is located, has the largest supply of apartment units in the HMA, with nearly 11,750 units. The vacancy rate in this market area was 4.9 percent during the second quarter of 2016, down from 5.1 percent during the second quarter of 2015. The average rent was $926, the highest in the Louisville HMA, a 4-percent increase from the second quarter of 2015.

UofL has a significant impact on the local rental market. More than 73 percent of students live off campus. Conditions in the MPF Research-defined Central Louisville market area, where the majority of the university is located, were balanced during the second quarter of 2016 with an apartment vacancy rate of 5.6 percent, unchanged from the second quarter of 2015. The average asking rent was $909 during the second quarter of 2016, up 4 percent from the previous year. Two apartment properties are currently under construction in the market area with 339 units.

Figure 11. Multifamily Units Permitted in the Louisville Submarket, 2000 to Current



Notes: Excludes townhomes. Current includes data through August 2016.
Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Multifamily construction in the submarket, as measured by the number of units permitted, expanded during the past 12 months as the economy strengthened. During the 12 months ending August 2016, approximately 1,500 units were permitted, up 220 units, or 17 percent, from the previous 12-month period (preliminary data). Approximately 88 percent of new multifamily construction was for apartment units during the past 24 months, up significantly from an average of 42 percent from 2004 through 2006 when condominium construction was greater. The West Central market area led in new apartment construction during the past year (Reis, Inc.). Multifamily construction levels fluctuated annually from 2000 through 2006, averaging 1,650 units a year. Construction declined to an average of 670 units annually from 2007 through 2009, reaching a low of 102 units in 2009 (Figure 11) as a result of the economic decline. Permitting increased to an average of 1,275 a year from 2010 through 2015 as the demand for apartment units increased. The $20 million Bradford Mill Lofts are currently under construction in the city of Louisville with 144 units. Rents are estimated to start between $700 and $800, with completion expected in August 2017.

During the 3-year forecast period, demand is expected for 2,525 additional rental units (Table 1). A portion of the 1,575 units currently under construction will satisfy some of this demand. Table 5 shows the estimated demand by rent and number of bedrooms. New units should not come on line until the third year of the forecast period to allow for the absorption of the units currently under construction.

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Louisville Submarket During the Forecast Period

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent ($)	Units of Demand	Monthly Gross Rent ($)	Units of Demand	Monthly Gross Rent ($)	Units of Demand	Monthly Gross Rent ($)	Units of Demand
600 to 799	50	700 to 899	460	800 to 999	410	900 to 1,099	100
800 to 999	40	900 to 1,099	340	1,000 to 1,199	300	1,100 to 1,299	75
1,000 or more	40	1,100 or more	340	1,200 or more	300	1,300 to 1,499	50
						1,500 or more	25
Total	130	Total	1,150	Total	1,025	Total	250

Notes: Numbers may not add to totals because of rounding. Monthly rent does not include utilities or concessions. The 1,575 units currently under construction will likely satisfy some of the estimated demand. The forecast period is September 1, 2016, to September 1, 2019.

Source: Estimates by analyst

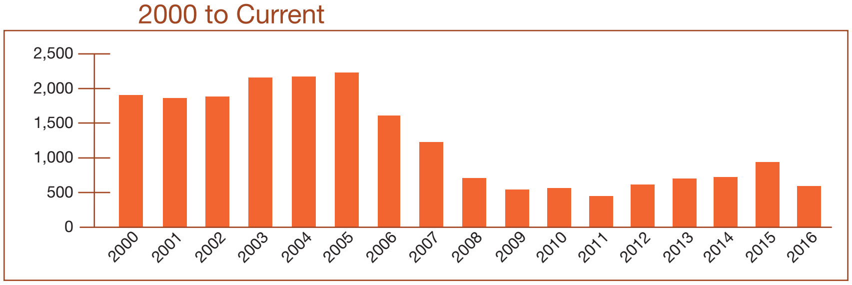
Sales Market—Kentucky Submarket

Sales housing market conditions in the Kentucky submarket are currently balanced with an estimated vacancy rate of 1.8 percent, down from 2.4 percent in April 2010. The increase in affordability in this suburban market relative to the urban Louisville submarket has increased home sales and decreased vacancy rates since 2010; however, homes sales have declined during the past months as home prices reached peak levels. During the 12 months ending August 2016, approximately 3,575 existing homes (including single-family homes, townhomes, and condominiums) sold compared with 3,875 homes sold during the previous 12 months, a decrease of 300 homes, or 8 percent (CoreLogic Inc., with adjustments by the analyst). Existing home sales increased annually from 2000 through 2005, averaging 3,200 homes annually, reaching a peak of 5,900 in 2005. Sales decreased annually from 2006 through 2010, reaching a low of 2,300 in 2010. Annual sales averaged 3,525 homes from 2011 through 2015 as the Louisville HMA recovered from the economic downturn. The sales price during the past 12 months reached a peak averaging $154,900, up 3 percent from the previous 12 months, as sales of distressed properties (REO and short sales) declined. During the height of the economic recession in 2009, the average sales price was $137,700 and declined an average of 4 percent annually in 2010 and 2011. From 2012 through 2015, sales prices increased an average of 5 percent annually as economic conditions strengthened.

The submarket has historically been less affected by distressed homes than the Louisville submarket, and the number of homes with seriously delinquent loans or in REO status in the submarket has continued to decline during the past year. As of August 2016, approximately 660 home loans were seriously delinquent or had transitioned into REO status, comprising 2.3 percent of home loans in the submarket, down from 850 home loans, or 3.0 percent of home loans, in August 2015 (CoreLogic, Inc.). The submarket has the lowest rate in the HMA and is also lower than the 2.7-percent national rate. The rate of seriously delinquent loans and REO properties peaked in January 2010 at 1,700 homes, or 5.6 percent of all home loans, below the 6.4-percent rate reported in the Louisville submarket, which peaked at the same time.

New home sales in the submarket increased during the past 12 months as average prices declined. During the 12 months ending August 2016, new homes sales (including single-family homes, townhomes, and condominiums) increased by 75 homes, or 19 percent, to 450 homes compared with the number of homes sold during the previous 12-month period. New home sales averaged 520 homes annually from 2000 through 2005, reaching a peak of 1,150 before declining to an average of 380 homes annually from 2006 through 2011, during a period that included the economic downturn, reaching a low of 150 homes in 2011. Average home sales have remained low through the economic recovery, averaging 320 homes sold annually from 2012 through 2015.

Figure 12. Single-Family Homes Permitted in the Kentucky Submarket, 2000 to Current



Notes: Includes townhomes. Current includes data through August 2016.
Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

The average new home sales price decreased 2 percent from $249,600 during the 12 months ending August 2015 to $243,700 during the 12 months ending August 2016. The average new home sales price increased annually from 2001 through 2006 by an average of 17 percent. Sales prices fluctuated from 2007 through 2010 before falling to a low of $159,300 in 2011 following the economic recession. As the economy strengthened from 2012 through 2015, sales prices increased an average of 14 percent annually.

Homebuilding activity, as measured by the number of single-family homes permitted, increased during the past 12 months partly due to strengthening economic conditions. During the 12 months ending August 2016, 1,075 single-family homes were permitted, up 290 homes, or 36 percent, from the previous 12 months (preliminary data). Bullitt County reported the largest number of single-family homes permitted in the submarket during the past 12 months, accounting for 35 percent of total homes permitted. The number of single-family homes permitted was high from 2000 through 2005, averaging 2,050 homes annually before declining 28 percent to 1,625 in 2006 and reaching a low of 470 homes in 2011 (Figure 12). Permitting increased in 2012 as the economy strengthened, averaging 760 homes annually from 2012 through 2015. No major subdivisions are currently under construction in the submarket.

During the next 3 years, demand is expected for an estimated 1,875 new homes in the submarket (Table 1). Demand is expected to be greatest in the $200,000-to-$299,999 price range (Table 6). The 560 homes currently

Table 6. Estimated Demand for New Market-Rate Sales Housing in the Kentucky Submarket During the Forecast Period

Price Range ($)		Units of Demand	Percent of Total
From	To		
200,000	249,999	550	30.0
250,000	299,999	550	30.0
300,000	399,999	280	15.0
400,000	499,999	280	15.0
500,000	and higher	180	10.0

Notes: The 560 homes currently under construction and a portion of the estimated 4,500 other vacant units in the submarket will likely satisfy some of the forecast demand. Demand for 20 mobile homes during the forecast period is excluded from this table. The forecast period is September 1, 2016, to September 1, 2019.

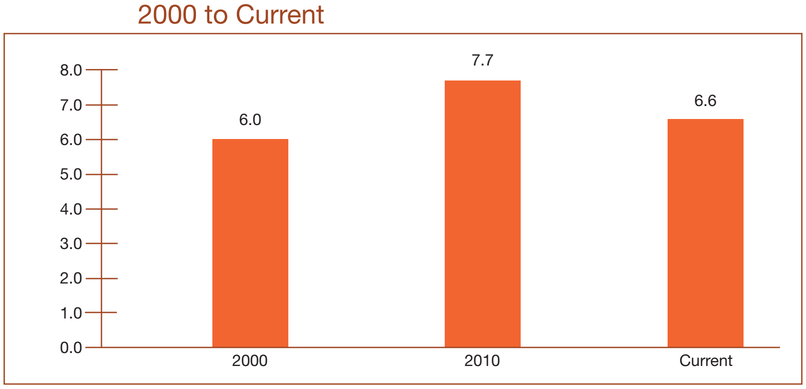
Source: Estimates by analyst

under construction and a portion of the 4,500 other vacant units in the submarket that may reenter the market will satisfy some of the demand. New homes should begin to come on line during the second year of the 3-year forecast period to allow for the absorption of units currently under construction.

Rental Market—Kentucky Submarket

The overall rental housing market conditions in the Kentucky submarket are currently balanced with an estimated vacancy rate of 6.6 percent, down from 7.7 percent in April 2010 (Figure 13). The increased demand for apartment units has contributed to the significant improvement in the rental market. As of the second quarter of 2016, apartment market conditions in the Kentucky submarket were balanced with a vacancy rate of 3.8 percent, down from 5.3 percent during the second quarter of the previous year (MPF Research). The average rents for one-, two-, and three-bedroom units were $724, $867, and $1,033, respectively. The average rent increased 4 percent from the second quarter of 2015. In the MPF Research-defined Northeast Louisville market area, which has the largest supply of apartments in the submarket, conditions were tight during the second quarter of 2016 with a vacancy rate of 3.5 percent, down from 5.1 percent during the second quarter of 2015. The average rent was $929, an increase of 4 percent from the second quarter of 2015. The average rents for one-, two-, and three-bedroom units were $808, $991, and $1,226, respectively.

Figure 13. Rental Vacancy Rates in the Ketucky Submarket, 2000 to Current

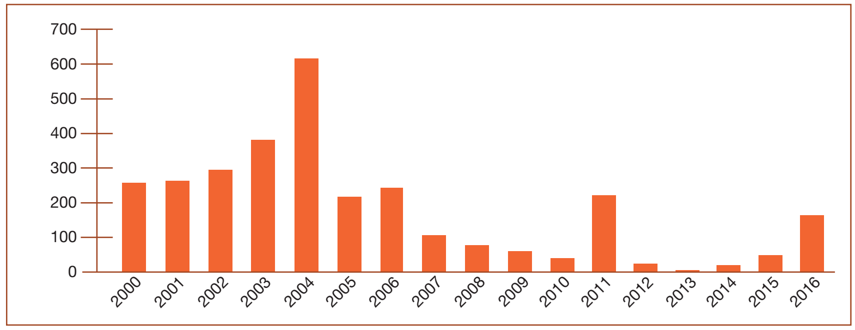


Note: The current date is September 1, 2016.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Multifamily construction activity, as measured by the number of units permitted, has been relatively low in the submarket during the past 4 years, but increased during the past 12 months as the economy strengthened and the market tightened. From 2000 through 2004, multifamily construction levels increased each year in the submarket, averaging 360 units annually, reaching a peak of 616 units in 2004 (Figure 14). Construction declined significantly in 2005 as the building of single-family homes peaked. Multifamily construction activity has been relatively low since 2005, averaging 100 units a year from 2005 through 2015. During the 12 months ending August 2016,

Figure 14. Multifamily Units Permitted in the Kentucky Submarket, 2000 to Current



Notes: Excludes townhomes. Current includes data through August 2016.
Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

approximately 220 units were permitted compared with 20 units during the previous 12-month period (preliminary data). Virtually all new multifamily construction was for apartment units during the past 24 months, up significantly from an average of 45 percent of new multifamily construction from 2004 through 2006. The most completions in the submarket during the past year were in the South Central Louisville market area (MPF Research). No major apartment properties are currently under construction in the submarket at this time.

During the next 3 years, demand is not expected for additional rental units (Table 1). The relatively low home sales prices compared with prices in the Louisville submarket make homebuying more prevalent than renting in the submarket.

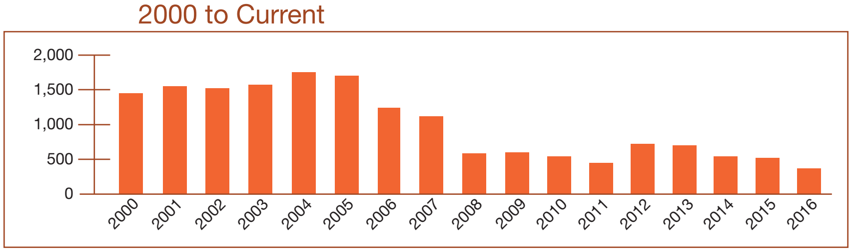
Sales Market—Indiana Submarket

Sales housing market conditions in the Indiana submarket are currently balanced with an estimated vacancy rate of 2.0 percent, down from 2.6 percent in April 2010. Reporting the lowest average sales price in the Louisville HMA makes the submarket attractive to homebuyers who can easily commute across the Ohio River into the city of Louisville, the economic hub of the HMA. The relatively low production of single-family homes since 2010 has contributed to balanced market conditions; however, homebuilding increased during the past 12 months as economic conditions improved.

Despite greater homebuilding in the submarket, new home sales decreased during the past 12 months. During the 12 months ending August 2016, new homes sales (including single-family homes, townhomes, and condominiums) decreased by 30 homes, or 12 percent, to 210 homes compared with the number of homes sold during the previous 12 months. New home sales averaged 40 homes annually from 2007 through 2010. Sales increased to an average of 210 annually from 2011 through 2015 as economic conditions improved. The average new home sales price increased 3 percent from $228,300 during the 12 months ending August 2015 to $234,900 during the 12 months ending August 2016. At the worst of the economic decline, the average new home sales price decreased an average of 13 percent annually in 2009 and 2010; as the economy improved, the average price rebounded and gained an average of 13 percent annually from 2011 through 2015.

Existing home sales also decreased during the past 12-month period. During the 12 months ending August 2016, approximately 5,675 existing homes (including single-family homes, townhomes, and condominiums) sold compared with 6,575 homes sold during the previous 12 months, a decrease of 900 homes, or 14 percent, as inventory of homes on the market declined (CoreLogic, Inc., with adjustments by the analyst). As of September 2016, approximately 1,300 homes were for sale, a 20-percent decline from September 2015 (Indiana Association of Realtors®). Existing home sales have been strong since 2010 as the economy has rebounded, averaging 6,375 homes sold annually from 2010 through 2015. By comparison, sales averaged 2,250 homes annually from 2006 through 2009. The average sales price during the past 12 months was $152,200, up 6 percent from the previous 12-month period as the number of distressed sales declined. Average existing home sales prices increased an average of 7 percent annually from 2010 through 2015 compared with a 9-percent annual decrease from 2007 through 2009.

Figure 15. Single-Family Homes Permitted in the Indiana Submarket, 2000 to Current



Notes: Includes townhomes. Current includes data through August 2016.
Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

The submarket had the greatest decline in the number of homes in REO status or with seriously delinquent loans in the HMA during the past year; however, it remained the submarket with the greatest percentage of seriously delinquent loans and REO properties in the HMA. As of August 2016, approximately 1,025 home loans were seriously delinquent or had transitioned into REO status, comprising 3.0 percent of home loans in the submarket, down from 1,325, or 3.8 percent of home loans, in August 2015 (CoreLogic, Inc.). This rate is higher than the 2.7-percent national rate. The rate of seriously delinquent loans and REO properties peaked in January 2012 at 2,725 homes, or 7.5 percent of all home loans.

Home builders responded to strengthening economic conditions and low existing inventory during the past 12 months, expanding single-family homebuilding activity, as measured by the number of single-family homes permitted. During the 12 months ending August 2016, nearly 830 single-family homes were permitted, an increase of 180 homes, or 28 percent, from the previous 12-month period (preliminary data). As the most populous county in the submarket, Clark County accounted for more than 57 percent of the homes permitted during the past 12 months. Homebuilding activity in the submarket has historically been the lowest in the HMA due to the majority of the population being more rural in nature. The number of single-family homes permitted was high from 2000 through 2005, averaging 1,575 homes annually, before declining 27 percent in 2006 and reaching a low of 450 homes in 2011 (Figure 15). Permitting increased in

2012, as the economy strengthened, and averaged 610 homes annually from 2012 through 2015. No major subdivisions are currently under construction in the submarket.

Table 7. Estimated Demand for New Market-Rate Sales Housing in the Indiana Submarket During the Forecast Period

Price Range ($)		Units of Demand	Percent of Total
From	To		
125,000	149,999	570	30.0
150,000	199,999	570	30.0
200,000	299,999	290	15.0
300,000	399,999	290	15.0
400,000	499,999	95	5.0
500,000	and higher	95	5.0

Notes: The 390 homes currently under construction and a portion of the estimated 5,000 other vacant units in the submarket will likely satisfy some of the forecast demand. The forecast period is September 1, 2016, to September 1, 2019.

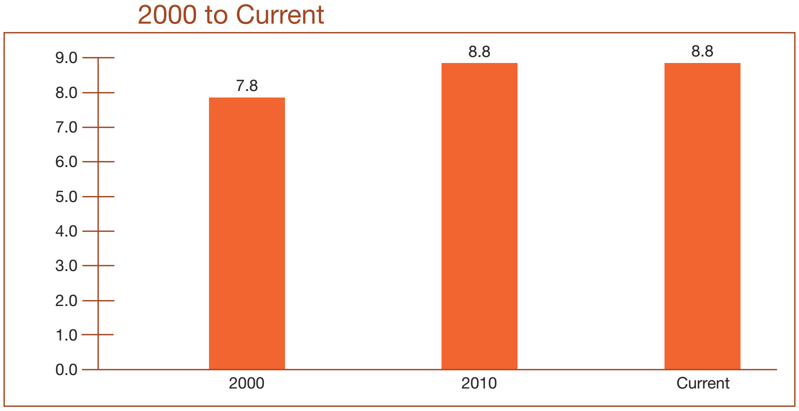
Source: Estimates by analyst

During the 3-year forecast period, demand is expected for an estimated 1,925 new homes in the submarket (Table 1). Most of the new homes should come on line during the second year of the forecast period to allow for the absorption of the current vacancies. Demand is expected to be greatest in the $125,000-to-$199,999 price range (Table 7). The 390 homes currently under construction and a portion of the 5,000 other vacant units in the submarket that may reenter the market will satisfy some of the demand.

Rental Market—Indiana Submarket

Conditions in the overall rental housing market in the Indiana submarket are currently soft with an estimated vacancy rate of 8.8 percent, unchanged from April 2010 (Figure 16). As of the second quarter of 2016, apartment market conditions in the MPF Research-defined Northwest market area were tight, with a vacancy rate of 2.6 percent, the lowest vacancy rate in the Louisville HMA, down from 3.1 percent during the second quarter of 2015. The apartment vacancy rate is much lower than the overall rental rate, due in part to limited new apartment supply. The average rents for one-, two-, and three-bedroom units were $629, $711, and $903 respectively. The average rent increased 5 percent from the second quarter of 2015.

Figure 16. Rental Vacancy Rates in the Indiana Submarket, 2000 to Current

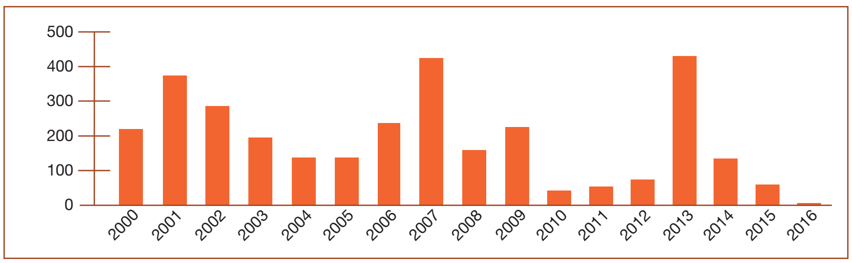


Note: The current date is September 1, 2016.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Multifamily construction levels, as measured by the number of units permitted, declined during the past 2 years as supply began to meet demand. During the 12 months ending August 2016, approximately 20 units were permitted, a decrease of 80 units, or 78 percent, from the previous 12-month period (preliminary data). Virtually all the units permitted during the past 24 months were in Clark County. More than 95 percent of new multifamily construction was for apartment units during the past 24 months, up significantly from an average of nearly 30 percent of new multifamily construction from 2004 through 2006 when condominium construction was high. From 2000 through 2009, multifamily construction levels in the submarket fluctuated annually, averaging 240 units a year. Construction reached a low of 45 units in 2010 during the economic recession, but increased slightly in 2011 and 2012 as the HMA began to recover, averaging 65 units annually. Multifamily permitting spiked to 436 units in 2013 as the economy strengthened, passing the previous peak of 427 units in 2007 (Figure 17).

Figure 17. Multifamily Units Permitted in the Indiana Submarket, 2000 to Current



Notes: Excludes townhomes. Current includes data through August 2016.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analysts

Permitting declined significantly in 2014 as employment growth slowed and averaged 100 units annually in 2014 and 2015. The Breakwater apartments are currently under construction in the city of New Albany, Indiana, with 191 units expected to be complete by May 2017. Rents for studio, one-bedroom, and two-bedroom units are expected to start at $705, $910, and $1,495, respectively.

During the 3-year forecast period, expected demand is for 640 additional rental units (Table 1). A portion of the 190 units currently under construction will satisfy some of this demand. Table 8 shows the estimated demand by rent and number of bedrooms. New units should come on line in the second year of the forecast period to allow for the absorption of the current vacancies.

Table 8. Estimated Demand for New Market-Rate Rental Housing in the Indiana Submarket During the Forecast Period

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent ($)	Units of Demand	Monthly Gross Rent ($)	Units of Demand	Monthly Gross Rent ($)	Units of Demand	Monthly Gross Rent ($)	Units of Demand
650 to 849	15	900 to 1,099	110	1,300 to 1,499	100	1,500 to 1,699	25
850 to 1,049	10	1,100 to 1,299	85	1,500 to 1,699	75	1,700 to 1,899	20
1,050 or more	10	1,300 to 1,499	55	1,700 to 1,899	50	1,900 or more	20
		1,500 or more	30	1,900 or more	25		
Total	30	Total	290	Total	260	Total	65

Notes: Numbers may not add to totals because of rounding. Monthly rent does not include utilities or concessions. The 190 units currently under construction will likely satisfy some of the estimated demand. The forecast period is September 1, 2016, to September 1, 2019.

Source: Estimates by analyst

Data Profiles

Table DP-1. Louisville HMA Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%) 2000 to 2010	Average Annual Change (%) 2010 to Current
Total resident employment	572,231	564,311	601,300	– 0.1	1.1
Unemployment rate	3.6%	9.9%	4.5%		
Nonfarm payroll jobs	610,900	580,300	653,400	– 0.5	2.1
Total population	1,121,109	1,235,708	1,286,000	1.0	0.6
Total households	447,650	496,314	511,100	1.0	0.5
Owner households	310,257	336,911	336,800	0.8	0.0
Percent owner	69.3%	67.9%	65.9%		
Renter households	137,393	159,403	174,300	1.5	1.4
Percent renter	30.7%	32.1%	34.1%		
Total housing units	476,656	540,440	555,200	1.3	0.4
Owner vacancy rate	1.5%	2.5%	1.9%		
Rental vacancy rate	7.5%	9.4%	8.4%		
Median Family Income	NA	NA	$64,100	NA	NA

NA = data not available.

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through August 2016. Median Family Income is for 2015. The current date is September 1, 2016.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Table DP-2. Louisville Submarket Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%) 2000 to 2010	Average Annual Change (%) 2010 to Current
Total population	693,604	741,096	767,100	0.7	0.5
Total households	287,012	309,175	318,500	0.7	0.5
Owner households	186,387	194,997	193,300	0.5	– 0.1
Percent owner	64.9%	63.1%	60.7%		
Rental households	100,625	114,178	125,200	1.3	1.4
Percent renter	35.1%	36.9%	39.3%		
Total housing units	305,835	337,616	346,000	1.0	0.4
Owner vacancy rate	1.5%	2.5%	1.9%		
Rental vacancy rate	7.6%	9.7%	8.6%		

Notes: Numbers may not add to totals because of rounding. The current date is September 1, 2016.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Table DP-3. Kentucky Submarket Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%) 2000 to 2010	Average Annual Change (%) 2010 to Current
Total population	129,524	157,679	168,400	2.0	1.0
Total households	62,363	77,973	80,350	2.3	0.5
Owner households	50,907	62,244	62,950	2.0	0.2
Percent owner	81.6%	79.8%	78.3%		
Rental households	11,456	15,729	17,400	3.2	1.6
Percent renter	18.4%	20.2%	21.7%		
Total housing units	65,931	83,886	87,250	2.4	0.6
Owner vacancy rate	1.6%	2.4%	1.8%		
Rental vacancy rate	6.0%	7.7%	6.6%		

Notes: Numbers may not add to totals because of rounding. The current date is September 1, 2016.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Table DP-4. Indiana Submarket Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%) 2000 to 2010	Average Annual Change (%) 2010 to Current
Total population	297,981	336,933	351,000	1.2	0.6
Total households	98,275	109,166	112,300	1.1	0.4
Owner households	72,963	79,670	80,550	0.9	0.2
Percent owner	74.2%	73.0%	71.7%		
Rental households	25,312	29,496	31,750	1.5	1.2
Percent renter	25.8%	27.0%	28.3%		
Total housing units	104,890	118,938	122,000	1.3	0.4
Owner vacancy rate	1.5%	2.6%	2.0%		
Rental vacancy rate	7.8%	8.8%	8.8%		

Notes: Numbers may not add to totals because of rounding. The current date is September 1, 2016.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census
2010: 4/1/2010—U.S. Decennial Census
Current date: 9/1/2016—Analyst's estimates
Forecast period: 9/1/2016–9/1/2019—Analyst's estimates

The metropolitan statistical area definition in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated February 28, 2013.

Demand: The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

Other Vacant Units: In the U.S. Department of Housing and Urban Development's (HUD's) analysis, other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as "other" vacant by the Census Bureau.

Building Permits: Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.

For additional data pertaining to the housing market for this HMA, go to huduser.gov/publications/pdf/CMARtables_LouisvilleKY_IN_17.pdf.

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This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to huduser.gov/portal/ushmc/chma_archive.html.