
CITY OF MUNCIE, INDIANA
HOUSING NEEDS ANALYSIS
PROVIDED FOR HWC ENGINEERING



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Zanola Company and MarketGraphics Research Group Information

Zanola Company is a nationally trusted partner in real estate research and development consulting, including MarketGraphics Research Group, Inc. research, opportunity discoveries, feasibility studies, marketing programs, sales management, and total business development.

Financial institutions, civic leaders, developers, builders, planners, investment groups, governments, and executives rely on Zanola Company for the real-world market research, analysis, forecasting, and organizational guidance they need to be successful.

Zanola has developed a process and methodology that can be customized for research related to low income housing, new homes developments, multifamily developments, retail and commercial developments, and community developments. For each category, Zanola offers a range of services refined for a client's unique needs.

Zanola works with clients to identify and capitalize on their strengths and opportunities in the current market as well as projecting best practices based on future trends, customizing and implementing the most effective plans for achieving success.

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Companies’ work is dated. They do not take responsibility for updating it.

Introduction

Zanola Company has created a Housing Needs Analysis for HWC Engineering focusing on the city of Muncie, Indiana.

The purpose of this study is to research and forecast the need for new housing creation, both single family and multifamily, and type of demand over the next five years for Muncie, Indiana. A special focus has been given to identifying housing needs for underserved, move-out segments, and identified move-in targets.

This Housing Needs Analysis follows the following general order of progressive research and findings:

- ✓ **Market Overview**
- ✓ **Mapping Focus**
- ✓ **Demographics Focus**
- ✓ **Competitive Focus**
- ✓ **Amenities Focus**
- ✓ **Comparative Analysis**
- ✓ **Strategies and Recommendations Overview**
- ✓ **Absorption Scenarios**
- ✓ **At-A-Glance Summary**
- ✓ **Appraiser's Resource**

Research resources for this study include Delaware County assessor data, Delaware County and city of Muncie building department data, U.S. Census data, Nielsen-Claritas research, Bureau of Labor and Statistics, Internal Revenue Service, and other resources currently available at the time of this study. Additional and extensive on-site and market area field research was developed during the course of this study.

Market Overview

This section provides a summary overview of the area marketplace, economic vitality and cycles, demographics trends, and other items helpful to better understand the broad market context of this housing needs analysis.

Muncie, Indiana, is a mid-sized city in eastern central Indiana 66 miles northeast of downtown Indianapolis. Muncie has a 2016 census-estimated population of 69,993 and is the county seat of Delaware County and contains just under 60 percent of the county's total 2016 estimated population of 116,788. Delaware County is considered to be a separate economic entity from the Indianapolis Metropolitan Area by the US Office of Management and Budget and is given its own Metropolitan Statistical Area. While Delaware County has lost an estimated 883 residents in the 6-year period from 2010 to 2016 Muncie has stayed more stable losing only 92 residents over the same period.

The city of Muncie became a center of energy production in the Midwest after the Civil War with the discovery of massive amounts of natural gas. That industry anchored the economy of Muncie as industry rose and manufacturing thrived. The Ball Brothers, one such manufacturer of glass and other containers, became a major source of local philanthropy and created Ball State University in 1918 on the site of an existing college in foreclosure. In the 98 years since Ball State has established itself as a respected institute of learning and has a current enrollment of over 21,000 students.

Muncie, Indiana, has a unique place in the history of American demographics and social sciences as the site of the Middletown studies. These studies carried out by Helen and Robert Lynd in the 1920s and 1930s were intended to examine the norms of American majority culture in post-World War One America and a follow-up during the Great Depression. Though the identity of the studied town was kept anonymous upon publication Muncie's identity as Middletown was inferred from several clues and the city has been associated with a "normal" small American city ever since. The city and the studies were inspirations for the Jimmy Stewart film *Magic Town* and the works of Sinclair Lewis, and to this day Muncie is used as a predictor for national trends and elections.

The local governments of Muncie and Delaware County are actively seeking to refresh their housing market and reverse their recent trend of sagging population. Long-term strategies such as the Muncie Action Plan seek to capitalize on Muncie's atmosphere to attract new residents and construction without losing the city's current charms. Downtown revitalization efforts, new outdoor community attractions, and guidelines for how new housing will connect with existing neighborhoods provide a good foundation for future residential expansion in Muncie.

Mapping Focus

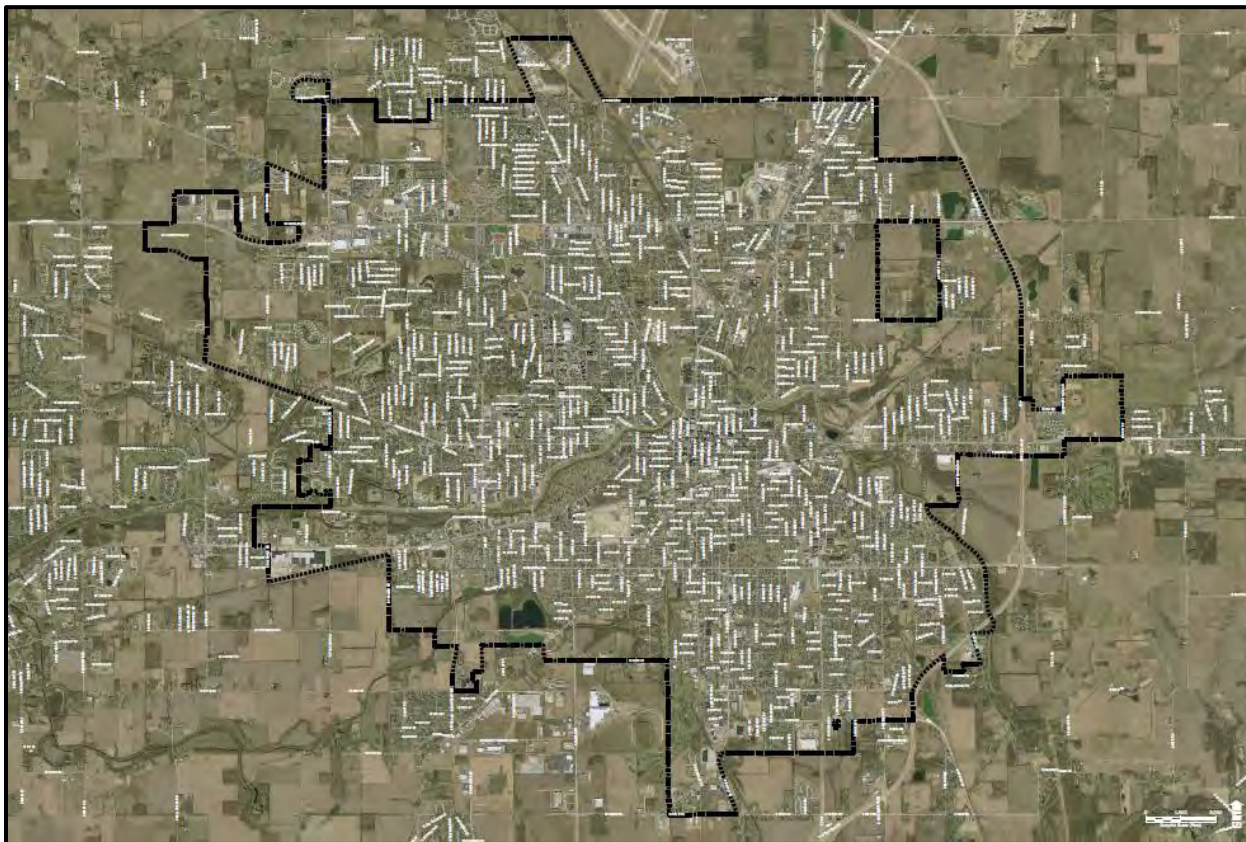
This section provides local and regional mapping perspectives relevant for anticipated market area. Local and regional mapping establishes views of key geographic locations, new housing development areas, and mapped demographics data. Anticipated regional and primary market areas for residential appeal are identified.

The mapping focus includes the following subsections:

- **Muncie City Limits Map**
- **Delaware County Map**
- **Move-in Markets Map**
- **City of Muncie Median Household Incomes Map**

Muncie City Limits Map

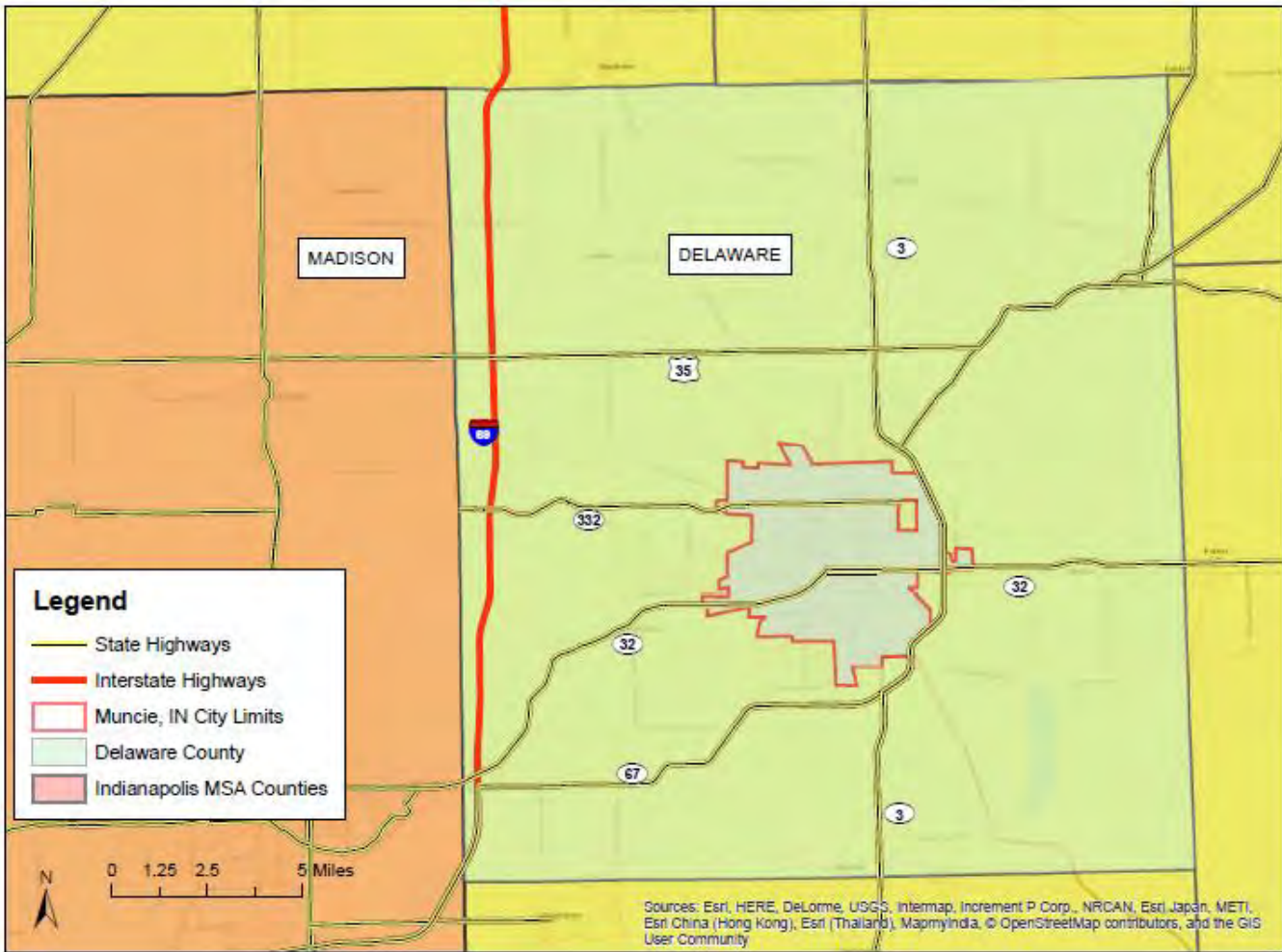
The following map shows the city limits of Muncie, Indiana. The major state highways have been labeled.



Delaware County Map

The following map shows Delaware County and Muncie, Indiana’s place within it. Madison County to the west has been differentiated from Delaware’s other neighboring counties since it is part of the Indianapolis Metropolitan Statistical Area.

The major Interstate and State Highways inside Delaware County have been highlighted and labeled. Interstate-69 passes through Delaware County outside of Muncie; two I-69 exits, 34 and 41, serve as quick roadways to Muncie. According to Google Maps both exits are approximately 20 minutes away from the center of Muncie using Indiana State Highway 332/McGalliard Road for exit 41 and Indiana State Highway 32/Kilgore Avenue for exit 34.



Move-in Markets Map

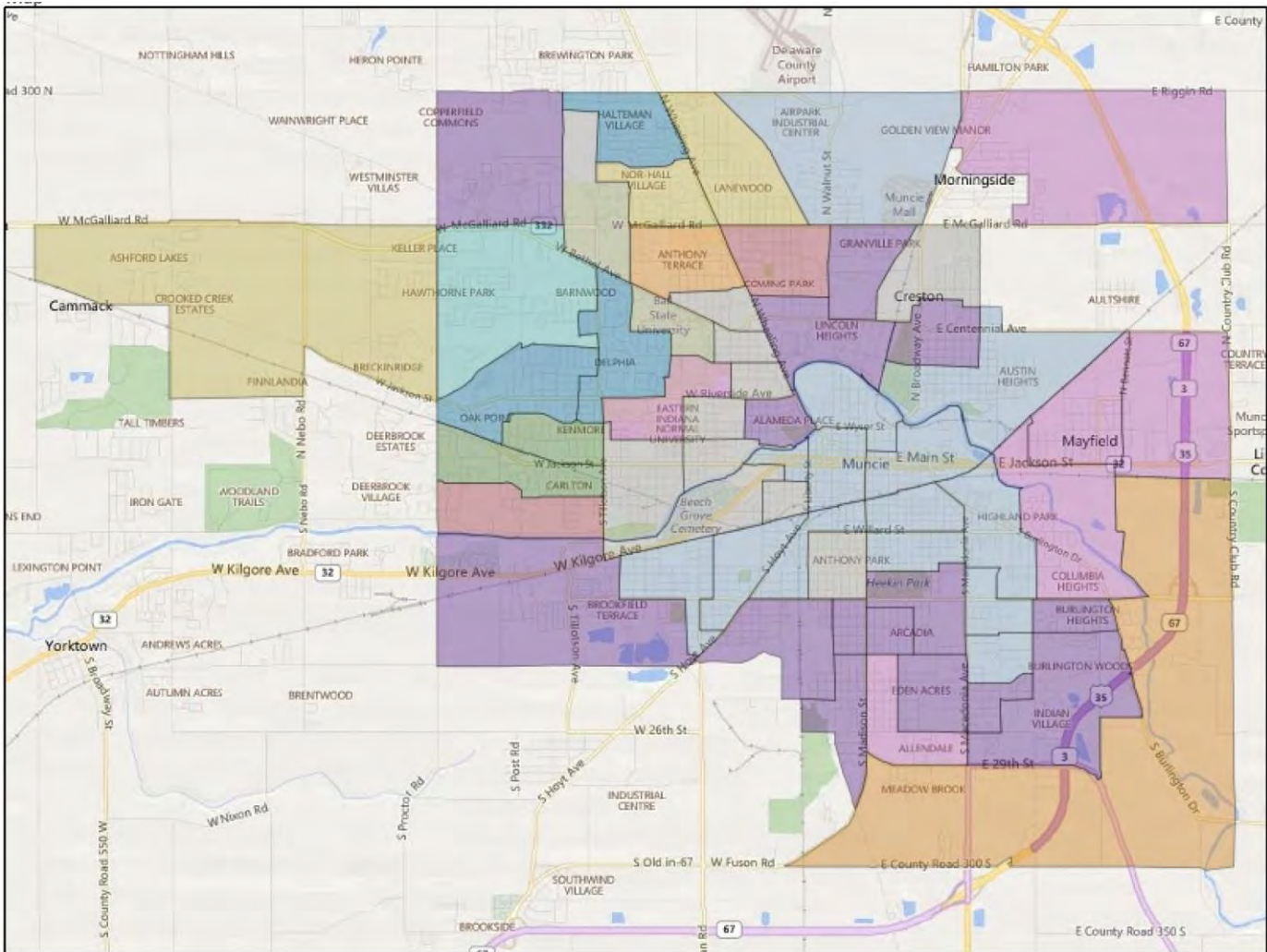
The following map shows the major cities within 250 miles driving distance from Muncie, Indiana. Driving distance and times were taken from Google Maps and are listed in a table below. Cleveland, Ohio, and Milwaukee, Wisconsin, are within a geodesic radius of 250 miles but are further than 250 miles to drive.



Major Cities Within a Driving Distance of 250 Miles From Muncie, IN (from Google Maps)		
From	Distance	Time (hours:minutes)
Indianapolis, IN	66 miles	1 hour, 14 minutes
Fort Wayne, IN	79 miles	1 hour, 27 minutes
Dayton, OH	87 miles	1 hour, 33 minutes
Cincinnati, OH	107 miles	2 hours, 12 minutes
Columbus, OH	145 miles	2 hours, 33 minutes
Louisville, KY	171 miles	2 hours, 46 minutes
Lexington, KY	182 miles	3 hours, 29 minutes
Lansing, MI	208 miles	3 hours, 10 minutes
Chicago, IL	233 miles	3 hours, 39 minutes
Detroit, MI	240 miles	3 hours, 46 minutes

City of Muncie Median Household Incomes Map

This map presents the city of Muncie divided into census block groups and expresses them as a range of the median household incomes within that area.



**2016 Med HH Inc (2016 Households) :
Median: Descending by Equal Ranges**

List of Report Areas by Census Block Group

- Median (\$61,019–\$66,132)
- Median (\$55,905–\$61,019)
- Median (\$50,792–\$55,905)
- Median (\$45,679–\$50,792)
- Median (\$40,566–\$45,679)
- Median (\$35,452–\$40,566)
- Median (\$30,339–\$35,452)
- Median (\$25,226–\$30,339)
- Median (\$20,112–\$25,226)
- Median (\$14,999–\$20,112)

Demographics Focus

This section provides current demographics analysis and projections for the Muncie and Delaware County area. Top target demographics demand segments and related home types in the market area are identified. An overview is included of demographics and socioeconomic information relevant to the market area. The featured data and analysis include population and household demographics, employment and incomes, age and household distribution, migration factors, homebuyer behaviors and predictors, market area economic influences, household formation, and new home demand indicators.

The included demographics have been developed based on the market areas described in the mapping focus section.

The demographics focus includes the following subsections:

- **Demographics Demand Summary**
- **PRIZM Segments Insights**
- **Housing Groups Demand Overview**
- **Employment by Sector and Employer**
- **Migration**

Demographics Demand Summary

All the following items are considered key demographics elements related to development in the city of Muncie.

Population Totals – The city of Muncie and Delaware County was well under the national average in population growth but Census statistics indicate they are in the midst of a turnaround. While Muncie lost 2.05 percent of its population in the decade from 2000 to 2010 that population loss has slowed drastically since 2010, and the Census Department now projects positive growth over the next five years. This is also the case for Delaware County.

- From 2000 to 2016 the population growth rate in Muncie has ranged from -2.05 percent to -0.13 percent. Growth is projected to be positive 0.22 percent over the next five years.
- From 2000 to 2016 the population growth rate in Delaware County has ranged from -0.92 percent to -0.75 percent. Growth is projected to be positive 0.21 percent over the next five years.
- Muncie’s growth is in line with the population growth of other medium sized communities in the Midwest and Indiana such as Gary, Michigan City, and Terre Haute and lags behind the national growth average of 3.69 percent.

Description	City of Muncie, Indiana		Delaware County, Indiana	
	Total	%	Total	%
Population				
2021 Projection	70,148		117,037	
2016 Estimate	69,993		116,788	
2010 Census	70,085		117,671	
2000 Census	71,554		118,769	
Growth 2016 - 2021		0.22%		0.21%
Growth 2010 - 2016		-0.13%		-0.75%
Growth 2000 - 2010		-2.05%		-0.92%

Household Totals – The city of Muncie and Delaware County have been well under the national average in household growth but are in the midst of a potential turnaround. Muncie lost 4.48 percent of its total households in the decade from 2000 to 2010, but that household loss slowed drastically since 2010 and the census department now projects positive growth over the next five years. This is also the case for Delaware County.

- From 2000 to 2016 the population growth rate in Muncie has ranged from -4.48 percent to -0.02 percent. Household growth is projected to be positive 0.15 percent over the next five years.
- From 2000 to 2016 the population growth rate in Delaware County has ranged from -1.30 percent to -0.63 percent. Household growth is projected to be positive 0.22 percent over the next five years.
- Muncie’s growth is in line with the household growth of other medium sized communities in the Midwest and Indiana such as Gary, Michigan City, and Terre Haute and lags behind the national growth average of 3.91 percent.
- The estimated group quarters population in Muncie is 8,865, which can be attributed to the concentration of Ball State Students inside the city limits.

Description	City of Muncie, Indiana		Delaware County, Indiana	
	Total	%	Total	%
Households				
2021 Projection	27,602		46,322	
2016 Estimate	27,561		46,222	
2010 Census	27,566		46,516	
2000 Census	28,858		47,131	
Growth 2016 - 2021		0.15%		0.22%
Growth 2010 - 2016		-0.02%		-0.63%
Growth 2000 - 2010		-4.48%		-1.30%

Description	City of Muncie, Indiana		Delaware County, Indiana	
	Total	%	Total	%
2016 Est. Households by Household Type	27,561		46,222	
Family Households	14,115	51.21%	27,850	60.25%
Nonfamily Households	13,446	48.79%	18,372	39.75%
2016 Est. Group Quarters Population	8,865		9,223	

Population by Age Trends – The following table expands the population chart by separating the current and projected population totals by age.

- Population by Age Groups – Age groups are listed below for Muncie, Indiana, and Delaware County. There are likely more young adults in Muncie by percentage than in Delaware County as a whole due to students studying at Ball State University. The Census guidelines from 2010 recommend that “most college students should be counted at their college address, either on campus or off campus. They should be counted at their parents’ home only if they live and sleep there most of the year.”
- Noted New Home Purchasing Age Groups – The highlighted age groups generally represent the top targets for new, for sale housing in the Muncie market. Over the next five years the Census is projecting large increases by percentage of population in Muncie and Delaware County in the ranges of 25 to 35 and 65 to 74 mostly due to the aging of current residents.

Description	City of Muncie, Indiana						Delaware County, Indiana					
	2016		2021		Change		2016		2021		Change	
	Estimate	%	Projection	%	Projection	%	Estimate	%	Projection	%	Projection	%
Total Population By Age	69,993		70,148		155	0.22%	116,788		117,037		249	0.21%
Age 0 - 4	3,555	5.08%	3,479	4.96%	-76	-2.14%	5,938	5.08%	5,845	4.99%	-93	-1.57%
Age 5 - 9	3,584	5.12%	3,478	4.96%	-106	-2.96%	6,008	5.14%	5,883	5.03%	-125	-2.08%
Age 10 - 14	3,234	4.62%	3,600	5.13%	366	11.32%	6,125	5.24%	6,041	5.16%	-84	-1.37%
Age 15 - 17	2,353	3.36%	2,355	3.36%	2	0.08%	4,189	3.59%	4,000	3.42%	-189	-4.51%
Age 18 - 20	8,325	11.89%	8,173	11.65%	-152	-1.83%	10,144	8.69%	9,776	8.35%	-368	-3.63%
Age 21 - 24	9,293	13.28%	7,943	11.32%	-1,350	-14.53%	12,175	10.42%	10,399	8.89%	-1,776	-14.59%
Age 25 - 34	9,272	13.25%	9,757	13.91%	485	5.23%	13,923	11.92%	16,071	13.73%	2,148	15.43%
Age 35 - 44	6,694	9.56%	7,503	10.70%	809	12.09%	11,889	10.18%	11,913	10.18%	24	0.20%
Age 45 - 54	6,801	9.72%	6,401	9.12%	-400	-5.88%	13,528	11.58%	12,454	10.64%	-1,074	-7.94%
Age 55 - 64	6,884	9.84%	6,561	9.35%	-323	-4.69%	13,657	11.69%	13,413	11.46%	-244	-1.79%
Age 65 - 74	5,437	7.77%	6,157	8.78%	720	13.24%	10,756	9.21%	12,356	10.56%	1,600	14.88%
Age 75 - 84	3,032	4.33%	3,178	4.53%	146	4.82%	5,782	4.95%	6,087	5.20%	305	5.27%
Age 85 and over	1,529	2.18%	1,563	2.23%	34	2.22%	2,674	2.29%	2,799	2.39%	125	4.67%
Age 16 and over	58,869	84.11%	58,841	83.88%	-28	-0.05%	97,360	83.36%	97,977	83.71%	617	0.63%
Age 18 and over	57,267	81.82%	57,236	81.59%	-31	-0.05%	94,528	80.94%	95,268	81.40%	740	0.78%
Age 21 and over	48,942	69.92%	49,063	69.94%	121	0.25%	84,384	72.25%	85,492	73.05%	1,108	1.31%
Age 65 and over	9,998	14.28%	10,898	15.54%	900	9.00%	19,212	16.45%	21,242	18.15%	2,030	10.57%

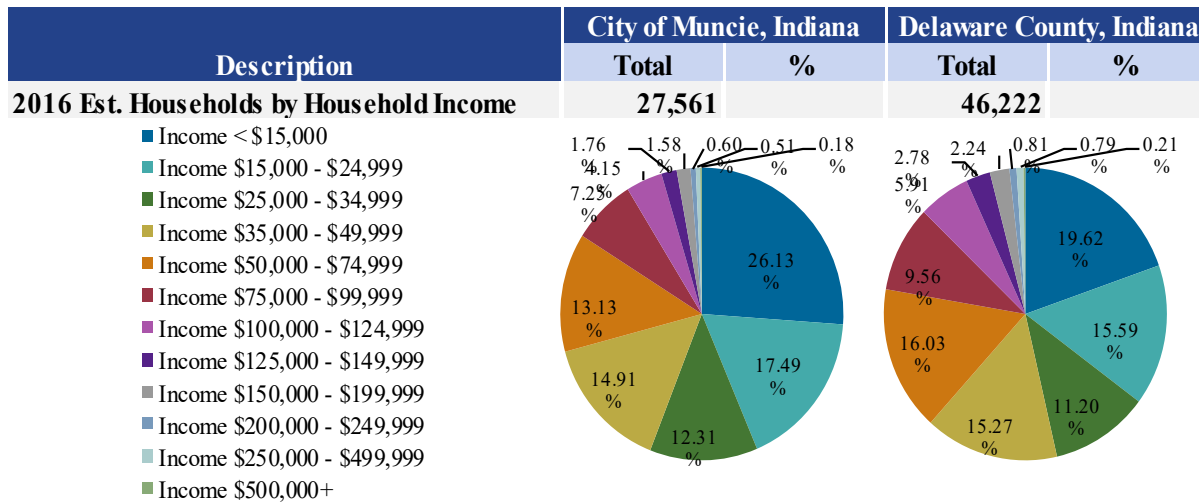
Household Size and Presence – The following table reveals households by size and by presence of household members under 18.

- The average household size of 2.22 in the city of Muncie is slightly less than the Delaware County average of 2.33. This is another indicator that is most likely different from Delaware County as a whole because of the concentration of Ball State Students inside the city limits.
- The 24.15 percent of households in the city of Muncie indicates a low representation of households with persons under 18 years.
- The majority of households (68.66 percent) contain two or fewer members. The national average is 3.13 people per household.

Description	City of Muncie, Indiana		Delaware County, Indiana	
	Total	%	Total	%
2016 Est. Households by Household Size	27,561		46,222	
1-person	9,736	35.33%	13,903	30.08%
2-person	9,187	33.33%	16,627	35.97%
3-person	4,187	15.19%	7,217	15.61%
4-person	2,686	9.75%	5,193	11.23%
5-person	1,170	4.25%	2,217	4.80%
6-person	411	1.49%	742	1.61%
7-or-more-person	184	0.67%	323	0.70%
2016 Est. Average Household Size	2.22		2.33	
2016 Est. Households by Presence of People Under 18	27,561		46,222	
Households with 1 or More People under Age 18:	6,656	24.15%	12,570	27.19%
Households with No People under Age 18:	20,905	75.85%	33,652	72.81%

Household Income – Using household income of \$50,000 and greater as a general target for Muncie residents able to buy new homes, approximately 29 percent of city of Muncie households and 38 percent of Delaware County households can be considered income-qualified. Often a higher income homebuyer is targeted for this type of study. However, in Muncie this study is identifying \$50,000 to accommodate existing lower income households as well as younger first time home-buying households choosing to remain in or move to Muncie.

- The average household income in the city of Muncie is estimated to be \$43,725 for the current year. The average household income of Muncie is projected to increase significantly over the next five years, from \$43,725 to \$47,872, a change of 9.48 percent.
- The average household income in Delaware County is estimated to be \$52,682 for the current year. The average household income in Delaware County is projected to change over the next five years, from \$52,682 to \$56,853, a change of 7.91 percent.
- The average household income for the United States is estimated to be \$74,165.



Description	City of Muncie, Indiana		Delaware County, Indiana	
	Total	%	Total	%
2016 Est. Households by Household Income	27,561		46,222	
Income < \$15,000	7,203	26.13%	9,067	19.62%
Income \$15,000 - \$24,999	4,821	17.49%	7,206	15.59%
Income \$25,000 - \$34,999	3,394	12.31%	5,176	11.20%
Income \$35,000 - \$49,999	4,109	14.91%	7,060	15.27%
Income \$50,000 - \$74,999	3,618	13.13%	7,411	16.03%
Income \$75,000 - \$99,999	1,999	7.25%	4,417	9.56%
Income \$100,000 - \$124,999	1,145	4.15%	2,730	5.91%
Income \$125,000 - \$149,999	484	1.76%	1,284	2.78%
Income \$150,000 - \$199,999	435	1.58%	1,035	2.24%
Income \$200,000 - \$249,999	164	0.60%	373	0.81%
Income \$250,000 - \$499,999	140	0.51%	367	0.79%
Income \$500,000+	49	0.18%	96	0.21%
2016 Est. Average Household Income	\$43,725		\$52,682	
2016 Est. Median Household Income	\$30,175		\$38,531	

Household Vehicles and Workers Travel – The following table reveals households by number of vehicles, transportation to work, and travel time to work. Having a majority of workers within a 30-minute drive of their workplace is often a positive indicator that households are not being overburdened with transportation costs that will compete with housing expenses.

- Almost 50 percent of households have two or more vehicles.
- Approximately 80 percent of workers in the city of Muncie travel less than 30 minutes to work.
- Muncie has a public transportation system that includes 16 bus routes that are active every day but Sunday.
- Muncie has been increasing its biking and walking accessibility as part of community revitalization and healthy living efforts. The Muncie Action Plan heavily encourages all new home subdivisions to connect to existing sidewalks and biking paths.

Description	City of Muncie, Indiana		Delaware County, Indiana	
	Total	%	Total	%
2016 Est. Households by Number of Vehicles	27,561		46,222	
No Vehicles	3,061	11.11%	3,794	8.21%
1 Vehicle	10,904	39.56%	15,815	34.22%
2 Vehicles	9,335	33.87%	17,304	37.44%
3 Vehicles	2,853	10.35%	6,081	13.16%
4 Vehicles	1,052	3.82%	2,225	4.81%
5 or more Vehicles	356	1.29%	1,003	2.17%
2016 Est. Average Number of Vehicles	1.6		1.8	
2016 Est. Workers Age 16+ by Transp. to Work	27,723		48,562	
Drove Alone	21,386	77.14%	39,520	81.38%
Car Pooled	2,280	8.22%	3,692	7.60%
Public Transportation	892	3.22%	942	1.94%
Walked	1,674	6.04%	1,843	3.80%
Bicycle	470	1.70%	503	1.04%
Other Means	251	0.91%	514	1.06%
Worked at Home	770	2.78%	1,548	3.19%
2016 Est. Workers Age 16+ by Travel Time to Work				
Less than 15 Minutes	13,997		19,823	
15 - 29 Minutes	8,129		17,035	
30 - 44 Minutes	2,701		5,717	
45 - 59 Minutes	1,066		1,967	
60 or more Minutes	1,233		2,628	
2016 Est. Avg Travel Time to Work in Minutes	20.00		22.00	

PRIZM Segment Insights

Current demographics data for the market area was expanded into household PRIZM segments, housing groups, and home types. Brief definitions of these terms are the following:

- **PRIZM Segments** – expand demographics data to place U.S. households into 66 demographically, geographically, and behaviorally distinct types, or “segments.” PRIZM segments provide insights into household-level lifestyle, purchasing, and dwelling behaviors and preferences.
- **Home Types Key** – distinct categories of homes that combine size, pricing, number of bedrooms and bathrooms, owner or rented, single or multifamily, amenities, and neighborhood preferences.

Home Type ID	Bedrooms Range		Home Price Range	
	Low	High	Low	High
A	1	3	\$30,001	\$75,000
B	1	3	\$75,001	\$125,000
C	1	4	\$125,001	\$175,000
D	2	4	\$175,001	\$225,000
E	2	4	\$225,001	\$275,000
F	3	4	\$275,001	\$325,000
G	3	5	\$325,001	\$425,000
H	3	5	\$425,001	\$625,000
I	3	5+	\$625,001	\$925,000
J	3	5+	\$925,001	\$ 1,500,000

- **Housing Groups Demand Overview** – aligns home types with housing groups to estimate housing groups and total demographics housing need.
- **Housing Groups** – align PRIZM segments together that can be expected to have the same type of housing needs and preferences.

A housing groups chart has been created to summarize the characteristics of each PRIZM segment. The geography, age, income level, family layout, housing type and size, price range of housing, and amenity mix have all been factored when separating them into groups. Of ten total housing groups available, we have included five that are generally best targets for new homebuyers.

Housing Group	PRIZM Segment	Rural/ Suburban	Urban	Young	Middle Age	65+	Income 1	Income 2	Income 3	Income 4	Family	Single/ Couple	Own	Rent	MF	SF	Sq. Ft Range	Price Range	Home and Community Amenities	1 Story	1.5 Story	2 Story
Suburban Dream	23 Greenbelt Sports	x			x			x			x		x				1700 - 2500	Home Price \$150-350,000	Finished, livable lower level, 3 car garage, home office, outdoor living, multi-generational	x	x	x
	32 New Homesteaders	x			x			x			x											
	33 Big Sky Families	x			x			x			x											
	20 Fast-Track Families	x			x			x			x											
	18 Kids & Cul-de-Sacs	x		x	x			x			x											
	19 Home Sweet Home	x			x			x			x											
	17 Beltway Boomers	x			x			x			x											
Comfortable Couples	30 Suburban Sprawl	x			x			x			x		x				1000- 1750	Home Price \$125 - 225,000	Entertainment amenities, 2 car garage, walk/run, pet amenities	x	x	x
	28 Traditional Times	x			x			x			x											
	27 Middleburg Managers	x			x			x			x											
	25 Country Casuals	x			x			x			x											
Urban Professionals	08 Executive Suites		x	x	x		x				x		x	x	x		1000 - 2500	Home Price \$150 - 400,000	Gym, pet amenities, security, wi-fi, walk- ability, dining options, convertible space, garage parking			
	35 Boomtown Singles		x	x					x		x											
	24 Up-and-Comers		x	x					x		x											
	22 Young Influentials		x	x					x		x											
12 Brite Lites, Li'l City		x		x			x				x											
Top Tier Families	11 God's Country	x			x		x				x	x	x				>2000	Home Price >\$300,000	Outdoor Living, large lots, high end finish levels, options for everything	x	x	x
	05 Country Squires	x			x		x				x	x										
	10 Second City Elite	x			x		x				x											
	03 Movers & Shakers	x			x		x				x											
	13 Upward Bound	x		x	x		x				x											
	06 Winner's Circle	x		x	x		x				x											
02 Blue Blood Estates	x			x		x				x												
Top Tier Retired	21 Gray Power	x				x		x			x		x				1500- 2500	Home Price >\$200,000	Maintenance packages, lock and leave, storage, rv parking, age in place, main floor living	x	x	
	09 Big Fish, Small Pond	x				x	x				x											
	15 Pools & Patios	x			x		x				x											
	14 New Empty Nests	x			x		x				x											
	01 Upper Crust	x				x	x				x											

Housing Groups Demand Overview

This section includes the overview demand by housing groups, which is a summary view of the complete Housing Groups Matrix. These five new home housing groups – Suburban Dream, Comfortable Couples, Urban Professionals, Top Tier Families, and Top Tier Retired – are anticipated to represent the majority of home buying households in Muncie.

Demand by Housing Group	Current 2016	
	# of Households	% of Households
Suburban Dream	617	2.24%
Comfortable Couples	3,948	14.32%
Urban Professionals	2,758	10.01%
Top Tier Families	557	2.02%
Top Tier Retired	279	1.01%
Total	8,159	29.60%

Employment by Sector and Employer

The following provides an overview of employment and employers within the market area.

Muncie and Delaware County are known for their advanced manufacturing, food processing, logistics and distribution, alternative energy, and information technology. With the mix of top employers expected to include upper middle to top salary earners this can be considered an indicator of new home demand as these employees can be generally considered targets for new home buyers. These top employers ease of retaining and attracting key employees can be related to availability of new homes.

Top Employers

Company Name	Product/Service	Employees
IU Health, BMH	Medical Services	3,000
Ball State University	Education	2,800
Muncie Community Schools	Education	843
Navient	Customer Service Center	650
Meridian Services	Behavior Health	610
Wal-Mart North and Wal-Mart South	Retail	597
Marsh Food Supermarkets	Retail/Food Distribution	592
Concentrix	Customer Service Center	550
First Merchants Corporation	Financial Services	516
MPT Muncie/Magna Powertrain	Manufacturing	528
Ivy Tech Community College	Education	482
City of Muncie	Government	465
Delaware County Government Offices	Government	452
Progress Rail	Rail and Transit Products	400
Youth Opportunity Center	Youth Services	400
Delaware Community Schools	Education	392

Occupations

Description	City of Muncie, Indiana		Delaware County, Indiana	
	Total	%	Total	%
2016 Est. Civ. Employed Pop 16+ by Occupation	28,395		49,716	
Office/Admin. Support	3,918	13.80%	7,250	14.58%
Food Prep/Serving	3,480	12.26%	4,675	9.40%
Sales/Related	3,266	11.50%	5,203	10.47%
Education/Training/Library	2,438	8.59%	4,014	8.07%
Production	2,283	8.04%	4,158	8.36%
Management	1,732	6.10%	3,565	7.17%
Transportation/Moving	1,677	5.91%	2,990	6.01%
Building Grounds Maintenance	1,615	5.69%	2,589	5.21%

Description	City of Muncie, Indiana		Delaware County, Indiana	
	Total	%	Total	%
Personal Care/Service	1,356	4.78%	2,153	4.33%
Health Practitioner/Technician	1,314	4.63%	2,882	5.80%
Healthcare Support	1,087	3.83%	1,820	3.66%
Business/Financial Operations	807	2.84%	1,577	3.17%
Construction/Extraction	745	2.62%	1,774	3.57%
Community/Social Services	645	2.27%	965	1.94%
Maintenance Repair	643	2.26%	1,394	2.80%
Arts/Entertainment/Sports	343	1.21%	513	1.03%
Computer/Mathematical	332	1.17%	666	1.34%
Protective Services	232	0.82%	445	0.90%
Architect/Engineer	172	0.61%	437	0.88%
Life/Physical/Social Science	126	0.44%	220	0.44%
Legal	115	0.41%	218	0.44%
Farming/Fishing/Forestry	69	0.24%	208	0.42%

Labor Force – Bureau of Labor Statistics

The following data from the Bureau of Labor Statistics is based on civilian labor force. Civilian labor force is the sum of all private industry and state and local government workers, and excludes federal government, military, and agricultural workers that reside within the given area. These numbers show that as of preliminary data available for September 2016, 53,000 people who live in Delaware County were employed as civilians. It also shows that 2,700 people that live in Delaware County filed for unemployment.

Area Name	Civilian Labor Force	Number Employed	Number Unemployed	Unemployment Rate	Preliminary Data
Muncie, IN MSA	55,800	53,000	2,700	4.9%	Yes
Indiana	3,376,100	3,224,700	151,400	4.5%	Yes

Migration

The following provides an overview of migration into and out of Delaware County.

Annual county-to-county migration data is compiled by the IRS each year. This information is based on changed addresses received from annual tax returns. According to the IRS, this data captures about 70 percent of all United States residents, excluding low-income residents who are not required to file a return. The data from the 2013-2014 tax year is the most recent information available through the IRS. Information on specific county-to-county movements is only available when at least 10 returns changed addresses in a given year. It should be noted that the IRS data only reflects changes in primary addresses and not the purchase of second or seasonal homes. The following chart does not track the number of returns, but the number of individuals attached to those returns in the form of exemptions so as to include entire families.

- Within Delaware County, 78,957 individuals were stationary (non-migrants) during the 2013-2014 tax year. Delaware County's total migration numbers for the year reveal 2,719 individuals moved into the county, and 3,205 individuals moved out of the county. This shows a stable market with in and out migration pretty evenly matched.
- The largest destination for migration to and from Delaware County, between 13 and 15 percent, was nearby Madison County. There are no noticeable trends from where people move from to Delaware County even beyond the top ten origins shown.

Delaware County - Top Origins for In Migrants - By County 2013-2014 Tax Year

Rank	State	County	Total	% of Total
1	IN	Madison County	398	14.64%
2	IN	Randolph County	221	8.13%
3	IN	Henry County	189	6.95%
4	IN	Marion County	175	6.44%
5	IN	Jay County	134	4.93%
6	IN	Grant County	107	3.94%
7	IN	Blackford County	81	2.98%
8	IN	Hamilton County	77	2.83%
9	IN	Wayne County	59	2.17%
10	IN	Allen County	49	1.80%
Top Ten Total			1,490	54.80%
Delaware County Total			2,719	100.00%

**Delaware County - Top Destinations for Out Migrants - By County
2013-2014 Tax Year**

Rank	State	County	Total	% of Total
1	IN	Madison County	409	12.76%
2	IN	Marion County	274	8.55%
3	IN	Hamilton County	215	6.71%
4	IN	Henry County	206	6.43%
5	IN	Randolph County	167	5.21%
6	IN	Jay County	120	3.74%
7	IN	Grant County	71	2.22%
8	IN	Allen County	70	2.18%
9	IN	Blackford County	68	2.12%
10	IN	Wayne County	43	1.34%
Top Ten Total			1,643	51.26%
Delaware County Total			3,205	100.00%

Competitive Focus

This section provides analysis of existing homes and relevant new home communities within market area. The known pipeline of relevant new residential developments is included, along with a competitive review matrix format containing critical items and characteristics relevant to new residential development. Site review data, residential review data, photographs, inventories, amenities, and other relevant information are presented, as is a narrative analysis of competitive conditions. An overview competitive analysis related to example target moving into the market areas is included.

The competitive focus includes the following subsections:

- **Housing Occupancy, Tenure, and Structure**
- **Assessor Housing Records Summary**
- **Housing Sales Information and Analysis**
- **Building Permits**
- **Development Photos and Map**
- **Marketing Materials**
- **Planned Residential Community Developments**

Housing Occupancy, Tenure, and Structure

The following tables reveal housing units by tenure, by year the structure was built, by value, and by the units in each structure.

An overview of Muncie's level of owner occupied housing, length of residence, housing ages, and home values all reveal fewer new homes in the total housing mix than generally expected. Additionally, at the current pace of new homebuilding, obsolescence of existing homes can likely exceed new home creation resulting in a net loss of available residences.

- Almost 53 percent of the homes in Muncie are occupied by homeowners. This is low compared to 64.5 percent in Delaware County. Part of this difference might be based on Ball State students renting in larger numbers inside Muncie.
- The average homeowner in Muncie resides in their home for 19.5 years.
- The estimated median year built of Muncie housing units is 1959.
- Over 76 percent of housing units in Muncie were built before 1980. Less than 7 percent of housing units in Muncie were built after 2000.
- About 94 percent of housing units within Muncie are valued at below \$200,000. This, along with the 90 percent in Delaware County is a high percentage of low value homes.
- Just under 65 percent of the residential units in the United States are owner occupied, higher than Muncie but in line with Delaware County. The national median year built of residential units is 1978, almost two decades newer than the Muncie median. 52 percent of residential units nationwide are valued below \$200,000, 42 percentage points lower than Muncie.

Description	City of Muncie, Indiana		Delaware County, Indiana	
	Total	%	Total	%
2016 Est. Occupied Housing Units by Tenure	27,561		46,222	
Owner Occupied	14,592	52.94%	29,835	64.55%
Renter Occupied	12,969	47.06%	16,387	35.45%
2016 Owner Occ. HUs: Avg. Length of Residence	19.5		19.6	
2016 Renter Occ. HUs: Avg. Length of Residence	6.9		7.1	

Description	City of Muncie, Indiana		Delaware County, Indiana	
	Total	%	Total	%
2016 Est. Housing Units by Year Structure Built	32,135		52,604	
Housing Units Built 2010 or later	408	1.27%	677	1.29%
Housing Units Built 2000 to 2009	1,716	5.34%	3,677	6.99%
Housing Units Built 1990 to 1999	3,001	9.34%	5,332	10.14%
Housing Units Built 1980 to 1989	2,487	7.74%	4,207	8.00%
Housing Units Built 1970 to 1979	3,636	11.31%	7,237	13.76%
Housing Units Built 1960 to 1969	4,148	12.91%	8,254	15.69%
Housing Units Built 1950 to 1959	5,890	18.33%	8,105	15.41%
Housing Units Built 1940 to 1949	3,950	12.29%	4,968	9.44%
Housing Unit Built 1939 or Earlier	6,899	21.47%	10,147	19.29%
2016 Est. Median Year Structure Built	1959		1964	

Description	City of Muncie, Indiana		Delaware County, Indiana	
	Total	%	Total	%
2016 Est. Owner-Occupied Housing Units by Value	14,592		29,835	
Value Less than \$20,000	1,309	8.97%	2,422	8.12%
Value \$20,000 - \$39,999	1,955	13.40%	2,692	9.02%
Value \$40,000 - \$59,999	2,123	14.55%	3,235	10.84%
Value \$60,000 - \$79,999	2,428	16.64%	4,160	13.94%
Value \$80,000 - \$99,999	2,358	16.16%	4,903	16.43%
Value \$100,000 - \$149,999	2,297	15.74%	5,991	20.08%
Value \$150,000 - \$199,999	1,246	8.54%	3,526	11.82%
Value \$200,000 - \$299,999	449	3.08%	1,600	5.36%
Value \$300,000 - \$399,999	221	1.51%	642	2.15%
Value \$400,000 - \$499,999	97	0.66%	321	1.08%
Value \$500,000 - \$749,999	27	0.19%	208	0.70%
Value \$750,000 - \$999,999	25	0.17%	56	0.19%
Value \$1,000,000 or more	57	0.39%	79	0.26%

2016 Est. Median All Owner-Occupied Housing Value	\$75,725		\$89,825	
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Description	City of Muncie, Indiana		Delaware County, Indiana	
	Total	%	Total	%
2016 Est. Housing Units by Units in Structure	32,135		52,604	
1 Unit Attached	842	2.62%	1,428	2.71%
1 Unit Detached	20,617	64.16%	37,656	71.58%
2 Units	1,721	5.36%	2,176	4.14%
3 or 4 Units	1,846	5.74%	2,194	4.17%
5 to 19 Units	4,226	13.15%	4,942	9.39%
20 to 49 Units	922	2.87%	1,007	1.91%
50 or More Units	496	1.54%	597	1.13%
Mobile Home or Trailer	1,465	4.56%	2,604	4.95%
Boat, RV, Van, etc.	0	0.00%	0	0.00%

Assessor Housing Records Summary

The Housing Needs Analysis included establishing and reviewing a current database of housing supplies based on Delaware County assessor records last updated on January 1, 2016.

Please note Delaware County Assessor records have been utilized as an overview resource appropriate for the details and the levels of data provided. As such, Assessor Data is one of several resources utilized for understanding and analyzing the total supply of housing.

Delaware County Assessor data on housing records indicate average home sizes, values, and overall mix of home types that is consistent with established housing stock and without significant new housing adding larger and higher value homes.

- Within Delaware County there are 514 apartments with an average living space of 1,121 square feet.
- Within Delaware County there are 36,412 1 to 3 family dwellings with an average living space range of 1,717 to 2,119 square feet and a range of average appraised value of \$69,948 to \$88,152.
- Within Delaware County there are 1,106 mobile/manufactured homes with an average living space of 1,312 square feet and an average appraised value of \$51,675.

Property Class Description	# of Units	Total Living Area	Total Appraised Value	Average Living Area	Average Appraised Value	Aprsd Value Per Sq Ft
Apartments	514	576,349	241,346,400	1,121	469,546	419
1 Family Dwell	34,773	59,708,538	3,065,294,394	1,717	88,152	51
2 Family Dwell	1,375	2,252,710	96,178,800	1,638	69,948	43
3 Family Dwell	264	559,374	16,669,500	2,119	63,142	30
Mobile or Manufactured Home	1,106	1,451,459	57,152,100	1,312	51,675	39
Condominium Unit	1,022	1,667,242	106,363,483	1,631	104,074	64
Other Residential Structures	1	-	24,000	-	24,000	
	39,055	66,215,672	3,583,028,677			

Housing Sales Information and Analysis

This section provides summary housing sales information and analysis for the market area that has been derived from Multiple Listing Service (MLS) information and other data relevant for Davidson County, Indiana.

MLS data reviewed has been provided by outside resources for a 44-month period. MLS data is utilized as supporting information, but not as validated or proven reliable data.

In total, the MLS information reveals approximately 46 percent of sales under \$75,000 and 27 percent of sales \$75,000-\$125,000. While MLS information is not presented as proven data, in total, such a strong representation of lower priced homes potentially indicates several factors including weak existing home prices, low Realtor earnings, need for higher value home demand and supply, and a non-vibrant residential market.

Delaware County Closings and Listings

Home Type ID	Price Range (thousands)	Jan 2013 - Aug 2016 Closings			Averages		Current Listings		Months Supply
		Total Units	% Units	Total \$	Average Units Sold/Month	Average Sale Amount	Total Units	Total \$	
A	\$0 to \$75	1,913	46.47%	\$73,422,424	80	\$38,381	205	\$9,622,060	2.6
B	\$75 to \$125	1,105	26.84%	\$107,982,503	46	\$97,722	101	\$9,671,633	2.2
C	\$125 to \$175	562	13.65%	\$82,195,198	23	\$146,255	56	\$8,138,698	2.4
D	\$175 to \$225	235	5.71%	\$45,650,243	9.79	\$194,256	20	\$3,837,000	2.0
E	\$225 to \$275	135	3.28%	\$33,198,386	6	\$245,914	16	\$3,934,577	2.8
F	\$275 to \$325	68	1.65%	\$20,061,700	2.83	\$295,025	8	\$2,446,100	2.8
G	\$325 to \$425	63	1.53%	\$23,147,863	3	\$367,426	15	\$5,759,900	5.7
H	\$425 to \$625	31	0.75%	\$15,074,500	1.29	\$486,274	6	\$3,112,600	4.6
I	\$625 to \$925	5	0.12%	\$3,613,000	0	\$722,600	4	\$2,996,800	19.2
J	Over \$925	-	0.00%	\$0	-	-	2	\$2,595,000	-
Totals		4,117	100%	\$404,345,817	171.54	\$98,214	433	\$52,114,368	2.5

Building Permits

As reference for competitive review, the following charts show building permits for new home construction within the city of Muncie and Delaware County. The varying ranges of permits reported annually could be based on a change in how local permits were coded. Provided permit information was used as reference only and not as critical data for this study.

New home permits appear very limited and at the present moment not adequate to support household growth as well as counter obsolescence of aging, existing homes.

- There were 123 new home permits in the city of Muncie from 2014 through October 2016. They greatly vary annually from 86 in 2014 to only 5 the following year in 2015. There have been 32 permits issued for new home construction during the first ten months of 2016.
- There were a total of 59 new home permits in Delaware County from 2014 through October 2016. They were more consistent than Muncie over the previous two years with 14 in 2014 and 15 in 2015. There have been 30 permits issued for new home construction during the first ten months of 2016, more than the previous two years together with two months left to go.

Delaware County Building Permits		
2014	2015	2016 to date (11/1)
14	15	30

City of Muncie Building Permits		
2014	2015	2016 to date (11/1)
86	5	32

Development Photos and Map

This section provides a visual summary of new home communities within Muncie. A group of photographs taken at active subdivisions are included.

These new home communities were visited to survey examples of new homebuilding in and adjacent to the city of Muncie. The noticed quality of new homes appears in line with buyer demand expectations. The noticed presence of new homes is consistent with data indicating sparse new homebuilding. The visited new home communities included standardly expected improvements such as paved streets, curbs, street signage, etc. Some communities included added features such as entrance signage, sidewalks, trails, etc. All observed new home communities ranged from moderate building to no activity. All observed communities and new homes had minimal to no marketing.









A map of the planned development drive area is included below.



Marketing Materials

This section provides a visual summary of housing marketing found within Muncie.

The Muncie-Delaware County Economic Development Alliance dedicates a page of its website to “Housing Information” and links to “Member Realtors”.

The screenshot shows the website for the Muncie-Delaware County Economic Development Alliance. The top navigation bar includes links for SEARCH PROPERTIES, INDUSTRIAL DIRECTORY, NEWS & MEDIA, CHAMBER MEMBER DIRECTORY, and CONTACT US. The main header features the organization's logo and navigation links for ABOUT US, SITE SELECTION & DATA, LOCAL BUSINESS, KEY INDUSTRIES, MUNCIE LIVING, and CHAMBER OF COMMERCE. The page content is titled "Housing Information" and includes a sub-section for "Residential Living" with a paragraph about a 2007 study by Ball State University. Below this is another section titled "A Place for Everyone" which includes an image of a historic house and text describing the area's appeal to residents and newcomers.

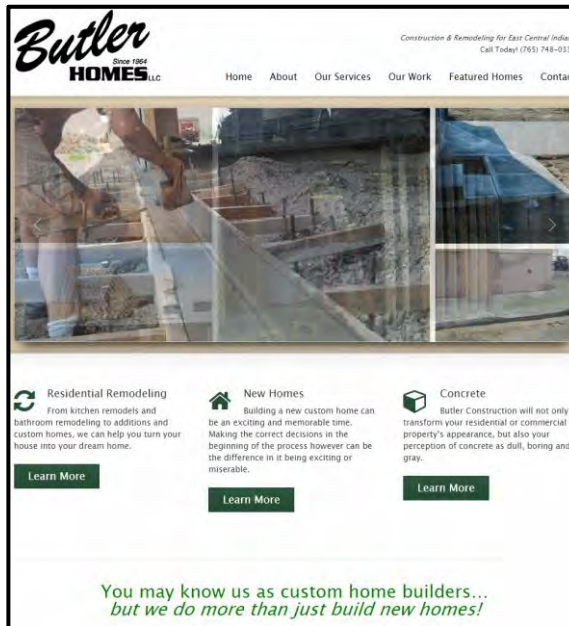
Zillow.com, Realtor.com, and Homes.com all show zero listings for new construction homes within Muncie.

A few custom homebuilders show a presence in Muncie, Indiana. Screenshots included below are from builders marketing to potential homebuyers within Muncie. However, field presence of builder marketing was inconsistent with sampling of builder websites.

Taylor Homes



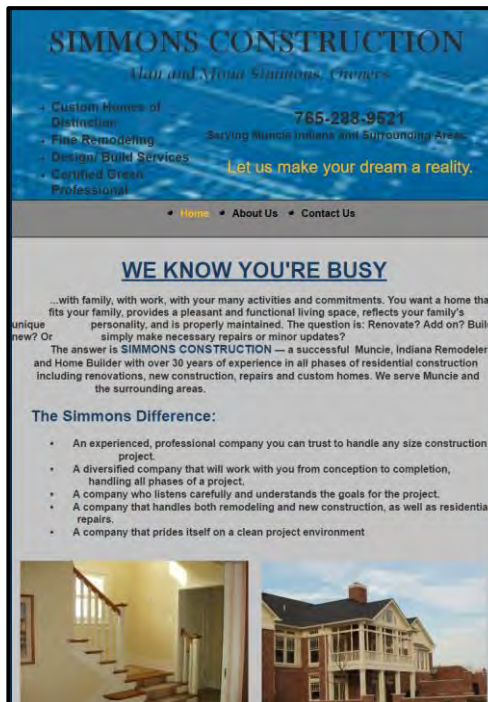
Butler Homes



Trademark Homes



Simmons Construction



Planned Residential Community Developments

Public information was searched and reviewed for planned new home communities. No planned developments were found in the minutes of the Delaware County Planning and Zoning board, as available online through September 2015. Web searches, the Star Press, and other media did not reveal planned residential development information.

Examples of significant and transformative developments, not new home communities, were found such as downtown Muncie projects, Ivey Tech Community collect \$43 million project, and King Indiana Forge site.

Amenities Focus

This section provides an overview analysis of existing and trending amenity offerings.

Communities in Muncie and Delaware County have several pre-existing amenities based on their location and the nature of the town. Since its founding in 1918 Ball State University has been a central part of Muncie's identity and has established it as a 'college town'. For most of the year Muncie is home to vibrant group of young students who make the city feel livelier than comparable towns without a large college. There are also recurring events hosted by the college that are open to the public such as football games, theatre productions, and music recitals.

Muncie also has a large health center in the Ball Memorial Hospital, and five out of the twenty Muncie public schools ranked by test scores on www.greatschools.org scored a nine or a ten out of ten. There are several parks within Delaware County including McCullough Park and the Prairie Creek Reservoir. Muncie also has five golf courses including Crestview Golf Club and Delaware Country Club. Muncie has a variety of retail stores with the major commercial drive being McGalliard Road which offer a wide range of retail, dining, and entertainment.

Downtown Muncie has benefitted from a wide range of community revitalization efforts and new construction and businesses. Recently built hotels and the new convention center have supplemented other downtown renovation projects and created a lively city center along Walnut Street.

The Interstate Highway that runs through Delaware County does not pass through Muncie, but a series of State and U.S. Highways provide easy transportation to Interstate 69. Muncie is a 70-mile drive from downtown Indianapolis and the stadiums for the Indianapolis Colts and Pacers, and an 80-mile drive from the Indianapolis International Airport. Muncie has been very active in developing a network of biking and walking trails to promote healthy living, and there are plans to expand one of these trails southwest to Anderson, Indiana, and from there potentially to Indianapolis.



Institutional and Business Housing Information

This section provides an overview of the information received during conversations with Muncie stakeholders. The list of representatives and interview were coordinated by the Client.

Ball State University – Julie Halbig (lives in Fishers)

- The housing stock older than five years is really, really dated.
- Faculty wants granite, updated baths, and hardwood floors. Homes that are low maintenance and ready for two professionals that aren't "maintenance people".
- Trailing spouses are a legitimate reason faculty is not living in Muncie – not sure that modern, up to date housing would solve this.
- Younger faculty seems the value in the housing in Muncie and has a more local mindset.
- Upwards of 40 percent of the faculty live outside of Delaware County.
- We need a "if you build it, they will come" mentality – the effect can only be positive and keep moving the needle up.
- K-12 schools in Muncie get an unfair bad rap. The quality of the schools is quite good, but that isn't marketed. A more proactive approach is needed.
- Suggestions for new housing – single family traditional with a \$150-300k price point.
- Housing needs to be ready. Interviews take place in the spring, job offers in May, and they must be ready for school to start in August. So walking in to housing that's available and updated is important.
- Their faculty is 50 percent baby boomers, so although they currently bring in about 100 new faculty members per year their faculty is aging out and they will need to replace a lot of people in the next six years.
- Ms. Halbig's feedback is that Realtors show new faculty homes that are outside of Muncie, consistently everywhere except Muncie.

Ball State University – Dr. Charlene Alexander (lives in Muncie)

- Faculty trying to find homes 2,200-2,500 square feet have a lack of inventory to choose from, however, what they do have is a great value for the square footage.
- The search committee sets up a time during the interview schedule for candidates to meet with a Realtor.
- New faculty decides to live in Noblesville/Fishers because of their perception of their own needs, partner employment, or a perceived quality of place issue.
- Proximity to the university, shorter commutes, and connecting work directly to Muncie community can all attract employees to the Muncie area.
- People understand that Muncie is a good place to live and they have a good mayor that embraces diversity.

- Things Muncie is currently working on will go a long way to make the connection between Ball State and the downtown community.
- Amenities wanted are – access to recreation, access to places to exercise and trails, easy access to great restaurants.
- Suggestions for new housing – small living, more studios and downtown apartments; 1,500 square feet in affordable, great neighborhoods; type and style needs to be more diverse because the faculty comes from all over the world.
- Dr. Alexander’s feedback is that candidates are pleased with the Realtors they’ve worked with.

Ball Memorial Hospital – Dr. Jeffrey Bird and Angie Koger (both live in Muncie)

- In reviewing reasons that candidates are not accepting jobs the housing market has not been an issue.
- The south end of Muncie feels like a detriment to bringing candidates to Muncie – it’s a great area, but the housing doesn’t reflect that.
- Employees seem to build or buy towards Yorktown. This gives them easy access to Indianapolis and an 8 minute drive to the hospital.
- New physicians are offered incentives to live in Delaware County.
- Higher end apartments and condominiums are available in Muncie, but there isn’t a high demand for them.
- You can buy a very nice, decent square footage house in Muncie for a good value when it’s available.
- Residents from Cowan, Yorktown, etc. come to Muncie for the amenities (ie. shopping, movies, Wal-mart, etc.), but then choose to live elsewhere.
- The north end of Muncie has lots of good restaurants and stuff to do. The south end is being cleaned up and great strides are be taken there.
- Suggestions for new housing – mid-income housing and starter homes are needed; downtown housing; Millennial housing in the \$40-50k salary range

Comparative Analysis

This section analyzes the combined information from the introduction, mapping focus, demographics focus, competitive focus, and amenities focus sections. A narrative and supporting data are included, along with a narrative, overview data, and recommendations of the predicted most positive new home segment opportunities. Possible barriers to development are explained.

The comparative analysis includes the following subsections:

- **Market Overview**
- **Mapping Focus**
- **Demographics Focus**
- **Competitive Focus**
- **Amenities Focus**
- **Expanded Comparative Review**

Market Overview – Information considered as market overview and key development introduction elements combine to indicate positive potential for the city of Muncie. Notable items contributing to this analysis follow.

- The local governments of Muncie and Delaware County are actively seeking to refresh their housing market and reverse their recent trend of sagging population.
- Downtown revitalization efforts, new outdoor community attractions, and guidelines for how new housing will connect with existing neighborhoods provide a good foundation for future residential expansion in Muncie.

Mapping Focus – Information considered as key mapping and locational elements combine to indicate positive location attributes for Muncie. Notable items contributing to this analysis follow.

- I-69 passes through Delaware County outside of Muncie; two I-69 exits, 34 and 41, serve as quick roadways to Muncie
- Driving distance and time from move-in markets follow:

Major Cities Within a Driving Distance of 250 Miles From Muncie, IN (from Google Maps)		
From	Distance	Time (hours:minutes)
Indianapolis, IN	66 miles	1 hour, 14 minutes
Fort Wayne, IN	79 miles	1 hour, 27 minutes
Dayton, OH	87 miles	1 hour, 33 minutes
Cincinnati, OH	107 miles	2 hours, 12 minutes
Columbus, OH	145 miles	2 hours, 33 minutes
Louisville, KY	171 miles	2 hours, 46 minutes
Lexington, KY	182 miles	3 hours, 29 minutes
Lansing, MI	208 miles	3 hours, 10 minutes
Chicago, IL	233 miles	3 hours, 39 minutes
Detroit, MI	240 miles	3 hours, 46 minutes

Demographics Focus – Information considered as key demographics elements combine to indicate positive demand for the city of Muncie. Notable items contributing to this analysis follow.

- Muncie’s growth is in line with the population growth of other medium sized communities in the Midwest and Indiana such as Gary, Michigan City, and Terre Haute and lags behind the national growth average of 3.69 percent.
- Muncie’s growth is in line with the household growth of other medium sized communities in the Midwest and Indiana such as Gary, Michigan City, and Terre Haute and lags behind the national growth average of 3.91 percent.
- Noted New Home Purchasing Age Groups – The highlighted age groups generally represent the top targets for new, for sale housing in the Muncie market. Over the next five years the Census is projecting large increases by percentage of population in Muncie and Delaware County in the ranges of 25 to 35 and 65 to 74 mostly due to the aging of current residents.
- It is anticipated that these five new home housing group targets – Suburban Dream, Comfortable Couples, Urban Professionals, Top Tier Families, and Top Tier Retired – represent the majority of households in Muncie.
- With the mix of top employers expected to include upper middle to top salary earners this can be considered an indicator of new home demand as these employees can be generally considered targets for new home buyers. These top employers ease of retaining and attracting key employees can be related to availability of new homes.

Competitive Focus – Information considered as key competitive elements combine to indicate market supply needs and opportune positioning for Muncie. Notable items contributing to this analysis follow.

- Just under 65 percent of the residential units in the United States are owner occupied, higher than Muncie but in line with Delaware County. The national median year built of residential units is 1978, almost two decades newer than the Muncie median. 52 percent of residential units nationwide are valued below \$200,000, 42 percentage points lower than Muncie.
- About 94 percent of housing units within Muncie are valued at below \$200,000. This, along with the 90 percent in Delaware County is a high percentage of low value homes.
- Delaware County Assessor data on housing records indicate average home sizes, values, and overall mix of home types that is consistent with established housing stock and without significant new housing adding larger and higher value homes.
- Such a strong representation of lower priced homes potentially indicates several factors including weak existing home prices, low Realtor earnings, need for higher value home demand and supply, and a non-vibrant residential market.

Amenities Focus – Information considered as key amenity elements combine to indicate positive opportunities for Muncie. Key notables contributing to this analysis follow.

- Ball State University has been a central part of Muncie’s identity and has established it as a ‘college town’.
- Downtown Muncie has benefitted from a wide range of community revitalization efforts and new construction and businesses.

- Muncie is a 70-mile drive from downtown Indianapolis and the stadiums for the Indianapolis Colts and Pacers, and an 80-mile drive from the Indianapolis International Airport.
- Muncie has been very active in developing a network of biking and walking trails to promote healthy living, and there are plans to expand one of these trails southwest to Anderson, Indiana, and from there potentially to Indianapolis.

Expanded Comparative Review – Expanded comparative review combining and analyzing all above information further reinforces positive opportunities for new homebuilding in the city of Muncie. Key notables contributing to this analysis follow.

- Muncie’s location, quality of life, lifestyle and necessity based amenities, community leadership, economic development, thoughtful planning, and ongoing delivered improvements provide a very positive environment to support new housing, both for sustaining lifelong residents and for accommodating new move-in residents.
- By analyzing all positive attributes for supporting new homes and community growth, it becomes totally clear that creation of new neighborhoods and homes significantly lags and is outpaced compared to most other economic development areas.
- In addition to a presently lagging new homebuilding pace, fewer than expected new homes were built between 1990 and 2006 than common during that timeframe. The underrepresentation of nearly new homes further reinforces needed new homes.
- The low rates of new homebuilding between 1990 and present has resulted in a generally aging total home supply. Without increased new homes creation, existing home obsolescence result in net loss of available housing units.

Strategies and Recommendations Overview

This section provides overview level recommendations to achieve best results for each positive segment development opportunity.

Strategies – Muncie’s concluded key strategies for new homebuilding are presented below.

- **Strategy Promoting Muncie** – Build on Muncie’s strong branding and marketing identity to include attracting residential development and new homebuilding.
- **Strategy Growing Muncie** – Approach need for additional new homes as tremendous strategic opportunity for Muncie’s growth as a welcoming community building lifestyle communities.
- **Strategy Residential Development Parity** – Approach encouraging residential growth with parity to other economic development strategies and incentives. A new reality is emerging that community’s residential development and new homes creation may often require spurring and supporting at same levels accustomed for other economic growth areas.
- **Strategy Existing and New Residents** – Direct and balance new home growth opportunities for both sustaining existing Muncie residents as well as attracting new residents to Muncie.
- **Strategy Economic and Homebuilding Vibrancy** – Align new housing growth and vibrancy directly with total successful economic development, jobs growth, and sustainable attraction to Muncie. (Whether apparent currently, proving new home availability may have limited Muncie from being chosen for company expansions and relocations.)

Recommendations – Muncie’s concluded key recommendations for new homebuilding are presented below.

- **Recommendation Existing Residents** – For sustaining residents, focuses are recommended to increase share of owner occupied housing as well as provide lifelong home choices as household needs change.
- **Recommendation New Residents** – For attracting new residents, focuses are recommended to generally target younger age groups establishing first households plus 50+ age groups making a lifestyle choice for where to live next.
- **Recommendation Common Households Synergies** – Both the younger age groups and the 50+ age households are expected to have many common synergies and expectations related to choosing where to live and new home types. It is recommended to maximize these commonalties by programming new neighborhoods and home types to suit both age groups and to enhance their desirability to live in same neighborhoods.
- **Recommendation Suburban and Urban** – Both the younger age groups and the 50+ age households are expected to be more open minded than in past for choosing neighborhood location and home type. It is recommended to maximize these neighborhood and home choices by offering balance of suburban oriented neighborhoods as well as close-in urban neighborhoods. This provides a broad range of home choices allowing the decision to become where to live in Muncie, instead of limited choices in Muncie. This range of new home choices is further expected to accommodate households’ future moving choices within Muncie.

- **Recommendation Adding Builder Capacity** – For Muncie’s successful new homes expansion it is recommended to balance fostering local builders’ growth as well as attracting new builders to Muncie.
- **Recommendation New Muncie Builders** – Notably for new builders it is strongly recommended to target new builders (not recently building in Muncie) that commit to delivering specifically identified needed housing. It is further recommended to be cautious about builders more focused on simply transferring home types and plans from other communities.
- **Recommendation Existing Muncie Builders** – Notably for existing Muncie builders it is important to recognize that the lack of Muncie building vibrancy may limit local builders’ opportunities outlook. It is recommended to offer support and education for local builders marketing, sales, and production expertise to fulfill buyers’ future expectations and to increase capacity. It is further recommended to recognize area homebuilders for their quality, historical service for community, and other attributes prior to targeting new builders to move to Muncie.
- **Recommendation Adding Suppliers, Trades, and Labor Capacity** – For supporting building capacity, it is recommended (similarly to builders) to balance fostering local building resources growth with attracting new suppliers, trades, and labor sources to Muncie. Among builders’ greatest concerns for builders’ market entry are often resources, i.e. securing subcontractors and suppliers that may be loyal to existing builders and/or at capacity.
- **Recommendation Improving Existing Homes and Values** – For successful new homes growth it is strongly recommended to equally support and encourage value adding improvements to existing homes.
- **Recommendation Realtor, Appraiser, and Influencer Education** – For proactively leading new homes awareness, it is recommended to provide education (online and seminar formats) for Realtors, appraisers, and other key real estate influencers.
- **Recommendation Continuing Resources** – Providing ongoing real time resources is recommended to reinforce education, brand Muncie’s housing growth, and deliver Muncie’s new homes research results. There are five main strategies that combine to identify, appeal to, and connect with the homebuilders, developers, Realtors, and appraisers that are the best fit for Muncie.
 - **Prove the Opportunity** – This research, condensed and repackaged to present opportunity highlights, is a credible insight into Muncie’s homebuilding needs. A strategy is to provide developers, homebuilders, and lenders an objective resource to analyze their opportunities.
 - **Best Candidates to Target** – The scale of homebuilding needs allows defining the best type of developers and homebuilders for Muncie. A strategy is to identify and qualify the builders within a 250 mile radius of Muncie that fit the best builder and developer type.
 - **Open for Homebuilding Business** – Evaluating permit, inspections, fees, and other direct City to builder issues are important to a builder’s first impression. Special programs, incentives, zoning, etc. may be the next level of inquiry. Banking, title companies, suppliers, etc. that are poised and ready to support homebuilding become a bonus. A strategy to prove that Muncie is open for homebuilding business by anticipating and preparing information and support that will be important to builders’ business decisions.

- **Bolster Total Growth** – Additionally strengthen the appeal to homebuilders with ongoing communication of economic and population growth efforts and also with economic development and homebuilder brand partnership opportunities.
- **Ambassador Program** – Establish an informed and enthusiastic group of ambassadors within local businesses including Ball Memorial Hospital, Ball State University, and other key community boosters. Special materials providing quick housing resources and data for use in recruiting qualified staff.
- **Recommendation Outreach for Growth** – For directly and quickly connecting with new households, it is recommended to provide invitational Move-to-Muncie hospitality and seminars. These are recommended to target both younger and older move-in target segments.

Segment Focuses – Muncie’s concluded segment focuses for new homebuilding are presented below.

- **Segment Housing All Muncie Households** – Focusing on all Muncie housing needs is critical. The present and potential demand compared to stable yet aging housing stock creates an All Muncie Households segment. It is importantly notable that sustaining and attracting Muncie households go hand-in-hand related to housing creation. While sustaining and attracting new households are organically linked at The Muncie Segment, for the purposes of this study housing needs focuses are expressed in three target segments.
- **Segment Attracting Younger Households** – This target segment concentrates on youthful vitality, entrepreneurship, lifestyles, and more that are typically associated with a positive university and small community environment. This target segment includes retaining those associated with the university as well as attracting new households because of the positive environment and expected opportunities.
- **Segment Attracting Older Households** – This target segment concentrates on maturing households (with and without children at home) that have common attractions as above younger households. This target segment includes attracting those with prior association with the university as well as attracting new households because of the comparatively superior environment, neighborhoods, and housing choices.
- **Segment Sustaining All Households** – This target segment concentrates on households living in Muncie that are presently held back from their next housing move, at risk of current housing obsolescence, limited to declining housing choices and higher housing expenses, and/or potentially facing decision to move away from Muncie.

Absorption Scenarios

This section provides absorption scenarios based on outcomes of this study and related forecasting.

All findings presented in this section have been concluded from this entire document. Findings are applied as specific home types, sizes, prices, neighborhoods, etc. and presented as a long-range absorption scenario.

The intent of this absorption scenario is to be utilized for more specific planning, programming, and development and building direction.

Developed Lots and New Homes Mix – The following table shows the forecasted developed and new homes mix. For the purpose of this study, “Y-MI” is defined as *younger households moving to Muncie*, “M-MI” is defined as *mature households moving to Muncie*, and “Sustain” is defined as *households currently living in Muncie*.

- Forecast need for a total of 405 new homes with developed lots over the next five years for the city of Muncie, Indiana.
- Home prices range from \$105,000 to \$550,000.
- Lot prices range from \$40,000 - \$90,000.
- Home types are divided between urban attached, urban single family, suburb attached, suburb single family, and suburb custom homes.

Developed Lots and New Homes Mix																		
Lot ID Key	Phases	Neighborhood Home Type	Seg-ments	Width Approx	Total Home-sites	% of Home-sites	Tot Sq Ft Smaller Home	Tot Sq Ft Larger Home	Beds Range	Baths Range	Garages Range	Stories Range	S / Sq Ft Smaller Home	S / Sq Ft Larger Home	Home Price Low	Home Price High	Mid-range Home Pricing	Mid-range Lot Pricing
U A (TH)	All	Urban Attached Units	Y-MI M-MI	Var.	80	20%	550	1250	1-3	1-2.5	1-2	1-2	\$190.91	\$168.00	\$105,000	\$210,000	\$157,500	\$40,000
U B (SF)	All	Urban Single Family	Y-MI M-MI	Var.	80	20%	1150	2850	2-4	2-3	1-2	1-2	\$169.57	\$138.60	\$195,000	\$395,000	\$295,000	\$65,000
S A (TH)	All	Suburb Attached Units	Y-MI M-MI Sustain	Var.	50	12%	950	2100	2-3	2-3	1-2	1-2	\$131.58	\$130.95	\$125,000	\$275,000	\$200,000	\$45,000
S B (SF)	All	Suburb Single Family	Y-MI M-MI Sustain	60	50	12%	1500	2200	2-4	2-2.5	2	1-2	\$123.33	\$118.18	\$185,000	\$260,000	\$222,500	\$55,000
S C (SF)	All	Suburb Single Family	Y-MI M-MI Sustain	70	50	12%	1850	2400	3-4	2.5	2-2.5	1-2	\$113.51	\$110.42	\$210,000	\$265,000	\$237,500	\$61,000
S D (SF)	All	Suburb Single Family	Y-MI M-MI Sustain	80	40	10%	2150	2600	3-4	2.5-3	2-3	1-2	\$111.63	\$109.62	\$240,000	\$285,000	\$262,500	\$65,000
S E (SF)	All	Suburb Single Family	M-MI Sustain	90	40	10%	2450	3000	3-4+	3+	2-3.5	1-2	\$110.20	\$108.33	\$270,000	\$325,000	\$297,500	\$72,000
S F (CS)	All	Suburb Custom Home	M-MI Sustain	90+	8	2%	2900	3500	3-4+	2.5-3	2-3.5	1-2	\$113.79	\$112.86	\$330,000	\$395,000	\$362,500	\$80,000
S G (CS)	All	Suburb Custom Home	M-MI Sustain	100+	7	2%	3500	4800	4-6	4+	3+	2	\$117.14	\$114.58	\$410,000	\$550,000	\$480,000	\$90,000
Totals					405	100%												

New Homes – Absorption and Revenues Forecast – The following table shows the absorption rate for each home type and the forecasted revenue.

- Total lot sales are forecast at \$23,200,000 over the next five years.
- Total home sales are forecast at \$97,860,000 over the next five years.

			New Homes - Absorption and Revenues Forecast							
Lot ID Key	Phases	Neighborhood Home Type		Yr 1 2017	Yr 2 2018	Yr 3 2019	Yr 4 2020	Yr 5 2021	Years Continuing	Totals
U A (TH)	All	Urban Attached Units	Yearly Total Sales	10	15	25	20	10	-	80
			Lot Type Revenues	\$400,000	\$600,000	\$1,000,000	\$800,000	\$400,000	-	\$3,200,000
			Home Type Revenues	\$1,575,000	\$2,362,500	\$3,937,500	\$3,150,000	\$1,575,000	-	\$12,600,000
U B (SF)	All	Urban Single Family	Yearly Total Sales	5	10	15	25	25	-	80
			Lot Type Revenues	\$325,000	\$650,000	\$975,000	\$1,625,000	\$1,625,000	-	\$5,200,000
			Home Type Revenues	\$1,475,000	\$2,950,000	\$4,425,000	\$7,375,000	\$7,375,000	-	\$23,600,000
S A (TH)	All	Suburb Attached Units	Yearly Total Sales	15	20	10	5	0	-	50
			Lot Type Revenues	\$675,000	\$900,000	\$450,000	\$225,000	\$0	-	\$2,250,000
			Home Type Revenues	\$3,000,000	\$4,000,000	\$2,000,000	\$1,000,000	\$0	-	\$10,000,000
S B (SF)	All	Suburb Single Family	Yearly Total Sales	10	15	10	10	5	-	50
			Lot Type Revenues	\$550,000	\$825,000	\$550,000	\$550,000	\$275,000	-	\$2,750,000
			Home Type Revenues	\$2,225,000	\$3,337,500	\$2,225,000	\$2,225,000	\$1,112,500	-	\$11,125,000
S C (SF)	All	Suburb Single Family	Yearly Total Sales	5	10	10	10	15	-	50
			Lot Type Revenues	\$305,000	\$610,000	\$610,000	\$610,000	\$915,000	-	\$3,050,000
			Home Type Revenues	\$1,187,500	\$2,375,000	\$2,375,000	\$2,375,000	\$3,562,500	-	\$11,875,000
S D (SF)	All	Suburb Single Family	Yearly Total Sales	3	7	10	10	10	-	40
			Lot Type Revenues	\$195,000	\$455,000	\$650,000	\$650,000	\$650,000	-	\$2,600,000
			Home Type Revenues	\$787,500	\$1,837,500	\$2,625,000	\$2,625,000	\$2,625,000	-	\$10,500,000
S E (SF)	All	Suburb Single Family	Yearly Total Sales	0	5	10	10	15	-	40
			Lot Type Revenues	\$0	\$360,000	\$720,000	\$720,000	\$1,080,000	-	\$2,880,000
			Home Type Revenues	\$0	\$1,487,500	\$2,975,000	\$2,975,000	\$4,462,500	-	\$11,900,000
S F (CS)	All	Suburb Custom Home	Yearly Total Sales	2	2	2	1	1	-	8
			Lot Type Revenues	\$160,000	\$160,000	\$160,000	\$80,000	\$80,000	-	\$640,000
			Home Type Revenues	\$725,000	\$725,000	\$725,000	\$362,500	\$362,500	-	\$2,900,000
S G (CS)	All	Suburb Custom Home	Yearly Total Sales	0	1	1	2	3	-	7
			Lot Type Revenues	\$0	\$90,000	\$90,000	\$180,000	\$270,000	-	\$630,000
			Home Type Revenues	\$0	\$480,000	\$480,000	\$960,000	\$1,440,000	-	\$3,360,000
Totals			Total Unit Sales	50	85	93	93	84	-	405
			Total Lot Sales	\$2,610,000	\$4,650,000	\$5,205,000	\$5,440,000	\$5,295,000	-	\$23,200,000
			Total Home Revenues	\$10,975,000	\$19,555,000	\$21,767,500	\$23,047,500	\$22,515,000	-	\$97,860,000

At-A-Glance Summary

This section provides a quick summary of the research, analysis, and findings.

Summary Statement – This study has concluded and forecast need for a total of 405 new homes with developed lots over the next five years for the city of Muncie, Indiana. Home types are balanced among urban attached, urban single family, suburb attached, suburb single family and suburb custom homes.

Research – This study included progressive research and findings in the following order: Market Overview, Mapping Focus, Demographics Focus, Competitive Focus, Amenities Focus, Comparative Analysis, Strategies and Recommendations Overview, and Absorption Scenarios.

Research resources for this study include Delaware County assessor data, Delaware County and city of Muncie building department data, U.S. Census data, Nielsen-Claritas research, Bureau of Labor and Statistics, Internal Revenue Service, and other resources currently available at the time of this study. Additional and extensive on-site and market area field research was developed during the course of this study.

Zanola Company is a nationally trusted partner in real estate research and development consulting, including MarketGraphics Research Group, Inc. research, opportunity discoveries, feasibility studies, marketing programs, sales management, and total business development. Zanola Company delivers trusted research, studies, and solutions.

Analysis – Within the Comparative Analysis section the combined information from the study is analyzed and a narrative, overview data, and recommendations of the predicted most positive new home segment opportunities are explained.

- Muncie’s location, quality of life, lifestyle and necessity based amenities, community leadership, economic development, thoughtful planning, and ongoing delivered improvements provide a very positive environment to support new housing, both for sustaining lifelong residents and for accommodating new move-in residents.
- By analyzing all positive attributes for supporting new homes and community growth, it becomes totally clear that creation of new neighborhoods and homes significantly lags and is outpaced compared to most other economic development areas.
- In addition to a presently lagging new homebuilding pace, fewer than expected new homes were built between 1990 and 2006 than common during that timeframe. The underrepresentation of nearly new homes further reinforces needed new homes.
- The low rates of new homebuilding between 1990 and present has resulted in a generally aging total home supply. Without increased new homes creation, existing home obsolescence result in net loss of available housing units.

Strategies and Recommendations – A thorough offering of strategies and recommendations to achieve best results for each positive segment development opportunity is included. A sampling of these strategies and recommendations are listed here.

- **Strategy Economic and Homebuilding Vibrancy** – Align new housing growth and vibrancy directly with total successful economic development, jobs growth, and sustainable attraction to Muncie. (Whether apparent currently, proving new home availability may have limited Muncie from being chosen for company expansions and relocations.)
- **Recommendation Continuing Resources** – Providing ongoing real time resources is recommended to reinforce education, brand Muncie’s housing growth, and deliver Muncie’s new homes research results. There are five main strategies that combine to identify, appeal to, and connect with the homebuilders, developers, Realtors, and appraisers that are the best fit for Muncie.
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- **Segment Sustaining All Households** – This target segment concentrates on households living in Muncie that are presently held back from their next housing move, at risk of current housing obsolescence, limited to declining housing choices and higher housing expenses, and/or potentially facing decision to move away from Muncie.

Findings – Study findings reveal need for nine specific housing types over the next five years. In summary these include urban attached, urban single family, suburb attached, suburb single family, and suburb custom homes.

- Forecast need for a total of 405 new homes with developed lots over the next five years for the city of Muncie, Indiana.
- Home prices range from \$105,000 to \$550,000.
- Lot prices range from \$40,000 - \$90,000.
- Total lot sales are forecast at \$23,200,000 over the next five years.
- Total home sales are forecast at \$97,860,000 over the next five years.

Residential Appraisal Reference – Muncie, Indiana

This supplement provides a simple guide appraisers can use as a resource from a third-party research professional to help understand positive housing values in Muncie. This supplement is provided separately and is not included in this study document.

This concludes the HWC Engineering Housing Needs Analysis.

Please contact the Zanola Company team with any questions.

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