
An Analysis of Residential Market Potential

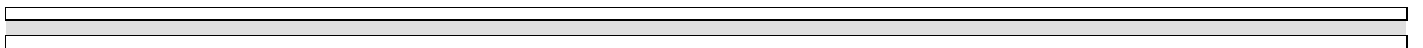
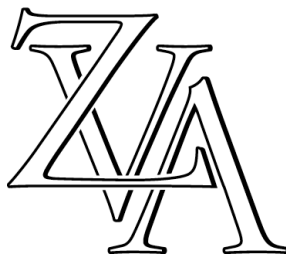
The East Bank Study Area

City of South Bend
Saint Joseph County, Indiana

February, 2021

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Residential Market Analysis Across the Urban-to-Rural Transect

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Residential Market Analysis Across the Urban-to-Rural Transect

AN ANALYSIS OF RESIDENTIAL MARKET POTENTIAL

THE EAST BANK STUDY AREA
The City of South Bend, St. Joseph County, Indiana

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INTRODUCTION

The purpose of this study is to determine the annual market potential and optimum market position for newly-introduced rental and for-sale housing units that could be developed within the East Bank Study Area in the City of South Bend, Indiana over the next five years.

The optimum market position for new housing units in the East Bank Study Area has been determined based on: the housing preferences, financial capacities, and lifestyle characteristics of the target households; the Study Area's location, visibility and physical attributes; the rental and for-sale housing market context in the East Bank market area; and Zimmerman/Volk Associates' extensive experience with urban development and redevelopment.

For the purposes of this analysis, the approximate boundaries of the East Bank Study Area are Madison Street in the north; Eddy Street in the east; the St. Joseph River/clover-leaf intersection in the south; and North Hill Street and St. Louis Boulevard in the west (the balance of Census Tract 9 that was not included in either the Downtown or Northeast Study Areas). (*See EAST BANK STUDY AREA map following this page.*)

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EAST BANK STUDY AREA

The extent and characteristics of the potential market for new housing units that could be developed within the East Bank Study Area have been determined using Zimmerman/Volk Associates' proprietary target market methodology. This methodology was developed in response to the challenges that are inherent in the application of conventional supply/demand analysis to urban development and redevelopment. Supply/demand analysis ignores the potential impact of newly-introduced housing supply on settlement patterns, which can be substantial when housing choices in the market are increased with new housing types that match the housing preferences and economic capabilities of the draw area households.

In contrast to conventional supply/demand analysis, which is typically limited by supply-side dynamics and baseline demographic projection, target market analysis determines the depth and breadth of the potential market derived from the housing preferences and socio-economic characteristics of households in the defined draw areas. Because it considers not only basic demographic characteristics, such as income qualification and age, but also less frequently analyzed attributes such as lifestage, mobility rates, lifestyle patterns and household compatibility issues, the target market methodology is particularly effective in defining a realistic housing potential for urban development and redevelopment where often no directly-comparable properties exist.

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For this analysis, then, Zimmerman/Volk Associates examined the following:

- Where the potential renters and buyers of new dwelling units that could be developed within the East Bank Study Area currently live (the draw areas);
- How many households have the potential to move to the Study Area each year (depth and breadth of the market);
- What their housing preferences are in aggregate (rental or ownership, multi-family or single-family);
- Who are they and what they are like (the target markets);
- What are their current housing alternatives (the South Bend market context);
- What are the rents and prices of new units that could be developed within the East Bank Study Area that correspond to target household financial capabilities (optimum market position); and
- How quickly they will rent or purchase the new units (absorption forecasts).

OVERVIEW OF THE CITY OF SOUTH BEND

According to Claritas, Inc., the national purveyor of demographic and survey data, there are an estimated 40,655 households living in the city in 2021. Currently, just over 63 percent of South Bend's households contain just one or two persons (compared to 59 percent nationally), a slight increase over 2013; 15.1 percent contain three persons (a share which is unchanged from 2013), and the remaining 21.8 percent contain four or more persons (compared to 25.2 percent nationally), down from 22.3 percent in 2013.

Almost 15.8 percent of the city's households can be characterized as traditional families, *e.g.*, married couples with children under age 18 (compared to 21.6 percent of all U.S. households), down from just under 17 percent in 2013. Non-traditional family households, headed by single persons with children under age 18, represent over 17 percent of the city's households, down from over 18 percent in 2013.

The remaining 67 percent of South Bend households do not have children under 18, an increase of more than two percentage points. Married couples without children are currently 19.3 percent of all households, down from 19.7 percent in 2013; other non-traditional family households, 7.4 percent, an increase from 6.5 percent of all households in 2013; and over 40 percent non-family households (primarily single-person households), from 39 percent in 2013.

Median household income in the city is currently estimated at \$44,900, \$12,500 more than in 2013, with the average household income over \$62,600. Nearly 45 percent of the households living in South Bend have annual incomes of \$50,000 or more, compared to approximately 30 percent in 2013.

The number of housing units in the city has risen from an estimated 46,055 units in 2013 to 47,575 units in 2021, an increase of 3.3 percent. Just over 73 percent of South Bend's housing units are single-family detached houses, compared to approximately 77 percent in 2013. Just two percent are single-family attached (rowhouses or townhouses) and 2.7 percent are in two-unit buildings. Nearly 13 percent are located in buildings of three to 19 units, up two percentage points over 2013; and 8.1 percent are in buildings containing 20 or more units, an increase from 6.3 percent in 2013.

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Approximately 40 percent of the city's households are renters; just under 60 percent own their units, a minimal change over the past eight years.

The 2021 median value of the approximately 24,360 owner-occupied housing units is estimated at \$102,900, an increase of approximately \$15,000, but significantly less than the national median value of \$250,300. Approximately 8.5 percent of the owner-occupied units have an estimated value of \$300,000 or more.

More than 11.6 percent of South Bend's households do not own an automobile, up from approximately 10 percent in 2013; just under 42 percent own one vehicle, down from 45.5 percent in 2013. Almost 33 percent own two vehicles (just under 32 percent in 2013), and 13.8 percent own three or more, up from 12.3 percent in 2013.

Approximately 2.8 percent of employed residents over age 16 walk to work (compared to more than 3.6 percent in 2013), less than two percent take public transportation (compared to 2.9 percent in 2013), 10.2 percent car-pool (compared to nine percent in 2013), and 79.6 percent drive alone (down from 80.2 percent in 2013). The remaining 5.5 percent either work at home (3.4 percent, up one percentage point), ride bicycles (1.2 percent, up 1/10th of one percent), or have other means of getting to work (0.9 percent, up 1/10th of one percent).

Over 25.6 percent of all residents aged 25 or older have a bachelor's or advanced degree, more than four percentage points above the 2013 share of 21 percent.

Nearly 53 percent of the city's residents over age 16 are employed in white-collar occupations, 27.9 percent in blue-collar, and 19.3 percent in service occupations, with fewer white-collar occupations, more blue-collar jobs, and a relatively unchanged percentage of service and farm occupations.

DATA SOURCES: Claritas, Inc.; U.S. Census Bureau;
Zimmerman/Volk Associates, Inc.

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OVERVIEW OF THE EAST BANK STUDY AREA

As noted above, the East Bank Study Area boundaries include Madison Street in the north; Eddy Street in the east; the St. Joseph River/clover-leaf intersection in the south; and North Hill Street and St. Louis Boulevard in the west.

The East Bank Study Area comprises the portion of the East Bank not included in the Downtown Study Area and is adjacent to south of the Northeast Study Area. The Study Area is a mix of commercial and residential uses, with commercial uses extending east of Downtown along the East LaSalle, East Colfax, and East Jefferson corridors. As well as being a physically smaller Study Area, there are considerably fewer households living here, and not much developable land. The Village at Riverwalk is a major residential redevelopment of the site of the former Transpo property located in the southernmost part of the Study Area; this property has captured considerable pent-up market potential in the Study Area.

The population of the Study Area has risen from 487 persons as of the 2010 census to an estimated 513 persons in 2021, an increase of five percent, somewhat offsetting the loss of more than 230 residents between 2000 and 2010.

The number of households living in the East Bank Study Area is currently estimated at 200 households, up from 180 as of the 2010 census, an 11 percent rise, but still substantially below the 320 households reported in the 2000 census. In 2021, approximately 64 percent of the Study Area's households contain just one or two persons, significantly higher than the national share of 59 percent; over 12 percent contain three persons, and 23.4 percent contain four or more persons.

Just 7.5 percent of the Study Area's households can be characterized as traditional families, *i.e.*, married couples with children under age 18. Non-traditional family households, headed by single persons with children under age 18, represent 10 percent of East Bank Study Area households. The remaining 82.5 percent of East Bank households do not have children under 18 and include married couples (nine percent of all households), other non-traditional family households (8.5 percent of all households), and 65.5 percent non-family households (primarily single-person households).

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Median household income in the East Bank Study Area is currently estimated at \$37,850; mean average household income \$52,300. Slightly more than 42 percent of all households living in the East Bank Study Area have annual incomes of \$50,000 or higher.

Almost 52 percent of the East Bank Study Area's housing units are single-family detached houses; 1.2 percent are single-family attached (rowhouses or townhouses); 11 percent are in two-unit buildings; nearly 28 percent are located in buildings of three to 19 units; and 8.3 percent are in buildings containing 20 or more units. Seventy-seven percent of the Study Area's housing units are rented; the remaining 23 percent are owner-occupied.

The 2021 median value of the 46 owner-occupied Study Area housing units is estimated at \$85,750; just under 11 percent of those units have an estimated value of \$300,000 or more. (These estimates do not include the new townhouses and single-family detached houses constructed in the Village at Riverwalk.)

Nearly 12.5 percent of the East Bank Study Area households do not own a vehicle; 51.2 percent own just one. Just under 30 percent own two vehicles, and the remaining seven percent own three or more. Approximately 4.6 percent of employed residents over age 16 walk to work, just under four percent take public transportation, 4.6 percent car-pool, and over 81 percent drive alone. The remaining 5.4 percent either work at home (3.1 percent) or ride bicycles to work (2.3 percent).

Almost 40 percent of East Bank residents aged 25 or older have a bachelor's or advanced degree, more than 35 percent higher than the city-wide share of 25.6 percent.

Sixty-two percent of Study Area residents over age 16 are employed in white-collar occupations, 16.7 percent in blue-collar, and 21.3 percent in service occupations. This is a considerably higher rate of white-collar employment than that of the city as a whole, where just under 53 percent are white-collar workers.

DATA SOURCES: Claritas, Inc.; U.S. Census Bureau;
Zimmerman/Volk Associates, Inc.

CITY-WIDE AVERAGE ANNUAL MARKET POTENTIAL

Where are the potential renters and buyers of new and existing housing units in the City of South Bend likely to move from?

An update of the migration, mobility and geo-demographic characteristics of households currently living within the defined draw areas is integral to the determination of the depth and breadth of the potential market for new housing units within the City of South Bend and the Downtown South Bend Study Area.

An understanding of these mobility trends, as well as the socio-economic and lifestyle characteristics of households currently living within defined draw areas, is the first step in the update. The draw areas are derived primarily through household migration analysis (using the latest taxpayer data provided by the Internal Revenue Service). To refine the draw areas for the city, the IRS migration data have been supplemented by population migration and mobility data for the City of South Bend from the most recent American Community Survey.

The latest St. Joseph County migration and mobility data—from taxpayer records compiled by the Internal Revenue Service from 2013 through 2017—and the 2019 American Community Survey for the City of South Bend show that the draw areas for new and existing housing units in the city and the Study Area include the following:

- The primary draw area, covering households who live within the South Bend city limits.
- The local draw area, covering households with the potential to move to the City of South Bend from the balance of St. Joseph County.
- The regional draw area, covering households with the potential to move to the City of South Bend from Elkhart, Berrien, Cook, Marshall, and LaPorte Counties.
- The national draw area, covering households with the potential to move to the City of South Bend from all other U.S. cities and counties, particularly Midwestern U.S. counties.

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As derived from the migration, mobility and target market update, the draw area distribution of market potential (those households with the potential to move within or to South Bend each year over the next five years) is as shown on the following table:

Average Annual Market Potential by Draw Area
City of South Bend, St. Joseph County, Indiana

City of South Bend:	48.6%
Balance of St. Joseph County:	20.7%
Regional Draw Area (Elkhart, Berrien, Cook, Marshall, and LaPorte Counties):	11.9%
Balance of the U.S.:	<u>18.8%</u>
Total:	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2021.

*How many households have the potential to move within
and to the city each year?*

As determined by the target market methodology, which accounts for household mobility within the City of South Bend, as well as migration and mobility patterns for households currently living in all other cities and counties, an annual average of 7,960 households of all incomes represent the potential market for new and existing housing units within the city each year over the next five years. Over 51 percent of the target households will be moving to the city from outside the South Bend city limits. (NOTE: This number includes all households, not just households with incomes at or above \$50,000 per year, which was the calculation used in 2013.)

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AVERAGE ANNUAL MARKET POTENTIAL FOR THE EAST BANK STUDY AREA

Where are the potential renters and buyers of new and existing housing units in the East Bank Study Area likely to move from?

The target market methodology identifies those households that prefer living in downtowns and walkable urban neighborhoods. After eliminating those segments of the potential city-wide market that have preferences for new or existing housing in more suburban, exurban, or rural areas, the distribution of draw area market potential for new and existing housing units in the Study Area is summarized on the following table:

Annual Average Market Potential by Draw Area East Bank Study Area <i>City of South Bend, St. Joseph County, Indiana</i>	
City of South Bend:	45.4%
Balance of St. Joseph County:	24.1%
Regional Draw Area	
(Elkhart, Berrien, Cook, Marshall, and LaPorte Counties):	7.4%
Balance of the U.S.:	<u>23.1%</u>
Total:	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2021.

How many households have the potential to move to the East Bank Study Area each year over the next five years if appropriate housing units were to be made available?

Based on the target market analysis, then, an annual average of 540 younger singles and couples, empty nesters and retirees, and traditional and non-traditional families of all incomes represent the annual potential market for new and existing housing units of any kind in the East Bank Study Area each year over the next five years (*see Table 1 following the text*).

What are their housing preferences in aggregate?

The tenure (rental or ownership) preferences of the 540 draw area households show that 46.3 percent of these households (or 250 households) comprise the annual potential market for new and existing rental units and the remaining 53.7 percent (290 households) comprise the market for new and existing for-sale (ownership) housing units.

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The combined tenure and housing type propensities of the target 540 renter and owner households are outlined on the table following this page (*see again* Table 1 *following the text*).

Tenure/Housing Type Propensities
 Average Annual Market Potential
 East Bank Study Area
 City of South Bend, St. Joseph County, Indiana

HOUSING TYPE	NUMBER OF HOUSEHOLDS	PERCENT OF TOTAL
Multi-family for-rent (lofts/apartments, leaseholder)	250	46.3%
Multi-family for-sale (lofts/apartments, condo/co-op ownership)	48	8.9%
Single-family attached for-sale (townhouses/rowhouses, fee-simple/ condominium ownership)	93	17.2%
Single-family detached (houses, fee-simple ownership)	<u>149</u>	<u>27.6%</u>
Total	540	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2021.

As noted above, just over 46 percent of the 540 target households comprise the market for rental dwelling units. The remaining 53.7 percent of the market would choose some form of ownership housing (over six percentage points lower than the current estimated homeownership rate in the city of just under 60 percent). Of the annual potential ownership market, 16.6 percent would prefer condominiums, 32 percent single-family attached (duplexes/townhouses), and 51.4 percent single-family detached houses.

What is their range of affordability by housing type?

The income limits in South Bend by household size and percent of median family income are based on the South Bend-Mishawaka IN HUD Metro Fair Market Rent (FMR) area median family income (AMI). The most recent number, as determined by HUD in fiscal year 2020, was \$70,800 for a family of four. The income limits summary is shown on the table following this page:

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Fiscal Year 2020 Income Limits
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NUMBER OF PERSONS IN HOUSEHOLD	EXTREMELY LOW 30% OF MEDIAN	VERY LOW 50% OF MEDIAN	LOW 80% OF MEDIAN
One	\$14,900	\$24,800	\$39,700
Two	\$17,240	\$28,350	\$45,350
Three	\$21,720	\$31,900	\$51,000
Four	\$26,200	\$35,400	\$56,650
Five	\$30,680	\$38,250	\$61,200
Six	\$35,160	\$41,100	\$65,750
Seven	\$39,640	\$43,900	\$70,250
Eight	\$44,120	\$46,750	\$74,800

SOURCE: U.S. Department of Housing and Urban Development.

The financial capabilities of the 540 target households as measured by the Area Median Income (AMI), combined with their tenure and housing type propensities are shown on the following table:

Tenure/Housing Type Propensities by Income
 Annual Average Market Potential For New and Existing Housing Units
 East Bank Study Area
 City of South Bend, St. Joseph County, Indiana

HOUSING TYPE	HOUSEHOLDS	
	NUMBER	PERCENT
Multi-family for-rent (lofts/apartments, leaseholder)	<u>250</u>	<u>46.3%</u>
< 30% AMI	50	9.3%
30% to 60% AMI	44	8.1%
60% to 80% AMI	34	6.3%
80% to 100% AMI	23	4.3%
> 100% AMI	99	18.3%
Multi-family for-sale (lofts/apartments, condo/co-op ownership)	<u>48</u>	<u>8.9%</u>
< 30% AMI	8	1.5%
30% to 60% AMI	7	1.3%
60% to 80% AMI	1	0.2%
80% to 100% AMI	0	0.0%
> 100% AMI	32	5.9%
Single-family attached for-sale (townhouses, rowhouses, fee-simple ownership)	<u>93</u>	<u>17.2%</u>
< 30% AMI	15	2.8%
30% to 60% AMI	18	3.3%
60% to 80% AMI	6	1.1%
80% to 100% AMI	5	0.9%
> 100% AMI	49	9.1%

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HOUSING TYPE	HOUSEHOLDS	
	NUMBER	PERCENT
Single-family detached for-sale (houses, fee-simple ownership)	<u>149</u>	<u>27.6%</u>
< 30% AMI	21	3.9%
30% to 60% AMI	24	4.4%
60% to 80% AMI	13	2.4%
80% to 100% AMI	10	1.9%
> 100% AMI	81	15.0%
Total	540	100.0%

NOTE: For fiscal year 2020-21, the South Bend-Mishawaka IN HUD Metro Fair Market Rent (FMR) area median family Income for a family of four is \$70,800.

SOURCE: Zimmerman/Volk Associates, Inc., 2021.

Summarizing the incomes and financial capabilities of the 540 target households, 17.4 percent (94 households) have incomes below 30 percent of the AMI; 17.2 percent (93 households) have incomes between 30 and 60 percent AMI; 10.0 percent (54 households) have incomes between 60 and 80 percent AMI; seven percent (38 households) have incomes between 80 and 100 percent AMI; and 48.4 percent (261 households) have incomes above 100 percent AMI.

TARGET MARKET ANALYSIS

Who are the households that represent the potential market for new and existing housing units in the East Bank Study Area?

More than a decade later, the aftermath of the housing crash continues to reverberate throughout the housing market, evidenced by significant changes in market preferences from single-use subdivisions in sprawl locations to mixed-use, walkable development, particularly in downtowns and in-town neighborhoods. The preference for urban living evidenced by both younger and older one- and two-person households has been a primary force in urban redevelopment across the country, and continues despite popular press articles to the contrary that cite anecdotal pandemic-induced moves out of cities. Although this trend was notable at the onset of the pandemic, significant numbers of households who had left urban neighborhoods have now returned, and once the coronavirus is under control, urban occupancies should return to previous, pre-pandemic levels.

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As determined by the target market analysis, then, the general market segments, by lifestage, that represent the potential market for new and existing housing units in the Northeast Study Area are as follows (*see also* Table 2 *following the text*):

- Younger singles and childless couples (39.8 percent);
- Empty nesters and retirees (33.3 percent); and
- Traditional and non-traditional family households (26.9 percent).

Nearly 40 percent of the market for new and existing housing units in the East Bank Study Area is composed of younger singles and couples of all incomes. These households include young professionals, office and retail workers, knowledge workers, as well as students and other young college- and hospital-related employees.

Approximately 35 percent of the younger singles and couples that comprise the target markets for the East Bank Study Area have incomes that fall below 60 percent of AMI. If they are employed, these households work in part-time or lower-paying jobs, including entry-level retail, such as store clerks, and service occupations, such as waiters and waitresses; most of the unemployed are students.

Over nine percent of the households in this market segment have incomes that fall within the 60-to-80 percent income band. These include young artists and artisans, recent college graduates just beginning their careers, lower-level medical personnel, and general office workers, who have full-time employment.

The remaining 55 percent of the younger singles and couples have incomes that are above 80 percent of the AMI, or just under \$40,000 per year and up. These younger households are mid- and upper-level office workers; college and hospital affiliates; and an increasing percentage are engaged in a variety of entrepreneurial ventures.

Thirty-seven percent of the younger singles and couples would be moving to the East Bank Study Area from elsewhere in South Bend; 30.2 percent would be moving from elsewhere in St. Joseph County; 9.3 percent would be moving from the regional draw area; and the remaining 23.3 percent would be moving from elsewhere in the U.S.

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At a third of the annual potential market for new and existing housing units in the Study Area, older households (empty nesters and retirees) of all incomes represent the next largest share of the market. A significant number of these target households have grown children who have recently moved out of the family home; another large percentage are retired.

In this general market segment, a third have incomes at or below 60 percent of AMI—older singles and couples struggling on limited incomes, mostly from social security—many of whom are living in substandard housing.

Another 12 percent of the older target households have incomes between 60 and 80 percent of the area median. These households will often move to dwelling units that require less upkeep and maintenance expense, but if given appropriate housing options, would choose to remain in their current neighborhoods.

Older households with incomes above 80 percent of AMI comprise 54 percent of the target empty nester and retiree market segment. These older singles and couples are enthusiastic participants in community life, and most are still actively involved in well-paying careers in the medical, legal, financial professions as well as academia.

Approximately 58 percent of the empty nesters and retirees would be moving from within the City of South Bend; over 19 percent would be moving from the balance of St. Joseph County; 5.5 percent from the regional draw area; and the remaining 16.7 percent would be moving from elsewhere in the U.S., primarily other counties in Indiana and the Midwest.

Traditional and non-traditional families of all incomes represent the smallest share—just under 27 percent—of the market for new and existing dwelling units in the East Bank Study Area. The “traditional family household” of a married couple with young children, which once comprised the majority of American households, has now fallen to less than 22 percent nationally (and less than 16 percent in South Bend). In urban neighborhoods, non-traditional families have become an increasingly larger proportion of the market, and encompass a wide range of family households, from a single mother or father with one or more children, an adult taking care of younger siblings, a grandparent responsible for grandchildren, to an unrelated couple of the same gender with children.

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Approximately 34.5 percent of the family households that comprise the annual potential market for the Study Area have incomes below 60 percent of AMI and are typically spending more than 40 percent of their incomes on housing costs. Many of these households are single-parent families struggling to make ends meet.

Another 8.3 percent of the family-oriented households have incomes that fall within the 60-to-80 percent income band. A significant number of the heads of household in these family groups are manufacturing and blue-collar workers; the remainder have lower-level office jobs.

The remaining 57.2 percent of the traditional and non-traditional families have incomes above 80 percent of AMI. These households are, in large part, dual-income households, with medical careers, academic positions, middle- to upper-middle management jobs, and professionals in the financial and legal sectors.

Just over 41 percent of these families are already living in South Bend; and 20.7 percent are currently living elsewhere in St. Joseph County. Just under seven percent would be moving from the region, and 31 percent from elsewhere in the U.S.

APPENDIX THREE, TARGET MARKET DESCRIPTIONS, contains detailed descriptions of each of these target market groups and is provided in a separate document. The METHODOLOGY, APPENDICES ONE AND TWO, TARGET MARKET TABLES document describes how the target market groups for the East Bank Study Area have been determined.

THE CURRENT CONTEXT

What are their current housing alternatives ?

Summary supply-side information for the South Bend market area (covering multi-family rental properties, and for-sale condominiums and for-sale single-family attached and detached properties) is provided in tabular form following the text: Table 3, Summary of Selected Rental Properties; Table 4, Summary of Selected For-Sale Multi-Family and Single-Family Attached Properties; and Table 5, Summary of Selected Single-Family Detached Properties.

—MULTI-FAMILY RENTAL PROPERTIES—

In January 2021, Zimmerman/Volk Associates compiled data from a variety of sources on 12 selected rental properties totaling more than 1,500 apartments located in in the Downtown and Northeast Study Areas. (See Table 3 *following the text.*) Ten of the properties are in the Downtown South Bend Study Area, seven of which have been built or developed since 2013. The largest new-construction Downtown property, 300 East LaSalle, has 144 studio to three-bedroom apartments, and is currently leasing units. Several of the rental properties provide a range of community amenities, typically fitness centers, clubhouses or residents' lounges, and business centers.

Redfin's Walk Score has been included with each property listing. Although Walk Score measures only distance, and metrics such as intersection density and block lengths to grade the walkability of a specific address or neighborhood, it has grown in importance as a value criterion. Walk Scores above 90 indicate a "Walker's Paradise," where daily errands do not require a car. Walk Scores between 70 and 90 are considered to be very walkable, where most errands can be accomplished on foot, and Walk Scores between 50 and 69 are regarded as somewhat walkable, where some errands can be accomplished on foot. Walk Scores below 50 indicate that most or almost all errands require an automobile.

The impact on housing values of walkability as calculated by Walk Score only begins to be measurable when Walk Scores reach 70 or above. Three of the Downtown properties included in the survey have Walk Scores over 70—The LaSalle on North Michigan Street (82), The Ivy at Berlin Place on South Lafayette Boulevard (75), and Colfax at Hill (75) on East Colfax Avenue. The

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remaining Downtown rentals have Walk Scores above 65, approaching very walkable. The two Northeast properties, the Aurum Apartments and The Foundry North and South, score above 60.

Base rent, unit sizes and rents per square foot for the 12 rental properties included in the survey are summarized on the following pages.

—*Studios (4 properties)*—

- Rents for studios range between \$899 per month at the Ivy at Berlin Place on South Lafayette Boulevard, to \$1,500 per month at 300 E LaSalle.
- Studios contain between 390 square feet at the Foundry South on North Eddy Street in the Northeast, and 616 square feet at the Hibberd on South Main Street.
- The studio rents per square foot range between \$1.54 at the Ivy at Berlin Place and \$2.97 at the Foundry South.

—*One-Bedroom Units (11 properties)*—

- Rents for one-bedroom apartments range from \$750 per month at Central High & Stephenson Mill Apartments, an older property on West Colfax Avenue, to \$2,023 per month at the Foundry South.
- One-bedroom units range in size from 497 square feet at the Foundry South to 1,069 square feet at Central High & Stephenson Mill Apartments.
- One-bedroom rents per square foot range between \$1.07 at Central High & Stephenson Mill Apartments, to \$2.44 at the Foundry South.

—*Two-Bedroom Units (all 12 properties)*—

- Rents for two-bedroom units range from \$799 per month at Central High & Stephenson Mill Apartments to \$2,420 per month at the Hibberd.
- Two-bedroom units range in size from 803 square feet at Central High & Stephenson Mill Apartments, to 1,856 square feet at the same property.
- Two-bedroom rents per square foot fall between \$0.78 at Central High & Stephenson Mill Apartments, and \$2.32 at the Foundry North.

—*Three-Bedroom Units (4 properties)*—

- Three-bedroom apartments range in rent from \$1,949 per month at the Studebaker Lofts on North Main Street to \$3,340 per month at the Foundry North.
- Three-bedroom apartments contain between 1,159 at the Foundry North and 1,528 square feet at the same property.
- Three-bedroom rents per square foot range between \$1.64 at 300 E LaSalle and East Bank Flats on Sycamore Street to \$2.19 at the Foundry North.

Only four properties included in the survey had occupancy rates at 95 percent or above (functional full occupancy); in part because of the impact of the pandemic and in part because of the departure of a large number of out-of-state renters when the campaign offices of Mayor Pete Buttigieg closed down. With no clear end to the pandemic, it is likely occupancies will not return to the previous 95 percent and above over the short term. However, long term, occupancies will stabilize and most properties should regain functional full occupancy.

—MULTI-FAMILY AND SINGLE-FAMILY ATTACHED FOR-SALE PROPERTIES—

Table 4 provides base pricing and unit sizes and configuration information for six properties marketing new for-sale units in and around the Downtown.

At the time of the survey, The Village at Riverwalk is being built out by Century Custom Builders on the former Transpo property in the East Bank area. The site is located along Northside Boulevard west of South Francis Street and southeast of Howard Park with views of the St. Joseph River; 41 townhouses have been built and sold, with one end unit for sale priced at \$435,000 for four bedrooms and three-and-a-half baths in 2,280 square feet of living space (\$191 per square foot). Some of the single-family lots have been converted to accommodate two-family units, and one of these units is also on the market for \$395,000—a two-bedroom/three-bath model containing 2,830 square feet (\$140 per square foot).

Four new townhouses are still available of the six being marketed at Golden View Townhouses on North Notre Dame Avenue in Northeast South Bend. Three of the remaining units include four-bedrooms/five-and-a-half-baths with current listings priced between \$795,000 and \$799,000 for

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3,780 square feet (\$210 and 211 per square foot) with a five-bedroom version priced at \$879,000 for the same square footage (\$233 per square foot).

Only three condominiums remain of the 17 constructed at the luxury Three Twenty at the Cascade building in the East Bank area of Downtown. The least expensive available unit, a two-bedroom/three-bath apartment with study that contains 2,466 square feet is priced at \$941,621 (\$382 per square foot). The two penthouses are still to be sold, both containing three bedrooms and three and a half baths and approximately 2,700 square feet of living space. The asking price for one is \$1,002,985 (\$372 per square) and the other is priced somewhat higher at \$1,067,397 (\$395 per square foot).

Two condominium penthouses on the top floor of the Traction HQ building on South Bend Avenue each contain three bedrooms and three baths. The smaller of the two units, at 2,395 square feet, is priced at \$1,125,000 (\$470 per square foot) and the larger unit, containing 2,438 square feet, is priced at \$1,375,000 (564 per square foot).

Two properties currently marketing units are located further east in South Bend. The Keenan Court Flats is selling 12 one-, two-, and three-bedroom condominiums priced between \$169,900 and \$267,500 (\$204 to \$280 per square foot), and the Echoes, on Ironwood Circle, is marketing three- and four-bedroom villas priced between approximately \$500,000 and \$600,000 (\$198 to \$241 per square foot).

—SINGLE-FAMILY DETACHED FOR-SALE PROPERTIES—

Table 5 provides prices, sizes and configuration information for seven selected properties or locations marketing new for-sale single-family detached houses in the South Bend market area. Two are located in the East Bank/Northeast area and five are being developed on the northwestern edges of the city.

As noted in the previous section, the Village at Riverwalk, the Century Custom Builder's residential development of the former Transpo site, opened for sales in 2017. The property has 60 townhouse lots, and 43 single-family lots. Prices of lots located on Notre Dame Avenue have ranged between \$65,000 and \$80,000, and \$90,000 on Northside Boulevard with river views. As of February, 2021,

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15 single-family houses had been built and occupied, and only one house is currently for sale, containing four bedrooms and three baths in more than 2,700 square feet of living space, and priced at \$495,000 (\$182 per square foot).

There are 25 lots available throughout the Notre Dame South area, and four houses)—two three-bedroom houses and two four-bedroom houses)—are currently listed for sale. The smallest house contains just over 2,000 square feet configured in three bedrooms and three baths and is priced at \$524,900 (\$256 per square foot). The other three-bedroom model is priced at \$559,900 for 2,170 square feet of living space (\$258 per square foot). The two four-bedroom houses are listed at \$574,900 and \$614,900 for 2,580 and 2,170 square feet, respectively (\$223 and \$283 per square foot).

Houses being marketed in lower-Walk Score, auto-dependent single-family subdivisions on the northwestern edge of the city are considerably less expensive than those in more urban neighborhoods. Nearly of these new houses are priced between \$200,000 and \$300,000 for predominantly three- and four-bedroom models, and the prices per square foot range between \$100 and \$200, with most falling between \$125 and \$175. Irish Custom Homes, which builds in Notre Dame South, is also the builder of Audubon Woods, West Pointe Estates, and The Oaks, all subdivisions of 50 or fewer units.

OPTIMUM MARKET POSITION: EAST BANK STUDY AREA

What are the rents and prices that correspond to target household financial capabilities?

The rents and price points for the market-rate component of new rental housing units that could be developed in the East Bank Study Area are derived from the income and equity levels of those target households with annual incomes at or above 80 percent AMI, which ranges from \$39,700 and up for a single-person household to \$56,650 and up for a four-person household. (Typical household sizes in in-town locations range between one and four persons per household, with a predominance of one- and two-person households.) For new market-rate for-sale housing units, the target households have annual incomes above 100 percent AMI, which ranges from \$49,600 and up for a single-person household and \$70,800 and up for a four-person household.

In the East Bank Study Area, households with incomes between 60 and 80 percent of the AMI comprise the market for new rental workforce housing units. These households have incomes ranging between \$29,800 and \$39,700 for a single-person household to \$52,400 and \$56,650 for a four-person household. For new for-sale workforce housing units, the targeted households have annual incomes between 80 and 100 percent AMI, ranging between \$39,700 and \$49,600 for a single-person household and between \$56,650 and \$70,800 for a four-person household.

In general, households with annual incomes at or below 60 percent AMI do not qualify for new construction except for units financed using low-income housing tax-credits. If incomes are below 30 percent AMI, households typically qualify for public housing units and Section Eight vouchers. Rents are usually limited to no more than 30 percent of annual income. At 30 percent AMI, household incomes are less than \$14,900 for a single-person household to less than \$26,200 for a four-person household.

The analysis is focused on those renter households with incomes at or above 60 percent AMI, which covers the incomes required to rent workforce and market-rate housing units, and on those buyer households with incomes at or above 80 percent AMI, which covers the incomes required to purchase workforce and market-rate condominiums (multi-family for-sale), rowhouses/townhouses (single-family attached for-sale), and detached houses (single-family attached for-sale).

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The combined housing preferences by tenure and by income of the 333 target households with incomes at or above 60 percent AMI (renters) or 80 percent AMI (buyers) are shown on the following table:

Tenure/Housing Type Propensities by Income
 Annual Average Market Potential For New and Existing Housing Units
 East Bank Study Area
City of South Bend, St. Joseph County, Indiana

HOUSING TYPE	HOUSEHOLDS	
	NUMBER	PERCENT
Multi-family for-rent (lofts/apartments, leaseholder)	<u>156</u>	<u>46.8%</u>
60% to 80% AMI	34	10.2%
80% to 100% AMI	23	6.9%
> 100% AMI	99	29.7%
Multi-family for-sale (lofts/apartments, condo/co-op ownership)	<u>32</u>	<u>9.6%</u>
80% to 100% AMI	0	0.0%
> 100% AMI	32	9.6%
Single-family attached for-sale (townhouses, rowhouses, fee-simple ownership)	<u>54</u>	<u>16.2%</u>
80% to 100% AMI	5	1.5%
> 100% AMI	49	14.7%
Single-family detached for-sale (houses, fee-simple ownership)	<u>91</u>	<u>27.4%</u>
80% to 100% AMI	10	3.0%
> 100% AMI	81	24.4%
Total	333	100.0%

NOTE: For fiscal year 2020-21, the South Bend-Mishawaka IN HUD Metro Fair Market Rent (FMR) area median family Income for a family of four is \$70,800.

SOURCE: Zimmerman/Volk Associates, Inc., 2021.

—Rental Multi-Family Distribution by Rent Range—

The number of households able to afford the specified rent ranges is detailed on the following table and was determined by calculating a monthly rental payment—excluding utilities and ranging between 25 and 30 percent of annual gross income. (Although it is quite possible that many households will pay up to 40 percent or even more of their annual gross incomes in rent, HUD recommends that a tenant pay no more than 30 percent of gross income for rent *including* utilities.)

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An annual average of 156 households with incomes above 60 percent of the AMI represent the target markets for newly-constructed market-rate and workforce rental housing units in the East Bank Study Area (*as shown on Table 6 following the text*). The distribution by rent range of the rents those 156 households could support are summarized on the following table:

Target Groups For New Multi-Family For Rent
 Households with Incomes Above 60% AMI Per Year
 East Bank Study Area
City of South Bend, St. Joseph County, Indiana

MONTHLY RENT RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$750–\$1,000	21	13.5%
\$1,000–\$1,250	23	14.6%
\$1,250–\$1,500	31	19.9%
\$1,500–\$1,750	31	19.9%
\$1,750–\$2,000	24	15.4%
\$2,000–\$2,250	14	9.0%
\$2,250–\$2,500	7	4.5%
\$2,500–\$2,750	3	1.9%
Over \$2,750	<u>2</u>	<u>1.3%</u>
Total:	156	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2021.

- The largest group of target renters are younger singles and couples, at almost 56 percent of the market potential for workforce and market-rate rental units in the East Bank Study Area. Approximately 3.4 percent have careers that provide them with the financial capacity to afford rents above \$2,250 per month. A majority of the younger households—50.6 percent--comprise the market for units with rents between \$750 and \$1,500 per month. The remaining 46 percent of this market segment can support rents between \$1,500 and \$2,250 per month.
- Empty nesters and retirees represent 27.6 percent of the market potential for workforce and market-rate rental units in the East Bank Study Area. Approximately 16.3 percent of the wealthiest empty nesters and retirees have the incomes and assets that enable them to afford rents at or above \$2,250 per month. Just under 35 percent make up the market for units with rents between \$1,500 and \$2,250 per month. The remaining percentage, 48.8 percent of this market segment, are only able to support rents between \$750 and \$1,500 per month.

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- At just under 17 of the annual potential rental market, traditional and non-traditional families are the smallest market for workforce and market-rate rental units in the East Bank Study Area. Just under eight percent of the family market can afford rents above \$2,250 per month. Approximately 54 percent have the ability to pay rents between \$1,500 and \$2,250 per month, and the remaining 38.5 percent require rents between \$750 and \$1,500 per month.

— *For-Sale Multi-Family Distribution by Price Range* —

An annual average of 32 households represent the target markets for newly-constructed workforce and market-rate for-sale multi-family housing units within the East Bank Study Area (*as shown on Table 7 following the text*). Again, supportable price points have been determined by assuming a down payment of 10 percent, an interest rate of 3.5 percent, and a monthly mortgage payment, excluding taxes and utilities, that does not exceed 30 percent of gross income for each of the 32 households that represent the annual potential for-sale multi-family market, yielding the distribution shown on the following table:

Target Groups For New Multi-Family For Sale
 Households with Incomes Above 80% AMI Per Year
 East Bank Study Area
 City of South Bend, St. Joseph County, Indiana

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$150,000–\$200,000	6	18.8%
\$200,000–\$250,000	3	9.4%
\$250,000–\$300,000	5	15.6%
\$300,000–\$350,000	7	21.8%
\$350,000–\$400,000	5	15.6%
\$400,000–\$450,000	2	6.3%
\$450,000–\$500,000	3	9.4%
\$500,000 and up	<u>1</u>	<u>3.1%</u>
Total:	32	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2021.

- Younger singles and couples comprise just under 44 percent of the annual market for new for-sale multi-family units (condominiums) within the East Bank Study Area. Half of the younger singles and couples have the income and assets to purchase new condominiums with

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base prices between \$300,000 and \$450,000, and the other half can only afford new condominiums with base prices between \$150,000 and \$300,000.

- Empty nesters and retirees represent 31.3 percent of the annual market for new condominiums within the East Bank Study Area. Twenty percent of these empty nesters and retirees have the income and assets to purchase new units priced over \$450,000. Another 30 percent would be in the market for new condominiums with base prices between \$300,000 and \$450,000 and half could only afford new condominiums priced between \$150,000 and \$300,000.
- Traditional and non-traditional families are the smallest market segment at one quarter of the annual market for new condominiums in the East Bank Study Area. Half could afford new units priced between \$300,000 and \$450,000, and the remaining 50 percent are evenly split between new condominiums with base prices over \$450,000 and new condominiums priced between \$150,000 and \$300,000.

— *For-Sale Single-Family Attached Distribution by Price Range*—

An annual average of 54 households represent the target markets for newly-constructed workforce and market-rate single-family attached housing units (townhouses) within the East Bank Study Area (*as shown on Table 8 following the text*). As with the condominiums, supportable price points for the townhouses have been determined by assuming a down payment of 10 percent, an interest rate of 3.5 percent, and a monthly mortgage payment, excluding taxes and utilities, that does not exceed 30 percent of gross income for each of the 54 households that represent the annual potential townhouse market, yielding the distribution shown on the table following this page.

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Target Groups For New Single-Family Attached For Sale
 Households with Incomes Above 80% AMI Per Year
 East Bank Study Area
City of South Bend, St. Joseph County, Indiana

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$200,000–\$250,000	7	13.0%
\$250,000–\$300,000	7	13.0%
\$300,000–\$350,000	8	14.8%
\$350,000–\$400,000	9	16.7%
\$400,000–\$450,000	6	11.1%
\$450,000–\$500,000	5	9.2%
\$500,000–\$550,000	5	9.2%
\$550,000–\$600,000	3	5.6%
\$600,000 and up	<u>4</u>	<u>7.4%</u>
Total:	54	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2021.

- The largest group of buyers of new workforce and market-rate townhouses are the empty nesters and retirees, at nearly 41 percent of the annual potential market in the East Bank Study Area. Over 27 percent of the empty nesters and retirees represent the annual potential market for townhouses with base prices above \$500,000. Another 41 percent could afford to purchase townhouses with base prices ranging between \$350,000 and \$500,000. The remaining 31.8 percent are only able to purchase units priced between \$200,000 and \$350,000.
- At just under 39 percent, traditional and non-traditional families are the next largest group of potential purchasers of new workforce and affordable townhouses within the East Bank Study Area. Nearly 29 percent of the target traditional and non-traditional families have the income and assets that enable them to purchase new townhouses with base prices above \$500,000. Another 38.1 of the family market can afford base prices of new townhouses between \$350,000 and \$500,000, and the remaining third can support base prices between \$200,000 and \$350,000.
- At just over 20 percent of the annual potential market, younger singles and couples represent the smallest market for workforce and market-rate townhouses in the East Bank Study Area. A significant majority—72.7 percent—represent the annual market for new townhouses with base prices between \$200,000 and \$350,000. Another 27.3 percent are able to purchase townhouses with base prices between \$350,000 and \$500,000.

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— *For-Sale Single-Family Detached Distribution by Price Range* —

An annual average of 91 households represent the target markets for newly-constructed workforce and market-rate single-family detached housing units (houses) within the East Bank Study Area (*as shown on Table 9 following the text*). As with the condominiums, supportable price points for the single-family houses have been determined by assuming a down payment of 10 percent, an interest rate of 3.5 percent, and a monthly mortgage payment, excluding taxes and utilities, that does not exceed 30 percent of gross income for each of the 91 households that represent the annual potential detached house market, yielding the distribution shown on the following table:

Target Groups For New Single-Family Detached For Sale
 Households with Incomes Above 80% AMI Per Year
 East Bank Study Area
City of South Bend, St. Joseph County, Indiana

PRICE RANGE	HOUSEHOLDS PER YEAR	PERCENTAGE
\$200,000–\$250,000	10	11.0%
\$250,000–\$300,000	10	11.0%
\$300,000–\$350,000	13	14.3%
\$350,000–\$400,000	13	14.3%
\$400,000–\$450,000	14	15.3%
\$450,000–\$500,000	10	11.0%
\$500,000–\$550,000	10	11.0%
\$550,000–\$600,000	7	7.7%
\$600,000 and up	<u>4</u>	<u>4.4%</u>
Total:	91	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2021.

- The largest group of buyers of new single-family detached houses are the empty nesters and retirees, at 38.4 percent of the annual potential market for detached houses in the East Bank Study Area. Nearly 26 percent of the target empty nesters and retirees represent the annual potential market for new single-family detached houses with base prices above \$500,000. Another 40 percent could afford to purchase single-family houses with base prices ranging between \$350,000 and \$500,000. The remaining 34.3 percent would be in the market for detached houses priced between \$200,000 and \$350,000
- At just over 36 percent, traditional and non-traditional families make up the next largest group of potential purchasers of new workforce and market-rate single-family detached houses within the East Bank Study Area. Over 36 percent of the target traditional and non-

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traditional families have the income and assets that enable them to purchase new detached houses with base prices above \$500,000. Another 39.4 percent of the family market can afford base prices of new single-family houses between \$350,000 and \$500,000, and the remaining 24.2 percent can support base prices between \$200,000 and \$350,000.

- At 25.3 percent of the annual potential market, younger singles and couples represent the smallest market for new workforce and market-rate single-family houses in the East Bank Study Area. The majority, 56.5 percent, make up the annual market for new detached houses with base prices between \$200,000 and \$350,000. The remaining 43.5 percent are able to purchase new single-family houses with base prices between \$350,000 and \$500,000, with most of these households clustered between \$350,000 and \$400,000, in terms of affordability.

—OPTIMUM MARKET POSITION: EAST BANK STUDY AREA—

*What are the rents and prices and unit sizes and configurations
 the match target household preferences?*

An annual average of 156 potential renters of workforce and market-rate apartments, 32 potential market-rate condominium purchasers, 54 potential workforce and market-rate townhouse purchasers, and 91 potential purchasers of workforce and market-rate single-family detached houses comprise the annual potential market for new rental and ownership housing units in the East Bank Study Area each year over the next five years.

Based on the small size of the potential market for each housing type, and the financial capabilities and housing preferences of the target households, the optimum market position for new workforce and market-rate housing units within the East Bank Study Area is summarized on the following table (*see also* Table 10 *following the text*):

Optimum Market Position
 East Bank Study Area
 City of South Bend, St. Joseph County, Indiana

PERCENT MIX	UNIT CONFIGURATION	BASE RENT/PRICE	UNIT SIZE	BASE RENT/PRICE PER SQ. FT.
MULTI-FAMILY FOR-RENT				
. Workforce (60 to 80% AMI).				
30%	Studio/1ba	\$750 to \$900	450 to 500 sf	\$1.67 to \$1.80
35%	1br/1ba	\$950 to \$1,050	550 to 650 sf	\$1.62 to \$1.73
35%	2br/2ba	\$1,350 to \$1,450	900 to 950 sf	\$1.50 to \$1.53
. Market-Rate (80% AMI and up).				
30%	1br/1ba	\$1,200 to \$1,600	550 to 750 sf	\$2.13 to \$2.18
40%	2br/2ba	\$1,950 to \$2,200	1,000 to 1,100 sf	\$1.95 to \$2.00
30%	3br/2ba	\$2,300 to \$2,850	1,200 to 1,450 sf	\$1.92 to \$1.97

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PERCENT MIX	UNIT CONFIGURATION	BASE PRICE	UNIT SIZE	BASE PRICE PER SQ. FT.
MULTI-FAMILY FOR-SALE				
. . . . Market-Rate (100% AMI and up). . . .				
25%	1br/1ba	\$295,000 to \$350,000	900 to 1,000 sf	\$328 to \$350
50%	2br/2ba	\$415,000 to \$450,000	1,300 to 1,500 sf	\$300 to \$319
25%	3br/3ba	\$500,000 to \$585,000	1,650 to 2,000 sf	\$293 to \$303
SINGLE--FAMILY ATTACHED FOR-SALE				
. . . . Workforce (80 to 100% AMI). . . .				
100%	2br/1.5ba	\$225,000 to \$255,000	1,000 to 1,250 sf	\$204 to \$225
. . . . Market-Rate (100% AMI and up). . . .				
40%	3br/2.5ba	\$465,000 to \$490,000	1,700 to 1,800 sf	\$272 to \$274
30%	3br/3.5ba	\$515,000 to \$545,000	1,900 to 2,100 sf	\$260 to \$271
30%	4br/3.5ba	\$575,000 to \$625,000	2,200 to 2,400 sf	\$260 to \$261
SINGLE--FAMILY DETACHED FOR-SALE				
. . . . Workforce (80 to 100% AMI). . . .				
60%	3br/2ba	\$245,000 to \$250,000	1,300 to 1,400 sf	\$179 to \$188
40%	3br/2.5ba	\$265,000 to \$275,000	1,450 to 1,550 sf	\$177 to \$183
. . . . Market-Rate (100% AMI and up). . . .				
40%	3br/3.5ba	\$475,000 to \$515,000	1,750 to 1,950 sf	\$264 to \$271
40%	4br/3.5ba	\$525,000 to \$590,000	2,050 to 2,350 sf	\$251 to \$256
20%	4br/4.5ba	\$600,000 to \$650,000	2,600 to 2,850 sf	\$228 to \$231

SOURCE: Zimmerman/Volk Associates, Inc., 2021.

Although the annual average potential market for new construction workforce condominiums is less than one househole, a small six-unit mansion condominium building could include a workforce unit along with five market-rate units. That unit could be priced at \$190,000 for a 750-square-foot one-

bedroom/one-bath condominium (\$253 per square foot) or \$225,000 for a 1,000-square-foot two-bedroom/two-bath unit (\$225 per square foot).

Based on the mix of unit types, sizes, and rents/prices outlined in the optimum market position, the weighted average rents and prices for each of the housing types are shown on the following table:

Weighted Average Base Rents/Prices and Size Ranges
 East Bank Study Area
 City of South Bend, St. Joseph County, Indiana

HOUSING TYPE	WEIGHTED AVERAGE BASE RENTS/PRICES	WEIGHTED AVERAGE UNIT SIZE	WEIGHTED AVERAGE BASE RENTS/PRICES PER SQ. FT.
MULTI-FAMILY FOR-RENT			
Workforce	\$1,090	678 sf	\$1.61 psf
Market-Rate	\$2,018	1,010 sf	\$2.00 psf
MULTI-FAMILY FOR-SALE			
Market-Rate	\$432,500	1,394 sf	\$310 psf
SINGLE-FAMILY ATTACHED FOR-SALE			
Workforce	\$240,000	1,125 sf	\$213 psf
Market-Rate	\$536,000	2,016 sf	\$266 psf
SINGLE-FAMILY DETACHED FOR-SALE			
Workforce	\$257,636	1,417 sf	\$182 psf
Market-Rate	\$558,882	2,260 sf	\$247 psf

SOURCE: Zimmerman/Volk Associates, Inc., 2021.

The proposed prices are in year 2021 dollars and are exclusive of location or floor premiums and consumer-added options or upgrades. As in the Downtown and Northeast Study Areas, location will have a significant impact on values, ranging between a five to 10 percent premium.

MARKET CAPTURE: EAST BANK STUDY AREA

How fast will the units lease or sell?

Based on 33 years' experience using the target market methodology in 47 states, Zimmerman/Volk Associates has developed and refined a capture rate methodology scaled to study area size and context. Zimmerman/Volk Associates has determined that, for a Study Area the size of the East Bank, an annual capture of between 15 and 18 percent of the annual average number of potential renters, an annual capture of between 12 and 15 percent of the average number of potential buyers of each for-sale housing type is supportable each year over the next five years, assuming the production of appropriately-positioned new/renovated housing.

Based on a these capture rates, the annual average absorption of new units in the East Bank Study Area is forecast on the table following this page (*see again* Table 10 *following the text*).

Annual Forecast Absorption East Bank Study Area <i>City of South Bend, St. Joseph County, Indiana</i>		
	ANNUAL UNITS ABSORBED	CAPTURE RATES
MULTI-FAMILY FOR-RENT		
Total	<u>23 - 28</u>	15 – 18%
60% to 80% AMI	<u>5 - 6</u>	
>80% AMI	18 - 22	
MULTI-FAMILY FOR-SALE		
Total	<u>4 - 5</u>	12 – 15%
>100% AMI	4 - 5	
SINGLE-FAMILY ATTACHED FOR-SALE		
Total	<u>7 - 8</u>	12 – 15%
80% to 100% AMI	<u>1 - 1</u>	
>100% AMI	6 - 7	
SINGLE-FAMILY DETACHED FOR-SALE		
Total	<u>11 - 14</u>	12 – 15%
80% to 100% AMI	<u>1 - 2</u>	
>100% AMI	10 - 12	

SOURCE: Zimmerman/Volk Associates, Inc., 2021.

Based on these capture rates, the East Bank Study Area should be able to absorb between 45 and 55 new units per year over a five-year timeframe, or a five-year total of more than 225 to 275 new workforce and market-rate rental units and market-rate for-sale housing units.

New housing units, configured according to target market preferences, can not only attract new households to the East Bank Study Area and to the City of South Bend, but can also provide appropriate alternatives to households that, due to a change in household composition or economic status, might otherwise have moved out of the city.

The capture rates of the annual potential market used here fall within the target market methodology's parameters of feasibility.

NOTE: The target market capture rates of the potential purchaser or renter pool are a unique and highly-refined measure of feasibility. Target market capture rates are not equivalent to—and should not be confused with—penetration rates or traffic conversion rates.

The **target market capture rate** is derived by dividing the *annual* forecast absorption—in aggregate and by housing type—by the number of households that have the potential to purchase or rent new housing within a specified area *in a given year*.

The **penetration rate** is derived by dividing the *total* number of dwelling units planned for a property by the *total* number of draw area households, sometimes qualified by income.

The **traffic conversion rate** is derived by dividing the *total* number of buyers or renters by the *total* number of prospects that have visited a site.

Because the prospective market for a property or study area is more precisely defined using the residential target market methodology, a substantially smaller number of households are qualified; as a result, target market capture rates are higher than the more grossly-derived penetration rates. The resulting higher capture rates remain within the range of feasibility.

EAST BANK STUDY AREA BUILDING TYPES

Building and unit types most appropriate for the East Bank Study Area include:

—MULTI-FAMILY BUILDINGS—

- Mansion Apartment Building: A two- to three-story flexible-use structure with a street façade resembling a large detached or attached house (hence, “mansion”). The attached version of the mansion, typically built to a sidewalk on the front lot line, is most appropriate for downtown locations. Because of the small number of units, mansion buildings are particularly well-suited to condominium development since meeting pre-sales financing requirements is less challenging. The mansion building can also accommodate a variety of uses—from apartments, professional offices, any of these uses over ground-floor retail, a bed and breakfast inn, or a large single-family detached house—and its physical structure complements other buildings within a neighborhood.

Parking behind the mansion buildings can be either alley-loaded, or front-loaded served by shared drives. The form of the parking can be in open lots, in garages with units above, or integral to the building.

Mansion buildings should be strictly regulated in form, but flexible in use. However, flexibility in use is somewhat constrained by the handicapped accessibility regulations in both the Fair Housing Act and the Americans with Disabilities Act.

- Mixed-Use Building: A small pedestrian-oriented building, either attached or free-standing, with apartments and/or offices over flexible ground floor uses that can range from retail to office to residential.

—SINGLE-FAMILY ATTACHED—

- Rowhouses/Townhouses: Similar in form to a conventional suburban townhouse except that the garage—either attached or detached—is located to the rear of the unit and accessed from an alley or auto court. Unlike conventional townhouses, urban rowhouses/townhouses conform to the pattern of streets, typically with shallow front-yard setbacks. To provide privacy and a sense of security, the first floor should be elevated significantly above the

sidewalk. The rowhouse, as distinct from the townhouse, typically has a uniform front façade and cornice height.

- Duplexes: Two-unit townhouses with the garages—either attached or detached—located to the rear of the units. Like the rowhouses, urban duplexes conform to the pattern of streets, typically with shallow front-yard setbacks. In a corner location, duplex units can each front a different street.
- Live-work is a unit or building type that accommodates non-residential uses in addition to, or combined with living quarters. The typical live-work unit is a building, either attached or detached, with a principal dwelling unit that includes space that can be used as office, retail, or studio space, or as an accessory dwelling unit. Regardless of the form they take, live-work units should be flexible in order to respond to economic, social and technological changes over time and to accommodate as wide as possible a range of potential uses. The unit configuration must also comply with the requirements of the Fair Housing Amendments Act and the Americans with Disabilities Act.

—SINGLE-FAMILY DETACHED—

- Cottages/Bungalows: Small one-, one-and-a-half- or two-story single-family detached houses on small lots, usually with alley-loaded parking.
- Urban Houses: Two- or three-story single-family detached houses on relatively-small lots, often, but not always with alley-loaded parking. Attached, detached, or open parking—whether alley-loaded or not—is set well back from the front façade.



Table 1

Average Annual Market Potential For New And Existing Housing Units
 Distribution Of Annual Average Number Of Draw Area Households With The Potential
 To Move To The East Bank Study Area Each Year Over The Next Five Years
 Based On Housing Preferences And Income Levels
The East Bank Study Area
City of South Bend, St. Joseph County, Indiana

*City of South Bend, Balance of St. Joseph County;
 Regional Draw Area; Balance of U.S.
 Draw Areas*

Annual Number Of Households
 With The Potential To Rent/Purchase Within
 The City of South Bend 7,960

Annual Number Of Target Market Households
 With Potential To Rent/Purchase Within
 The East Bank Study Area 540

Average Annual Market Potential

	<u>Below 30% AMI</u>	<u>30% to 60% AMI</u>	<u>60% to 80% AMI</u>	<u>80% to 100% AMI</u>	<u>Above 100% AMI</u>	<u>Subtotal</u>
<i>Multi-Family For-Rent:</i>	50	44	34	23	99	250
<i>Multi-Family For-Sale:</i>	8	7	1	0	32	48
<i>Single-Family Attached For-Sale:</i>	15	18	6	5	49	93
<i>Single-Family Detached For-Sale:</i>	21	24	13	10	81	149
<i>Total:</i>	94	93	54	38	261	540
<i>Percent:</i>	17.4%	17.2%	10.0%	7.0%	48.4%	100.0%

Note: For fiscal year 2020, the South Bend-Mishawaka, IN HUD FMR Area Median Family Income for a family of four is \$70,800.

SOURCE: Claritas, Inc.;
 Zimmerman/Volk Associates, Inc.

Table 2

Average Annual Market Potential By Lifestage And Income Range

Distribution Of Annual Average Number Of Draw Area Households With The Potential
To Move To The East Bank Study Area Each Year Over The Next Five Years
Based On Housing Preferences And Income Levels

The East Bank Study Area

City of South Bend, St. Joseph County, Indiana

	Total	<i>Below 30% AMI</i>	<i>30% to 60% AMI</i>	<i>60% to 80% AMI</i>	<i>80% to 100% AMI</i>	<i>Above 100% AMI</i>
Number of Households:	540	94	93	54	38	261
Empty Nesters & Retirees	33.3%	28.7%	36.6%	40.7%	31.6%	32.6%
Traditional & Non-Traditional Families	26.9%	29.8%	23.7%	22.2%	23.7%	28.4%
Younger Singles & Couples	39.8%	41.5%	39.7%	37.1%	44.7%	39.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: For fiscal year 2020, the South Bend-Mishawaka, IN HUD FMR Area Median Family Income for a family of four is \$70,800.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

Summary Of Selected Rental Properties

City of South Bend, St. Joseph County, Indiana

January, 2021

<u>Property (Date Opened)</u> <u>Address/Walk Score</u>	<u>Number of Units</u>	<u>Unit Type</u>	<u>Reported Base Rent</u>	<u>Reported Unit Size</u>	<u>Rent per Sq. Ft.</u>	<u>Additional Information</u>
<i>... Downtown/East Bank ...</i>						
Central High & Stephenson Mill Apts (1904)	99	<i>... Apartments ...</i>				95% occupancy
330 West Colfax Avenue		1br/1ba	\$750 to \$1,145	590 to 1,069	\$1.07 to \$1.27	<i>Controlled access, laundry facilities, fitness center, and pet friendly.</i>
69 Walk Score		1br/1.5ba	\$1,070	957	\$1.12	
		2br/1ba	\$799 to \$1,495	803 to 1,856	\$0.81 to \$1.00	
		2br/1.5ba	\$1,040 to \$1,225	1,059 to 1,579	\$0.78 to \$0.98	
		2br/2ba	\$1,030 to \$1,505	1,132 to 1,500	\$0.91 to \$1.00	
Studebaker Lofts (Renovation 2017)	46	<i>... Apartments ...</i>				57% occupancy
108 North Main Street		1br/1ba	\$899 to \$1,228	540 to 756	\$1.62 to \$1.66	<i>Fitness center, business center.</i>
Bradley Company		2br/2ba	\$1,299 to \$2,627	827 to 1,583	\$1.57 to \$1.66	
67 Walk Score		3br/2ba	\$1,949	1,182	\$1.65	
The Ivy at Berlin Place (2019)	121	<i>... Apartments ...</i>				47% occupancy
415 South Lafayette Boulevard		Studio/1ba	\$899 to \$1,015	584	\$1.54 to \$1.74	<i>Fitness center, sundeck, clubhouse, business center, courtyard, and recreation room.</i>
75 Walk Score		1br/1ba	\$985 to \$1,350	790	\$1.25 to \$1.71	
		2br/2ba	\$1,283 to \$1,720	985 to 1,033	\$1.30 to \$1.67	
The LaSalle (1921; 2016)	67	<i>... Apartments ...</i>				94% occupancy
237 North Michigan Street		1br/1ba	\$943 to \$1,109	592 to 805	\$1.59 to \$1.38	<i>Fitness center, community room, game room, and key-fob entry.</i>
RealAmerica		2br/2ba	\$1,103 to \$1,437	859 to 895	\$1.28 to \$1.61	
82 Walk Score						
The Pointe at St. Joseph Apts (1989)	202	<i>... Apartments ...</i>				95% occupancy
307 East LaSalle Avenue		1br/1ba	\$970 to \$1,225	700 to 784	\$1.39 to \$1.56	<i>Swimming pool, fitness center, clubhouse, community room, business center, coffee bar.</i>
Trilogy Residential Management		2br/1.5ba	\$1,165 to \$1,235	1,020	\$1.14 to \$1.21	
66 Walk Score		2br/2ba	\$1,210 to \$1,355	1,032 to 1,151	\$1.17 to \$1.18	

SOURCE: Zimmerman/Volk Associates, Inc.

Summary Of Selected Rental Properties*City of South Bend, St. Joseph County, Indiana***January, 2021**

<u>Property (Date Opened)</u> <u>Address/Walk Score</u>	<u>Number</u> <u>of Units</u>	<u>Unit</u> <u>Type</u>	<u>Reported</u> <u>Base Rent</u>	<u>Reported</u> <u>Unit Size</u>	<u>Rent per</u> <u>Sq. Ft.</u>	<u>Additional Information</u>
<i>... Downtown (continued) ...</i>						
Colfax at Hill	17	<i>... Apartments ...</i>				100% occupancy
525 East Colfax Avenue		1br/1ba	\$1,125 to	750	\$1.50 to	<i>Bike storage</i>
Century Builders			\$1,175		\$1.57	<i>Waitlist.</i>
75 Walk Score		2br/2ba	\$1,525 to	900	\$1.69 to	
			\$1,650		\$1.83	
300 E Lasalle	144	<i>... Apartments ...</i>				In lease-up.
(2021)		Studio/1ba	\$1,200 to	536 to	\$2.24 to	<i>Rooftop pool,</i>
300 East Lasalle Avenue			\$1,500	580	\$2.59	<i>clubhouse,</i>
Matthews LLC		1br/1ba	\$1,300 to	660 to	\$1.96 to	<i>greenhouse,</i>
65 Walk Score			\$1,800	918	\$1.97	<i>beer garden,</i>
		2br/1ba	\$1,950 to	982	\$1.99 to	<i>fire pits.</i>
			\$2,250		\$2.29	
		2br/2ba	\$1,600 to	972 to	\$1.65 to	
			\$2,250	1,132	\$1.99	
		3br/2ba	\$2,450 to	1,220	\$2.01 to	
			\$3,050		\$2.50	
		3br/3ba	\$2,400 to	1,460 to	\$1.64 to	
			\$3,050	1,490	\$2.05	
The Hibberd (2017)	14	<i>... Apartments ...</i>				80% occupancy
321 South Main Street		Studio/1ba	\$1,232	616	\$2.00	<i>Fitness center,</i>
Bradley Company		1br/1ba	\$1,316	643 to	\$1.87 to	<i>bike racks,</i>
66 Walk Score			\$1,520	814	\$2.05	<i>BBQ/picnic area,</i>
		1br/1.5ba	\$1,638 to	870	\$1.88	<i>sundeck</i>
			\$1,655		\$1.90	<i>Ragamuffin Bakery</i>
		2br/2ba	\$2,420	1,307	\$1.85	
East Bank Flats	12	<i>... Apartments ...</i>				In lease-up.
(2021)		1br/1ba	\$1,300 to	710	\$1.83 to	<i>Rooftop</i>
215 Sycamore Street			\$1,500		\$2.11	<i>entertainment area.</i>
East Bank South Bend Development, LLC		2br/2ba	\$1,600 to	972	\$1.65 to	
65 Walk Score			\$1,900		\$1.95	
		3br/3ba	\$2,400 to	1,460	\$1.64 to	
			\$3,000		\$2.05	
345 Lincoln Way West	2	<i>... Apartment ...</i>				50% occupancy
65 Walk Score		2br/2ba	\$1,405	1,467	\$0.96	

SOURCE: Zimmerman/Volk Associates, Inc.

Summary Of Selected Rental Properties*City of South Bend, St. Joseph County, Indiana***January, 2021**

<u>Property (Date Opened)</u> <u>Address/Walk Score</u>	<u>Number of Units</u>	<u>Unit Type</u>	<u>Reported Base Rent</u>	<u>Reported Unit Size</u>	<u>Rent per Sq. Ft.</u>	<u>Additional Information</u>
<i>... Northeast ...</i>						
Aurum Apts (2015) 825 East Sorin Street Brown Capital Group 60 Walk Score	60	<i>... Apartments ...</i>				92% occupancy Clubhouse, concierge, laundry facility, outdoor community lounge, bicycle service station.
		1br/1ba	\$980	596 to 602	\$1.64	
		2br/2ba	\$1,249 to \$1,646	1,139 to 1,299	\$1.10 to \$1.27	
The Foundry North & South (2009: 2019) 1233 North Eddy Street Buckingham Companies 67 Walk Score	718	<i>... Apartments ...</i>				97% occupancy Swimming pool, fitness center, club room, community room, conference center, study areas, game room and rooftop terrace
		Studio/1ba (S)	\$1,092 to \$1,157	390	\$2.80 to \$2.97	
		1br/1ba (S)	\$1,215 to \$2,023	497 to 962	\$2.10 to \$2.44	
		2br/2ba (S)	\$1,819 to \$2,244	905 to 1,110	\$2.01 to \$2.02	
		1br/1ba (N)	\$1,543 to \$1,842	625 to 850	\$2.17 to \$2.47	
		2br/2ba (N)	\$2,010 to \$2,342	866 to 1,134	\$2.07 to \$2.32	
		3br/3ba (N)	\$2,260 to \$3,340	1,159 to 1,528	\$1.95 to \$2.19	

Table 4

**Summary Of Selected For-Sale Multi-Family
And Single-Family Attached Properties**

City of South Bend, St. Joseph County, Indiana

January, 2021

<u>Property (Year Built)</u> <u>Address/Walk Score</u>	<u>Building</u> <u>Type</u>	<u>Unit</u> <u>Type</u>	<u>Unit Price</u>	<u>Unit Size</u>	<u>Unit Price</u> <u>Per Sq. Ft.</u>
. . . . Downtown/East Bank/Northeast					
The Village at Riverwalk (2017)					
. . . . Units Currently For Sale					
Century Custom Builders	DUPLEX	2br / 3ba	\$395,000	2,830	\$140
63 Walk Score	TH	4br / 3.5ba {end unit}	\$435,000	2,280	\$191
Golden View THs (2019)					
. . . . Remaining Units					
North Notre Dame Avenue	6 TH	4br / 5.5ba	\$795,000	3,780	\$210
70 Walk Score		4br / 5.5ba	\$799,000	3,780	\$211
		4br / 5.5ba	\$799,000	3,780	\$211
		5br / 5.5ba	\$879,000	3,780	\$233
Three Twenty at the Cascade					
. . . . Remaining Units					
{2018}	17 CO	2br / 3ba / study	\$941,621	2,466	\$382
Wharf Partners, LLC		3br / 3.5ba	\$1,002,985	2,699	\$372
69 Walk Score		3br / 3.5ba	\$1,067,397	2,699	\$395
Traction HQ					
1130 South Bend Avenue					
{2020}	2 CO	3br / 3ba	\$1,125,000	2,395	\$470
59 Walk Score		3br / 3ba	\$1,375,000	2,438	\$564
. . . . East					
Keenan Court Flats (2019)					
1033 Keenan Court					
35 Walk Score	12 CO	1br / 1ba	\$169,900	607	\$280
		2br / 2ba	\$234,500	1,097	\$214
		3br / 3ba	\$267,500	1,314	\$204
The Echoes (2019)					
Ironwood Circle					
59 Walk Score	26 "villas"	3br / 2.5ba	\$499,900	2,072	\$241
		4br / 3.5ba	\$563,761	3,034	\$186
		4br / 3.5ba	\$599,308	3,034	\$198

Summary Of Selected Single-Family Detached Properties New Construction

City of South Bend, St. Joseph County, Indiana

January, 2021

<u>Property</u>	<u>Unit Type</u>	<u>Unit Price</u>	<u>Unit Size</u>	<u>Price Per Sq. Ft.</u>	<u>Lot Size</u>
<i>Builder/Walk Score</i>					
<i>...East Bank/Northeast</i>					
The Village at Riverwalk					
<i>... Currently For Sale. ...</i>					
<i>Notre Dame Avenue</i>	4br/3ba	\$495,000	2,714	\$182	1.2 ac
Century Custom Builders	Lot Prices: \$65,000 to \$80,000 (Notre Dame Avenue)				
63 Walk score	\$90,000 (Northside Boulevard)				
Notre Dame South					
<i>...New Construction Listings...</i>					
<i>Various addresses</i>	3br/3ba	\$524,900	2,050	\$256	
Irish Custom Homes	3br/3ba	\$559,900	2,170	\$258	
60 Walk score	4br/4ba	\$574,900	2,580	\$223	
	4br/4ba	\$614,900	2,170	\$283	
25 lots available					
<i>...Northwest...</i>					
Audubon Woods					
50 du					
<i>...New Construction Listings...</i>					
<i>Prescott Avenue South</i>	3br/2ba	\$202,900	1,450	\$140	0.21 ac.
Irish Custom Homes	3br/2.5ba	\$289,900	1,800	\$161	0.20 ac.
17 Walk score	3br/2ba	\$299,900	1,515	\$198	0.23 ac.
<i>...Available Floorplans...</i>					
	3br/2ba	\$289,900 to	1,450 to	\$190 to	
		\$339,900	1,788	\$200	
	4br/3 or 4ba	\$299,900	2,300	\$130	
	5br/3ba	\$314,900 to	2,480 to	\$127 to	
		\$384,900	2,990	\$129	
Lot Prices: \$44,900 to \$45,900					
Jade Crossing					
101 du					
<i>...Available Floorplans...</i>					
<i>Jade Crossing Drive</i>	3br/2ba	\$202,900 to	1,459 to	\$139 to	
Allen Edwin Homes		\$272,900	1,687	\$162	
20 Walk score	2br/1ba	\$222,900	1,252	\$178	
	3br/2.5ba	\$223,900 to	1,516 to	\$122 to	
		\$291,900	2,393	\$148	
	3br/1ba	\$240,900	1,526	\$158	
	4br/2.5ba	\$239,900 to	1,830 to	\$124 to	
		\$249,900	2,022	\$131	

Summary Of Selected Single-Family Detached Properties
New Construction
City of South Bend, St. Joseph County, Indiana
January, 2021

<u>Property</u>	<u>Unit</u> <u>Type</u>	<u>Unit Price</u>	<u>Unit Size</u>	<u>Price</u> <u>Per Sq. Ft.</u>	<u>Lot</u> <u>Size</u>
<i>Builder/Walk Score</i>					
<i>...Northwest {continued} ...</i>					
Fox Run					
<i>...New Construction Listings...</i>					
<i>Hound Trail</i>	3br/3ba	\$229,000	1,430	\$160	0.34 ac.
Morrison Builders	4br/3ba	\$250,000	2,296	\$109	0.27 ac.
7 Walk score	3br/2ba	\$265,000	1,550	\$171	0.25 ac.
	5br/2.5ba	\$272,900	2,731	\$100	0.25 ac.
West Pointe Estates					
22 du					
<i>...New Construction Listing...</i>					
<i>North Marshall Drive</i>	3br/2ba	\$269,900	1,450	\$186	0.29 ac.
Irish Custom Homes	Lot Price:	\$34,500			
49 Walk score					
The Oaks					
46 du					
<i>...New Construction Listing...</i>					
<i>Garden Oak Drive</i>	3br/2ba	\$299,000	1,515	\$197	0.5 ac.
Irish Custom Homes	Lot Price:	\$49,500			
20 Walk score					

**Target Groups For New Multi-Family For Rent
East Bank Study Area**

City of South Bend, St. Joseph County, Indiana

..... Number of Households

Empty Nesters & Retirees**	<u>60% to 80% AMI†</u>	<u>80% to 100% AMI†</u>	<u>Above 100% AMI†</u>	<u>Total</u>	<u>Percent of Total</u>
Small-Town Patriarchs	0	0	1	1	0.6%
Suburban Establishment	0	0	1	1	0.6%
Urban Establishment	0	0	4	4	2.6%
Traditional Couples	0	0	1	1	0.6%
Mainstream Empty Nesters	1	1	6	8	5.1%
Middle-American Retirees	1	1	3	5	3.2%
Cosmopolitan Couples	0	0	2	2	1.3%
Blue-Collar Retirees	1	1	3	5	3.2%
Middle-Class Move-Downs	0	0	1	1	0.6%
Hometown Seniors	0	0	2	2	1.3%
Second-City Seniors	10	3	0	13	8.3%
Subtotal:	13 30.2%	6 14.0%	24 55.8%	43 100.0%	27.6%
Traditional & Non-Traditional Families††					
Ex-Urban Elite	0	0	1	1	0.6%
Button-Down Families	0	0	1	1	0.6%
Full-Nest Exurbanites	0	0	1	1	0.6%
New Town Families	0	0	1	1	0.6%
Late-Nest Suburbanites	0	0	2	2	1.3%
Small-Town Families	0	0	2	2	1.3%
Traditional Families	0	0	1	1	0.6%
Multi-Ethnic Families	0	0	2	2	1.3%
Uptown Families	1	1	3	5	3.2%
In-Town Families	2	1	3	6	3.8%
New Amerian Strivers	2	2	0	4	2.6%
Subtotal:	5	4	17	26	16.7%

† For fiscal year 2020, the South Bend-Mishawaka, IN HUD FMR Area Median Family Income for a family of four is \$70,800.

** Predominantly one- and two-person households.

†† Predominantly three -to five-person households.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

**Target Groups For New Multi-Family For Rent
East Bank Study Area**

City of South Bend, St. Joseph County, Indiana

..... Number of Households

Younger Singles & Couples**	<i>60% to 80% AMI†</i>	<i>80% to 100% AMI†</i>	<i>Above 100% AMI†</i>	<i>Total</i>	<i>Percent of Total</i>
New Bohemians	0	1	7	8	5.1%
Fast-Track Professionals	1	1	14	16	10.3%
The VIPs	1	1	7	9	5.8%
Suburban Achievers	1	1	2	4	2.6%
Suburban Strivers	2	2	4	8	5.1%
Downtown Couples	0	0	2	2	1.3%
Small-City Singles	2	1	4	7	4.5%
Second-City Strivers	2	2	6	10	6.4%
Downtown Proud	2	0	0	2	1.3%
Twentysomethings	3	3	9	15	9.6%
Multi-Ethnic Singles	2	1	3	6	3.8%
Subtotal:	16	13	58	87	55.8%
Total Households:	34	23	99	156	100.0%
Percent of Total:	21.8%	14.7%	63.5%	100.0%	

† For fiscal year 2020, the South Bend-Mishawaka, IN HUD FMR Area Median Family Income for a family of four is \$70,800.

** Predominantly one- and two-person households.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

**Target Groups For New Multi-Family For Sale
East Bank Study Area**

City of South Bend, St. Joseph County, Indiana

..... Number of Households

	<i>80% to 100% AMI†</i>	<i>Above 100% AMI†</i>	<i>Total</i>	<i>Percent of Total</i>
Empty Nesters & Retirees**				
Mainstream Empty Nesters	0	3	3	9.4%
Middle-American Retirees	0	2	2	6.3%
Cosmopolitan Couples	0	1	1	3.1%
Blue-Collar Retirees	0	2	2	6.3%
Middle-Class Move-Downs	0	1	1	3.1%
Hometown Seniors	0	1	1	3.1%
Subtotal:	0	10	10	31.3%
Traditional & Non-Traditional Families††				
Button-Down Families	0	1	1	3.1%
Unibox Transferees	0	1	1	3.1%
Late-Nest Suburbanites	0	1	1	3.1%
Small-Town Families	0	1	1	3.1%
Multi-Ethnic Families	0	1	1	3.1%
Uptown Families	0	2	2	6.3%
In-Town Families	0	1	1	3.1%
Subtotal:	0	8	8	25.0%
Younger Singles & Couples**				
New Bohemians	0	1	1	3.1%
Fast-Track Professionals	0	2	2	6.3%
The VIPs	0	2	2	6.3%
Suburban Achievers	0	1	1	3.1%
Suburban Strivers	0	2	2	6.3%
Downtown Couples	0	1	1	3.1%
Small-City Singles	0	1	1	3.1%
Second-City Strivers	0	1	1	3.1%
Downtown Proud	0	1	1	3.1%
Twentysomethings	0	2	2	6.3%
Subtotal:	0	14	14	43.8%
Total Households:	0	32	32	100.0%
Percent of Total:	0.0%	100.0%	100.0%	

† For fiscal year 2020, the South Bend-Mishawaka, IN HUD FMR Area Median Family Income for a family of four is \$70,800.

†† Predominantly three -to five-person households.

** Predominantly one- and two-person households.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

**Target Groups For New Single-Family Attached For Sale
East Bank Study Area**

City of South Bend, St. Joseph County, Indiana

. *Number of Households*

Empty Nesters & Retirees**	<i>80% to 100% AMI†</i>	<i>Above 100% AMI†</i>	<i>Total</i>	<i>Percent of Total</i>
Suburban Establishment	0	1	1	1.9%
Urban Establishment	0	1	1	1.9%
Traditional Couples	0	3	3	5.6%
Mainstream Empty Nesters	1	5	6	11.1%
Middle-American Retirees	1	3	4	7.4%
Blue-Collar Retirees	1	4	5	9.3%
Middle-Class Move-Downs	0	2	2	3.7%
Subtotal:	3	19	22	40.7%

Traditional & Non-Traditional Families††	<i>80% to 100% AMI†</i>	<i>Above 100% AMI†</i>	<i>Total</i>	<i>Percent of Total</i>
Ex-Urban Elite	0	3	3	5.6%
Nouveau Money	0	1	1	1.9%
Button-Down Families	0	1	1	1.9%
Unibox Transferees	0	2	2	3.7%
New Town Families	0	3	3	5.6%
Late-Nest Suburbanites	0	1	1	1.9%
Small-Town Families	0	1	1	1.9%
Traditional Families	0	1	1	1.9%
Multi-Ethnic Families	0	1	1	1.9%
Uptown Families	1	2	3	5.6%
In-Town Families	1	3	4	7.4%
Subtotal:	2	19	21	38.9%

† For fiscal year 2020, the South Bend-Mishawaka, IN HUD FMR Area Median Family Income for a family of four is \$70,800.

** Predominantly one- and two-person households.

†† Predominantly three -to five-person households.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

**Target Groups For New Single-Family Attached For Sale
East Bank Study Area**

City of South Bend, St. Joseph County, Indiana

..... Number of Households

Younger Singles & Couples**	<u>80% to 100% AMI†</u>	<u>Above 100% AMI†</u>	<u>Total</u>	<u>Percent of Total</u>
New Bohemians	0	1	1	1.9%
Fast-Track Professionals	0	1	1	1.9%
The VIPs	0	2	2	3.7%
Suburban Achievers	0	1	1	1.9%
Suburban Strivers	0	1	1	1.9%
Downtown Couples	0	1	1	1.9%
Small-City Singles	0	1	1	1.9%
Second-City Strivers	0	1	1	1.9%
Twentysomethings	0	1	1	1.9%
Multi-Ethnic Singles	0	1	1	1.9%
Subtotal:	0	11	11	20.4%
Total Households:	5	49	54	100.0%
Percent of Total:	9.3%	90.7%	100.0%	

† For fiscal year 2020, the South Bend-Mishawaka, IN HUD FMR Area Median Family Income for a family of four is \$70,800.

** Predominantly one- and two-person households.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

**Target Groups For New Single-Family Detached For Sale
East Bank Study Area**

City of South Bend, St. Joseph County, Indiana

..... Number of Households

Empty Nesters & Retirees**	<u>80% to 100% AMI†</u>	<u>Above 100% AMI†</u>	<u>Total</u>	<u>Percent of Total</u>
Small-Town Patriarchs	0	4	4	4.4%
Suburban Establishment	0	3	3	3.3%
Traditional Couples	0	5	5	5.5%
Mainstream Empty Nesters	1	7	8	8.8%
Middle-American Retirees	1	8	9	9.9%
Blue-Collar Retirees	1	4	5	5.5%
Middle-Class Move-Downs	0	1	1	1.1%
Subtotal:	3	32	35	38.5%
Traditional & Non-Traditional Families††				
Ex-Urban Elite	0	6	6	6.6%
Nouveau Money	0	4	4	4.4%
Button-Down Families	0	2	2	2.2%
Full-Nest Exurbanites	0	4	4	4.4%
Unibox Transferees	0	2	2	2.2%
New Town Families	1	2	3	3.3%
Late-Nest Suburbanites	0	1	1	1.1%
Small-Town Families	0	2	2	2.2%
Traditional Families	0	2	2	2.2%
Multi-Ethnic Families	0	1	1	1.1%
Uptown Families	1	1	2	2.2%
In-Town Families	1	3	4	4.4%
Subtotal:	3	30	33	36.3%

† For fiscal year 2020, the South Bend-Mishawaka, IN HUD FMR Area Median Family Income for a family of four is \$70,800.

** Predominantly one- and two-person households.

†† Predominantly three -to five-person households.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

**Target Groups For New Single-Family Detached For Sale
East Bank Study Area**

City of South Bend, St. Joseph County, Indiana

..... Number of Households

Younger Singles & Couples**	<u>80% to 100% AMI†</u>	<u>Above 100% AMI†</u>	<u>Total</u>	<u>Percent of Total</u>
Fast-Track Professionals	0	1	1	1.1%
The VIPs	0	2	2	2.2%
Suburban Achievers	1	4	5	5.5%
Suburban Strivers	1	2	3	3.3%
Downtown Couples	0	1	1	1.1%
Small-City Singles	2	6	8	8.8%
Second-City Strivers	0	1	1	1.1%
Twentysomethings	0	1	1	1.1%
Multi-Ethnic Singles	0	1	1	1.1%
Subtotal:	4	19	23	25.3%
Total Households:	10	81	91	100.0%
Percent of Total:	11.0%	89.0%	100.0%	

† For fiscal year 2020, the South Bend-Mishawaka, IN HUD FMR Area Median Family Income for a family of four is \$70,800.

** Predominantly one- and two-person households.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

Optimum Market Position: Workforce and Market-Rate Units
East Bank Study Area
City of South Bend, St. Joseph County, Indiana
February, 2021

<u>Number of Households</u>	<u>Housing Type</u> <i>Households by Income</i>	<u>Percent Mix</u>	<u>Base Rent/Price Range*</u>	<u>Base Unit Size Range</u>	<u>Base Rent/Price Per Sq. Ft.*</u>	<u>Annual Market Capture</u>
156	Multi-Family For Rent					23 to 28
34	Households With Incomes Between 60% and 80% AMI					5
122	Households With Incomes at 80% and up					18
		<i>..... Workforce (60% to 80% AMI).....</i>				
	Studio/1ba	30%	\$750 to \$900	450 to 500	\$1.67 to \$1.80	
	1br/1ba	35%	\$950 to \$1,050	550 to 650	\$1.62 to \$1.73	
	2br/2ba	35%	\$1,350 to \$1,450	900 to 950	\$1.50 to \$1.53	
	Weighted Averages:		\$1,090	678	\$1.61	
		<i>..... Market-Rate (80% AMI and up).....</i>				
	1br/1ba	30%	\$1,200 to \$1,600	550 to 750	\$2.13 to \$2.18	
	2br/2ba	40%	\$1,950 to \$2,200	1,000 to 1,100	\$1.95 to \$2.00	
	3br/2ba	30%	\$2,300 to \$2,850	1,200 to 1,450	\$1.92 to \$1.97	
	Weighted Averages:		\$2,018	1,010	\$2.00	

NOTE: For fiscal year 2020, the South Bend-Mishawaka, IN HUD MFR Area Median Family Income for a family of four is \$70,800.

NOTE: Base rents/prices in year 2021 dollars and exclude floor, view premiums, options, or upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.

Optimum Market Position: Workforce and Market-Rate Units
East Bank Study Area
City of South Bend, St. Joseph County, Indiana
February, 2021

<u>Number of Households</u>	<u>Housing Type</u> <i>Households by Income</i>	<u>Percent Mix</u>	<u>Base Rent/Price Range*</u>	<u>Base Unit Size Range</u>	<u>Base Rent/Price Per Sq. Ft.*</u>	<u>Annual Market Capture</u>
32	Multi-Family For-Sale					4 to 5
32	Households With Incomes Above 100% AMI					4 5
		<i>..... Market-Rate (100% AMI and up).....</i>				
	1br/1ba	25%	\$295,000 to \$350,000	900 to 1,000	\$328 to \$350	
	2br/2ba	50%	\$415,000 to \$450,000	1,300 to 1,500	\$300 to \$319	
	3br/3ba	25%	\$500,000 to \$585,000	1,650 to 2,000	\$293 to \$303	
	Weighted Averages:		\$432,500	1,394	\$310	
54	Single-Family Attached For-Sale					7 to 8
5	Households With Incomes Between 80% and 100% AMI					1 1
49	Households With Incomes Above 100% AMI					6 7
		<i>..... Workforce (80% to 100% AMI).....</i>				
	2br/1.5ba	100%	\$225,000 to \$255,000	1,000 to 1,250	\$204 to \$225	
	Weighted Averages:		\$240,000	1,125	\$213	
		<i>..... Market-Rate (100% AMI and up).....</i>				
	3br/2.5ba	40%	\$465,000 to \$490,000	1,700 to 1,800	\$272 to \$274	
	3br/3.5ba	30%	\$515,000 to \$545,000	1,900 to 2,100	\$260 to \$271	
	4br/3.5ba	30%	\$575,000 to \$625,000	2,200 to 2,400	\$260 to \$261	
	Weighted Averages:		\$536,000	2,016	\$266	

NOTE: For fiscal year 2020, the South Bend-Mishawaka, IN HUD MFR Area Median Family Income for a family of four is \$70,800.

NOTE: Base rents/prices in year 2021 dollars and exclude floor, view premiums, options, or upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.

Optimum Market Position: Workforce and Market-Rate Units
East Bank Study Area
City of South Bend, St. Joseph County, Indiana
February, 2021

<u>Number of Households</u>	<u>Housing Type</u> <i>Households by Income</i>	<u>Percent Mix</u>	<u>Base Rent/Price Range*</u>	<u>Base Unit Size Range</u>	<u>Base Rent/Price Per Sq. Ft.*</u>	<u>Annual Market Capture</u>
91	Single-Family Detached For-Sale					11 to 14
10	Households With Incomes Between 80% and 100% AMI					1
81	Households With Incomes Above 100% AMI					10
	<i>..... Workforce (80% to 100% AMI).....</i>					
	3br / 2ba	60%	\$245,000 to \$250,000	1,300 to 1,400	\$179 to \$188	
	3br / 2.5ba	40%	\$265,000 to \$275,000	1,450 to 1,550	\$177 to \$183	
	Weighted Averages:		\$257,636	1,417	\$182	
	<i>..... Market-Rate (100% AMI and up).....</i>					
	3br / 3.5ba	40%	\$475,000 to \$515,000	1,750 to 1,950	\$264 to \$271	
	4br / 3.5ba	40%	\$525,000 to \$590,000	2,050 to 2,350	\$251 to \$256	
	4br / 4.5ba	20%	\$600,000 to \$650,000	2,600 to 2,850	\$228 to \$231	
	Weighted Averages:		\$558,882	2,260	\$247	

NOTE: For fiscal year 2020, the South Bend-Mishawaka, IN HUD MFR Area Median Family Income for a family of four is \$70,800.

NOTE: Base rents/prices in year 2021 dollars and exclude floor, view premiums, options, or upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.



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Residential Market Analysis Across the Urban-to-Rural Transect

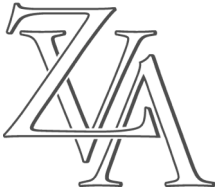
ASSUMPTIONS AND LIMITATIONS—

Every effort has been made to insure the accuracy of the data contained within this analysis. Demographic and economic estimates and projections have been obtained from government agencies at the national, state, and county levels. Market information has been obtained from sources presumed to be reliable, including developers, owners, and/or sales agents. However, this information cannot be warranted by Zimmerman/Volk Associates, Inc. While the proprietary residential target market methodology™ employed in this analysis allows for a margin of error in base data, it is assumed that the market data and government estimates and projections are substantially accurate.

Absorption scenarios are based upon the assumption that a normal economic environment will prevail in a relatively steady state during development of the subject property. Absorption paces are likely to be slower during recessionary periods and faster during periods of recovery and high growth. Absorption scenarios are also predicated on the assumption that the product recommendations will be implemented generally as outlined in this report and that the developer will apply high-caliber design, construction, marketing, and management techniques to the development of the property.

Recommendations are subject to compliance with all applicable regulations. Relevant accounting, tax, and legal matters should be substantiated by appropriate counsel.





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Residential Market Analysis Across the Urban-to-Rural Transect

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