

The Challenges/Problem Statements:

Categories: *Lack of Supply*
Increased and Shifting Demand
Density and Growth

Affordability
Economic Development
Other Considerations

Lack of Supply

- We are experiencing a nationwide long-term housing supply shortage.
- We have a scarcity of land available in Carmel for additional housing development.
- We lack a sufficient supply of diverse housing types for all in Carmel to meet the changing needs of current and future residents – there is interest in some missing middle housing.
- Lack of ability to formulate the scale of the problem. There is a desire for Carmel to be accessible for younger “legacy” residents, while also providing options for residents to age and remain in Carmel.
- A low inventory of homes for sale in the market and low vacancy rates in apartments are stifling the ability for residents to move into or to upsize or downsize within the Carmel market.

Increased and Shifting Demand

- There is tremendous demand for housing (both owned and rented) in Carmel due to the high quality of life, schools and job growth.
- We are seeing an increase in the desire to live in walkable urban neighborhoods that offer amenities, as well as suburban neighborhoods with sidewalks and a connected pedestrian and bicycling network.
- Businesses and employees are increasingly seeking locations in walkable areas that offer amenities over traditional office parks.
- There is increasing demand to purchase smaller 1- or 2-bedroom homes or townhomes.
- There is increasing demand to purchase homes with the primary bedroom on the main level or ground floor.
- Multifamily units in Carmel are attracting a wide range of demographics such as retirees and empty nesters, in addition to the traditional single-person or newly formed households who are saving to purchase a home.

Density and Growth

- Population growth for Hamilton County is expected to continue to outpace central Indiana, the state and U.S. growth rates, with Carmel forecast to exceed 110,000 by 2030.
- Residents are concerned about density and growth, especially large apartments – loss of quality of life, traffic, loss of natural areas/greenspace/trees.
- Residents are concerned about protecting the vitality of existing neighborhoods.

Affordability

- Housing prices and rents have increased substantially and affordability is a real concern for households earning less than the median income, but also for households with earnings at or slightly above the median income.
- Diminishing supply and increased demand for land available for development have driven land costs significantly higher.
- There are market forces on existing “affordable” housing/neighborhoods (e.g. increasing values, interest rates) which are pricing out senior citizens and younger residents, gradually limiting the housing choices to investors or buyers with higher incomes.
- There are market forces (e.g. higher land and construction costs, interest rates) limiting the construction of new housing affordable to households earning at or below the median income.

Economic Development

- Housing is an Economic Development issue. Carmel's jobs sector is projected to grow +10% by 2030, faster than central Indiana, the Midwest and the US. Without new housing options, the competition for existing housing will only get fiercer.
- The lack of housing options is one of several challenges for employers and employees in Carmel and across the central Indiana region. A lack of housing near jobs increases commute times and transportation costs, which can be particularly difficult for the retail, service, and portions of the health care industries.

Other Considerations

- The development standards and approval process affects development outcomes.
- Capital market constraints and financing tools have an influence on what is being developed.
- Neighboring communities have or are developing housing supply in the region. However, for this supply to relieve some of Carmel's needs requires existing residents to leave the Carmel community (e.g. senior housing), and employees to rely on individual automobiles for commutes.