

**RESIDENTIAL MARKET STUDY
PERRY COUNTY, INDIANA**

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**PREPARED FOR:
PERRY COUNTY DEVELOPMENT
CORPORATION**

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Executive Summary & Conclusions

This real estate market study focuses on the inferred problem that a disproportionate number of people who work in Perry County reside outside of Perry County. Specifically, it is believed the lack of quality housing has led to a greater than typical portion of the workforce choosing to live outside Perry County.

This study begins with an overview of Perry County including population, major employers, and labor data. The Perry County March 2019 unemployment rate was 3.8%, which is generally comparable to the Evansville MSA, Indiana, and US employment rates and has returned to pre-recession levels (5.0% in March 2008). From March 2008 to March 2019 the Perry County labor force has declined 3.0%, which is in contrast to the rising Dubois County, Spencer County, Evansville MSA (excluding Gibson County), Indiana, and the U.S labor forces.

Commuting Patterns

The five largest areas of workers commuting into Perry County were Kentucky, Spencer County, Crawford County, Dubois County, and Warrick County. The largest areas for workers commuting out of Perry County were Dubois County, Kentucky, Spencer County, Vanderburgh County, Warrick County, Crawford County, and other states. Based on the commuter patterns there appears to be a faster increasing rate of the number of workers commuting into Perry County compared to the number of workers commuting out of Perry County with workers primarily moving to Kentucky, Crawford County, and Dubois County.

Next the labor and work forces from the Indiana IT-40 Tax Returns for 1997 to 2017 are examined. Over this 20 year span there was a decreasing Perry County resident work force, relatively flat number of Perry County residences working in Perry County, rise in people commuting into Perry County for work, and decline in Perry County residences working out of the county. Thus, it appears Perry County workers are moving outside of Perry County.

The average commute time for Perry County workers is 23 to 23.5 minutes, which has been increasing with the largest increases in workers commuting over an hour. The longer average commute supports the above commuter and labor/worker force data indicating Perry County workers are moving outside of Perry County.

Housing

Using the Perry County Development Corporation as well as other information sources the multi-family facilities are listed with addresses, age, and number of units. The apartment market is mostly older and concentrated on low-income and senior living combining for 77% of the multi-family units listed in this section. The average apartment complex is 46 years old while the weighted average unit is 54 years old. The average number of units is 28 per complex while the median is 20 units. The average low income apartment complex is 75 years old while the average senior living complex (including The Springs) is 29 years old. The growth has been in senior living with The Springs, Oakwood Villas, and River Pointe the only facilities built since 2000.

Perry County Housing Study

There are 8,618 housing units in Perry County consisting of 67% owner occupied, 20% renter occupied, and 13% vacant units. The number of owner occupied and vacant units are above the state and national rates while the renter occupied units are below.

The Perry County average median rent was \$433, which is slightly lower than the typical Perry County state ranking. The median housing unit value was \$103,000, which is slightly higher than the typical Perry County state ranking. Compared to the surrounding Indiana Counties Perry County has a lower median home value and rent compared to the surrounding counties except for Crawford County though this is partially explained by each counties median household income.

The median home value increased 5.86% from \$97,300 in 2013 to \$103,000 in 2017. Based on Data USA information from the US Census Bureau a graph illustrating the Perry County housing property value brackets as a percentage of the Perry County housing supply was created for 2015 to 2017, demonstrating a rising demand for higher quality and valued homes. The largest segment of housing value was from \$100,000 to \$124,999 with 13%; however, the growth in homes valued greater than \$150,000 grew 3.6% of the total housing market while representing $\pm 30\%$ of the total homes compared to the proportionate 3.6% decline in homes valued under \$150,000 representing the remaining $\pm 70\%$ of the market.

The Perry County MLS data consistently shows the average and median ages of homes sold to be around 50 years old at the time of the sale indicating a primarily mid-life to older housing supply. The data showed 6% to 7% of annual sales of properties built under 10 years before the sale while the pre-recession average was around 10%, which is caused by the slowdown in development during the recession and supported by the building permit data.

The MLS shows rising average listing prices, sale prices, and sales price/list price ratio over the last ten years. The average days on market (DOM) has declined from a high of 148 in 2015 to 88 days in 2018 reaching pre-recession levels. The average MLS sales price in 2018 was \$117,983, which is above the median home value of \$103,000 supporting the trend of rising home prices and increased residential demand.

The last five years of MLS data is then broken down by the number of bedrooms which indicated a stable and growing two bedroom market with highest demand for three bedroom homes and a recent increase in demand for four bedroom homes.

The residential building permits from 1990 to 2017 from the US Census including the annual number of single family and multi-family residences are next to be analyzed. This supports the trend of increased demand for higher quality housing; however, suggests multi-family development has primarily been in senior housing. The single family residence permit data indicates that while the number of new single family residential building permits has not returned to average, the average value of each permit is at an all-time high. This supports the MLS data showing a slowdown in new home development and the trend of increased demand for higher quality housing.

Areas of Residential Growth

Next the areas of residential growth are evaluated by mapping residential properties built since 2013 found using the MLS sales, Perry County GIS sales, and Google Earth aeriels. The residential growth was concentrated around Tell City with few sales on the north side of Perry County, which is to be expected as the three most populace areas (Tell City, Cannelton, and Troy) are located in the southern portion of the county. Growth outside of Tell City was largely near Cannelton, Tobinsport, and Derby.

New home development has been heavily concentrated between Mozart Street and Tell Street, east of 23rd Street. This area was a collection of vacant residential land though nine homes were developed together between 2015 and 2018 along Tell Street and have sold out with only one currently listed for sale with a reported sales price range of \$173,000 to \$205,000. Another eight homes were recently built off Mozart with three reported prices of \$145,000, \$165,000, and \$215,000. The adjacent area west of 25th St is platted for a residential subdivision; however, is mostly wooded land with uneven topography hindering future development.

The Highlands Subdivision, off SR 37 northeast of ATTC Manufacturing, unsold lots were sold in October 2017 to JK Forever Homes LLC who began development near the peak of the market with five homes selling between \$199,000 and \$259,000 since July 2018. There are 29 vacant platted lots remaining in the Highlands Subdivision owned by JK Forever Homes LLC.

There are three new homes on the southern side of Tell City located at Blum Street (2018), Guttenberg Lane (2018), and Zurich Way (2013) that were built by Burglen Hills Co Inc. in an existing subdivision with vacant lots. There were two nearby homes also built by Burglen Hills Co. Inc. in 2008 & 2009. This indicates development stopped due to the recession and the land was held with development starting to begin again. There are 14 vacant lots still owned by Burglen Hills Co Inc. in this area.

Additionally, Franklin 24, Inc. owns ±35 vacant, mostly wooded lots platted for a subdivision along Woodland Court, Valley Road, and Orchard Hill Drive west of SR 66 on the south side of Tell City though new development has not been observed. Based on the recently built home locations development will likely occur outside of the primary existing residential areas towards the outskirts of existing development due to the availability of land and access to state roads used to commute to and from work.

Of the residential properties built since 2013 documented, 23 were sales with reported prices. These 23 reported sales of residential properties built since 2013 were all above the median home value of \$103,000 with a minimum reported sales price of \$110,000, median of \$185,644, and average of \$189,085. This data supports the MLS data indicating stability in demand for two-bedroom homes, the highest demand for three-bedroom homes, and a growing demand for four-bedroom homes. Over 75% of the reported home sale prices were above \$150,000. This data appears to support and be supported by the growing percentage of homes valued \$150,000 to \$250,000 as well as the residential building permits average value being at an all-time high in 2017.

Potential Causes of Implied Inadequate Housing Supply

Per the US Census the 2017 Perry County median household income was \$49,689 up 13.1% since 2009 and the average 2017 household income was \$59,070 up 18.1% since 2009. A breakdown of the percent of Perry County households in each household income brackets is displayed with households with incomes greater than \$75,000 (30% of all households) growing the fastest and appear to be driving the increasing of the Perry County average and median household incomes.

The 2017 Perry County per capita income is an increase of 17.4% since 2012, from 2007 the increase was 30.6%, from 2002 the increase was 48.5%, and the per capita income increased 91.1% since 1997. This supports the rising household income.

With the per capita and household incomes rising the average annual Perry County wage from 2007 to 2017 increased 27.3% over the ten year period. The average annual Perry County wages from 2013 to 2017 are then segmented by industry showing growth in utilities, real estate, construction, and finance/insurance industries, which supports a growing real estate market.

The next section indicates increasing levels of education demonstrating an increasing skilled Perry County work force. This could explain the rising wages as well as the increasing growth of higher income households and rising per capita income.

Check of Reasonableness

The above information suggests there are rising incomes and home values with the most demand for homes over \$150,000. Thus, standard assumptions on a \$150,000 home purchase mortgage and conservative housing expenses were estimated and compared to the median household income to determine affordability. These standard assumptions and estimated costs suggest the median Perry County household (should have a max annual housing payment of \$15,000 including PMI and escrow while a \$150,000 home purchase with a minimum down payment of 3.5% would have an estimated total annual payment of \$14,525 including PMI and escrow.

This indicates that the median Perry county household with an income of ±\$50,000 could afford a \$150,000 home assuming typical credit, debt, down payment, etc. While \$150,000 is near the peak of what is affordable for the median Perry County Household the latest (2017) average Perry County household was \$59,070, which suggests a home closer to \$200,000 is affordable to the average Perry County household.

Thus, it is judged reasonable that there is rising demand for higher quality homes with the largest demand for homes above \$150,000 which should be affordable to the median and average Perry County household. This is further supported by the largest growth in income was for households with incomes above \$75,000 along with overall rising income and wages. This judged reasonableness and affordability supports the above data and is used in part to form final conclusions.

Conclusions

While the total population has been relatively stable Perry County has been experiencing a decline in labor force in contrast to the surrounding counties, state, and national growing labor forces though unemployment has reached/exceed pre-recession levels indicating a migration of workers from Perry County. This is supported by the lengthening Perry County employee commute times with a growing number of Perry County workers living outside of Perry County and a decline in Perry County residents working out of Perry County.

The Perry County housing supply percentage of owner occupied and vacant units are above the state and national rates while the renter occupied units are below average. The multi-family complexes are generally mid-life to older focused primarily on low-income and senior living with new development focusing on luxury senior living. The Perry County median rent ranked 83rd in the state, which was below the typical Perry County state rankings. This suggests development of non-low-income and senior housing maybe appropriate based on the below average median rent, the below average rate of renter occupied units, rising income, and last such identified facility was build over 20 years ago in 1998 with 12 units.

Similar to the multi-family residential properties the single family residences are typically mid-life to older with a slowdown in new development during the recession that has begun to recover recently. The median Perry County home value of \$103,000 in 2017 has been increasing with highest growth in demand for homes over \$150,000 supported by the average single family residential building permit values for 2015 to 2017 greater than \$150,000 and at an all-time high of \$172,032 in 2017. This is supported by the sale of homes built over the last five years with reported prices having an average sales price of \$189,085 and median sales price of \$185,644.

There appears to be a stable two bedroom market with the highest demand for three bedroom homes and a recent increase in demand for four bedroom homes which supports the increased demand for higher priced and quality homes as larger homes generally have a higher cost and therefore higher prices/values.

The recent residential growth has concentrated around Tell City with fewer new homes built on the north side of Perry County. Growth outside of Tell City was largely near Cannelton, Tobinsport, and Derby. The majority of sales outside of Tell City are rural undeveloped lots while in the Tell City area development has been expanding areas of existing development. Subdivisions developed by builders for new homes are have started to recover with the Highlands Subdivision the primary example as two homes were built before the recession with the undeveloped lots were sold in 2017 and five homes sold occurring in the last 1.5 years roughly. This is similar to the Burglen Hills Subdivision which had two homes built before 2009 with no development until one home built in 2013 and two built in 2018. These two subdivisions have excess vacant lots and there are other platted subdivisions with a number of vacant lots available for future development.

Final Conclusions

The inferred problem was a disproportionate number of people who work in Perry County reside outside of Perry County, which is supported by the Perry County's declining labor force. This is highlighted by an increase of $\pm 33\%$ over the last 10 years in the number of workers living outside and commuting into Perry County. Additionally there was a decline of 11% during that same ten year period of workers living and commuting out of Perry County.

The implied reason for the disproportionate number of workers no longer residing in Perry County was a lack of quality housing, which appears to be verified. The median Perry County home value increased 5.86% since 2013 to \$103,000 in 2017 per the US Census Bureau while wages increased 11.95% over the same period. The 2017 median home value ranked 59th in the state and the median rent of \$433 ranked 83rd while the 2017 average wage ranked 35th in Indiana indicating the housing market is lagging behind the rise in wages and income.

Perry County Area

Perry County is located along the Ohio River, Indiana's southern border. The topography of Perry County is generally hilly with some rolling areas and very few level areas. Much of the county is woodland with some portions being farmed in cash grain crops and other small livestock farms. This hilly topography makes land development more expensive and tends to reduce the density of development since some areas are not easily buildable and utility infrastructure is impeded.

Tell City is the county seat of Perry County. The three largest towns in Perry County are Tell City, Cannelton, and Troy as the Stats Indiana chart to the right illustrates. Unincorporated towns include Adyeville, Apalona, Bandon, Branchville, Bristow, Deer Creek, Derby, Dexter, Doolittle Mills, Gatchel, Gerald, Kitterman Corner, Leopold, Magnet, Millstone, Mount Pleasant, Oriole, Rome, St. Croix, St. Marks, Siberia, Tobinsport, and Uniontown.

Name	Population in 2017	Percent of County
Cannelton	1,504	7.9%
Tell City	7,316	38.3%
Troy	401	2.1%

Access to Tell City is provided by Highway 66 and Highway 37 which intersect at Tell City. These are two lane paved highways that connect Tell City with Evansville to the west, and I-64 is twenty miles to the north. I-64 connects Louisville with St. Louis. Tell City is located on the northern bank of the Ohio River. The river, however, is not utilized substantially for river docks in this area due to the low-lying topography and flooding problems. There is a levy that protects the downtown portions of Tell City. Other major roads are SR 62 (east/west at north end of Perry County through Uniontown and St. Croix), SR 66 (north/south through Derby, Mt. Pleasant, and Oriole), SR 70 (east/west connect SR 37 and SR 66 at Derby), SR 145 (north/south from SR 37 north through Bristow), SR 545 (north from Troy into Spencer County).

Population over Time	Number	Rank in State	Percent of State	Indiana
Yesterday (2010)	19,338	75	0.3%	6,484,125
Today (2017)	19,081	75	0.3%	6,660,082
Tomorrow (2020 projection)*	19,279	75	0.3%	6,852,121
Percent Change 2010 to Today	-1.3%	50		2.7%

*Projection based on 2010 Census trends.

Sources: U.S. Census Bureau; Indiana Business Research Center

The Stats Indiana Perry County population chart above based on the US Census data indicates that Perry County as a whole has a relatively stable population with the 2010 population at 19,338 and the projected 2020 population at 19,279. The 2018 estimate is 19,102. Perry County's population per the US Census Bureau was 18,899 in 2000 and 19,107 in 1990. The median age is 41.3 years with 21.4% 17 & under and 18.3% 65+ in 2017.

Perry County Housing Study

The industrial base for Perry County is situated predominantly in the Tell City area. Tell City is the largest city within the county. Tell City has a hospital, movie theater, several city parks, grocery stores, several banks, religious facilities, schools, Wal-Mart and many retail businesses with a healthy downtown retail base. Major employers within Perry County include: Waupaca Foundry (<900 employees), Mulzer Crushed Stone (450-500), ATTC Manufacturing (<500), Branchville Correctional Facility (300-325), Perry County Memorial Hospital (275-325), Wal-Mart (<200), Tell City-Troy Twp. School Corp (<200), Perry Central School Corp (<200), and Meggitt, INC. (<100).

The Bureau of Labor Statistics in their latest publication shows:

MARCH 2019 PRELIMINARY	U.S.	INDIANA	EVANSVILLE MSA	PERRY CO
Labor force	162,823,000	3,419,800	166,768	9,370
Employment	156,441,000	3,285,387	160,980	9,016
Unemployment	6,382,000	134,413	5,788	354
Rate	3.9%	3.9%	3.5%	3.8%
February 2018 Revised	4.1%	4.1%	3.7%	4.4%
March 2018 Benchmark	4.1%	3.5%	3.2%	3.9%
Annual Change	-4.9%	11.4%	9.4%	-2.6%

Perry County as of March 2019, the latest data available, has a labor force of 9,370 and a current unemployment rate of 3.8%. This is similar to the Evansville MSA, state, and national unemployment rates. There are currently 9,016 employed and 354 unemployed Perry County residents.

The table below shows the March unemployment rates for Perry County compared to Dubois County, Spencer County, Evansville MSA, Indiana, and the U.S. rates from 2008 to 2019. March was used as the month with the latest 2019 data and for a measure of comparison that should not be greatly impacted by seasonal labor. Dubois County and Spencer County were analyzed as adjacent counties with comparable labor forces and are the two counties that share the most workers/residents.

Year	March Unemployment Rates					
	Perry County	Dubois County	Spencer County	Evansville MSA	Indiana	U.S.
2019	3.8%	2.8%	3.8%	3.5%	3.9%	3.9%
2018	3.7%	2.3%	3.3%	3.0%	3.3%	4.1%
2017	3.8%	2.8%	3.7%	3.7%	3.8%	4.6%
2016	5.7%	3.9%	5.0%	5.0%	5.5%	5.1%
2015	5.7%	4.1%	5.4%	5.0%	5.9%	5.6%
2014	6.0%	4.4%	6.1%	5.8%	6.3%	6.8%
2013	8.3%	6.3%	8.2%	7.8%	9.1%	7.6%
2012	8.1%	6.2%	8.1%	7.7%	8.6%	8.4%
2011	8.4%	5.9%	7.8%	7.5%	8.8%	9.2%
2010	10.6%	8.5%	9.7%	9.0%	10.7%	10.2%
2009	10.4%	7.5%	10.3%	9.1%	10.6%	9.0%
2008	5.0%	4.0%	5.3%	5.0%	5.6%	5.2%
Change	-24.0%	-30.0%	-28.3%	-30.0%	-30.4%	-25.0%

Perry County Housing Study

Perry County's unemployment rates are generally in line with the state and national rates. Perry County's unemployment rates are generally similar to slightly higher than Spencer County's while mostly higher than Dubois County and the Evansville MSA. The jump from 2008 to 2009 indicates the start of the recession with most area unemployment levels returning to their pre-recession number in 2016 and Perry County returning in 2017 based on March annual rates.

The table below shows the labor force of Perry County compared to Dubois County, Spencer County, the Evansville MSA, Indiana, and the U.S. rates from 2008 to 2019. It should be noted that Gibson County is no longer in the Evansville MSA as of 2015, which accounts for the drop in the Evansville MSA labor force.

March Labor Forces						
Year	Perry County	Dubois County	Spencer County	Evansville MSA	Indiana	U.S.
2019	9,370	23,347	10,602	166,768	3,419,800	162,823,000
2018	9,201	23,087	10,417	163,339	3,350,175	161,548,000
2017	9,337	23,222	10,385	160,459	3,306,054	159,912,000
2016	9,472	22,877	10,773	158,443	3,319,627	158,854,000
2015	9,114	22,454	10,283	156,402	3,213,755	156,318,000
2014	9,431	21,241	9,797	180,680	3,197,360	155,627,000
2013	9,278	21,062	9,763	178,261	3,121,009	154,512,000
2012	9,771	21,666	10,174	180,307	3,185,603	154,316,000
2011	9,403	21,007	9,924	180,996	3,102,418	153,022,000
2010	9,438	21,878	10,093	176,195	3,104,765	153,660,000
2009	9,902	21,789	10,013	178,601	3,199,779	153,728,000
2008	9,663	21,772	10,069	181,487	3,207,412	153,135,000
Change	-3.0%	7.2%	5.3%	-8.1%	6.6%	6.3%

Perry County's labor force has yet to reach the 2008 pre-recession labor force numbers with a total 3.0% decrease while Dubois County, Spencer County, Evansville MSA (excluding Gibson County), Indiana, and the U.S. have all increased during this time. Based on the 2010 census and the 2017 population estimate the Perry County labor force was 49% of the population in 2010 and 2017. The table below shows the labor force as a percentage of the population for 2010 and 2017 (the latest estimate).

	2010			2017		
	Labor Force	Population	Percent	Labor Force	Population	Percent
Perry County	9,438	19,338	48.8%	9,337	19,081	48.9%
Dubois County	21,878	41,905	52.2%	23,222	42,558	54.6%
Spencer County	10,093	20,912	48.3%	10,385	20,394	50.9%
Evansville MSA	176,195	358,676	49.1%	160,459	315,669	50.8%
Indiana	3,104,765	6,600,000	47.0%	3,306,054	6,445,000	51.3%
U.S.	153,660,000	325,700,000	47.2%	159,912,000	309,300,000	51.7%

The Dubois County, Spencer County, Evansville MSA, Indiana, and U.S. labor force as a percentage of population all increased from 2010 to 2017 indicating there is an overall growth of labors entering the work force and/or labor participation supported by unemployment rates reaching pre-recession rates. Perry County's labor force as a percentage of population has remained constant from 2010 to 2017 and the March 2019 labor force has not returned to the pre-recession numbers this would seem to indicate an increase in commuters to and from Perry County.

Commuting Patterns

2011 to 2015 US Census Commuter Patterns By Area

The following tables are based on commuting patterns from 2011 to 2015 by the US census for workers 16 years and older. The margin of error represents the difficulty of estimating at the smaller county level with only the largest and most reliable counties included. There are other county information available however, the margin of error was equal to or greater than the number of works, so those counties were excluded.

Where Perry County Workers Live			
Residence		Commuting Flow	
County Name	State Name	Workers in Commuting Flow	Margin of Error
Perry County	Indiana	5,210	334
Spencer County	Indiana	702	135
Hancock County	Kentucky	600	105
Breckinridge County	Kentucky	322	145
Daviess County	Kentucky	205	92
Dubois County	Indiana	142	91
Warrick County	Indiana	90	77
Crawford County	Indiana	49	26

Where Perry County Residents Work			
Place of Work		Commuting Flow	
County Name	State Name	Workers in Commuting Flow	Margin of Error
Perry County	Indiana	5,210	334
Dubois County	Indiana	968	145
Spencer County	Indiana	703	137
Hancock County	Kentucky	506	143
Daviess County	Kentucky	240	92
Warrick County	Indiana	112	53
Vanderburgh County	Indiana	90	41
Crawford County	Indiana	88	41

The table below uses the Indiana and Kentucky county commuting patterns data from 2011 to 2015 by the US census for workers 16 years and older to show the range and central tendencies of the number of workers working and living in the same county compared to the county employment (number of jobs in county). The Indiana and Kentucky rates are compared with Perry County.

<u>Low</u>	<u>Max</u>	<u>Average</u>	<u>Median</u>	<u>Perry County</u>
32%	89%	71%	71%	70%

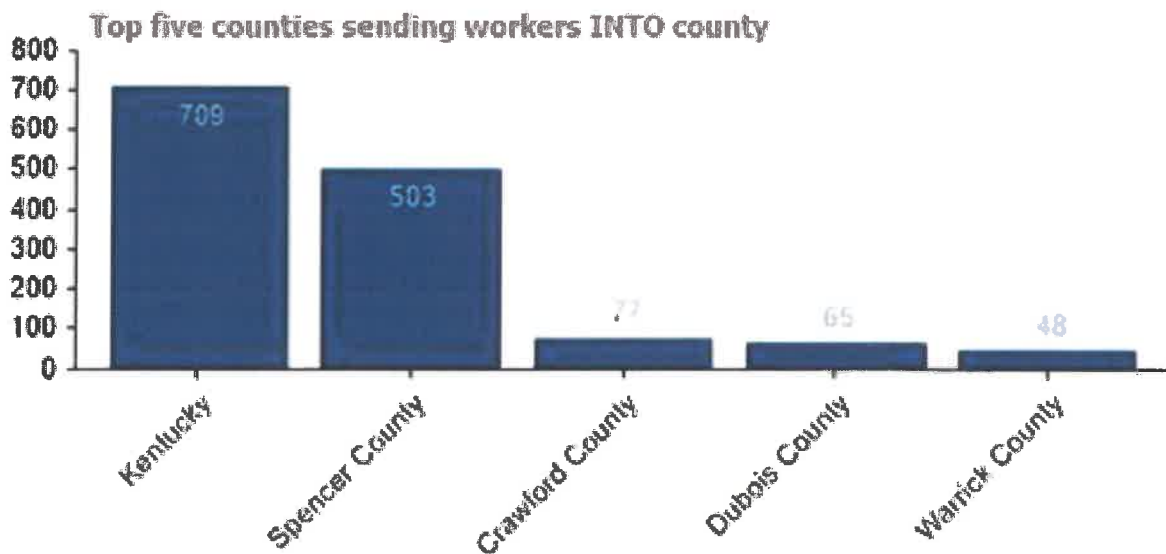
Perry County Housing Study

Perry County residents hold 70% of all jobs in Perry, which is in line with the average and median of both Indiana and Kentucky. These percentages are based on the 2011 to 2015 US Census commuting patterns, which is not the best representation of percent of number of workers living and working in the same county compared to the number of jobs in that county, but is used as a tool of comparison. Based on the Indiana Tax returns shown later in the report the actual percentage for 2017 is 85%.

2016 & 2017 Indiana Department of Revenue Commuter Profiles By Top 5 Areas

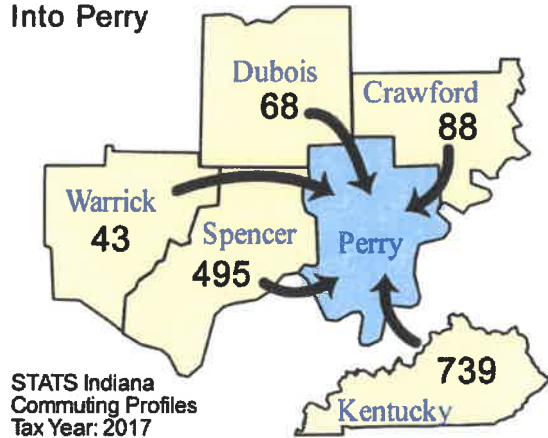
The 2016 graphs from Hoosiers By The Numbers below and the 2017 commuting profile infographics from Stats Indiana on the next page are based on information from the Indiana Department of Revenue.

2016

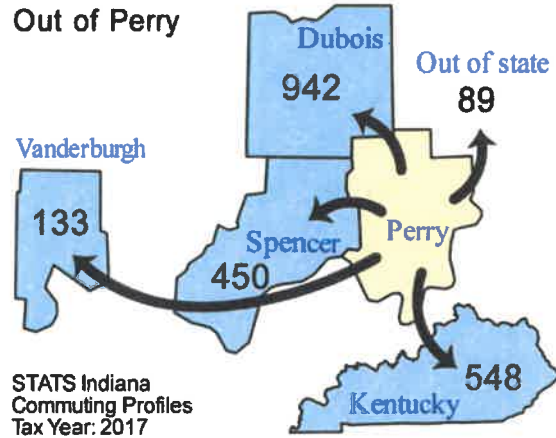


2017

Into Perry



Out of Perry



The commuter 2016 and 2017 profile data based on Indiana tax returns is judged to be a better representation and more reliable than the 2011-2015 US Census data. Based on the top five areas for workers commuting into and out of Perry County there appears to be a faster increasing rate of the number of workers commuting into Perry County (2.2% increase from 2016 to 2017) compared to the number of workers commuting out of Perry County (1.0% increase from 2016 to 2017).

Overall, Kentucky (30 workers or 4.23%) and Crawford County (11 workers or 14.29%) had the largest increase of workers commuting into Perry County. Dubois County had an increase of three workers from 2016 to 2017 which was an annual 4.62% increase.

1997 to 2017 Labor & Work Forces – Indiana IT-40 Tax Returns

The table on the next page shows the number of Perry County residents that work in Perry County as well as the number of people who commute into Perry County for work based on the Indiana IT-40 Tax Returns from Hoosiers By the Numbers. The labor force represents the number of people who live in Perry County and work (implied resident labor force). The work force represents the number of workers or jobs in Perry County. The second table shows the percent change over time to 2017, the most recent data available.

Perry County Housing Study

Year	Labor Force (# of Working Residents)	Work Force (# of Jobs)	Living In & Working In County	Living Outside, Working In County	Living In & Working Out of County
2017	11,960	11,082	9,439	1,643	2,521
2016	11,963	11,079	9,461	1,618	2,502
2015	12,209	11,278	9,528	1,750	2,681
2014	12,217	11,139	9,506	1,633	2,711
2013	12,206	10,943	9,506	1,437	2,700
2012	12,382	11,059	9,632	1,427	2,750
2011	12,243	10,924	9,525	1,399	2,718
2010	12,317	10,838	9,570	1,268	2,747
2009	12,313	10,837	9,497	1,340	2,816
2008	12,574	10,864	9,518	1,346	3,056
2007	12,609	10,999	9,763	1,236	2,846
2006	12,448	10,682	9,204	1,478	3,244
2005	12,353	10,645	9,180	1,465	3,173
2004	12,487	10,669	9,267	1,402	3,220
2003	12,329	10,292	9,062	1,230	3,267
2002	12,387	10,131	8,936	1,195	3,451
2001	12,786	10,320	9,140	1,180	3,646
2000	12,606	10,259	9,174	1,085	3,432
1999	12,815	10,348	9,330	1,018	3,485
1998	12,853	10,299	9,266	1,033	3,587
1997	12,788	10,254	9,347	907	3,441

Time	Labor Force (# of Working Residents)	Work Force (# of Jobs)	Living In & Working In County	Living Outside, Working In County	Living In & Working Out of County
5 year	-3.41%	0.21%	-2.00%	15.14%	-8.33%
10 year	-5.15%	0.75%	-3.32%	32.93%	-11.42%
15 year	-3.45%	9.39%	5.63%	37.49%	-26.95%
20 year	-6.47%	8.07%	0.98%	81.15%	-26.74%

The tables above indicates that the Perry County labor force or implied number of Perry County resident workers has steadily declined. The work force or number of jobs in Perry County has remained mostly flat over the last 10 years with an overall increase. The number of Perry County residents working in Perry County has remained fairly stable around 9,500 with less than a 1% increase over the last 20 years though there has been a recent decline. The number of people that live outside of and commute into Perry County has steadily increased with an increase of 81% over the last 20 years. The number of Perry County residents working out of Perry County has declined 27% over the last 20 years. Overall, the data appears to suggest that Perry County workers are moving outside of Perry County.

There are a declining number of Perry County residences that work outside of Perry County. This could indicate that Perry County residents that have jobs outside of Perry County are moving out of the county to be closer to their work. This could be caused by a number of reasons such as desire to shorten commute or the implied reason of inadequate housing.

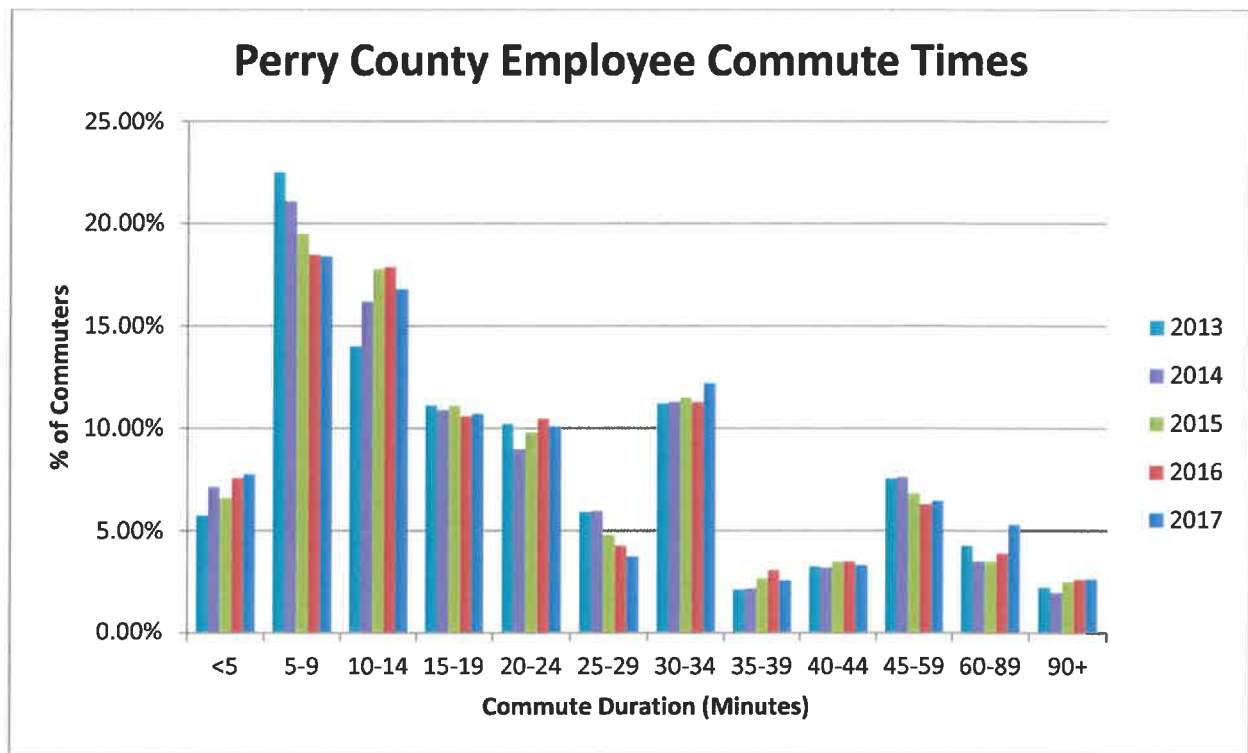
Perry County Housing Study

The number of people living outside Perry County and commuting to jobs in Perry County has risen with a relatively flat number of Perry County jobs indicates that people are moving out of Perry County while retaining the same job. This could be caused by an inadequate housing supply as speculated by the client.

The inferred combination of workers leaving to be closer to their jobs and moving out of the Perry County then commuting into the county could explain the decline in labor force of number of working Perry County residences.

2013-2017 Perry County Employee Commute Times – Data USA

The graph below illustrates the commute times for employees in Perry County based on information from Data USA. The Perry County average commute was 23 minutes in 2017, 22.4 minutes in 2016, 22.2 minutes in 2015, 21.4 minutes in 2014, 22.3 minutes in 2013. Per the US Census Bureau and American Community Survey 5 year estimates the average travel time is 23.5 minutes in 2017, which supports the Data USA data indicating Perry County workers' commutes are increasing.



The average Perry County employee commute has increased from a low of 21.4 minutes in 2014 to 23 minutes in 2017, a 7.5% increase. This includes a rise in “supper commuters” or employees with over 90 minute commutes to work with 2.62% of Perry County employees in 2017.

Perry County Housing Study

The largest decline occurred from 5 to 9 minute commuters at 2.70%, commuters with a 25 to 29 minute commute at 2.24%, and commuters with a 45 to 59 minute commute at a 1.18% decline from 2014. The largest increases were from 20 to 24 minute commuters at a 1.12% increase, commuters with a 30 to 34 minute commute at a 0.90% increase, commuters with a 60 to 89 minute commute at a 1.77% increase, and commuters with a 90+ minute commute at a 0.63% increase from 2014.

This data indicates that Perry County workers are moving further away from their job with increases in commutes longer than 30 minutes with the lone exception being commutes of 45 to 59 minutes. The increasing length of commuter supports the Hoosiers By the Numbers data indicating there is a rising number of Perry County workers living outside of Perry County. The decrease in commuters traveling 45 to 59 minutes to work could support the Hoosiers By the Numbers data showing a decrease in Perry County residents working outside of Perry County.

Conclusion

The lengthening Perry County employee commute times support the decline in labor force, or number of working Perry County residences, with a growing number of Perry County workers living outside of Perry County and a decline in Perry County residents working out of Perry County. This appears to indicate the potential for an inadequate housing supply as hypothesized by the client.

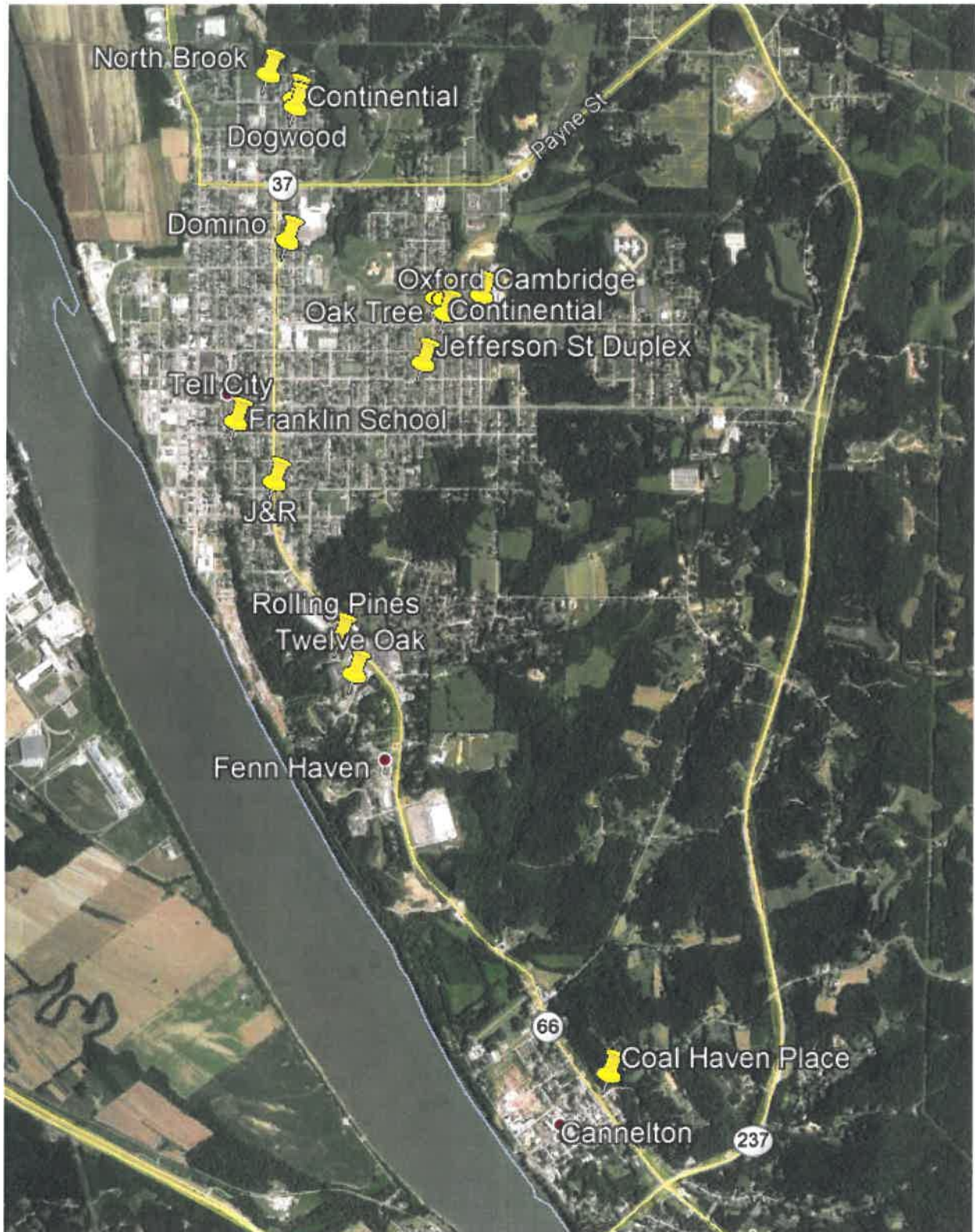
Housing

Perry County Development Corporation

Below is a breakdown of the Perry County apartments, low income housing, luxury, senior living, rental companies, and builders. Additional information is from the Assessor, HUD, and other websites to compile the number of units.

<i>APARTMENTS</i>	<i>Address</i>	<i>City</i>	<i>Age & Units</i>
Cambridge Apartments	1015-1027 23 rd St	Tell City	1998 - 12
Coal Haven Place (Renovated)	102 North Eight St	Cannelton	1960 - 4
Continental Apartments	1002 20 th St	Tell City	1969 - 23
Continental Apartments	1547 13 th ST	Tell City	1965 - 13
Dogwood Apartments	1701 13 th St	Tell City	1979 - 8
Domino Apartments	1212 12 th St	Tell City	1963 - 8
Franklin School Apartments	500 Block Franklin St	Tell City	1909 - 12
J&R Apartments	325 12 th St	Tell City	1980 - 6
Jefferson Street Duplex	1919-1921 Jefferson St	Tell City	1960 - 2
North Brook Apartments	1800 Block 11 th St	Tell City	1978 - 24
Oak Tree Apartments	1001 21 st St	Tell City	1977 - 8
Oxford Place Apartments	21 st & Tell St	Tell City	1991&95- 20
Rolling Pines Apartments	Rolling Pines Dr	Tell City	1970 - 19
Twelve Oaks Apartments	100 Orchard Hill Dr	Tell City	1980 - 21

The map below shows the apartment complexes listed on the previous page.



Perry County Housing Study

<i>LOW INCOME</i>	<i>Address</i>	<i>City</i>	<i>Age & Units</i>
Cotton Mill Apartments	310 Washington St	Cannelton	1849 - 70
Country Place Apartments	1027 22 nd St	Tell City	1982 - 24
Erie Homes	600 16 th St	Tell City	1952 - 36
Lincoln Manor of Troy	225 Washington St	Troy	2000 - 2
Spring Hill Terrace	1800 Pestalozzi St	Tell City	1983 - 33
Twilight Towers*	1648 10 th St	Tell City	1964- 199

* Tell City Housing Authority Rental Assistance & also labeled "Senior Living"

<i>LUXURY</i>	<i>Address</i>	<i>City</i>	<i>Age & Units</i>
The Springs (Marketed to Seniors)	72 Park Ave	Tell City	2009 -13

<i>SENIOR LIVING</i>	<i>Address</i>	<i>City</i>	<i>Age & Units</i>
Can-Do Senior Housing (Low-Income)	Can Do Way	Cannelton	1979-48
Fulton Manor Apartments	Washington St	Troy	1976 - 6
Golden Years Center (Low-Income)	125 S Fourth St	Cannelton	1979-70
Lincoln Hills Development Senior Housing	824 Washington St	Tell City	1981-24
Oakwood Villas	23 rd St	Tell City	2013-19
River Pointe (40 Units) (Luxury)	600 Humboldt St	Tell City	2015-40
Village Apartments	1619 14 th St	Tell City	1992-32

RENTAL COMPANIES

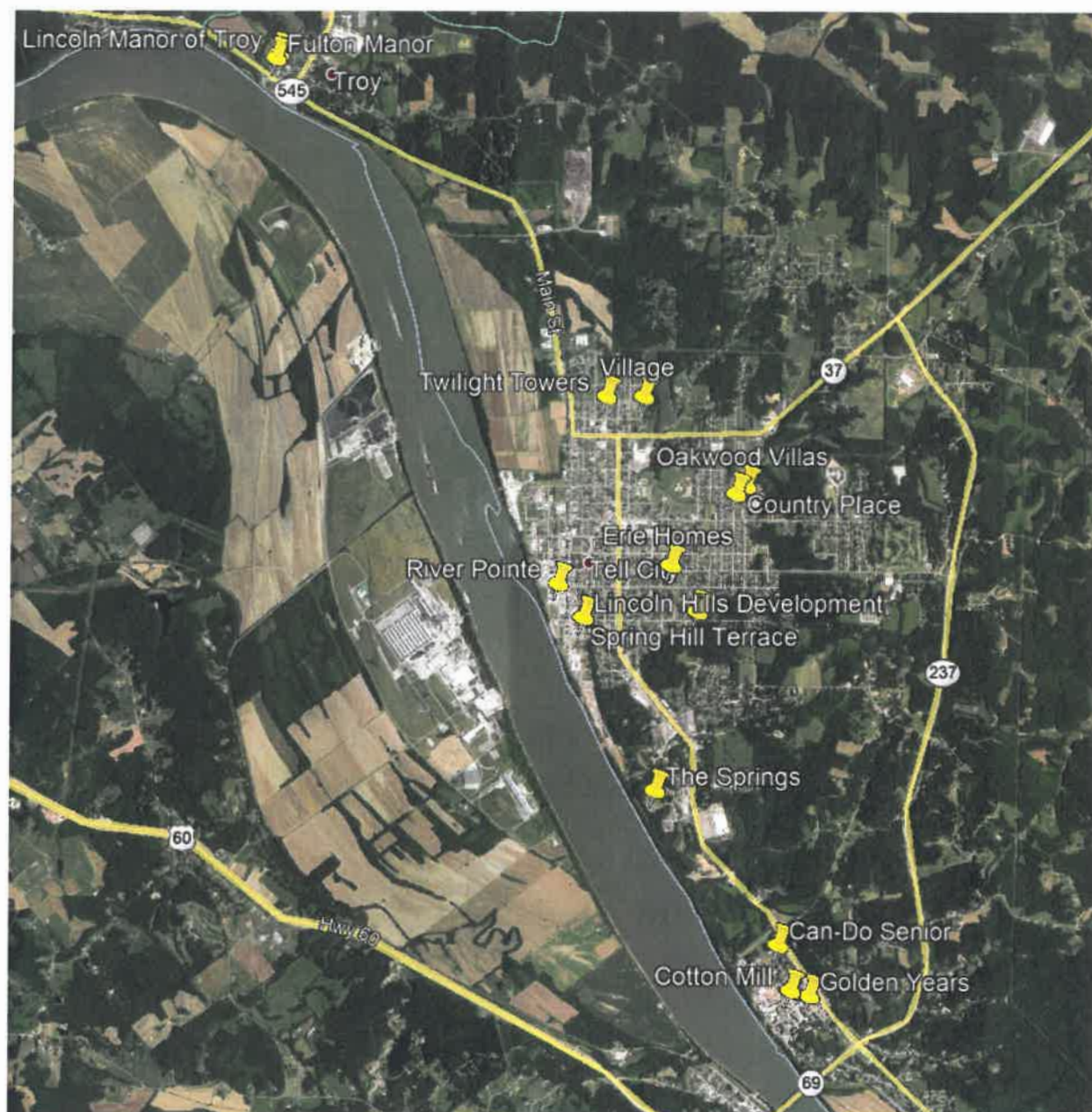
Century 21 Arnold & Associates
 Claise Apartments & Home Rental
 MRR Rentals
 Tim Neyenhaus Rental Homes

BUILDERS

Simon & Harris	Derby
Ettensohn & Company	Tell City
Casebolt Construction Co.	Tell City
Fortwendel & Co. Construction	Troy
Goffinet Homes	Tell City
Barry Claise	Tell City
Bower Construction	Tell City
Rick Cronin & Sons	Tell City
Kleeman Brothers Construction	Tell City
Snyder Construction	Tell City
Ranson John L Jr. Construction Co.	Tell City
Richard's Construction	Cannelton

Perry County Housing Study

Below is the map of the low-income and senior housing listed on the previous page.



Overall, there multi-family complexes listed and mapped in this section total 796 units which is nearly 50% of the renter occupied housing units in Perry County per the US Census as shown in the next section. There are additional rental companies outside of these multi-family complexes including single family rentals; however, as these are the largest collections of renters and comprise nearly 50% of the renter occupied units these are felt to be an adequate representation of the multi-family and rental market.

Perry County Housing Study

There appears not to be an apartment complex in Troy other than the low income designated Lincoln Manor of Troy and senior living Fulton Manor Apartments. Troy is the third largest town in Perry County; however has a population estimate of 401 or 2.1% of the county indicating there is a limited demand. Fortwendel & Co. Construction builders are based in Troy. Other companies located in Troy include Meggitt Inc, Troy Medical Clinic, the Town of Troy, American Colloid Company, Harpenau Insurance Agency, KK Integrated Logistics, New Boston Tavern, Org-Chem Group, and Three Bees Crafts.

The Coal Haven Place Apartments, the low income designated Cotton Mill Apartments, and two senior living facilities (Can-Do Senior Housing and Golden Years Center) are located in Cannelton. Cannelton is the second largest city in Perry County with an estimated population of 1,504 or 7.9% of the county. Companies located in Cannelton include All Kinds of Scrap, Blue Heron Winery, Brandi Hess Consulting, By Chance Graphics, Canary Outdoor Power Equipment, City of Cannelton, PB & J Daycare, Perry County Recycling Management District, and Patio Steak House.

The remainder of the apartments, low income housing, luxury, senior living, and builders are located in Tell City except for Simon & Harris builders based in Derby. Tell City is the largest city in Perry County and county seat with an estimated population of 7,316 or 38.3% of the county indicating the primary housing demand is from Tell City. The industrial base for Perry County is situated predominantly in the Tell City area. Tell City has a hospital, movie theater, several city parks, grocery stores, several banks, religious facilities, schools, Wal-Mart, and many retail businesses with a healthy downtown retail base. Major employers within Tell City include: Waupaca Foundry (<900 employees), Mulzer Crushed Stone (450-500), ATTC Manufacturing (<500), Perry County Memorial Hospital (275-325), Wal-Mart (<200), and Tell City-Troy Twp. School Corp (<200).

The apartment market is mostly older and concentrated on low-income and senior living combining for 77% of the multi-family units identified in this section. The average apartment complex is 46 years old while the weighted average unit is 54 years old. The average number of units is 28 per complex while the median is 20 units. The average low income apartment complex is 75 years old while the average senior living complex (including The Springs) is 29 years old. The growth has been in luxury, senior living with The Springs, Oakwood Villas, and River Pointe the only facilities built since 2000.

2017 Perry County Housing – US Census

The table below show number of Perry County housing units broken down by occupant is from Stats America.

Housing Units in 2017	Number	Percent	Indiana	U.S.
Total Housing Units (ACS estimate)	8,618	100%	100%	100%
Occupied	7,460	86.6 %	88.9%	87.8 %
Owner Occupied	5,765	66.9 %	61.2%	56.0 %
Renter Occupied	1,695	19.7 %	27.7%	31.8 %
Vacant	1,158	13.4 %	11.1%	12.2 %
For Seasonal or Recreational Use	444	5.2 %	1.7%	4.0 %

Perry County housing is primarily owner occupied with 66.9% which is greater than the Indiana and national averages while the number of renter occupied units are less than the Indiana and national averages at 19.7%. The occupancy and vacancy rates appear to be in line with the Indiana and national averages as does the number of seasonal or recreational housing units though both Perry County Rates are slightly higher.

Household Types	Number	Rank in State	Pct Dist. in County	Pct Dist. in State
Households in 2017 (Includes detail not shown below)	7,460	75	100.0%	100.0%
Married With Children	1,249	76	16.7%	18.8%
Married Without Children	2,725	71	36.5%	30.0%
Single Parents	654	69	8.8%	9.6%
Living Alone	2,105	69	28.2%	28.3%

Source: U.S. Census Bureau, American Community Survey 5-year estimates.

Housing	Number	Rank in State	Pct Dist. in County	Pct Dist. in State
Total Housing Units in 2017 (estimate)	8,713	75	100.0%	100.0%
Total Housing Units in 2017 (includes vacant units)	8,618	75	100.0%	100.0%
Owner Occupied (Pct. distribution based on all housing units)	5,765	74	66.9%	61.2%
Median Value (2017)	\$103,000	59		
Renter Occupied (Pct. distribution based on all housing units)	1,695	75	19.7%	27.7%
Median Rent (2017)	\$433	83		

Source: U.S. Census Bureau, American Community Survey 5-year estimates.

Perry County Housing Study

The tables from Hoosiers By the Numbers on the previous page show that Perry County housing and household types are generally consistent compared to other Indiana counties. The Perry County average median rent was \$433, which is slightly lower than the typical Perry County state ranking. The median housing unit value was \$103,000, which is slightly higher than the typical Perry County state ranking.

Below is a chart with the surrounding counties 2017 median home value, rent and household income compared to Perry County using the same US Census data.

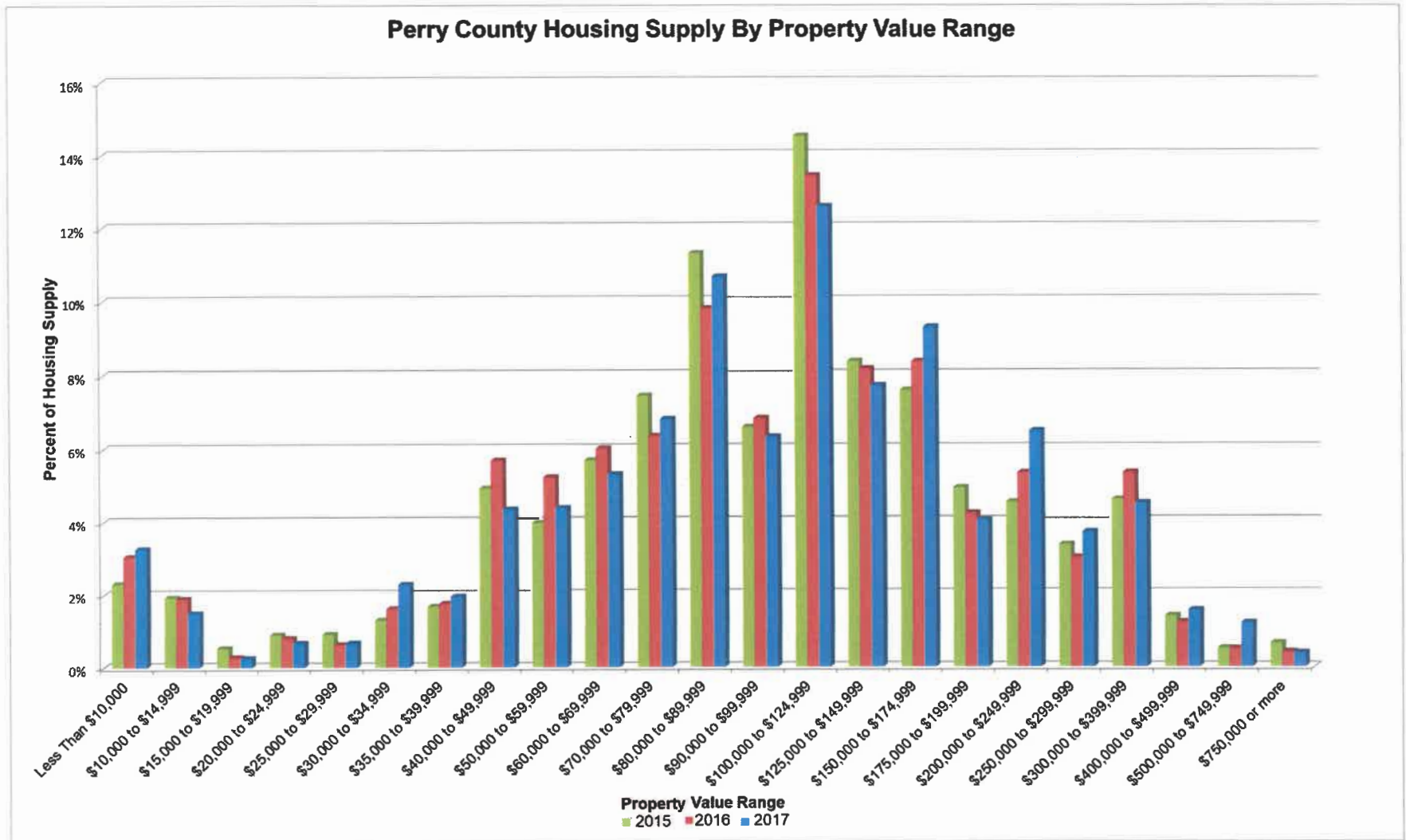
	Home Value	Rent	Median Household Income
Perry	\$103,000	\$433	\$50,670
Spencer	\$117,900	\$440	\$56,646
Dubois	\$146,000	\$451	\$63,033
Crawford	\$86,700	\$348	\$42,555
Warrick	\$158,100	\$635	\$75,727
Vanderburgh	\$121,200	\$572	\$47,456

The data above indicates that compared to the surrounding Indiana counties, representing the largest commuters to and from Perry County, Perry County has a lower median home value and rent to all counties with the exception of Crawford County. Spencer, Dubois, and Warrick counties have higher median household incomes so it is reasonable for the median home values and rent to be higher. Vanderburgh County has a lower median household income than Perry County with a higher median home value and rent. While this could be explained by a number of reasons the above data does show that the primary Indiana counties that commute into and out of Perry County have higher median home values and rents compared to Perry County.

Perry County's lower median home value and rent compared to the surrounding counties could indicate that the Perry County workers are moving out of the county for better quality housing. This is supported by the rising number of people commuting into Perry County and the declining number of people commuting out of Perry County.

Perry County Housing Supply By Property Value – Data USA

The graph below illustrates the Perry County housing supply by property value range for 2015, 2016, and 2017 using Census Bureau information from Data USA.



The table below shows the annual Perry County median home value from 2013 to 2017.

2013	2014	2015	2016	2017
\$97,300	\$98,400	\$100,800	\$100,000	\$103,000

The median Perry County home value has increased 5.86% over the last five years to \$103,000 in 2017.

The lowest 25% of home values in Perry County are under \$70,000. The percentage of these homes was fairly constant having increased only a 0.51% from 2015 to 2017. Homes valued under \$10,000 increased 0.97% and homes valued \$30,000 to \$34,999 increased 1.00% while the other segments decreased at an overall rate of 1.45%.

The highest 25% of home values is greater than approximately \$175,000. The percentage of these homes increased 1.89% from 2015 to 2017. Home values \$175,000 to \$199,000 saw a decrease of 0.89% with the largest increase in homes valued \$200,000 to \$249,000 at 1.95%. The top 10% of homes in Perry County or homes greater than \$250,000 increased 0.84% over the three year time period.

Overall, homes valued between \$70,000 and \$175,000, which account for $\pm 50\%$ of Perry County homes experienced a 2.41% decrease from 2015 to 2017. There was a decrease of 0.60% to 0.65% in the \$70,000 to \$79,999; \$80,000 to \$89,999; and \$125,000 to \$149,000 segments. There was a 0.26% decrease from homes \$90,000 to \$99,000 and a 1.93% decrease from homes \$100,000 to \$124,999 (the largest housing segment at 13% in 2017 down from 15% in 2015). The lone segment in this middle 50% of the Perry County housing market to increase was the homes \$150,000 to \$199,000 at 1.71% rate.

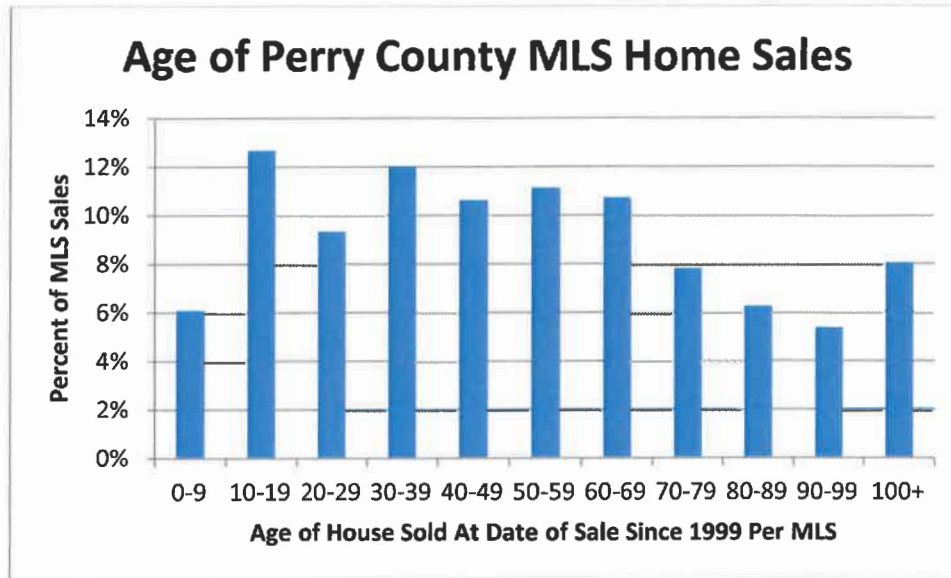
The bottom $\pm 70\%$ of the Perry County housing market or homes less than \$150,000 decreased a total of 3.60% from 2015 to 2017 while the top $\pm 30\%$ or homes greater than \$150,000 increased at a rate of 3.60% over this three year span.

The rising number of homes in segments greater than \$150,000 could be from inflation and/or rising home values. These however, are judged not to be the primary causes as bottom quartile should have decreased given these reasons not increased and the changes would likely have been more uniform. Additionally, the residential building permit, MLS data, and reported sales of recently built homes indicate new homes being built substantially above the annual median home values.

The data demonstrates a rising demand for higher quality and valued homes. It appears that the highest demand is for homes between \$150,000 and \$249,999, which alone grew at a 2.76% rate including a decrease of 0.89% in homes \$175,000 to \$199,000 (the second highest decline homes \$100,000 to \$124,000). Homes \$150,000 to \$174,000 and homes \$200,000 to \$249,000 grew at a 3.66% combined rate and were the two highest increases.

Age of Homes Sold - MLS

The Perry County MLS data shows over 1200 residential sales since 1999. There has been increased usage of the MLS over time with few realtors using the MLS in the beginning and most realtors using the MLS. Below is a graph illustrating the percent of MLS sales per age range of homes sold.



Below is the number of sales listed in the MLS per year with the average and median sale prices as well as the percent of homes sold per year under 10 years old.

Year	Average	Median	Percent Under 10 Years Old
2019 YTD	46	44	6.12%
2018	54	53	6.10%
2017	56	57	2.88%
2016	52	51	6.06%
2015	49	45	5.97%
2014	51	46	5.98%
2013	50	50.5	2.04%
2012	53	48	5.15%
2011	52	51	1.56%
2010	48	43.5	4.00%
2009	52	47	10.81%
2008	52	46	9.09%
2007	51	52	18.60%
2006	48	42	7.41%
2005	57	56	12.50%
2004	55	49	10.00%

Perry County Housing Study

The total average age from the Perry County MLS data dating back to 1999 was 52 years and the median 49 years of age. The average MLS annual percentage of homes sold under 10 years old since 2004 was 7.14% and the median was 6.08% with an overall average since 1999 of 6.09%. Overall, this appears to show the Perry County housing stock consists of primarily mid-life to older homes.

AVERAGE PRICES & DOM - MLS

The last 10 years of MLS single family residential data is shown below.

Year	Avg List Price Sold	Avg Sale Price Sold	Sale Price/List Price Ratio	Avg DOM Sold
2019 YTD	\$122,226	\$116,745	95.52%	119
2018	\$123,852	\$117,983	95.26%	88
2017	\$112,035	\$108,356	96.72%	104
2016	\$107,372	\$102,493	95.46%	119
2015	\$115,716	\$108,441	93.71%	148
2014	\$103,013	\$97,353	94.51%	119
2013	\$88,654	\$82,617	93.19%	125
2012	\$91,061	\$82,948	91.09%	136
2011	\$81,517	\$75,106	92.14%	135
2010	\$74,679	\$70,190	93.99%	93
2009	\$55,550	\$50,188	90.35%	62
2008	\$68,119	\$61,050	89.62%	90

This data supports the trend of rising home prices and increased residential demand. The MLS sales price/list price ratio went from approximately 90% ten years ago to the current $\pm 95\%$ ratio. The average days on market (DOM) appears to have returned to the pre-recession levels with 88 days DOM in 2018.

AVERAGE PRICES, DOM, & PERCENT OF SALES PER BEDROOM - MLS

Below are tables separating the last five years of MLS single family residence sales by bedroom.

MLS 1 Bedroom Sales

Year	Avg List Price Sold	Avg Sale Price Sold	Sale Price/List Price Ratio	Avg DOM Sold	Percent of Sales
2019 YTD	\$50,950	\$42,250	82.92%	118	4.35%
2018	\$80,750	\$75,750	93.81%	89	2.86%
2017	\$25,825	\$23,225	89.93%	57	3.10%
2016	\$58,625	\$52,500	89.55%	189	3.42%
2015	\$36,266	\$26,666	73.53%	167	2.44%
2014	\$89,380	\$83,280	93.18%	90	4.63%

Perry County Housing Study

MLS 2 Bedroom Sales

Year	Avg List Price Sold	Avg Sale Price Sold	Sale Price/List Price Ratio	Avg DOM Sold	Percent of Sales
2019 YTD	\$99,460	\$95,080	95.60%	138	10.87%
2018	\$83,620	\$77,672	92.89%	104	17.86%
2017	\$76,970	\$71,376	92.73%	126	13.18%
2016	\$75,401	\$71,430	94.73%	119	18.80%
2015	\$71,388	\$64,038	89.70%	190	13.82%
2014	\$75,588	\$69,940	92.53%	89	19.44%

MLS 3 Bedroom Sales

Year	Avg List Price Sold	Avg Sale Price Sold	Sale Price/List Price Ratio	Avg DOM Sold	Percent of Sales
2019 YTD	\$124,896	\$118,860	95.17%	128	60.87%
2018	\$126,316	\$121,270	96.01%	74	57.14%
2017	\$109,107	\$104,484	95.76%	96	60.47%
2016	\$107,972	\$102,914	95.32%	100	58.12%
2015	\$118,438	\$112,338	94.85%	125	65.04%
2014	\$106,954	\$101,365	94.78%	116	56.48%

MLS 4 Bedroom Sales

Year	Avg List Price Sold	Avg Sale Price Sold	Sale Price/List Price Ratio	Avg DOM Sold	Percent of Sales
2019 YTD	\$138,736	\$134,754	97.13%	88	23.91%
2018	\$152,640	\$144,862	94.90%	93	19.29%
2017	\$133,692	\$129,515	96.88%	106	20.16%
2016	\$135,652	\$131,530	96.96%	182	16.24%
2015	\$143,766	\$132,361	92.07%	196	14.63%
2014	\$116,093	\$109,638	94.44%	165	14.81%

MLS 5+ Bedroom Sales

Year	Avg List Price Sold	Avg Sale Price Sold	Sale Price/List Price Ratio	Avg DOM Sold	Percent of Sales
2019 YTD	\$0	\$0	0.00%	0	0%
2018	\$174,800	\$165,000	94.39%	240	2.86%
2017	\$263,600	\$288,625	109.49%	202	3.10%
2016	\$187,425	\$178,250	95.10%	62	3.42%
2015	\$169,560	\$160,000	94.36%	194	4.07%
2014	\$141,900	\$138,300	97.46%	158	4.63%

The one bedroom home sales are consistently under 5% of the overall market; however, this market appears to fluctuate greatly year to year based on swings in average list price, average sales price, sales price to list price ratio and average DOM.

The two bedroom home sales have shown stable to limited sales price growth from 2014 (\$69,940) to 2018 (\$77,672). The two bedroom homes sales average DOM has been at to slightly above the overall market average and the percent of sales is fairly consistently around 15% of total sales.

The data shows the highest demand of housing is for three bedroom homes with roughly 60% of the sales. The three bedroom home sales annually have below average DOM compared to the overall market.

There is a growing demand for four bedroom homes having increased from roughly 15% to 20% in the last five years. Prior to 2017 the average DOM of four bedroom home sales was over 45 days greater than the overall market DOM while four bedroom home sales since 2017 have had a similar DOM to the overall market.

The five plus bedroom home sales are consistently under 5% with the highest sales prices; however, similar to the one bedrooms home sales tend fluctuate annually. This annual fluctuation in the one and five plus bedroom home sales are largely due to the small percentage of annual MLS sales creating each sale to have a higher chance to impact the averages per bedroom. Thus, these yearly variances are judged to have a minimal impact on the total annual averages since these represent a smaller portion of the overall annual sales.

Overall, the data points to a stable and growing two bedroom market with highest demand for three bedroom homes and a recent increase in demand for four bedroom homes. The three bedroom homes appear to set the market and are consistently 3% to 5% above the overall average sales prices while having a 5% to 10% lower days on market (DOM). The four bedroom homes have shown greater demand since 2017 with average DOM similar to the overall market while selling typically 25% to 33% above the overall market.

RESIDENTIAL BUILDING PERMITS – US CENSUS

The US Census 1990 to 2017 new construction building permit information is below.

Year	SFR Permits	Permit Value	Value Per Permit	Multi-Family with Value
2017	31	\$5,333,000	\$172,032	
2016	30	\$5,055,000	\$168,500	
2015	32	\$4,877,000	\$152,406	1-42 unit \$7,000,000
2014	48	\$4,277,143	\$89,107	
2013	52	\$5,321,600	\$102,338	
2012	23	\$2,988,200	\$129,922	
2011	18	\$2,818,860	\$156,603	
2010	38	\$4,978,000	\$131,000	
2009	29	\$2,426,000	\$83,655	
2008	43	\$6,741,697	\$156,784	1-10 unit \$1,000,000
2007	54	\$8,241,788	\$152,626	
2006	37	\$5,013,215	\$135,492	
2005	44	\$5,928,451	\$134,738	
2004	46	\$6,137,069	\$133,415	
2003	38	\$4,993,873	\$131,418	
2002	50	\$5,740,344	\$114,807	
2001	41	\$4,247,358	\$103,594	
2000	50	\$5,647,020	\$112,940	
1999	46	\$4,411,200	\$95,896	
1998	71	\$6,017,879	\$84,759	2- 8 Units \$225,000
1997	55	\$4,944,531	\$89,901	2- 22 Units \$513,333
1996	62	\$4,849,902	\$78,224	2- 24 Units \$560,000
1995	73	\$5,493,820	\$75,258	3- 12 Units \$330,000
1994	38	\$2,719,769	\$71,573	
1993	46	\$3,309,634	\$71,949	
1992	50	\$3,213,335	\$64,267	
1991	36	\$2,429,728	\$67,492	1- 32 Unit \$751,000
1990	48	\$2,769,591	\$57,700	1- 4 Unit \$140,000

In 2015 the largest in size and value multi-family permit was grant for a 42 unit complex at \$7,000,000 believed to be the River Pointe Senior Housing Development in Tell City. The 2008 ten-unit, \$1,000,000 permit is believed to be The Springs apartments and condominiums. These two complexes represent the premier luxury multi-family living spaces in Perry County and both have some if not all senior living. Additionally, the Oakwood Villas are 19 independent senior housing units built in 2013, but not included in the above permits as an addition to the Oak Health Campus is commercial. This supports the trend of increased demand for higher quality housing; however, suggests multi-family development has primarily been in senior housing.

Below is a table summarizing the table from the previous page with annual averages based on three year ranges.

Year	Annual Average From Range		
	SFR Permits	Permit Value	Value Per Permit
2015-2017	31	\$5,088,333	\$164,313
2012-2014	41	\$4,195,648	\$107,122
2009-2012	28	\$3,407,620	\$123,753
2006-2008	45	\$6,665,567	\$148,301
2003-2005	43	\$5,686,464	\$133,190
2000-2002	47	\$5,211,574	\$110,447
1997-1999	57	\$5,124,537	\$90,185
1994-1996	58	\$4,354,497	\$75,018
1991-1993	44	\$2,984,232	\$67,903
Total (1990-2017)	44	\$4,675,893	\$111,371

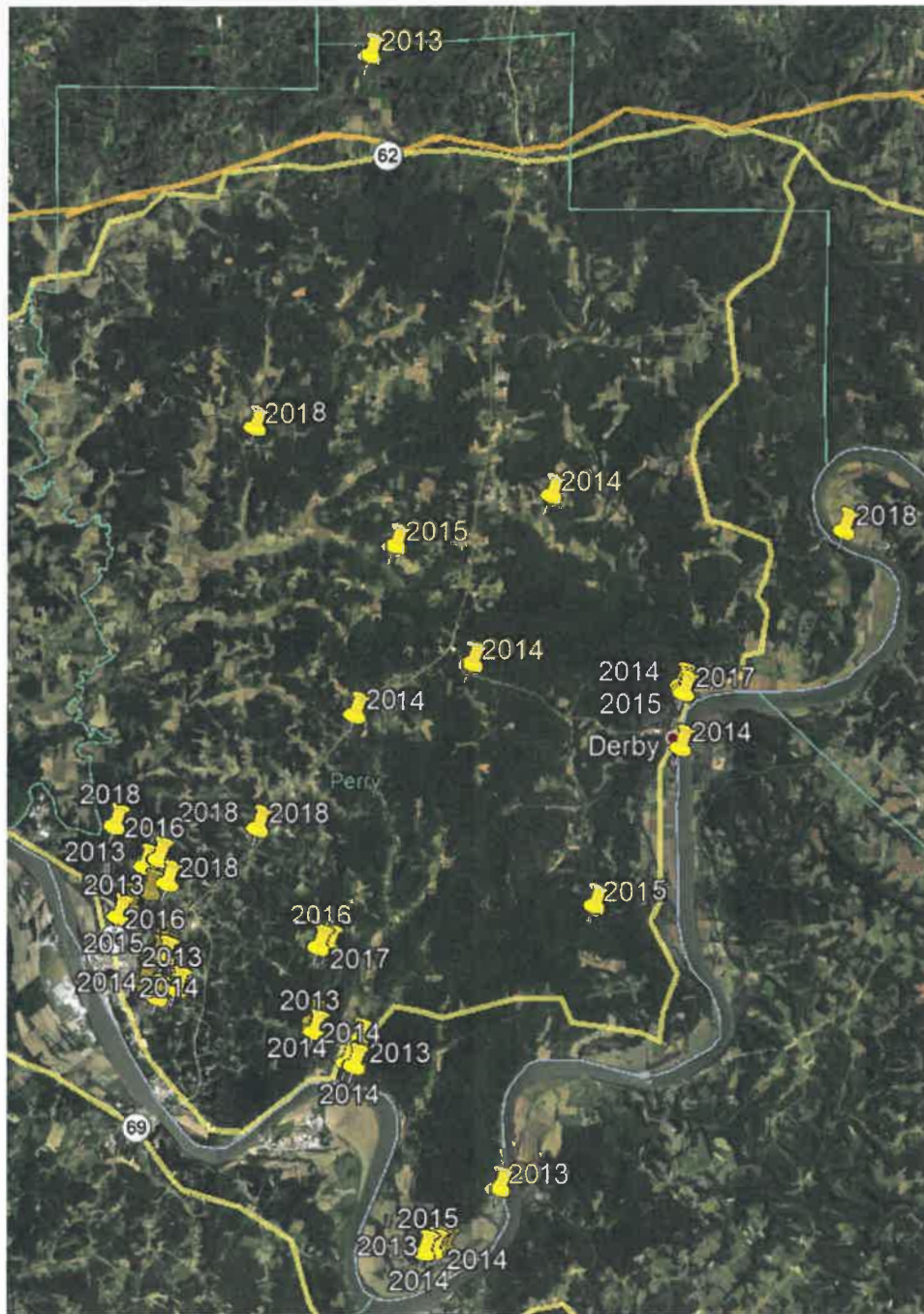
The number of single family residential (SFR) permits has been consistent around 31 for the last three years, which is below average for the total 28 year data set; however, the overall permit value is above \$5,000,000 similar to the pre-recession amounts in 2008 and prior. The average value of SFR permit in 2015 was above \$150,000 similar to the 2007-2008 pre-recession values with increases to \$168,500 in 2016 and \$172,032 in 2017.

This data indicates that while the number of new single family residential building permits has not returned to the overall average of 44 SFR permits per year the average value of each permit is at an all-time high. This supports trend of increased demand for higher quality housing.

Areas of Residential Growth

Recently Built Homes

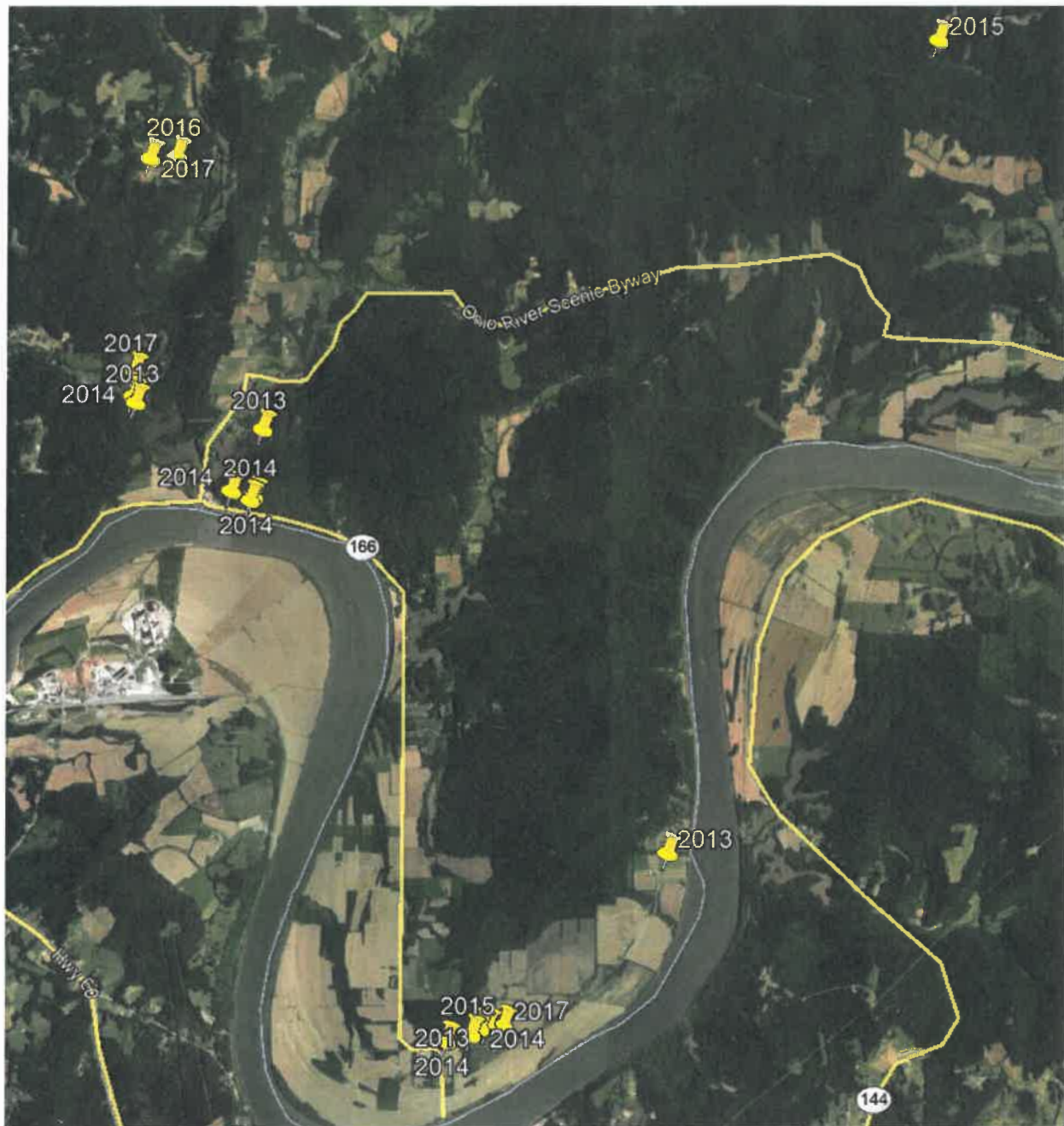
Below is a map of Perry County with 62 residential properties built since 2013 labeled with the year built. These residential properties were found using the MLS and Perry County GIS sales information as well as Google Earth aeriols. While these properties are not the only homes built in this time they are judged to be representative of the overall market.



Perry County Housing Study

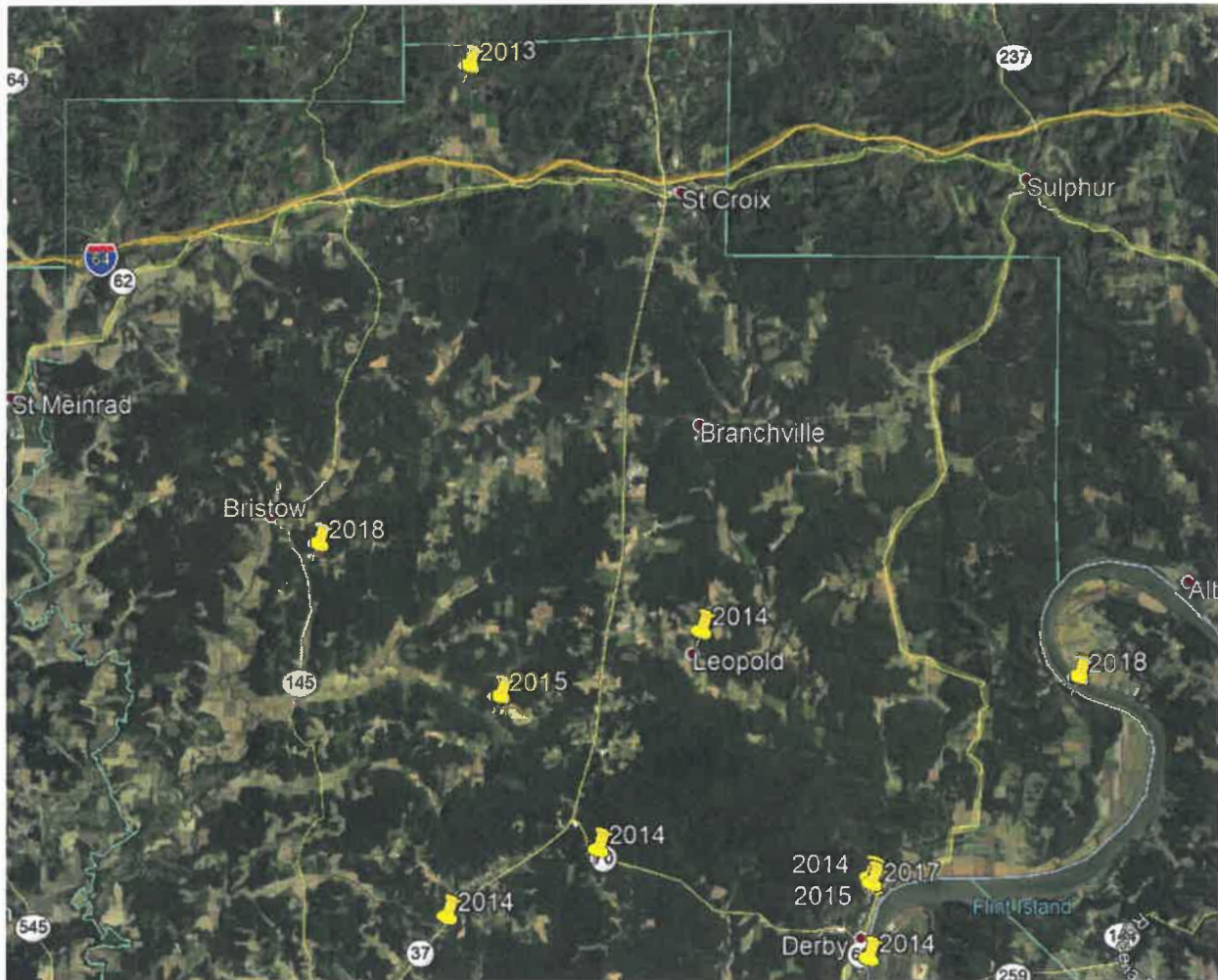
The residential growth was concentrated around Tell City with few sales on the north side of Perry County, which is to be expected as the three most populace areas (Tell City, Cannelton, and Troy) are located in the southern portion of the county. Growth outside of Tell City was largely near Cannelton, Tobinsport, and Derby.

The Cannelton and Tobinsport recently built homes are shown in the map below. These newer homes tend to be clustered together particularly around SR 66 and SR 166.



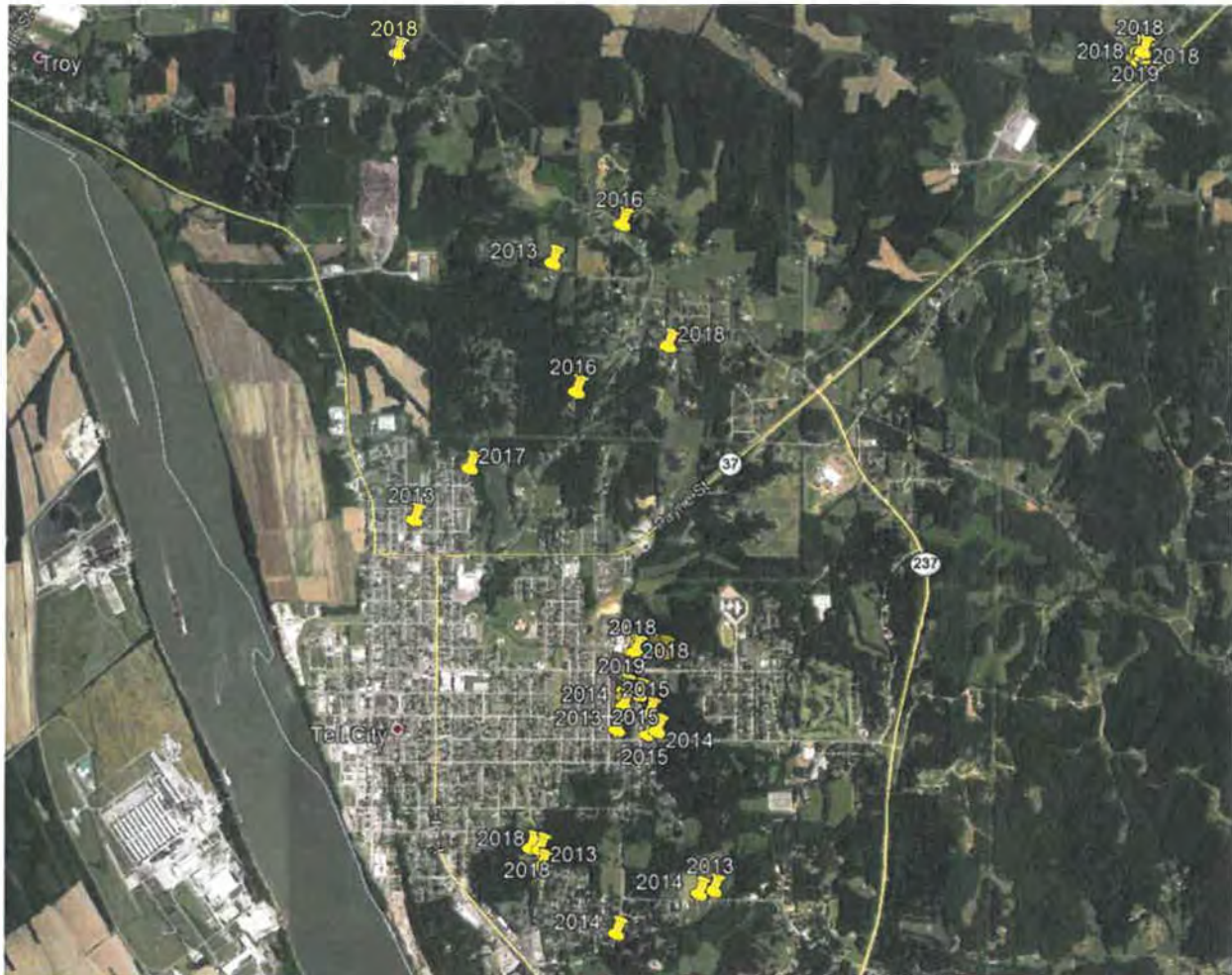
Perry County Housing Study

The map below shows the Derby and other northern Perry County recently built homes. These newer homes are primarily rural areas off state roads with scattered existing residential properties. Derby has the most development with a number of recently developed residential properties along Umpire Road just west of the Ohio River Scenic Byway on the near north side of Derby.



Perry County Housing Study

The map below shows the homes built since 2013 in Tell City. The Tell City newer homes are concentrated on the edges of the existing housing supply.



The most recent development has been in the Highlands subdivisions off SR 37 northeast of ATTC Manufacturing. This appears to have been developed with a home built in 2006 (\$229,900) and another in 2008 (\$220,000) by Bruce Development Co. of Indiana LLC; however, there were no sales due to the recession and the remaining unsold lots sold to JK Forever Homes LLC in October 2017. There has since been three sales of homes built in 2018 (between \$199,000-\$240,000) and there currently are another two homes built in 2019 (between \$220,000-\$260,000) that are pending sale. There are 29 vacant lots owned by JK Forever Homes LLC.

Another area of development is between Mozart Street and Tell Street, east of 23rd Street. Along Tell Street there have been eight sales and there is currently one listing of homes built between 2015 and 2018 ranging in price from \$173,000 to \$205,000 for the three sales with a reported purchase price and the current listing. There are not vacant lots remaining along Tell Street. There are another eight recently built homes off Mozart with reported prices between \$145,000 and \$215,000. This area was a collection of vacant residential land. The adjacent area west of 25th St is platted for a residential subdivision; however, is mostly wooded land with uneven topography.

Perry County Housing Study

There are three new homes on the southern side of Tell City, Burglen Hills Subdivision, located at Blum Street (2018), Guttenberg Lane (2018), and Zurich Way (2013) that were built by Burglen Hills Co Inc. in an existing subdivision with vacant lots. There were two homes built by Burglen Hills Co. Inc. in 2008 & 2009 indicating development stopped due to the recession and the land was held with development starting to begin again. There are 14 vacant lots still owned by Burglen Hills Co Inc. in this area.

Franklin 24, Inc. owns ±35 vacant, mostly wooded lots platted for a subdivision along Woodland Court, Valley Road, and Orchard Hill Drive west of SR 66 on the south side of Tell City.

Recently Built Residential Reported Sales

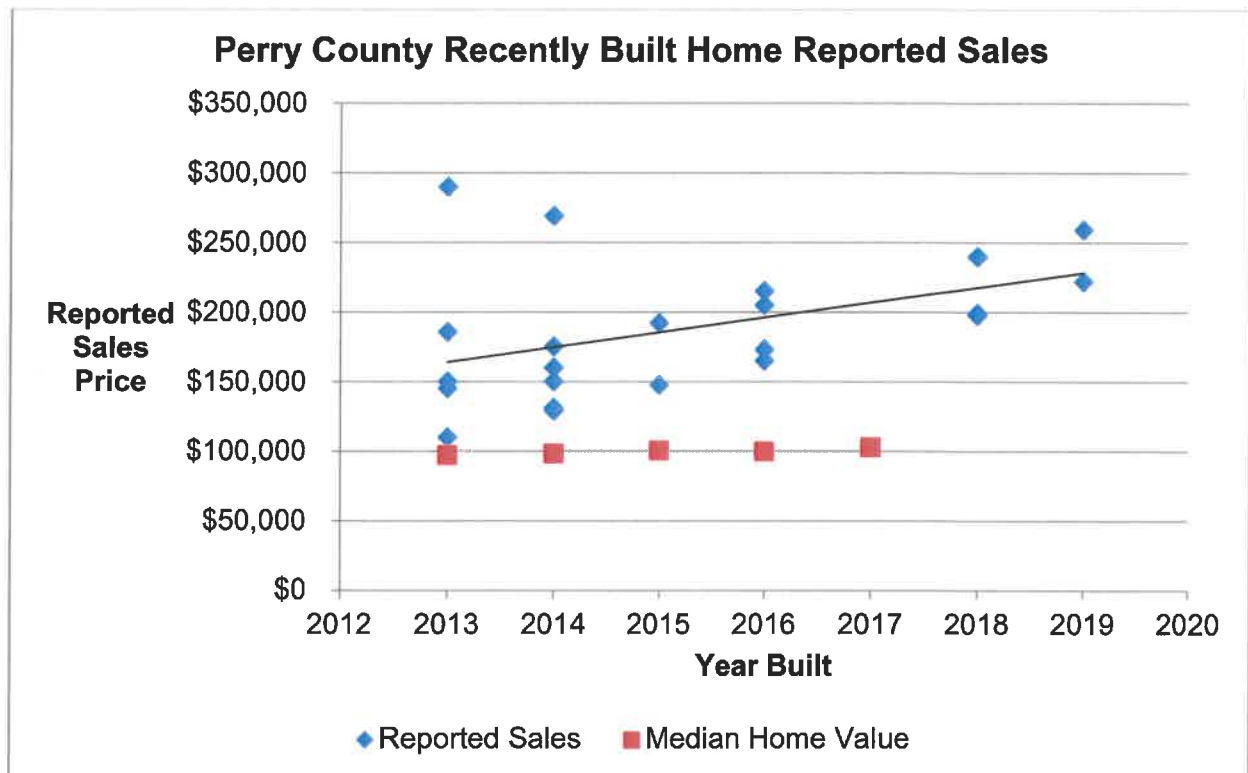
The table below shows the 23 reported residential sales of the 62 residential properties built since 2013 noted in the previous section. It is not uncommon for new home sales prices to not be reported as the developer/builder often reports only the land sales price or homes are built on previously acquired land. The majority of the sales shown with homes built in 2013, 2014, and 2015 are of resales and predominately rural locations.

City	Selling Price	Year Built	Beds
Tell City	\$222,000	2019	3
Tell City	\$259,000	2019	4
Tell City	\$239,900	2018	4
Tell City	\$239,500	2018	3
Tell City	\$199,000	2018	3
Tell City	\$197,500	2018	3
Tell City	\$173,000	2016	3
Tell City	\$205,000	2016	3
Tell City	\$215,000	2016	3
Tell City	\$165,000	2016	4
Tell City	\$192,000	2015	3
Rome	\$147,500	2015	3
Leopold	\$129,000	2014	2
Tobinsport	\$150,000	2014	3
Tell City	\$175,000	2014	3
Tell City	\$269,000	2014	3
Derby	\$131,000	2014	3
Tobinsport	\$160,000	2014	3
Tobinsport	\$110,000	2013	3
Tell City	\$145,000	2013	3
Birdseye	\$289,900	2013	3
Tell City	\$185,644	2013	3
Tobinsport	\$150,000	2013	3

Perry County Housing Study

Of the 23 sales the average sales price was \$189,085 and the median sales price was \$185,644. The 15 Tell City reported sales have an average of \$205,436 and are the only reported sales of homes built since 2016. The average of the six reported sales of homes built since 2018 is \$226,150.

The 2017 Perry County median home value was \$103,000. These 23 reported sales of residential properties built since 2013 are all above the median home value with a minimum reported sales price of \$110,000 and a maximum of \$289,900. The graph below illustrates the reported sale prices by the year the home was built and shows the annual median home value for 2013 to 2017. The two outlier sales in 2013 and 2014 included over 10 acres of land.



With the exception of the 2018 sale at 12322 Ohio Street, Leopold (two bedroom), all of the above reported sales are for three and four bedroom homes. This supports the earlier MLS data indicating stability in demand for two-bedroom homes, the highest demand for three-bedroom homes, and a growing demand for four-bedroom homes.

The above 23 reported sales and the total 62 homes built since 2013 indicate the strongest demand is in Tell City with reported sales prices above the median home value and growing. Over 75% of the reported home sale prices were above \$150,000. This data appears to support and be supported by the growing percentage of homes valued \$150,000 to \$250,000 as well as the single family residential building permits average value being at an all-time high in 2017. Overall, this supports the implied increase in demand for higher quality housing.

Potential Causes of Implied Inadequate Housing Supply

Rising Household & Per Capita Income

The table below shows the Perry County average and median annual household incomes based on data from the US Census.

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Median	\$43,918	\$45,108	\$45,808	\$47,132	\$47,596	\$47,309	\$47,470	\$47,396	\$49,689
Mean	\$50,031	\$52,147	\$53,286	\$53,582	\$54,398	\$54,703	\$55,290	\$56,617	\$59,070

The median household income increased 13.1% while the average household income increased 18.1% from 2009 to 2017. The table below shows a breakdown of the percent of each household income bracket.

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total	7,548	7,687	7,580	7,499	7,411	7,356	7,282	7,318	7,460
Less than \$10,000	6.60%	6.10%	6.40%	5.90%	7.20%	7.30%	7.00%	7.60%	6.90%
\$10,000 to \$14,999	8.40%	8.00%	7.70%	7.00%	6.30%	7.10%	6.40%	5.80%	5.90%
\$15,000 to \$24,999	14.00%	14.50%	13.80%	14.00%	12.90%	13.50%	13.70%	13.00%	11.50%
\$25,000 to \$34,999	12.10%	12.20%	11.50%	10.60%	11.70%	11.50%	10.60%	10.60%	11.10%
\$35,000 to \$49,999	15.60%	14.60%	16.30%	17.10%	15.10%	13.80%	14.60%	15.10%	14.80%
\$50,000 to \$74,999	24.90%	25.30%	22.60%	22.60%	19.60%	20.00%	20.70%	20.60%	19.90%
\$75,000 to \$99,999	10.80%	10.70%	12.70%	12.50%	15.50%	15.10%	14.80%	14.10%	14.70%
\$100,000 to \$149,999	6.40%	6.70%	7.00%	8.10%	9.80%	9.70%	9.70%	9.60%	11.00%
\$150,000 to \$199,999	0.60%	1.10%	1.10%	1.70%	1.30%	1.10%	1.50%	1.90%	2.50%
\$200,000 or more	0.70%	0.90%	0.80%	0.60%	0.70%	1.00%	1.10%	1.60%	1.80%

Households with incomes less than \$10,000 as well as between \$25,000 and \$49,999 were relatively stable with total decline of 1.5% from 2009 to 2017. Households with incomes between \$10,000 and \$24,999 declined 5.0% from 2009 to 2017 which matched the 5.0% decline in households with income between \$50,000 and \$74,999. Households with incomes greater than \$75,000 (30% of all households) rose 11.5% from 2009 to 2017. This indicates that the higher income households are growing the fastest, which is increasing the Perry County average and median household incomes.

The table below from Hoosier By the Numbers displays the per capita Perry County income in five year segments from 1997 to 2017.

Per Capita Income Over Time

	1997	2002	2007	2012	2017
Total Per Capita Income	\$18,904	\$24,328	\$27,659	\$30,755	\$36,121
Change Since 1997		\$5,424	\$8,755	\$11,851	\$17,217
Pct. Change Since 1997		28.7%	46.3%	62.7%	91.1%

From 2012 to 2017 the per capita increased 17.4%, from 2007 the increase was 30.6%, from 2002 the increase was 48.5%, and the per capita income increased 91.1% since 1997. This supports the rising household income.

Rising Wages

The rising income could be a factor in the perceived inadequate Perry County housing supply. The table below from the US Bureau of Labor Statistics shows the average wage per job in Perry County increased 27.3% to \$40,535 (2017) from \$31,838 (2013).

Jobs & Wages (BLS)

Annual Covered Employment and Wages Over Time (NAICS)	Establishments	Jobs	Average Wage Per Job	Rank in State	Pct of U.S. Avg Wage
2017	371	6,455	\$40,535	<u>35</u>	73.2%
2016	370	6,584	\$38,802	<u>35</u>	72.4%
2015	377	6,479	\$38,401	<u>35</u>	72.5%
2014	385	6,447	\$37,558	<u>33</u>	73.1%
2013	389	6,221	\$36,208	<u>37</u>	72.7%
2012	389	6,130	\$36,619	<u>30</u>	74.3%
2011	392	6,104	\$35,704	<u>29</u>	74.3%
2010	386	5,866	\$35,980	<u>24</u>	77.0%
2009	389	5,822	\$33,465	<u>35</u>	73.5%
2008	400	6,269	\$32,243	<u>46</u>	70.8%
2007	405	6,365	\$31,838	<u>45</u>	71.6%
10-Year Change	-34	90	\$8,697		
10-Year Percent Change	-8.4 %	1.4 %	27.3 %		

Source: U.S. Bureau of Labor Statistics (BLS)

D = Non-Disseminable Data; N/A = Not Available; Note: Average wage may not match published numbers due to rounding.

The median Perry County home value increased 5.86% since 2013 to \$103,000 in 2017 per the US Census Bureau while wages increased 11.95% over the same period. The 2017 median home value ranked 59th in the state and the median rent of \$433 ranked 83rd. The 2017 average wage ranked 35th in Indiana indicating the housing market is lagging behind the rise in wages.

Perry County Housing Study

The table below from US Census shows the same increase in average wage per job from 2013 to 2017 and segments the changes per employment industry.

Average Annual Earnings by Industry

	2013	2017	5 Year	5 Year % Change
All Industries	\$36,214	\$40,532	\$4,318	11.9%
Ag., For., Fishing, & Hunt.	D	\$33,775	\$33,775	N/A
Mining	D	\$48,271	\$48,271	N/A
Construction	\$37,339	\$42,094	\$4,755	12.7%
Manufacturing	\$51,338	\$58,935	\$7,597	14.8%
Wholesale Trade	\$43,271	\$40,316	-\$2,954	-6.8%
Retail Trade	\$18,837	\$20,885	\$2,048	10.9%
Trans. & Warehousing	\$28,250	\$39,258	\$11,008	39.0%
Utilities	\$52,835	\$62,003	\$9,169	17.4%
Information	\$38,664	\$32,350	-\$6,315	-16.3%
Finance & Insurance	\$40,866	\$44,915	\$4,049	9.9%
Real Est., Rent., Leasing	\$28,762	\$33,599	\$4,837	16.8%
Prof. & Tech. Svcs.	\$39,614	\$38,363	-\$1,251	-3.2%
Mgt. of Companies	D	\$87,840	\$87,840	N/A
Admin. & Waste Svcs.	D	\$24,139	\$24,139	N/A
Education Svcs.	D	\$11,331	\$11,331	N/A
Health Care & Social Assist.	D	\$30,110	\$30,110	N/A
Arts, Ent. & Rec.	D	D	\$0	N/A
Accom. & Food Svcs.	D	\$13,018	\$13,018	N/A
Other Svcs.	\$32,818	\$28,396	-\$4,423	-13.5%
Fed., State & Local Govt.	\$34,828	\$36,735	\$1,907	5.5%

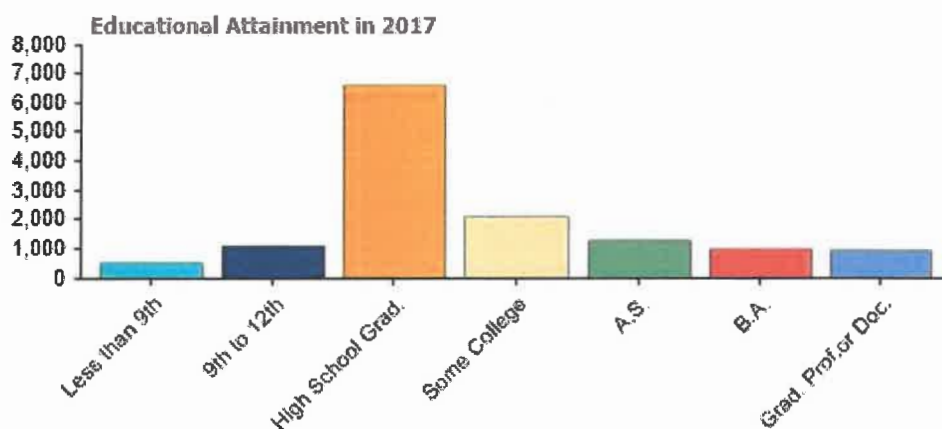
The largest growth was in transportation and warehousing (39.0%), utilities (17.4%), real estate (16.8%), manufacturing (14.8%), construction (12.7%), retail (10.9%), and finance/insurance (9.9%). The growth in utilities, real estate, construction, and finance/insurance supports a growing real estate market. The updated 2018 all industry average annual earnings for 2018 is \$41,005 showing a continued trend of increasing income in 2018.

Rising Educational Attainment

The chart and graph below from the US Census Bureau shows increase across the board in the number of Perry County residents with a High School diploma or its equivalent, some college, and higher education degrees.

Educational Attainment

	1970	1980	1990	2000	2017
Total Population 25 and Older	10,106	11,231	12,271	12,734	13,635
Less than 9th Grade	4,571	3,372	1,906	1,228	542
9th to 12th, No Diploma	1,634	2,017	2,345	1,987	1,108
High School Graduate (incl. equiv.)	2,909	4,294	5,280	5,790	6,623
Some College, No Degree			1,385	1,969	2,126
Associate Degree			525	538	1,286
Bachelors Degree			473	656	1,002
Graduate or Professional Degree*			357	566	948



Source: U.S. Census Bureau & American Community Survey 5 Year Estimates

*Graduate or Professional Degree data include Doctorate Degrees

The increasing level of education demonstrates an increasing skilled Perry County work force. This could explain the rising wages as well as the increasing growth of higher income households and rising per capita income.

Check of Reasonableness

Home Affordability Estimate Based on Median Household Income

The home value breakdown by Data USA indicates there is a rising demand for homes over \$150,000, which is supported by the rising MLS home prices, the average residential permit value being over \$150,000 since 2015, and the recently build home reported sales prices. Using standard assumptions on a \$150,000 home purchase mortgage and conservative housing expenses can be estimated and compared to the median household income to determine affordability. The following assumptions are made:

- \$150,000 home purchase price
- Standard fixed 30 year mortgage
- Current rate of 4.50%
- 3.5% minimum required down payment
- 0.50% PMI (required for down payments under 20%)
- \$1,000 home insurance
- \$1,500 real estate taxes based on the 1% residential tax cap

Using the above assumptions a house being purchased for \$150,000 requiring a \$5,250 down payment has a monthly payment of \$1,002.07 with PMI. Monthly real estate taxes are \$125.00 and monthly home insurance is \$83.33. The total monthly payment is \$1,210.40 with a total annual payment of \$14,524.80.

The Perry County median household income is \$49,689 per ACS and \$50,670 per the US Census. Typically housing should not exceed 28% to 35% of the gross income. So, a ±\$50,000 household income at 30% of gross income indicates max annual housing payments of \$15,000 or \$1,250 per month.

This indicates that the median Perry county household with an income of \$50,000 could afford a \$150,000 home assuming typical credit, debt, down payment, etc. The \$150,000 is near the peak of what is affordable for the median Perry County Household though the latest (2017) average Perry County household was \$59,070 which suggests a home closer to \$200,000 is affordable to the average Perry County household.

Thus, it is judged reasonable that there is rising demand for higher quality homes with the largest demand for homes above \$150,000 which should be affordable to the median and average household.

QUALIFICATIONS

QUALIFICATIONS AND EXPERIENCE OF LUKE A. NORDINE, MAI

POSITION: Certified General Real Estate Appraiser
Vice President
David Matthews Associates
420 Main Street, Suite 1300
Evansville, IN 47708
Telephone: (812) 428-6000
Fax: (812) 428-7092

LICENSES: Indiana Certified General License #CG41500042
Kentucky Certified General License #005092

EDUCATION: University of Evansville, Evansville, IN; BS 5/12
Major: Business Administration with Economics, Finance & Marketing
Concentrations

Harlaxton College, Grantham, England; Spring 2011
British Studies

Appraisal Courses Successfully Completed:

- Appraisal Principles - AI
- Appraisal Procedures - AI
- Business Practices and Ethics - AI
- National USPAP Course - AI
- Real Estate Finance Statistics and Valuation Modeling - AI
- General Appraiser Market Analysis & Highest & Best Use -AI
- General Appraiser Site Valuation & Cost Approach - AI
- General Appraiser Sales Comparison Approach - AI
- General Appraiser Income Approach Part 1 - AI
- General Appraiser Income Approach Part 2 – AI
- Advanced Income Capitalization - AI
- Advanced Market Analysis and Highest Best Use – AI
- Advanced Concepts & Case Studies – AI
- Quantitative Analysis – AI
- Introduction to Green Buildings: Principles & Concepts – AI
- Case Studies in Appraising Green Residential Buildings – AI
- Practical Applications in Appraising Green Commercial Properties – AI
- Appraisal Scoping: How to Target Clients' Needs – AI
- Supervisory Appraiser/Trainee Appraiser Course – AI
- Residential & Commercial Valuation Of Solar-- AI

QUALIFICATIONS AND EXPERIENCE OF LUKE A. NORDINE, MAI (continued)

PROFESSIONAL

MEMBERSHIPS: Appraisal Institute – Designated Member (MAI)

Appraisal Institute Hoosier State Chapter

Evansville Branch Chapter Chair – 2015

AI- HSC Public Relations Committee – 2016-2021

AI- HSC External Relations Committee Vice Chair – 2018 & 2019

Region V Representative Alternate – 2018 & 2019

Appraisal Institute Professional Development Programs

Valuation of Sustainable Buildings: Residential

Valuation of Sustainable Buildings: Commercial

Appraisal Institute- Leadership Development & Advisory Council (LDAC) - 2019

VOLUNTEER

EXPERIENCE: Catholics For Habitat For Humanity of Evansville
Fundraising Committee – 2016- Present

Rotaract Club of Evansville

Secretary – 2018- Present

EXPERIENCE: David Matthews Associates (01/2012 - Present)
Vice President ~ 07/2017- Present
Designated MAI ~ 08/2017- Present
Certified General Appraiser ~ 06/2015- Present
Licensed Appraiser Trainee ~ 11/2012-06/2015
Research Assistant ~ 05/2012 – 11/2012
Intern ~ 01/2012 – 05/2012