An Update of Residential Market Potential

Downtown Fort Wayne
Target Market Methodology

Market potential, Not market demand.
Updated Information

Where does the potential market live now?
How many are likely to move to Downtown?
Who are they?
What are their housing preferences?
What kind of housing is currently available?
How much is the market likely to pay?
How fast will they rent or buy the new units?
The Downtown Fort Wayne Study Area
What’s changed since the last update?
Six Years After the Crash
Credit Remains Tight (both builders and buyers)
Real Estate

Ben Bernanke Can't Refinance Because Credit Is Still Ridiculously Tight

By Peter Coy  |  October 03, 2014
Energy Costs Remain a Concern
So What’s Happened to the Downtown Housing Market?
Annual market potential is up 23 percent.

Now 4,600+ households
Up from 3,750 in 2006
Annual market potential from outside the city continues to rise.

Fort Wayne: 56.7% (down from 74.4%)
Allen County: 7.5% (up from 3.6%)
DeKalb, Whitley, Noble: 0.7% (up from 0%)
Indianapolis: 3.7% (up from 2.3%)
Balance of the U.S.: 31.4% (up from 19.8%)
A shift in housing preferences.

- Rental Lofts/Apartments: From 52% to 54%
- For-Sale Lofts/Apartments: From 23% to 12%
- For-Sale Rowhouses: From 15% to 18%
- For-Sale Urban Houses: From 10% to 16%
Have the Downtown target markets changed?
Still dominated by the two largest generations in American history.
The Baby Boom
77 Million
1946-1964
The Millennials
78 Million
1977-1996
Younger Singles & Couples:
67% (up from 57%)
Empty Nesters &
Retirees: 17%  
(down from 23%)
Traditional & Non-Traditional Families:
16%
(down from 20%)
What are the current general rents in Downtown and around the city?

17 rental properties surveyed.
General Downtown Rent Ranges

$265 to $2,150 per month
356 sf (studio) to 1,725 sf (3br)
($0.64 to $1.54 psf)
General Rent Ranges Outside Downtown

$405 to $1,525 per month
490 sf (studio) to 1,840 sf (3br TH)
($0.56 to $1.47 psf)
What are the current general prices in Downtown and Fort Wayne?

25 listings priced above $100,000 in August.
List Prices
Condominiums/Townhouses

$102,900 to $447,700
1,072 sf (2br) to 4,768 sf (3br)
($44 to $113 psf)
Anthony Wayne Building

$141,050 to $314,500

806 sf (2br) to 1,700 sf (3br)

($175 to $185 psf)
65 Listings—New Construction
Single-Family Detached Houses

$72,500 to $699,900
1,300 sf (3br) to 4,965 sf (4br)
($73 to $169 psf)
What can the potential market afford?

1,385 Potential Annual Renter Households

Market-Rate Lofts/Apartments in Downtown

- $500 to $750: 18%
- $750 to $1,000: 22%
- $1,000 to $1,250: 25%
- $1,250 to $1,500: 16%
- $1,500 to $1,750: 11%
- $1,750 and up: 8%
Hard Lofts/Soft Lofts/Upscale Apartments

Monthly rents from $475 to $2,000

Units containing between 350 (microloft) and 1,400 sq. ft. (3br)

($1.09 to $1.54 psf)

Weighted Average: $1,003

777 sq. ft.

$1.29 psf
What can the potential market afford?

385 Potential Annual Buyer Households

Market-Rate Condominium Lofts/Apartments in Downtown

- $150,000 to $175,000: 10%
- $175,000 to $200,000: 10%
- $200,000 to $225,000: 16%
- $225,000 to $250,000: 18%
- $250,000 to $275,000: 17%
- $275,000 to $300,000: 16%
- $300,000 and up: 13%
Hard Lofts/Soft Lofts/Upscale Condominiums

Base prices from $95,000 to $315,000

Units containing between 750 (open loft) and 1,750 (3br) sq. ft.

($121 to $189 psf)

Weighted Average: $173,117
1,106 sq. ft.
$156 psf
What can the potential market afford?
475 Annual Potential Buyer Households
Market-Rate Townhouses in Downtown

- $175,000 to $200,000: 10%
- $200,000 to $225,000: 12%
- $225,000 to $250,000: 16%
- $250,000 to $275,000: 18%
- $275,000 to $300,000: 17%
- $300,000 to $325,000: 16%
- $325,000 and up: 11%
Townhouses

Base prices from $175,000 to $215,000

Units containing between 1,150 (2br) and 1,550 (3br) sq. ft.

($139 to $152 psf)

Weighted Average: $193,000

1,330 sq. ft. $145 psf
What can the potential market afford?

465 Annual Potential Buyer Households

Market-Rate Urban Detached Houses in Downtown

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<tr>
<th>Price Range</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>$200,000 to $225,000</td>
<td>9%</td>
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<tr>
<td>$225,000 to $250,000</td>
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Urban Detached Houses

Base prices from $200,000 to $250,000

Units containing between 1,400 (2br) and 1,800 (3br) sq. ft. ($139 to $143 psf)

Weighted Average: $228,125

1,625 sq. ft.

$140 psf
How Fast Will the Target Households Rent or Buy New Housing in Downtown Fort Wayne?

Rental Units: 10 to 12 percent capture rate
For-Sale Units: 5 to 8 percent capture rate
Annual Capture of Market Potential: 205 to 272 Market-Rate Units per Year Over the Next Five Years

- Rental Lofts/Apartments: 139 to 166 units
- For-Sale Lofts/Condominiums: 19 to 31 units
- For-Sale Townhouses: 24 to 38 units
- For-Sale Urban Houses: 23 to 37 units
1,500 Total Units
1,142 New Market-Rate Units Over the Next Five to Seven Years
Downtown Residential Mix

1,141 Market-Rate Housing Units

- Rental Lofts/Apartments: 584 du
- For-Sale Lofts/Apartments: 162 du
- For-Sale Townhouses: 200 du
- For-Sale Urban Houses: 195 du