



Louisville, Kentucky-Indiana

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of October 1, 2006

PD&R



Economic Conditions

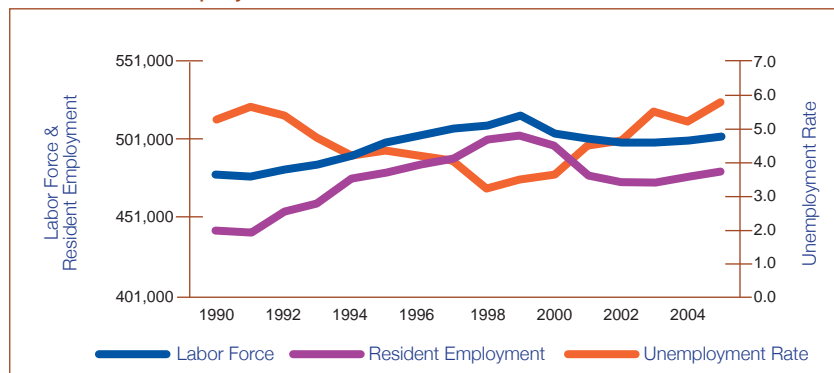
Steady job growth due to an expanding national economy and increasing worldwide demand for freight services during 2006 led to a 1.7-percent increase in resident employment in the Louisville HMA during the 12-month period ending September 2006. At 482,900 workers, HMA resident employment has recovered to its highest level since 1996. As the economy strengthened during 2006, the labor force expanded by 1.8 percent to 512,600 during the same period, keeping the unemployment rate relatively unchanged at 5.8 percent. See Figure 1 and Table DP-1 (at the

end of the report) for data on labor force, resident employment, and unemployment from 1990 to the current date.

The trade, transportation, and utilities sector is the largest employment sector in the HMA, providing almost one-fourth of the jobs in the area (see Figure 2). Louisville is home to Worldport™, the international air-sorting hub for UPS, the largest employer in the area. In June 2006, UPS began operation of a new heavy-airfreight facility, adding 1,200 workers to its payroll and plans to increase Worldport by 1.1 million square feet as part of a \$1 billion expansion that will employ 1,300 full-time and 3,700 part-time workers. UPS operations combined with other air traffic activity make Louisville International Airport the fourth largest cargo-shipping airport in the United States. Table 2 lists the top 10 employers in the HMA, along with the number of employees for each.

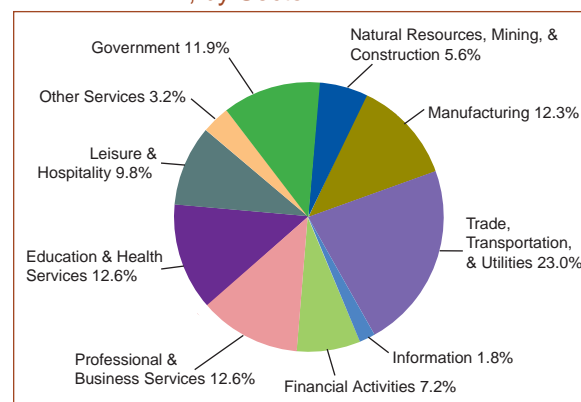
During the 12 months ending September 2006, the financial activities sector led the HMA in rate of growth, with a 4.7-percent increase, adding nearly 1,700 jobs (see Table 3). Nearly 1,200 jobs were added at the Louisville headquarters of health insurance company Humana Inc. Credit card companies Citigroup Inc. and Iron Triangle Payment Systems, LLC, are expected to add 450 jobs during the forecast period. During the 12 months ending September 2006, the professional and business services sector added 2,900 jobs, which is a 4.6-percent increase.

Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Louisville HMA, 1990 to 2005



Source: U.S. Bureau of Labor Statistics

Figure 2. Current Employment in the Louisville HMA, by Sector



Note: Based on 12-month averages through September 2006.

Source: U.S. Bureau of Labor Statistics

The education and health services sector grew by 200 jobs, or 0.3 percent, during the 12 months ending September 2006, after averaging nearly 5 percent annually since 2001. The rate of employment growth within the sector is expected to return to recent historical levels during the forecast period. The HMA is a regional medical services center for northern Kentucky and

southern Indiana and is home to a world-renowned medical research center. Doctors at the Louisville Medical Center, occupying 20 blocks in downtown Louisville, performed the world's first hand transplant and developed the AbioCor artificial heart. Three of the top five employers in the HMA are health services firms, with a combined employment of 21,600 people. The University of Louisville has begun the construction of new medical research facilities and a new medical building. In the summer of 2007, Norton Healthcare will begin constructing a new hospital that will employ more than 400 people by 2009. See Figure 3 for the percentage change in employment by sector from 2001 through September 2006.

During the 12-month period ending September 2006, goods-producing employment remained relatively stable decreasing by less than 300 jobs, or 0.3 percent. The loss of nearly 400 construction jobs as a result of a decline in single-family homebuilding activity offset a slight gain of nearly 200 jobs in the manufacturing sector. Ford Motor Company, the second largest employer in the HMA, is part of a large manufacturing sector that accounts for more than 12 percent of jobs in the area. During the forecast period, manufacturing employment is expected to remain stable. The Colgate-Palmolive Company is closing a plant in Clarksville, Indiana, which will eliminate 475 jobs during the next 2 years; but Jeffboat LLC, which builds barges in Jefferson, Indiana, will add 800 jobs by 2008.

Table 2. Major Employers in the Louisville HMA

| Name of Employer | Employment Sector | Number of Employees |
|---|-------------------|---------------------|
| United Parcel Service of America, Inc. | Transportation | 17,543 |
| Ford Motor Company | Manufacturing | 8,972 |
| Norton Healthcare | Health Services | 8,525 |
| Jewish Hospital & St. Mary's Healthcare | Health Services | 7,605 |
| Humana, Inc. | Health Services | 5,850 |
| General Electric Company | Manufacturing | 5,000 |
| The Kroger Co. | Retail | 4,827 |
| Baptist Hospital East | Health Services | 3,179 |
| Archdiocese of Louisville | Education | 2,680 |
| Kindred Healthcare, Inc. | Health Services | 2,342 |

Source: Business First, Book of Lists, December 2005

Table 3. 12-Month Average Employment in the Louisville HMA, by Sector

| Employment Sector | 12 Months Ending September 2005 | 12 Months Ending September 2006 | Percent Change |
|---|---------------------------------|---------------------------------|----------------|
| Total Covered Employment | 519,700 | 527,400 | 1.5 |
| Goods Producing | 94,700 | 94,400 | -0.3 |
| Natural Resources, Mining, & Construction | 30,000 | 29,600 | -1.3 |
| Manufacturing | 64,700 | 64,800 | 0.2 |
| Service Providing | 425,000 | 433,100 | 1.9 |
| Trade, Transportation, & Utilities | 117,500 | 121,000 | 3.0 |
| Information | 9,600 | 9,700 | 1.0 |
| Financial Activities | 36,400 | 38,100 | 4.7 |
| Professional & Business Services | 63,300 | 66,200 | 4.6 |
| Education & Health Services | 66,000 | 66,200 | 0.3 |
| Leisure & Hospitality | 51,100 | 51,800 | 1.4 |
| Other Services | 16,800 | 16,800 | 0.0 |
| Government | 63,700 | 62,700 | -1.6 |

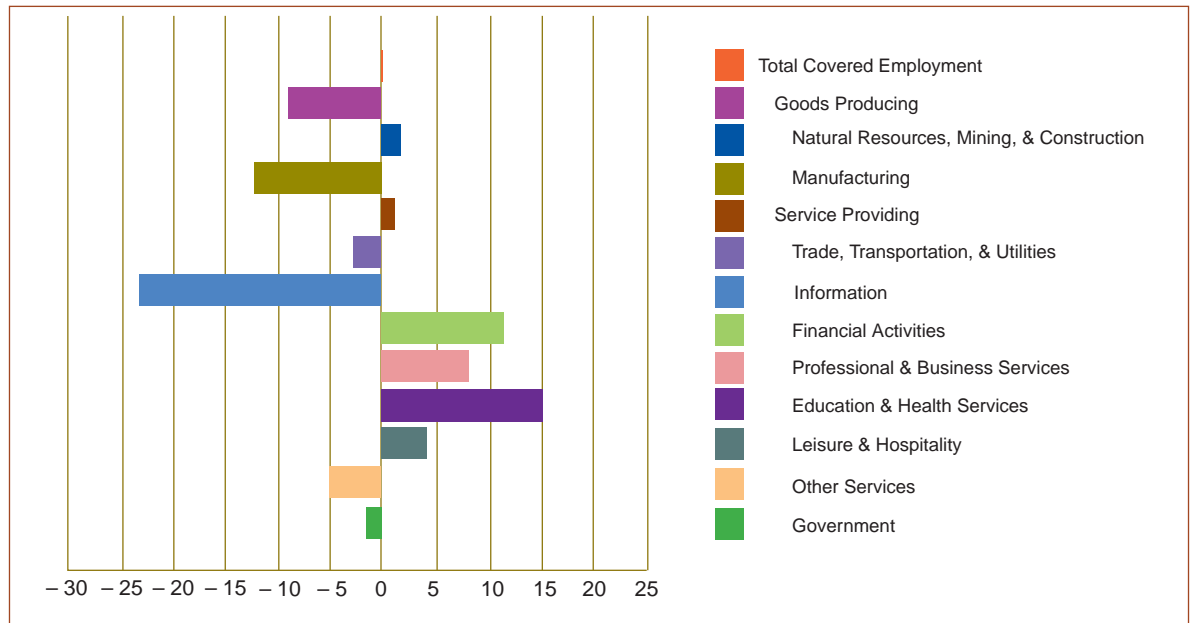
Notes: Based on 12-month averages through September 2005 and September 2006. Numbers may not add to totals due to rounding.

Source: U.S. Bureau of Labor Statistics

Nonfarm employment in the HMA is expected to increase by approximately 4,300 jobs, or 0.8 percent, annually through the forecast date. Employment in the trade, transportation, and utilities sector will increase due to the UPS expansion. Education

and health services, as well as professional and business services, will generate job growth during the forecast period in response to population growth and the expansion plans by the University of Louisville and Norton Healthcare.

Figure 3. Sector Growth in the Louisville HMA, Percentage Change, 2001 to 2006



Note: Current is based on 12-month averages through September 2006.

Source: U.S. Bureau of Labor Statistics

Population and Households

Since 2000, population growth in the Louisville HMA has decelerated due to a decline in the rate of net natural change (resident births minus resident deaths) and a reduced rate of net in-migration. As of October 1, 2006, the population of the HMA is estimated at 1,007,700. Annual population growth between 2000 and the current date averaged

6,100, for an average annual rate of 0.6 percent compared with 7,100, or 0.7 percent, a year during the 1990s (see Figure 4). Net natural change accounted for two-thirds of the population increase from 1990 to 2000 and rose to 75 percent of the population growth between 2000 and 2006 due to reduced net in-migration. Net natural change remained relatively constant

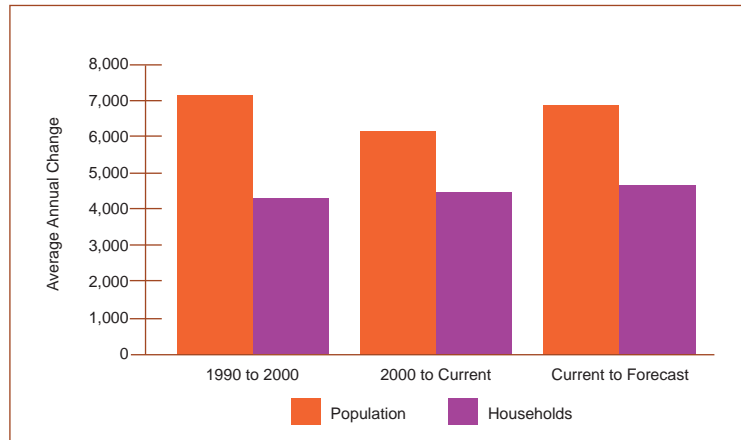
throughout the 1990s, at approximately 4,300 people annually, but, since 2000, has declined to 4,000 a year due to an aging population and a decrease in the size of the 18-to-25-year-old cohort. Net in-migration to the HMA slowed between 2001 and 2003, when approximately 16,200 jobs were eliminated in the HMA as a result of an economic downturn. Since

2004, with increased job opportunities in the HMA in 2005 and 2006, net in-migration has increased. See Figure 5 for statistics concerning the components of population change.

The rate of household growth in the Louisville HMA has remained steady, at approximately 1.1 percent annually since 1990. Between 1990 and 2000 and from 2000 to the current date, annual household growth averaged 4,200 and 4,350, respectively. An increase in empty nesters, the rise in smaller sized households, and a decline in the average size of households migrating to the area all contributed to an ongoing decline in average household size in the HMA.

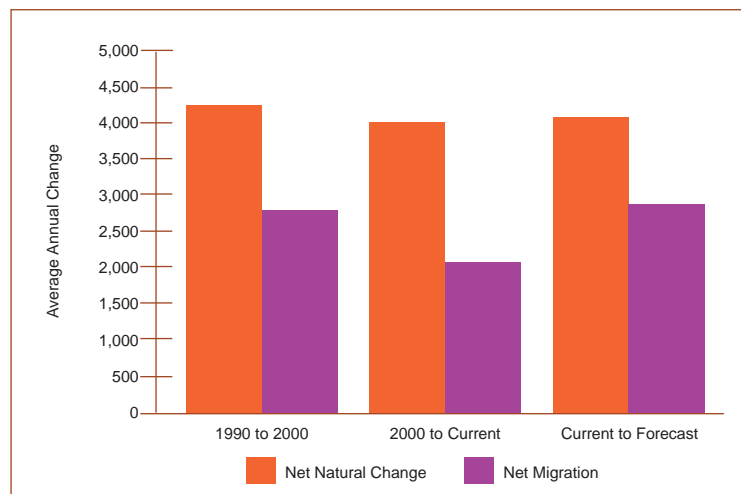
As a result of continued growth in the rate of net in-migration generated by sustained job growth, the low cost of living, and relatively affordable housing in the HMA, the annual population growth rate during the forecast period is estimated to be 0.7 percent. The population of the HMA is expected to total 1,028,600 by the forecast date. The population of the Kentucky submarket is anticipated to increase at an annual rate of 4,975, or 0.6 percent. The annual rate of population growth in the smaller Southern Indiana submarket of the HMA is expected to be 2,000, or 1.1 percent. Household growth in the HMA is projected to increase by 4,800 units annually, or 1.1 percent, to 433,000 households by the end of the 3-year forecast period.

Figure 4. Population and Household Growth in the Louisville HMA, 1990 to Forecast



Sources: 1990 and 2000—U.S. Census; current and forecast—estimates by analyst

Figure 5. Components of Population Change in the Louisville HMA, 1990 to Forecast



Sources: 1990 and 2000—U.S. Census; current and forecast—estimates by analyst

Housing Market Trends

Sales Market—Kentucky Submarket

Home sales in the Kentucky submarket slowed during the past 12 months. Approximately 11,400 new and existing homes were sold, reflecting a 2-percent decline compared with the previous 12-month period. Between 2002 and 2005, low interest rates led to increasing numbers of first-time homebuyers and move-up buyers, but this homebuying trend did not continue into 2006 due to increasing interest rates. Record levels of building since 2000 have contributed to an increase in the sales vacancy rate to an estimated 2 percent, compared with 1.4 in 2000.

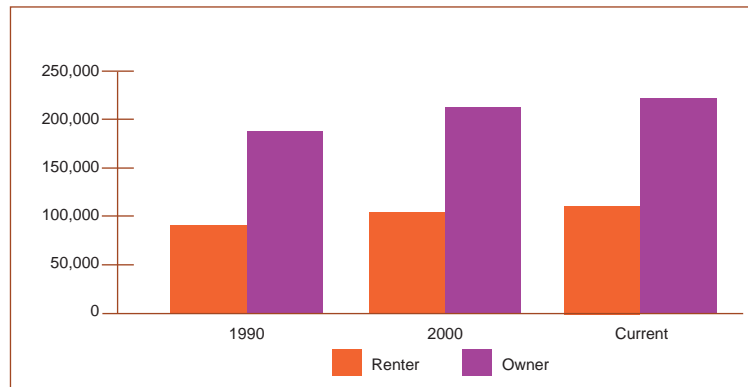
The median home sales price was \$146,800 as of the 12-month period ending September 2006, off by 4 percent compared with the previous 12-month period. Homes priced at or below the median for the area continue to sell well, while homes at \$350,000 or more are selling more slowly. The overall decrease

in median price was primarily due to a decline in the average sale price in Jefferson County, where sales volume in the HMA is highest. During the period an increase in sales activity of modest priced existing homes brought down the average sales price for the county overall. The median sale price in both Bullitt and Oldham Counties increased slightly because new homes represent a higher portion of sales volume.

During the past 12 months, 1,700 condominium units have been sold in the Kentucky submarket, a 14-percent increase compared with the previous 12-month period. The median sales price increased 2 percent to \$119,700 during the same period. Condominiums represent 13 percent of total sales in this submarket and are sold primarily to empty nesters and young professionals. Most condominiums are quad-plexes built in suburban Jefferson and Oldham Counties; but, since 2000, the downtown market has developed significantly. Currently, 600 condominium units are in downtown Louisville and 500 units are under development.

As of the current date, an estimated 237,900 owner households are in the Kentucky submarket (see Figure 6). This figure represents an increase of 3,075, or 1.4 percent, annually from the 217,908 owner households recorded in 2000, as shown in Table DP-2.

Figure 6. Number of Households by Tenure in the Kentucky Submarket, 1990 to Current

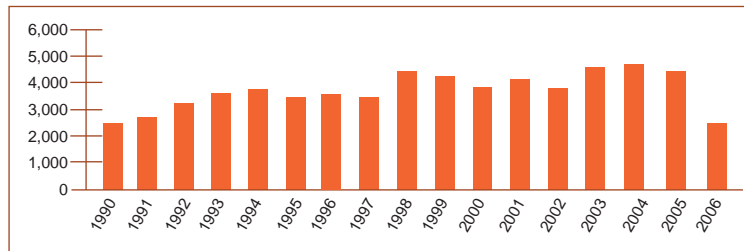


Sources: 1990 and 2000—U.S. Census; current—estimates by analyst

Housing Market Trends

Sales Market—Kentucky Submarket Continued

Figure 7. Single-Family Building Permits Issued in the Kentucky Submarket, 1990 to 2006



Notes: Includes only single-family units. Includes data through September 2006.
Source: U.S. Census Bureau, Building Permits Survey

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Kentucky Submarket, October 1, 2006 to October 1, 2009

| Price Range (\$) | | Units of Demand | Percent of Total |
|------------------|------------|-----------------|------------------|
| From | To | | |
| 125,000 | 149,999 | 1,000 | 7.9 |
| 150,000 | 174,999 | 650 | 5.2 |
| 175,000 | 199,999 | 975 | 7.7 |
| 200,000 | 224,999 | 1,150 | 9.1 |
| 225,000 | 249,999 | 1,700 | 13.5 |
| 250,000 | 274,999 | 1,425 | 11.3 |
| 275,000 | 299,999 | 1,050 | 8.3 |
| 300,000 | 324,999 | 800 | 6.3 |
| 325,000 | 349,999 | 675 | 5.4 |
| 350,000 | 374,999 | 725 | 5.8 |
| 375,000 | 399,999 | 850 | 6.7 |
| 400,000 | 549,999 | 850 | 6.7 |
| 550,000 | and higher | 750 | 6.0 |

Source: Estimates by analyst

Between 2000 and the current date, builders completed an average of 4,200 homes annually. During the past 24 months, the rate of production, as measured by the number of building permits issued, has declined due to an increased inventory of unsold homes.

Approximately 3,500 new single-family homes were permitted during the current 12-month period ending September 2006, more than 1,000 fewer than during the previous 12-month period. See Figure 7 for details on single-family building permit activity in the Kentucky submarket from 1990 through September 2006.

A demand for 12,600 new sales units is estimated for the 3-year forecast period. Table 4 provides an estimated distribution of the demand by price ranges for new market-rate sales housing in the Kentucky submarket.

Rental Market—Kentucky Submarket

The rental market in the Kentucky submarket strengthened during the past year due to rising mortgage interest rates and a decline in multifamily rental construction. The overall vacancy rate decreased from 9.5 percent to 8.8 percent. During the past 12 months, the average rent for all apartment units increased by nearly 2 percent, from \$605 to \$616. The current average rent is \$540 for a one-bedroom unit; \$610 for a two-bedroom, two-and-one-half bathroom unit; and \$830 for a three-bedroom, two-bathroom unit.

Between 1990 and 2000, the rental market in the Kentucky submarket was balanced. The vacancy rate averaged 7 percent, and the market absorbed an average of 850 new rental units annually. Beginning in 2001, a decline in job growth in the area and an increase in the rate of rental construction caused the rental vacancy rate to increase. In 2003, the rental vacancy rate exceeded 10 percent with no rent increases. Since 2004, conditions have steadily improved. Apartment production decreased to 400 units annually and job gains

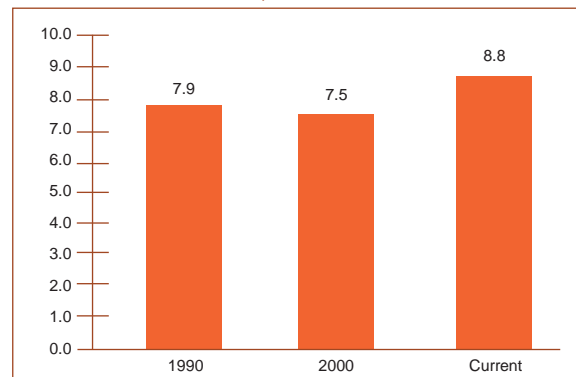
Housing Market Trends

Rental Market—Kentucky Submarket Continued

have attracted more households to the area. See Figure 8 for details on the rental market vacancy rate from 1990 to the current date. Figure 9 illustrates multifamily building permit activity since 1990.

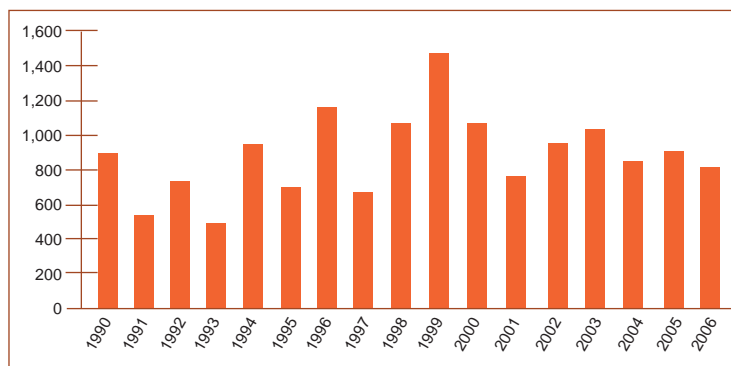
The most recent rental apartment completed in the Kentucky submarket is The Paddock at Eastpoint, located in eastern Jefferson County.

Figure 8. Rental Vacancy Rates in the Kentucky Submarket, 1990 to Current



Sources: 1990 and 2000—U.S. Census; current—estimates by analyst

Figure 9. Multifamily Building Permits Issued in the Kentucky Submarket, 1990 to 2006



Notes: Includes all multifamily units in structures with two or more units. Includes data through September 2006.

Source: U.S. Census Bureau, Building Permits Survey

Phase I, consisting of 298 one-, two-, and three-bedroom units began renting in late 2005 and is 89-percent occupied as of the current date. Developers have begun construction of Phase II, which will add another 202 units. As of October 1, 2006, no other large rental complexes are under construction in the Kentucky submarket.

In the Kentucky submarket, the U.S. Department of Housing and Urban Development (HUD) has funded 6,700 units of assisted housing; of these units, 3,220 are for families and 3,480 are for seniors and people with disabilities. The Louisville Metro Housing Authority (LMHA) administers about 8,500 Section 8 rental vouchers in Jefferson County. The Kentucky Housing Corporation administers about 380 Section 8 vouchers in Bullitt and Oldham Counties. In all three counties, about one-third of the vouchers are used by seniors or people with disabilities. The LMHA also operates approximately 4,930 conventional public housing units in Jefferson County. The U.S. Department of Agriculture (USDA) Rural Development has funded approximately 410 units in Bullitt and Oldham Counties; about 100 of these units are for seniors.

Since 1995, tax credit financing has been used most often to develop new rental housing for low- and moderate-income households in the submarket. An estimated 4,980 rental units have been financed using low-income housing tax credits (LIHTCs); about 750 of these units are for seniors.

Housing Market Trends

Rental Market—Kentucky Submarket Continued

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Kentucky Submarket, October 1, 2006 to October 1, 2009

| 1 Bedroom | | 2 Bedrooms | | 3 or More Bedrooms | |
|-------------------------|-----------------|-------------------------|-----------------|-------------------------|-----------------|
| Monthly Gross Rent (\$) | Units of Demand | Monthly Gross Rent (\$) | Units of Demand | Monthly Gross Rent (\$) | Units of Demand |
| 750 | 500 | 900 | 700 | 1,250 | 200 |
| 800 | 430 | 950 | 575 | 1,300 | 175 |
| 850 | 400 | 1,000 | 525 | 1,350 | 150 |
| 900 | 350 | 1,050 | 475 | 1,400 | 125 |
| 950 | 325 | 1,100 | 400 | 1,450 | 100 |
| 1,000 | 275 | 1,150 | 350 | 1,500 | 90 |
| 1,050 | 225 | 1,200 | 300 | 1,550 | 80 |
| 1,150 | 175 | 1,300 | 250 | 1,650 | 70 |
| 1,250 | 150 | 1,400 | 150 | 1,750 | 50 |
| 1,350 | 125 | 1,500 | 100 | 1,850 | 40 |
| 1,450 | 100 | 1,600 | 75 | 1,950 | 30 |
| and higher | | and higher | | and higher | |

Notes: Distribution above is noncumulative. Demand shown at any rent represents demand at that level and higher.

Source: Estimates by analyst

Based on anticipated household growth and current market conditions, a demand for approximately 1,400 new market-rate, rental housing units is estimated for the 3-year forecast period ending October 1, 2009. Table 5 provides an estimate of the noncumulative distribution of demand for new market-rate rental housing in the Kentucky submarket by rent levels and the number of bedrooms per unit.

Sales Market—Southern Indiana Submarket

The Southern Indiana submarket historically has had more affordable sales housing than the rest of the Louisville HMA. Properties in Indiana typically have more square footage and larger lots compared with similarly priced homes in the Kentucky submarket. In addition, property taxes for comparable properties are lower in Clark and Floyd Counties than in the counties in the Kentucky submarket. Households often relocate to Clark County, directly across from Louisville, because of less traffic into downtown Louisville.

As of the current date, the sales market is balanced, although the vacancy rate has increased to an estimated 2 percent from 1.7 percent in 2000. The combined effect of an increase in single-family construction and the recent increase in mortgage interest rates has led

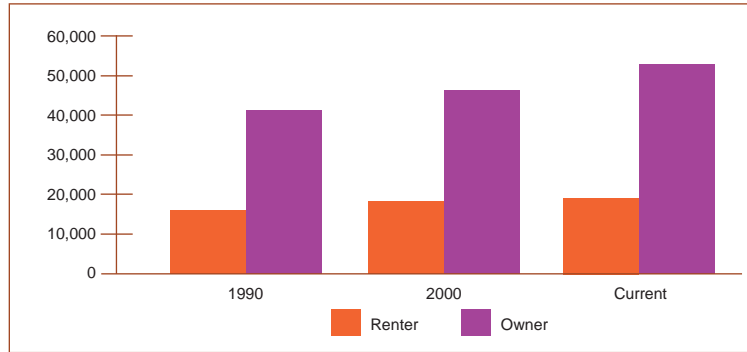
to an increase in unsold inventory. For the 12-month period ending September 2006, 2,600 homes were sold, nearly a 2-percent increase compared with the previous 12-month period. The median sales price increased less than 1 percent to \$130,900. Homes remained on the market an average of 105 days during the past 12-month period, relatively unchanged compared with the previous 12 months.

Condominium sales represent less than 3 percent of the market in southern Indiana. During the past 24 months, 90 condominium sales have been recorded. The median sales price of condominiums sold in the past 12 months was \$124,500, an increase of nearly 10 percent from the previous 12-month period. Nearly 150 condominiums have been built in Clark and Floyd Counties since 2003.

Housing Market Trends

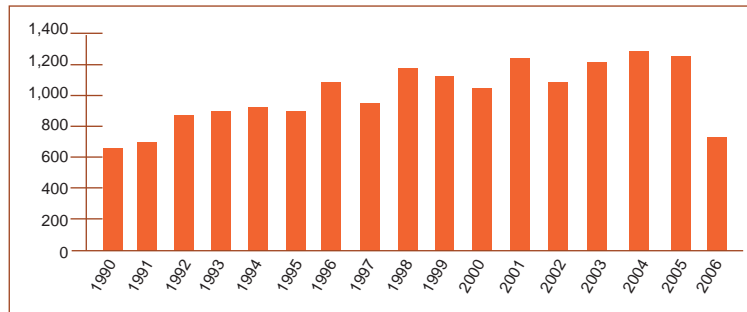
Sales Market—Southern Indiana Submarket Continued

Figure 10. Number of Households by Tenure in the Southern Indiana Submarket, 1990 to Current



Sources: 1990 and 2000—U.S. Census; current—estimates by analyst

Figure 11. Single-Family Building Permits Issued in the Southern Indiana Submarket, 1990 to 2006



Notes: Includes only single-family units. Includes data through September 2006.
Source: U.S. Census Bureau, Building Permits Survey

As of the current date, an estimated 53,200 owner households are in the Southern Indiana submarket (see Figure 10). This figure represents an increase of 950 owner households a year, or a 1.9-percent annual increase from the 47,078 in 2000, as shown in Table DP-3.

The rate of single-family home construction, as measured by the number of building permits issued, slowly increased between 1990 and the current date (see Figure 11). An average of 900 units were constructed annually during the 1990s. Since 2000, average annual construction activity increased to 1,200 units. During the forecast period, a similar level of construction equaling 3,750 over the 3-year period will satisfy the estimated demand. Half of all new sales demand is expected in the \$175,000 to \$250,000 price range. See Table 6, which shows the demand for single-family homes by price range.

Table 6. Estimated Demand for New Market-Rate Sales Housing in the Southern Indiana Submarket, October 1, 2006 to October 1, 2009

| Price Range (\$) | | Units of Demand | Percent of Total |
|------------------|------------|-----------------|------------------|
| From | To | | |
| 125,000 | 149,999 | 125 | 3.3 |
| 150,000 | 174,999 | 375 | 10.0 |
| 175,000 | 199,999 | 575 | 15.3 |
| 200,000 | 224,999 | 600 | 16.0 |
| 225,000 | 249,999 | 625 | 16.7 |
| 250,000 | 274,999 | 475 | 12.7 |
| 275,000 | 299,999 | 325 | 8.7 |
| 300,000 | 324,999 | 225 | 6.0 |
| 325,000 | 349,999 | 125 | 3.3 |
| 350,000 | 374,999 | 120 | 3.2 |
| 375,000 | 399,999 | 100 | 2.7 |
| 400,000 | 549,999 | 60 | 1.6 |
| 550,000 | and higher | 20 | 0.5 |

Source: Estimates by analyst

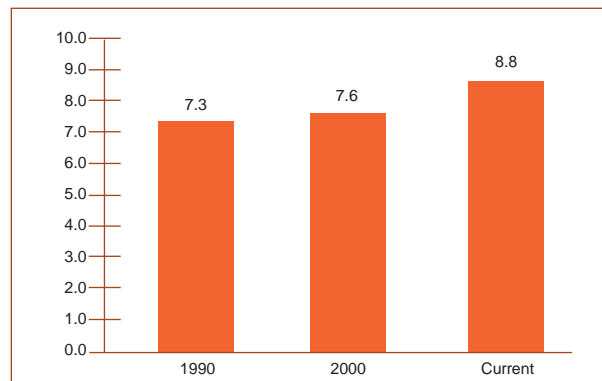
Rental Market—Southern Indiana Submarket

Similar to the rent and occupancy increases in the Kentucky submarket, rents and occupancy in the Southern Indiana rental submarket have increased over the past year. The average rent, currently \$560, has increased by about 1 percent annually since 2004. The submarket vacancy rate as of the current date is 8.8 percent, down slightly from a year ago. Rising mortgage interest rates and an increased rate of job growth in the HMA led to a greater demand for rental units during the 12-month period ending September 2006. See Figure 12 for details on

rental vacancy rates in the Southern Indiana submarket from 1990 to the current date.

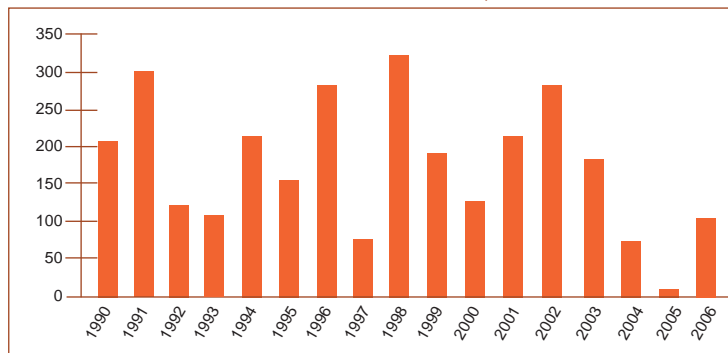
Multifamily construction, which is predominantly built as rental housing, has averaged only 140 units annually since 2000. Currently no projects larger than 50 units are planned or under construction in the market. Since 2000, the conversion of existing single-family homes to rental units has occurred at a rate of approximately 90 units a year. See Figure 13 for information on multifamily building permit activity in the Southern Indiana submarket from 1990 through September 2006.

Figure 12. Rental Vacancy Rates in the Southern Indiana Submarket, 1990 to Current



Sources: 1990 and 2000—U.S. Census; current—estimates by analyst

Figure 13. Multifamily Building Permits Issued in the Southern Indiana Submarket, 1990 to 2006



Notes: Includes all multifamily units in structures with two or more units. Includes data through September 2006.

Source: U.S. Census Bureau, Building Permits Survey

The inventory of project-based rental assistance housing funded by HUD programs in the Southern Indiana submarket totals 1,160; of these units, 460 are for families and 700 are for seniors and people with disabilities. Four local housing authorities and a community action organization administer about 975 Section 8 vouchers in the submarket. Approximately one-third of these vouchers are leased to seniors or people with disabilities. Three of the four housing authorities also operate about 1,700 conventional public housing units. The submarket has 60 units of USDA Rural Development multifamily rental housing units, all in Clark County.

Since 1990, tax credit financing has been used to develop rental housing for low-income households in southern Indiana. An estimated 2,000 completed rental units for low-income residents were financed using LIHTCs.

Housing Market Trends

Rental Market—Southern Indiana Submarket Continued

Based on anticipated household growth and current market conditions, estimates indicate a demand for approximately 400 new market-rate, rental housing units during the 3-year forecast period ending October 1, 2009. Table 7 provides

an estimate of the noncumulative distribution of demand for new market-rate rental housing in the Southern Indiana submarket by rent levels and the number of bedrooms per unit.

Table 7. Estimated Demand for New Market-Rate Rental Housing in the Southern Indiana Submarket, October 1, 2006 to October 1, 2009

| 1 Bedroom | | 2 Bedrooms | | 3 or More Bedrooms | |
|-------------------------|-----------------|-------------------------|-----------------|-------------------------|-----------------|
| Monthly Gross Rent (\$) | Units of Demand | Monthly Gross Rent (\$) | Units of Demand | Monthly Gross Rent (\$) | Units of Demand |
| 700 | 140 | 850 | 200 | 1,100 | 60 |
| 750 | 125 | 900 | 175 | 1,150 | 55 |
| 800 | 120 | 950 | 150 | 1,200 | 50 |
| 850 | 100 | 1,000 | 125 | 1,250 | 40 |
| 900 | 90 | 1,050 | 120 | 1,300 | 35 |
| 950 | 80 | 1,100 | 100 | 1,350 | 30 |
| 1,000 | 60 | 1,150 | 90 | 1,400 | 25 |
| 1,100 | 50 | 1,250 | 70 | 1,500 | 20 |
| 1,200 | 40 | 1,350 | 50 | 1,600 | 15 |
| 1,300 and higher | 30 | 1,450 and higher | 30 | 1,700 and higher | 10 |

Notes: Distribution above is noncumulative. Demand shown at any rent represents demand at that level and higher.

Source: Estimates by analyst

Data Profiles

Table DP-1. 3 V \ P Z] P S S L / 4 (+ H [H 7 Y V Ä S L [V * \ Y Y L U [

| | 1990 | 2000 | Current | Average Annual Change (%) | |
|---------------------------|---------|---------|-----------|---------------------------|-----------------|
| | | | | 1990 to 2000 | 2000 to Current |
| Total Resident Employment | 448,997 | 491,010 | 482,900 | 0.9 | -0.3 |
| Unemployment Rate (%) | 5.2 | 3.6 | 5.8 | | |
| Covered Employment | 437,846 | 530,442 | 527,400 | 1.9 | -0.1 |
| Total Population | 897,948 | 968,313 | 1,007,738 | 0.8 | 0.6 |
| Total Households | 348,153 | 390,301 | 418,600 | 1.1 | 1.1 |
| Owner Households | 232,780 | 264,986 | 291,100 | 1.3 | 1.5 |
| Percent Owner (%) | 66.9 | 67.9 | 69.5 | | |
| Renter Households | 115,373 | 125,315 | 127,500 | 0.8 | 0.3 |
| Percent Renter (%) | 33.1 | 32.1 | 30.5 | | |
| Total Housing Units | 370,960 | 414,800 | 449,875 | 1.1 | 1.3 |
| Owner Vacancy Rate (%) | 1.5 | 1.5 | 2.0 | | |
| Rental Vacancy Rate (%) | 7.9 | 7.5 | 8.8 | | |
| Median Family Income | NA | NA | NA | | |

NA = data are not available.

Sources: U.S. Bureau of Labor Statistics; U.S. Census Bureau; U.S. Department of Housing and Urban Development; analyst estimates

Table DP-2. 2 LU[\JR` : \ITHYRL[+ 1990 to Current 7 YV Ä S L

| | 1990 | 2000 | Current | Average Annual Change (%) | |
|-------------------------|---------|---------|---------|---------------------------|-----------------|
| | | | | 1990 to 2000 | 2000 to Current |
| Total Population | 745,767 | 801,018 | 831,535 | 0.7 | 0.6 |
| Total Households | 290,776 | 324,039 | 346,000 | 1.1 | 1.0 |
| Owner Households | 192,737 | 217,908 | 237,900 | 1.2 | 1.4 |
| Percent Owner (%) | 66.3 | 67.2 | 68.8 | | |
| Rental Households | 98,039 | 106,131 | 108,100 | 0.8 | 0.3 |
| Percent Renter (%) | 33.7 | 32.8 | 31.2 | | |
| Total Housing Units | 310,409 | 344,536 | 372,000 | 1.0 | 1.2 |
| Owner Vacancy Rate (%) | 1.5 | 1.4 | 2.0 | | |
| Rental Vacancy Rate (%) | 7.9 | 7.5 | 8.8 | | |
| Median Family Income | NA | NA | NA | | |

NA = data are not available.

Sources: U.S. Bureau of Labor Statistics; U.S. Census Bureau; U.S. Department of Housing and Urban Development; analyst estimates

Table DP-3. : V[\OLYU 0UKPHUH : \ITHYRL[+ 1990 to Current 7 YV Ä S L

| | 1990 | 2000 | Current | Average Annual Change (%) | |
|-------------------------|---------|---------|---------|---------------------------|-----------------|
| | | | | 1990 to 2000 | 2000 to Current |
| Total Population | 152,181 | 167,295 | 176,203 | 1.0 | 0.8 |
| Total Households | 57,377 | 66,262 | 72,600 | 1.5 | 1.4 |
| Owner Households | 40,043 | 47,078 | 53,200 | 1.6 | 1.9 |
| Percent Owner (%) | 69.8 | 71.0 | 73.3 | | |
| Rental Households | 17,334 | 19,184 | 19,400 | 1.0 | 0.2 |
| Percent Renter (%) | 30.2 | 29.0 | 26.7 | | |
| Total Housing Units | 60,551 | 70,264 | 77,875 | 1.5 | 1.6 |
| Owner Vacancy Rate (%) | 1.4 | 1.6 | 2.0 | | |
| Rental Vacancy Rate (%) | 7.3 | 7.6 | 8.8 | | |
| Median Family Income | NA | NA | NA | | |

NA = data are not available.

Sources: U.S. Bureau of Labor Statistics; U.S. Census Bureau; U.S. Department of Housing and Urban Development; analyst estimates

Data Definitions and Sources

1990: 4/1/1990—U.S. Decennial Census

2000: 4/1/2000—U.S. Decennial Census

Current date: 10/1/2006—Analyst's estimates

Forecast period: 10/1/2006–10/1/2009—
Analyst's estimates

Demand: The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

For additional data pertaining to the housing market for this HMA, go to http://www.huduser.org/publications/pdf/CMARtables_LouisvilleKY-IN.pdf.

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This analysis has been prepared for the assistance and guidance of the U.S. Department of Housing and Urban Development (HUD) in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD wishes to express its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to
www.huduser.org/publications/econdev/mkt_analysis.html.