

COMPREHENSIVE HOUSING STRATEGY REPORT

MADISON, IN



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An aerial photograph of a suburban neighborhood. The image shows several houses with varying roof colors (brown, grey, blue) and green lawns. A central road or driveway curves through the middle of the frame. There are many trees, some with yellow and orange autumn foliage. A large, light grey rectangular box is superimposed over the bottom half of the image, containing the title and a paragraph of text.

WHAT TO EXPECT

This report provides a detailed overview of the housing market and economic conditions in Madison, Indiana. It is based on data from market studies, real estate listings, rental data, employment statistics, and local demographic trends. The primary goal of this report is to offer a clear understanding of the community's current housing landscape and the factors shaping it.

EXECUTIVE SUMMARY

HOUSING MARKET OVERVIEW

As of 2024, the median sale prices for single-family homes in Madison vary based on the neighborhood and property characteristics. Rental properties, including multi-family complexes and single-family rentals, offer varying price points. Homes priced below \$300,000, particularly in downtown Madison, tend to sell within 30 to 45 days, while high-end properties (over \$500,000) typically remain on the market for 60 to 90 days. Due to the shortage of rental housing, some apartment complexes have waiting lists of 3 to 6 months for affordable units. Additionally, Madison has challenges with limited property within city limits available for development, the desire for farmland preservation with property adjacent to the city limits, and high initial property costs. The community also has a unique market, given the historic downtown district and the suburban hilltop, which will need different and unique solutions.

MAJOR EMPLOYERS

Key employers in Madison, like King's Daughters' Health, Arvin Sango, Inc., Madison Consolidated Schools and SuperATV, contribute to the housing market demand.

KEY NEIGHBORHOODS + HOUSING

Downtown Madison is known for its historic charm, attracting retirees and professionals. Homes range between \$275,000 and \$749,500. North Madison, a suburban region with larger lot sizes and more affordable housing options, ranging from \$159,900 to \$325,000. Madison Estates, a manufactured home community with three-bedroom rentals starting at \$1,045.

MARKET DYNAMICS

Madison faces a significant shortage of affordable housing, especially for households earning below 60% of Area Median Income (AMI). Demand for affordable rental units far exceeds supply. Madison's historic appeal, proximity to Louisville, and local employment opportunities are attracting retirees and young professionals, exacerbating housing demand, particularly for rentals.

EXECUTIVE SUMMARY

HISTORICAL CONTEXT

Madison's preservation of 19th-century architecture and strategic location on the Ohio River has made it a significant tourism and historical destination, which in turn impacts property values and housing affordability.

OPPORTUNITIES AND CHALLENGES

Madison has the potential to address housing shortages and cater to different income brackets. Key challenges include a lack of affordable housing, increased property values due to downtown revitalization, and shortage of workforce housing for employees in manufacturing and healthcare sectors.

STRATEGIC RECOMMENDATIONS

To address these challenges, several strategies are recommended:

1. Increase affordable rental housing through public-private partnerships.
 2. Expand down payment assistance programs to help families transition to homeownership.
 3. Develop mixed-use housing that integrates retail, public spaces, and residential units to appeal to both professionals and retirees.
 4. Leverage existing state programs, such as the state bond bank loan program and residential TIF, to help fill the gaps in development costs.
 5. Develop on the hilltop, mixed-income, walkable, mixed unit type neighborhoods that will impact the diverse set of needs
 6. Consider expanding the existing PACE program to help jump-start 2/3 story housing for more affordable units downtown.
 7. Work to develop attractive and accessible new development and infill products downtown to provide options for retirees as they look to live in the desirable location
- Leverage employer partnerships for bulk housing purchases, stabilizing the workforce housing market.



The successful execution of the strategies outlined in this report will require collaboration between developers, local government, and community stakeholders to ensure Madison's housing market can meet its diverse population's needs.

EXISTING CONDITIONS

This section provides an overview of the current housing market and economic conditions in Madison, Indiana. It is based on data from market studies, recent listings, rental data, employment information, and local demographic trends. The goal of this section is to provide a clear picture of the community's present state and the factors that have shaped it.

HOUSING MARKET OVERVIEW

* **MEDIAN SALE PRICES**

As of 2024, the median sale price for single-family homes in the Madison Study Area varies by neighborhood and home features. Downtown Madison resale homes range from \$235,000 to over \$625,000, with prices per square foot between \$129 and \$336 depending on the home's age, location, and size. In North Madison, resale homes are listed between \$159,900 and \$325,000, with prices per square foot from \$84 to \$188. New construction homes are priced higher, typically listed at \$255 per square foot due to modern materials and energy-efficient designs.

* **DAYS ON MARKET**

The average time single-family homes stay on the market in Madison varies by price and neighborhood. Homes under \$300,000, especially downtown, usually sell within 30 to 45 days. Higher-end homes priced at \$500,000 or more tend to take longer, staying on the market for 60 to 90 days due to a smaller pool of buyers.

* **RENTAL RATES**

Madison's rental market includes both apartment complexes and single-family homes. As of mid-2024, 2-bedroom apartments in the city range from \$1,045 to \$1,600, averaging about \$1.04 per square foot. Higher-end rentals, like renovated downtown triplexes, can reach \$1,600 for 1,100 square feet. Manufactured homes in nearby areas offer more affordable options, with 3-bedroom units starting at \$1,045.

* **RENTAL APARTMENT WAITING LISTS**

Due to a shortage of affordable rental housing, complexes like Madison Estates report waiting lists of 3 to 6 months. Property managers say the high demand from young professionals and retirees is increasing wait times and driving up rents.



MAJOR EMPLOYERS

Madison's economy is supported by a mix of manufacturing, healthcare, education, and service-sector jobs. Key employers include:

- ♦ **King's Daughters' Health:** The largest healthcare provider in Jefferson County, employing over 900 staff. Healthcare remains a major economic driver in the region, and many employees seek housing in Madison.
- ♦ **Arvin Sango, Inc.:** An automotive parts manufacturer employing more than 450 people in Madison. The company's consistent demand for labor supports workforce housing needs.
- ♦ **Madison Consolidated Schools:** The local school district is another top employer, with nearly 600 employees spread across multiple educational facilities.
- ♦ **SuperATV:** An aftermarket parts manufacturer and retailer that has been expanding operations in the area, further boosting the local labor market.
- ♦ **Tourism and Hospitality:** Madison's historic downtown and riverfront attract tourists, supporting a network of hotels, restaurants, and small businesses that contribute significantly to the local economy.

HIGHLIGHTED NEIGHBORHOODS + APARTMENT COMPLEXES

DOWNTOWN MADISON

- Known for its historic charm, downtown Madison has a mix of beautifully restored homes and newer townhomes, desirable for singles, couples and families. The area also attracts retirees and professionals seeking walkability, proximity to shops, restaurants, and the riverfront.
- Key properties include West Main Street townhomes, where prices range from \$275,000 to \$749,500 for homes with 2-4 bedrooms.

NORTH MADISON

- A more suburban area with larger lot sizes and single-family homes. North Madison offers more affordable housing options for families and first-time homebuyers.
- Typical homes in North Madison are listed between \$159,900 and \$325,000, making it one of the more affordable areas for younger families.



MADISON ESTATES

A manufactured home community offering more affordable rental options. Rent starts at \$1,045 for a 3-bedroom unit, catering to both young families and retirees looking for affordable living close to amenities.

MADISON APARTMENTS + MULTI-FAMILY HOUSING

Multi-family units, particularly along Walnut Street and surrounding downtown areas, have seen high demand due to their proximity to Madison's retail and employment centers. Rental prices range from \$1,045 to \$1,600 for renovated 2-3 bedroom units.

KEY MARKET DYNAMICS

AFFORDABLE HOUSING SHORTAGE

- * There is a significant shortage of affordable housing, especially for families earning below 60% of the Area Median Income (AMI). The city has started to address this by partnering with Winterwood Development for the new residences at Sunrise Crossing.
- * Madison's affordable rental units and DPA programs are oversubscribed, with growing waiting lists and rising rents, making it difficult for lower-income residents to find stable housing.

INCREASING DEMAND FROM RETIREES AND PROFESSIONALS

- * Madison's proximity to Louisville, KY, and its reputation as a scenic, historical city have attracted empty nesters and retirees looking for smaller homes or luxury rentals.
- * The influx of younger professionals due to local manufacturing and healthcare jobs is further straining the already tight housing market, particularly in rental units.

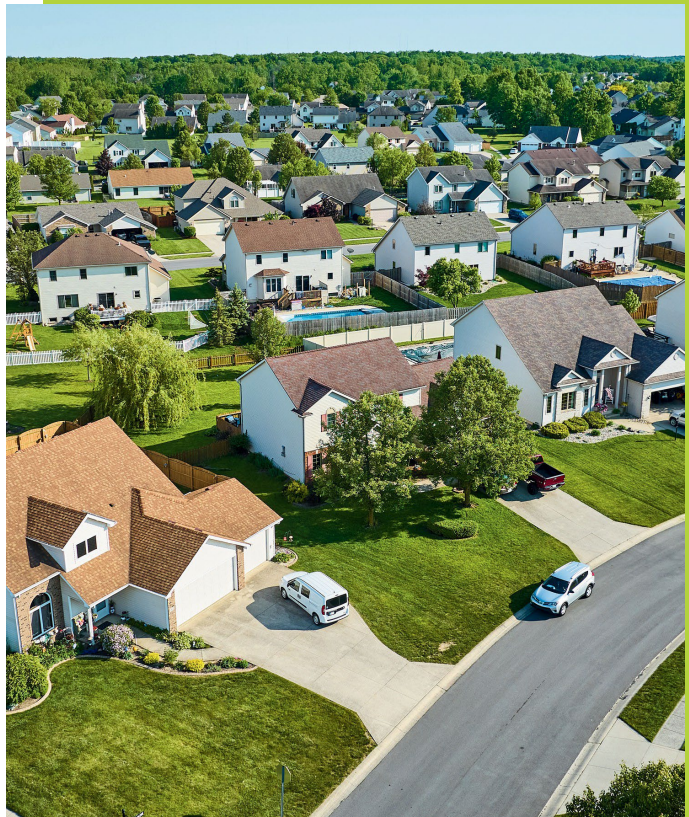
TOURISM AND REVITALIZATION

- * The historic charm of Madison's downtown has led to significant investments in revitalizing older buildings into high-end residential properties, catering primarily to second-home buyers, retirees, and short-term rentals for tourists.
- * Tourism-related development has revitalized the downtown area but has also increased property values, making housing less affordable for long-term residents.

HISTORICAL CONTEXT + DEVELOPMENT TRENDS

Historical Significance

- ◆ Madison's well-preserved 19th-century architecture and location on the Ohio River have historically made it an important trade hub. In recent decades, it has leveraged this heritage to become a tourism destination.
- ◆ The city's downtown revitalization initiatives, combined with state and federal historic preservation grants, have restored many historic properties. Nonetheless, the downtown still has pockets of undervalued structures that could support housing and potential infill sites.



Recent Housing Development Trends

- ◆ In the last five years, Madison has seen a shift towards higher-end developments, including historic building renovations and newly built single-family homes in suburban neighborhoods. However, the availability of affordable housing has not kept pace with demand, particularly for the workforce in manufacturing and healthcare.
- ◆ Short term rentals, second homes, and retirees living in larger homes has reduced the ability for family to reside in the city's downtown.
- ◆ The city has also seen an increase in short-term rental properties, which further exacerbates the housing shortage for permanent residents.

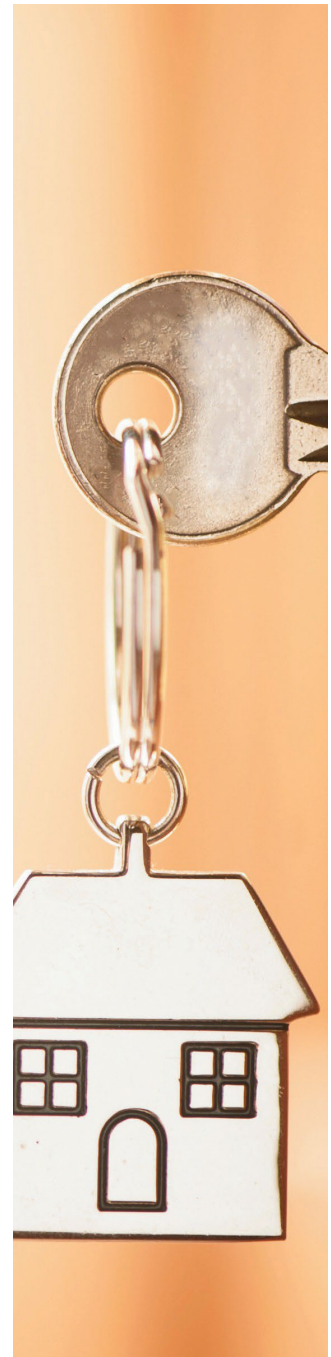
OPPORTUNITIES

- There is significant pent-up demand for affordable rental housing and entry-level homeownership options, particularly for those earning below 80% of the AMI.
- Mixed-use developments that integrate retail, residential, and public spaces could cater to both younger professionals and retirees, offering flexible living options close to downtown amenities.
- Madison's tourism appeal continues to boost demand for high-end homes and short-term rentals, offering potential growth in this niche market.

CHALLENGES

- The rising cost of living and limited availability of affordable units could push out long-term residents, particularly those in lower income brackets.
- Workforce housing shortages are becoming more acute as the manufacturing and healthcare sectors grow, with employees struggling to find housing within commuting distance.

To address these challenges, targeted efforts in affordable housing development, stakeholder engagement, and strategic use of public-private partnerships will be essential in ensuring Madison's housing market remains accessible and sustainable for all residents.





HOUSING MARKET POTENTIAL ANALYSIS REPORT

This section offers a detailed housing strategy based on the analysis of housing market potential in the Madison Study Area, Jefferson County, Indiana, using data from the provided reports from Zimmerman Volk Associates, the H.O.M.E. Method framework, and local housing conditions.

MARKET POTENTIAL

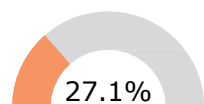
According to the 2024 study for the Madison Study Area, approximately 1,200 households are projected to move within or into the Madison area annually over the next five years. These households have diverse housing preferences and incomes, providing a broad base of demand for new and existing housing options.

Annual Market Potential by Income Segment

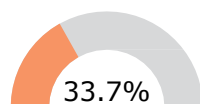
Income	# of Households
Below 30% AMI	218 households
30% - 60% AMI	198 households
60% - 80% AMI	133 households
80% - 100% AMI	76 households
Above 100% AMI	575 households

The study shows that almost 48% of potential movers have incomes above 100% of the Area Median Income (AMI), with a considerable demand for affordable housing solutions across all income ranges.

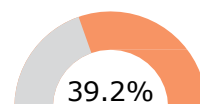
Top Performing Content Types:



**Empty
Nesters**



**Traditional and
Non-traditional
Families**



**Younger Singles
and Couples**

HOUSING TYPES + UNIT PREFERENCES



Based on the preferences and income data, the annual demand for housing types in the Madison area breaks down as follows:

Engagement Metrics



Multi-Family for Rent
464 units annually



Multi-Family for Sale
97 units annually



Single Family Attached for Sale
151 units annually



Single Family Detached for Sale
488 units annually

The housing market should focus on expanding multi-family for-rent and single-family detached homes to meet the largest segments of demand.



Strategic Housing Recommendations

01.

Affordable Housing Solutions

Given the strong demand across all income groups, particularly for those earning below 60% AMI, Madison should focus on increasing the stock of affordable rental housing. The following strategies can be considered:

- ♦ Public-Private Partnerships (PPP): Collaborate with local developers to create affordable units using Capital Stacking techniques (grants, tax credits, private investment).
- ♦ Down Payment Assistance Programs (DPA): Leverage local employer contributions and state incentives to help moderate-income families transition to homeownership.

02.

Bulk Purchase Programs

To increase efficiency and reduce costs, the Bulk Purchase Program should be introduced to Madison, allowing large employers, like the healthcare and manufacturing sectors, to acquire housing for employees at discounted rates. This could mitigate workforce housing shortages and stabilize the housing market.

03.

High-Density, Quality Housing

- ♦ Multi-family developments should focus on high-quality density, using designs that maintain Madison's historic charm but accommodate more households. Existing properties, like the multi-family rental units in Jefferson County, offer templates for renovation and expansion.
- ♦ Mixed-use developments that combine residential units with retail or office space can revitalize underused downtown areas, attracting younger professionals and retirees.

PROJECTED OUTCOMES

The implementation of these strategies is expected to:

- Increase housing affordability for households earning below 80% AMI by leveraging innovative financing tools like DPA and capital stacking.
- Expand housing stock with a focus on mixed-use, multi-family, and single-family detached homes, addressing the varied needs of different demographic groups.
- Strengthen local economic growth by ensuring that affordable, quality housing is available for workers across income levels, thus supporting local businesses.

Following the H.O.M.E. Method process, Madison should prioritize:

Recommendations

- 1 Community Consultation: Engage local stakeholders to refine housing needs and preferences.
- 2 Developer Partnerships: Identify qualified developers to lead the expansion of affordable and market-rate housing.
- 3 Financial Structuring: Develop a robust financial plan, securing grants, subsidies, and private investments to bridge funding gaps.
- 4 Phased Implementation: Initiate development in phases, starting with high-demand rental units, followed by single-family homes.



COMPARISON OF MADISON, INDIANA'S CURRENT HOUSING MARKET VS. MARKET POTENTIAL

Madison, Indiana, is currently facing a complex housing market scenario, characterized by increasing demand, a shortage of affordable housing, and economic growth driven by key employers. However, the community has untapped potential, which can be harnessed to address the housing shortages, support economic development, and create long-term financial benefits. Below, we compare the current state of the market with the potential outlined by Zimmerman/Volk Associates (ZVA) and suggest how targeted interventions could yield high returns for the community.

MADISON'S CURRENT HOUSING MARKET VS. MARKET POTENTIAL

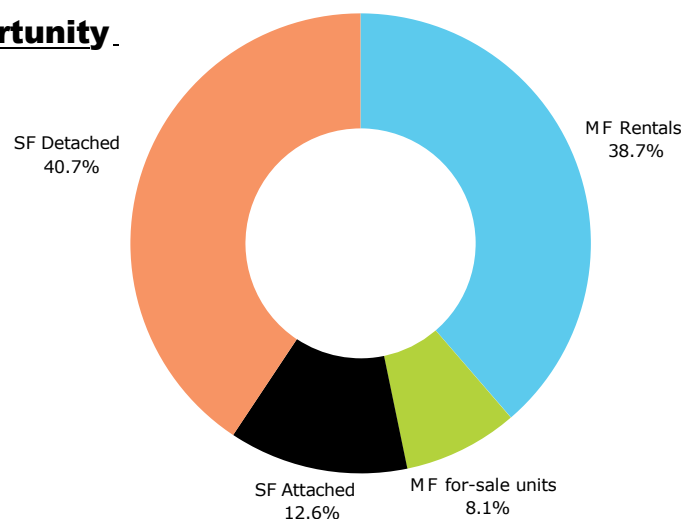
Current Market Conditions: A Shortage of Affordable Housing

Key Issues:

- **Housing Supply-Demand Mismatch:** The median home prices in downtown Madison range between \$235,000 and \$625,000, with homes often staying on the market for 60-90 days. However, new home construction is slow, and affordable housing options are limited, especially for households earning below 80% of AMI.
- **Rising Rental Costs:** With average rents for multi-family units at around \$1,045 to \$1,600 per month, many residents are being priced out of the rental market. Additionally, rental apartment waiting lists are long, with some properties reporting 3 to 6-month wait times.
- **Workforce Housing Gap:** Despite the presence of major employers like King's Daughters' Health and Arvin Sango, Inc., many workers struggle to find housing within Madison due to affordability constraints. This forces them to commute from farther distances, limiting their connection to the community and increasing living expenses.
- **Community Resistance (NIMBY):** There is resistance to new housing developments, particularly higher-density affordable housing, due to NIMBYism (Not In My Backyard). Community members fear that affordable or multi-family housing may negatively impact property values or the character of the area.

Market Potential: Madison's Growth Opportunity

According to ZVA, Madison has the potential to meet the demand for 1,200 new households annually across all income levels over the next five years, indicating strong potential demand, especially for multi-family rental housing, driven by younger singles, couples, and retirees. The distribution of demand is displayed to the right.



COMPARISON, CONT'D.

The Benefits of Action: Transforming Potential into Demand

To unlock Madison's housing potential, community leaders must act by implementing strategic housing programs that will address affordability issues, support economic growth, and generate long-term returns.

A. Addressing the Affordable Housing Crisis

Current State: Madison's existing affordable housing stock is limited, with lower-income households and even middle-income families finding it difficult to secure suitable housing.

ZVA Potential: By expanding the supply of multi-family rental units and entry-level homes, Madison can meet the needs of its growing population and workforce. This would ease pressure on the rental market, reduce waiting lists, and stabilize rents.

ROI for the Community:

- **Increased Property Tax Revenue:** Expanding the housing supply, particularly through multi-family developments, would generate new property tax revenue. Even modest rental properties can contribute significantly to the tax base, supporting public services like schools, roads, and emergency services.
- **Employer Retention:** Offering workforce housing reduces commute times, increases employee satisfaction, and can help local employers retain staff, reducing turnover costs and boosting local spending.
- **Preventing Population Decline:** By providing affordable housing, Madison can attract younger residents and families who contribute to long-term economic vitality.

B. Attracting and Retaining Key Demographics

Current State: The housing market is not well-suited to younger professionals or retirees, who make up significant portions of the potential market. High home prices and rising rents are pushing out these demographics, despite the demand for smaller, lower-maintenance housing.

ZVA Potential: The demand for multi-family for-sale units (97 units annually) and single-family attached homes (151 units annually) is largely driven by these groups. Younger professionals seek affordable condos or townhomes close to employment centers, while empty nesters and retirees look for downsized homes that require less maintenance.

ROI for the Community:

- **Economic Growth:** Younger residents and retirees often have disposable income, which they spend on local services, entertainment, and dining. Increasing their numbers would boost small businesses and local tourism.
- **Sustaining the Local Workforce:** By catering to professionals, Madison can ensure a stable workforce, particularly for healthcare and manufacturing sectors.
- **Long-Term Property Value Stability:** With an influx of younger buyers and retirees, property values are likely to stabilize and grow as demand remains strong, benefiting current homeowners without dramatic price inflation.

COMPARISON, CONT'D.

C. Leveraging the Bulk Purchase Program for Employer-Driven Housing

Current State: Madison's employers, particularly in healthcare and manufacturing, are growing, but they struggle to house employees within the community. This leads to high turnover rates and increased commuter traffic.

ZVA Potential: Partnering with local employers through a Bulk Purchase Program allows companies to invest in housing for their employees, securing affordable homes at scale.

ROI for the Community:

- Immediate Capital Inflow: Bulk purchases generate immediate capital for developers, reducing reliance on traditional financing and allowing for faster project completion.
- Reduced Employee Turnover: By providing affordable housing near workplaces, employers would reduce turnover, and the community would benefit from more stable, long-term residents.
- Strengthened Economic Base: Stable housing supports a stable workforce, which in turn bolsters local businesses, schools, and services.

Overcoming NIMBY Resistance: The Financial and Social Benefits

Community leaders may face pushback from residents who are resistant to new housing developments, particularly affordable or high-density housing. However, the benefits far outweigh the potential downsides, especially when presented through the lens of financial stability and long-term community sustainability.

Key Arguments to Address NIMBY Concerns:

- Rising Property Values: Well-managed housing developments, particularly mixed-use and mixed-income projects, can increase overall property values. Cities that have embraced diverse housing options, like nearby Louisville, have seen enhanced neighborhood appeal and rising home values as a result of improved infrastructure and community amenities.
- Enhanced Public Services: New housing brings in more tax revenue, which funds schools, emergency services, and infrastructure upgrades. Communities with strong public services attract more residents, leading to long-term growth.
- Preserving Madison's Character: By carefully designing new housing to fit the historic and aesthetic values of Madison (e.g., through high-quality density projects), the city can maintain its charm while still addressing the need for more housing. Mixed-use developments, for example, could combine retail and residential spaces, enhancing community vibrancy.

Conclusion: Taking Action for Madison's Future

Madison is at a critical juncture. The housing shortages and rising costs, if left unchecked, will push out essential workers, young professionals, and retirees, leading to stagnation. However, by leveraging the market potential outlined by ZVA and implementing targeted housing programs, Madison can transform its housing landscape, ensuring long-term financial and social benefits.

ROI Projections:

- Increased property tax revenues from new developments.
- Lower employee turnover and higher local business revenues.
- A thriving, multi-generational community that supports local economic growth.

By taking decisive action now, Madison can secure its place as a growing, vibrant community where people want to live, work, and invest for generations to come.

KEY IMPACTS OF THIS DYNAMIC

HOUSING BOTTLENECK

- ♦ Residents who would typically move into larger or newer homes are staying in their current, more affordable units because they have few options that meet their desires for higher-end living, whether in terms of space, quality, or location.
- ♦ This bottleneck keeps affordable homes off the market, making it harder for younger families, first-time buyers, or lower-income households to find suitable housing.

MISALLOCATION OF HOUSING STOCK

- ♦ Madison's existing stock of more affordable housing is being occupied by households that could afford more expensive options, effectively misallocating the housing supply.
- ♦ Without sufficient new housing developments, the market can't "free up" older, more affordable units for those who truly need them.

LIMITED ECONOMIC MOBILITY

- ♦ A lack of diverse housing options limits economic mobility within the community. Households ready to invest in higher-priced homes may look outside of Madison if local options are unavailable, which drains economic potential from the city and could lead to outmigration.
- ♦ For those trying to enter the market, this dynamic keeps entry-level homes out of reach, pushing them into higher rents or forcing them to seek housing in less desirable areas.

ADDRESSING THE PROBLEM: BUILDING A FULL SPECTRUM OF HOUSING

To resolve this issue, Madison must focus on creating housing for all stages of life and income levels, particularly more expensive, higher-end housing that can induce movement within the market. Here are some strategic recommendations:

Build More High-End Housing

- Luxury single-family homes and high-quality and accessible townhomes or condos, especially in the downtown, are necessary to meet the demands of households seeking to move up the housing ladder.
- By offering larger homes with modern amenities or homes in prime locations (such as downtown or waterfront properties), Madison can encourage households that are currently staying in their affordable homes to upgrade.
- Upscale multi-family developments or mixed-use projects (integrating retail, office space, and luxury apartments) in downtown areas could attract wealthier households, freeing up affordable units for those who need them.

Encourage Mixed-Income Development

- By incentivizing developers to build mixed-income projects, the city can ensure that a portion of units remain affordable, while the rest cater to higher-income buyers. This strategy maintains a balance between providing homes for wealthier residents and ensuring that affordable options, in a more walkable development, remain available.
- Madison can explore inclusionary zoning or offer tax abatements, density bonuses, or other incentives to encourage mixed-income developments. This could encourage the private sector to deliver both higher-end and affordable units.

Focus on “Move-Up” Housing

- Madison’s focus should be on “move-up” housing: homes that provide an incremental step between entry-level affordable homes and luxury properties. These could be moderately priced single-family homes or townhomes with upgraded finishes or larger lot sizes but still within reach of middle-income earners.
- This would attract current homeowners looking for a step up but keep them within the community, freeing up more affordable homes for new buyers or renters.

EXAMPLES OF CHANGE: HOW THIS CAN SHIFT MARKET DYNAMICS OF HOUSING

To resolve this issue, Madison must focus on creating housing for all stages of life and income levels, particularly more expensive, higher-end housing that can induce movement within the market. Here are some strategic recommendations:

Increased Housing Mobility

- If more high-end and move-up housing becomes available, wealthier and middle-income residents will relocate, freeing up their current, more affordable homes and rental units for lower-income families or new residents.
- Example #1: In a new mixed-income neighborhood, a starter-home couple or family could move up into a moderate-priced home without losing their community friends and relationships.
- Example #2: A retiree or second homeowner in a 3-5 bedroom home may choose to move into a townhouse, condominium, or high-quality rental, making room for families to move into downtown.

Strengthened Economic Growth

- By keeping higher-income residents within Madison, the city benefits from increased property tax revenues and local spending. These higher-income households contribute more in taxes, which can fund public services, infrastructure, and schools.
- Example: Developing a new luxury townhouse complex in downtown Madison could increase local tax revenue significantly, funds that could be reinvested in parks, roads, and public amenities, making it more attractive overall.

Reduced Pressure on Affordable Housing

- As higher-income residents move into newer, more expensive housing, pressure on affordable housing decreases, allowing these units to become available for those truly in need of low-cost options, such as young families, essential workers, or retirees on fixed incomes.
- Example: A local teacher or nurse could finally move into a 2-bedroom rental unit downtown, which had previously been occupied by a higher-income family.

RETURN ON INVESTMENT (ROI) FOR THE COMMUNITY

Investing in a broader spectrum of housing options, particularly more expensive homes, will result in several long-term benefits for Madison:

Higher Property Values

- Building more luxury or move-up housing will raise the overall property values in the community. This helps existing homeowners build equity and creates a stronger tax base, which benefits public services and infrastructure investments.

Increased Public Revenue

- With new higher-end developments, property taxes and development fees will generate immediate revenue for Madison. These funds can be used to improve public services, invest in schools, and enhance local infrastructure, which will further attract residents and businesses.

Boost to Local Economy

- With more housing options, Madison will retain more residents who may otherwise leave in search of better homes elsewhere. Retaining these residents means their spending remains local, benefiting small businesses, restaurants, and service providers.
- Additionally, as new residents move into affordable homes that were vacated, their consumer spending will further stimulate local businesses.

Long-Term Population Growth

- By building a diverse housing supply that caters to all income levels, Madison will become a more attractive destination for new residents, including professionals, families, and retirees. Over time, this population growth will sustain the local economy and help prevent the stagnation that other similarly sized communities face.

CONCLUSION

The current housing situation in Madison—where affordable housing is occupied by higher-income residents who lack options to move into more expensive homes—can be alleviated by expanding the spectrum of available housing, particularly more expensive and move-up options. This will:

- Allow the attraction of talent needed to enhance and grow our workforce continue the positive population growth and enhance the growth of our businesses
- Unlock market fluidity, making affordable homes available to those who need them most.
- Retain high-income earners, boosting local tax revenues and stimulating the economy.
- Provide long-term stability, preventing outmigration and supporting sustainable growth.

Madison's unique position can become a competitive advantage if community leaders take strategic action to address these housing dynamics, ensuring a thriving and diverse housing market that benefits everyone.



Reaching the Market Potential

To effectively reach the individuals and families identified in the market potential analysis, Madison needs a targeted, multi-faceted outreach strategy that considers the mobility patterns, preferences, and specific needs of the different demographic groups. The goal is to ensure that each target group—whether they are local movers or individuals from nearby areas—feels that Madison offers the housing, lifestyle, and economic opportunities they seek. Below is a recommended strategy based on the market potential analysis.

01.

Understanding Mobility Patterns and Preferences

According to the ZVA market potential analysis, Madison can attract a range of individuals and families with different mobility patterns:

- **Empty Nesters & Retirees (27.1%):** These households may move locally or from neighboring counties, drawn by downsizing opportunities, low-maintenance homes, and community amenities.
- **Traditional & Non-Traditional Families (33.7%):** Many are already in the region, looking for larger homes to accommodate growing families.
- **Younger Singles & Couples (39.2%):** More likely to move for work or lifestyle reasons, this group values proximity to employment hubs, rental options, and entertainment.

The strategy must align with these mobility motivations: proximity to employment, family growth, downsizing needs, and lifestyle preferences.



Reaching the Market Potential

02.

Outreach Strategy by Demographic Group

A. Reaching Empty Nesters & Retirees

Target Group: Older adults, typically looking for low-maintenance housing (e.g., condos, townhomes) with proximity to healthcare, amenities, and social activities.

Key Mobility Patterns:

- ♦ Local or regional movers, often from rural areas or small towns within Jefferson County or neighboring counties.
- ♦ Attracted to downsizing opportunities, low taxes, and proximity to services.

Outreach Tactics:

- 1. Leverage Healthcare Networks:** Partner with local healthcare providers like King's Daughters' Health to promote housing options to retirees. Healthcare facilities can distribute brochures and host housing seminars focused on age-friendly developments.
- 2. Retirement Planning Seminars:** Host informational sessions on downsizing, financial planning for retirement, and the benefits of moving into smaller, more manageable homes within Madison.
- 3. Digital and Print Marketing:** Create targeted ad campaigns on social media platforms like Facebook, which is heavily used by older demographics. Ads should highlight Madison's affordability, accessibility to healthcare, and community activities.
- 4. Local Newspaper Features:** Place features in local and regional newspapers, showcasing real estate developments, available homes, and the benefits of moving to Madison (low cost of living, scenic beauty, historic charm).



Reaching the Market Potential

02.

Outreach Strategy by Demographic Group, Cont'd.

B. Engaging Traditional & Non-Traditional Families

Target Group: Families looking to move into larger homes, with a focus on good schools, safe neighborhoods, and community amenities.

Key Mobility Patterns:

- ◆ Primarily local or regional movers seeking to upgrade their living conditions.
- ◆ Families may already live in more affordable units in Madison but are ready to move to larger, newer homes.

Outreach Tactics:

- 1. School-Based Marketing:** Madison's schools are critical selling points for families. Engage with the Madison Consolidated School District to promote family-friendly housing options at school events, through parent newsletters, and on the school district's website.
- 2. Employer Partnerships for Relocation:** Engage local major employers like Arvin Sango and Madison Consolidated Schools to market housing opportunities directly to their employees, particularly those seeking larger homes for growing families. Highlight workforce housing incentives or down payment assistance programs.
- 3. Local Real Estate Agents:** Real estate agents are a powerful channel for families. Create co-branded campaigns with local realtors focused on highlighting available "move-up" housing, offering agents a toolkit to sell Madison's family-friendly lifestyle.
- 4. Community Events:** Host family-focused open houses or weekend tours of newly developed or planned neighborhoods. Offer family-oriented incentives such as free playground memberships or discount vouchers for local businesses.



Reaching the Market Potential

2.

Outreach Strategy by Demographic Group, Cont'd.

C. Attracting Younger Singles & Couples

Target Group: Millennials and Gen Z individuals, typically seeking rental housing or entry-level homeownership, and drawn by lifestyle, work opportunities, and affordability.

Key Mobility Patterns:

- This group is more likely to be moving for job opportunities and lifestyle reasons. They value proximity to work, entertainment, and social activities. Many are renters or first-time homebuyers coming from nearby cities, including Louisville, KY, or other parts of Jefferson County.

Outreach Tactics:

- 1. Social Media & Digital Campaigns:** Use Instagram, TikTok, and LinkedIn to promote Madison as a cool, affordable alternative to bigger cities. Highlight its proximity to Louisville and flexible housing options like rental apartments and townhomes.
- 2. Employer-Led Campaigns:** Partner with local employers, especially in healthcare and manufacturing, to offer housing as part of relocation or recruitment packages. Promote rental and homebuyer incentives through these networks.
- 3. Promote the Downtown Experience:** Showcase Madison's historic downtown, including its restaurants, nightlife, and outdoor activities, like riverfront living, as key lifestyle attractions.
- 4. Flexible Living Options:** Promote housing with amenities like co-working spaces and short-term rentals that cater to mobile professionals, singles, and young couples with work-from-home needs.
- 5. First-Time Buyer Workshops:** Host homebuying workshops (online and in-person) for buyers, focusing on down payment assistance and affordable financing. Partner with real estate agents and lenders for these events.



Reaching the Market Potential

03.

Leverage Regional Mobility Patterns

To maximize Madison's housing potential, the strategy must also consider regional mobility and how to tap into nearby areas:

A. Attracting Movers from Louisville, KY

- **Position Madison as an Affordable Alternative:** Highlight the affordability of housing compared to Louisville, emphasizing that buyers can get more space for their money while still being within commuting distance of a larger city. Madison can attract individuals seeking relief from Louisville's higher costs while still wanting proximity to urban amenities.
- **Promote Commuting Options:** Market Madison as a commuter-friendly location with easy access to major highways leading to Louisville. Consider partnering with local employers to provide transportation subsidies or telecommuting options to entice movers who work remotely part-time.

B. Target Adjacent Rural and Small Town Areas

- **Upsell Quality of Life:** Promote Madison as a hub of activity and convenience for individuals and families moving from smaller rural towns. Focus on the quality of life benefits: access to better schools, healthcare, shopping, and entertainment while maintaining the small town feel they value.



Reaching the Market Potential

04.

Broader Marketing Channels and Strategies

A. Regional and National Exposure

- **Housing Platforms:** List new developments and rental opportunities on platforms like Zillow, Realtor.com, Apartments.com, and Redfin, with targeted ads running in areas where potential movers are likely searching.
- **Targeted Digital Advertising:** Use geo-targeted digital ads to reach prospective movers in Jefferson County and nearby counties in both Indiana and Kentucky. Use search engine optimization (SEO) to ensure Madison's housing options show up when users search for affordable housing near Louisville.

B. Showcase Success Stories

- Highlight testimonials and case studies of families or individuals who have successfully relocated to Madison and found housing. Create video content that can be shared via social media, featuring people who moved to Madison, bought homes, or found rental apartments, and are thriving in the community.

C. Community Engagement and Branding

- Create a branding campaign for Madison as a vibrant, growing community that has both a historic charm and modern living options. Use slogans like "Madison: Where Tradition Meets Opportunity" to appeal to diverse groups, from retirees to young professionals.



Conclusion: Driving Madison's Housing Market

The market potential identified by ZVA can be unlocked with a targeted outreach strategy that speaks to each demographic's unique mobility patterns and housing preferences. Madison's focus should be on leveraging its affordable yet high-quality lifestyle and proximity to employment centers, while also offering housing options that fit various life stages. By creating personalized, digital-first campaigns, leveraging local employers, and enhancing regional connections, Madison can draw in new residents, promote internal housing mobility, and strengthen its economic and social fabric.

HOUSING PRODUCTION STRATEGY

This section outlines a step-by-step approach to implementing the housing strategy in Madison, Indiana. It addresses the gaps identified in the initial report and provides a detailed roadmap for successful execution. Each step is crucial to ensure the project's sustainability, financial feasibility, and alignment with community needs.

1. SITE SELECTION AND LAND USE PLANNING

Objective: Identify and secure high-potential sites for housing development, ensuring regulatory and zoning compliance.

Actions:

- **Site Identification:** Work with local planning agencies to identify underutilized land or redevelopment areas that can accommodate the projected housing demand. Downtown Madison and nearby areas with good access to amenities should be prioritized.
- **Zoning Review:** Review local zoning laws to ensure the selected sites are eligible for the intended housing types (e.g., multi-family, single-family). Propose rezoning or variances where necessary to allow for higher-density, mixed-use developments.
- **Land Acquisition:** Begin negotiations for site acquisition, whether through public-private partnerships (PPP), land swaps, or municipal land banks. Ensure that land use aligns with community goals and future growth.

2. FINANCIAL PROJECTIONS AND FEASIBILITY ANALYSIS

Objective: Create detailed financial models to ensure each development's viability, covering cost estimates, funding sources, and profitability.

Actions:

- **Cost Estimation:** Develop detailed cost breakdowns for land acquisition, pre-development (design, permitting), construction, and marketing. Include contingency funds for unexpected expenses.
- **Funding Strategy:** Implement Capital Stacking, combining grants, tax incentives, private investment, and Down Payment Assistance (DPA) programs. Collaborate with local employers and developers to secure bulk purchases or employer-sponsored housing programs.
- **Proforma Analysis:** Prepare proforma financials for each project type (multi-family rental, single-family homes). These should include cash flow projections, break-even points, and return on investment (ROI) estimates to ensure profitability.

HOUSING PRODUCTION STRATEGY

3. STAKEHOLDER ENGAGEMENT AND PARTNERSHIPS

Objective: Establish collaborative relationships with key stakeholders to foster community buy-in and leverage local resources.

Actions:

- **Community Consultation:** Conduct community meetings, focus groups, and workshops with local residents to gather input on housing preferences, community needs, and design considerations. Ensure transparency throughout the process.
- **Partnership Development:** Formalize relationships with developers, employers, financial institutions, and local government through Memoranda of Understanding (MOUs). Prioritize partnerships that can help close financing gaps and support workforce housing.
- **Public-Private Partnerships (PPP):** Leverage PPPs to reduce the financial burden on the public sector while ensuring the project meets affordability and quality targets. These partnerships should be formalized early in the development process.

4. PHASING AND TIMELINE

Objective: Implement housing developments in phases, ensuring market absorption and minimizing risk.

Actions:

- **Phase 1: Pre-Development (Months 1-6)**
 - Conduct site selection and secure necessary zoning changes or approvals.
 - Finalize partnership agreements with developers and financial institutions.
 - Complete detailed feasibility and proforma analyses for the first phase of development.
- **Phase 2: Initial Development (Months 7-18)**
 - Break ground on the highest-demand housing types (e.g., multi-family rental units).
 - Initiate marketing and pre-sale efforts to secure early buyers or renters.
- **Phase 3: Expansion (Months 19-36)**
 - Roll out the next phase of development, focusing on single-family homes and mixed-use properties based on market absorption rates from the initial phase.
 - Adjust marketing strategies and pricing based on feedback and initial performance.
- **Phase 4: Post-Completion and Monitoring (Months 37 and beyond)**
 - Conduct post-occupancy evaluations and ensure continuous community engagement through homeowner associations (HOAs) and local initiatives.

HOUSING PRODUCTION STRATEGY

5. RISK MANAGEMENT AND CONTINGENCY PLANNING

Objective: Identify potential risks and develop contingency plans to mitigate them.

Actions:

- **Market Risk Mitigation:** Regularly update market studies to ensure housing demand aligns with supply. Be prepared to adjust housing types or pricing to reflect real-time market conditions.
- **Construction Delays:** Work with contractors to set realistic timelines and include buffers in the construction schedule. Have contingency funds ready to cover delays or cost overruns.
- **Financial Shortfalls:** Establish a reserve fund and maintain relationships with lenders to ensure access to additional capital if necessary. Have backup financing plans in place if key investors withdraw or if initial sales are slow.

6. SUSTAINABILITY AND INFRASTRUCTURE INTEGRATION

Objective: Ensure that new developments are environmentally sustainable and supported by adequate infrastructure.

Actions:

- **Green Building Practices:** Implement energy-efficient building designs, including the use of sustainable materials, solar energy options, and energy-efficient appliances.
- **Infrastructure Planning:** Coordinate with local government to ensure roads, public transit, utilities, and services are scaled to meet the needs of new developments. Propose upgrades where necessary, especially for stormwater management and public transportation.
- **Public Spaces and Amenities:** Incorporate green spaces, playgrounds, and community centers to enhance quality of life and encourage community cohesion. Ensure walkability and connectivity to existing neighborhoods.

HOUSING PRODUCTION STRATEGY

7. ECONOMIC IMPACT AND JOB CREATION

Objective: Maximize the economic benefits of the housing projects for the local community.

Actions:

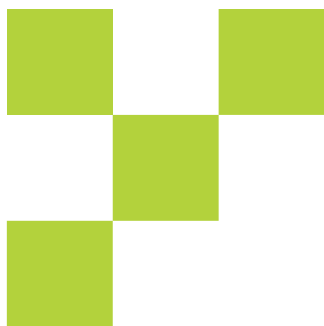
- **Job Creation:** Partner with local contractors and businesses to maximize job creation during the construction phases. Offer workforce training programs to help residents qualify for these jobs.
- **Boosting Local Economy:** By increasing housing availability, Madison can attract new residents, thereby boosting local retail, service businesses, and restaurants. Ensure local business inclusion through community engagement events and partnerships.
- **Tax Revenue and Public Services:** Collaborate with local government to ensure that increased property tax revenues are reinvested into public services like schools, parks, and emergency services to support the growing population.

8. POST-DEVELOPMENT SUPPORT AND MONITORING

Objective: Ensure long-term success through continuous engagement and support for residents and stakeholders.

Actions:

- **Homeowner Support:** Set up Homeowner Associations (HOAs) or community boards to manage properties, maintain public spaces, and resolve community issues. Provide financial literacy and homeownership workshops for new buyers.
- **Ongoing Monitoring:** Implement a system to track project success, including metrics like home sales, rental occupancy rates and economic impact. Regularly adjust development strategies based on this feedback.
- **Post-Occupancy Evaluations:** Conduct surveys with residents to understand their satisfaction with the housing, neighborhood amenities, and overall community integration. Use this data to inform future projects and developments.



MARKETING STRATEGY

ROOTED IN THE ZVA ANALYSIS REPORTS, STRATEGIC CONSULTATIONS, AND LOCAL STAKEHOLDERS

1. Market Segmentation and Key Insights

The Madison Study Area has an annual potential of 1,200 households with the likelihood to move into or within the area, distributed across varying income brackets and housing preferences. This includes:

- 575 households earning over 80% of Area Median Income (AMI) across multi-family and single-family options.
- Significant interest from "Younger Singles & Couples" (45.6%), making them a crucial demographic, especially for affordable and entry-level market-rate housing.



STRATEGIC OBJECTIVES

Objective #1

Focus on providing more multi-family rental units priced at or below \$1,000 per month, ideal for younger, single buyers and low to middle-income families. The ZVA report highlights a need for 464 multi-family rental units with affordable rent.

Objective #2

Engage local employers and foundations to offer down payment assistance (DPA) programs to help first-time homebuyers in the 30-80% AMI range. Employer-sponsored workshops and DPA matching can make homeownership more accessible, especially in high-demand rental areas.

Objective #3

The demand for smaller homes is also high among Empty Nesters and Retirees (22.6%), suggesting that single-family detached homes in downtown Madison or townhomes in suburban settings will appeal to this group.

NEIGHBORHOOD RECOMMENDATIONS

- Downtown Madison: Develop higher-density, multi-family units to attract professionals and retirees who prefer walkability.
- North Madison/Van Buren Corridor: Single-family homes should cater to families and higher-income households with median house values up to \$300,000.

MARKETING STRATEGY

ROOTED IN THE ZVA ANALYSIS REPORTS, STRATEGIC CONSULTATIONS, AND LOCAL STAKEHOLDERS



2. Pipeline Acceleration and Stakeholder Engagement

A. Builder and Developer Collaboration

- Partnership with Hoosier Homes: The community should authorize Hoosier Homes as the first step toward building a homebuyer and renter pipeline. Hoosier Homes offers streamlined home financing options, with a focus on DPA programs that can attract families and singles from diverse economic backgrounds.
- Incentive Programs: Builders can be incentivized through zoning adjustments, density bonuses, or tax abatements to develop properties that meet local demand, particularly for entry-level homes.

B. Lender & Realtor Network Expansion

- Establish connections with local lenders and realtors offering fast-track prequalification options, leveraging the Club 720 fintech platform for seamless DPA integration. Lenders should be equipped to offer immediate digital support to first-time buyers, guiding them through the purchasing process.

C. Employer Engagement

- Engage major local employers in offering DPA matching for employees, targeting professions with high housing needs, such as healthcare, education, and public service sectors.

3. Diversity and Inclusion Outreach

The ZVA report indicates that a considerable portion of target markets are multi-ethnic families and single-parent households. Tailored outreach programs that partner with local organizations and non-profits supporting minority homeownership will help expand the buyer pool.

COMMUNICATIONS STRATEGY + MEDIA KIT

By authorizing Hoosier Homes and launching this communication strategy, the Madison Study Area can quickly build its homebuyer and renter pipeline, accelerate local housing development, and support the broader goal of economic growth.

A. Messaging Framework

Headline: "Building Madison's Future, One Home at a Time"

- Highlight affordable housing options for first-time buyers, retirees, and families in the Madison area.
- Emphasize down payment assistance (DPA) as a key tool for bridging the affordability gap.
- Position the Club 720 platform as a fast, easy solution for mortgage prequalification and DPA eligibility.

Core Message:

- "With Hoosier Homes and the City of Madison, owning your dream home is within reach. Our down payment assistance programs and affordable housing initiatives are designed to support first-time buyers, single parents, and local workforce families. Let's make Madison your home."

B. Targeted Campaigns

Email Templates for Employers: Target large local employers (schools, hospitals) for DPA program promotion.

Digital Campaign:

Target Audience	Younger singles, families, retirees
Channels	Social media (Facebook, Instagram), Google Ads, LinkedIn (for employer partnerships)
Geolocation-based ads	Focus on Madison and nearby high-interest communities, including North Madison, Hanover, and suburban corridors
Hashtags	#MadisonHomes #FirstTimeBuyerMadison #HoosierHomesDPA

COMMUNICATIONS STRATEGY + MEDIA KIT

C. Media Kit Materials

1. Press Release:

- Title: "Madison Partners with Hoosier Homes to Launch Homebuyer Assistance Programs"
- Summary: "The City of Madison is taking bold steps to make homeownership more accessible for its residents by partnering with Hoosier Homes and launching new down payment assistance programs."
- Key Quotes: Include quotes from city officials, local developers, and lenders.

2. Social Media Sound Bites:

- "Owning a home in Madison is now easier with down payment assistance up to 5%! Learn how you can qualify today with Hoosier Homes."
- "Looking for your first home? Explore affordable homes in Madison with our new buyer assistance programs!"

3. Influencer and Local Ambassador Program:

- Engage local realtors, influencers, and community leaders to amplify the message of housing affordability and the benefits of partnering with Hoosier Homes.

D. Metrics and Performance Tracking

1. Real-time Dashboard: Track key performance indicators, such as the number of DPA-qualified buyers, homes sold, and employer participation.

2. Monthly Absorption Reports: Regular reports on how many homes are sold or rented in targeted neighborhoods, adjusting the campaign accordingly.

