MIBOR Housing Summit

August 11, 2026

Dr. Jessica Lautz

NAR Deputy Chief Economist

Market Trends and Consumer Profiles

Real Estate Data: Helping You Stand Out

Dr. Jessica Lautz
Deputy Chief Economist & VP of Research
National Association of REALTORS®

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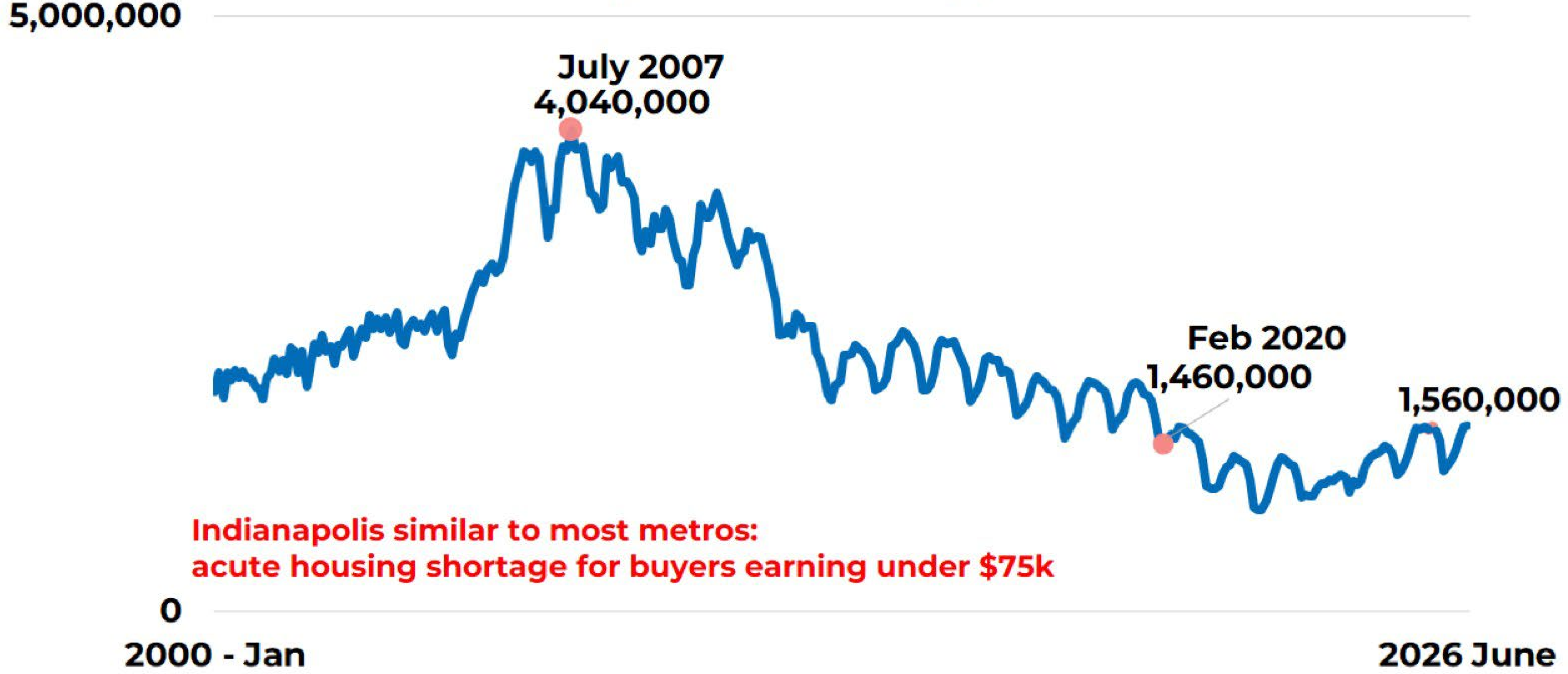
Inventory of Existing Homes



Source: NAR Existing-Home Sales
www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales

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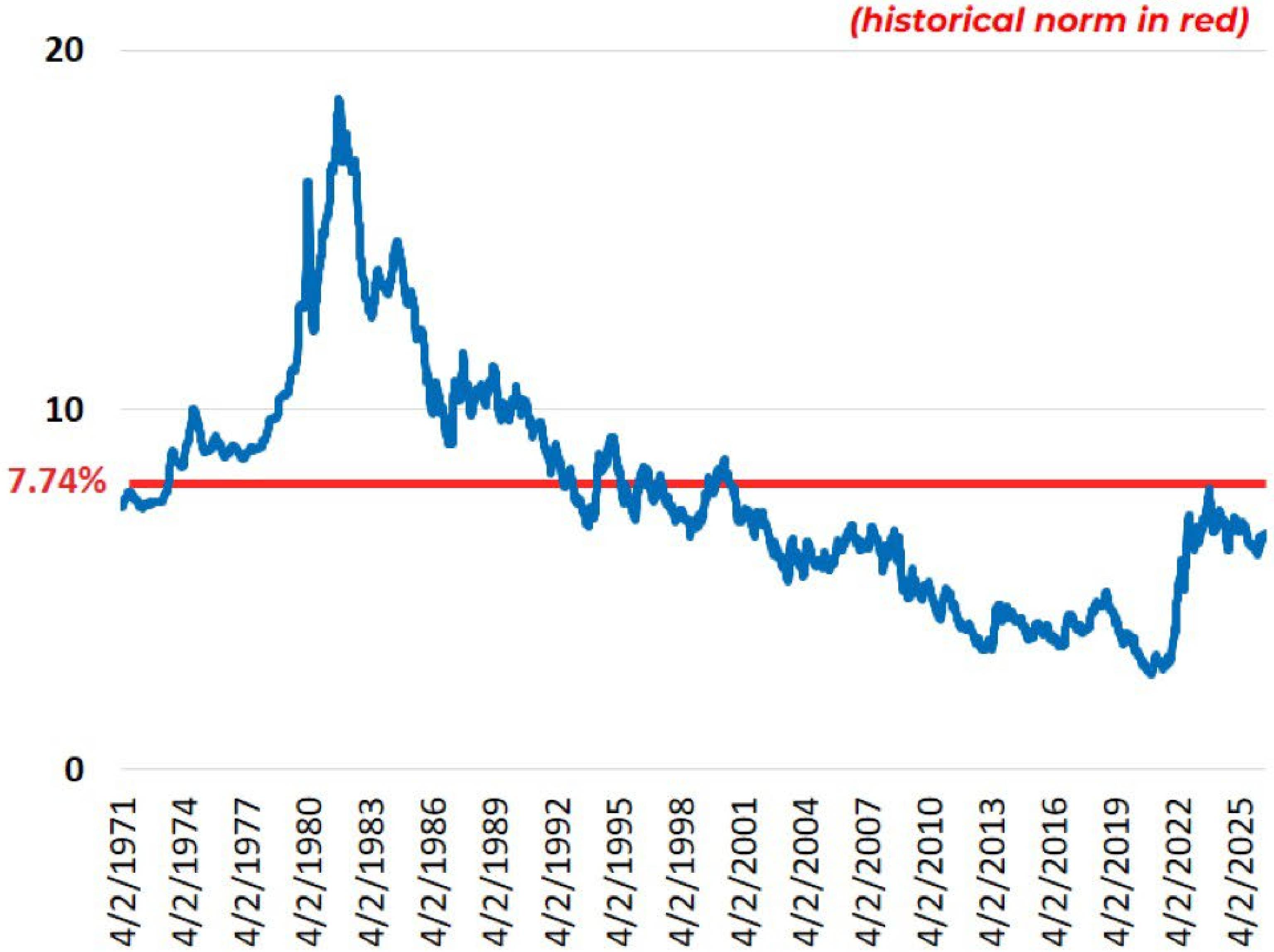
30-Year Fixed Mortgage Interest Rate



Difference 6.5%-3.5%: $400k: $586/month

If rates fell from 7%→6% = 4,276 new home buyers estimated in Indianapolis

Source: Freddie Mac https://www.freddiemac.com/pmms

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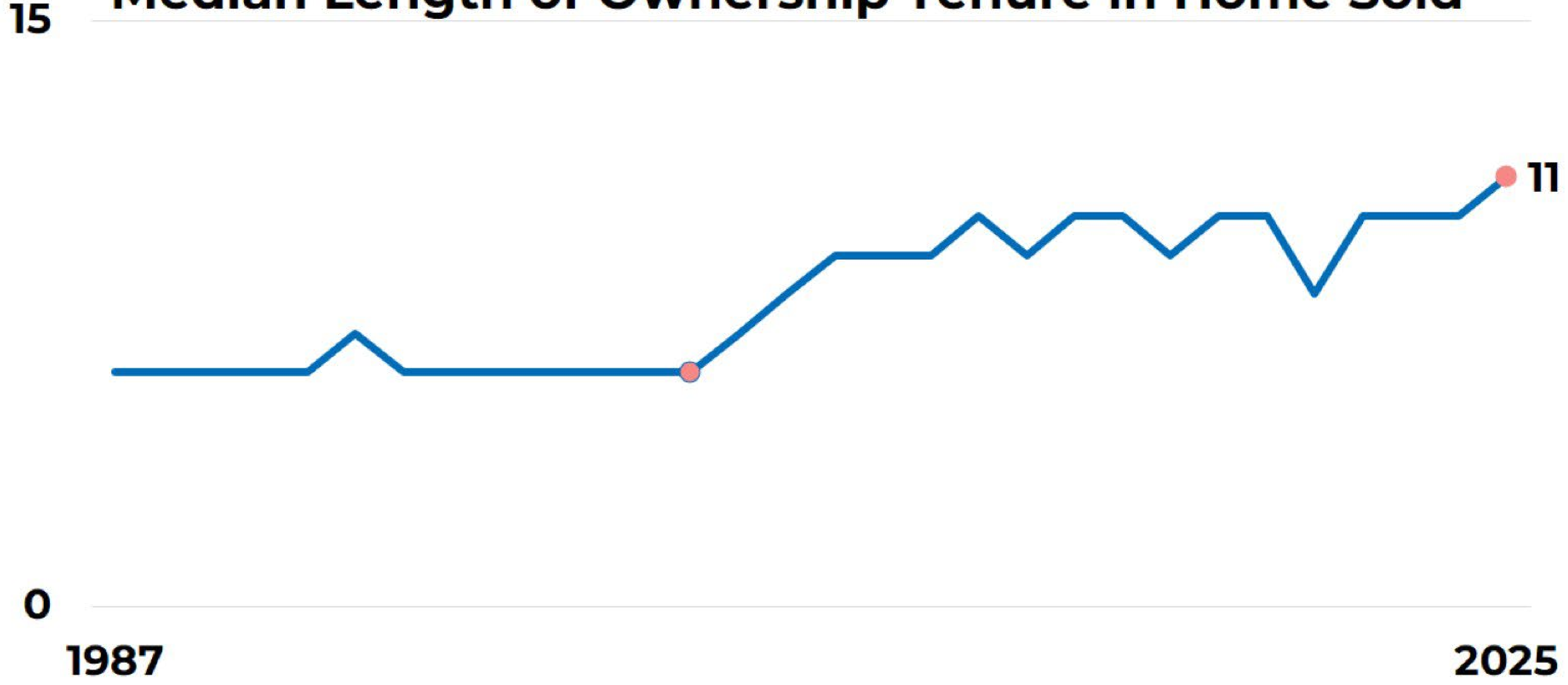
Opportunity: The Owner Who Bought 10 Years Ago: Median Length of Ownership Tenure in Home Sold



Source: Profile of Home Buyers and Sellers
www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers

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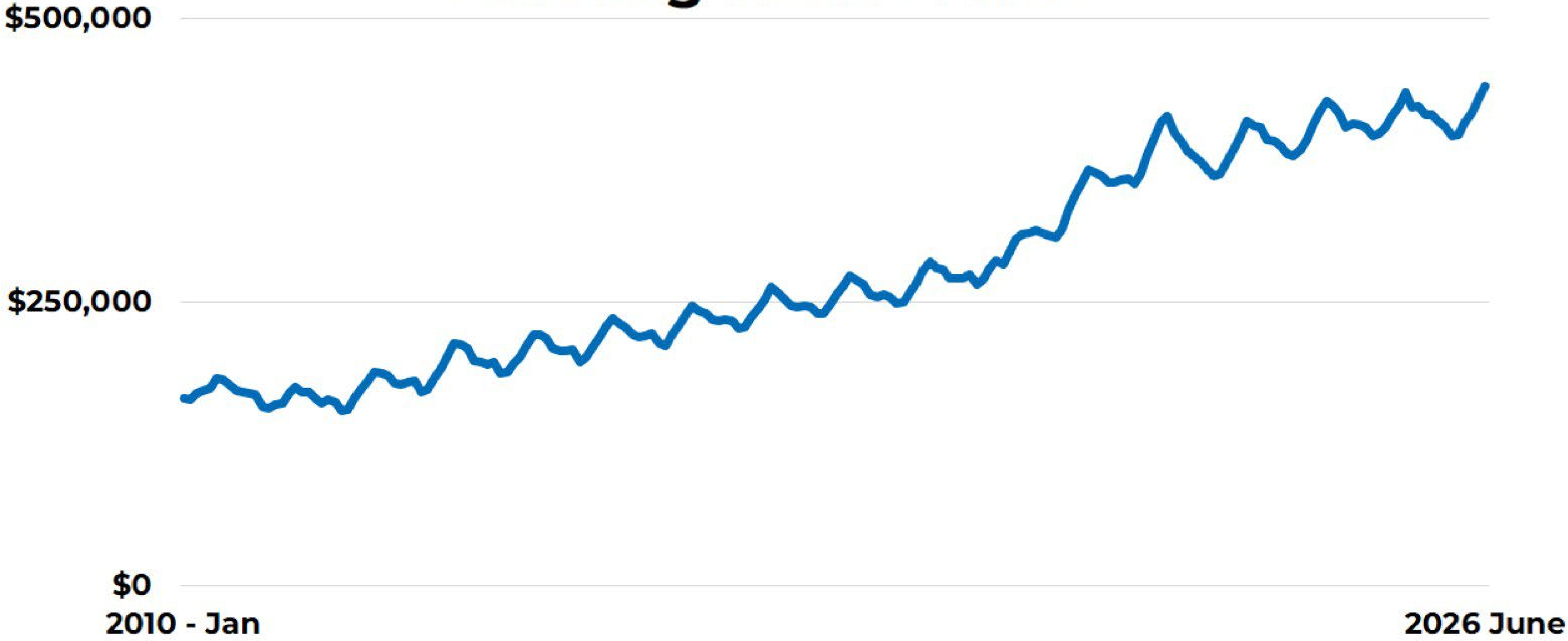
National Median Existing-Home Price



Source: NAR Existing-Home Sales https://www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales
Census/HUD https://www.census.gov/construction/nrs/current/index.html

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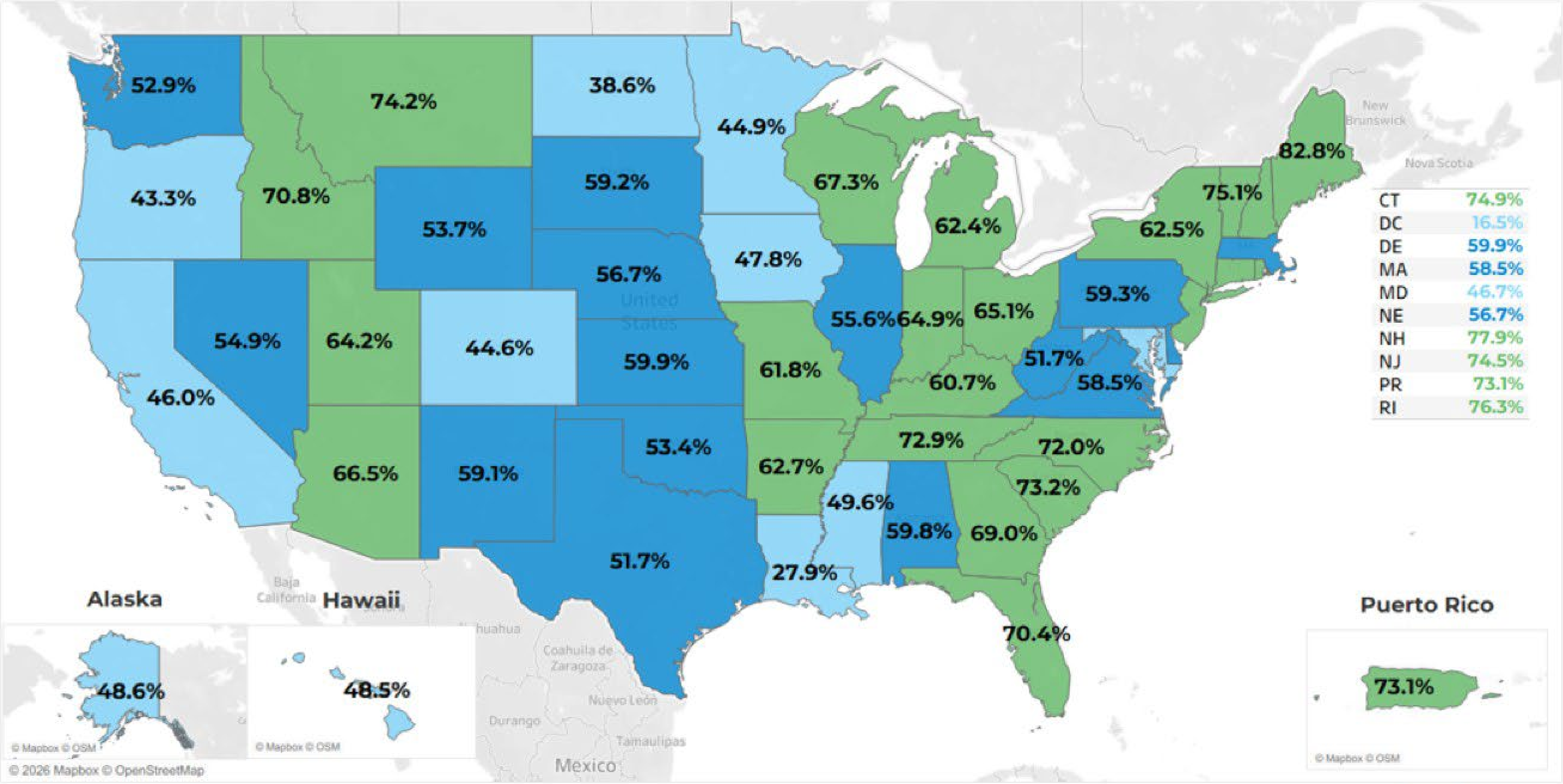
State Home Price Appreciation
% change from 2020 Q1 to 2026 Q1

$132k+ in Indianapolis in 5 years



Source: NAR Analysis of FHFA data

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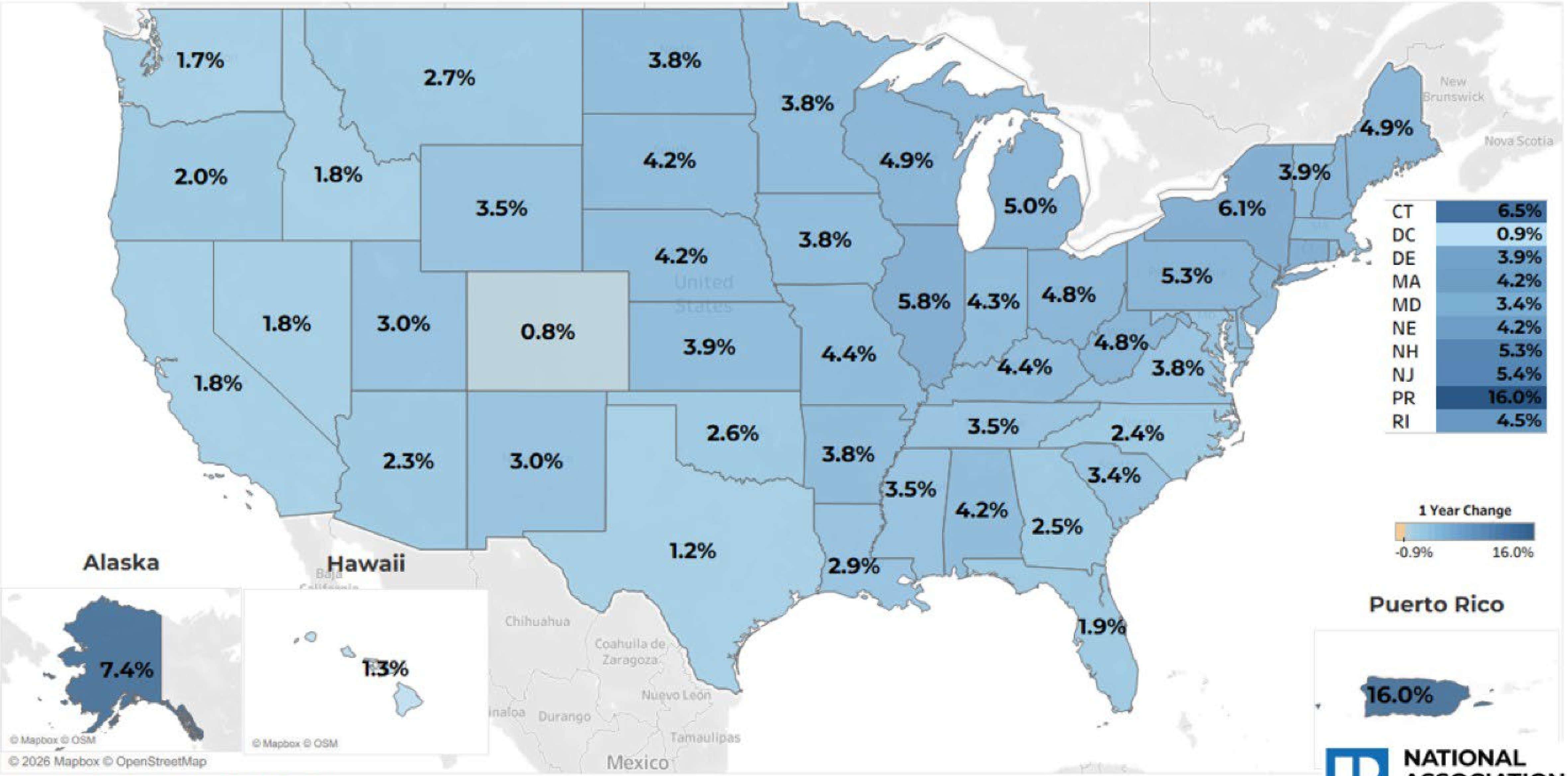
State Home Price Appreciation
% change from 2025 Q1 to 2026 Q1



Source: NAR Analysis of FHFA data

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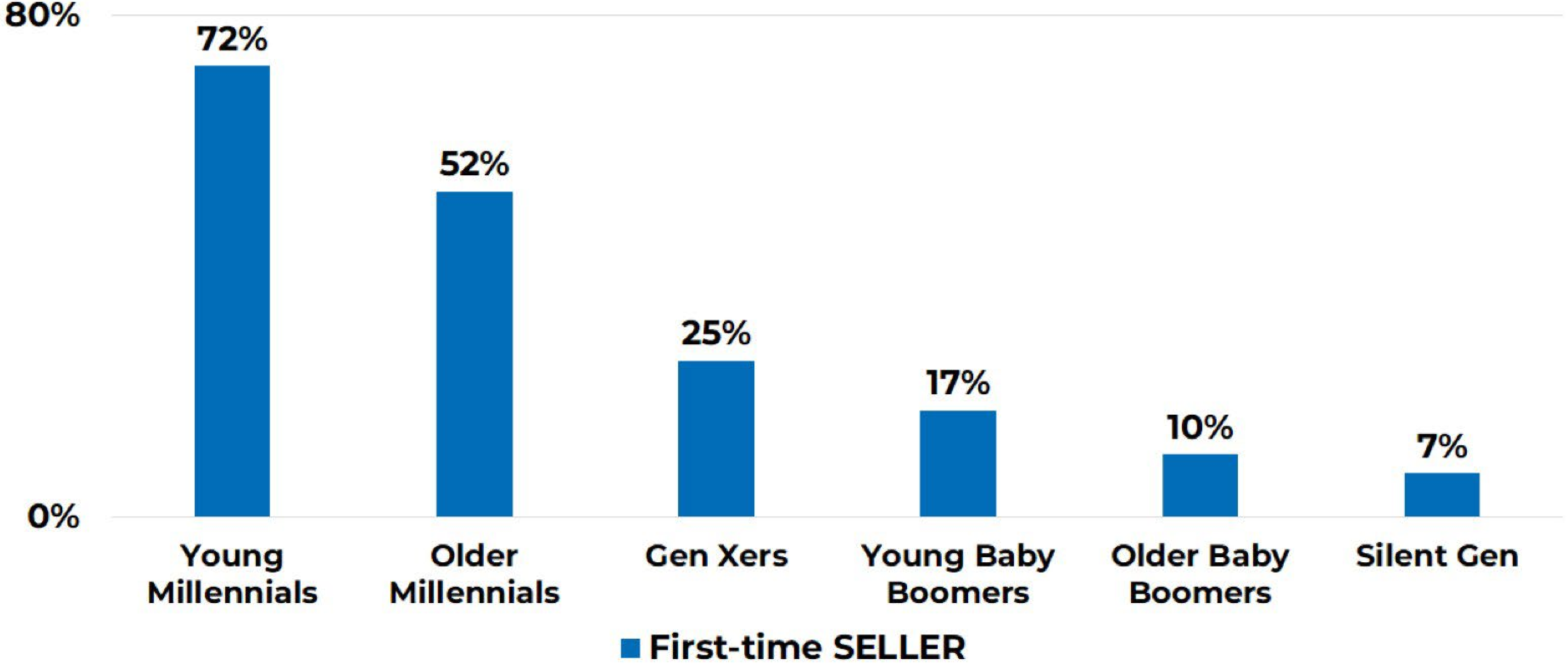
Opportunity: An Owner Who Doesn't Know What Equity Is or How to Find It: Share of First-Time Home Sellers



Source: Home Buyers and Sellers Generational Trends
https://www.nar.realtor/research-and-statistics/research-reports/home-buyer-and-seller-generational-trends

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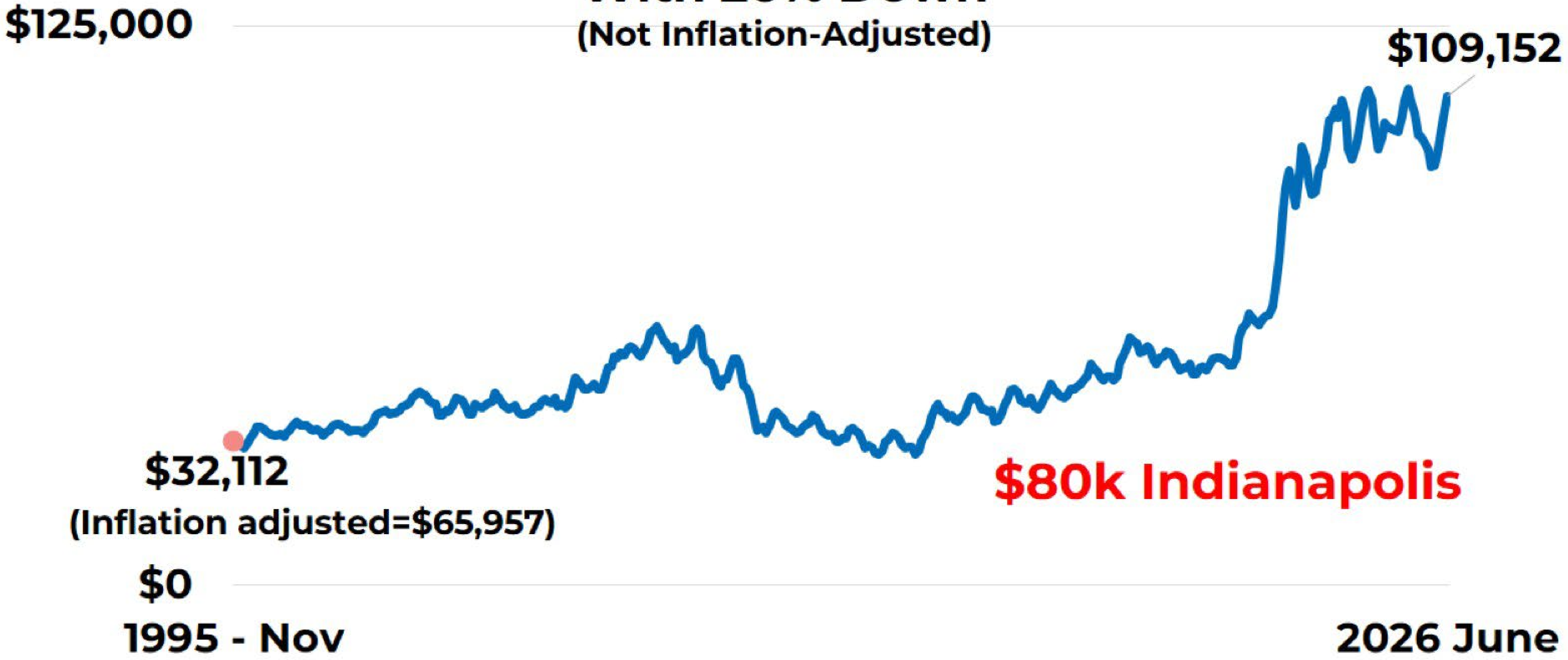
Qualifying Income Needed for Median-Priced Home With 20% Down

(Not Inflation-Adjusted)



Source: NAR Housing Affordability Index
https://www.nar.realtor/research-and-statistics/housing-statistics/housing-affordability-index

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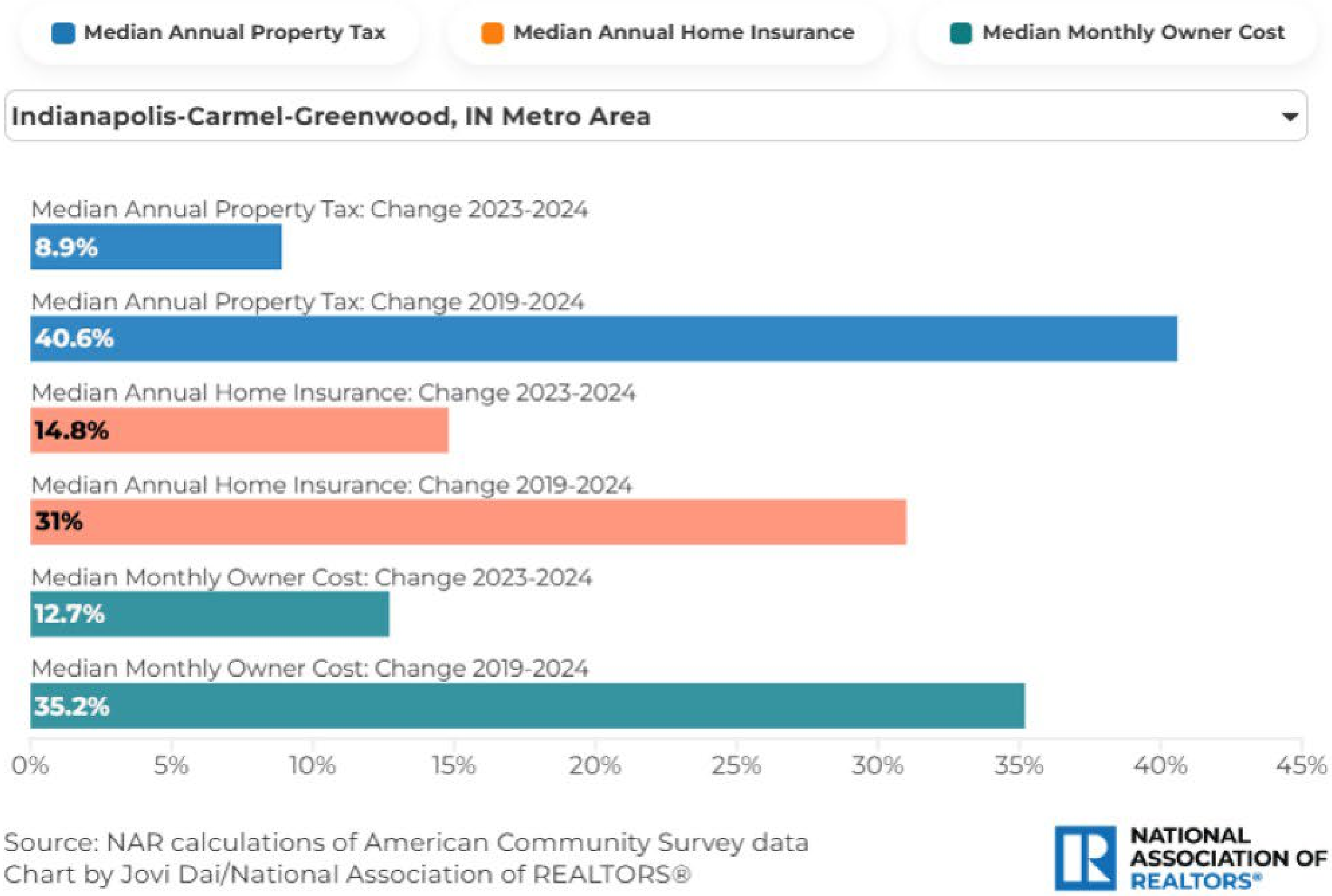
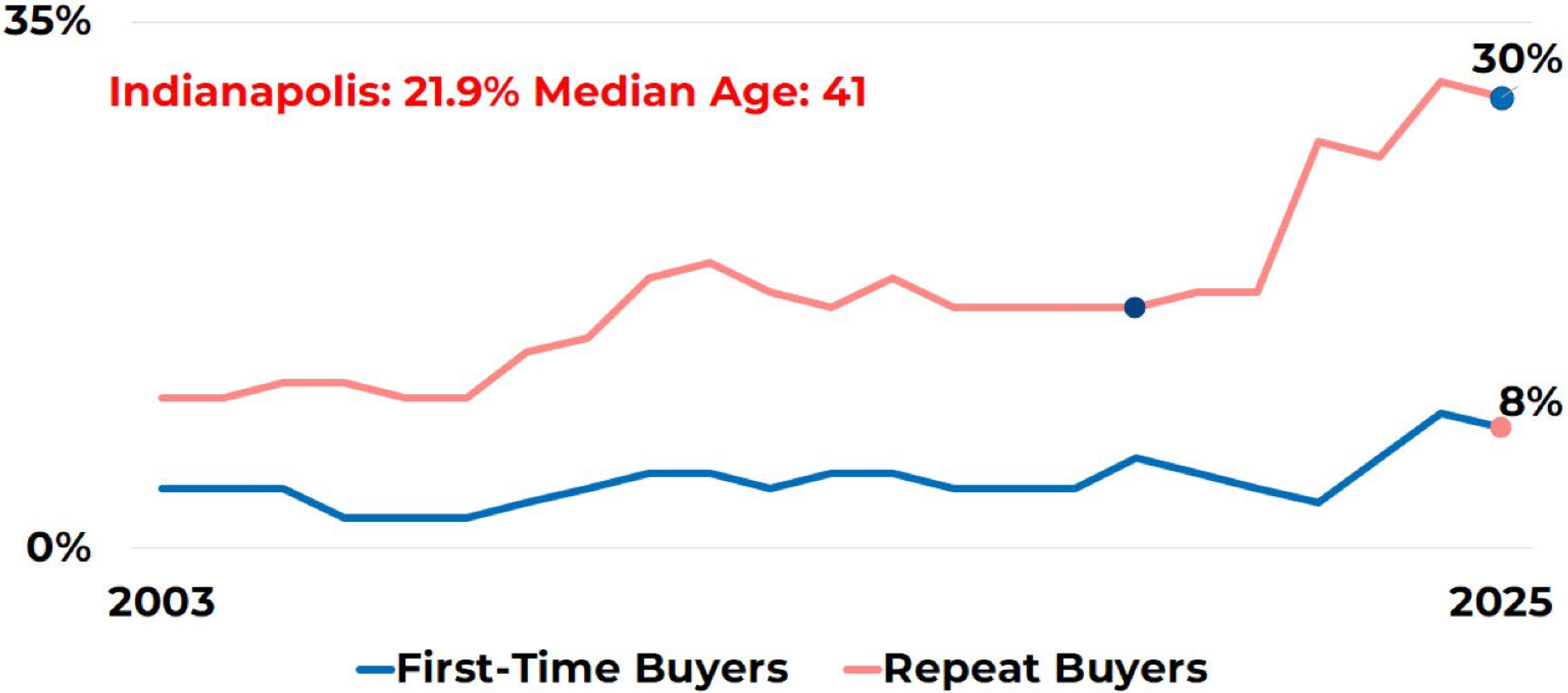
Total Cost of Ownership Has Increased



Source: Beyond Principal and Interest: The Escrow Effect Your Mortgage is Fixed, but Your Costs Aren't
https://www.nar.realtor/blogs/economists-outlook/beyond-principal-and-interest-the-escrow-effect

All-Cash Buyers



Source: Profile of Home Buyers and Sellers
www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers
Where Are Buyers Paying Cash for Homes?
https://www.nar.realtor/blogs/economists-outlook/where-are-buyers-paying-cash-for-homes

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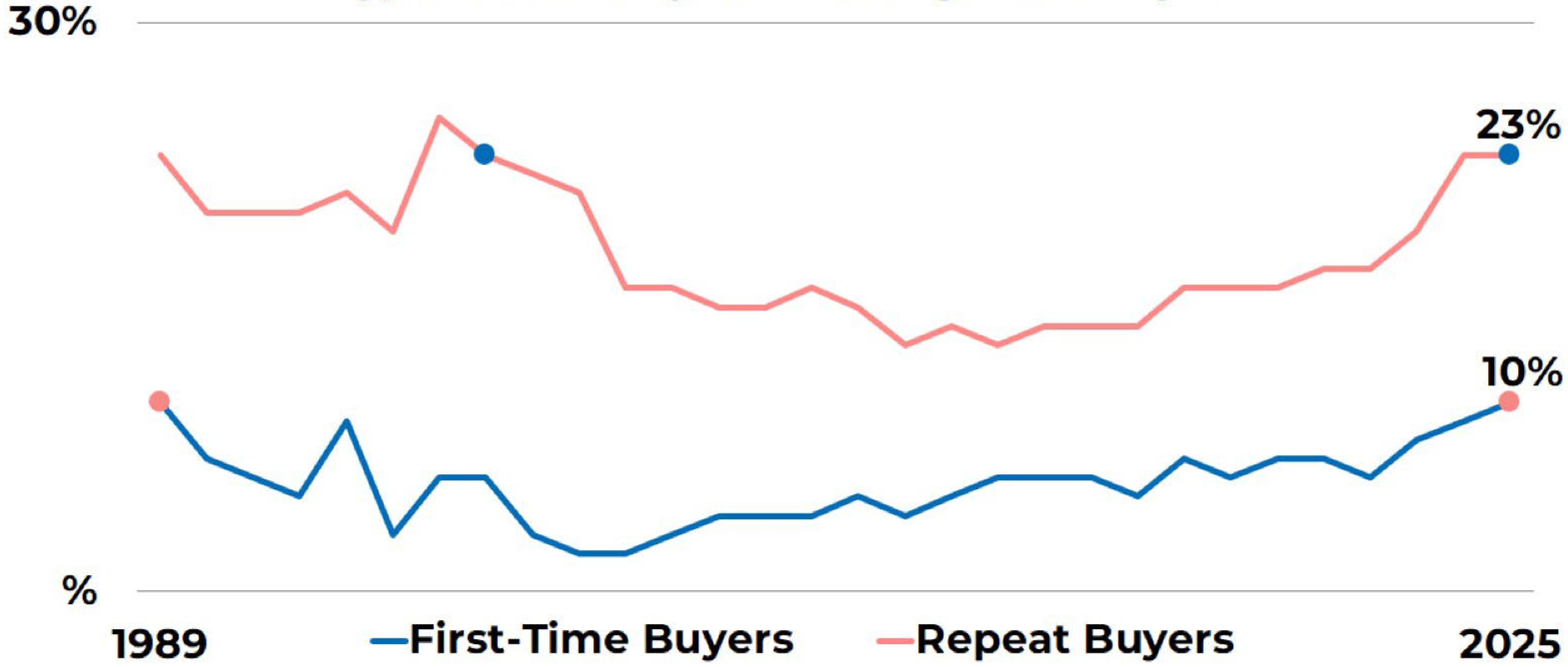
Opportunity: First-time Buyer Who Thinks 20% is ONLY WAY: Typical Down Payment Among Home Buyers



Source: Profile of Home Buyers and Sellers
www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers

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On the Move

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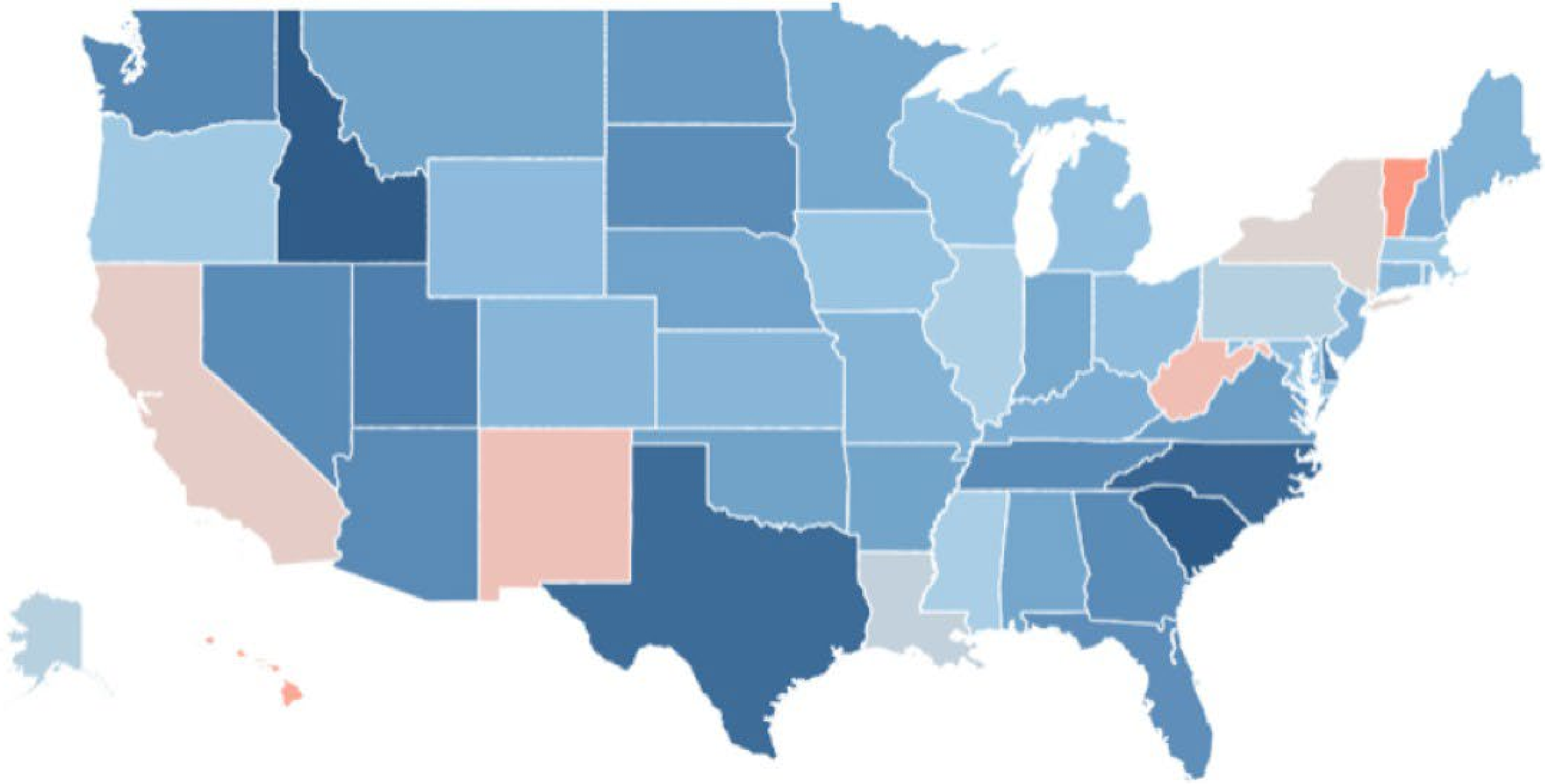
Sunbelt and Mountain States Lead Population Growth in Percent Change

IN State Population Nearly Flat +16k and 0.1% Population Change



Source: U.S. Census Bureau, Vintage 2025 Population Estimates

Source: Behind the Numbers: Top 15 States for Population and Migration Trends in 2025
https://www.nar.realtor/blogs/economists-outlook/top-15-states-for-population-and-migration-trends-in-2025-the-south-leads-the-midwest-gains

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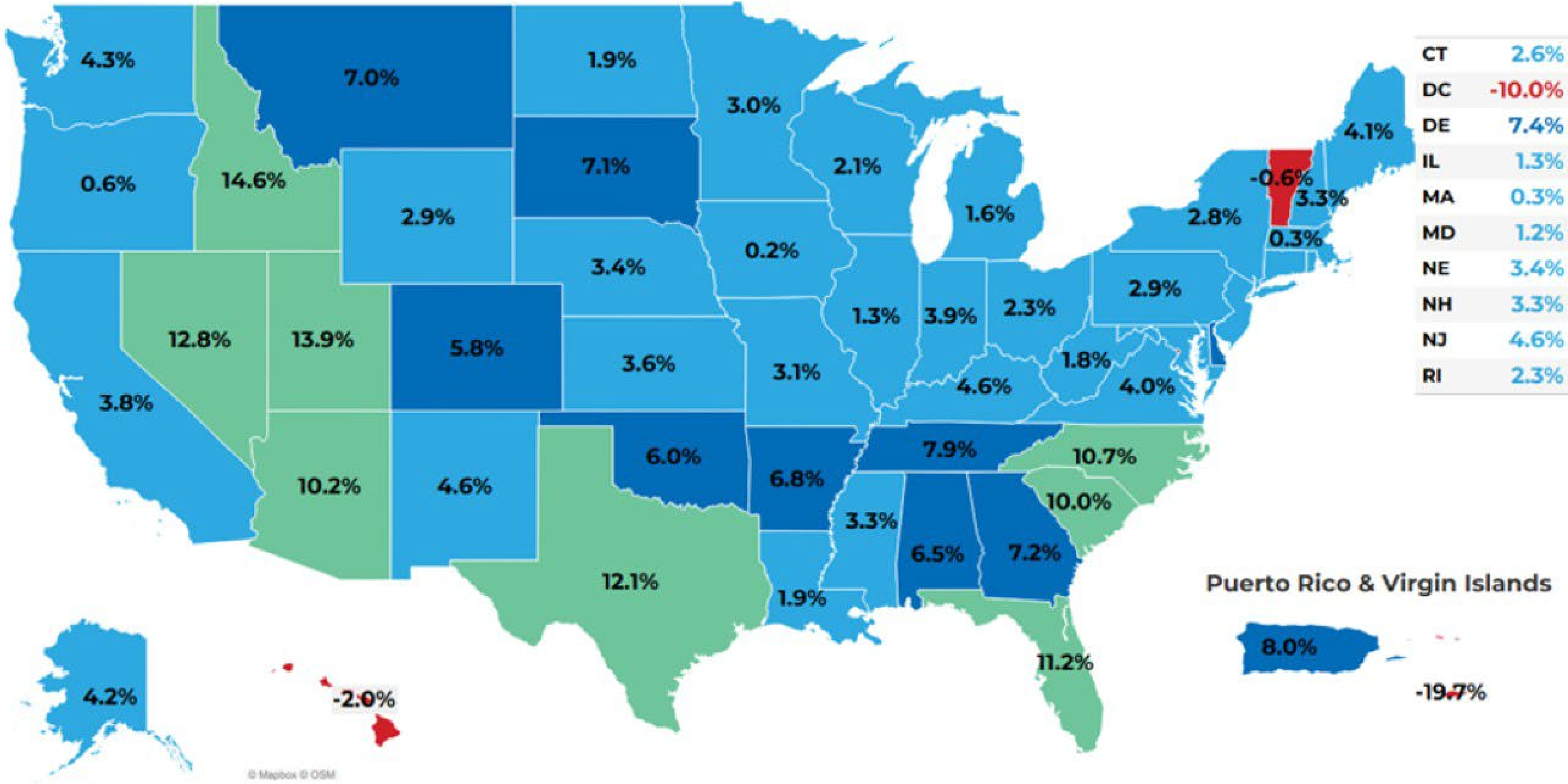
Employment Growth
February 2020-June 2026



CT	2.6%
DC	-10.0%
DE	7.4%
IL	1.3%
MA	0.3%
MD	1.2%
NE	3.4%
NH	3.3%
NJ	4.6%
RI	2.3%

Source: U.S. Bureau of Labor Statistics

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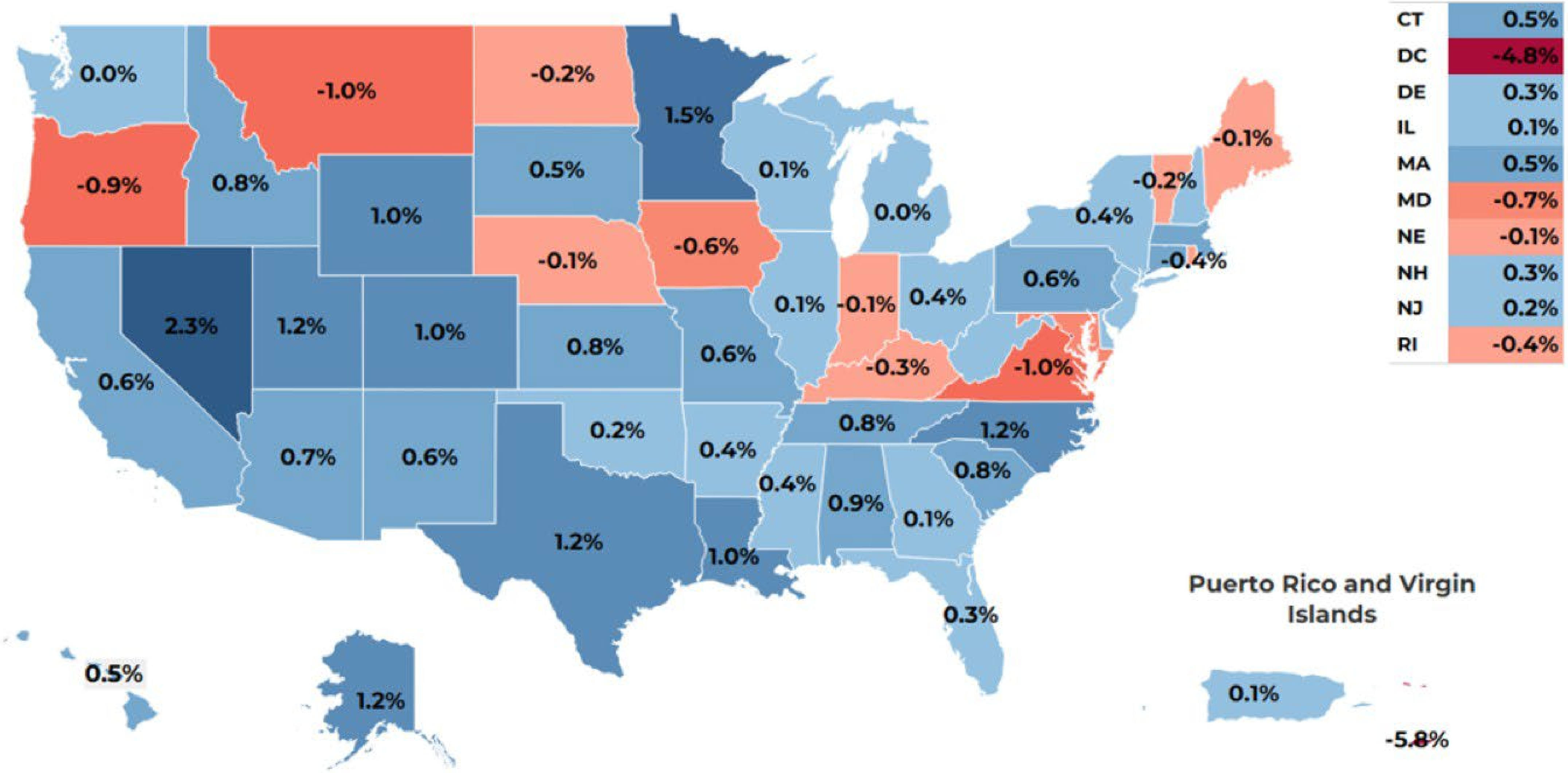
Employment Growth
June 2025-June 2026



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Generational Warfare

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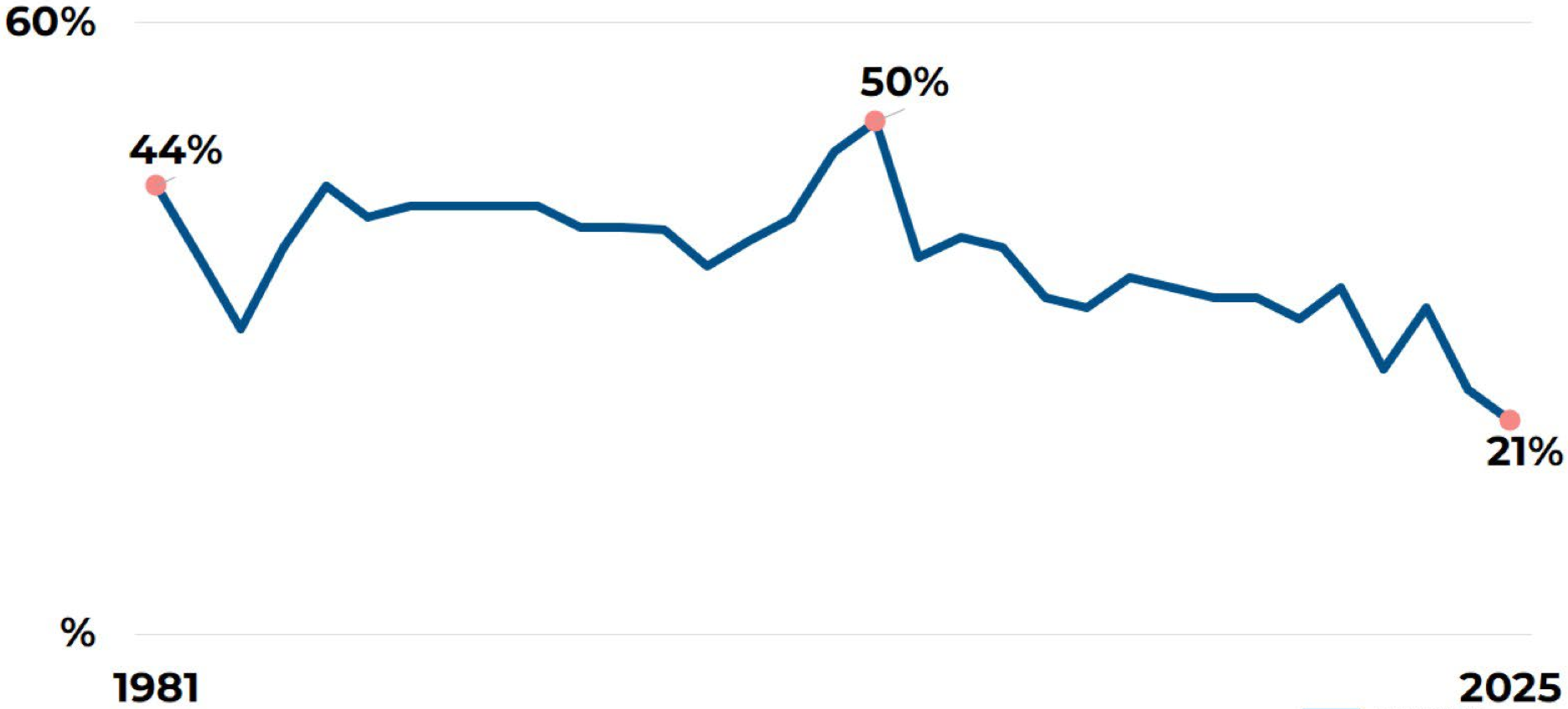
First-Time Home Buyers Hit All-Time Low



Source: How NAR Research Collects First-Time Buyer Data and Why It Matters
https://www.nar.realtor/blogs/economists-outlook/how-nar-research-collects-first-time-buyer-data-and-why-it-matters

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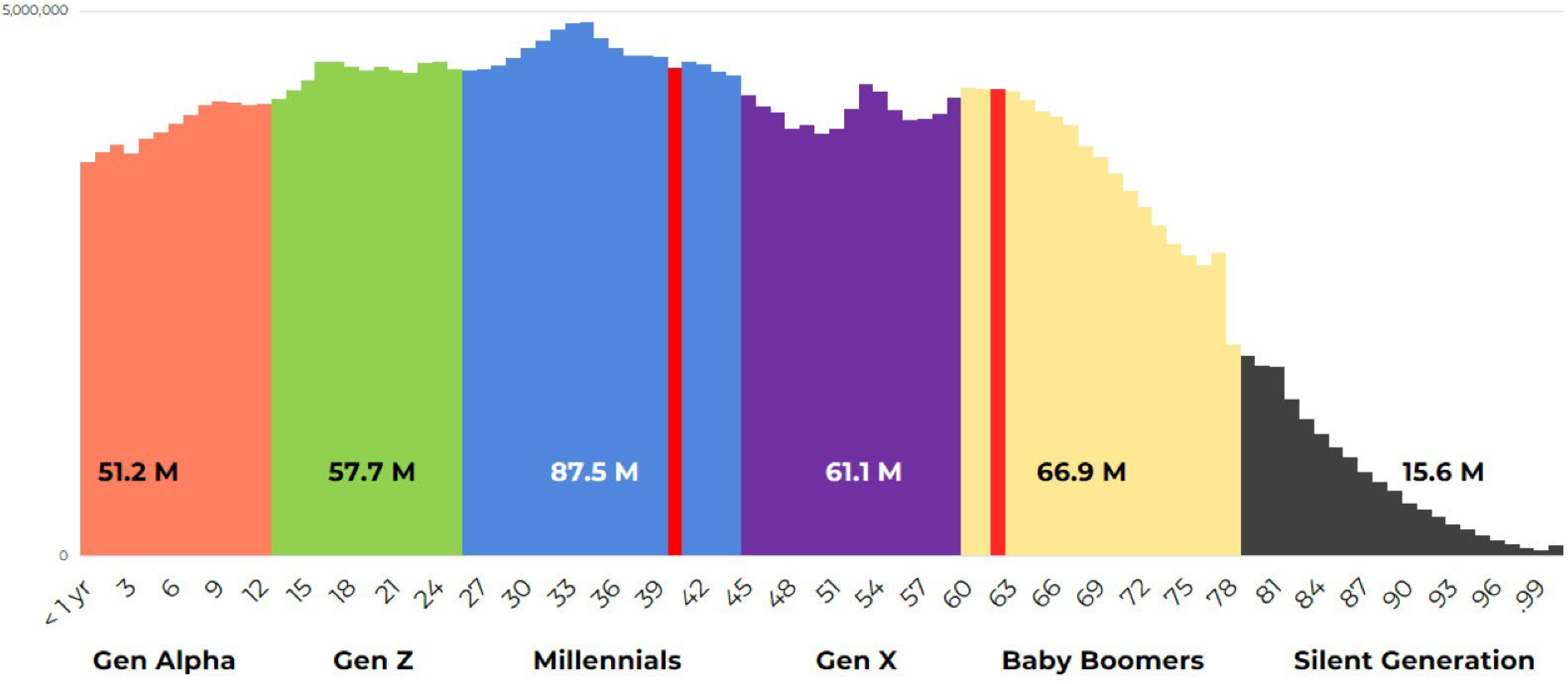
U.S. Population by Age (in 2024)



Source: How NAR Research Collects First-Time Buyer Data and Why It Matters
https://www.nar.realtor/blogs/economists-outlook/how-nar-research-collects-first-time-buyer-data-and-why-it-matters

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Opportunity: The Gen Zer Who Learned About Avocado Toast & Student Debt When They Were In Middle School

	Gen Z Home Buyer	Young Millennial Home Buyer
Share Overall	**4%**	**11%**
Share With Student Debt	31%	39%
Downpayment Source:		
Community/government down payment assistance program	14%	4%
Financial Assets	22%	20%
Gift/Loan Friends/Family	16%	26%

Source: Home Buyers and Sellers Generational Trends
https://www.nar.realtor/research-and-statistics/research-reports/home-buyer-and-seller-generational-trends

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Growth in Multi-Generational Homeownership

Leading Reasons:

- Young Adults Boomeranging Home
- Aging Parents Living with Adult Children
- Cost savings/Cost of Caregiving

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Demographic Changes: DINKS, SINKS, and Roomies

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Opportunity: The Dude Who Thinks He Has to Wait Till Partnered: First-Time Buyers: Household Composition

	1985	2025	Change
Married Couples	75%	50%	-25%
Single Women	11	25	+14%
Unmarried Couples	4	11	+7%
Single Men	9	10	+1%
Other (roommates)	0	4	+4%

Source: For Galentine's Day, Celebrating Single Women Buyers and Opportunities for Single Men Buyers
https://www.nar.realtor/blogs/economists-outlook/for-galentines-day-celebrating-single-women-buyers-and-opportunities-for-single-men-buyers

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Opportunity: The DINK/SINK Renter: Share of Buyers With Kids Under 18

Source: Profile of Home Buyers and Sellers
www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers

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Opportunity: The Renter Who Adopted a Dog, Cat(s), Reptile, Birds, or Got Really Into Fish

- 71% of households of have pets
- $158 Billion spent on pets in 2025
- 16% of home buyers factored in pets to neighborhood choice

Source: Pets Drive Home Buying
https://www.nar.realtor/blogs/economists-outlook/pets-drive-home-buying

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Agent Role

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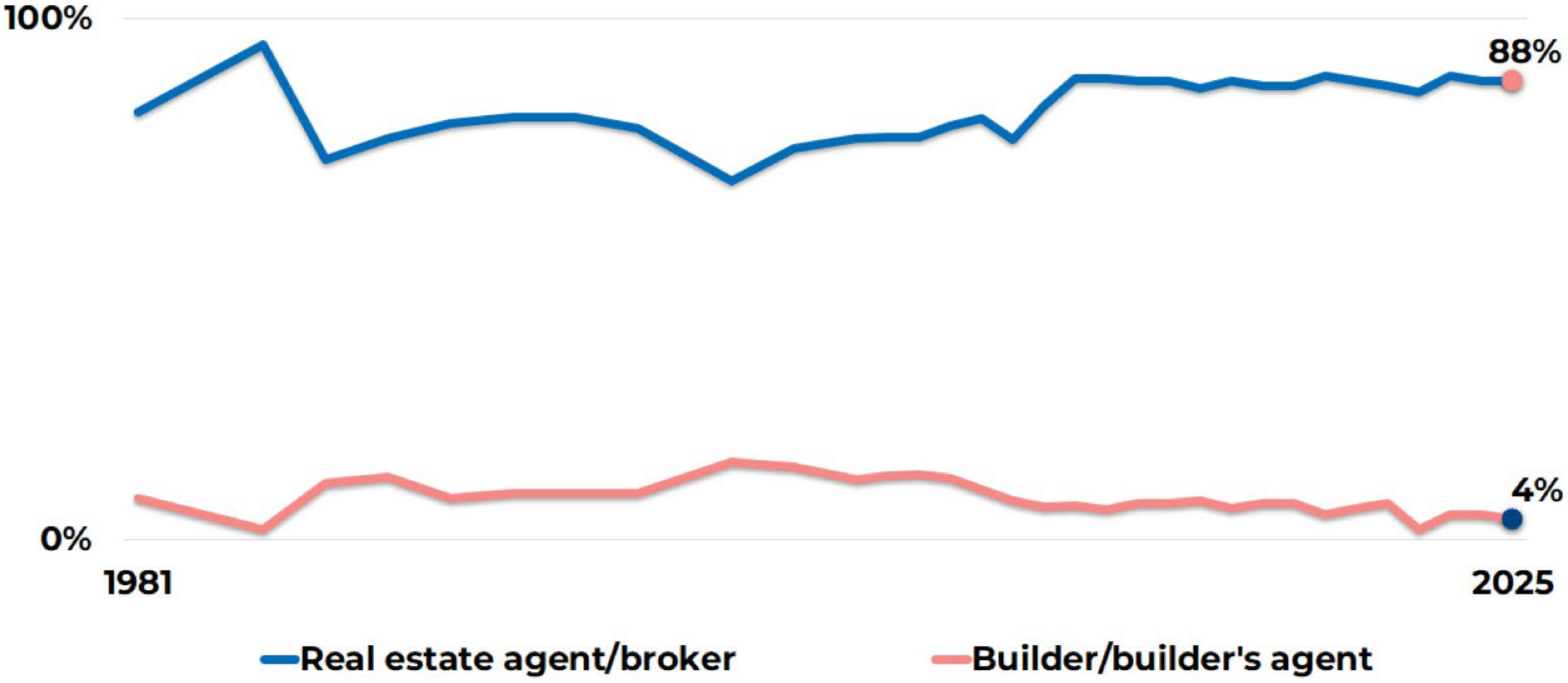
Buyer Use of Agents



Source: Profile of Home Buyers and Sellers
www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers

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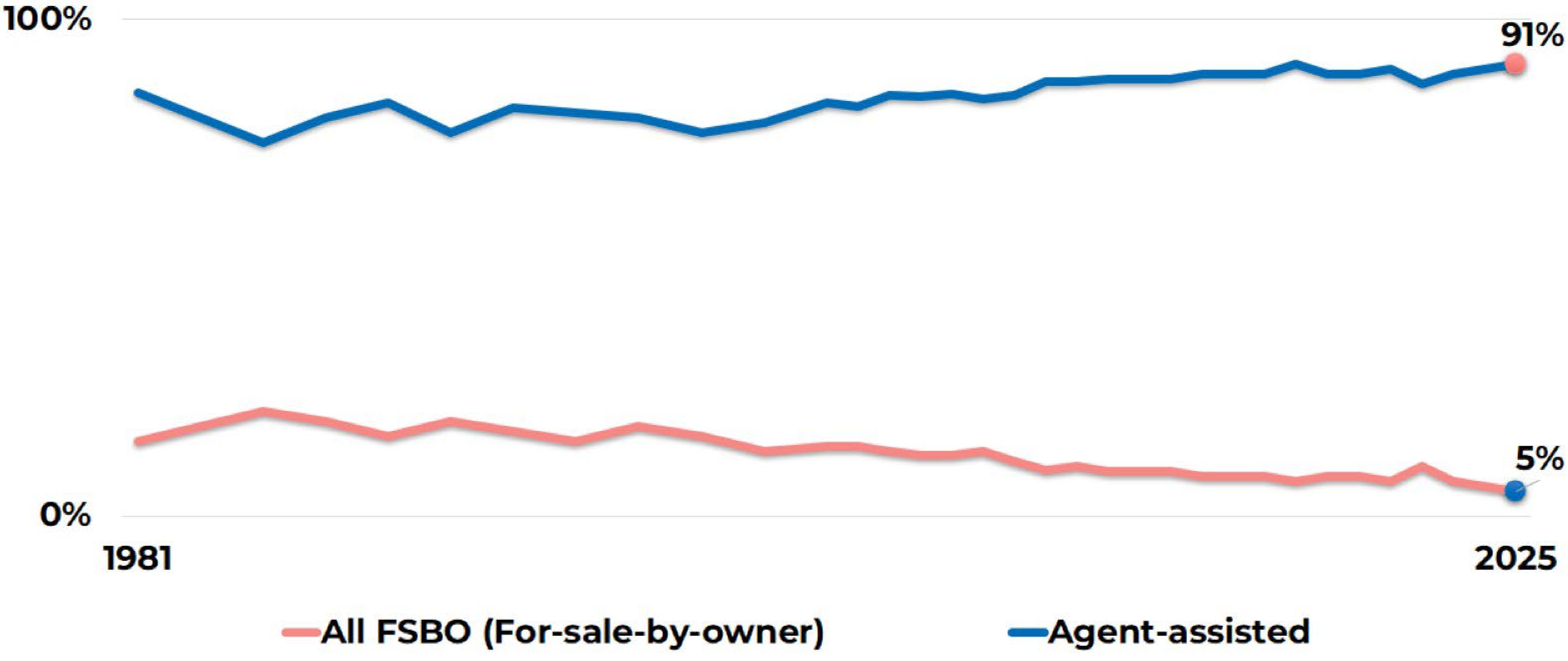
Seller's Agent Use High, FSBO All-Time Low



Source: Profile of Home Buyers and Sellers
www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers

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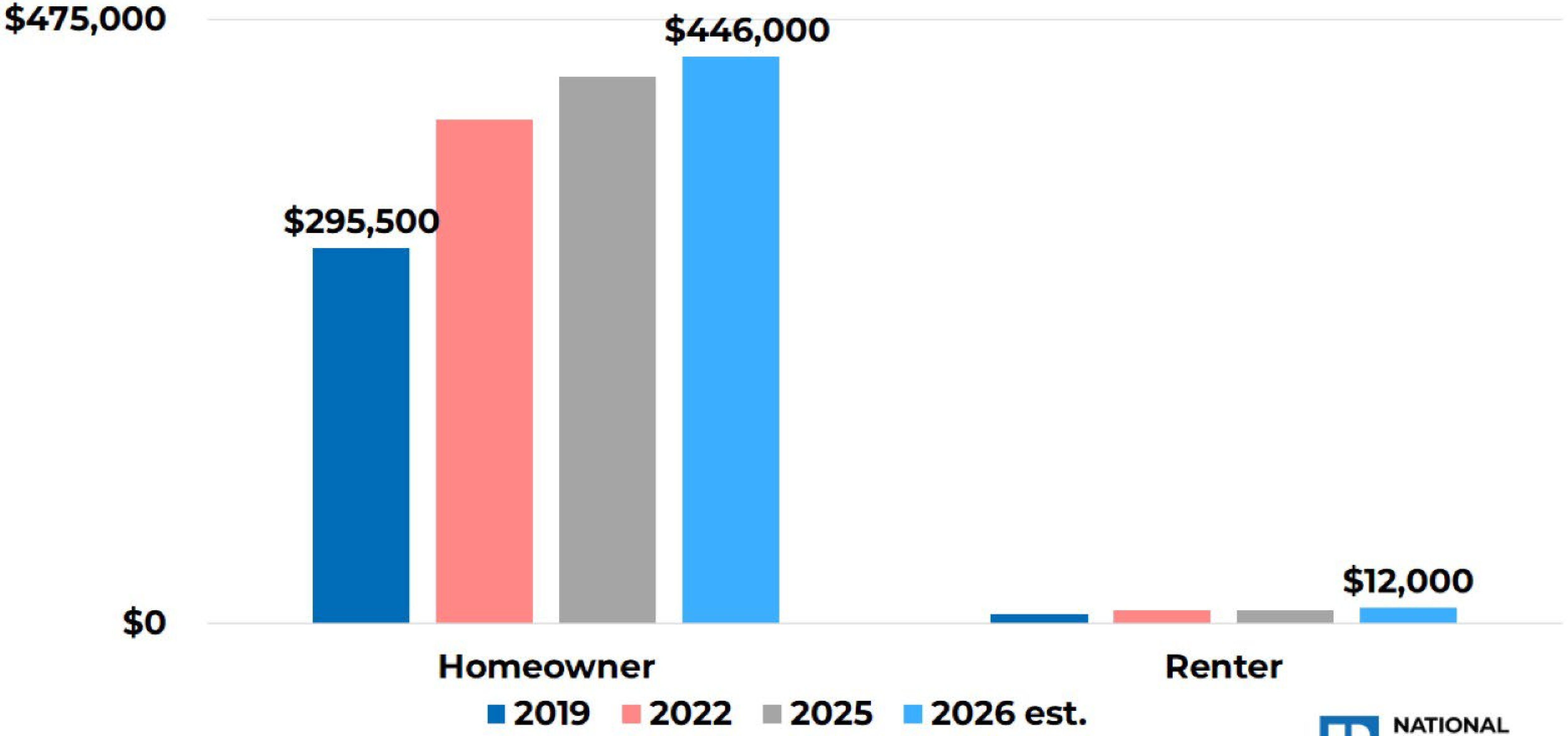
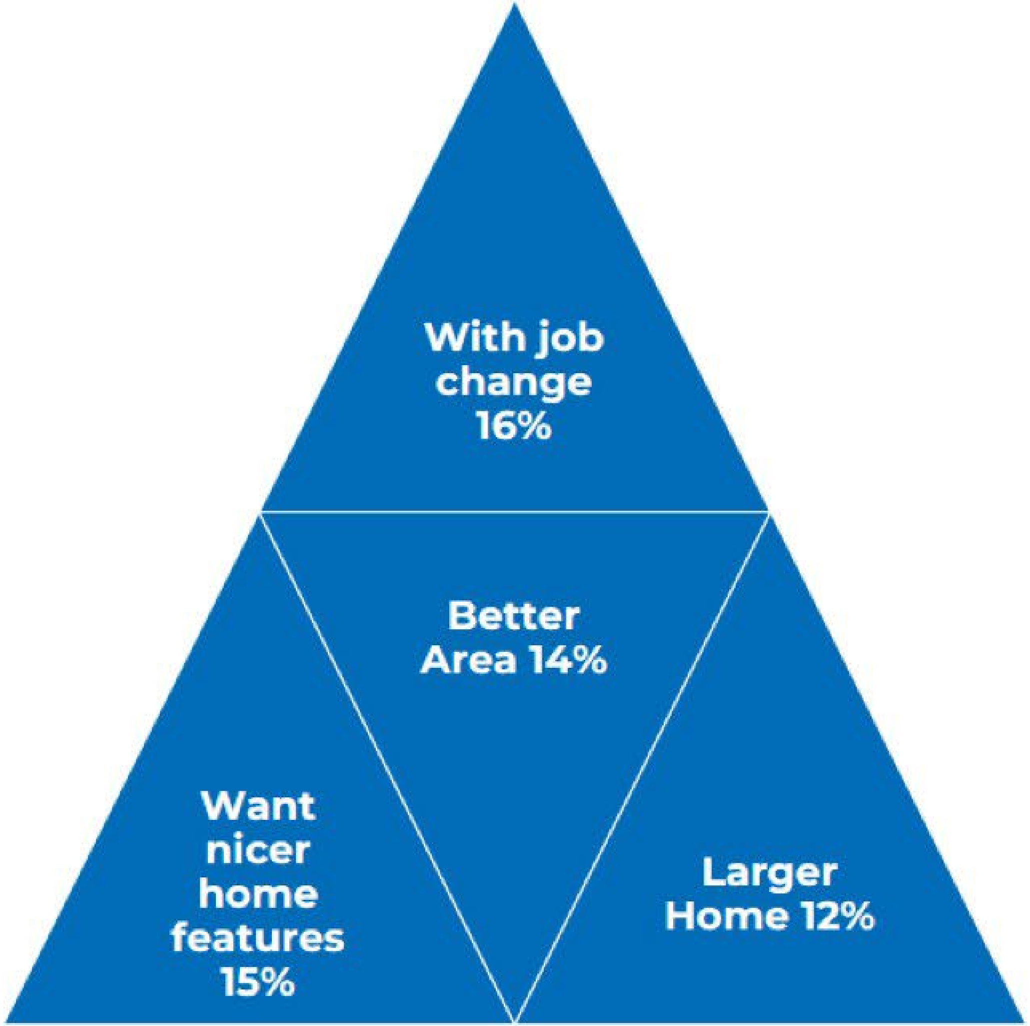
Owners' Net Worth and Impact to GDP

Median Net Worth



Source: Board of Governors of the Federal Reserve System, The 2022 Survey of Consumer Finances
https://www.federalreserve.gov/econres/scfindex.htm

Opportunity: The HENRYS Moving to the Top Of the Pyramid: Top Factors Buyers Said Would Cause Them to Move



Source: Profile of Home Buyers and Sellers
www.nar.realtor/research-and-statistics/research-reports/highlights-from-the-profile-of-home-buyers-and-sellers

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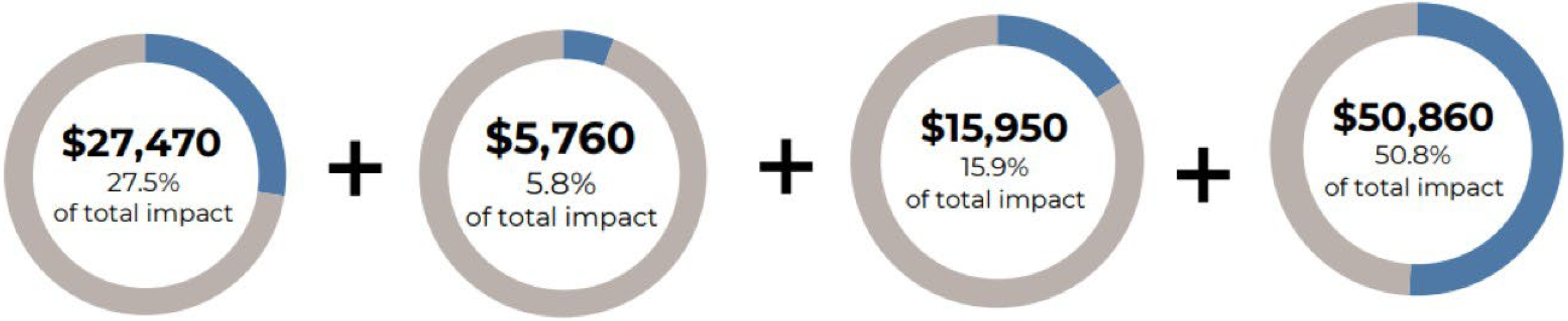
Economic Impact of a Home Sale:
IN.: $100,040

Income generated from real estate industries + **Expenditures related to home purchase** + **Multiplier of housing related expenditures** + **New home construction**



Real estate industry accounted for:
$85.3 Billion or 15.6% in IN

Source: State by State Economic Impact Reports https://www.nar.realtor/reports/state-by-state-economic-impact-of-real-estate-activity

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Resources To Stand Out From The Pride

Thank You

Dr. Jessica Lautz, NAR Deputy Chief Economist

Market Trends and Consumer Profiles

Joe Goode

Chief Insights Officer, Statara

Central Indiana Community Preference Survey
March 2026

Statara designed and administered this multimodal survey conducted by professional interviewers and via an online platform. The survey reached 1,500 adults, age 18 or older, who indicated they lived within a MIBOR county. The survey was conducted from March 23-29, 2026.

Nine percent of respondents were reached on wireless phones and twenty-three percent on VOIP/landlines. Sixty-eight percent of respondents were reached online. Quotas were assigned to reflect the demographic distribution of Indiana MIBOR area, and the data were weighted to ensure an accurate reflection of the population. The sample was drawn from a third party vendor file. The overall margin of error is +/- 2.5%. The margin of error for subgroups is larger and varies. Percentage totals may not add up precisely due to rounding.

MPO MIBOR REALTOR® ASSOCIATION Statara

MIBOR Smart Growth 2026 Survey Methodology

Wireless (9%)
Not Wireless (23%)
Online (68%)

1500 Adults living within a MIBOR county

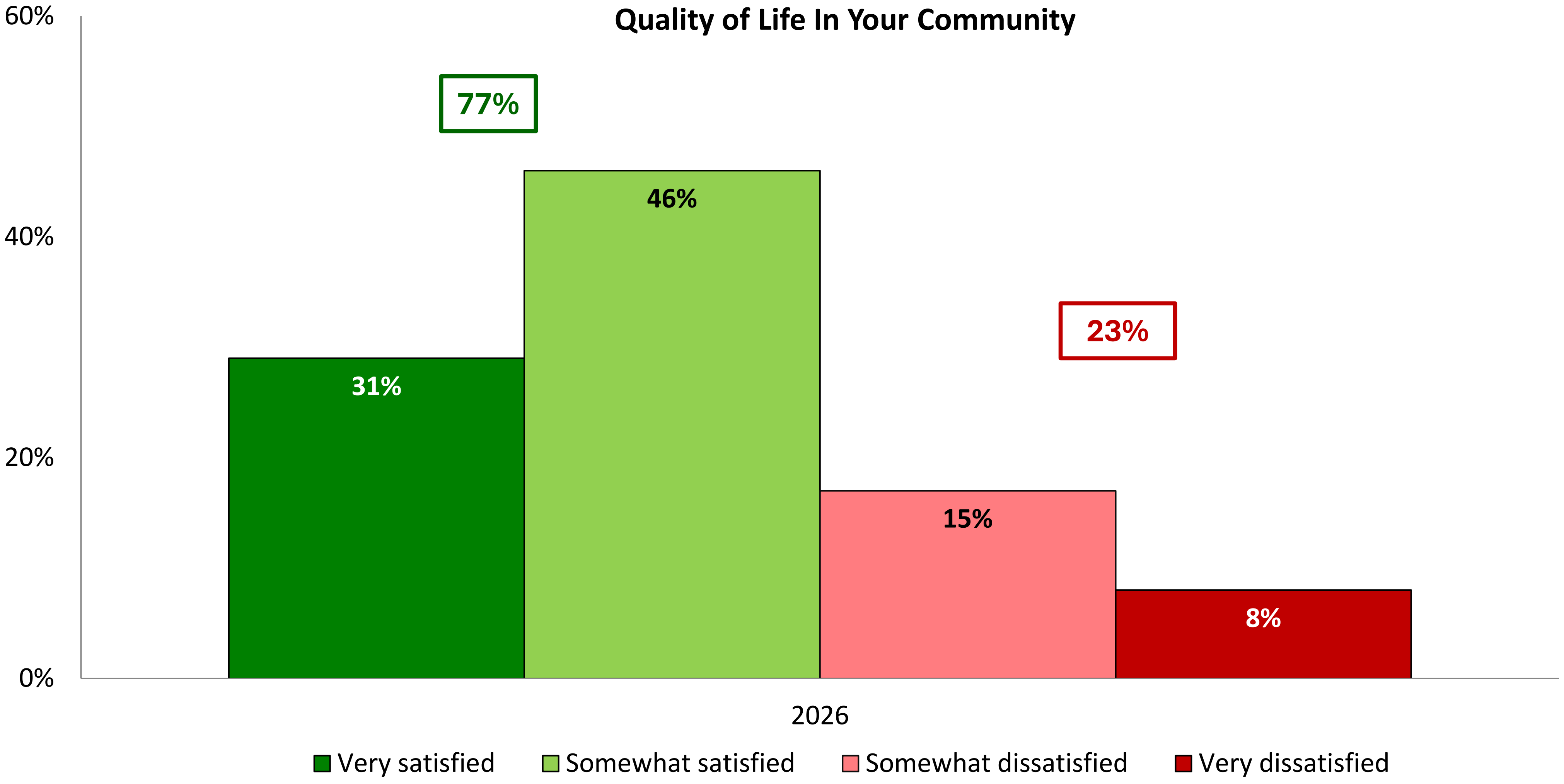
Interviews conducted March 23 – 29

Marion * Hamilton * Hendricks * Johnson * Madison * Hancock * Boone * Morgan * Montgomery * Shelby

Community Satisfaction

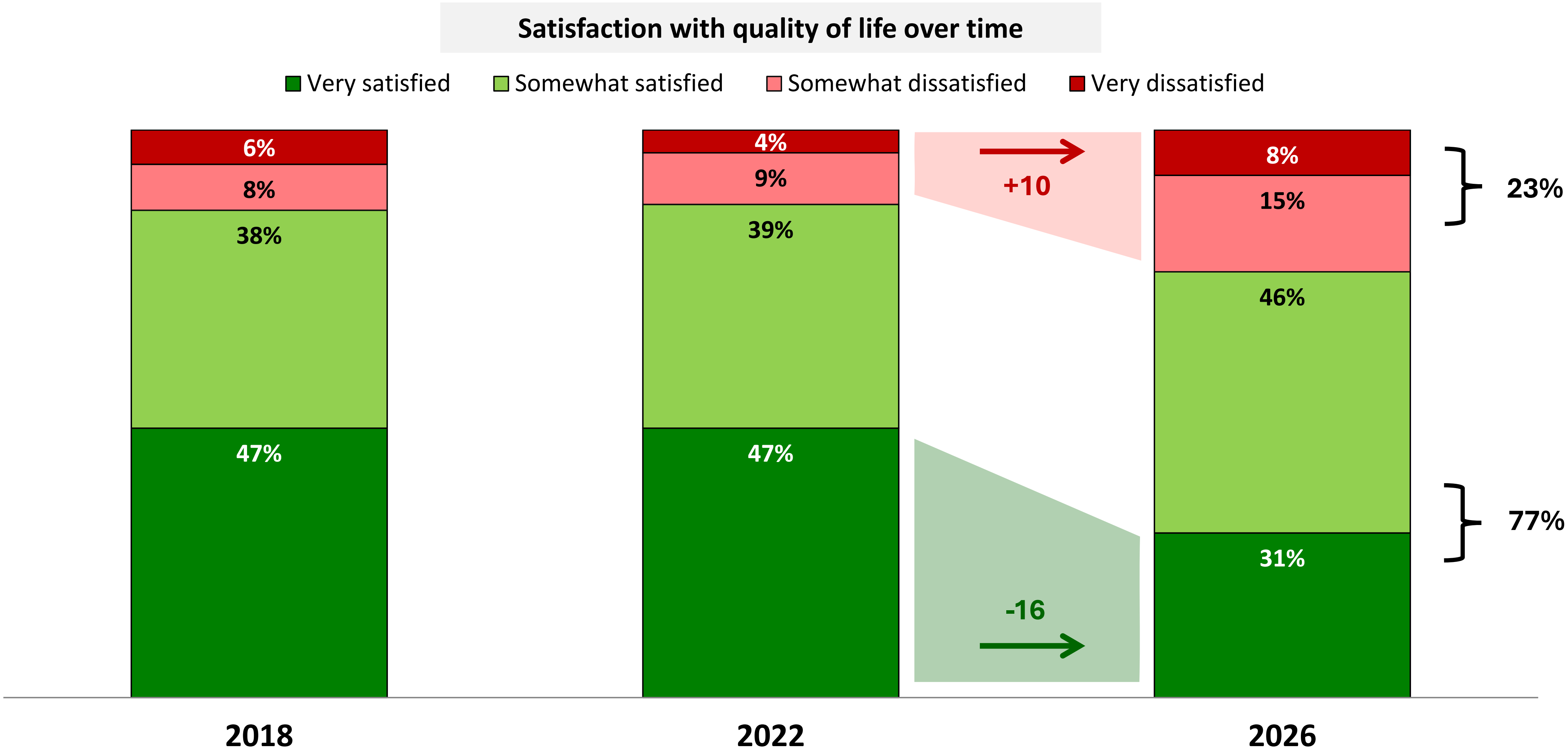
First let me ask you about the quality of life in your community. Would you say that you are very satisfied, somewhat satisfied, somewhat dissatisfied, or very dissatisfied with the quality of life in your community?

Central Indiana Hoosiers Are Satisfied with their Quality of Life



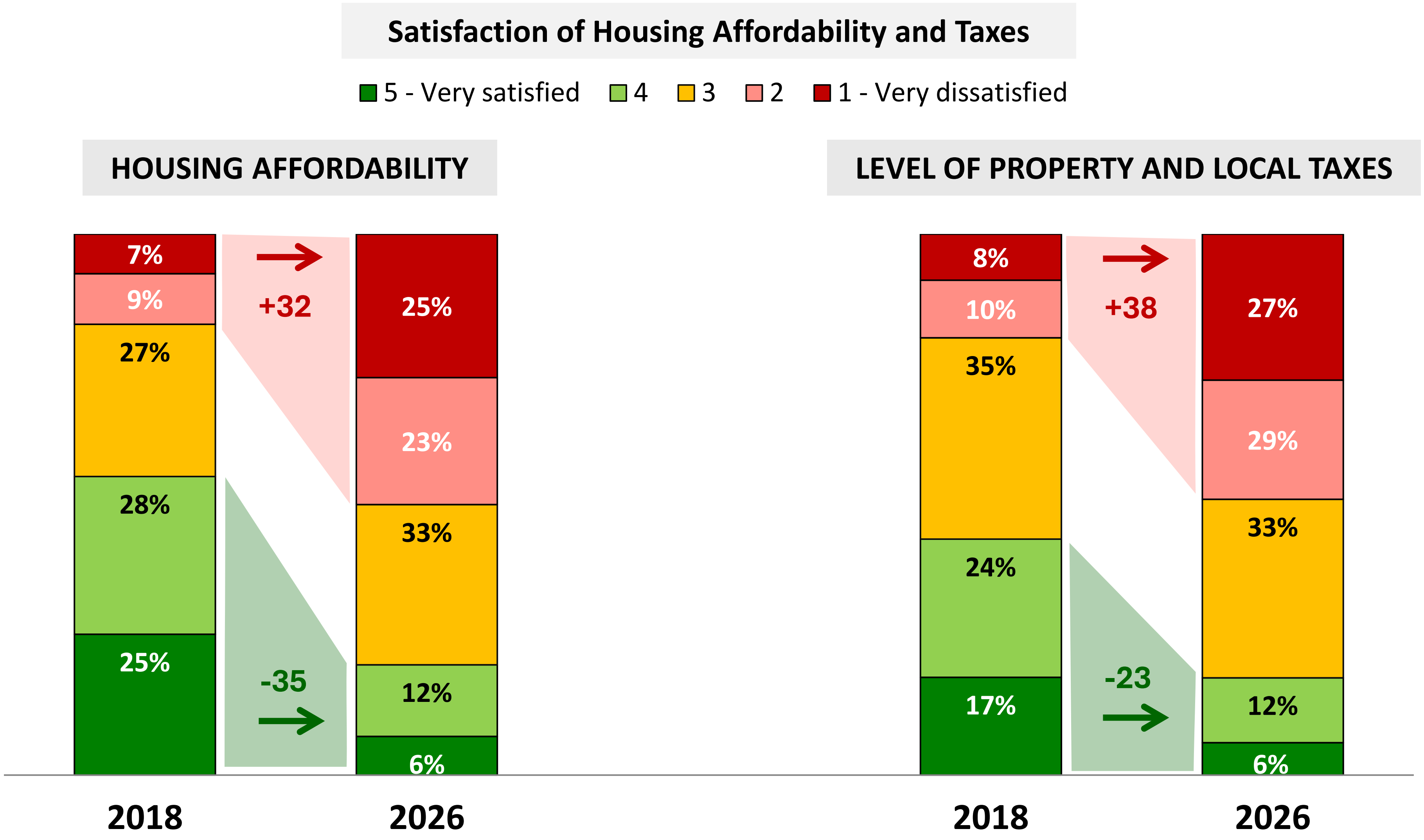
Q.4 First let me ask you about the quality of life in your community. Would you say that you are very satisfied, somewhat satisfied, somewhat dissatisfied, or very dissatisfied with the quality of life in your community?

Intense satisfaction with quality of life down 18-points from 2022; Dissatisfaction up 10-points



Q.4 First let me ask you about the quality of life in your community. Would you say that you are very satisfied, somewhat satisfied, somewhat dissatisfied, or very dissatisfied with the quality of life in your community?

Dissatisfaction with housing costs and level of property and local taxes up 30-points from 2018



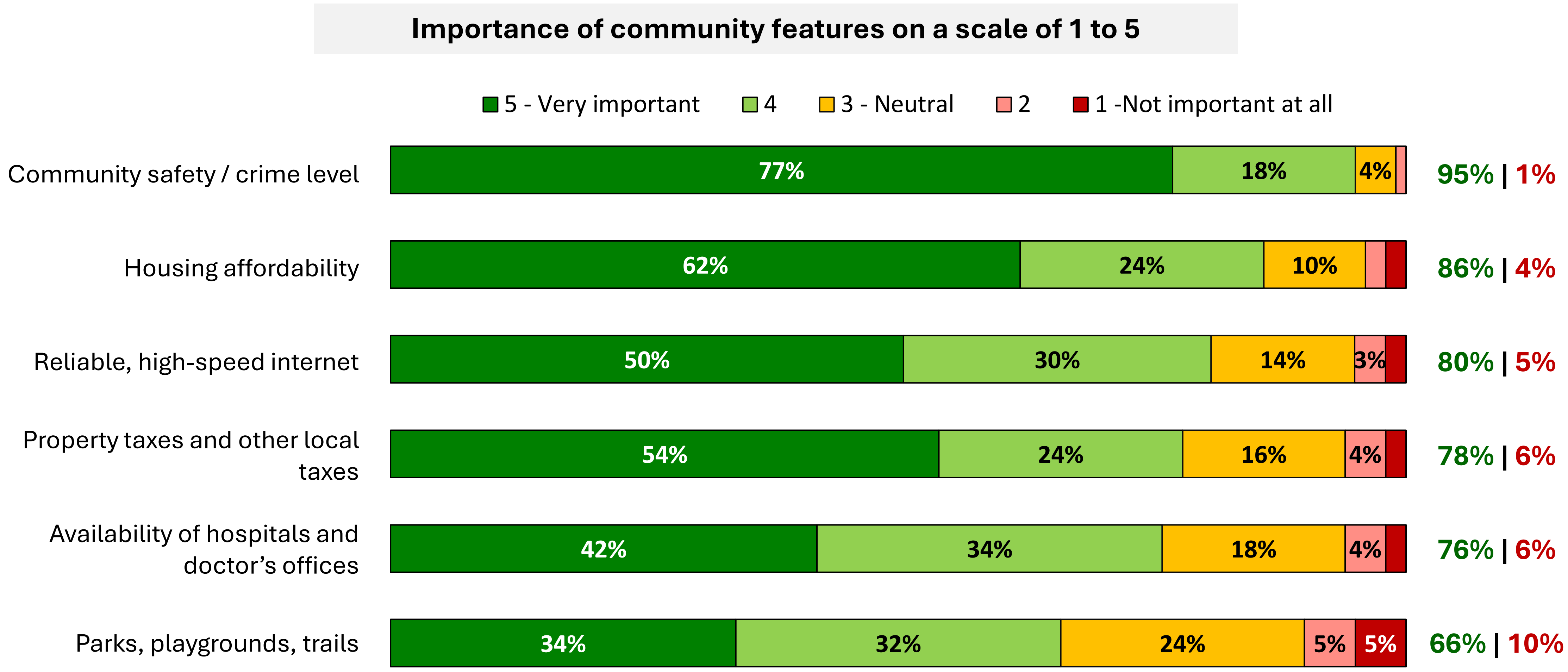
Q.7 (PHONE) Now I have a few questions about your neighborhood and community. I'd like to read you a list of amenities, features, and activities some people have said are important in deciding where to live. For each, please rate your satisfaction with that feature or amenity in your community on a scale of 1 to 5, with 1 being very dissatisfied, 3 being neutral, and 5 being very satisfied. Remember you can use any number from 1 to 5.

What is important to you in deciding where to live?

Now think for a moment about where you would like to live — your current home or somewhere new. If you were deciding today, how important would each of the following be to you, on a scale of 1 (not important at all) to 5 (very important)?

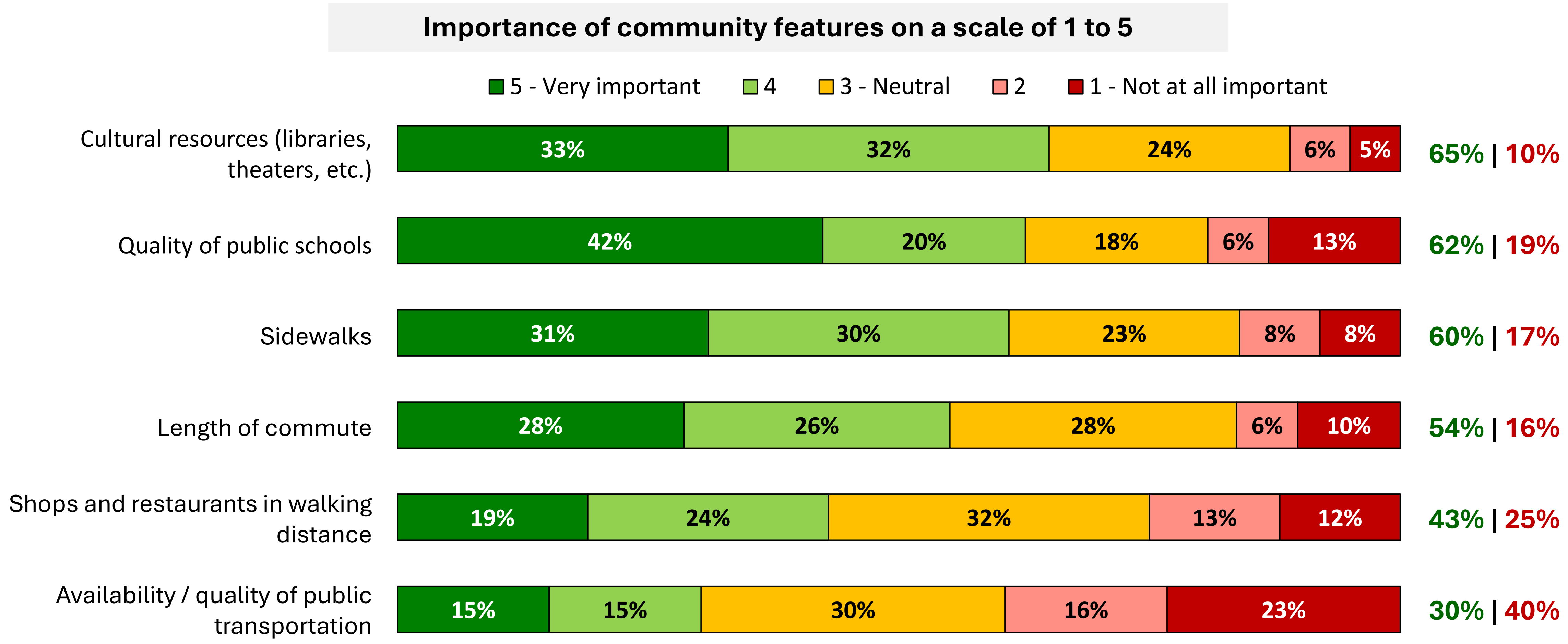
- **A** The number of shops or restaurants within walking distance of your home
- **B** Reliable high-speed internet
- **C** Sidewalks
- **D** Availability and quality of public transportation
- **E** Parks, playgrounds and trails nearby
- **F** Safety of the community and level of crime
- **G** The affordability of housing
- **H** Quality of public schools
- **I** The length of your commute to school or work
- **J** Availability of hospitals and doctor's offices
- **K** Cultural resources like libraries, theaters, music venues and places of worship
- **L** Level of property taxes and other local taxes

Public safety most important of community features; housing costs, internet, healthcare availability also rank high



Q.8 Now think for a moment about where you would like to live. It may be your current home, or it may be somewhere new. I am going to read you that same list again. If you were deciding today where you wanted to live, please tell me how important each of the following would be to you on a scale of 1 to 5, with 1 being not important at all and 5 being very important.

Commute length, shopping access, and public transit relatively low importance



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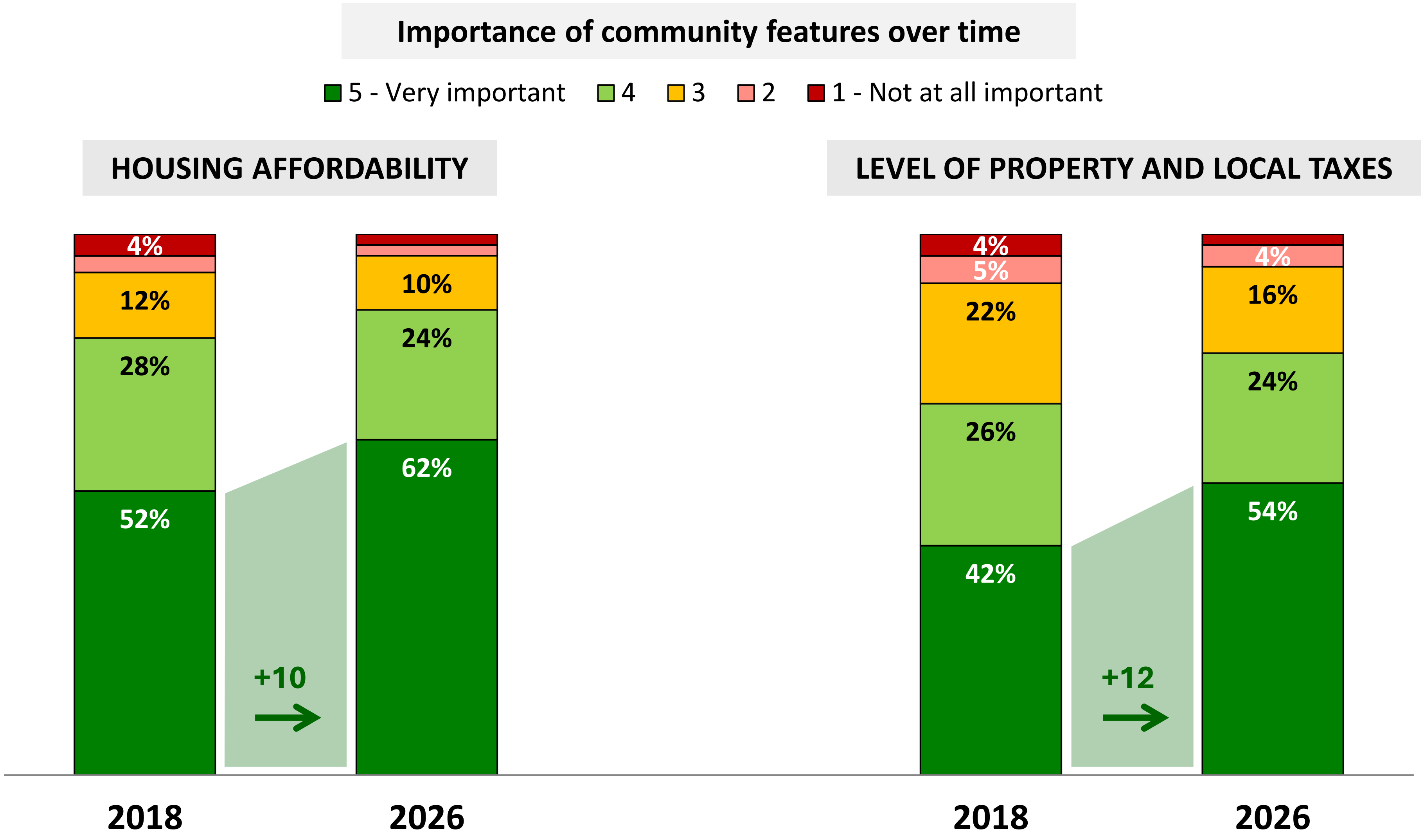
Double-digit increases in those who rate housing affordability and taxes as ‘very important’ since 2018



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Community Preferences

Choice: Home Qualities or Conveniences Nearby

Which would be more important to you in deciding where to live:

The qualities of the home itself, like size, layout and amenities

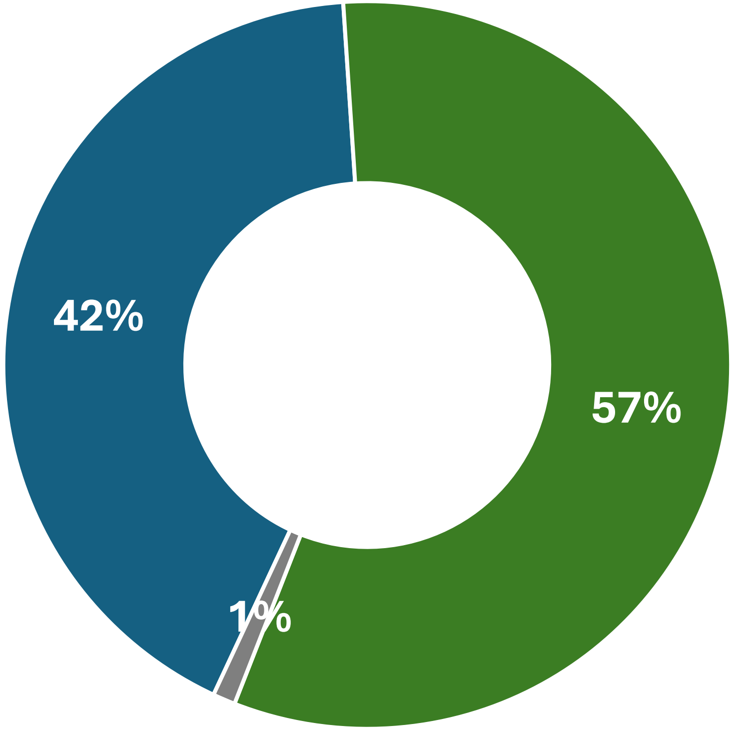
OR

The kind of neighborhood the house is in, like having shops, restaurants, parks and schools nearby?

Home qualities outweigh being in a neighborhood with conveniences nearby

Importance: Neighborhood qualities vs house qualities

The neighborhood the house is in, like having shops, restaurants, parks and schools nearby



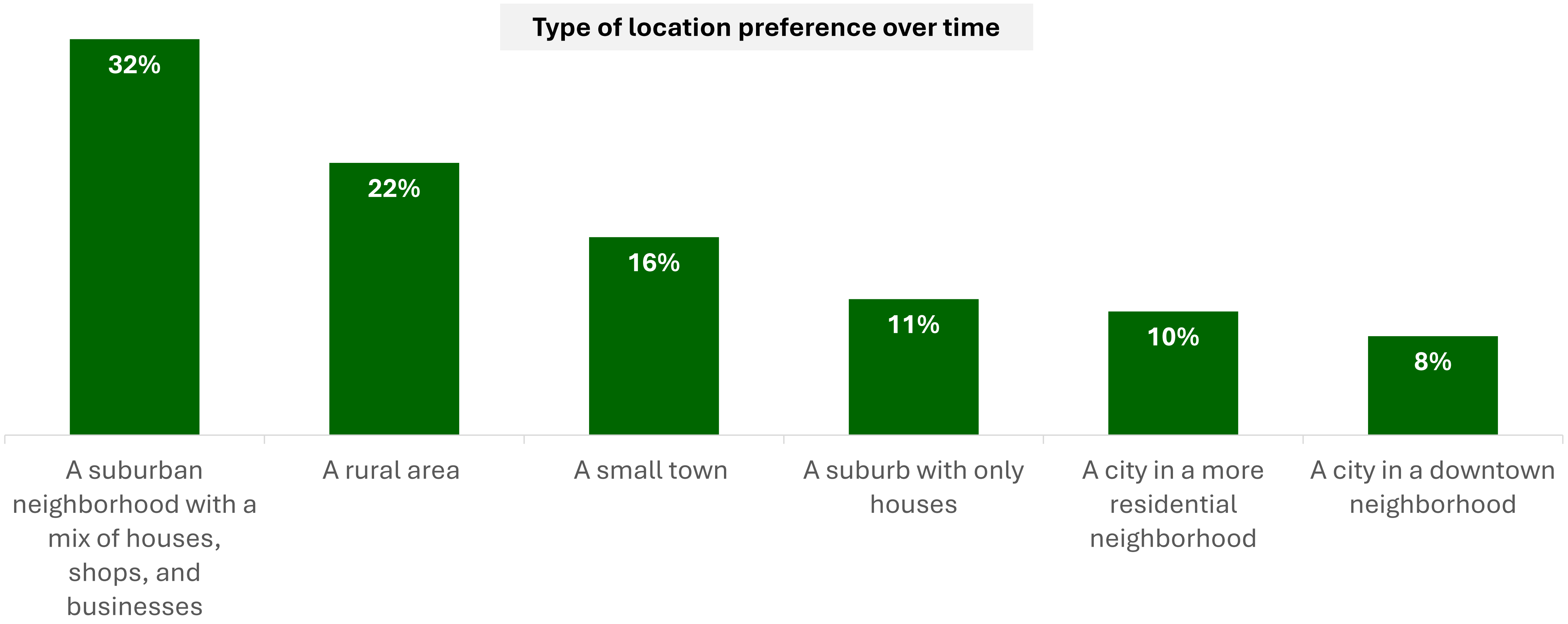
Qualities of the home itself, like size, layout and amenities

Q.9. Which would be more important to you in deciding where to live: the qualities of the home itself, like size, layout and amenities OR the kind of neighborhood the house is in, like having shops, restaurants, parks and schools nearby?

If you could live anywhere you wanted, in which of the following locations would you most like to live?

- A city in a downtown neighborhood with a mix of offices, apartments and shops
- A city in a more residential neighborhood
- A rural area
- A small town
- A suburban neighborhood with a mix of houses, shops and businesses
- A suburban neighborhood with houses only

A plurality say they would prefer to live in a suburban neighborhood with a mix of commercial businesses



Q.11. If you could live anywhere you wanted, in which type of the following locations would you most like to live?

Neighborhood Choice: Walkable vs. Have to Drive

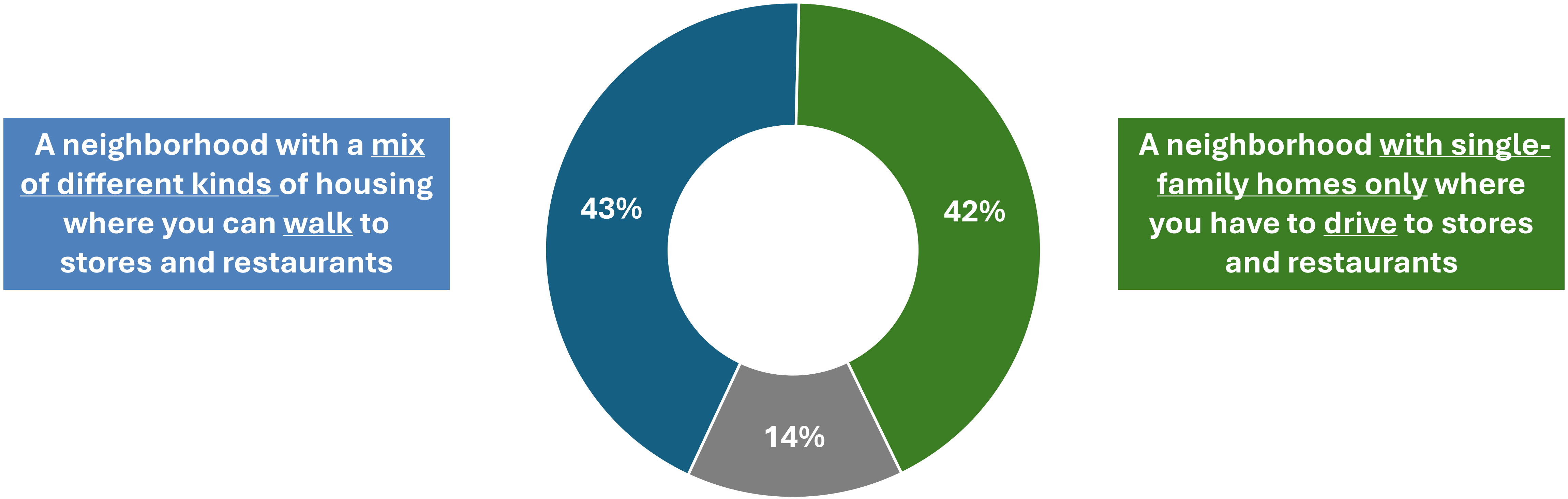
And if you had to choose, would you rather live in a neighborhood with a mix of different kinds of housing where you can walk to the stores and restaurants

OR

A neighborhood with single-family homes only where you have to drive to stores and restaurants?

Overall adults are split on prioritizing walkability vs. single-family housing

Preference: single-family homes only vs. walkability



Q.13. And if you had to choose, would you rather live in a neighborhood with a mix of different kinds of housing where you can walk to the stores and restaurants or a neighborhood with single-family homes only where you have to drive to stores and restaurants?

Demographic Profile of Walking Community Preference

Differences in community preference tend to be more of degree than magnitude. Still, certain communities are overrepresented in each camp.

Prefers a walkable community

3 or 4 on walkability scale

- More likely to be women
- More likely to be college graduates
- Less likely to have kids than those who prefer car-centric community
- Disproportionately seniors
- Majority have household income < $100,000
- Most live in suburban or urban areas, with a disproportionate share in urban areas

Prefers a car-centric community

0 or 1 on walkability scale

- More likely to be men
- More likely to be non-college graduates
- More likely to have kids than top walkers
- Majority have household income > $100,000
- Most live in suburban or rural areas, with a disproportionate share in rural communities

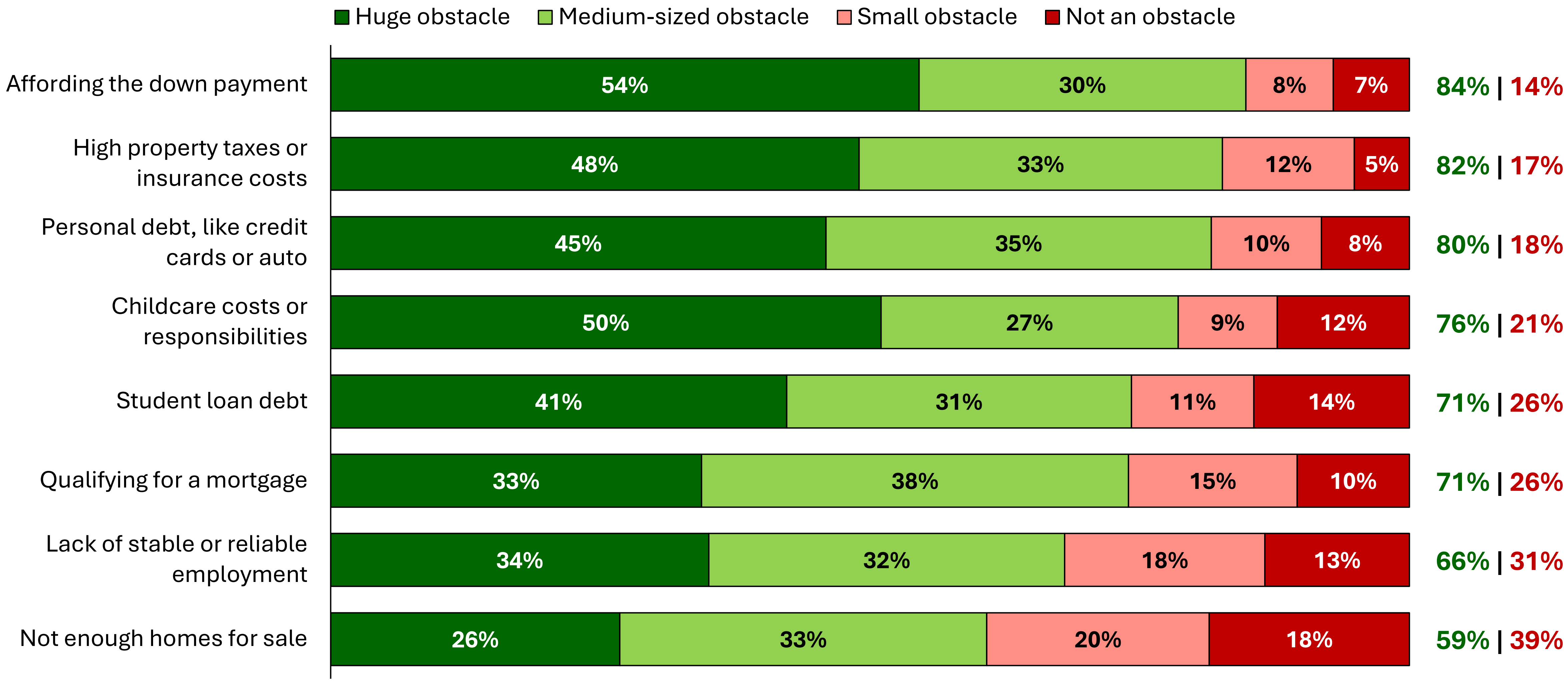
Obstacles to Homeownership

Obstacles to Buying a Home in Central Indiana

Next you are going to read several things some people have said are common obstacles to buying a home in central Indiana. After each one, please say whether you think it is a huge obstacle, a medium-size obstacle, a small obstacle, or not an obstacle to people who want to buy a home in central Indiana.

- A Qualifying for a mortgage
- B Affording the down payment
- C Student loan debt
- D Personal debt, like credit cards or auto loans
- E Lack of stable or reliant employment
- F High property tax or insurance cost
- G Childcare costs or responsibilities
- H Not enough homes for sale

Down payment cost, property taxes, personal debt, and childcare costs are the top obstacles to home ownership



Q.18 Next you are going to read several things some people have said are common obstacles to buying a home in central Indiana. After each one, please say whether you think it is a huge obstacle, a medium-size obstacle, a small obstacle, or not an obstacle to people who want to buy a home in central Indiana

Take Aways / Up for Discussion

Five Takeaways / Let's Discuss

- **People like the quality of life in the Indianapolis metropolitan area BUT satisfaction is down from 2022 and dissatisfaction is up**

- **Affordability is driving the change.** Dissatisfaction with the cost of housing and level of property and other taxes is up. As people look for new housing, they are placing more importance on housing affordability and the tax load.

- **People want options.** Home qualities outweigh neighborhood conveniences in a head-to-head matchup, but there is no dominant preference for a single kind of neighborhood.

- **Residents split in choice between walkable neighborhood and single-family home only neighborhood.** Just under half (43%) choose the walkable neighborhood with a mix of housing, stores and restaurants while 42% prefer a neighborhood with single-family homes only where you have to drive to stores and restaurants.

- **Downpayment, personal debt, property taxes/ insurance costs and childcare costs top obstacles to homeownership.** Affording the down payment (86% huge or medium sized obstacle) ranks first, followed by high property taxes or insurance costs (82%) and personal debt (81%). Childcare costs or responsibilities also ranks high (76%).

Thank You

Joe Goode, Chief Insights Officer, Statara

Local Real Estate Panel Discussion

Panel Discussion

Gina Miller
INHP

Sean Northup
Indianapolis MPO

Kelli Lawrence
Builder/Onyx and East

Michelle Hammes
REALTOR®

Chris Pryor
MIBOR

THANK YOU

MIBOR Housing Summit


Martin Lavelle
Principal Business Economist
Federal Reserve Bank of Chicago
The views expressed here do not necessarily reflect the views of the Federal Reserve Bank of Chicago or the Federal Reserve System.
Federal Reserve Bank of Chicago

What Drives Growth in Metro Indy?

Is that playing out?

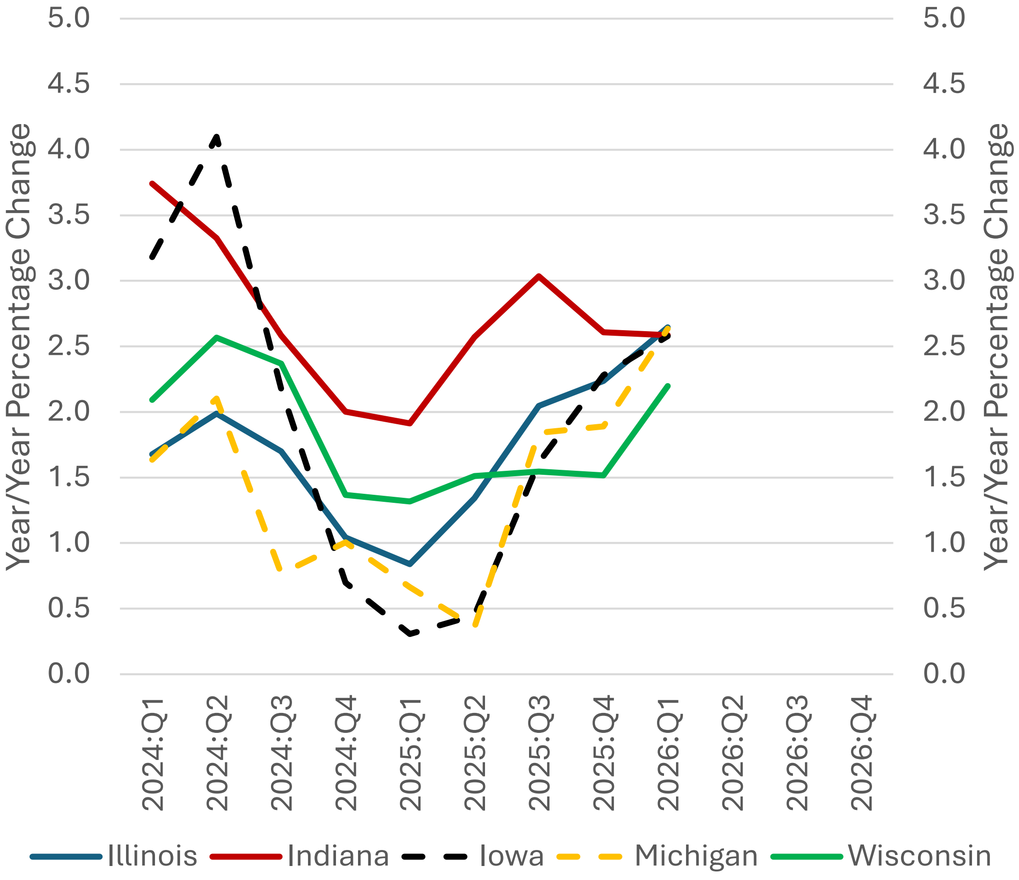
Presentation Outline

- The performance of Indy's growth drivers on a macro scale
- What I'm hearing from contacts in the sectors important to Indy's economy
- Who are Indy's peers and how are they performing?

Growth and its Originations

7th District Real GDP Growth Rates

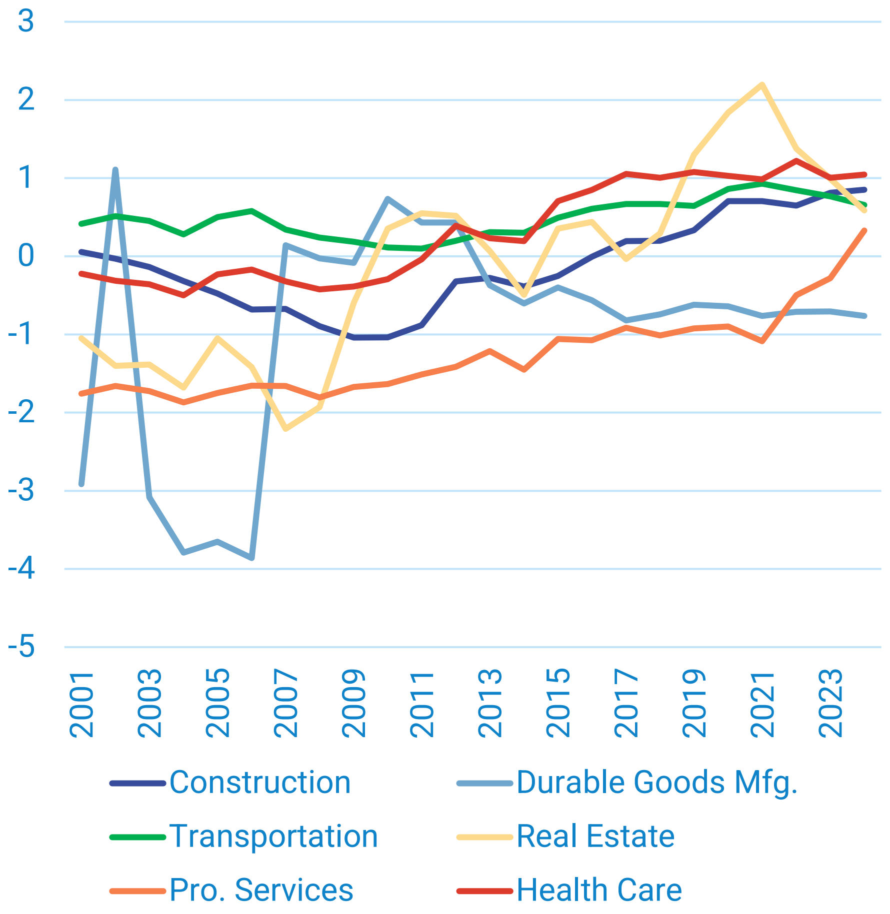
- Indiana's growth has been above trend over the last 12 months



Source: Author's calculations using data from U.S. Bureau of Economic Analysis.

Contributions to Economic Growth

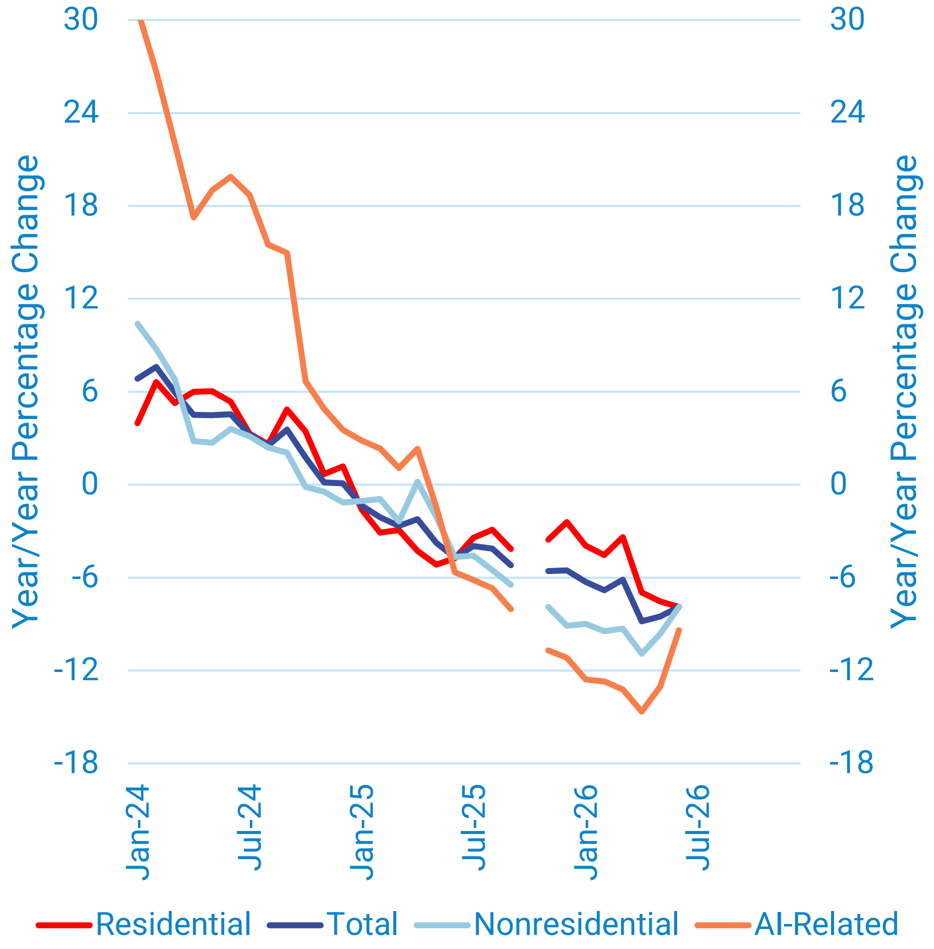
- Indianapolis weight – US weight
- So a positive number means activity in that sector makes up a higher percentage of total activity



Source: Author's calculations using data from U.S. Bureau of Economic Analysis.

Construction Spending Trends

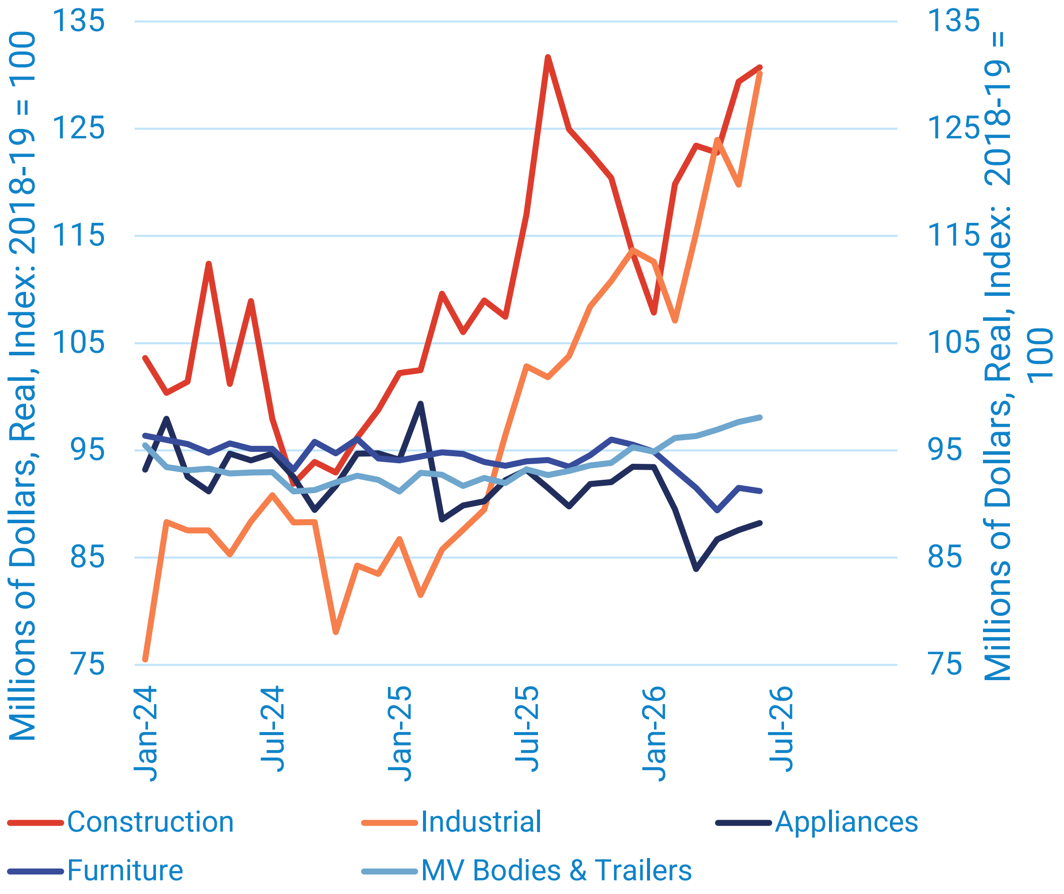
- Despite the data center boom, construction spending has been down for the last year or so
- Data center construction's share of the total lies in the high teens.



Source: Author's calculations using data from the Census Bureau

Equipment Order Volumes

- Orders for industrial and construction equipment remained elevated, driven by the AI boom.

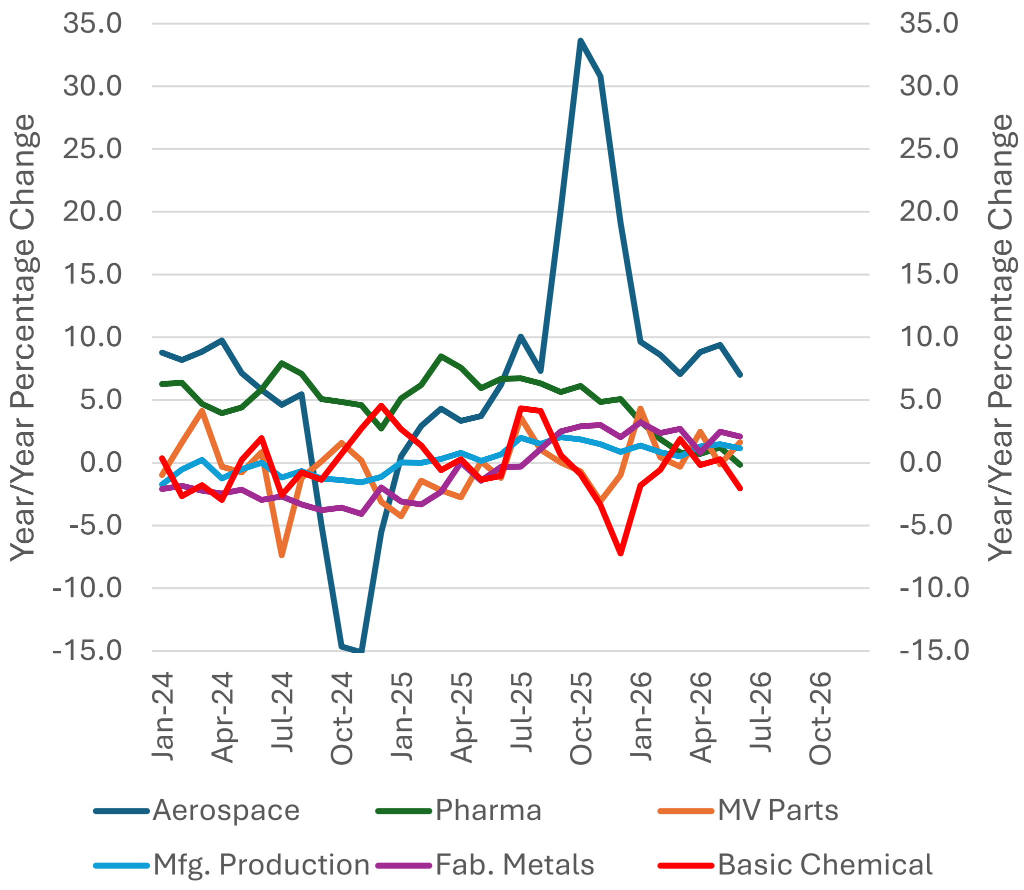


Source: Author's calculations using data from the Census Bureau and Haver Analytics

Growth Drivers

Industrial Production

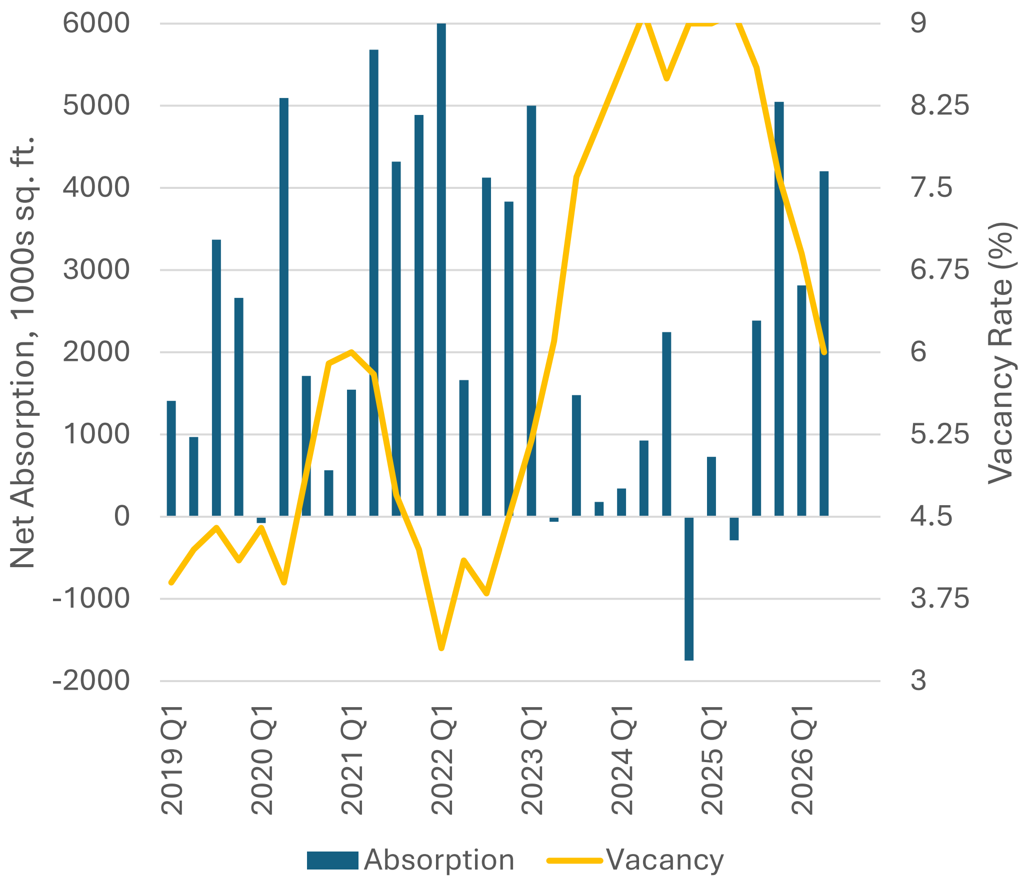
- Heavy truck and body & trailer production has lagged the manufacturing sector overall over the last year.



Source: Author's calculations using data from the Federal Reserve

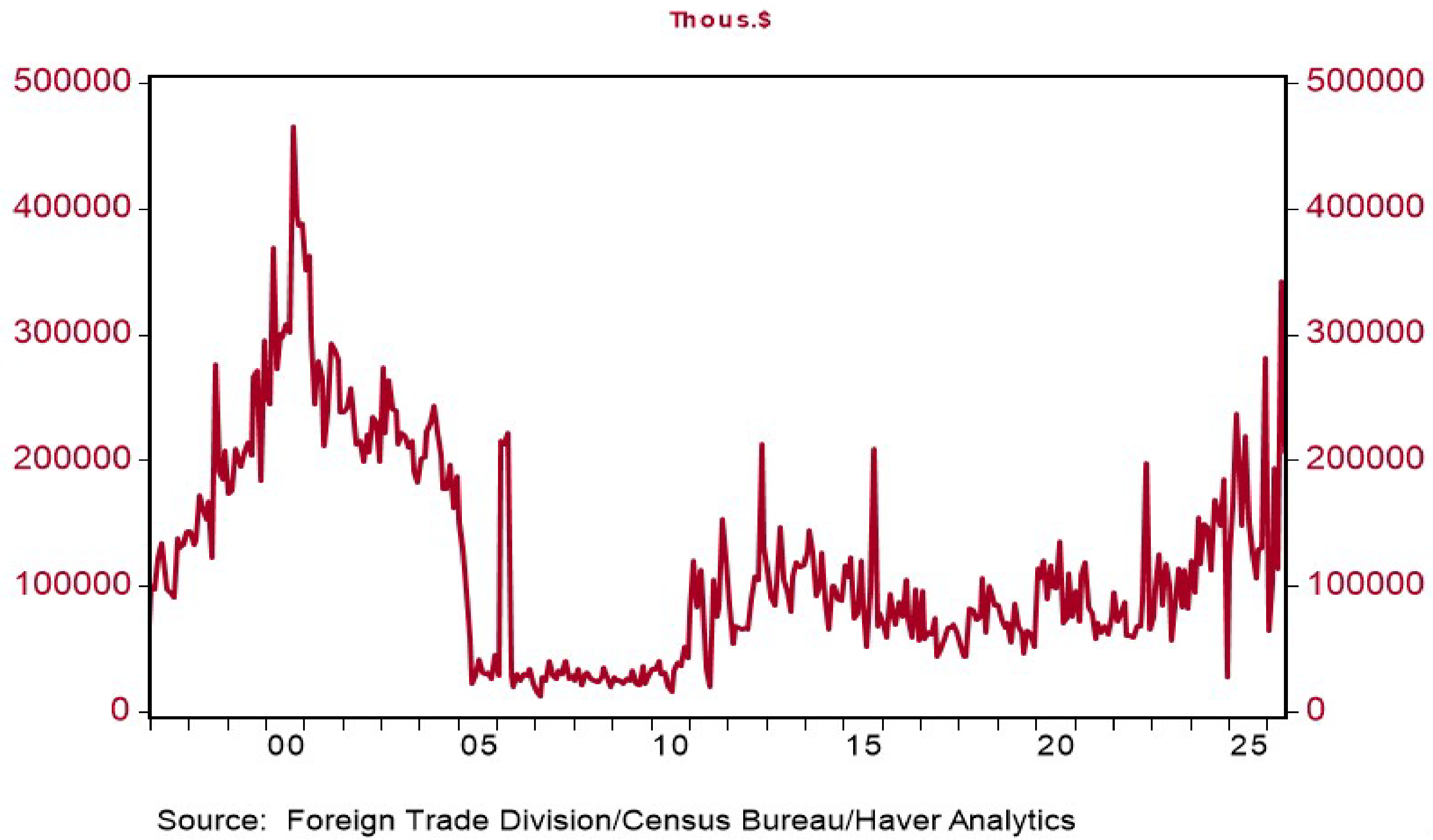
Metro Indy: Industrial Absorption & Vacancy

- Total square footage increased 28% since 2019 with the fastest pace from 2020-23



Source: CoStar

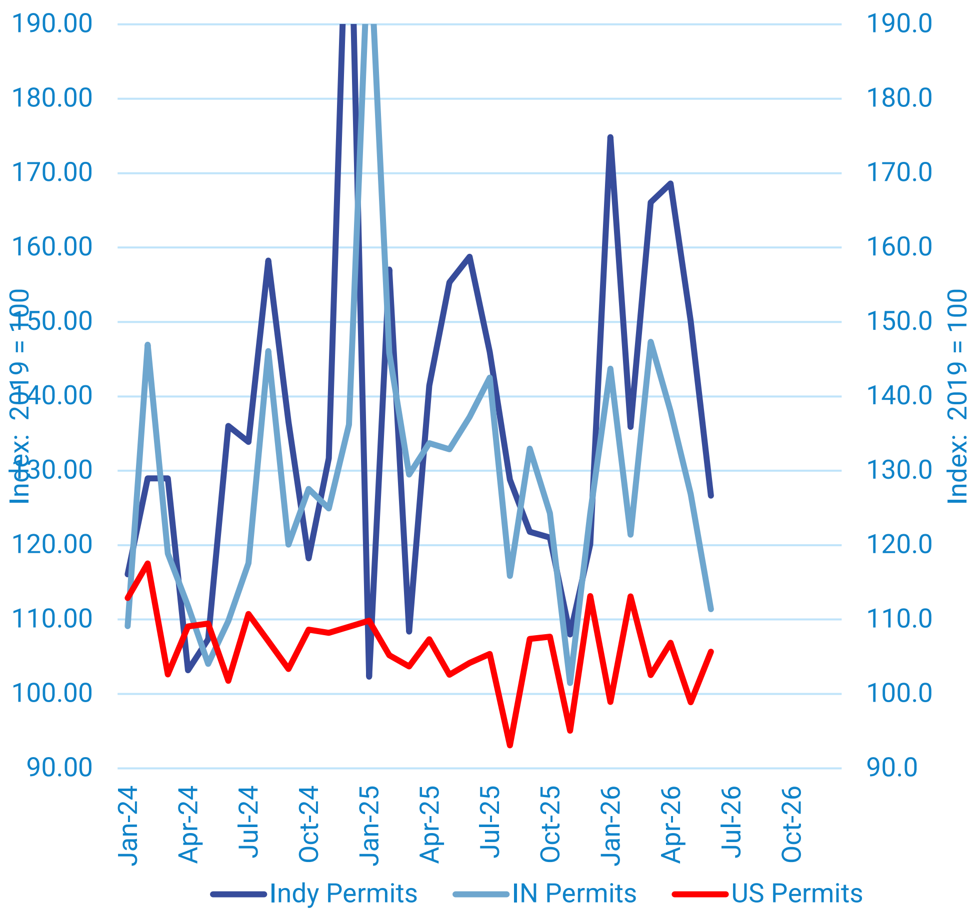
Total Export Value: Cleveland OH District: Indianapolis IN



Thanks to the deepening of the pharma cluster, exports have picked up in recent years.

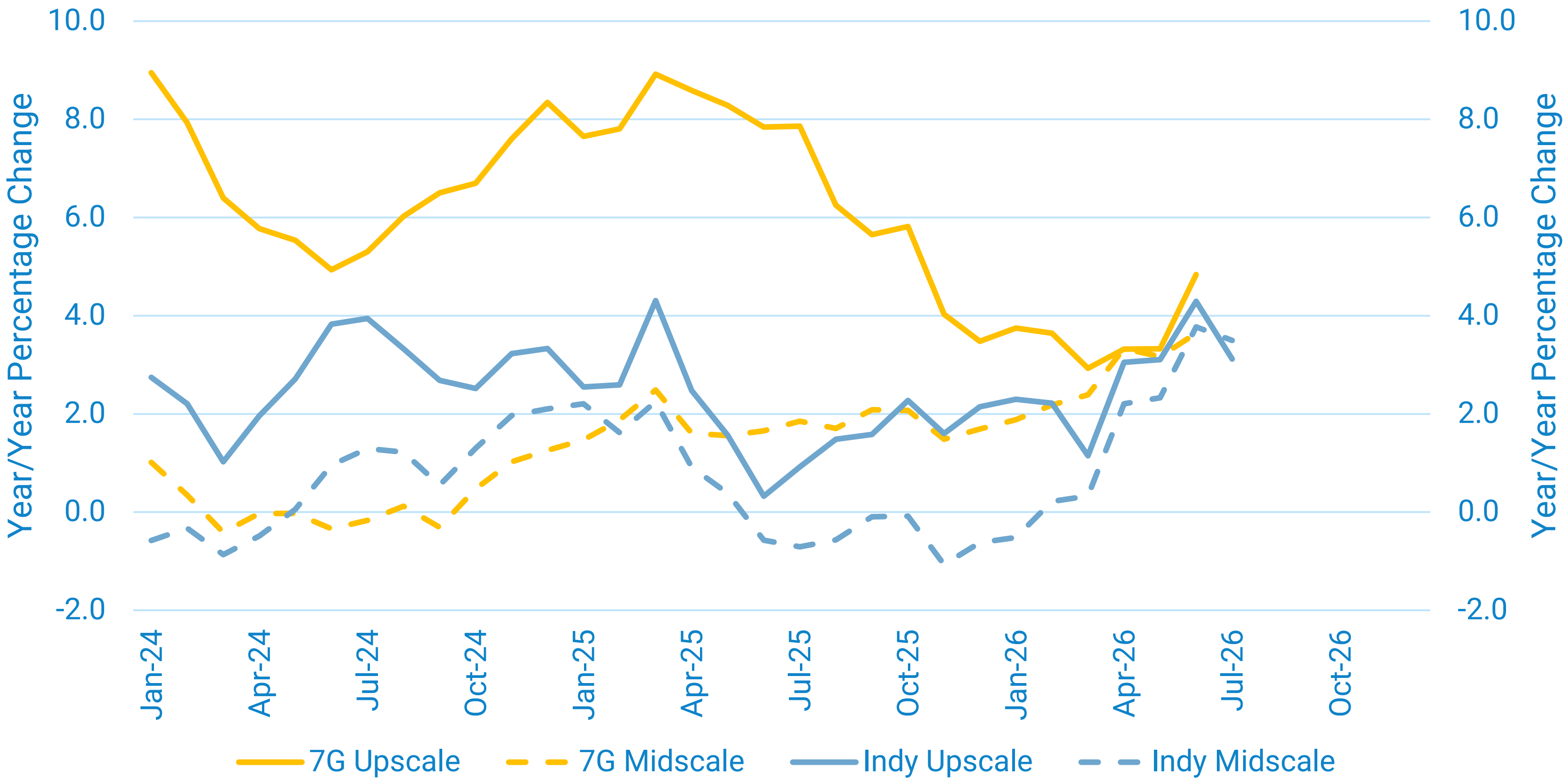
Housing Permits: Indiana vs. U.S.

- Housing permits have outpaced the U.S. consistently in recent months
- However, construction activity has trended lower since the start of 2024
- But, per Indiana Realtors, closed home sales are up 3% year-to-date (through July)



Source: Author's Calculations Using Data From Haver Analytics

Hotel Room Demand Growth: 7th District vs. Metro Indy

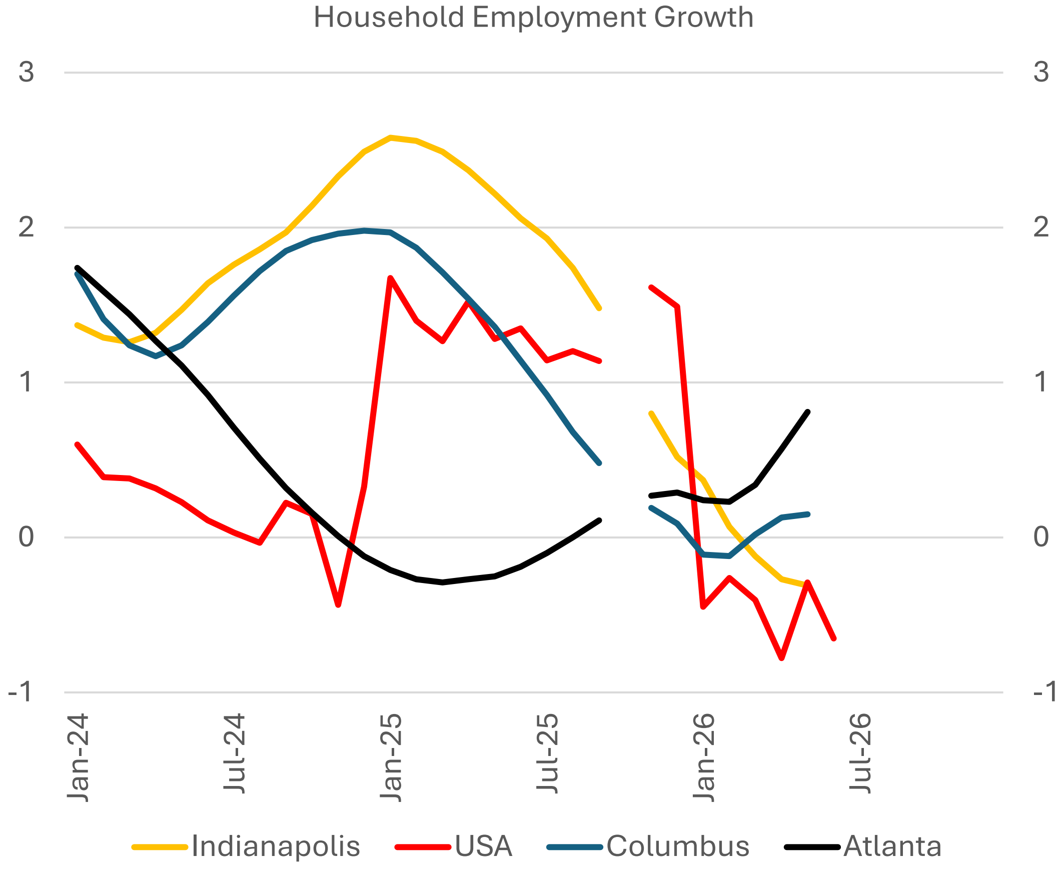


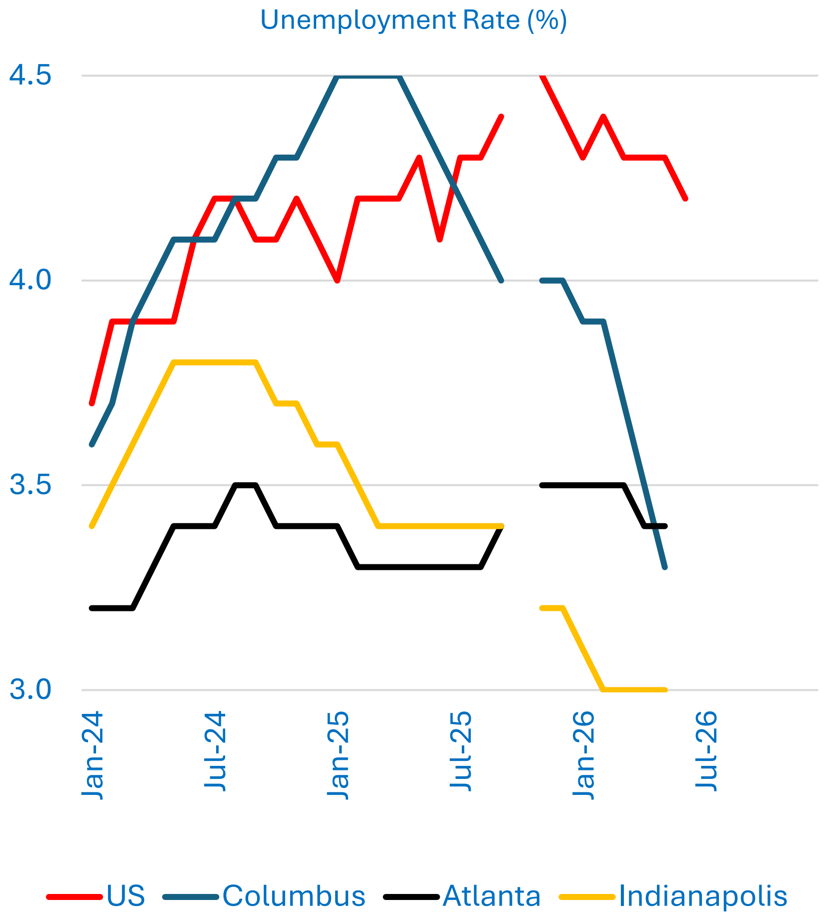
Hotel room demand picked up, especially in the more affordable segments.

Source: Author’s calculations using data from CoStar

Indianapolis vs. Columbus

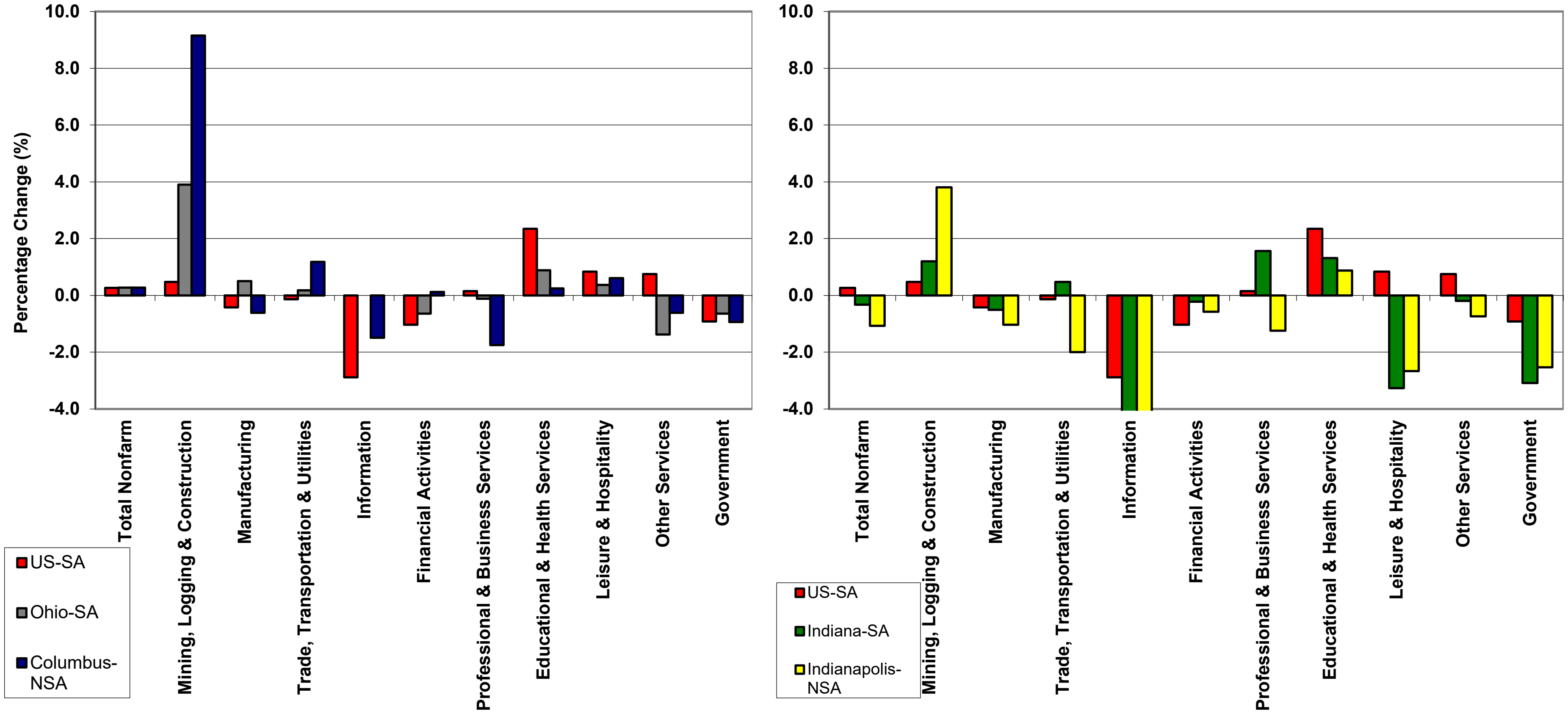
For Indianapolis, low unemployment but weak hiring.





Source: Author's calculations using data from the Bureau of Labor Statistics and Haver Analytics

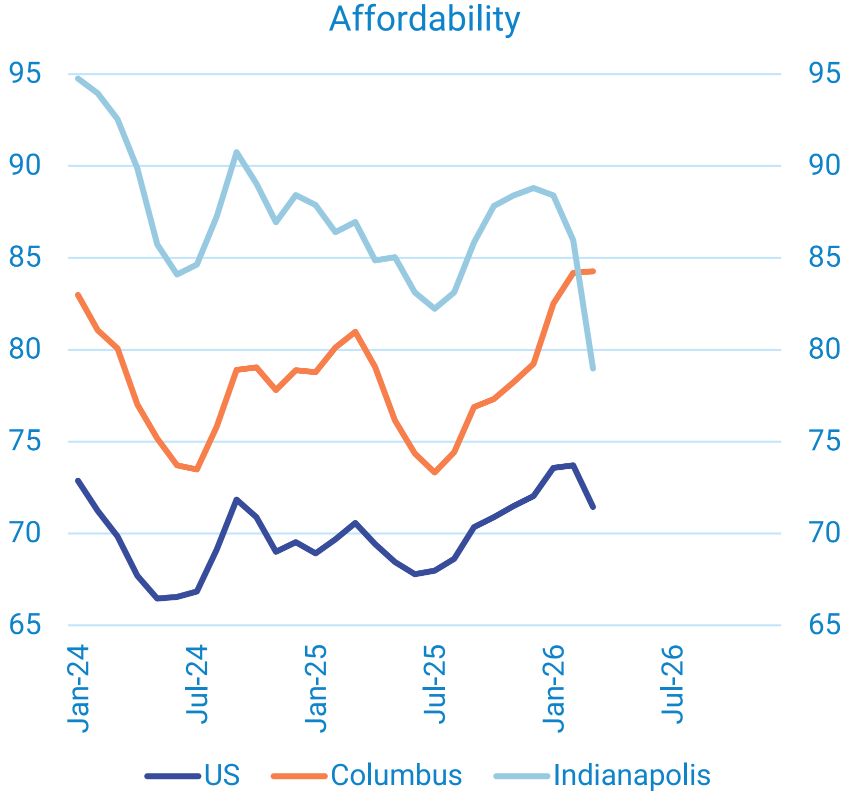
Employment Growth, Last 12 Months: Columbus vs. Indianapolis

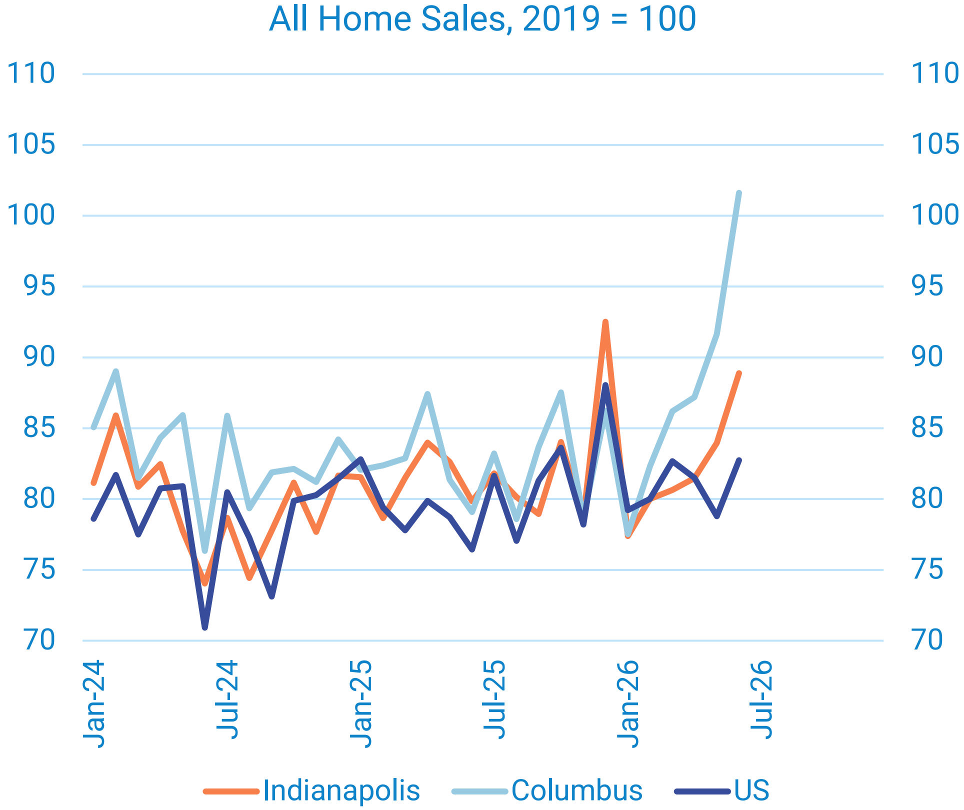


- Versus Columbus, strong areas aren't as strong and weaker areas are weaker for Indy.
- 4-year trends show why these two metros can be considered as peers.

Source: Author's calculations using data from the Bureau of Labor Statistics and Haver Analytics

The housing market remains constrained by affordability



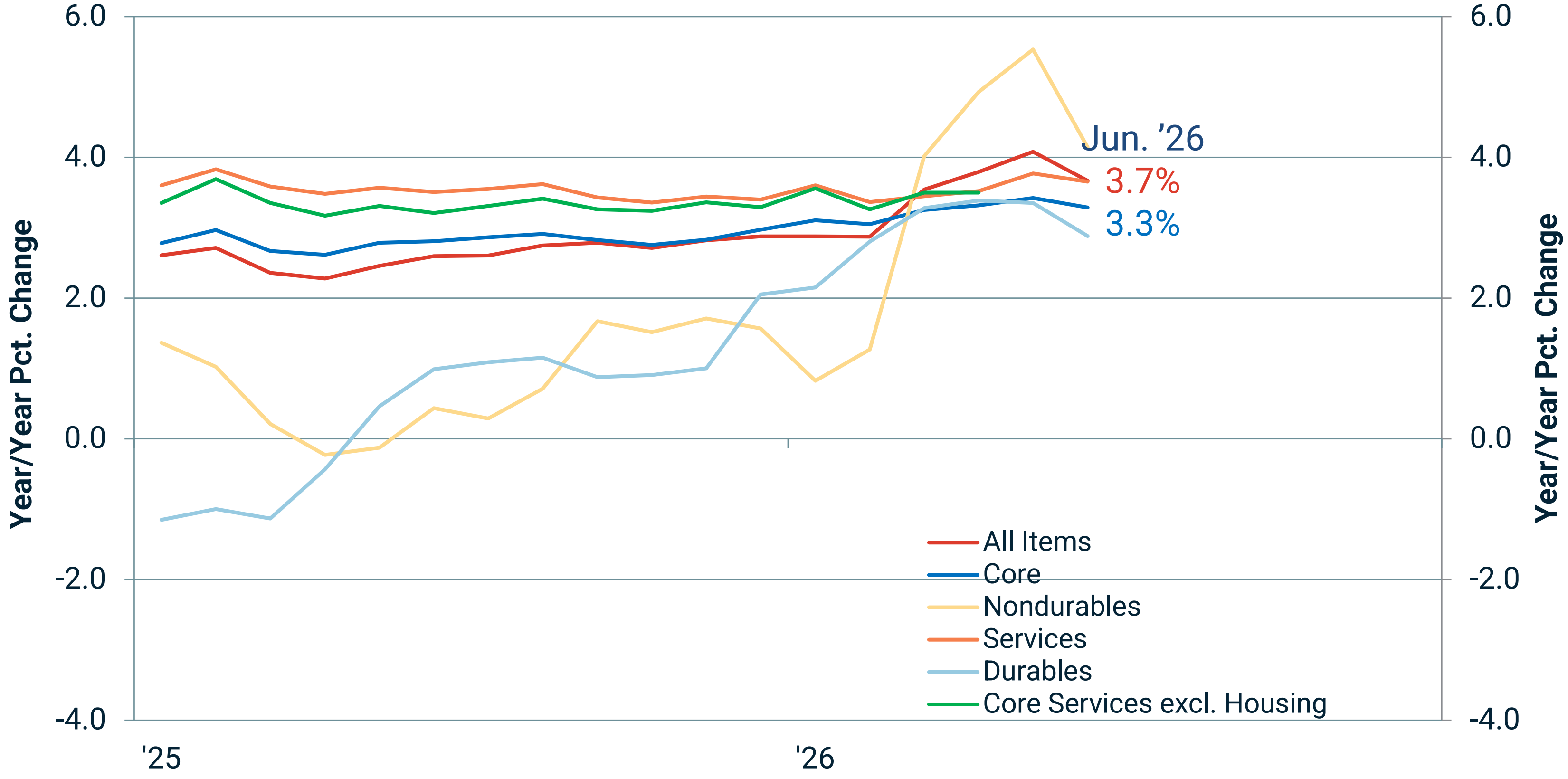


- All home sales, 3 month moving average, seasonally adjusted
- Home Affordability: Seasonally Adjusted, the lower the number, the less affordable

Source: the Federal Reserve Bank of Atlanta and author's Calculations using data from Zillow and Haver Analytics

Structural Challenges & Opportunities

PCE Inflation

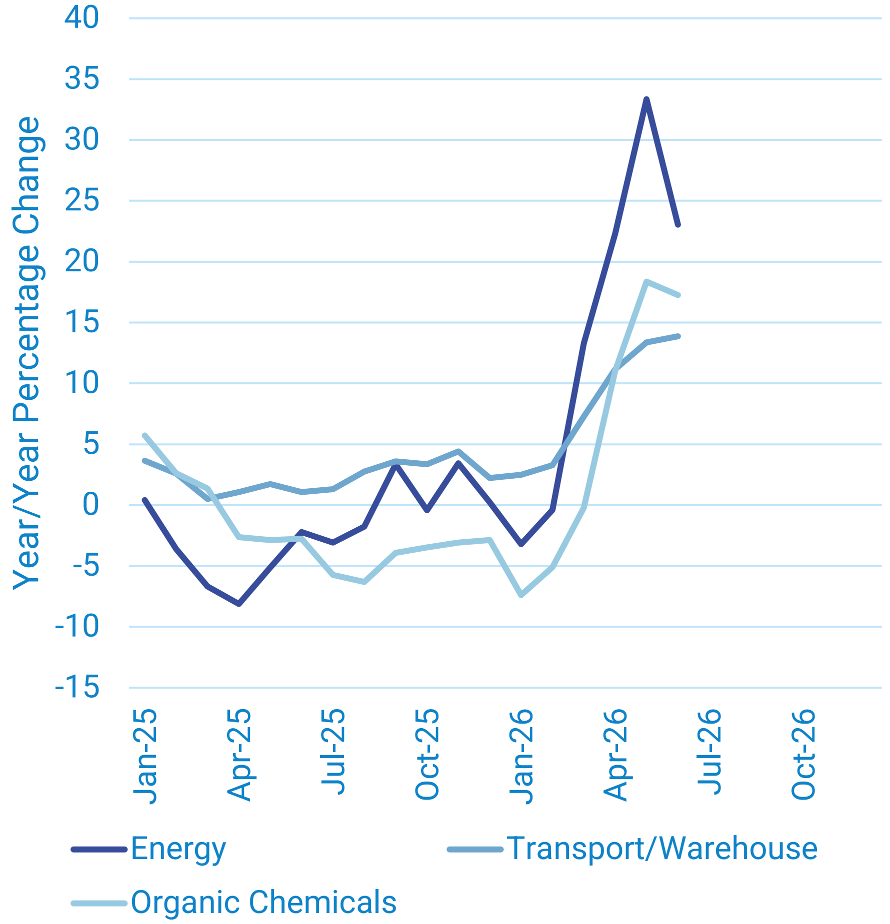


- The four corners of inflation: tariffs, energy, supply-chain constraints, services
- If these inflationary pressures persist, that doesn't bode well.

Source: Author's calculations using data from the Bureau of Economic Analysis

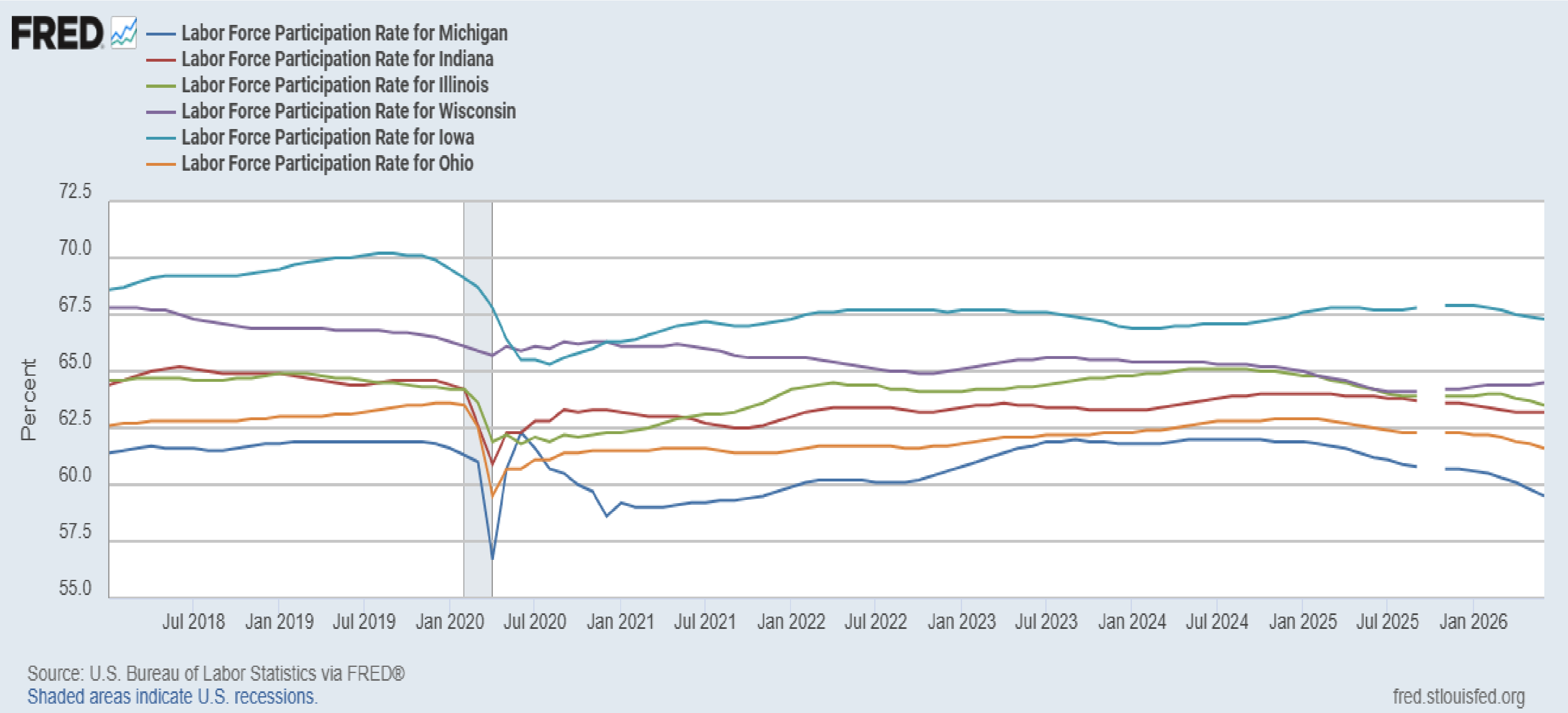
Producer Price Inflation: Select Categories

- Energy prices responsible for the recent surge in price pressures
- These are producer prices so while some inflation is ok, this level of intensity is hard to pass on.



Source: Author's calculations using data from the Bureau of Labor Statistics and Haver Analytics

Midwest Labor Force Participation Rates



- The long-forecasted fall in labor force participation is happening after being delayed by a post-COVID bounce.

Takeaways

- Indianapolis finds itself in a sweet spot with its major growth industries currently in sectors where demand growth has been robust: health care, pharma, affordable housing and hospitality.
- However, uncertainty and challenges in manufacturing and logistics are likely to persist.
- While there may be short-term changes in site selection preferences (tax policy, utility costs), access to talent has and will always be near the top of the list.

Thank You

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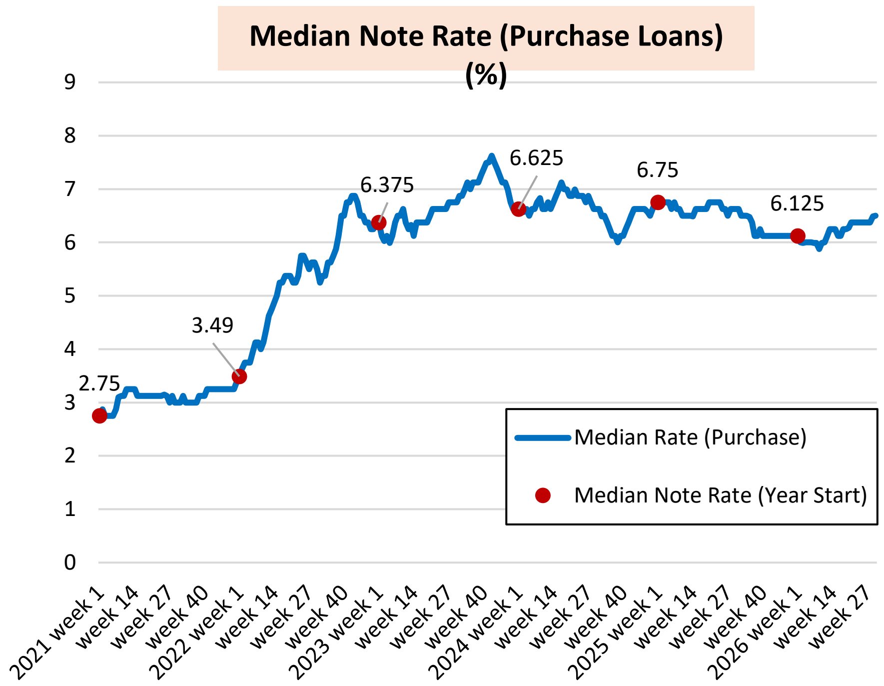
Ed Pinto

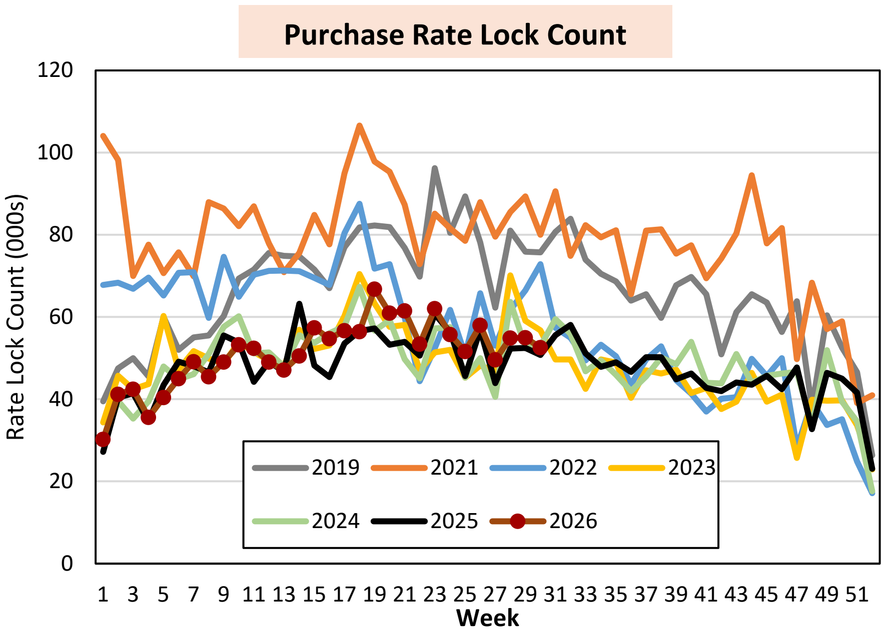
Co-Director and Senior Fellow for the Housing Center at the American Enterprise Institute

The State of the Housing Market and Ending the Ban on Starter Homes

National Purchase Activity

- The median purchase note rate increased to 6.5% in week 30, 2026. This is down 1.125 ppt. from the series peak in week 43, 2023 and down 0.25 ppt. from week 24, 2025 (2025 peak), and up 0.5 ppt. from the 2024 low. On July 27th, Mortgage News Daily (MND) reported a daily rate of 6.80%.
- Purchase rate lock volume in week 30, 2026 was down 31% from the same week in 2019, and up 4% from the same week in 2025.
- In June 2026, preliminary constant-quality home prices were up 1.6% from a year ago.





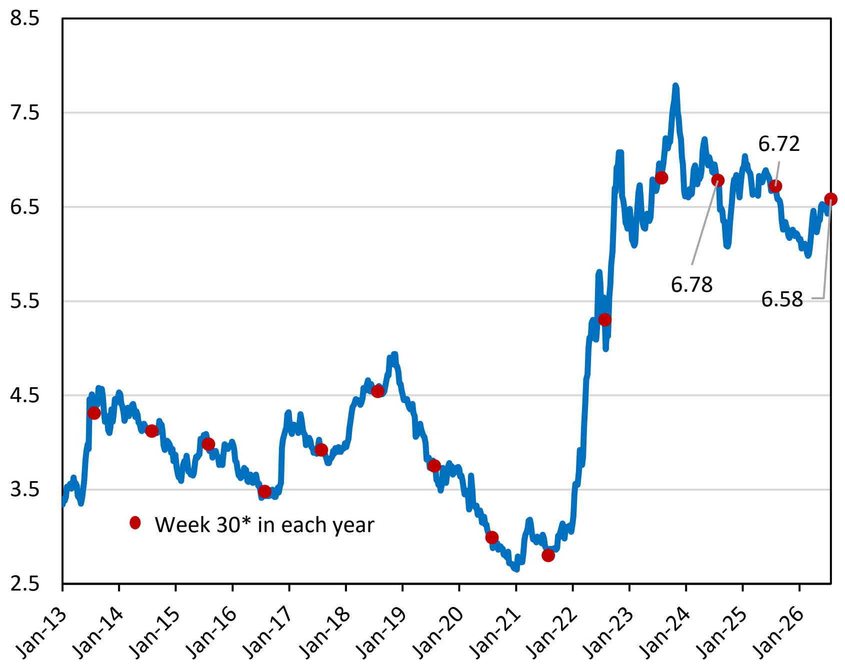
Note: Week 30, 2026 refers to the week ending July 24th, 2026. Rate locks are limited to lenders who joined ICE Dec. 2018 or earlier.
Source: ICE, Agency MBS and AEI Housing Center, www.AEI.org/housing.

AEI Housing Center

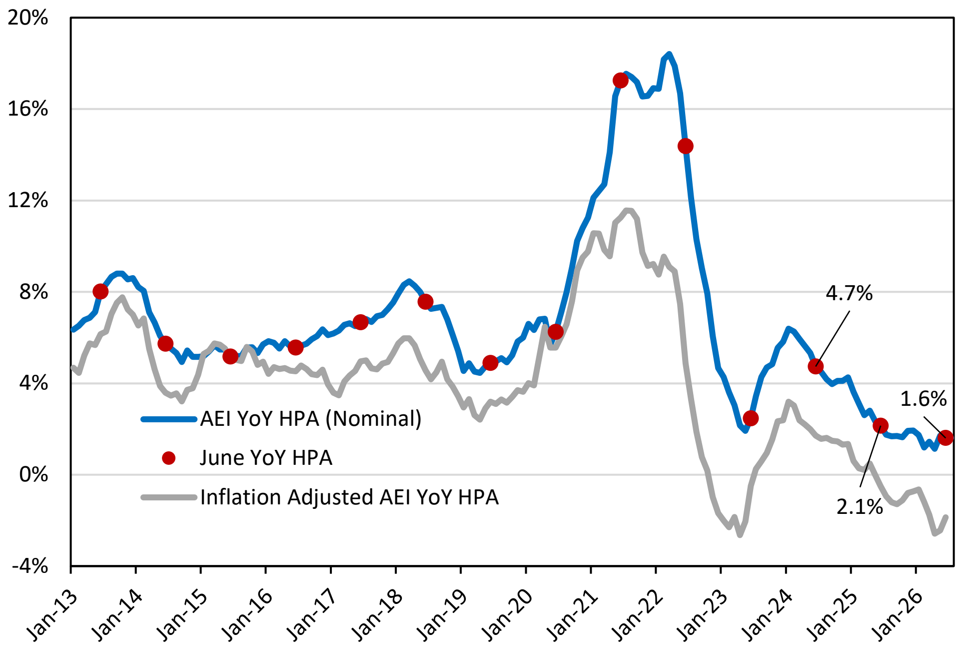
National Year-over-Year (YoY) HPA up 1.6% in June 2026

- June 2026's preliminary YoY HPA was 1.6%, down from 1.7% (revised) in May 2026 and 2.1% in June 2025.
  - With wages now generally growing faster than HPA, housing affordability is slowly improving.
  - June 2026's preliminary MoM HPA was -0.4%.
  - This trend of slow HPA disinflation is expected to turn into weak price deflation for YoY 2026, 2027, and 2028 (more on next slide).
  - Constant-quality HPA controls for mix shifts in home quality, which otherwise may skew MoM or YoY changes.

30-Year Fixed Rate Mortgage



Year-over-Year Rate of HPA



AEI Housing Center

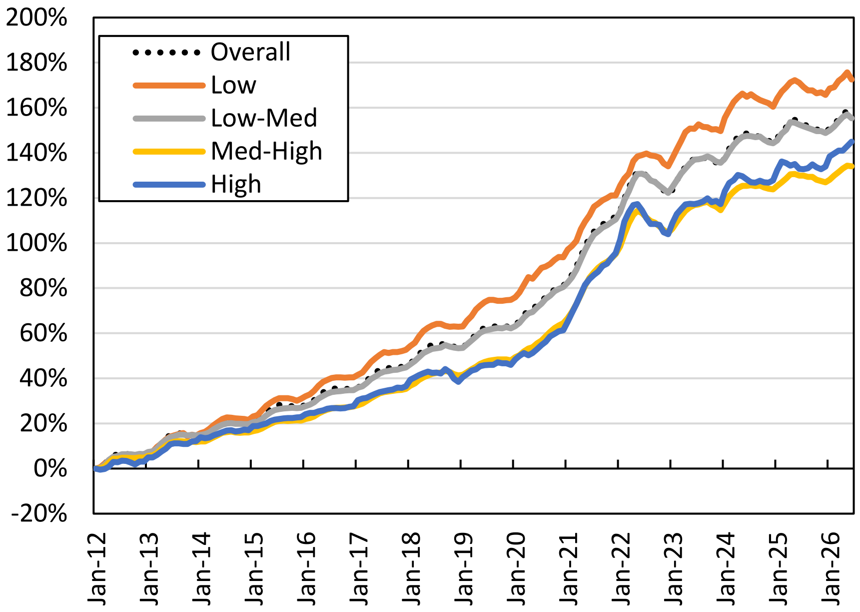
Note: Data are for 30-year fixed-rate prime conventional conforming. Home purchase mortgages with a loan-to-value of 80 percent.
* Week 30, 2026 refers to the week ending July 23rd, 2026.
Source: FRED.

Note: Data are for the entire country. Data for June 2026 are preliminary.
Source: AEI Housing Center, www.AEI.org/housing.

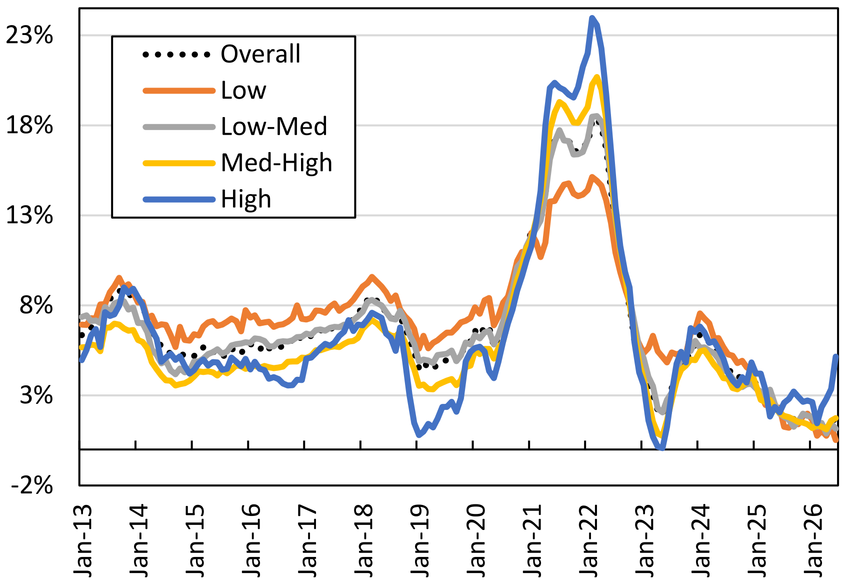
National Home Price Appreciation by Price Tier

- **The large gap in HPA between the lower and upper end of the market that has developed since 2012 continues (left panel).**
  - The med-high and high price tiers are generally not eligible for federal first-time buyer assistance (the leverage punchbowl), leaving them more dependent on the Fed's monetary punchbowl.
  - With both mortgage rates and home prices elevated, borrowers in all price tiers have seen a slow-down in HPA except for the high price tier. The recent decline is particularly noticeable in the lower price tiers.
  - From May to June 2026, the low tier fell from 1.3% to 0.5% while the high tier jumped from 3.4% to 5.2% (which may be due to a base effect a year ago).
    - For the lower price tiers, housing affordability is slowly improving as wages are increasing faster than HPA.
    - The high price tier has much less reliance on the leverage punchbowl and is more able to move down the price ladder, while lower tiers are more constrained, particularly the low tier.

Home Price Appreciation by Price Tier



Year-over-Year Home Price Appreciation by Price Tier

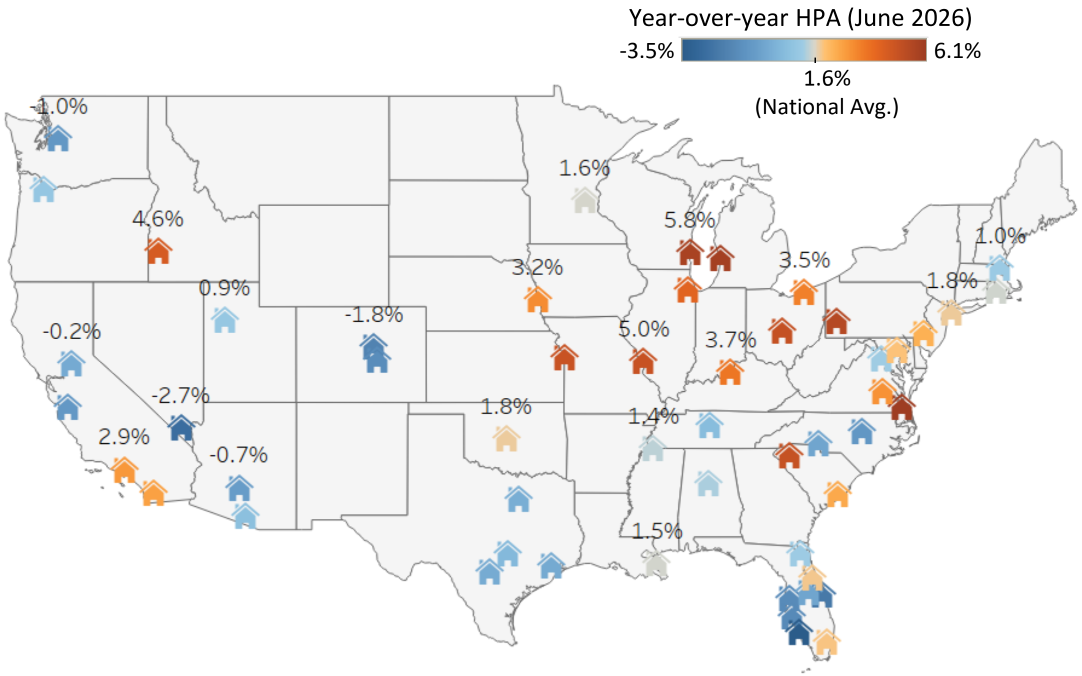


AEI Housing Center

Note: Data are for the entire country. Data for June 2026 are preliminary.
Source: AEI Housing Center, www.AEI.org/housing.

Year-over-Year Home Price Appreciation (HPA) by Metro (60 Largest)

- **YoY HPA varied significantly among the largest metros, with long-running north-south divide narrowing.**
  - The metro range was 9.6 ppts., from -3.5% in Cape Coral (-6.8% inflation-adjusted) to 6.1% (2.5% inflation-adjusted) in Virginia Beach.
    - Indianapolis' HPA was 1.9% (latest data available is for May 2026)
  - The range was 17.4 ppts in June 2025 and has declined 7.8 ppts.
  - Every metro in Texas saw YoY HPA below the national average.
  - Taking into account May 2026's 3.5% inflation rate, 42 of the largest 54 metros have negative YoY HPA rates in real price terms.



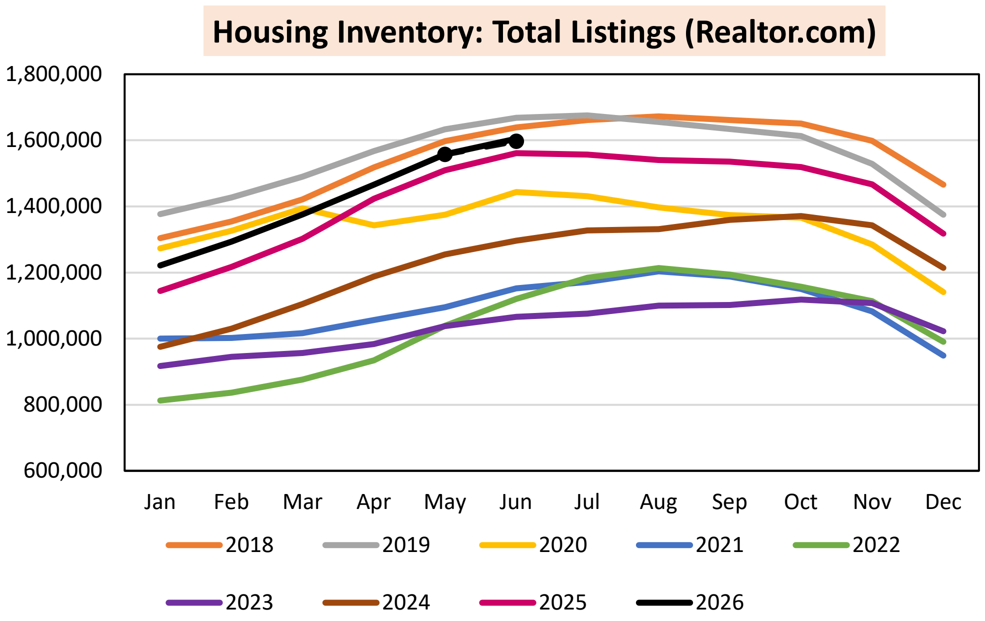
	YoY HPA	
	June 2025	June 2026
Highest June 2026 HPA Metros		
Virginia Beach, VA	4.7	6.1
Grand Rapids, MI	5.6	6
Milwaukee, WI	7.3	5.8
Pittsburgh, PA	3.8	5.5
Columbus, OH	2.5	5.1
Lowest June 2026 HPA Metros		
Cape Coral, FL	-9.5	-3.5
Las Vegas, NV	0.4	-2.7
Palm Bay, FL	-3.8	-2.2
Riverside-SB, CA	0.9	-2.1
Denver, CO	-1.8	-1.8

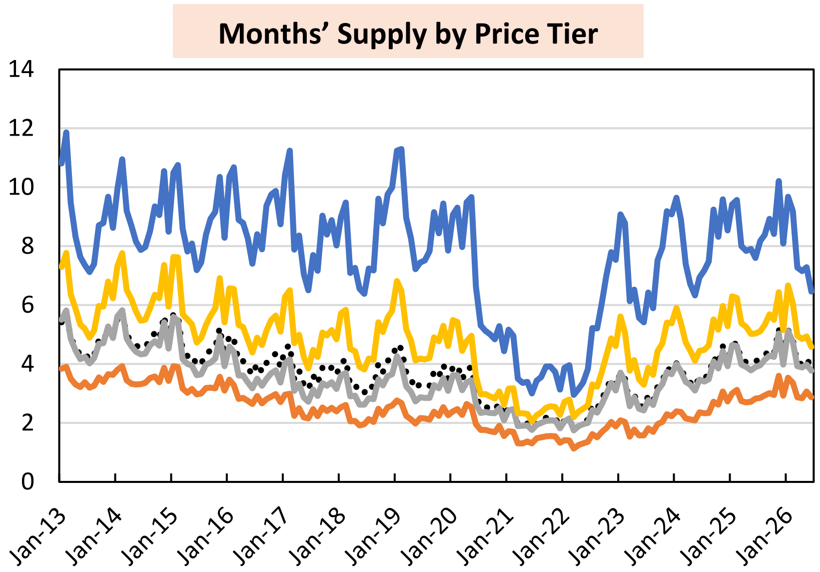
AEI Housing Center

Note: Data are for the largest 54 metros. We rank metros based on their purchase home sales from 2012 to 2019 in the Public Records. Data for June 2026 are preliminary. Due to data latency issues, AEI is not reporting some or all of the June 2026 HPA figures for Atlanta, GA; Cincinnati, OH; Detroit, MI; and Indianapolis, IN; Myrtle Beach, SC; and San Francisco, CA.
Source: AEI Housing Center, www.AEI.org/housing.

National Housing Inventory and Months' Supply

- **Compared to May 2026, months' remaining supply in June 2026 fell across all price tiers. Months' remaining supply was 3.9 months (not seasonally adjusted) in June 2026, down from 4.2 months in May 2026 but up from 3.3 months in June 2019.**
  - Housing inventory increased by 2.8% YoY and is only 3.8% below June 2019, the "last normal" month prior to the pandemic. In June 2026, existing home sales were also 18% below June 2019.
  - Meanwhile, YoY HPA was 1.6% in June 2026, compared to 2.1% & 4.9% in June 2025 & 2019, respectively.
  - **Rising inventory (near 2019 levels) and lower overall home sales (25% below 2019 levels) are tailwinds pushing home price appreciation lower.**
  - Based on an analysis of historical data, a 6-8 months' supply (nationally) is a nominal price equilibrium or neutral point and would need to increase to 8-9 months' to trigger a national YoY decline in home price appreciation.

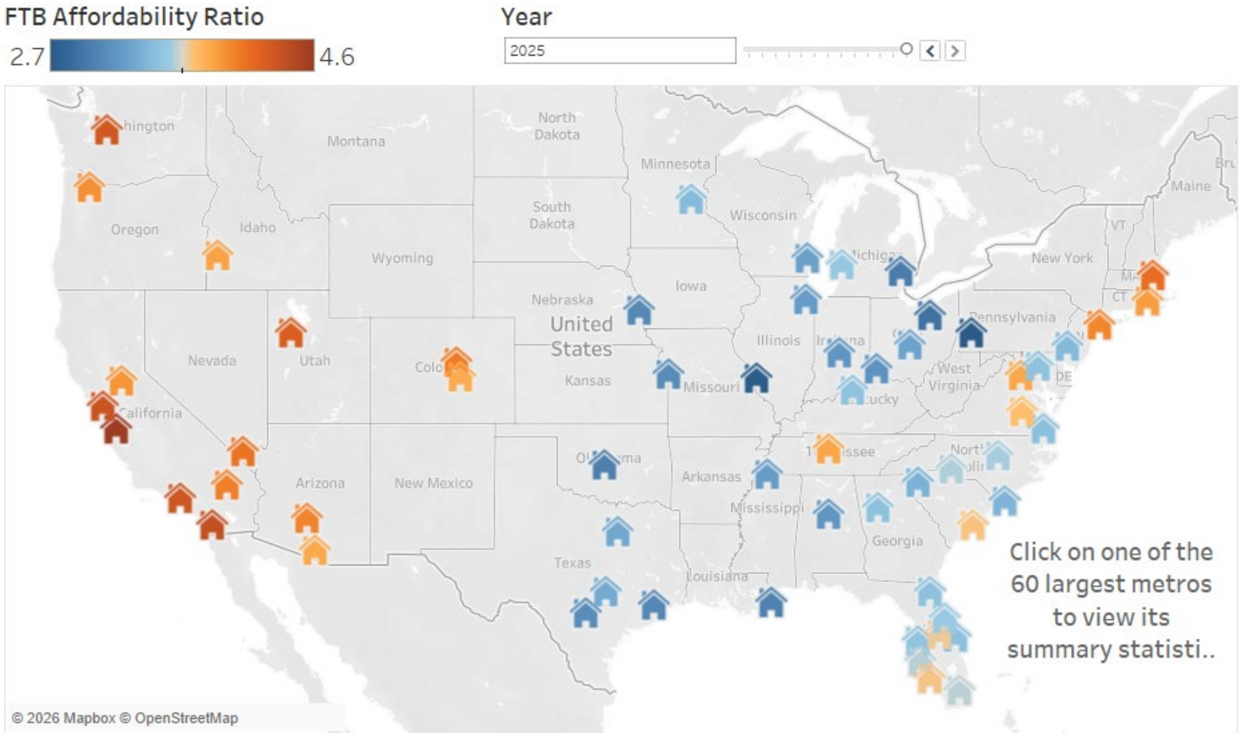




AEI Housing Center

The Best and Worst Metros for First-Time Homebuyers

- The prospect of becoming a FTB varied widely by metro in 2025.
  - Out of the largest 60 metros, Pittsburgh was the most affordable metro, with a FTB affordability ratio of 2.7 (median FTB home price to median FTB income), while San Jose was the least affordable metro, at 4.6.
  - Of the ten most affordable metros in 2025, six were in Midwestern states and four were in Southern states. Of the ten least affordable, nine were in Western states, with Boston being in the Northeast.
  - Indianapolis has an FTB affordability ratio of 3.2.
- Across the 60 metros, the median FTB affordability ratio was 3.5, meaning the median FTB spent 3.5 times their household income to purchase a home in 2025.
  - This is up from 3.0 in 2013 but down from 3.6 in 2024. The increase since 2013 is substantially driven by the steep increases in home price appreciation (HPA), as the Federal Reserve drove home prices unsustainably higher with its zero interest rate and quantitative easing policies in the aftermath of the COVID-19 pandemic.
- The full First-time Homebuyer Report for 2025 will be released in the upcoming weeks.



AEI Housing Center

2026: The Year of "Starter Homes" and "Small Lot, Small Lot, Small Lot."

AEI Housing Center 2026 Housing Legislation Scorecard *	# States	# Bills	Est. Homes /Year
Total number of states with bills tracked in 2026	44	265 **	—
Total number of unique states with active, passed, or enacted bills aligned with Playbook Options #1–3 and estimated supply addition.*** VA, WA, CA, IL, MI, NJ, NC, PA, & DE have ADU-only bills that account for 161,080 homes/year.	16	30	299,140
Total number of unique states and bills aligned with Playbook Options #1-3 (including active, passed, enacted, or failed). VA, WA, CA, IL, MI, NJ, NC, PA, DE, FL, KY, MD, NE, NM, VA, WV, GA, TN, & WI have ADU-only bills that account for 222,130 homes/year.	30	65	545,635
Total number of unique states and bills aligned with KISS	12	134	—
Total number of unique states and bills with no alignment	2	66	—
States with enacted bills aligned with Playbook (ID, WA, KS, VA, ME) Note: These states also account for 2 pending bills, 5 failed bills, 20 bills with KISS alignment, and 4 bills with no alignment. VA and WA have ADU-only bills that account for 15,560 homes/year.	5	7	63,880
States with passed bills awaiting governor's signature and with Playbook alignment	0	—	—
States with bills passing one chamber and with Playbook alignment	0	—	—
States with pending bills with Playbook alignment (CA, IL, MA, MI, MO, NJ, NC, PA, RI, DE, OH) Note: These states also account for 0 failed bills, 39 bills with KISS alignment, & 12 bills with no alignment. CA, IL, MI, NJ, NC, PA, & DE have ADU-only bills that account for 145,780 homes/year.	11	21	235,260
States with failed bills with Playbook alignment (FL, MD, MN, NM, CO, CT, HI, KY, NE, WV, GA, IA, TN, WI) Note: These states account for 42 bills with KISS alignment and 26 bills with no alignment. FL, KY, MD, NE, NM, VA, WV, GA, TN, & WI have ADU-only bills that account for 61,050 homes/year.	14	30	246,495
States only with bills having alignment with KISS (AZ, IN, NH, NY, UT, VT, WY, AL, OK, SC, OR, SD) Note: These states account for 19 bills with no alignment.)	12	33	—
States only with bills having no alignment	2	5	—

Recapping HB 1001 (Rep. Douglas Miller) Originally Aligned with Playbook Options 1-3 from the 2026 Legislative Session which has adjourned for 2026. It Failed to Pass in Its Original Form

The legislation in its original form passed the House and would have:

- Capped minimum lot sizes,
- Allowed up to three townhomes on most lots,
- Legalized ADUs by right,
- Capped parking mandates at 1 space per unit,
- Legalized residential housing in commercial zones by right, and
- Enacted building code reforms.
- Permitted single-family dwellings, duplexes, and ADUs as uses statewide.
- Allowed on each residentially zoned lot, at least two single-family dwellings OR at least one duplex is a permitted use.
- For land served by water and sewer:
    - Single-family minimum lot size cap of 5,445 sq.ft. (1/8 acre)
    - Duplex minimum lot size cap of 1,500 sq.ft.
- Some provisions are subject to opt-out (i.e., counties must adopt an ordinance to opt out):
    - Counties may opt out of permitting mixed-use/multifamily in commercial zones.
- For tracts 5 acres or larger with no recorded plat, zoned single-family only, minimum lot size cap of 1,400 sq.ft. with a density floor of 31.1 units per acre.
- Projected additional homes enabled by HB 1001 (original): 24,600 per year

Full Alignment with AEI Housing Center Playbook Options #1-3

Early Evidence on 2025 Housing Supply Reforms in Texas

- **Background on 2025 housing supply reforms in Texas.**
  - SB 15 legalized small lot single family homes on unplatted tracts of 5+ acres in large cities.
  - SB 840 legalized residential construction on land zoned for commercial or retail development.
- **The effect on housing production is already evident less than 1 year after the laws' 9.1.25 effective date.**
  - Over 2,100 homes have been proposed or approved *directly* under SB 15 and SB 840, that is using the pathway for housing production prescribed in the law.
  - Over 9,800 homes have been *indirectly* supported by SB 15 and SB 840, that is using the law as leverage or pressure while not using the pathway for housing production prescribed in the law.
    - Example: In McKinney, TX, a council member was referenced as "initially hesitant about the project" but said that SB 15 and SB 840 "shifted her stance on the project."
- **Housing production would increase further if applicable cities followed the KISS principle.**
  - A minority of the cities to which these reforms apply have adopted poison pills into their regulations.
    - Example: Killeen requires that SB 15 lots narrower than 40 feet provide rear vehicular access from an alley rather than a front driveway.
  - These poison pills prevent housing from being built because they violate the Keep It Short and Simple principle.
  - **For more information, see Edward Pinto's testimony before the Texas House of Representatives here.**

Key Findings of SB 15 Housing Impact	
Category	**Units**
Direct Housing Proposed or Approved under SB 15	917
Indirectly Supported through Leverage or Other Means	2,647
Combined Total Housing Units	**3,564**

Key Findings of SB 840 Housing Impact	
Category	**Units**
Direct Housing Proposed or Approved under SB 840	1,253
Indirectly Supported through Leverage or Other Means	7,235
Combined Total Housing Units	**8,488**

AEI Housing Center

Source: Texas Appleseed, Texans for Reasonable Solutions, AEI Housing Center, www.AEI.org/housing.

“End the Ban on Building Starter Homes” by Limiting Excessive Minimum Lot Sizes Imposed by Most of Indiana’s 657 Zoning Jurisdictions*

- Starter homes are unaffordable for Hoosiers because zoning jurisdictions set minimum lot sizes that ban the building of starter homes on lots of 3,000-5,000 sq. ft. As a result, starter homes are nearly non-existent; and new homes are too big and too expensive to meet the budget of a family starting out.
- Over the 2000-2024 period over 237,000 single-family detached homes were built in new residential subdivisions in Indiana.
    - The median lot size was about 9,500 sq. ft., had 2,290 sq. ft. of living space, and was valued in 2024 at $388,000. This is 5.4 times the median household income ($72,000) of a Hoosier. Nationally, this sized home averages 3.7 bedrooms. **This is not a starter home.**
    - At the 9th decile, median lot size was about 6,600 sq. ft. (national median is 5,400 sq. ft.), had 2,120 sq. ft. of living space, and was valued in 2024 at $342,000. This is 4.8 times the median household income of a Hoosier. **This is not a starter home.**
- Feasible single-family detached home alternatives that require no subsidies (all prices for 2024):
    - A home with a median lot size of about 3,500 sq. ft. and 1,400 sq. ft. of living space would sell for about $275,000. This is $10,000 more than the median price of an **existing** home financed in 2024 and about 3.8 times the median household income of a Hoosier. Nationally, this sized home averages 3-bedrooms. **This is looking like a starter home.**
    - A home with a median lot size of about 3,300 sq. ft. and 1,200 sq. ft. of living space would sell for about $250,000. This is $15,000 less than the median price of an **existing** home financed in 2024. This is 3.5 times the median household income of a Hoosier. Nationally, this sized home averages 2.9-bedrooms. **This is definitely a starter home.**

* https://www.zoningatlas.org/Indiana

Indiana: Make 2027 the Year of the Starter Home

A Successful Starter-Home Reform Plan Starts with "Ending the Ban on Building Starter Homes"

- **Overcome municipal opposition by persuading the fence sitters in the electorate:**
    - **Emotion:** Indiana, along with much of the nation, is facing a starter home crisis.
        - Starter homes are nearly non-existent; and new homes are too big and too expensive to meet the budget of a family starting out.
            - Nationwide, municipalities have imposed a minimum lot sizes on 90% of all zoned lots.* In Indiana, minimums generally range from 5,000 sq. ft. to 10,000 sq. ft.
    - **Focus on the Solution:** Hoosiers are unable to buy new starter homes not because builders won't build them, but because municipalities and other zoning jurisdictions set minimum lot sizes that ban the building of starter homes on lots of 3,000-5,000 sq. ft. Indiana municipalities generally impose minimum lot sizes of 5,000-10,000 sq. ft., with higher minimums in rural areas.
        - It should come as no surprise that the median new home built from over the period 2000-2024 sits on a 9,500 sq. ft. lot (national median is 8,000 sq. ft.), has 2,290 sq. ft. of living space, and was valued in 2024 at $388,000.
    - **Engage with Core Hoosier Values:**
        - **The result are delayed milestones**
            - Marriage,
            - Homeownership,
            - Children, and
            - The fueling of generational anxiety over the pursuit of happiness and long-term financial security.

* https://www.zoningatlas.org/lots

The Indiana Legislature Can End the Municipal Ban on Starter Homes

- **Narrow the Legislative Focus to Ending the Ban on Starter Homes in New Residential Subdivisions:**

    - Implement a reasonable limit on municipal discretion in the setting of minimum lot sizes.

    - Apply it to counties with a population above 150,000 (11 of 92 counties) and municipalities that are within such counties, which counties account for about 54% of the state's population.

    - Prohibit such counties and their constituent municipalities from imposing, for new residential subdivisions of 3 acres or more, a minimum lot size for single-family homes in excess of 3,000 sq. ft.

    - The following provisions would apply to lots without public sewer and water:
        - Lots where lot is on septic and public water/no well: to be determined.
        - Lots where lot is on septic and private water/well: to be determined.

Thank You

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Link to Strong Foundations Playbooks
https://aeihousingcenter.org/playbook/
Link to AEI Housing and Economic Analysis Toolkit (HEAT):
https://heat.aeihousingcenter.org/toolkit
Link to State Housing Supply Legislative Tracker
https://heat.aeihousingcenter.org/toolkit/tracker
Link to AEI Housing Center Good Neighbor (GNI) Toolkit
https://aeihousingcenter.org/good_neighbors_toolkit/

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the source:
AEI Housing Center, www.aei.org/housing .