

Westfield, IN Housing Needs Assessment

Community Profile

The population of the city of Westfield, Indiana was 48,262 in 2022, which is a 73.9% increase since 2010 when the population totaled 27,745.¹ The city has gained population through annexation and a rapid rate of development. Using linear projection, two estimates were calculated based on the 2000 to 2010 and the 1900 to 2020 growth rates. An average of these two is used to estimate that the population of Westfield will be 70,996 in 2040.

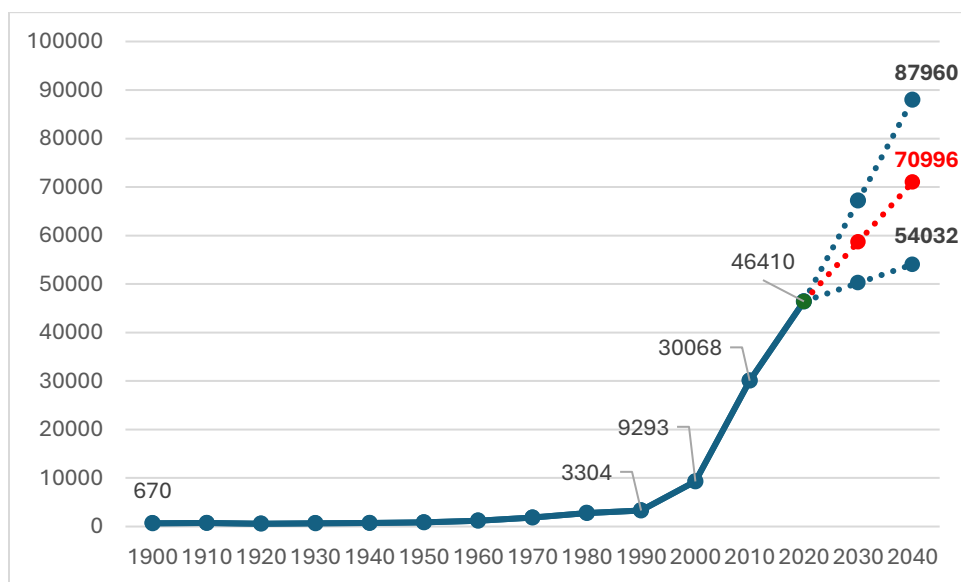


Figure 1: Westfield Population Projection²

Considering the extensive amount of growth that the city is experiencing, it is important to understand who is contributing to these changes so the city may plan for its future needs. Like many midwestern cities, Westfield is getting older and more racially and ethnically diverse. It is also becoming more affluent and has seen changes in its income distribution.

Although the median age in the city is younger than the state of Indiana (38.2), it has increased 11.1% from 2010 (33.2) to 2022 (36.9). Similarly, old age dependency, while still less than the state (28.2), jumped 126.5% from 9.8 in 2010 to 22.2 in 2022. This means that in 2022 there were 22.2 old-age dependents, those aged over 65, per 100 working age people, those aged 15-64. As age dependency increases, so will the burden on working aged people to support this population.

¹ 2010 data varies slightly from Figure 1 because they are drawn from different data sources. Source: American Community Survey, US Census Bureau, 5 Year Estimates.

² STATS Indiana, US Census Bureau, https://www.stats.indiana.edu/population/PopTotals/historic_counts_cities.asp

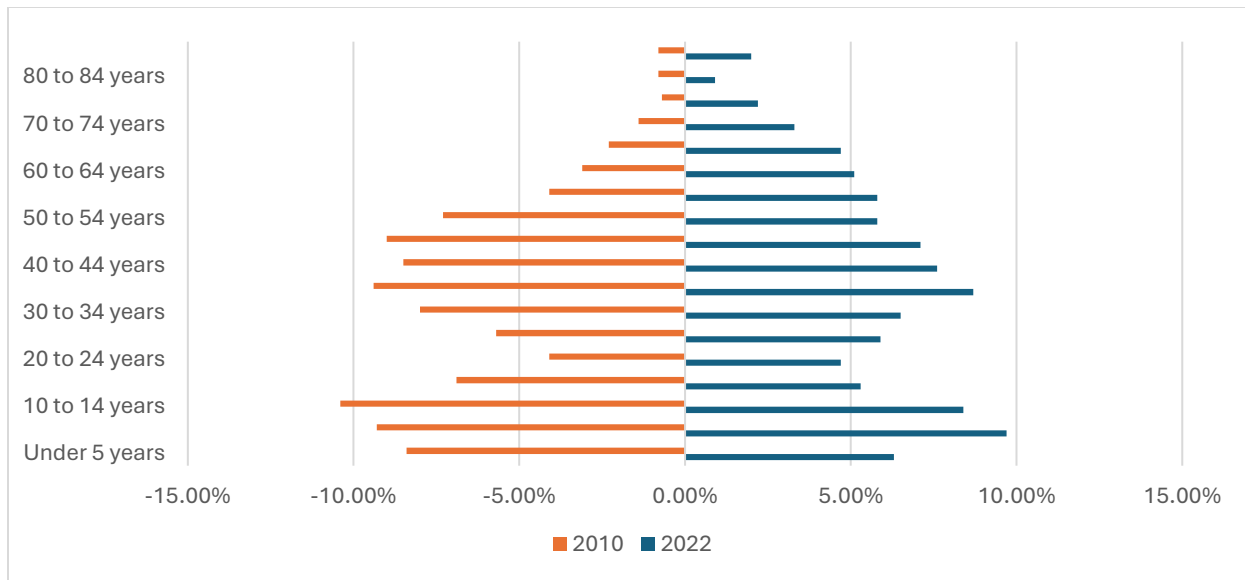


Figure 2: Westfield Age Distribution, 2010 and 2022³

In terms of culture and diversity, Westfield has seen increases in its non-white and Hispanic populations. According to census data, those who identify as two or more races saw the highest increase (2% to 8%) from 2010 to 2022. This may become important to consider as different groups have different needs and preferences in housing.

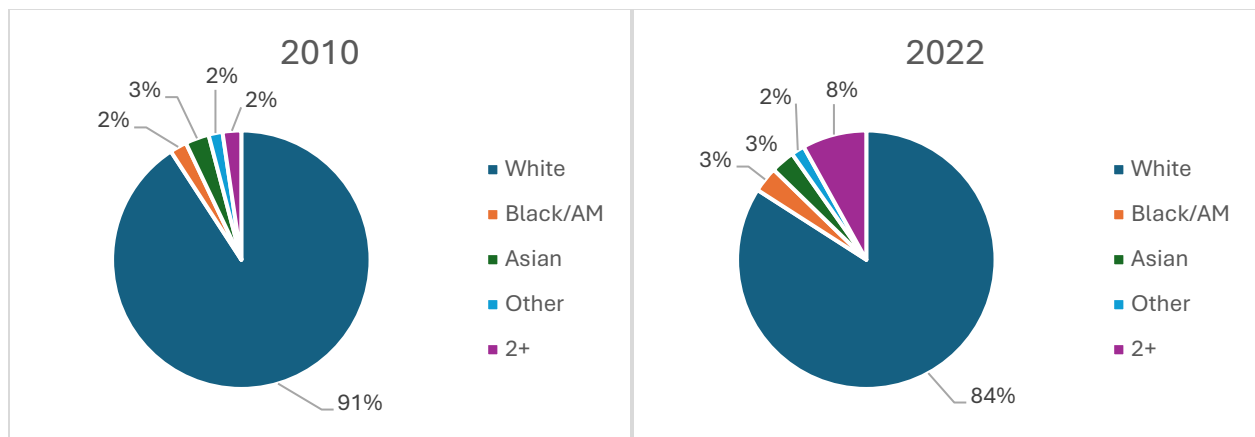


Figure 3: Westfield Racial Categories, 2010⁴

Figure 4: Westfield Racial Categories, 2022⁵

³ ACS, 5 Year Estimates

⁴ ACS, 5 Year Estimates

⁵ ACS, 5 Year Estimates

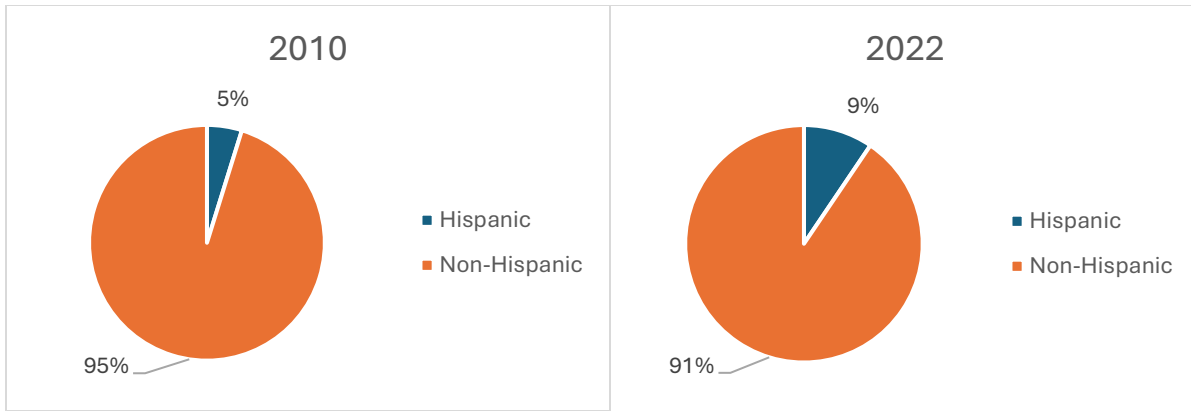


Figure 5: Westfield Ethnicity, 2010⁶

Figure 6: Westfield Ethnicity, 2022⁷

Although median income was outpaced by the state's growth (40.0%) and Hamilton County's growth (40.2%) from 2010 to 2022, Westfield's median income increased 36% during the same period. A more dramatic difference can be seen in mean income and income distribution. The city experienced a 62.1% increase in mean income from 2010 to 2022, while the county increased 45.0% and the state increased 44.9%. This difference also means that income distribution is negatively skewed, or that there is a higher concentration of high-income earners in Westfield as compared to the county and state. Changes within the city can also be observed. From 2010 to 2022, the percentage of households earning more than \$100,000 annually increased from 38.6% to 57.4%. The highest share, nearly a quarter (23.2%), of households in the city in 2022 earned over \$200,000, compared to 7.5% in 2010.

Although high income households are attractive from the perspective of the city for their tax contributions, social and economic issues of displacement, accessibility, or economic leakage (discussed later) can arise by over-catering to this group in terms of housing.

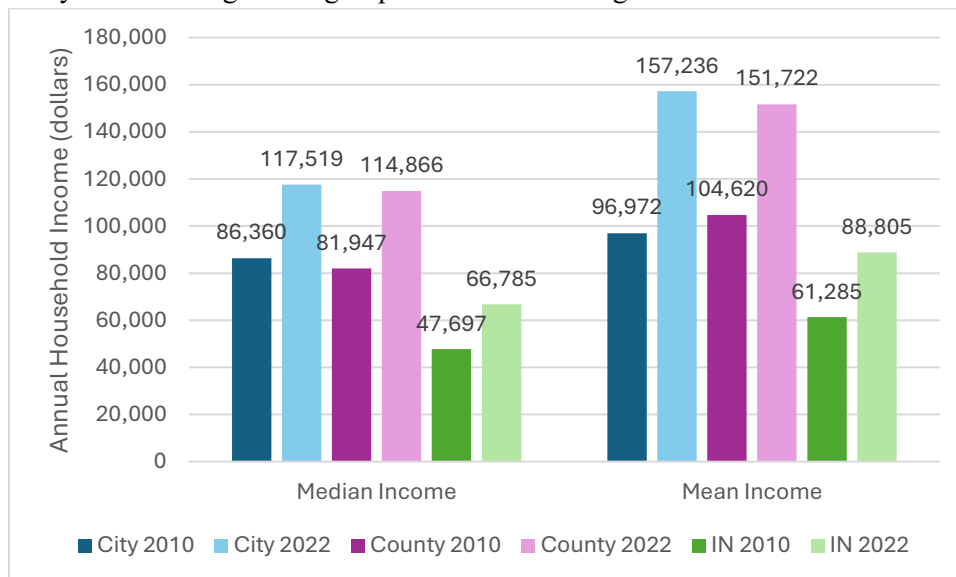


Figure 7: Westfield, Hamilton County, and Indiana Median and Mean Income, 2010 and 2022⁸

⁶ ACS, 5 Year Estimates

⁷ ACS, 5 Year Estimates

⁸ ACS, 5 Year Estimates

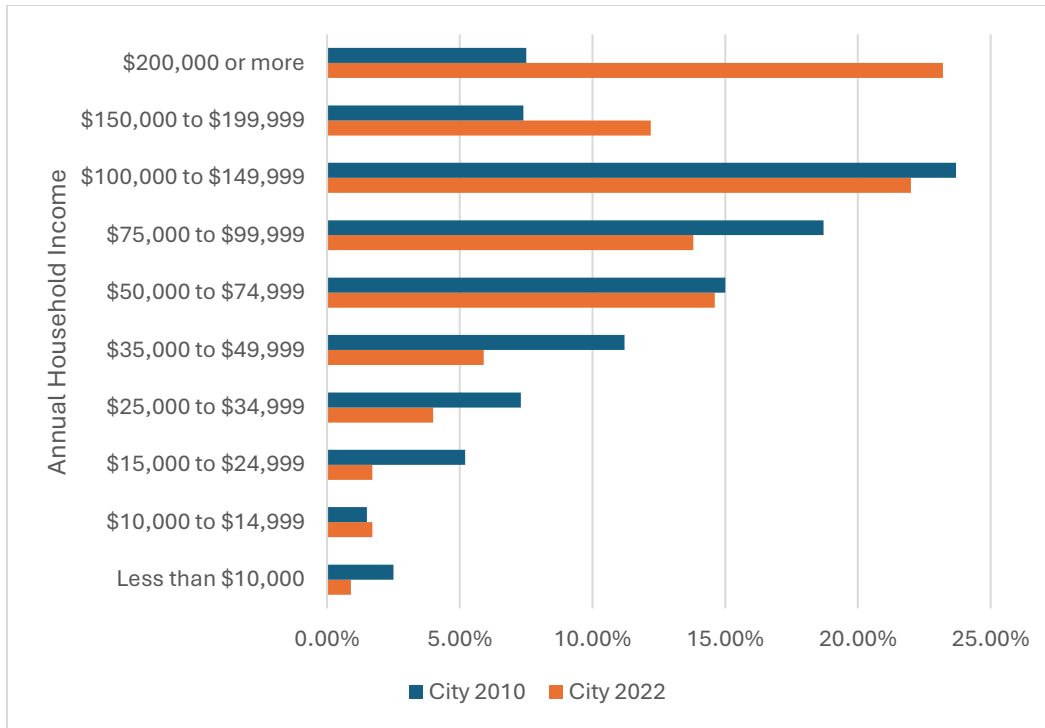


Figure 8: Westfield Income Distribution in 2010 and 2022⁹

The Federal Department of Housing and Urban Development (HUD) designates a household as housing cost burdened when it spends more than 30% of its monthly income on housing. In Westfield, renters and low-income households face housing cost burdens at a significantly higher rate than their counterparts. For instance, 17.9% of renting households earning less than \$35,000 annually are housing burdened compared to just 3.5% of homeowners with the same yearly earnings and 1.4% of renters earning more than \$75,000. For this reason, more affordable rental options should be available to this group. Interestingly, as homeowners earn more, they become more housing burdened, suggesting a lack of availability of affordable for-sale homes for middle-income earners. As more households become more housing burdened, not only are they less able to provide for their own essential housing needs (housing insecurity), but they also become less able to spend their incomes on local goods and services, hindering the local economy.

⁹ ACS, 5 Year Estimates

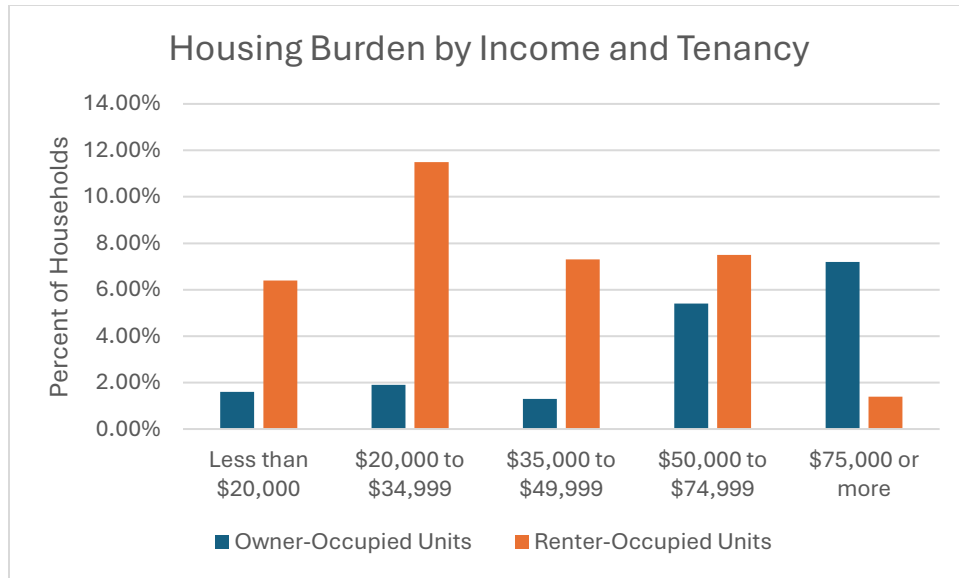


Figure 9: Westfield Housing Burden by Income and Tenancy, 2022¹⁰

As age, racial and ethnic, and income demographics continue to shift, the city would benefit from prioritizing mixed housing typologies that accommodate various life stages, growing multiculturalism, and a range of affordability and amenity offerings.

Workforce Profile

Total All Jobs	14,771	100.00%
Retail Trade	2,704	18.30%
Accommodation and Food Services	2,299	15.60%
Educational Services	1,577	10.70%
Construction	1,211	8.20%
Health Care and Social Assistance	1,138	7.70%
Manufacturing	960	6.50%
Wholesale Trade	808	5.50%
Finance and Insurance	814	5.50%

Table 1: Westfield Job Counts by NAICS Industry Sector, 2021¹¹

There are 14,771 total jobs, including both private and public, in Westfield. The highest shares of these jobs are in retail, accommodation and food service, and education. These non-export industries typically have lower wages and do not generally serve as economic multipliers (industries that spur or compound ancillary economic activity). Over a quarter of workers in Westfield earn less than \$1,250 a month.

¹⁰ ACS, 5 Year Estimates

¹¹ OnTheMap, Work Area Profile Analysis, US Census Bureau

Total All Jobs	14,771	100.00%
\$1,250 per month or less	3,948	26.70%
\$1,251 to \$3,333 per month	4,386	29.70%
More than \$3,333 per month	6,437	43.60%

Table 2: Westfield Job Counts by Earnings, 2021¹²

Additionally, there is a significant amount of economic leakage in Westfield, as 83.3% of workers employed in Westfield live elsewhere. Just 2,460 jobs are held by workers who live in the city, and 90.1% of workers living in Westfield work outside of the city. Economic leakage occurs when workers or residents leave the community to spend their incomes. Instead, the city should work to ensure that community members remain living and working in the area in order to support local businesses and tax revenues.

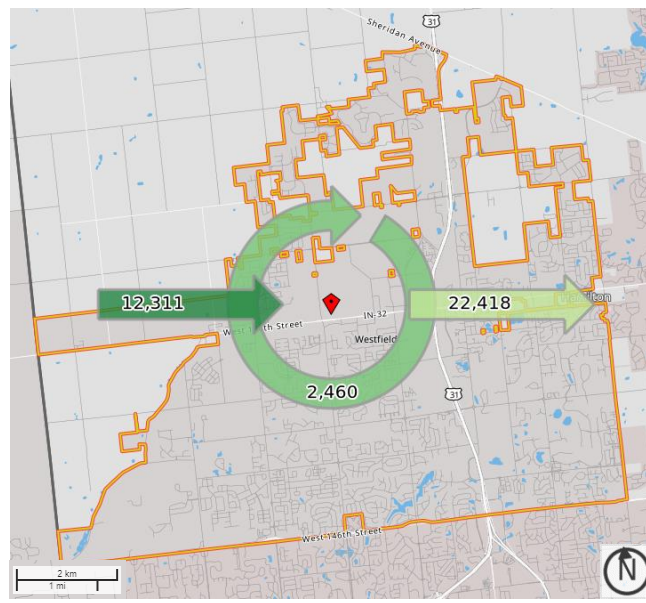


Figure 10: Westfield Inflow/Outflow Job Counts, 2021¹³

Housing Inventory

There were 18,635 housing units in Westfield in 2022 with a vacancy rate of 4% (1% for homeowners and 6.3% for rentals). An optimal vacancy rate of 7% allows for future needs and changes in a community such as population change, household formation, and filtering. Because of its low vacancy rate, Westfield is housing burdened and will experience increased housing prices.

The average household size in 2022 was 2.69 and there were 17,888 households. 79% of housing units are single-family detached units and 65.9% were built in 2000 or later. 79.8% of units are owner-

¹² OnTheMap, Work Area Profile Analysis, US Census Bureau

¹³ OnTheMap, Inflow/Outflow Analysis, US Census Bureau

occupied and 20.2% are renter-occupied. With a low vacancy rate and a majority of homes being built within the past 25 years, Westfield does not have issues with housing quality or blight.

The median cost of a mortgage in Westfield is \$2,038 and 40.5% higher than the median mortgage in the Indianapolis metropolitan area (\$1,450). The median rent is \$1,444 and 32.2% higher than that of the metropolitan area (\$1,092). The median home value in Westfield in 2022 was \$368,800, up 81.4% since 2010. During the same period, the ratio of median income to median home value changed from 2.35 to 3.14, indicating that for-sale homes are becoming less affordable.

Gap Analysis

Westfield is rapidly growing and needs to ensure that it provides adequate housing options to current and future residents, especially considering that the population is anticipated to grow roughly 53% (24,586 residents) from 2020 to 2040. Westfield will need to have roughly 28,240 housing units by the year 2040.¹⁴ That is a 9,605-unit difference between 2022 and 2040.

Westfield should look to decrease housing cost burdens and economic leakage by increasing the affordability of its housing. In order to afford median rent, a household needs to earn at least \$4,332 a month. Considering that 56.4% of workers earn less than \$3,333 a month, this is unattainable for many retail and food service workers, as well as many others. Increasing the supply of low-amenity studio and 1-bedroom units would help improve access and affordability. Currently, only 0.9% and 3.6% of housing units are studios and 1-bedroom units, respectively. Moreover, this housing type would also serve the current population as 18.5% of households are 1-person and 36.7% are 2-person and would also benefit the community's aging population. Other strategies for reducing housing burden include Low Income Housing Tax Credit Program (LIHTC), public housing, voucher programs, nonprofit involvement, or community land trusts (a cooperative organization which establishes collective ownership and increases affordability by separating land value from structure value).

There should also be an increase in the availability of for-sale homes for middle-income earners. To return the income to home value ratio back to the 2010 rate, the median home value would need to be reduced 33.5% to \$276,170. This can be done by increasing the housing supply, of 2- to 3-bedroom low-amenity housing, in particular, through zoning reforms such as inclusionary zoning, density bonuses, and abolishing R1 single-family zoning.

¹⁴ Population projection for 2040 (70996) / average household size (2.69) = 24744 * 1.07 optimal vacancy rate = 28240

Bibliography

American Community Survey, 5 Year Estimates, 2010 & 2022, US Census Bureau.

OnTheMap, Work Area Profile Analysis, 2021, US Census Bureau.

OnTheMap, Inflow/Outflow Analysis, 2021, US Census Bureau.

STATS Indiana, 2020, https://www.stats.indiana.edu/population/PopTotals/historic_counts_cities.asp.