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Indianapolis/Carmel Area in Top 10 of Most Affordable Markets for 4th Quarter 2011

(February 23, 2012) The Indianapolis/Carmel metropolitan area tied for eighth in markets with a population of more than 500,000 that were most affordable in the fourth quarter of 2011, according to the The National Association of Home Builders/Wells Fargo Housing Opportunity Index (HOI).

The HOI is the percentage of homes sold during the quarter affordable to a median-income family, based on standard underwriting criteria. An HOI of 75.9 means that 75.9 percent of all new and existing homes sold in the fourth quarter were affordable to families earning the national median income of \$64,200.

The HOI rose to 75.9 during the fourth quarter of 2011, the highest number recorded in the 20-year history of the index. The index hovered around the 40 range between 2006 and 2008. The HOI started to increase starting in 2009 and has continued through the end of 2011.

New home construction, although improving recently, is still at a historically low level, suggesting that factors such as overly restrictive lending conditions remain a significant obstacle.

Youngstown-Warren-Boardman, OH-PA was the most affordable major housing market in the country during the fourth quarter, with 95.1 percent of all homes sold during the quarter were affordable to households earning the area's median family income of \$54,900.

For more information, visit:

<http://eyeonhousing.wordpress.com/2012/02/17/hoi-indicates-affordability-at-all-time-high/>.

The Builders Association of Greater Indianapolis is a professional trade association representing residential homebuilders, associates and remodelers. For more information call 317-236-6330 or visit www.BAGI.com.

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