

West Lafayette, Indiana: August 2026 Real Estate Market Update

1. MARKET PROFILE & THE PURDUE RENTAL POWERHOUSE

Demographic Dominance & Renter Composition

West Lafayette represents a distinct "University Town" micro-economy, characterized by a demographic profile that is fundamentally inverted compared to state and national averages. The heavy institutional presence of Purdue University sustains a high-density rental market, creating a recession-resistant asset class for institutional investors. With 71% of the population identifying as renters, the market offers a deep, consistent pool of demand that mitigates the vacancy risks typically found in more traditional residential markets.

Region	Rent %	Own %
West Lafayette	71%	29%
Tippecanoe County	47%	53%
Indiana	29%	71%
USA	35%	65%

Valuation Benchmarking

The West Lafayette market maintains a significant price premium, reflecting its status as a high-demand core submarket. The Median Estimated Home Value of 386,000 positions the city as a premium entry point compared to Tippecanoe County (302,000) and the state of Indiana (\$280,000). Furthermore, West Lafayette exceeds the national median of

\$372,000, underscoring the high replacement costs and the scarcity of available assets within the university corridor.

Long-Term Appreciation Trends

Portfolio stability is anchored by robust appreciation metrics. While the broader U.S. market has plateaued with a marginal 12-month change of +0.2%, West Lafayette property values increased by 3.5% over the same period. While this growth is in lockstep with the broader Tippecanoe County (+3.6%), West Lafayette's absolute dollar growth remains superior due to its higher valuation base. This consistent upward trajectory confirms the market's role as a wealth preservation vehicle.

2. MARKET DYNAMICS & ACQUISITION CONDITIONS

Supply and Demand Indicators

The West Lafayette submarket remains a firm **Seller's Market**, defined by tightening supply and competitive bidding environments. Strategists should note the following core metrics:

- **Months of Inventory:** 3.33 months. Crucially, this represents a **6.98% MoM decrease**, indicating a contracting supply of available stock.
- **Sold-to-List Price Ratio:** 97.9%.
- **Median Days in RPR:** 33 days. The 22.22% MoM increase in days-on-market provides a vital, albeit narrow, window for thorough physical due diligence and basis optimization.

Pricing Realities & Entry-Yield Sensitivity

There is a visible divergence between seller expectations and realized values. The Median List Price sits at \$440,000, while the Median Sold Price is \$412,900. When combined with the 97.9% Sold-to-List ratio, this data suggests that "aspirational pricing" from sellers is being met with significant buyer discipline. Underwriters must exercise caution regarding appraisal management to ensure basis entry remains aligned with target yields.

Permit and Value Trends: Density Shifts

Regional data from Tippecanoe County reveals a strategic pivot in the development pipeline. While the number of issued permits has increased by 11%, the total dollar value of these permits has plummeted by 21%. This clear trend toward "Unit-Size Downsizing" suggests a shift in construction toward higher-density, smaller-footprint student housing rather than luxury single-family estates. This alignment with the studio-heavy demand profile supports long-term market liquidity.

3. TARGET PROPERTY PROFILING

Unit Configuration Analysis: The Studio Phenomenon

Asset liquidity is heavily concentrated in the zero-bedroom (studio) segment, which serves as the primary engine for portfolio scaling in this market.

- **The Studio Liquidity Lead:** 101 units sold with 0 bedrooms (studios). This volume is nearly **4x higher** than any other unit type, identifying it as the highest-velocity asset class for institutional acquisition.
- **Traditional Layouts:** Secondary liquidity is found in 3-bedroom (25 units sold) and 4-bedroom (20 units sold) configurations, which serve the student group-housing and faculty segments.

Physical Asset "Sweet Spots"

Acquisition targets should be filtered by the following high-activity physical profiles:

- **Square Footage Segments:** The most active liquidity brackets are small-format units under 1,600 sq. ft. (35 sold) and large-format units in the 2,800–3,000 sq. ft. range (33 sold).
- **Value-Add Lifecycle:** With a Median Home Age of 39 years, investors should target the 20-30 year bracket (25 sold) for stabilized performance. However, the 50-60 year bracket (23 sold) represents a significant **Opportunistic/Value-Add play**, where mechanical and aesthetic modernizations are required to meet current student expectations and capture rental premiums.

4. PORTFOLIO UNDERWRITING & STRATEGIC RECOMMENDATIONS

Lease Cycle Optimization

In a university-dominated market, timing is the primary risk factor. All lease expirations must be strictly tied to the Purdue University academic calendar. Strategists must mandate a pre-leasing cycle that commences in the spring semester to ensure 100% occupancy for August move-ins. Any deviation from this cycle risks an entire academic year of carrying costs and structural vacancy.

Capital Expenditure (CapEx) Planning

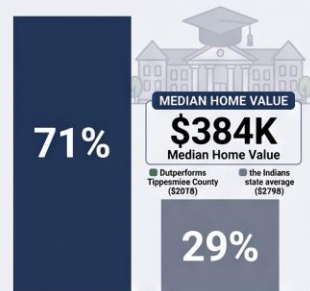
Given the 39-year median age and the high volume of sales in the 50-60 year category, investors must account for the aging of mechanical systems and structural envelopes. We mandate a CapEx reserve of 8% to 10% of gross rents. For older assets, immediate "Value-Add" capital should be deployed for HVAC, roofing, and technological upgrades to defend market position against newer high-density inventory.

Investment Philosophy

The West Lafayette market is a dedicated **Buy-and-Hold** environment. The high barriers to entry and institutional-grade stability make it unsuitable for speculative flipping or deep-discount "bottom fishing." Strategy must focus on income durability and high-velocity studio scaling. **In this market, stability and unyielding rental demand are the primary drivers of ROI; zero structural vacancy and academic-aligned management are the non-negotiable requirements for success.**

West Lafayette Market Pulse: The Buy-and-Hold Investor's Guide (August 2026)

University Rental Powerhouse



Renter Dominance

More than double the US average, with only 29% homeownership in the area.



Target Asset Profiles



The Studio "Sweet Spot"

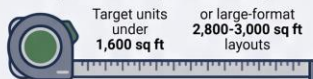
Massive demand for 0-bedroom studio layouts with 122 sold units.



Family Layouts (3-Bedroom)

34 sold units

Optimized Square Footage



Capital Appreciation & Leverage

Market Gauge



High demand with a \$439K median list price versus \$369,950 sold price.



+3.6% 12-Month Appreciation

Steady property value growth reaching an average of \$384,190.



25-Day Due Diligence Buffer

Sufficient market breathing room with 3.29 months of inventory relief.

Strategic Underwriting



8% to 10% CapEx Reserves

Necessary buffer for the market's 39-year median property age.

