

Which is America's Best Affordable Suburb?

The town of Fishers, Ind., scores highest in terms of livability, safety, education, and economic performance



By [Venessa Wong](#)

When Mario Massillamany and his parents left Sri Lanka in 1983, they landed in Indianapolis and eventually settled some 20 miles away in Fishers, Ind., a bustling community with ornamental street lamps, a train station, and clear roads during the snow season. Over the years, the fast-growing town attracted many young families, added new homes, and improved its recreational and entertainment amenities. Residents can drive from one end of town to the other in about a quarter of an hour, finding grocery stores, restaurants, and hospitals within minutes.

Massillamany, 32, returned to Fishers after attending law school in Colorado and moved with his wife to the Brooks Chase subdivision, home to many newlyweds and first-time homebuyers. "Everything here is so new and close," he says. Most important, he adds, Fishers' excellent school system will be a great asset for his son, now 20 months old.

Fishers emerged as America's best affordable suburb in *Bloomberg BusinessWeek's* 2010 report. Affordability is among the most important factors when selecting a place to raise a family, but it is far from the only consideration. In too many regions, low prices also translate to substandard services, poor schools, and high crime rates.

To identify those towns that offered both affordability and good quality of living, we evaluated 863 communities according to a range of metrics developed with New York-based real estate data company Onboard Informatics. These include living expenses, income, crime rate, schools, commute, local economy, racial diversity, and green space. We selected the highest scoring place in each state. (See the slide show for more about the methodology.)

Data from OnBoard shows that the average family income in Fishers is \$108,086 and the average home value is \$174,438, an attractive ratio compared with many other places. In comparison, the 2008 Census pegged the average U.S. family income at \$50,303; the average home value was \$173,200 in February, according to the National Association of Realtors.

Fishers: high points across the board

Gary A. Huff, town manager of Fishers, says: "We have a very diverse housing market and that enables people to buy within their income levels." To support affordability, the town council has maintained a position to control the property tax rate—\$0.51 for \$100—the lowest rate in Hamilton County, according to Huff.

Favorable real estate values are not the only thing that Fishers has to offer. The town scored high points for livability, safety, education, and economic performance. Fishers' unemployment rate was 6.5% in December 2009, compared to 9.8% statewide, according to the U.S. Census Bureau. In addition, the rate of violent crime and property crime here is far below the national average.

Massillamany and his wife considered other suburbs that offered good home values, but felt they were no match for Fishers in terms of convenience and lifestyle. They bought a 3,100-square-foot house with three bedrooms and 2.5 baths, valued today at \$162,000. They are now building a four-bedroom home, worth about \$340,000, because they plan to have more children.

Like Fishers, this year's diverse list of best affordable suburbs generally includes middle- to upper-middle-class neighborhoods with family-oriented environments, community organizations, sports leagues, and outdoor amenities.

Population size ranged from 58,856 in Fishers to 5,094 in Cave Creek, Ariz. Average family incomes went from \$54,008 in Jefferson, La., to \$116,345 in Newcastle, Wash. Some of the larger cities have pedestrian-friendly downtown areas in which businesses, government, and public life are centralized. Other suburbs tout historic, small-town ambience or mountain views. Some less-developed areas may be close to only a few franchise restaurants, supermarkets, and repair shops on main roads but have high-performing schools and reasonably priced homes.

most affordable: Berkley, Mich.

Virtually every market in the U.S. has suffered some downward pricing pressure, says Pete Goldey, OnBoard's chief knowledge officer and chief information officer. Markets hit by foreclosures, such as California, Florida, and Arizona, now have huge inventory gluts and dramatic price reductions, creating a buyer's market. "While this may simply be a pricing 'correction,' it's my opinion that many homes are now undervalued in these markets," Goldey wrote in an e-mail.

Berkley, Mich., a city of 14,416, ranked as the most affordable suburb on the list. Says Jane Bais-Disessa, Berkley's city manager, "we are unique in that we offer some of the amenities of a large city, such as a large downtown, but are still small enough that everyone knows everyone." Homebuyers looking at Berkley

may find opportunities: The median home-sale price fell to \$103,799 last year, from \$130,000 in 2008, according to Onboard.

Local economic strength is another draw for young families. Many places on this list are bedroom communities near major cities, while others are home to big companies that provide local jobs. In Fishers, for example, education lender Sallie Mae is the largest employer and new medical facilities will add jobs.

A strong job market can correlate with a more stable housing market. West Fargo, N.D.—which, at 4.2%, had the lowest unemployment rate of the 863 communities—also saw a small increase in the average home-sale price to \$151,500, from \$149,950 in 2008. The affordable suburbs that emerge from the recession with the most employment opportunities will become even more desirable.

As Goldey says: "Less-expensive correlates somewhat to affordability. However, many other factors such as income levels, taxes, transportation costs, and employment—not just home price—obviously need to factor in. These factors have not remained static."

Click [here](#) to see the best affordable suburbs in the U.S.

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