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FHCCI Releases New Report on Hotel Use as a Form of Long-Term Housing

INDIANAPOLIS, IN – Today, the Fair Housing Center of Central Indiana (FHCCI) releases a new report, ***State of Fair Housing Report – Housing of Last Resort: When Home is a Hotel***. The FHCCI finds that hotels increasingly serve as housing of last resort for renter families who cannot get access to traditional rental housing. These families often find themselves stuck, struggling to find and qualify for affordable housing while paying expensive hotel costs, without the stability or legal rights guaranteed by a rental lease. We urge local and state officials, service providers, and other stakeholders to dedicate attention and resources to renters stuck in hotels to get them into stable housing.

In this report, the FHCCI found:

- In Indiana, the number of public school students reported as living in hotels has increased steadily over the last decade, reaching nearly 2,500 students in the 2023-2024 school year. This is likely an undercount of the true number of children living in hotels, given that families may be reluctant to self-report as unhoused or housing insecure.
- In the past year, the FHCCI conducted over 20 interviews with current and past hotel residents, mostly in Marion County. About a quarter of our interviewees had been living in hotels for two or more years. Most of the hotel residents we spoke to had experienced some kind of housing loss immediately before moving into a hotel (often due to eviction or job loss). Pricey moving costs, strict tenant screening criteria, and a lack of accessible, affordable, and available housing often keep residents living in hotels beyond when they wanted to leave.
- Most households we spoke to had at least one working adult, if not multiple. The exceptions were mostly residents with disabilities who received social security income. However, despite earning enough income to pay for rent at an apartment, these hotel residents often did not earn enough to meet income requirements on a rental application.
- Most rental applications require tenants to make two to four times rent in income. For the average one-bedroom in Marion County, a household would have to make $26,160/year to make two times the rent, or $39,240/year to make three times the rent. This exceeds the income of the bottom quarter of renters in Marion County.

TABLE 2: Cost of Average Apartment Versus Hotel Room (Indianapolis Metro Area, 2026 Q2)

Unit Type	Average Monthly Rent	Average Sqft	Cost Per Sqft
Studio Apartment	$1,044	512 sqft	$2.08
1-Bedroom Apartment	$1,213	740 sqft	$1.64
2-Bedroom Apartment	$1,433	1,038 sqft	$1.38
Extended-Stay Hotel† Room, Paid at Daily Rate of $74	$2,224	350 sqft‡	$6.34
Extended-Stay Hotel† Room, Paid at Weekly Rate of $350	$1,517	350 sqft‡	$4.33

†Economy and midscale hotels. ‡Estimate based on national-level hospitality market analyses. Sources: Hospitality property data for economy and midscale hotels and multifamily property data from CoStar Property Group (excluding closed properties, bed and breakfasts); Katy Black. "Extended-Stay Profitability Face-Off: Economy Vs. Midscale." HVS*, April 3, 2025. hvs.com/article/ 10145-extended-stay-profitability-face-off-economy-vs-midscale*. See *Appendix C for Marion County.*

- The National Low Income Housing Coalition reports that there are only 26 affordable and available rental units for every 100 Extremely Low-Income households (earning up to $29,800 for a family of three) in the Indianapolis metro.
- Many hotel residents would qualify for housing choice vouchers (a.k.a. Section 8) based on their income. However, in Marion County and across the Indianapolis metro area, there are only enough vouchers for one in every six eligible Extremely Low-Income households, resulting in yearslong waitlists for thousands of eligible renters.
- Rental debts from past evictions were another top housing barrier mentioned by our interviewees. Rental debts may start with one month's rent but balloon with late fees and court costs, amounting to thousands of dollars. Until these are paid off, residents are unable to seal their eviction cases, making them ineligible for a large share of apartments.
- The cost to move into a new apartment, including application fees and security deposit, exceeds $2,000 on average.
- Hotel residents often pay far more for their hotel than they would for an apartment. This prevents them from being able to save up to move out. Economy and midscale hotels cost $72.90 a night on average, or $2,187 a month, in Marion County. At cheaper properties, hotel residents report paying around $300-$400 per week for their stays, or $1,300-$1,733 a month. By contrast, an average Marion County one-bedroom apartment costs $1,090 a month.
- Hotel living is more unstable than renting, as hotels can refuse to extend residents' stays beyond the next day or week. Hotel costs can fluctuate widely week to week or day to day, especially during holidays or major city events.
- Private equity companies have increased their investment in extended-stay hotels in recent years. One private equity CEO of Blackstone was quoted as saying that the rising cost of rental housing is a "tailwind" for their business, essentially admitting that they intend to profit from the lack of housing affordability.
- Some hotel residents reported decrepit living conditions: roach and mouse infestations, mildewed carpets, water leaks, and other defects. While these conditions could be reported to public health departments, code violations at hotels are likely underreported due to fears of retaliation. We spoke to several residents who were kicked out of the hotel where they were living after asking for repairs, room cleaning, or accommodations for their disability.
- The biggest cluster of hotels with high code violation rates are located in neighborhoods of color on the east side of Indianapolis. At the top of the list, Motor 8 Inn received 4 violations for every 10 rooms across 2021-2025. Residents at certain hotels also reported crime and safety concerns, like gun violence and drug activity. Police data shows that at a third of hotel properties, there were more than two police calls for service per room in a single year. The hotel with the highest number of police call and incidents was again Motor 8 Inn on the east side, with more than one police call per day and more than one police incident a week.
- Temporary hotel guests lack many of the rights that are afforded to tenants in rentals, such as protection against retaliation, unexpected rent increases, and being locked out of one's unit without a formal eviction judgment. However, under landlord-tenant law and fair housing law, long-term hotel occupants may argue that they should be considered tenants because of the duration of their stay and their use of the hotel as a residence.

TABLE 3: Economy and Midscale Hotels with Highest Number of Code Violations (Marion County, 2021-2025)

Property Name	Property Address	Property ZIP	Code Violations (2021-2025)	Rooms	Code Violations Per 10 Rooms
Motor 8 Inn	3731 N Shadeland Ave	46226	13	30	4.33
BlissPoint Inn	9251 Wesleyan Rd	46268	28	85	3.29
Country Road Inn*	8850 E 21st St	46219	26	80	3.25
Skyline Motel	6617 E Washington St	46219	13	60	2.17
Travel Inn	4950 S East St	46227	10	65	1.54
FairBridge Inn Express	602 E Thompson Rd	46227	17	120	1.42

**This hotel now appears to be closed and boarded up, as of August 2026. Source: FHCCI analysis of code violation data from Marion County Department of Public Health, hospitality property data from CoStar.*

To download the full report, visit the FHCCI's News Page or our Reports Page.

In recent years, the FHCCI has released the following consumer-driven housing reports through its *The State of Fair Housing in Indiana* series:

- Marion County's Top Evictors (2026)
- Homes at Risk: Mortgage and Tax Foreclosures in Marion County (2026)
- The Stacked Deck: Eviction Filings in Marion County Townships and Neighborhoods (2026)
- Rising Rental Burdens in the Indianapolis Metro (2025)
- Marion County Foreclosure Update-September 2025 (2025)
- The Insurance Crisis Hits Home (2025)
- Marion County Foreclosure Update-March 2025 (2025)
- Mortgage Lending in Allen County for Year 2023 (2025)
- Who Owns Central Indiana's Houses: An Update of the Largest Single-Family Home Investors (2025)
- Foreclosure Filings in Marion County (2024)
- The Promise and Perils of Alternative Home Financing (2024)
- Highlighting Housing Impacts From Our Changing Environment (2024)
- Unstable Land: The Fair Housing Challenges for Manufactured Housing Residents (2024)
- A Review of Fair Housing Complaints in Indiana, Years 2019-2023 (2024)
- Mortgage Lending Update for Marion County, Years 2021-2022 (2024)
- Who Owns Indy's Houses: A Review of the Largest Single-Family Home Investors (2023)
- No Way Home: Tenant Screening Barriers to Housing (2023)
- Our Changing Neighborhoods: The Impact of Investors, Foreclosures, and Mortgage Lending (2022)
- At What Cost? Rents, Burdens, Evictions, and Profits in Marion County (2022)
- FHA & VA Mortgage Lending in Marion County, Years 2018-2021 (2022)
- Mortgage Lending in Marion County, Years 2018-2020 (2022)

The Fair Housing Center of Central Indiana (FHCCI) is a private, nonprofit fair housing organization based in Indianapolis, Indiana. Its mission is to facilitate open housing for all people by ensuring the availability of affordable and accessible housing; promoting housing choice and homeownership; advocating for an inclusive housing market; working toward stable and equitable communities; and eradicating discrimination within Central Indiana, the State of Indiana, and nationally. For more information, visit: www.fhcci.org