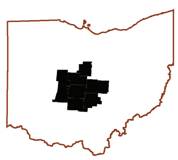
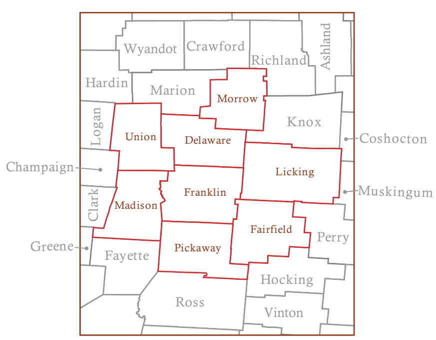
Columbus, Ohio

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of April 1, 2011

PD&R

Housing Market Area





The Columbus Housing Market Area (HMA) is coterminous with the Columbus, OH Metropolitan Statistical Area (MSA). For purposes of this analysis, the HMA is divided into three submarkets: the Franklin County submarket, which includes the central city of Columbus; the Delaware County submarket; and the Remainder Counties submarket, which consists of Fairfield, Licking, Madison, Morrow, Pickaway, and Union Counties.

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Economy

Nonfarm job growth slowed in the Columbus HMA beginning in mid-2007, after nearly 4 years of increases. During the 12 months ending March 2011, nonfarm payrolls grew by 0.8 percent, to 907,600, compared with a 3.6-percent decline for the previous 12-month period. Slow growth is expected to continue: nonfarm payrolls are forecast to increase by approximately 0.3 percent annually for the next 3 years. Table DP-1 at the end of this report provides employment data for the HMA.

Sales Market

The home sales market in the HMA is soft but stabilizing. According to Hanley Wood, LLC, the average sales price of new and existing homes during the 12 months ending March 2011 was $154,700, a 4-percent increase compared with the preceding 12-month period. During this same period, sales decreased by 16 percent, which can be attributed to increased lending and downpayment requirements. Demand is estimated for 20,100 new homes during the forecast period, although the estimated 28,150 other vacant units in the HMA will meet a portion of this demand (see Table 1).

Rental Market

The rental housing market is soft in the HMA, with a 9.3-percent vacancy rate, a slight improvement from a year earlier. According to Reis, Inc., the average rent in the HMA in the first quarter of 2011 was $646, a 2-percent increase from the same quarter in 2010. Demand is estimated for 1,050 new market-rate rental units through April 1, 2014 (see Table 1).

Table 1. Housing Demand in the Columbus HMA, 3-Year Forecast, April 1, 2011 to April 1, 2014

	Columbus HMA		Franklin County Submarket		Delaware County Submarket		Remainder Counties Submarket	
	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units
Total Demand	20,100	1,050	6,600	0	6,700	800	6,800	250
Under Construction	630	1,500	330	1,500	110	0	190	0

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction are as of April 1, 2011. A portion of the estimated 28,150 other vacant units in the HMA will likely satisfy some of the forecast demand.

Source: Estimates by analyst

Economic Conditions

The economy of the Columbus HMA has struggled to sustain growth since 2000, and, as of the current date, nonfarm payrolls remain below the 2000 level. Growth in nonfarm payrolls averaged 0.6 percent annually, or 6,400 jobs, from 2003 through 2007, before declining by 9,600 jobs, or 0.8 percent, annually from 2007 through 2010, when the national and regional economies slowed. Despite the recent downturn, economic conditions appear to be improving; nonfarm payrolls became positive during the 12 months ending March 2011, up 7,100 jobs, or 0.8 percent, to 907,600, compared with the number of jobs during the 12 months ending March 2010. Although the recent job growth is encouraging, nonfarm payrolls remain 7,800 jobs fewer than the number recorded in 2000. Recovery of the economy in the Columbus HMA during the 12 months ending March 2011 was led by the education and health services sector, up 3.6 percent, or 4,300 jobs, reflecting investment and growth by healthcare providers. Job gains were also strong in the professional and business services sector, which gained 4,500 jobs, or 3.1 percent, because of hiring in technical services and employment services industries. The leisure and hospitality, government, and other services sectors recorded gains of 1,200, 1,000, and 200 jobs, or 1.4, 0.6, and 0.6 percent, respectively (see Table 2). All other sectors declined during the 12 months ending March 2011. Figure 1 shows nonfarm payroll growth by sector since 2000.

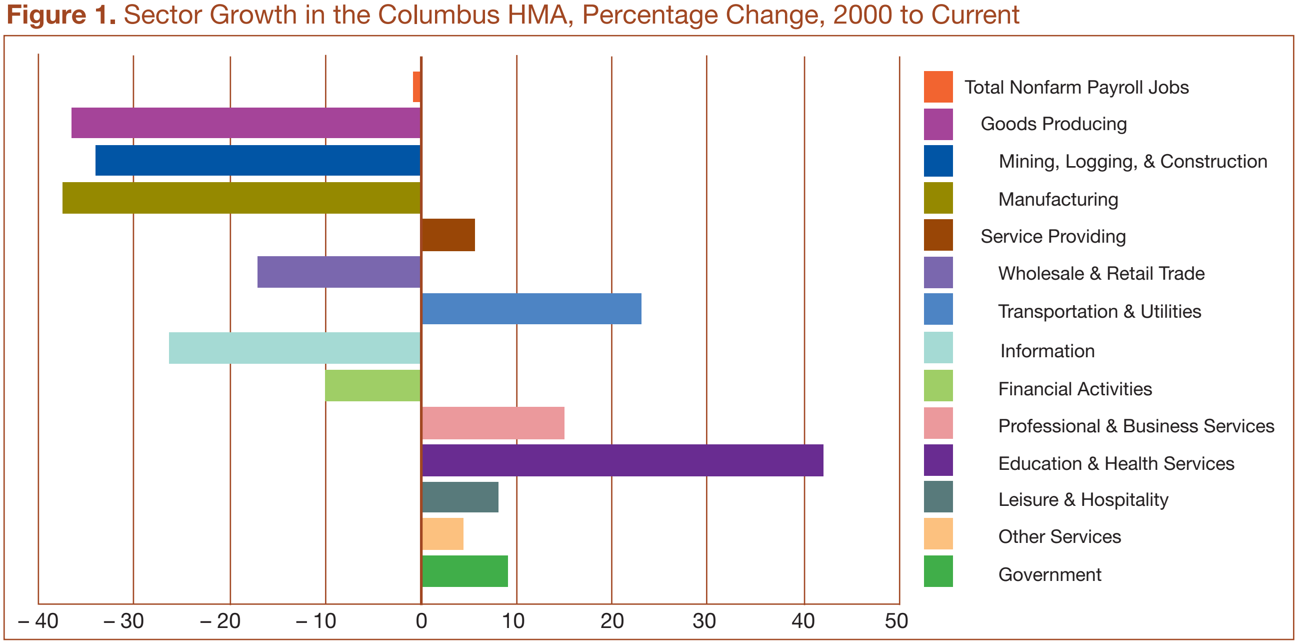
Table 2. 12-Month Average Nonfarm Payroll Jobs in the Columbus HMA, by Sector

	12 Months Ending March 2010	12 Months Ending March 2011	Percent Change
Total Nonfarm Payroll Jobs	900,500	907,600	0.8
Goods Producing	93,000	90,900	– 2.3
Mining, Logging, & Construction	28,550	27,750	– 2.8
Manufacturing	64,500	63,150	– 2.1
Service Providing	807,500	816,700	1.1
Wholesale & Retail Trade	134,100	134,000	– 0.1
Transportation & Utilities	44,050	42,950	– 2.5
Information	16,800	16,550	– 1.5
Financial Activities	68,750	68,250	– 0.7
Professional & Business Services	144,200	148,700	3.1
Education & Health Services	121,000	125,300	3.6
Leisure & Hospitality	85,700	86,900	1.4
Other Services	35,600	35,800	0.6
Government	157,300	158,300	0.6

Notes: Based on 12-month averages through March 2010 and March 2011. Numbers may not add to totals because of rounding.

Source: U.S. Bureau of Labor Statistics

Figure 1. Sector Growth in the Columbus HMA, Percentage Change, 2000 to Current



Note: Current is based on 12-month averages through March 2011.

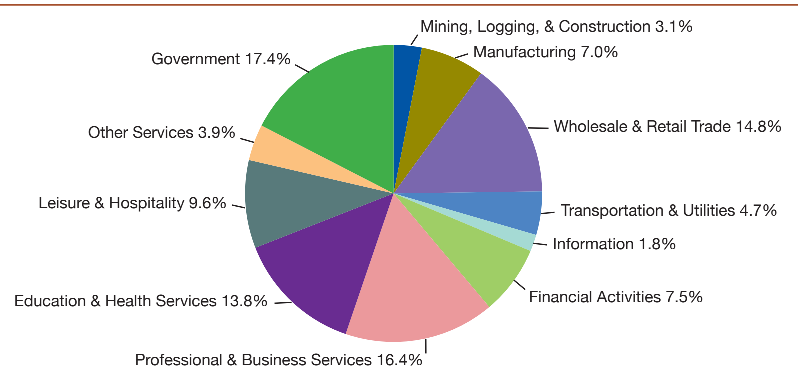
Source: U.S. Bureau of Labor Statistics

Because the metropolitan area includes the state capital, government is the largest nonfarm payroll jobs sector in the HMA, with approximately 158,000 jobs, or 17 percent of nonfarm payrolls. The largest employer in the HMA is The Ohio State University (OSU), with approximately 23,100 employees and staff and a combined undergraduate and graduate enrollment of approximately 64,100 students. A $1 billion expansion of The Ohio State University Medical Center, which began in 2009, currently employs approximately 5,000 people during the construction phase. Upon completion in 2014, the expanded medical center is expected to add 10,000 health services jobs. Including the medical center, OSU has an estimated statewide economic impact of more than $4 billion annually. The professional and business services, wholesale and retail trade, and education and health services sectors each provide between 14 and 16 percent of nonfarm payroll jobs in the HMA (see Figure 2). Major employers in these sectors include Battelle Memorial Institute, The Kroger Company, and OhioHealth Corporation. See Table 3, which provides additional information about leading employers in the HMA.

With the recent nonfarm payroll growth, the unemployment rate for the Columbus HMA decreased from an 8.8-percent average for the 12 months ending March 2010 to an 8.3-percent average for the 12 months ending March 2011. See Figure 3 for historical trends in labor force, resident employment, and unemployment rate.

Nonfarm payroll job increases are expected to average 0.3 percent annually during the next 3 years, with job growth expected primarily in the second and third years. The education and health services sector is expected to continue growing as The Ohio State University Medical Center is completed. Employment opportunities are expected to increase in the financial activities sector as well during the next 3 years; JP Morgan Chase & Co., which has added 5,000 positions in the HMA since 2006, announced plans to add up to 1,000 additional jobs to its mortgage-servicing staff later in 2011.

Figure 2. Current Nonfarm Payroll Jobs in the Columbus HMA, by Sector



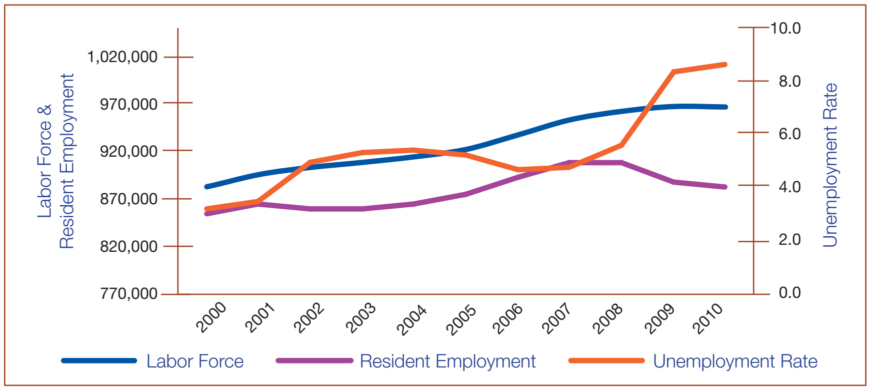
Note: Based on 12-month averages through March 2011.
Source: U.S. Bureau of Labor Statistics

Table 3. Major Employers in the Columbus HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
The Ohio State University	Government	23,100
JP Morgan Chase & Co.	Financial Activities	17,000
Nationwide Mutual Insurance Company	Financial Activities	11,250
OhioHealth Corporation	Education & Health Services	7,800
Honda of America Manufacturing, Inc.	Manufacturing	7,000
Mount Carmel Health	Education & Health Services	5,700
The Kroger Co.	Wholesale & Retail Trade	5,425
Limited Brands, Inc.	Wholesale & Retail Trade	5,200
Nationwide Children's Hospital	Education & Health Services	4,275
Huntington Bancshares, Inc.	Financial Activities	4,175

Note: As of December 2010.
Source: Business First of Columbus

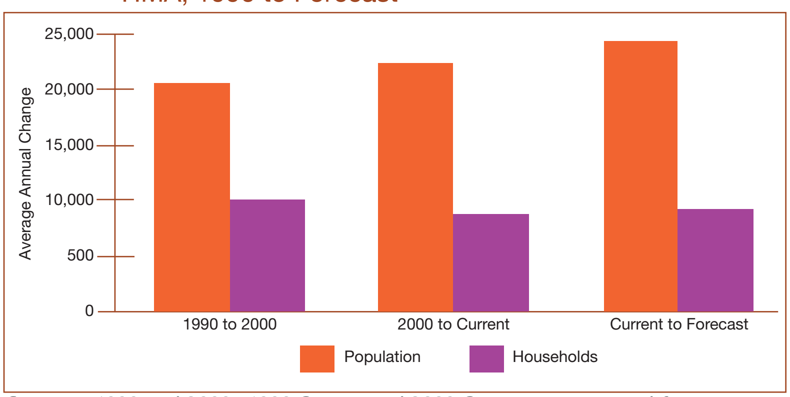
Figure 3. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Columbus HMA, 2000 to 2010



Source: U.S. Bureau of Labor Statistics

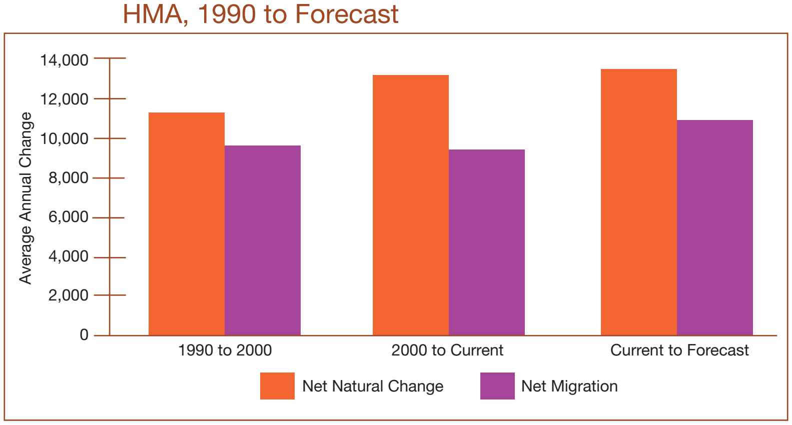
Population and Households

Figure 4. Population and Household Growth in the Columbus HMA, 1990 to Forecast



Sources: 1990 and 2000—1990 Census and 2000 Census; current and forecast—estimates by analyst

Figure 5. Components of Population Change in the Columbus HMA, 1990 to Forecast



Sources: 1990 and 2000—1990 Census and 2000 Census; current and forecast—estimates by analyst

The population of the Columbus HMA is currently estimated at nearly 1.86 million. Since 2000, the population has increased by an average of approximately 22,400, or by 1.3 percent, annually (see Figure 4), with net in-migration accounting for 42 percent of the population growth (see Figure 5). During the next 3 years, the population of the HMA is expected to grow at an annual rate of 1.3 percent, or 24,350, to 1.93 million as of April 1, 2014. The rate of household growth in the HMA is expected to mirror population growth at 1.3 percent, or 9,375 households annually to 760,600 households at the end of the 3-year forecast period.

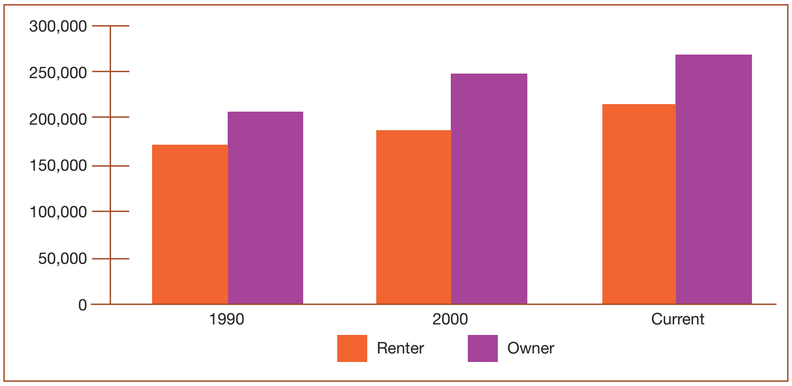
The Franklin County submarket, including the city of Columbus, currently has 1.2 million residents, representing 63 percent of the HMA population. Since 2000, the average annual population growth of 9,450 people has been almost entirely because of net natural change (resident births minus resident deaths). Migration into

Franklin County, which was negative from 2001 through 2004, began increasing in 2005, while migration into the other two submarkets in the HMA slowed. During the recent recession, the HMA retained more jobs than the other large metropolitan areas in Ohio, and people moved closer to the region's economic center for proximity to employment opportunities and shorter commutes. See Figure 6 for household growth trends in the submarket by tenure since 1990.

The Delaware County submarket is the fastest growing submarket within the HMA, with a population growth of 4.6 percent, or 6,425 people, annually since 2000, to an estimated population of 180,600. Approximately 75 percent of the growth since 2000 is attributable to in-migration and nearly 50 percent of the growth has been in the five townships nearest Franklin County. See Figure 7 for household growth trends in the submarket by tenure since 1990.

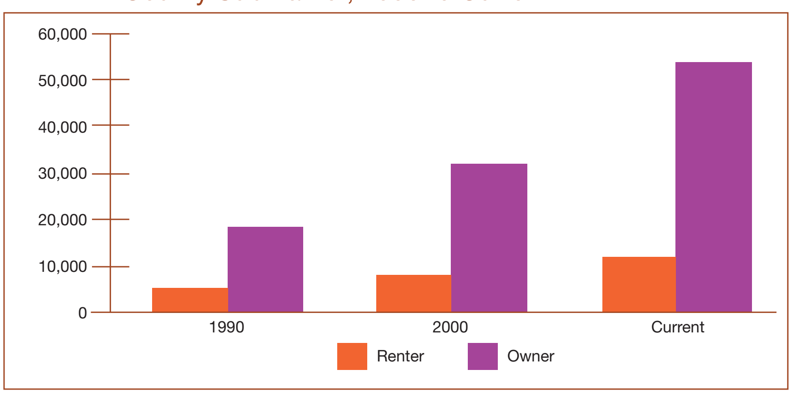
The Remainder Counties submarket, with its six counties, increased in population by an average annual rate of 1.4 percent, or by 6,525 annually, since 2000, with net in-migration accounting for approximately two-thirds of the growth. The two largest counties, Fairfield and Licking, which are adjacent to Franklin County, accounted for an estimated 68 percent of the population growth in this submarket. See Figure 8 for household growth trends in the submarket by tenure since 1990. See Tables DP-1, DP-2, DP-3, and DP-4 at the end of this report for additional demographic information about the HMA and each submarket.

Figure 6. Number of Households by Tenure in the Franklin County Submarket, 1990 to Current



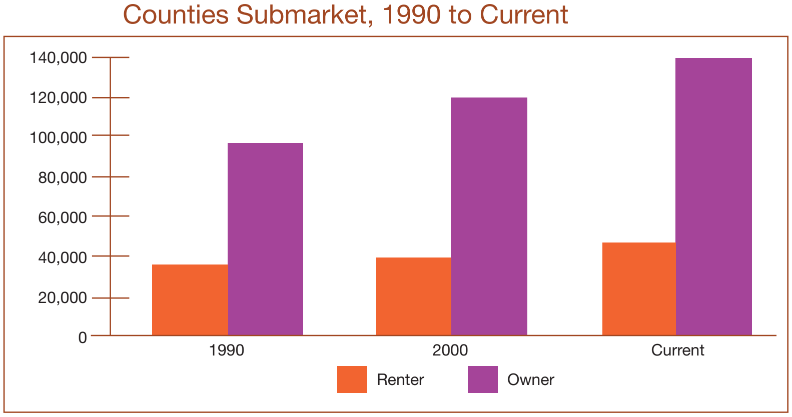
Sources: 1990 and 2000—1990 Census and 2000 Census; current—estimates by analyst

Figure 7. Number of Households by Tenure in the Delaware County Submarket, 1990 to Current



Sources: 1990 and 2000—1990 Census and 2000 Census; current—estimates by analyst

Figure 8. Number of Households by Tenure in the Remainder Counties Submarket, 1990 to Current



Sources: 1990 and 2000—1990 Census and 2000 Census; current—estimates by analyst

Housing Market Trends

Sales Market—Franklin County Submarket

The sales housing market in the Franklin County submarket is currently soft because of excess production and the weak economy, although prices appear to have reached a floor and begun to increase. According to Hanley Wood, LLC, the average home sales price in the submarket was $145,800 for the 12 months ending March 2011, up 3 percent compared with prices for the previous 12 months. The average home sales price had declined an average of 3 percent annually, from $160,900 in 2005 to $140,800 in 2009. For the 12 months ending March 2011, 17,700 new and existing homes were sold, 24 percent fewer than the 23,300 homes sold during the previous 12-month period and well below the average of 29,450 homes sold annually from 2005 through 2007. Local realtors identify the soft economy and tighter lending requirements as factors in the sales decline.

The number of home loans 90 or more days delinquent, in foreclosure, or in REO (Real Estate Owned) in Franklin County declined during the past year. According to LPS Applied Analytics, home loans in the foreclosure process numbered 12,550 in March 2011, or 7.8 percent of all properties with mortgages in the county, an improvement from the 12,900 properties, or 8.7 percent, in the foreclosure process in March 2010. Foreclosures have contributed to the decline in home prices. According to Hanley Wood, LLC, approximately 25 percent of all home sales were in REO and the average sales price for an REO property was $93,400 during the 12 months ending March 2011.

In response to decreases in sales and average prices, home builders slowed construction of new single-family homes, as measured by the number of building permits issued, beginning in 2006. After averaging 5,150 homes permitted annually from 2001 through 2005, the number of permits issued annually declined to an average of 1,900 from 2006 through 2009, as shown in Figure 9. For the 12 months ending March 2011, approximately 1,550 permits for single-family homes were issued, according to preliminary data, virtually unchanged from the 1,500 permits issued in the previous 12-month period. As of April 1, 2011, an estimated 330 homes were under construction in the submarket.

Franklin County accounted for 81 percent of all condominium loan closings in the Columbus HMA during 2010. According to Capital Crossroads Special Improvement District, an average of 140 attached units for owner occupancy entered the market in downtown Columbus annually from 2005 through2010, as a result of both new construction and conversions. Condominium units, on average, sold for approximately 80 percent of the average single-family home sales price in the submarket in 2010. Bishop's Walk, a townhome development within a larger redevelopment plan in downtown Columbus, is currently marketing a second phase of 26 units

Figure 9. Single-Family Building Permits Issued in the Franklin County Submarket, 2000 to 2011

Notes: Includes only single-family units. Includes data through March 2011.
Source: U.S. Census Bureau, Building Permits Survey

starting at $240,000. The first phase of 60 units is 90 percent sold, and the development will eventually include approximately 300 units.

During the next 3 years, demand is estimated for an additional 6,600 new homes, with prices starting at $100,000 (see Table 4). Approximately 40 percent of the total demand will be for homes priced between $150,000 and $349,999; the large number of other vacant units in Franklin County will meet some portion of this demand.

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Franklin County Submarket, April 1, 2011 to April 1, 2014

Price Range ($)		Units of Demand	Percent of Total
From	To		
100,000	149,999	990	15.0
150,000	249,999	1,325	20.1
250,000	349,999	1,325	20.1
350,000	449,999	990	15.0
450,000	549,999	670	10.2
550,000	649,999	660	10.0
650,000	749,999	320	4.8
750,000	and higher	320	4.8

Note: A portion of the estimated 18,900 other vacant units in the Franklin County submarket, as well as the 330 homes currently under construction, will likely satisfy some of the forecast demand.

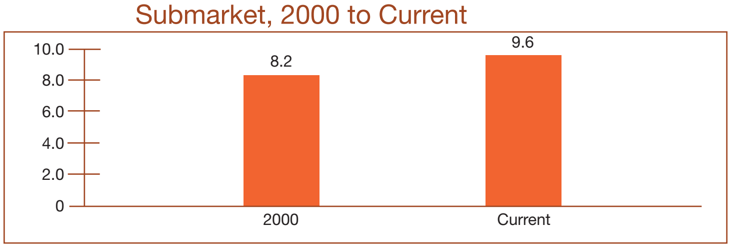
Source: Estimates by analyst

Rental Market—Franklin County Submarket

The rental housing market in the Franklin County submarket is soft, with an estimated 9.6-percent vacancy rate as of April 1, 2011, up from 8.2 percent on April 1, 2000 (see Figure 10). Since 2000, an estimated 15,200 new apartments have been constructed, despite elevated vacancy rates. A large number of formerly owner-occupied units have been converted to rental units, further contributing to the rental inventory surplus. As the economy improves, rental market conditions are expected to stabilize, if builders remain conservative in adding to the rental inventory.

Current asking rents in Franklin County depend on location, age, and amenities. In downtown Columbus and north to OSU, where the markets are stronger, rents start at $600 for a one-bedroom unit and $800 for a two-bedroom unit. Newer construction, loft-style units in this area have monthly rents of $800 for one-bedroom units and $1,100 for two-bedroom units. Many older apartment buildings with higher vacancy rates are located northwest in Columbus, east in Gahanna, and southeast in Canal Winchester, with one- and two-bedroom units starting at $500 and $600, respectively.

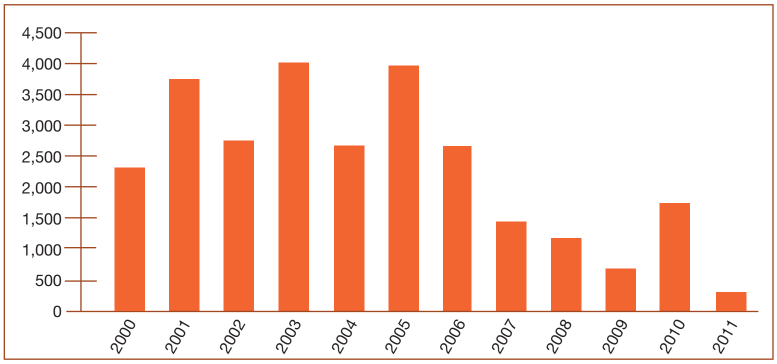
Figure 10. Rental Vacancy Rates in the Franklin County Submarket, 2000 to Current



Sources: 2000—2000 Census; current—estimates by analyst

Multifamily construction, as measured by the number of units permitted, was strong from 2000 through 2006, before declining in 2007 (see Figure 11). The number of multifamily units permitted peaked in the previous decade from 2003 through 2005, averaging 3,525 for that 3-year period, before dropping to an average of 1,475 units annually from 2006 through 2009. For the 12 months ending March 2011, 1,625 multifamily units were permitted, according to preliminary figures, 75 percent more than the 930 units permitted in the previous 12 months, and more than the average permitted from 2006 through 2009. Of the multifamily units permitted in the submarket since 2000, approximately 55 percent were constructed for rental occupancy and 45 percent in condominium and townhouse sales developments. The Flats on Vine Apartments, which opened in November 2010 in downtown Columbus and added 226 studio, one-bedroom, and two-bedroom units to the rental market, are 85-percent leased. Rents start at $800 for a studio and $1,275 for a two-bedroom unit.

Figure 11. Multifamily Building Permits Issued in the Franklin County Submarket, 2000 to 2011



Notes: Includes all multifamily units in structures with two or more units. Includes data through March 2011.

Source: U.S. Census Bureau, Building Permits Survey

With a nearly 10-percent vacancy rate and a significant number of other vacant units, the rental housing market in the Franklin County submarket will meet demand through the existing available inventory during the next 3 years. With approximately 1,500 units currently under construction, no additional rental development is advised during the 3-year forecast period.

Sales Market—Delaware County Submarket

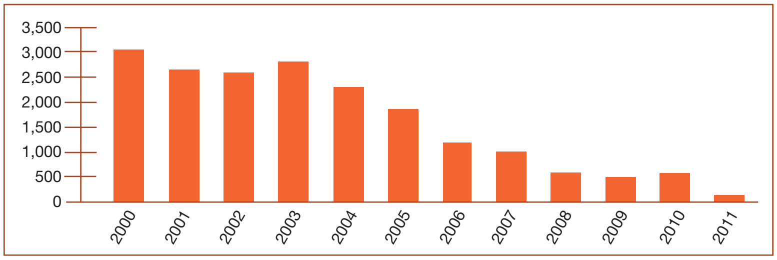
In the Delaware County submarket, the sales housing market is balanced, with a 1.9-percent vacancy rate. According to Hanley Wood, LLC, 3,350 new and existing home sales closed during the 12 months ending March 2011, up 2 percent from the 3,275 homes sold in the previous 12 months. The average sales price increased from $240,300 to $242,400. The number of home sales averaged 5,175 annually from 2005 through 2007, then declined 35 percent to average 3,350 in 2008 and 2009. The average sales price has also declined each year since 2005, most significantly an 8-percent decline from 2008 to 2009, to $243,000.

The number of home loans that are 90 or more days delinquent, in foreclosure, or in REO is 1,300, representing 4.4 percent of all prop-erties with mortgages in Delaware County, which is a smaller proportion than the 7.8-percent rate in Franklin County and the 7.5-percent rate in the Remainder submarket. According to LPS Applied Analytics, the number of home loans in the foreclosure process in March 2011 was down from 1,375 properties with that status in March 2010 but is still higher than the 960 distressed properties in March 2009. Local realtors confirm that foreclosed properties have contributed to the declining average sales prices reported in the submarket.

In response to declining home sales and prices, builders in the Delaware County submarket decreased single-family homebuilding activity, as measured by the number of building permits issued. As shown in Figure 12, an average of 2,425 permits was issued annually from 2001 through 2005; in contrast, from 2006 through 2009, an average of 800 single-family building permits was issued, a two-thirds decline. For the 12 months ending March 2011, according to preliminary figures, approximately 530 permits for single-family homes were issued, similar to the 510 permits issued in the previous 12 months. In the Delaware County submarket, Olentangy Crossings, a single-family development of custom- and speculative-built homes with prices ranging from $280,900 to $450,000, has built homes on 20 out of 80 planned sites.

During the next 3 years, demand is estimated for an additional 6,700 new homes, with prices starting at $100,000 (see Table 5). In general, new construction homes in the southern part of Delaware County are more expensive than elsewhere in the submarket because of higher land costs. Demand in the submarket will be strongest in the $100,000-to-$299,999 range; some of the estimated 1,650 other vacant units in the county may meet a portion of this demand.

Figure 12. Single-Family Building Permits Issued in the Delaware County Submarket, 2000 to 2011



Notes: Includes only single-family units. Includes data through March 2011.

Source: U.S. Census Bureau, Building Permits Survey

Table 5. Estimated Demand for New Market-Rate Sales Housing in the Delaware County Submarket, April 1, 2011 to April 1, 2014

Price Range ($)		Units of Demand	Percent of Total
From	To		
100,000	149,999	1,000	14.9
150,000	199,999	1,675	25.0
200,000	299,999	1,350	20.1
300,000	349,999	670	10.0
350,000	399,999	670	10.0
400,000	449,999	670	10.0
450,000	499,999	340	5.1
500,000	and higher	330	4.9

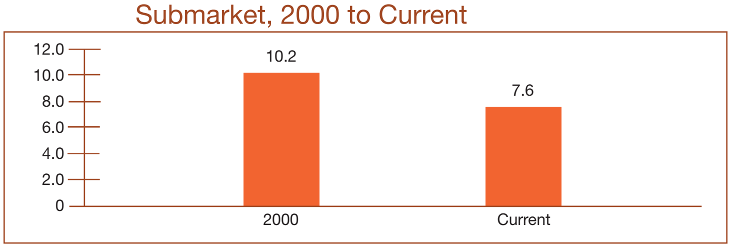
Note: A portion of the estimated 1,650 other vacant units in the Delaware County submarket, as well as the 110 homes currently under construction, will likely satisfy some of the forecast demand.

Source: Estimates by analyst

Rental Market—Delaware County Submarket

The rental housing market in the Delaware County submarket is currently balanced, with an estimated vacancy rate of 7.6 percent, down from 10.2 percent reported in April 2000 (see Figure 13). As mortgages became more difficult to obtain and foreclosure activity increased in the sales market, rental occupancy increased, although this trend has been somewhat offset by sales units moving to the rental market. Average rents in the submarket are higher in the south than in the north. In the south, rents in the cities of Powell, Dublin, and Westerville start at approximately $600 for one-bedroom units and $800 for two-bedroom units. Apartments in the city of Delaware, approximately 10 miles north of the major commercial development in the county, have one- and two-bedroom units starting at $450 and $600 per month, respectively. Outside of Delaware and the southern-tier communities identified above, the county is generally rural and most rental units are subsidized.

Figure 13. Rental Vacancy Rates in the Delaware County Submarket, 2000 to Current

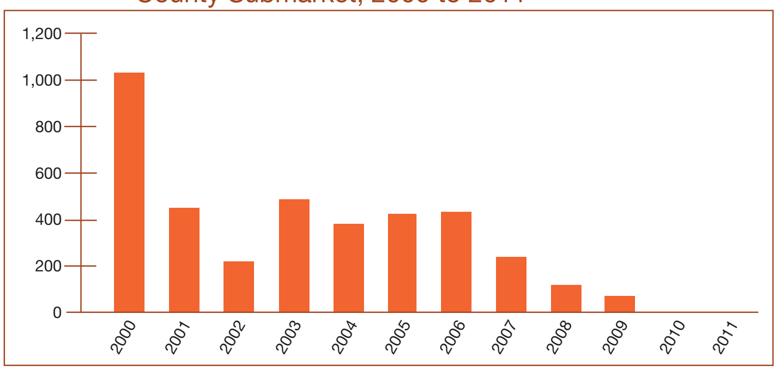


Sources: 2000—2000 Census; current—estimates by analyst

Multifamily construction, as measured by the number of units permitted, has been minimal in the Delaware County submarket since 2000, and the development that did occur was concentrated in the early part of the decade. Multifamily units permitted averaged 390 annually from 2001 through 2005, then dropped to an average of 220 annually from 2006 through 2009. For the 12 months ending March 2010, approximately 55 multifamily units were permitted in the submarket, according to preliminary estimates, and no units were permitted for the 12 months ending March 2011. From 2000 through 2009, approximately 58 percent of multifamily units permitted in the submarket were for owner occupancy, and the overall homeownership rate rose from 80 percent in 2000 to a current rate of 82 percent. See Figure 14 for multifamily units permitted from 2000 to the current date.

Demand is estimated for an additional 800 new market-rate rental units in the submarket through the 3-year forecast period. With no units currently under construction, the 7.6-percent vacancy rate, as of April 1, 2011, is expected to decline during the forecast period. Table 6 provides an estimate of the noncumulative distribution of demand during the forecast period for new market-rate rental housing by rent level and the number of bedrooms.

Figure 14. Multifamily Building Permits Issued in the Delaware County Submarket, 2000 to 2011



Notes: Includes all multifamily units in structures with two or more units. Includes data through March 2011.

Source: U.S. Census Bureau, Building Permits Survey

Table 6. Estimated Demand for New Market-Rate Rental Housing in the Delaware County Submarket, April 1, 2011 to April 1, 2014

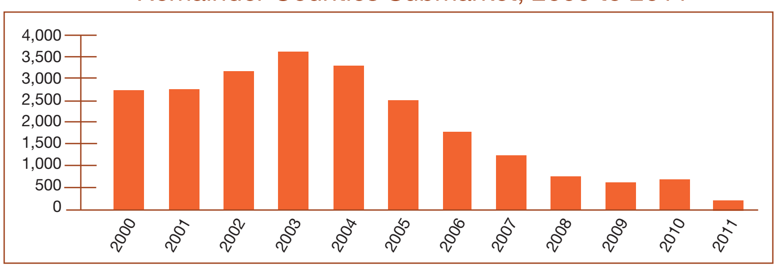
One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent ($)	Units of Demand	Monthly Gross Rent ($)	Units of Demand	Monthly Gross Rent ($)	Units of Demand
600 to 799	60	700 to 899	160	800 to 999	70
800 to 999	30	900 to 1,099	80	1,000 to 1,199	50
1,000 to 1,199	30	1,100 to 1,299	60	1,200 to 1,399	50
1,200 to 1,399	30	1,300 to 1,499	60	1,400 to 1,599	35
1,400 or more	0	1,500 or more	40	1,600 or more	35
Total	150	Total	400	Total	240

Source: Estimates by analyst

Sales Market—Remainder Counties Submarket

The sales housing market in the Remainder Counties submarket is soft but showing signs of stabilizing. According to Hanley Wood, LLC, approximately 7,725 homes were sold in the submarket during the 12 months ending March 2011, down 1 percent from the 7,825 homes sold during the 12 months ending March 2010. The current sales total of 7,725 is approximately 31 percent below the 11,150 homes sold each year, on average, from 2005 through 2007. Home sales prices, which averaged $151,800 for the 3 years from 2005 through 2007, declined 12 percent to an average of $133,400 in 2008 and 2009. Sales prices recovered modestly in the past 12 months, gaining 4 percent to $137,000 for the 12 months ending March 2011 compared with prices for the previous 12-month period. Affordability in this submarket is important, especially for first-time homebuyers. New construction homes are more expensive closer to Columbus. Union County, the home of a major Honda of America Manufacturing, Inc., automobile-manufacturing facility, has the highest home sales prices in this submarket, averaging $180,800 for the 12 months ending March 2011.

Figure 15. Single-Family Building Permits Issued in the Remainder Counties Submarket, 2000 to 2011



Notes: Includes only single-family units. Includes data through March 2011.

Source: U.S. Census Bureau, Building Permits Survey

Table 7. Estimated Demand for New Market-Rate Sales Housing in the Remainder Counties Submarket, April 1, 2011 to April 1, 2014

Price Range ($)		Units of Demand	Percent of Total
From	To		
100,000	124,999	690	10.1
125,000	174,999	1,025	15.1
175,000	224,999	1,350	19.9
225,000	274,999	1,350	19.9
275,000	324,999	1,025	15.1
325,000	399,999	680	10.0
400,000	499,999	340	5.0
500,000	and higher	340	5.0

Note: A portion of the estimated 7,600 other vacant units in the Remainder Counties submarket, as well as the 190 homes currently under construction, will likely satisfy some of the forecast demand.

Source: Estimates by analyst

According to LPS Applied Analytics, in March 2011, the number of home loans 90 or more days delinquent, in foreclosure, or in REO was approximately 3,925, or almost 8 percent of properties in the submarket with mortgages, nearly unchanged from the number and rate reported in March 2010. According to Hanley Wood, LLC, the average sales price of an REO home for the 12 months ending March 2011 was $96,850.

As home sales and prices declined in the submarket, builders slowed single-family home construction, as measured by the number of building permits issued. Based on preliminary figures, for the 12 months ending March 2011, single-family permits were issued for 700 homes, an 11-percent increase from the 630 homes permitted in the previous 12-month period. The number of single-family homes permitted in the submarket declined 60 percent, from an average of 3,050 homes annually from 2001 through 2005, to an average of 1,250 homes annually from 2006 through 2008, as shown in Figure 15.

During the next 3 years, demand is estimated for an additional 6,800 new homes, with prices starting at $100,000 (see Table 7). Although home prices are stabilizing in this submarket, the supply of foreclosed homes remains a concern and a large number of other vacant units in this submarket will help to meet some of the forecast demand.

Rental Market—Remainder Counties Submarket

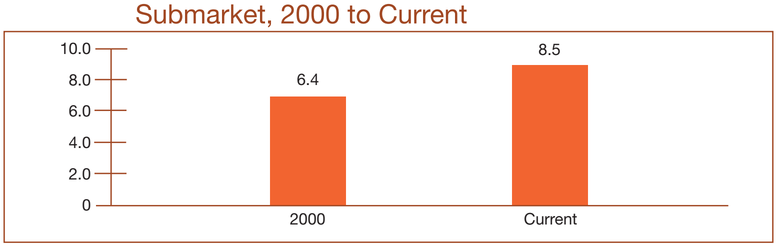
The rental housing market in the Remainder Counties submarket is currently soft, with an 8.5-percent vacancy rate, compared with a 6.4-percent rate in 2000 (see Figure 16). In the submarket, which has 17 percent of the rental housing units in the HMA, the number of multifamily units permitted was not as large as in the other two submarkets. An average of 420 multifamily units was permitted annually from 2001 through 2005. From 2006 through 2008, an average of 320 multifamily units was permitted annually, a 24-percent decline from the previous 5 years. In 2009, approximately 200 multifamily units were permitted, of which 190 were senior housing units located in two facilities. No multifamily units have been permitted since 2009. The absence of multifamily construction the past 2 years helped to keep the market from becoming softer.

Two counties, Fairfield and Licking, account for 84 percent of all multifamily units permitted in the submarket since 2000. Of the approximately 3,625 multifamily units permitted from 2000 through 2009, approximately 65 percent were for rental occupancy, with more than one-half of those units intended for senior housing. Figure 17 shows the number of multifamily units permitted in the submarket since 2000.

An apartment building's proximity to Columbus generally results in higher rents, but age, amenities, and condition of the building are critical. The city of Canal Winchester, in Fairfield and Franklin Counties, has a large apartment inventory, keeping rents low. Monthly rents in Canal Winchester start at $550 for one-bedroom units, $600 for two-bedroom units, and $650 for three-bedroom units. Rents in Newark and Pataskala, in Licking County, start at $600 for one-bedroom units, $700 for two-bedroom units, and $775 for three-bedroom units. In Lancaster, in Fairfield County, one- and two-bedroom units start at $500 and $600, respectively.

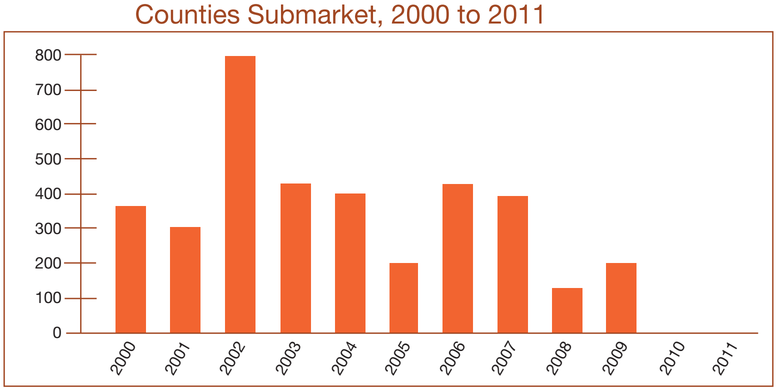
Demand is estimated for 250 new market-rate rental units through the 3-year forecast period, with no units currently under construction. Table 8 provides an estimate of the noncumulative distribution of demand from April 1, 2011, to April 1, 2014, for new market-rate rental housing by rent level and the number of bedrooms.

Figure 16. Rental Vacancy Rates in the Remainder Counties Submarket, 2000 to Current



Sources: 2000—2000 Census; current—estimates by analyst

Figure 17. Multifamily Building Permits Issued in the Remainder Counties Submarket, 2000 to 2011



Notes: Includes all multifamily units in structures with two or more units. Includes data through March 2011.

Source: U.S. Census Bureau, Building Permits Survey

Table 8. Estimated Demand for New Market-Rate Rental Housing in the Remainder Counties Submarket, April 1, 2011 to April 1, 2014

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent ($)	Units of Demand	Monthly Gross Rent ($)	Units of Demand	Monthly Gross Rent ($)	Units of Demand
550 to 749	25	650 to 849	35	750 to 949	20
750 to 949	25	850 to 1,049	35	950 to 1,149	15
950 to 1,149	25	1,050 to 1,249	35	1,150 to 1,349	10
1,150 or more	10	1,250 or more	10	1,350 or more	5
Total	85	Total	115	Total	50

Source: Estimates by analyst

Data Profiles

Table DP-1. Columbus HMA Data Profile, 1990 to Current

				Average Annual Change (%)	
	1990	2000	Current	1990 to 2000	2000 to Current
Total Resident Employment	728,100	853,990	886,700	1.6	0.4
Unemployment Rate	3.8%	3.2%	8.3%		
Nonfarm Payroll Jobs	730,900	915,400	907,600	2.3	– 0.1
Total Population	1,405,168	1,612,694	1,859,000	1.4	1.3
Total Households	534,191	636,602	732,500	1.8	1.3
Owner Households	323,026	401,166	459,900	2.2	1.2
Percent Owner	60.5%	63.0%	62.8%		
Renter Households	211,165	235,436	272,600	1.1	1.3
Percent Renter	39.5%	37.0%	37.2%		
Total Housing Units	569,758	680,416	337,700	1.8	– 6.2
Owner Vacancy Rate	1.6%	1.7%	2.5%		
Rental Vacancy Rate	7.8%	8.0%	9.3%		
Median Family Income	$36,100	$57,300	$66,600	4.7	1.4

Notes: Employment data represent annual averages for 1990, 2000, and the 12 months through March 2011. Median family incomes are for 1989, 1999, and 2009.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Table DP-2. Franklin County Submarket Data Profile, 1990 to Current

	1990	2000	Current	Average Annual Change (%) 1990 to 2000	Average Annual Change (%) 2000 to Current
Total Population	961,437	1,068,978	1,173,000	1.1	0.8
Total Households	378,723	438,778	481,900	1.5	0.9
Owner Households	207,833	249,633	267,500	1.8	0.6
Percent Owner	54.9%	56.9%	55.5%		
Renter Households	170,890	189,145	214,400	1.0	1.1
Percent Renter	45.1%	43.1%	44.5%		
Total Housing Units	405,418	471,016	68,650	1.5	– 16.1
Owner Vacancy Rate	1.7%	1.7%	2.9%		
Rental Vacancy Rate	8.2%	8.2%	9.6%		
Median Family Income	NA	NA	NA	NA	NA

NA = data not available.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Table DP-3. Delaware County Submarket Data Profile, 1990 to Current

	1990	2000	Current	Average Annual Change (%) 1990 to 2000	Average Annual Change (%) 2000 to Current
Total Population	66,929	109,989	180,600	5.1	4.6
Total Households	23,116	39,674	65,000	5.6	4.6
Owner Households	18,050	31,915	53,300	5.9	4.8
Percent Owner	78.1%	80.4%	82.0%		
Renter Households	5,066	7,759	11,700	4.4	3.8
Percent Renter	21.9%	19.6%	18.0%		
Total Housing Units	24,377	42,374	68,650	5.7	4.5
Owner Vacancy Rate	1.8%	2.3%	1.9%		
Rental Vacancy Rate	7.5%	10.2%	7.6%		
Median Family Income	NA	NA	NA	NA	NA

NA = data not available.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Table DP-4. Remainder Counties Submarket Data Profile, 1990 to Current

	1990	2000	Current	Average Annual Change (%) 1990 to 2000	Average Annual Change (%) 2000 to Current
Total Population	376,802	433,727	505,400	1.4	1.4
Total Households	132,352	158,150	185,600	1.8	1.5
Owner Households	97,143	119,618	139,100	2.1	1.4
Percent Owner	73.4%	75.6%	74.9%		
Renter Households	35,209	38,532	46,500	0.9	1.7
Percent Renter	26.6%	24.4%	25.1%		
Total Housing Units	139,963	167,026	200,375	1.8	1.7
Owner Vacancy Rate	1.4%	1.5%	2.0%		
Rental Vacancy Rate	5.7%	6.4%	8.5%		
Median Family Income	NA	NA	NA	NA	NA

NA = data not available.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Data Definitions and Sources

1990: 4/1/1990—U.S. Decennial Census

2000: 4/1/2000—U.S. Decennial Census

Current date: 4/1/2011—Analyst's estimates

Forecast period: 4/1/2011–4/1/2014—Analyst's estimates

Demand: The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

Other Vacant Units: In HUD's analysis, other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as "other" vacant by the Census Bureau.

For additional data pertaining to the housing market for this HMA, go to www.huduser.org/publications/pdf/CMARtables_ColumbusOH_11.pdf.

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This analysis has been prepared for the assistance and guidance of the U.S. Department of Housing and Urban Development (HUD) in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to www.huduser.org/publications/econdev/mkt_analysis.html.