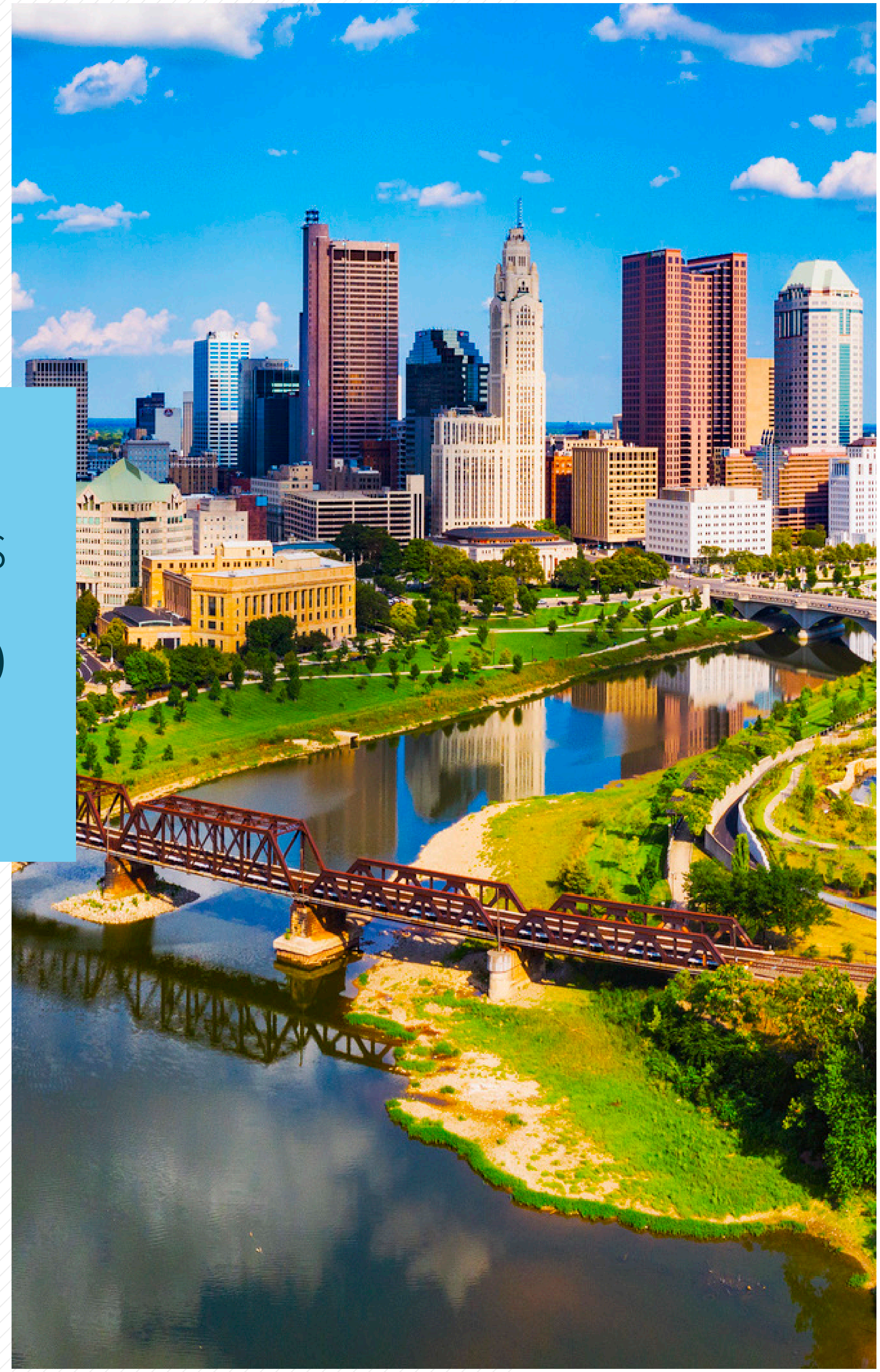
The analysis presented in this report includes data from the early stages of the COVID-19 outbreak in the United States. The unprecedentedly large and rapid changes in many data series, and the similarly unprecedentedly large policy responses, make analysis of, and longer run predictions for, the economy and housing markets exceptionally difficult and uncertain. HUD will continue to monitor market conditions in the HMA and provide an updated report/addendum in the future.



COMPREHENSIVE HOUSING MARKET ANALYSIS

Columbus, Ohio

U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of July 1, 2020

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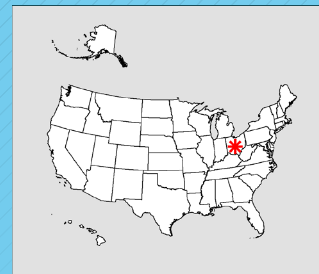

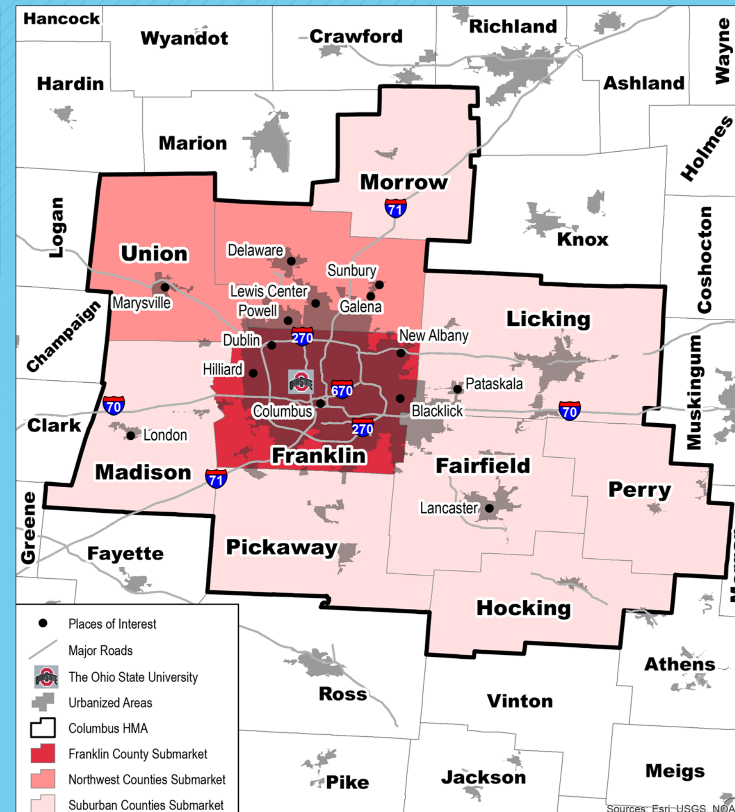

Executive Summary

Housing Market Area Description

The Columbus housing market area (HMA) is in central Ohio, includes 10 counties, and is coterminous with the Columbus, OH Metropolitan Statistical Area. For purposes of this analysis, the HMA is divided into three submarkets. The Franklin County submarket is coterminous with Franklin County and includes the city of Columbus. The Northwest Counties submarket includes Delaware and Union Counties. The Suburban Counties submarket includes the seven remaining counties of Fairfield, Hocking, Licking, Madison, Morrow, Perry, and Pickaway. The city of Columbus is the state capital of Ohio and is home to The Ohio State University (OSU); the Ohio state government and OSU are two of the three largest employers in the HMA.

The current population is estimated at 2.14 million.

Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's Market-at-a-Glance tool.
Additional data for the HMA can be found in this report's supplemental tables.
For information on HUD-supported activity in this area, see the Community Assessment Reporting Tool.

Market Qualifiers

Economy

Weak, but improving: Jobs declined during the 12 months ending June 2020, primarily because of efforts to mitigate the COVID-19 virus; although steep, the decline in nonfarm payrolls was short, and lost jobs have begun returning.

Following nearly 10 years of job growth, nonfarm payrolls fell during the 12 months ending June 2020, declining 2.1 percent to 1.08 million. By contrast, jobs rose 1.3 percent during the same period the previous year. During the 12 months ending June 2020, job losses were greatest in the leisure and hospitality and the wholesale and retail trade sectors; jobs grew strongly in the transportation and utilities sector and modestly in the government and the mining, logging, and construction sectors. During the 3-year forecast period, nonfarm payrolls are expected to increase an average of 1.5 percent annually.

Sales Market

Slightly tight: The average new and existing home sales price increased by nearly 7 percent during the 12 months ending June 2020.

Sales housing market conditions in the Columbus HMA are currently slightly tight, with an estimated vacancy rate of 0.7 percent, down from 2.6 percent in 2010 when conditions were soft. During the 12 months ending June 2020, new and existing home sales totaled approximately 39,700, a decrease of nearly 8 percent compared with a year earlier (Metrostudy, A Hanley Wood Company, with adjustments by the analyst). Demand is expected for 12,500 new homes during the forecast period. The estimated 1,680 homes currently under construction will satisfy part of the demand.

Rental Market

Slightly tight: Renter households in the Columbus HMA, which currently account for an estimated 39.2 percent of all households, have increased since 2010 when they were 37.1 percent.

The overall rental market in the HMA is currently slightly tight, with an estimated vacancy rate of 4.8 percent, compared with 9.5 percent in 2010. The Franklin County submarket has the lowest rental vacancy rate of the three submarkets in the HMA. The apartment market is also slightly tight in the HMA, with an estimated vacancy rate of 4.4 percent as of the second quarter of 2020, up from 3.7 percent a year earlier. During the 3-year forecast period, demand is estimated for 12,050 new rental units; the 3,705 units currently under construction will satisfy a part of that demand.

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3-Year Housing Demand Forecast

	Sales Units				Rental Units			
	Columbus HMA Total	Franklin County Submarket	Northwest Counties Submarket	Suburban Counties Submarket	Columbus HMA Total	Franklin County Submarket	Northwest Counties Submarket	Suburban Counties Submarket
Total Demand	12,500	3,650	5,300	3,550	12,050	9,275	2,075	700
Under Construction	1,680	550	610	520	3,705	2,925	780	0

Notes: Total demand represents the estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of July 1, 2020. The forecast period is July 1, 2020, to July 1, 2023.
Source: Estimates by the analyst

Economic Conditions

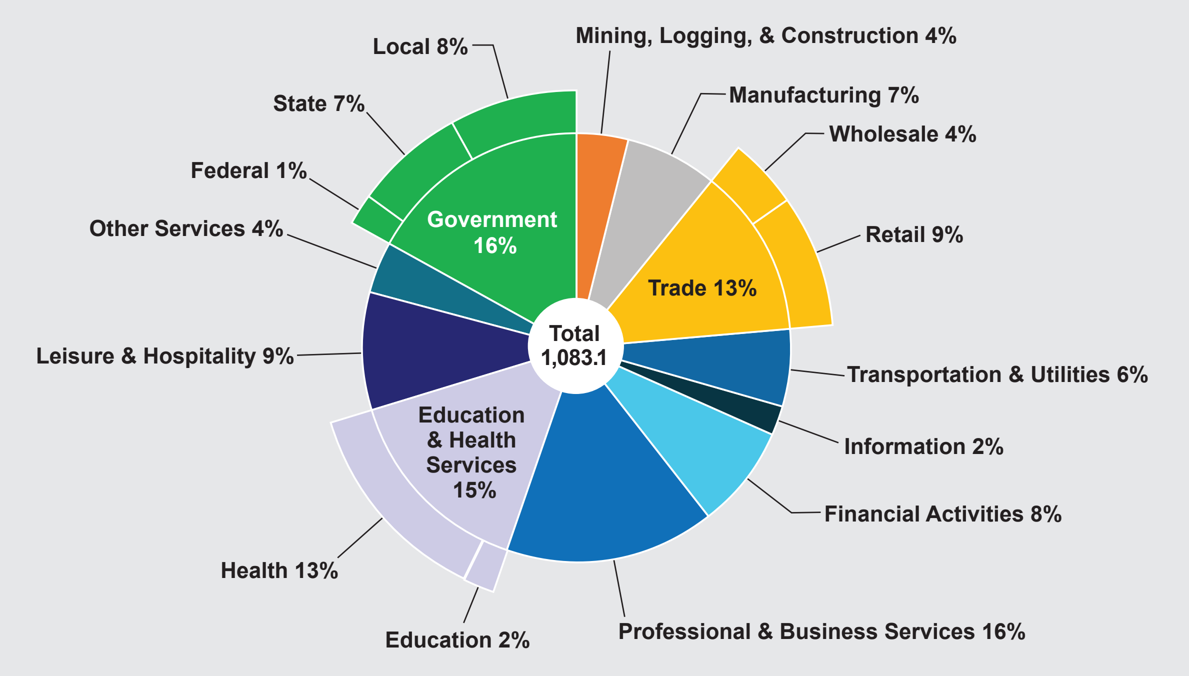
Largest Sector: Government

> The government and the education and health services sectors are two of the three largest job sectors in the HMA and provide stability to the local economy.

Primary Local Economic Factors

The economy in the Columbus HMA relies heavily upon service-providing sector jobs. During the 12 months ending June 2020, service-providing sectors contributed nearly 90 percent of total nonfarm payrolls in the HMA, compared with 86 percent nationally. The share of service-providing sector jobs in the Columbus HMA has been relatively higher than the share in the nation since before 2000. The largest sectors in the Columbus HMA are the government, the professional and business services, and the education and health services sectors, currently contributing 16, 16, and 15 percent of total jobs in the HMA, respectively (Figure 1). From 2011 through 2019, when the economy in the Columbus HMA grew following 3 years of job losses due to impacts of the Great Recession (Figure 2), the government and the professional and business services sectors were the largest job sectors in the Columbus HMA. From 2011 through the current date, government sector jobs increased in the Columbus HMA by an average of 1,700, or 1.0 percent, annually. By comparison, jobs in the professional and business services sector rose an average of 3,200, or 2.0 percent, annually. Although the government and the professional and business services sectors have been the largest sectors in the Columbus HMA since 2011, neither was among the fastest-growing sectors.

Figure 1. Share of Nonfarm Payroll Jobs in the Columbus HMA, by Sector

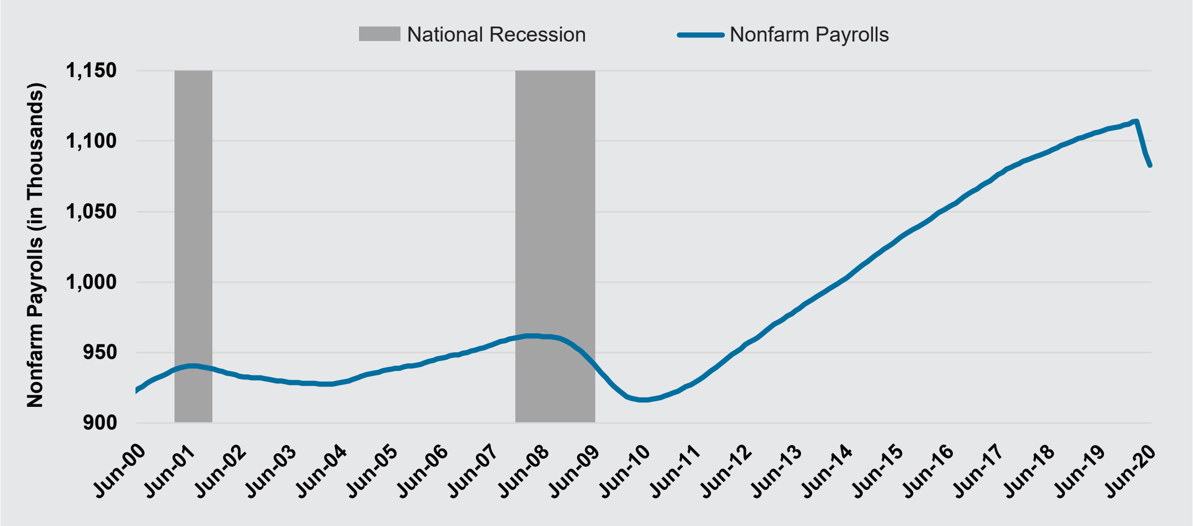


Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through June 2020.
Source: U.S. Bureau of Labor Statistics

COVID-19 Impacts

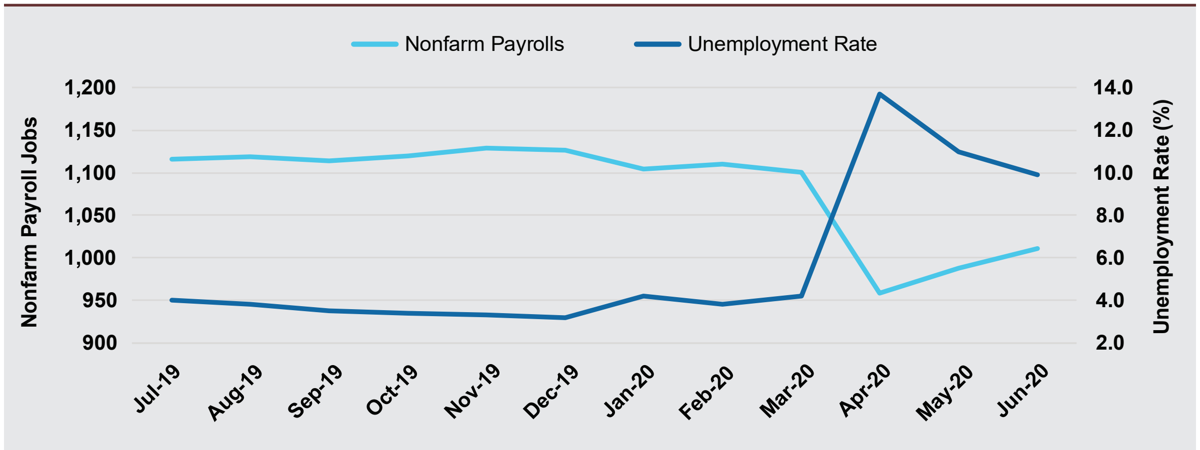
The COVID-19 virus was declared a pandemic by the World Health Organization during March 2020. In response, state and local governments throughout the United States began interventions to control the spread of COVID-19, including social distancing requirements, which have negatively impacted economic conditions nationwide. As shown in Figure 3, the impact on nonfarm payrolls and the unemployment rate

Figure 2. 12-Month Average Nonfarm Payrolls in the Columbus HMA



Note: 12-month moving average.
Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

Figure 3. Nonfarm Payroll Jobs and Unemployment Rate in the Columbus HMA



Note: Data are not seasonally adjusted.
Source: U.S. Bureau of Labor Statistics

in the Columbus HMA was severe. From February to April 2020, nonfarm payrolls, not seasonally adjusted, fell by 151,400 jobs, or nearly 14 percent. From April to June 2020, approximately one-third of those jobs, or 52,200, were recovered. The unadjusted unemployment rate rose from 3.8 percent in February to 14.4 percent in April, before declining to 11.2 percent during June. The impacts of social distancing measures on nonfarm payroll sectors were not evenly distributed. Payrolls in the leisure and hospitality sector were nearly halved from February to April 2020, with 48,600 jobs lost; during May and June, 22,900 of those jobs were recovered. Because of consumer preferences to avoid personal interactions, remote shopping and delivery of goods to consumers expanded, contributing to smaller declines in the transportation and utilities sector, which fell 3 percent from June 2019 through June 2020 in unadjusted numbers. Simultaneously, jobs in the retail trade subsector declined nearly 6 percent, and jobs in the wholesale trade subsector fell 12 percent. Other sectors have also reported smaller impacts; the government sector declined 2 percent, and the professional and business services and the financial activities sectors declined 7 and 8 percent, respectively. These sectors are characterized by jobs that are easier to perform remotely. During the past year, payrolls in the education and health services sector fell for the first time since before 2000, partly because fewer elective health care procedures were being performed.

Major employers in the HMA have had to adjust operations in response to the COVID-19 pandemic. For the fall 2020 semester, OSU expects to adopt a hybrid teaching model utilizing in-person instruction on campus until mid-November and virtual instruction for the balance of the semester. The university has reduced capacity within residence halls for the coming academic year and estimates $49 million in expenditures related to dealing with the pandemic (Columbus Business First). Because of slower economic activity in the state resulting from the COVID-19 pandemic, the state of Ohio had to address a budget gap of nearly $750 million to close the 2020 fiscal year, which ended June 30, 2020. The state estimates there will be a $2.4 billion budget gap for fiscal year 2021. To address this shortfall, the state of Ohio initiated a hiring freeze, rescinded raises, and is requiring non-paid furlough days for non-union workers; negotiations with union-represented workers are ongoing. The freeze on future state government hiring and salary cuts will have negative economic impacts in the Columbus HMA during the next year and possibly longer. Local governments below the state level also face budget constraints because of impacts from the COVID-19 pandemic. The city of Columbus relies on personal income taxes for 78 percent of its general fund expenditures and filled an estimated $41 million shortfall for its fiscal year 2020 budget without borrowing. The receipt of approximately $157 million in federal funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act allowed the city to offer assistance to qualified individuals and households impacted by COVID-19 financial setbacks; this targeted household assistance is one allowable use, among several, that the CARES Act funding can support.

Current Conditions—Nonfarm Payrolls

Nonfarm payrolls fell in the Columbus HMA during the 12 months ending June 2020, declining by 23,300 jobs, or 2.1 percent, following growth of 13,900 jobs, or 1.3 percent during the previous 12-month period (Table 1). By contrast, national nonfarm payrolls fell 1.9 percent, following growth of 1.5 percent a year earlier. Eight job sectors declined in the Columbus HMA during the past year, ranging from a loss of 500 jobs, or 2.9 percent, in the information sector to a loss of 11,100 jobs, or 10.3 percent, in the leisure and hospitality sector. During April 2020, Verizon Communications Inc., in the city of Hilliard, closed its Business Government Customer Operations Center and its customer support service team operations, resulting in nearly 500 jobs lost, contributing to the 5,100-job decline in the professional and business services sector. Despite the widespread decline in jobs in the Columbus HMA during this period, three sectors expanded: the transportation and utilities sector rose by 4,800 jobs, or 7.3 percent; the mining, logging, and construction sector gained 900 jobs, or 2.1 percent;

Table 1. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Columbus HMA, by Sector

	12 Months Ending June 2019	12 Months Ending June 2020	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	**1,106.4**	**1,083.1**	**-23.3**	**-2.1**
Goods-Producing Sectors	116.7	116.4	-0.3	-0.3
Mining, Logging, & Construction	43.1	44.0	0.9	2.1
Manufacturing	73.6	72.4	-1.2	-1.6
Service-Providing Sectors	989.7	966.6	-23.1	-2.3
Wholesale & Retail Trade	144.1	138.7	-5.4	-3.7
Transportation & Utilities	65.4	70.2	4.8	7.3
Information	17.5	17.0	-0.5	-2.9
Financial Activities	86.7	85.2	-1.5	-1.7
Professional & Business Services	181.9	176.8	-5.1	-2.8
Education & Health Services	162.8	158.8	-4.0	-2.5
Leisure & Hospitality	108.1	97.0	-11.1	-10.3
Other Services	41.9	40.0	-1.9	-4.5
Government	181.3	182.9	1.6	0.9

Notes: Based on 12-month averages through June 2019 and June 2020. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics

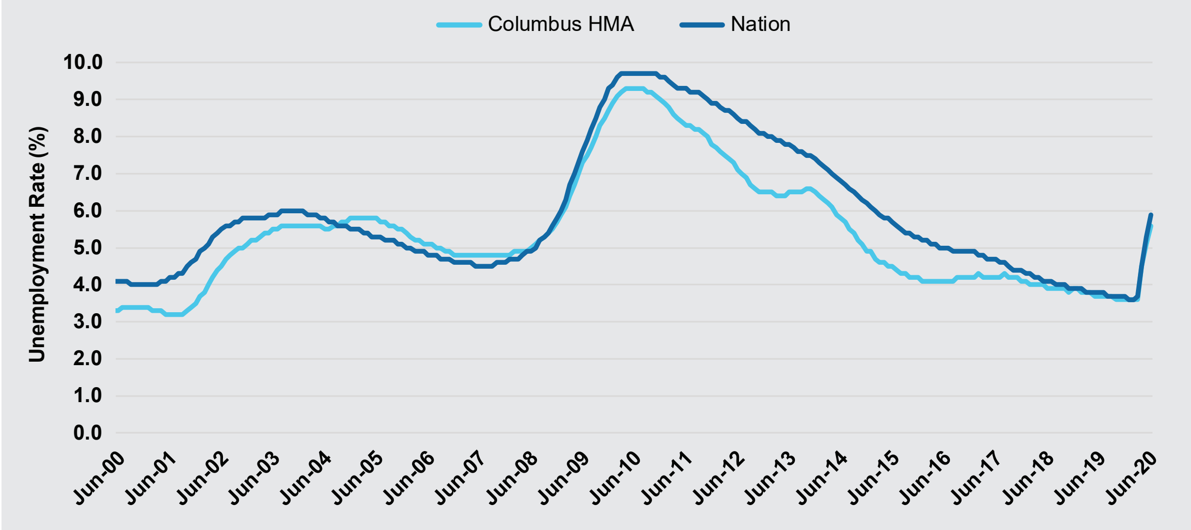
and the government sector increased by 1,600 jobs, or 0.9 percent. The transportation and utilities sector has grown significantly since 2011 and will be discussed further in the Economic Sectors of Significance section below. The mining, logging, and construction sector has also been among the fastest growing sectors in the HMA since 2011 and has grown primarily because of new residential construction, although increased development of commercial and industrial (warehouse) space has also occurred. In the government sector, the level of federal government payrolls was stable, while payrolls at the state and local levels of government rose by averages of 900 and 600 jobs, or 1.2 and 0.7 percent, respectively, during the past 12 months. Since 2011, when the HMA began to recover from the Great Recession, nonfarm payroll job growth has averaged 1.7 percent annually compared with 1.3-percent average annual growth nationally.

Current Conditions—Unemployment

During the 12 months ending June 2020, the average unemployment rate in the Columbus HMA was 5.6 percent, up from 3.7 percent averaged during the 12 months ending June 2019, reflecting significant unemployment increases in March and April 2020 due to the impacts of COVID-19. By comparison, the national unemployment rate was 5.9 percent, up from 3.8 percent a year earlier. Since 2011, the unemployment rate in the Columbus HMA has generally been below the national rate.

The recent 12-month average peak in the HMA unemployment rate was 9.3 percent, which occurred during the 12 months ending August 2010. Nationally, the average unemployment rate peaked during the 12 months ending November 2010, reaching 9.7 percent (Figure 4).

Figure 4. 12-Month Average Unemployment Rate in the Columbus HMA and the Nation



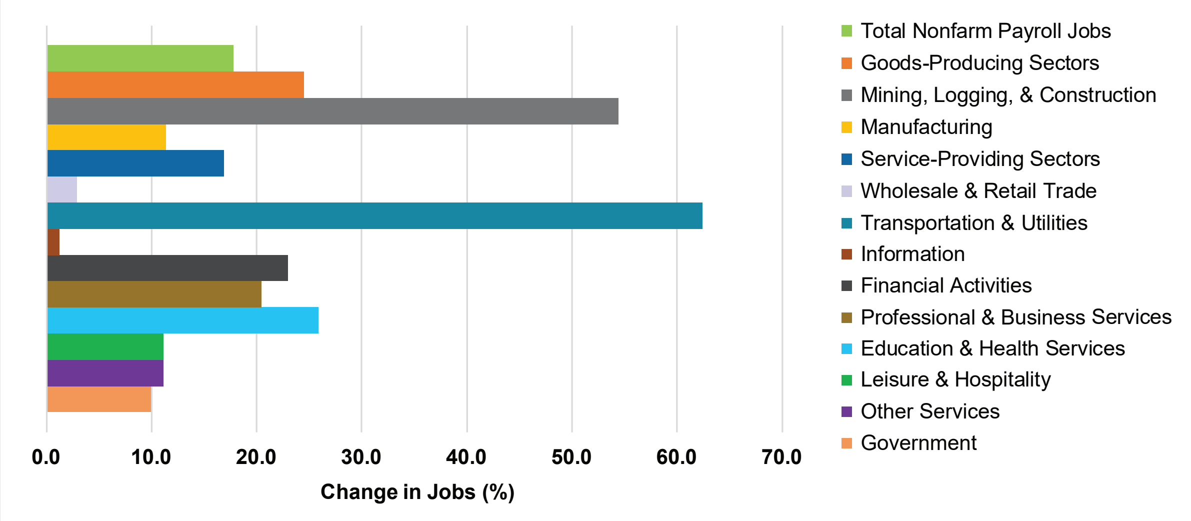
Note: Based on the 12-month moving average.
Source: U.S. Bureau of Labor Statistics

Economic Sectors of Significance

Transportation and Utilities

The transportation and utilities sector has been the fastest-growing sector in the HMA since 2011, expanding an average of 5.2 percent annually, compared with 1.7-percent average annual growth for nonfarm payrolls overall (Figure 5). The location of the HMA, "with greater access to the U.S. market within a 10-hour drive than any other major metro" (Columbus Region), has led to significant growth in the shipping, transportation, and warehousing industry. During the first quarter of 2020, the location quotient for the transportation and

Figure 5. Sector Growth in the Columbus HMA, 2011 to Current



Note: The current date is July 1, 2020.
Source: U.S. Bureau of Labor Statistics

warehousing industry for the Columbus HMA was 1.74, ranking 20th among 294 metropolitan areas in the country; 19 other metropolitan areas included a higher concentration of employment in this industry than Columbus (Quarterly Census of Employment and Wages). In February 2020, Amazon.com, Inc. opened a distribution center in Madison County, which is expected to employ approximately 1,500 workers when fully staffed by 2021. Amazon.com, Inc. currently employs more than 4,800 workers in the HMA. During 2019, new warehouse development reached a record level for the Columbus HMA (Columbus Business First).

Education and Health Services

The education and health services sector provides a stable base of employment for the Columbus HMA and has grown steadily since 2000, expanding an average of 3.0 percent annually. From 2001 through 2011, the sector increased an average of 3.6 percent annually, compared with an annual average of 2.4 percent since 2011. The sector accounted for 10 percent of all nonfarm jobs during 2000 when it was the fifth-largest payroll sector in the HMA. By 2011, jobs in this sector had increased to 14 percent of total nonfarm payrolls, and it rose to become the fourth-largest jobs sector. Despite the decline in jobs during the past year, it contributes 15 percent of all jobs in the HMA and is the third-largest sector in the HMA. Two of the 10 largest employers in the Columbus HMA—OhioHealth and Mount Carmel Health System— are healthcare systems (Table 2). Since 2010, healthcare systems in the HMA have added a combined total of 38,000 jobs (Columbus Business First).

Government

The city of Columbus hosts the main campus of OSU, which is the largest employer in the HMA with more than 34,400 employees. In May 2019, OSU released an economic impact study that estimated the total statewide impact of the OSU, including five satellite campuses throughout Ohio, at $15.2 billion annually, including a direct benefit of $7.0 billion attributed to the Columbus campus and more than $7.0 billion attributed to The Ohio State University Wexner Medical Center located in the city of Columbus. Columbus is the state capital of Ohio and includes approximately 23,250 state government jobs in the HMA. After increasing during the past year, local government jobs, including jobs at the city, county, and state level, currently contribute nearly 50 percent of all government jobs in the HMA.

Table 2. Major Employers in the Columbus HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
The Ohio State University	Government	34,416
OhioHealth	Education & Health Services	24,889
State of Ohio	Government	23,254
JPMorgan Chase & Co.	Financial Activities	18,596
Nationwide Mutual Insurance Company	Financial Activities	13,710
Nationwide Children's Hospital	Government	11,189
The Kroger Co.	Wholesale & Retail Trade	10,854
City of Columbus	Government	8,957
L Brands, Inc.	Wholesale & Retail Trade	8,616
Mount Carmel Health System	Education & Health Services	8,148

Note: Excludes local school districts.
Source: Columbus Business First, 2020

Employment Forecast

During the 3-year forecast period, nonfarm payroll growth is expected to resume in the HMA, averaging 1.5 percent annually. Amazon.com, Inc. is building a fulfillment center in the city of New Albany in Franklin County and a delivery station in Madison County, adding more than 1,000 jobs; both facilities are expected to be complete by 2024. The Ohio State University Wexner Medical Center received approval to begin construction on a new medical center, with construction scheduled to begin in October 2020. The total development cost is estimated at $1.8 billion, although employment estimates for construction jobs and permanent positions have not been announced. Reunion Rehabilitation Hospitals, in the city of Dublin, began construction on a new facility that will open in January 2021 and is expected to result in up to 140 new jobs. Forward Air Corporation is expanding its facility at Rickenbacker International Airport and is expected to add 50 jobs during the next 2 years. Quantum Health, Inc., located in the city of Columbus, plans to add 350 jobs by 2021, which would increase employment at the facility to approximately 1,100.

Population and Households

Current Population: 2.14 million

Population growth in the Columbus HMA has been mostly steady since 2000; it grew more slowly from 2009 to 2011 because of the impacts of the Great Recession and increased more rapidly afterward, before the most recent slowdown to less than 1.0 percent annual growth from 2018 to 2019.

Population Trends

Columbus HMA

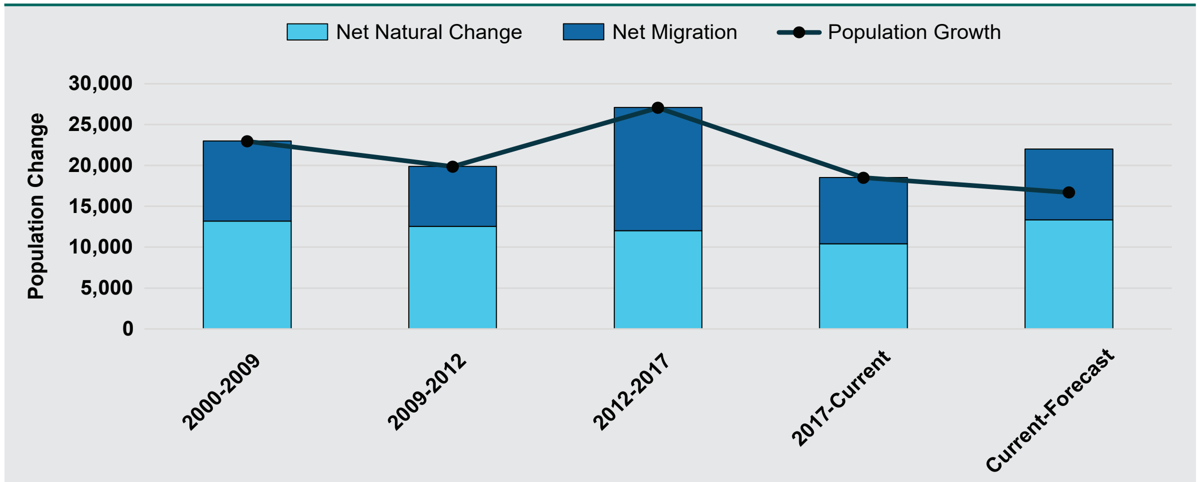
Since 2000, net in-migration into the HMA has led to population growth each year. Population growth trends in the Columbus HMA have mostly followed nonfarm payroll trends. From 2000 to 2009, when job growth was slower than the national rate, the population of the HMA grew by 23,000 people annually, or 1.3 percent, on average, and net in-migration contributed approximately 43 percent of the total population growth (Census Bureau decennial census counts and population estimates as of July 1). From 2009 to 2012, which included periods of significant losses in nonfarm payrolls in 2009 and 2010 in the HMA because of the impacts of the Great Recession, population growth slowed to an average of 19,900, or 1.0 percent, annually, and net in-migration fell to an average of 7,350 people annually, or 37 percent of total population growth. From 2012 to 2017, when nonfarm payrolls increased at a relatively strong pace, net in-migration rose strongly, averaging 15,050 people annually and contributing 56 percent of total population growth, which averaged 27,050, or 1.4 percent, annually. Since 2017, job growth in the Columbus HMA has slowed, and net in-migration has averaged 8,150 people annually, or 44 percent of population growth, which averaged 18,550, or 0.9 percent, annually. Table 3 shows general population and household trends for the Columbus HMA, and Figure 6 shows components of population change since 2000.

Table 3. Columbus HMA Population and Household Quick Facts

		2010	Current	Forecast
Population Quick Facts	Population	1,901,974	2,138,000	2,188,000
	Average Annual Change	22,700	23,050	16,700
	Percentage Change	1.3	1.1	0.8
		2010	Current	Forecast
Household Quick Facts	Households	748,517	834,600	853,500
	Average Annual Change	8,850	8,400	6,275
	Percentage Change	1.3	1.1	0.7

Notes: Average annual changes and percentage changes are based on averages from 2000 to 2010, 2010 to current, and current to forecast. The forecast period is from the current date (July 1, 2020) to July 1, 2023.
Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by the analyst

Figure 6. Components of Population Change in the Columbus HMA, 2000 Through the Forecast

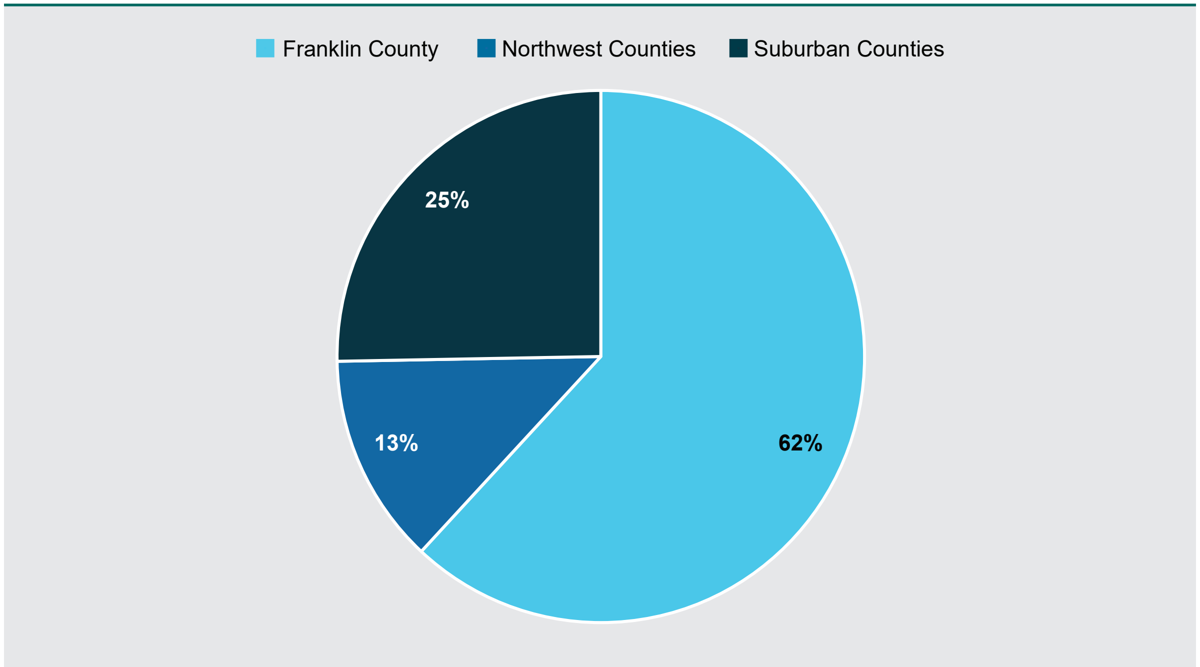


Notes: Net natural change and net migration totals are average annual totals over the time period. The forecast period is from the current date (July 1, 2020) to July 1, 2023.
Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

Franklin County Submarket

The Franklin County submarket, which includes the city of Columbus, is the most populous county in the HMA, accounting for approximately 62 percent of the total population in the HMA and includes approximately 1.32 million residents (Figure 7). From 2000 to 2006, the Franklin County submarket population grew by 7,500 annually, or 0.7 percent, on average, and net out-migration averaged 1,550 people annually. From 2006 to 2009, the population grew much faster, increasing at an average rate of 1.2 percent annually because of net in-migration, which averaged 3,700 people each year. With local impacts of the Great Recession, population growth slowed from 2009 to 2010 in the Franklin County submarket, falling to 10,800. Net in-migration slowed to 1,650 people, less than one-half the annual rate of net in-migration recorded during the previous 3-year period. From 2010 to 2016, population growth surged in the Franklin County submarket because net in-migration increased to 8,475 people annually, on average. During this time, job growth in the Columbus HMA exceeded the national rate of job growth.

Figure 7. Current Population in the Columbus HMA, by Submarket



Source: Estimates by the analyst

Economic stability in the city of Columbus—provided by employment at the state of Ohio, OSU, and major healthcare providers—attracted residents. From 2016 to 2017, net in-migration peaked at more than 11,900 people before falling dramatically since 2017.

Northwest Counties Submarket

The Northwest Counties submarket currently includes an estimated 273,700 people, or 13 percent of the total HMA population, and has been the fastest growing submarket every year except one since 2000. Proximity to employment centers in the city of Columbus and OSU, and a significant manufacturing presence in Marysville in Union County—where Honda of America Mfg., Inc. employs approximately 4,100 workers—contribute to population growth in this submarket. In addition, the Polaris Parkway corridor, which runs east/west along the southern part of Union County, is a major commercial, retail, and office center, which has attracted residents during the past decade. From 2000 to 2006, the Northwest Counties submarket population increased an average of 5.0 percent annually, or by 8,625, and net in-migration averaged 6,775 people annually, or nearly four-fifths of population growth in the HMA at this time. For most of this period, much of the net out-migration from Franklin County moved to the Northwest Counties submarket. From 2006 to 2012, including the 3 years of nonfarm payroll job loss reported in the HMA from 2008 through 2010, net in-migration generally slowed in both the

Northwest Counties submarket and the HMA. As a result, the average rate of population growth in the Northwest Counties submarket fell to 2.2 percent annually, or 4,850 a year; net in-migration slowed to an average of 2,900 annually, and net natural change (resident births minus resident deaths) rose during this period. Since 2012, the rate of population growth in the Northwest Counties submarket has been mostly steady, averaging 2.0 percent annually. Net in-migration has averaged 3,675 people a year, or nearly three-fourths of overall population growth in the submarket.

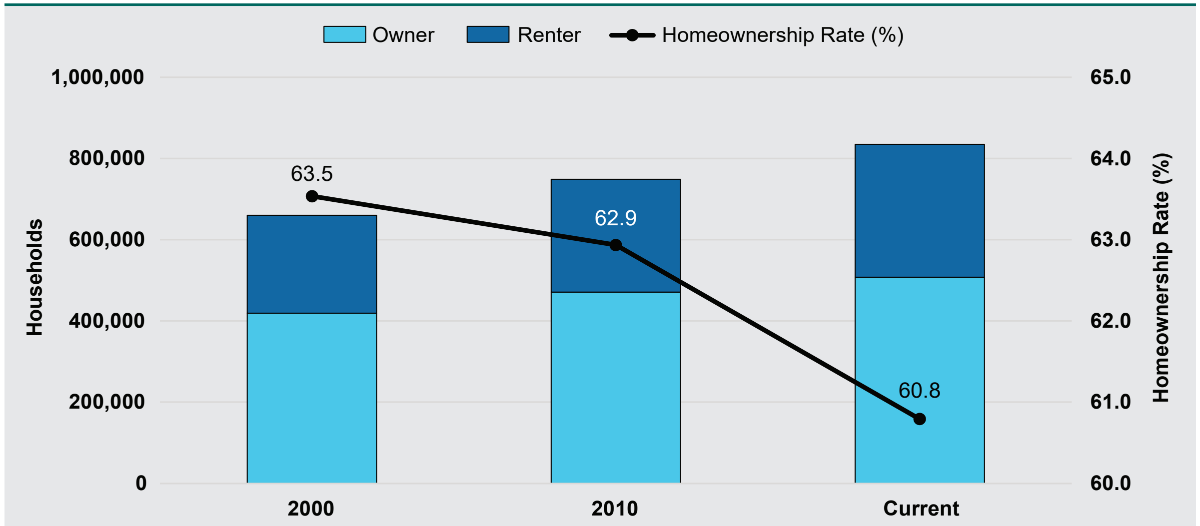
Suburban Counties Submarket

Including seven counties, the Suburban Counties submarket is geographically large and includes an estimated 540,700 residents as of July 1, 2020, or one-fourth of the total population in the HMA. By comparison, during 2010, this submarket accounted for nearly 27 percent of the total population in the HMA. The population of the submarket has grown only 0.5 percent annually on average, or 2,800, since 2010, because more residents have chosen to live closer to employment centers in Franklin County and the Northwest Counties submarket. From 2000 to 2007, the Suburban Counties submarket population increased by 6,525, or 1.4 percent, annually. During this period, net in-migration averaged 4,475 people annually, contributing to 69 percent of population growth. Net in-migration fell dramatically from 2007 to 2012, including the period of economic contraction from 2008 through 2010, and averaged 580 people, only one-fourth of the average 2,325 annual population growth. When the economic recovery continued to strengthen and population growth increased throughout the Columbus HMA, net in-migration rose to an average of 2,375 annually since 2012 and contributed 72 percent of total population growth, which averaged 3,300, or 0.6 percent, annually.

Household Trends

Household growth trends for the Columbus HMA and the three submarkets closely mirror population growth rates. As of July 1, 2020, an estimated 834,600 households reside in the Columbus HMA, including 537,900 households in the Franklin County submarket, 97,700 households in the Northwest Counties submarket, and 199,100 households in the Suburban Counties submarket. The current number of households reflects annual growth rates of 1.1 percent for the HMA, 1.2 percent for the Franklin County submarket, 1.9 percent for the Northwest Counties submarket, and 0.4 percent for the Suburban Counties submarket since 2010. By comparison, households increased at average rates of 1.3, 0.8, 4.1, and 1.3 percent annually for the HMA and the Franklin County, the Northwest Counties, and the Suburban Counties submarkets, respectively, during the previous decade. The current homeownership rate in the HMA is estimated at 60.8 percent, down from 62.9 percent in 2010 and 63.5 percent in 2000 (Figure 8).

Figure 8. Households by Tenure and Homeownership Rate in the Columbus HMA



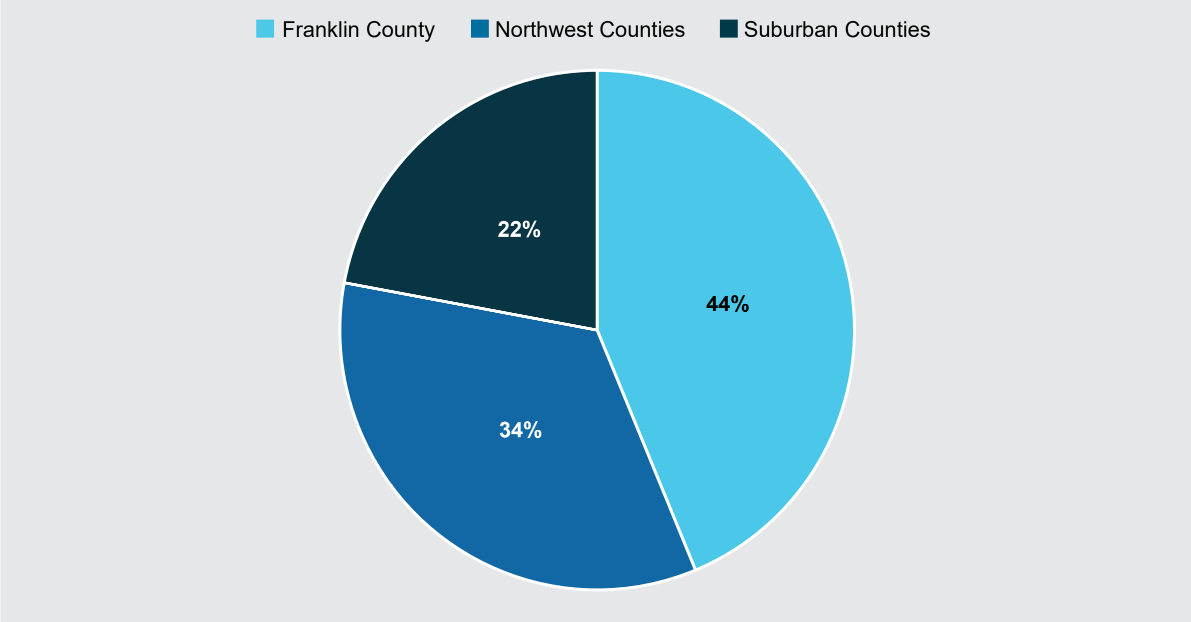
Note: The current date is July 1, 2020.
Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by the analyst

Since 2010, renter households have grown at an annual rate of 1.6 percent, compared with a 1.1 percent average annual growth for owner households.

Forecast

During the 3-year forecast period, the population of the Columbus HMA is expected to increase by an average of 16,700 annually, or 0.8 percent, which reflects recent trends toward lower levels of net in-migration because of forecast economic growth below levels reported since 2010. Net in-migration is expected to contribute 52 percent of population growth during the next 3 years. Most of the population growth is expected to occur in the Franklin County submarket; however, the other two submarkets are expected to have higher rates of population growth. Figure 9 shows the estimated share of overall population growth by submarket during the 3-year forecast period. Households are expected to increase an average of 0.7 percent annually in the HMA and at average annual rates of 0.5, 2.1, and 0.6 percent for the Franklin County, Northwest Counties, and Suburban Counties submarkets, respectively. These rates are slightly slower than forecast population growth in the Franklin County and the Suburban Counties submarkets and slightly faster than population growth in the Northwest Counties submarket, generally reflecting previous trends in growth.

Figure 9. Share of Forecast Population Growth During the Forecast Period by Submarket



Note: The forecast period is from the current date (July 1, 2020) to July 1, 2023.
Source: Estimates by the analyst

Home Sales Market

Sales Market—HMA

Market Conditions: Slightly Tight

Since 2011, home sales in the Columbus HMA have risen an average of nearly 6 percent annually, and the average home sales price rose an average of nearly 5 percent annually.

Current Conditions

The home sales market in the Columbus HMA is currently slightly tight, with a vacancy rate estimated at 0.7 percent, well below the 2.6 percent rate in 2010, when sales market conditions were soft (Table 4). Despite the current economic downturn brought on by the COVID-19 pandemic, the sales market has remained strong. During June 2020, there was an average of 1.6 months of supply of homes for sale in the Columbus HMA, down from a 2.0-month supply a year earlier and a recent peak 10.2-month supply during June 2011 (CoreLogic, Inc.). Nationally, the supply of homes for sale was 2.6 months during June 2020. Relatively low levels of new homebuilding activity and stable population growth since 2010, as well as improved economic conditions from 2011 through 2019, contributed to the current slightly tight sales housing market conditions in the HMA. New home construction in the Columbus HMA has been low since 2006, allowing unsold inventory to be mostly absorbed. Difficulty in securing suitable land and a shortage of skilled labor for home construction have also contributed to the current slightly tight sales housing market conditions. The Building Industry Association of Central Ohio recently estimated a shortage of 6,000 new units annually, compared with current development levels of both sales and rental housing.

Table 4. Home Sales Quick Facts in the Columbus HMA

Home Sales Quick Facts		Columbus HMA	Nation
	Vacancy Rate	0.7%	NA
	Months of Inventory	1.6	2.6
	Total Home Sales	39,700	5,394,000
	1-Year Change	-8%	-5%
	New Home Sales Price	$389,000	$409,800
	1-Year Change	3%	-1%
	Existing Home Sales Price	$226,500	$317,700
	1-Year Change	7%	4%
	Mortgage Delinquency Rate	3.3%	4.0%

NA = data not available.
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending June 2020; and months of inventory and mortgage delinquency data are as of June 2020. The current date is July 1, 2020.
Sources: CoreLogic, Inc.; Metrostudy, A Hanley Wood Company

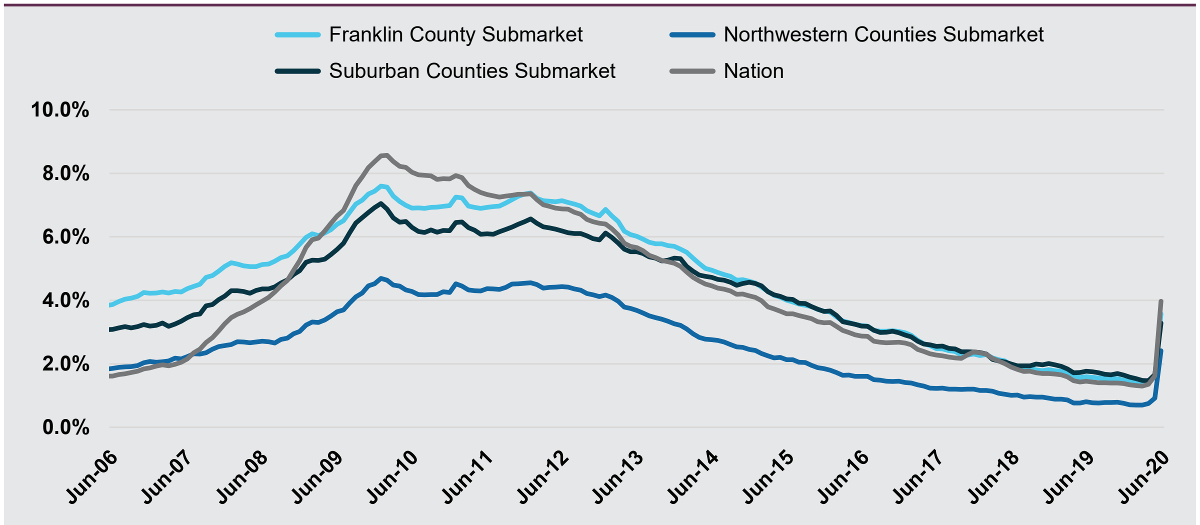
REO Sales and Delinquent Mortgages

Since 2010, the percentage of seriously delinquent mortgage loans and real estate owned (REO) properties in the three submarkets in the HMA have mostly been lower than national rates. The rates peaked during early 2010 in each submarket and the nation, reaching 8.6 percent nationally and peaking at 7.6 percent in the Franklin County submarket, 4.7 percent in the Northwest Counties submarket, and 7.0 percent in the Suburban Counties submarket (CoreLogic, Inc.). Since peaking in early 2010, the rates gradually returned to pre-recession levels before increasing during May and June 2020 as some borrowers struggled to stay current on their mortgages during the COVID-19 pandemic (Figure 10). During June 2020, the levels of seriously delinquent mortgages and REO properties were 3.6 percent in the Franklin County submarket and 2.4 and 3.3 percent in the Northwest Counties and Suburban Counties submarkets, respectively. By comparison, a year earlier, these rates were 1.6, 0.8, and 1.8 percent for the Franklin County, the Northwest Counties, and the Suburban Counties submarkets, respectively. Nationally, the rate during June 2020 was 4.0 percent, up from 1.5 percent a year earlier. The CARES Act includes some protections for homeowners who purchased their homes using various federally backed loan programs, including up to 180 days of mortgage forbearance because of COVID-19-caused economic hardships.

Home Sales

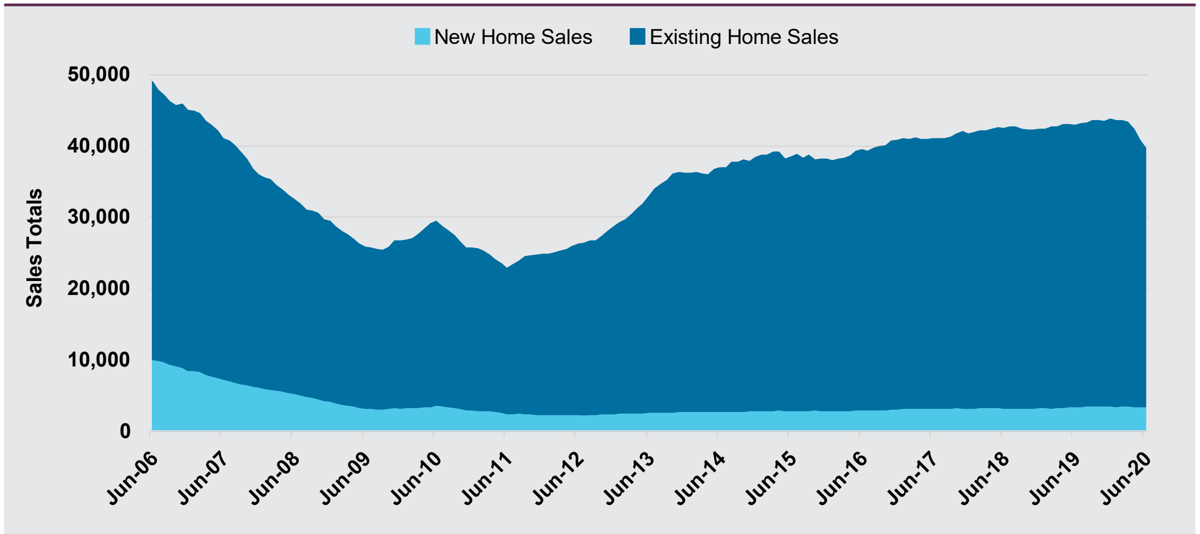
Home sales in the Columbus HMA (including new and existing home sales) have returned to pre-recession levels because of increases in existing home sales (Figure 11); new home sales remain significantly constrained. During the past 12 months, REO sales contributed less than 3 percent of all existing home sales; the corresponding figures were nearly 4 percent during the previous 12-month period and peaked at more than 32 percent during the 12 months ending June 2011. Currently, both new and existing home sales are limited by a lack of available inventory. During the 12 months ending June 2020, home sales totaled 39,700, down 8 percent from a year earlier (Metrostudy, A Hanley

Figure 10. Rate of Seriously Delinquent Home Loans and REO Properties in the Columbus HMA Submarkets and the Nation



REO = real estate owned.
Source: CoreLogic, Inc.

Figure 11. 12-Month Sales Totals by Type in the Columbus HMA



Source: Metrostudy, A Hanley Wood Company

Wood Company). Home sales in the HMA reached a recent low from 2008 through 2011. After that, sales rose, increasing more than 10 percent annually, on average, to 40,800 sales reported during 2016, before stabilizing at 42,000 sales annually, on average, during 2017 and 2018.

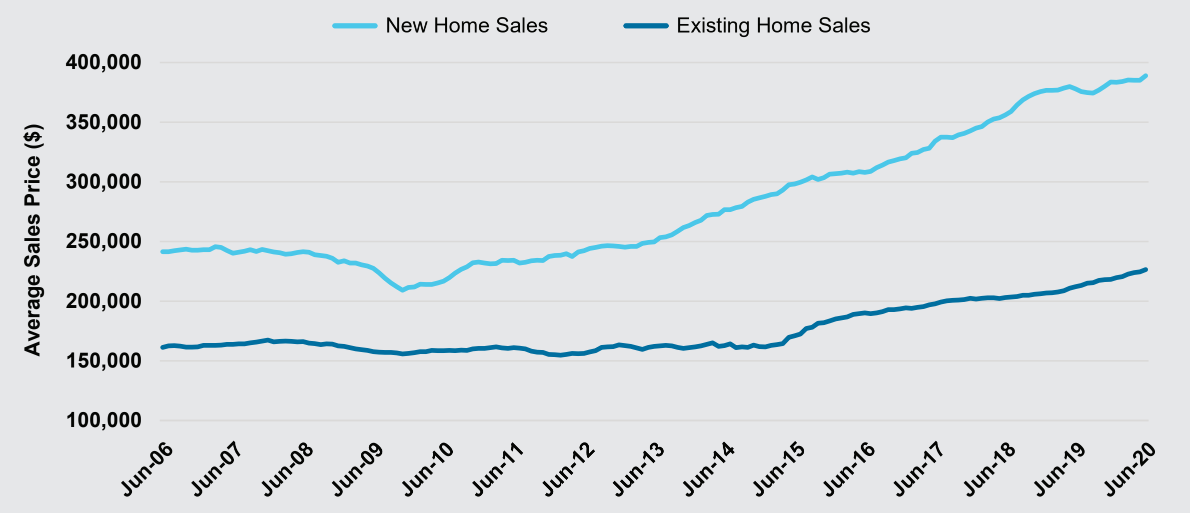
Home Sales Prices

In contrast to home sales in the Columbus HMA, average home sales prices, which were generally flat in the immediate years before, during, and after the Great Recession, have since increased (Figure 12). Average home sales prices in the Columbus HMA were generally stable from 2006 through 2014—declining an average of less than 1 percent to $172,100. Since 2015, the average sales price has risen; from 2015 through 2018, the average sales price for a home rose an average of 6 percent annually to $219,900. During the 12 months ending June 2020, the average sales price was $240,600, nearly 7 percent above the average sales price a year earlier. During the same period, 42 percent of all home sales in the HMA were between $150,000 and $299,999 (Figure 13).

Forecast

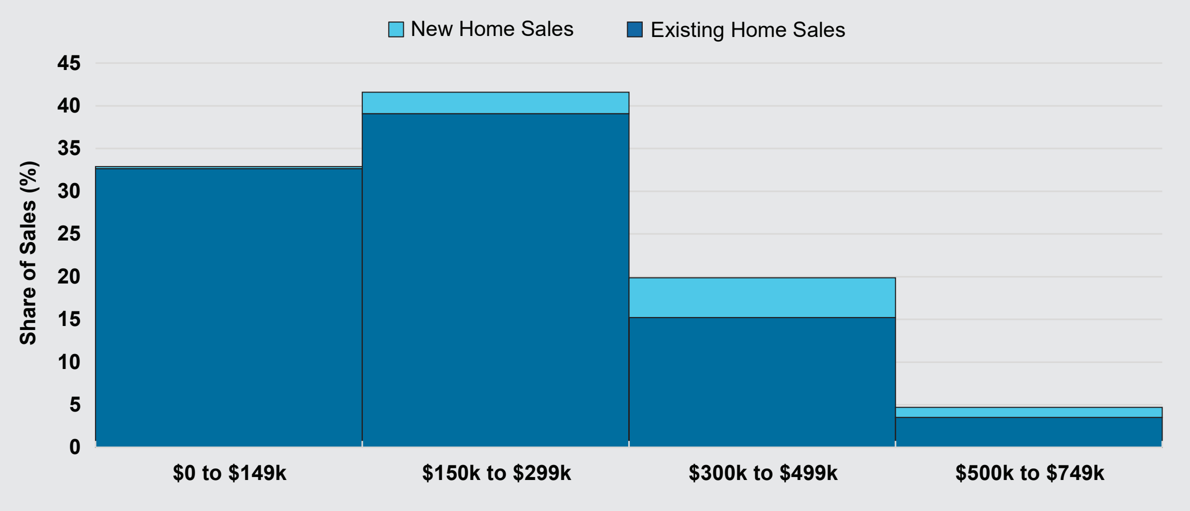
During the next 3 years, demand is estimated for 12,500 new homes in the HMA (Table 5). The 1,680 homes currently under construction will satisfy a portion of that demand. New home sales are most common in the $300,000 to $499,999

Figure 12. 12-Month Average Sales Price by Type of Sale in the Columbus HMA



Source: Metrostudy, A Hanley Wood Company

Figure 13. Share of Sales by Price Range During the 12 Months Ending June 2020 in the Columbus HMA



Note: New and existing sales include single-family homes, townhomes, and condominium units.
Source: Metrostudy, A Hanley Wood Company

price range. More sales demand is forecast in the Northwest Counties submarket than in the Franklin County submarket or the Suburban Counties submarket. Demand will be strongest during the first year of the forecast period.

Table 5. Demand for New Sales Units in the Columbus HMA During the Forecast Period

Sales Units	
Demand	12,500 Units
Under Construction	1,680 Units

Note: The forecast period is from the current date (July 1, 2020) to July 1, 2023.
Source: Estimates by the analyst

Sales Market—Franklin County Submarket

Current Conditions

The sales housing market in the Franklin County submarket is currently slightly tight, with an estimated sales vacancy rate of 0.6 percent, down from 2.9 percent in 2010, when conditions were soft (Table 6). During June 2020, the submarket had 1.6 months of supply of available for-sale inventory, down from 1.7 months of supply a year earlier and well below the 10.0-month supply during June 2011, the recent peak level. The homeownership rate in the Franklin County submarket fell sharply from 55.4 percent in 2010 to 52.5 percent currently, reflecting an increased preference to rent, particularly in the city of Columbus.

Table 6. Home Sales Quick Facts in the Franklin County Submarket

		Franklin County	Columbus HMA
Home Sales Quick Facts	**Vacancy Rate**	0.6%	0.7%
	Months of Inventory	1.6	1.6
	Total Home Sales	24,050	39,700
	1-Year Change	-5%	-8%
	New Home Sales Price	$418,400	$389,000
	1-Year Change	6%	3%
	Existing Home Sales Price	$226,100	$226,500
	1-Year Change	9%	7%
	Mortgage Delinquency Rate	3.6%	3.3%

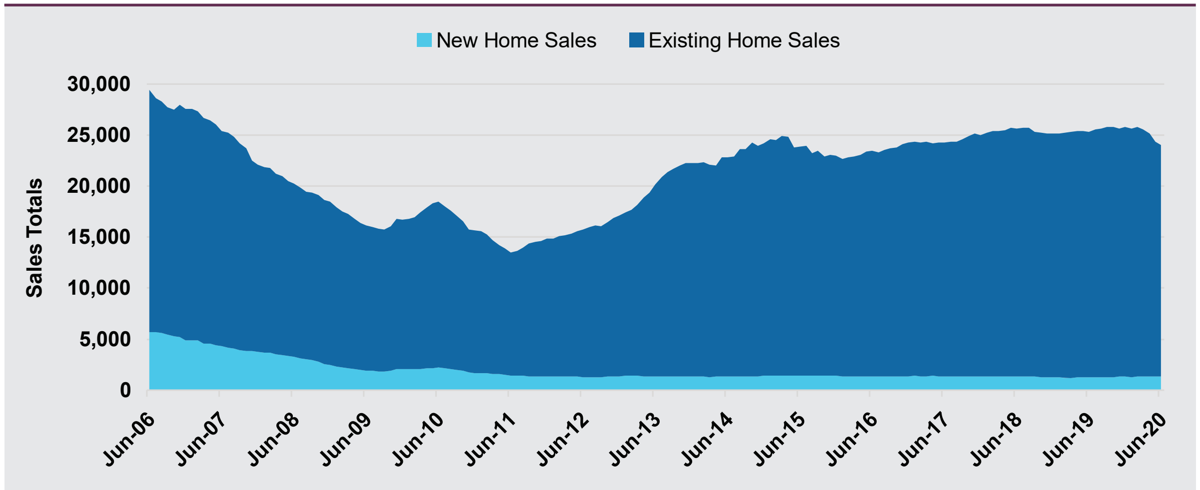
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending June 2020; and months of inventory and mortgage delinquency data are as of June 2020. The current date is July 1, 2020.
Sources: CoreLogic, Inc.; Metrostudy, A Hanley Wood Company

New Home Sales and Prices

New home sales in the Franklin County submarket fell as the Great Recession impacted the HMA and have not significantly recovered. From 2006 through 2010, new home sales fell 22 percent annually, on average, from 5,725 during 2005 to 1,700 sales during 2010 (Figure 14). New home sales then fell a further 23 percent during 2011, to 1,325, and have mostly maintained that sales level since 2011. During the 12 months ending June 2020, new home sales totaled 1,325, or 6 percent more than the 1,250 home sales a year earlier.

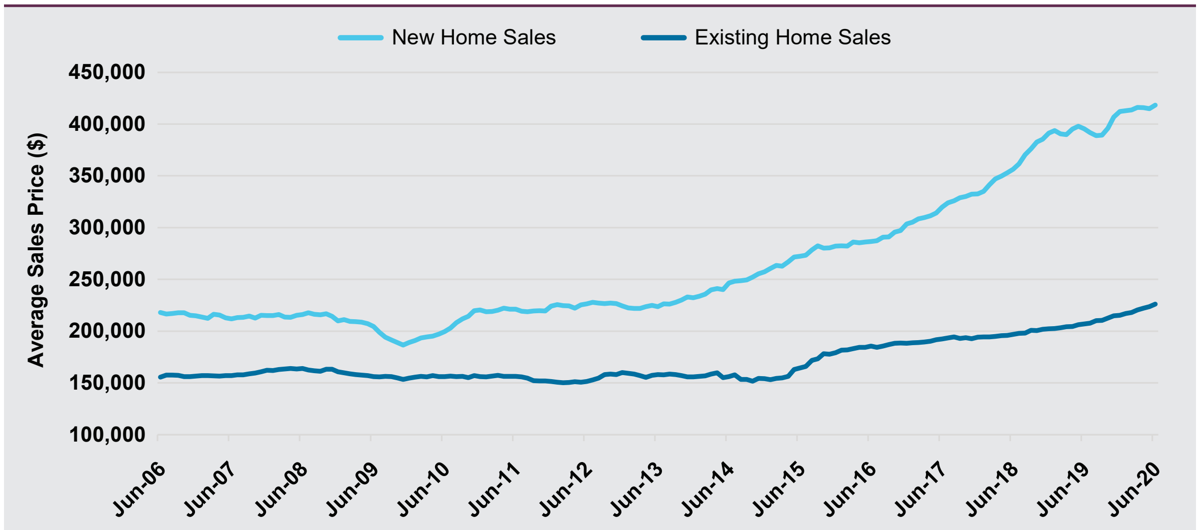
By contrast, new home sales prices in the Franklin County submarket have increased significantly and have risen faster than new home sales prices in the other two submarkets. This is attributed, at least in part, to higher costs in the city of Columbus, where available land is scarce and more expensive. From 2006 through 2010, the average new home price rose modestly, averaging 1 percent annually, to an average sales price of $220,600 (Figure 15). After a slight increase of 2 percent to $224,300 during 2011, prices increased much more sharply. These price increases generally corresponded with the

Figure 14. 12-Month Sales Totals by Type in the Franklin County Submarket



Source: Metrostudy, A Hanley Wood Company

Figure 15. 12-Month Average Sales Price by Type of Sale in the Franklin County Submarket



Source: Metrostudy, A Hanley Wood Company

stronger economic conditions and significantly increased population growth in this submarket, which began during 2010. From 2011 through 2018, average new home sales prices in the Franklin County submarket rose much faster than existing home sales prices, increasing an average of 8 percent annually to $391,400. During the 12 months ending June 2020, the average new home sales price was $418,400, or nearly 6 percent above the average new home sales price a year earlier.

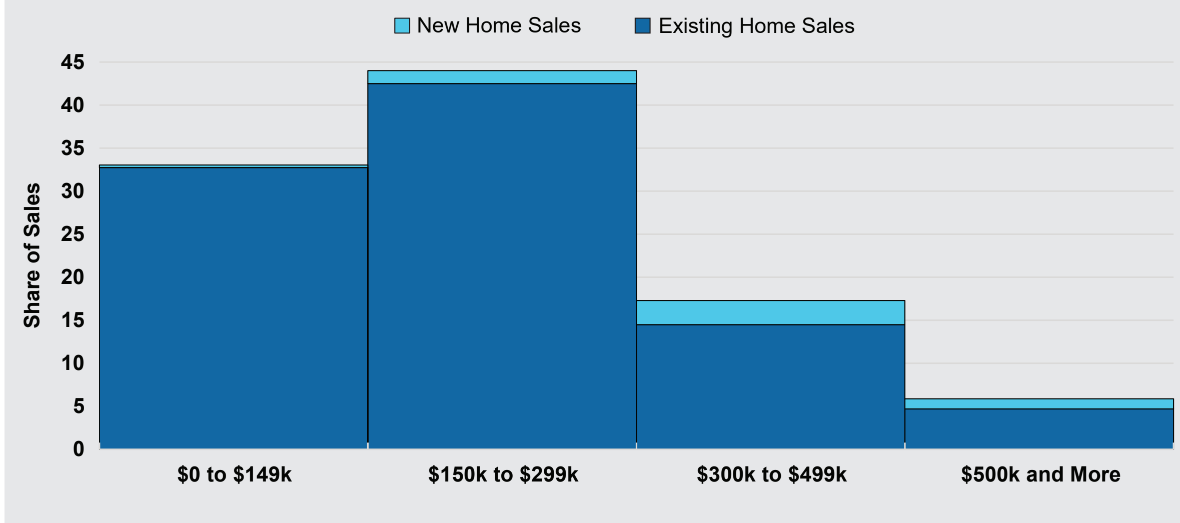
Existing Home Sales and Prices

In contrast to new home sales and prices, existing home sales (including regular resales and REO sales) and prices have trended in nearly opposite directions. Sales have rebounded more strongly since 2011, but the increase in average sales prices has not been as pronounced, partly because of the impact of REO sales, which sell for lower prices than regular resale home sales. From 2006 through 2011, existing home sales fell an average of 9 percent annually, from 23,800 sales during 2005 to 13,550 sales during 2011. From this recent low sales level, existing home sales increased significantly, rising 19 percent annually, on average, to 22,750 existing home sales during 2014 because of improving economic conditions leading to population growth. From 2015 through 2018, existing home sales in the submarket increased an average of only 1 percent annually to

23,900. During the 12 months ending June 2020, approximately 22,700 existing home sales were recorded, nearly 6 percent fewer sales than the 24,100 existing sales recorded a year earlier. The lack of available inventory for sale contributed to the decline in sales during this period but supported the strong price increase.

During the 12 months ending June 2020, the average home sales price for an existing home in the Franklin County submarket was $226,100, more than 9 percent above the average sales price a year earlier, partly because of decreased existing sales housing supply. REO sales, which sold for approximately 65 percent of the average regular resale home sales price during the 12 months ending June 2020, contributed less than 3 percent of all existing sales at that time. From 2005 through 2014, the average existing home sales price remained mostly constant and averaged $156,800. The impact of REO home sales on the average existing home sales price contributed to the consistently modest prices from 2005 through 2014, particularly from 2010 through 2014, when REO home sales constituted nearly 28 percent of all existing home sales. From 2015 through 2018, average sales prices began to rise more consistently, increasing an average of 7 percent annually to $202,200, and the prevalence of REO home sales in the submarket has declined since 2014. Figure 16 shows home sales by price range in the Franklin County submarket during the 12 months ending June 2020. In Franklin County, existing home sales were more prevalent at sales prices between $150,000 and $299,999, and new home sales were more prevalent at the $300,000-to-$499,999 price range.

Figure 16. Share of Sales by Price Range During the 12 Months Ending June 2020 in the Franklin County Submarket



Source: Metrostudy, A Hanley Wood Company

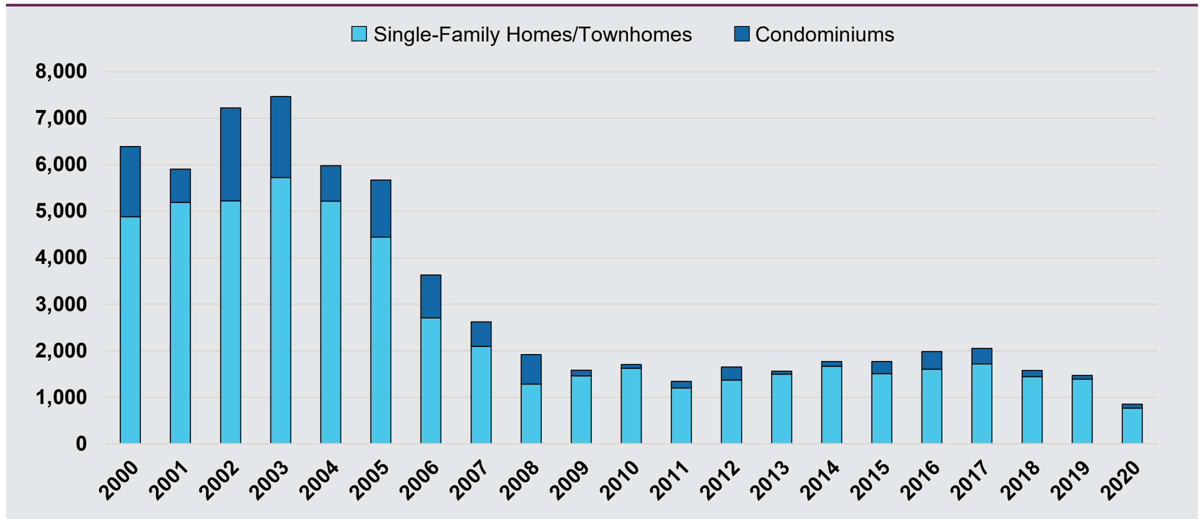
Condominium Sales

Condominium home sales in the HMA are mostly concentrated in the Franklin County submarket and accounted for 24 percent of all sales in the submarket during the 12 months ending June 2020. During the period, condominium sales fell nearly 16 percent to 5,850 homes, and the average price of $198,300 was more than 13 percent above the average sales price a year earlier. Condominium home sales in the submarket peaked at approximately one-third of all home sales during late 2013 and early 2014. The average condominium sales price has typically been lower than the average price for single-family homes, and the average sales price for a condominium during the 12 months ending June 2020 was approximately 16 percent below the average sales price for a single-family home.

Sales Permit Activity

As measured by the number of single-family homes, townhomes, and condominiums (hereafter, homes) permitted in the Franklin County submarket, homebuilding activity has been low since 2010 and has contributed to current slightly tight sales housing market conditions. During the 12 months ending June 2020, an estimated 1,650 homes were permitted, more than 21 percent above the 1,350 homes permitted a year earlier (preliminary data, with adjustments by the analyst). From 2000 through 2005, permitting averaged 6,450 homes annually before declining 30 percent on average each year to 1,275 homes permitted during 2008 (Figure 17). Sales housing permitting has remained relatively low thereafter, averaging 1,725 homes permitted annually from 2008 through 2018. Condominium construction in the submarket peaked most recently during 2016 and 2017, averaging 360 homes permitted during each year, or nearly 18 percent of homes permitted.

Figure 17. Sales Permitting Activity in the Franklin County Submarket



Notes: Includes single-family homes, townhomes, and condominiums. Data for 2020 are through June 2020.
Sources: U.S. Census Bureau, Building Permits Survey; 2000 through 2019—final data and estimates by the analyst; 2020—preliminary data and estimates by the analyst

New Construction

Although much of the city of Columbus is built out, infill single-family homes are built in select areas, and condominiums are also a sales option in the city. In the Italian Village neighborhood, located north of downtown Columbus, condominiums at the Four x Five development are priced from $329,000 to $550,000—depending on unit type. Fourteen condominium homes include one- and two-bedroom units, each including a garage space. In suburban Franklin County, a new subdivision in the city of Blacklick called The Farms at Jefferson includes 135 single-family home sites, with approximately 90 homes either built or under construction. The site offers more than 10 spec models for immediate move-in and 30 open home sites for sale. Single-family home models range from 1,500 to 3,350 square feet, and prices start in the low $300,000s.

Forecast

During the next 3 years, demand is expected for 3,650 new homes in the Franklin County submarket (Table 7). The 550 units currently under construction will satisfy part of that demand, and demand is expected to be stable throughout the 3-year forecast period. Most of the demand will be for new homes priced between $300,000 and $499,999.

Table 7. Demand for New Sales Units in the Franklin County Submarket During the Forecast Period

Sales Units	
Demand	3,650 Units
Under Construction	550 Units

Note: The forecast period is from the current date (July 1, 2020) to July 1, 2023.
Source: Estimates by the analyst

Sales Market—Northwest Counties Submarket

Current Conditions

The sales housing market in the Northwest Counties submarket is currently slightly tight, with an estimated sales vacancy rate of 0.8 percent, down from 2.1 percent during 2010 when conditions were soft (Table 8). During June 2020, the submarket had 2.1 months of available for-sale inventory, down from 2.5 months of supply a year earlier and below the 11.1-month supply during July 2009—a recent peak. The homeownership rate is currently estimated at 78.1 percent, down from 80.8 percent during 2010 but currently the highest rate among the three submarkets in the HMA. Employment opportunities, available land for development, proximity to the city of Columbus, and outdoor activities at parks and recreation areas draw homebuyers to the submarket. Strong population growth has occurred in central Delaware County, including the cities of Delaware, Sunbury, Lewis Center, and Galena. Although new home sales remain below previous levels, existing home sales have generally recovered to pre-recession levels, and new and existing home sales prices are above pre-recession levels.

Table 8. Home Sales Quick Facts in the Northwest Counties Submarket

		Northwest Counties	Columbus HMA
Home Sales Quick Facts	**Vacancy Rate**	0.8%	0.7%
	Months of Inventory	2.1	1.6
	Total Home Sales	5,800	39,700
	1-Year Change	-8%	-8%
	New Home Sales Price	$417,000	$389,000
	1-Year Change	3%	3%
	Existing Home Sales Price	$304,500	$226,500
	1-Year Change	4%	7%
	Mortgage Delinquency Rate	2.4%	3.3%

Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending June 2020; and months of inventory and mortgage delinquency data are as of June 2020. The current date is July 1, 2020.
Sources: CoreLogic, Inc.; Metrostudy, A Hanley Wood Company

New Home Sales and Prices

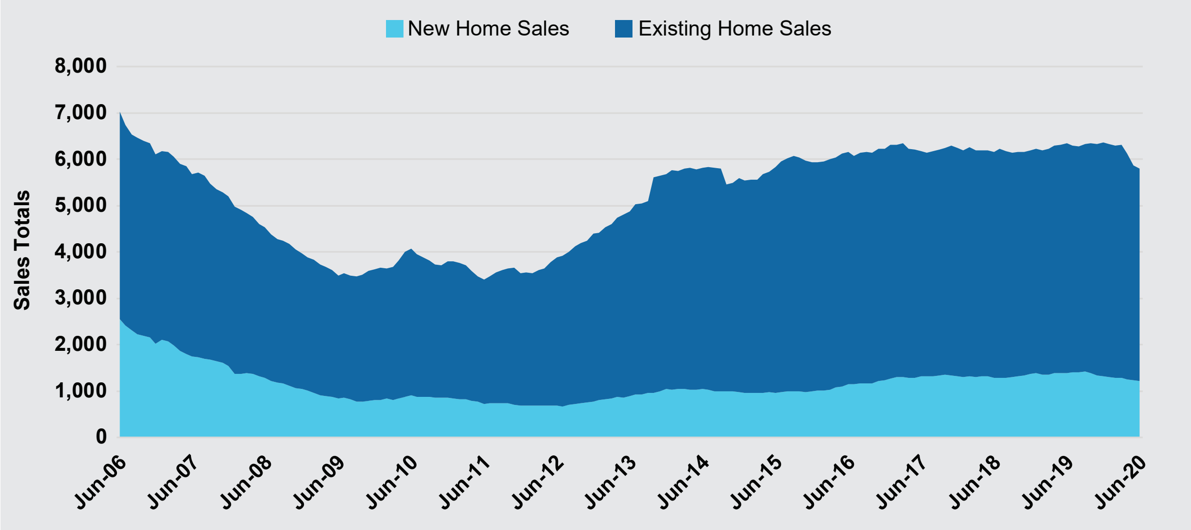
During the 12 months ending June 2020, new home sales totaled 1,200, nearly 13 percent fewer than the number sold a year earlier. New home sales declined steeply, falling 27 percent on average each year from 2006 (when 2,025 new homes sold) through 2009, and remained low, averaging 770 new sales annually from 2010 through 2012. During the period including economic expansion in the HMA and increased population growth in the submarket, new home sales rose, increasing an average of 9 percent annually from 2013 through 2015, and rising an average of 11 percent annually from 2016 through 2018 (Figure 18).

New home sales prices in the submarket have recovered from declines recorded from 2007 through 2010 and have reached record levels. During the 12 months ending June 2020, the average new home sales price was $417,000, the highest price on record in the submarket and nearly 3 percent above the average new home sales price a year earlier. From 2005 through 2010, the average new home sales price fell 2 percent annually to a recent low value of $279,100 during 2010 (Figure 19). From 2011 through 2018, the average new home sales price rose 5 percent annually, on average. Increased demand stemming from economic and population growth contributed to rising new home prices during the period.

Existing Home Sales and Prices

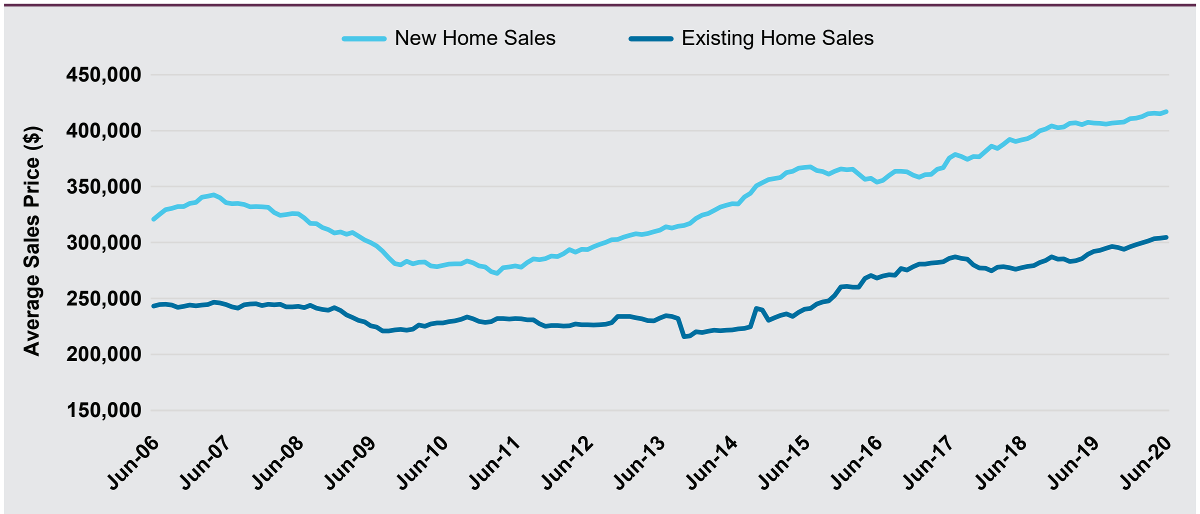
Existing home sales in the Northwest Counties submarket totaled 4,600 sales during the 12 months ending June 2020, a decline of 7 percent from sales totals a year earlier. Despite this recent decline, existing home sales have generally returned to pre-recession levels. From 2006 through 2009, existing home sales fell an

Figure 18. 12-Month Sales Totals by Type in the Northwest Counties Submarket



Source: Metrostudy, A Hanley Wood Company

Figure 19. 12-Month Average Sales Price by Type of Sale in the Northwest Counties Submarket



Source: Metrostudy, A Hanley Wood Company

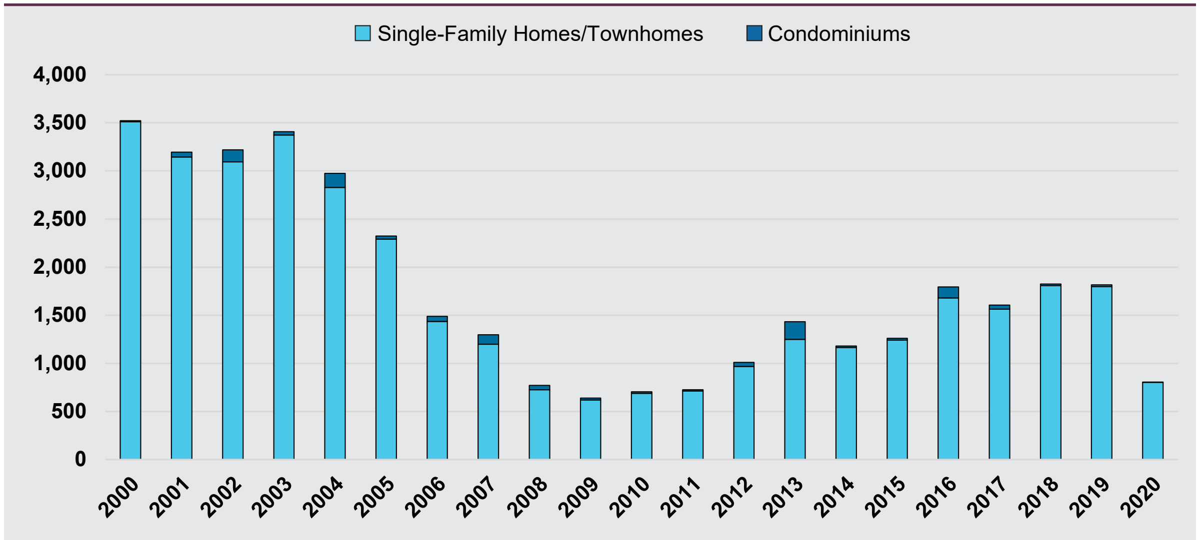
average of 11 percent annually to 2,825 sales during 2009, when the Great Recession impacts were greatest in the HMA. Existing sales remained low from 2010 through 2011, averaging 2,900 sales annually, before increasing 15 percent annually from 2012 through 2015, when existing home sales averaged 4,925. From 2016 through 2018, existing home sales remained steady, averaging 4,925 each year, partly constrained by a lack of available inventory, which fell each year and never exceeded 4 months of supply.

Existing home sales prices in the Northwest Counties submarket have also recovered and surpassed pre-recession levels. During the 12 months ending June 2020, the average existing home sales price in the submarket was $304,600, more than 4 percent higher than the average price a year earlier and the highest average sales price on record. The average sales price for existing homes in the submarket declined only very slightly during the past 15 years. This is likely because the rate of REO sales never surpassed 22 percent of all existing sales, much lower than rates in the Franklin County and Suburban Counties submarkets. From 2006 through 2015, the average existing home sales price showed modest declines during the years most impacted by the Great Recession, then recovered to $260,400 by the end of the period. The average home sales price rose at a faster pace from 2016 through 2018, increasing an average of 3 percent annually to $285,300.

Sales Permit Activity

During the 12 months ending June 2020, approximately 1,800 new homes were permitted, only slightly above the 1,775 homes permitted a year earlier (preliminary data, with adjustments by the analyst). From 2000 through 2004, home permitting averaged 3,275 annually, before declining an average of 24 percent annually from 2005 through 2007 to 1,300 home permits. Permitting remained low from 2007 through 2011, averaging 820 homes permitted annually before modest increases averaging 14 percent annually from 2012 through 2018 (Figure 20). Despite increased homebuilding activity, sales housing market conditions tightened partly because the demand for new homes exceeded the modest increases in supply.

Figure 20. Sales Permitting Activity in the Northwest Counties Submarket



Notes: Includes single-family homes, townhomes, and condominiums. Data for 2020 are through June 2020.
Sources: U.S. Census Bureau, Building Permits Survey; 2000 through 2019—final data and estimates by the analyst; 2020—preliminary data and estimates by the analyst

New Construction

Among new subdivisions in the Northwest Counties submarket, The Reserve at Scioto Glenn, in Powell in Delaware County, is nearly sold out and includes 118 single-family homes, with one remaining for sale at $442,900. In the city of Marysville in Union County, Ewing Meadows is a new subdivision with 38 homes already built and 26 more home sites for sale. Five different home models are offered, each with four or more bedrooms and two or more bathrooms, with prices ranging from $279,000 to $335,000.

Forecast

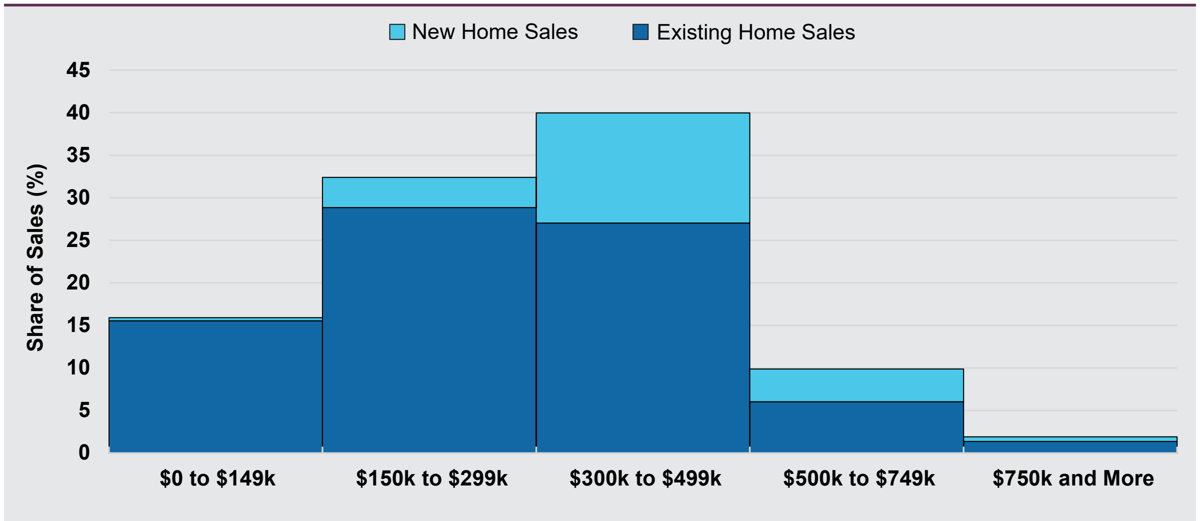
During the next 3 years, demand is estimated for 5,300 new homes in the Northwest Counties submarket (Table 9). Because of the current slightly tight home sales market conditions, demand is likely to be strongest in the first year of the forecast period and slow slightly during the second and third years. New home sales during the 12 months ending June 2020 were most common in the $300,000 to $499,999 price range (Figure 21). The 610 homes currently under construction will satisfy a portion of this demand.

Table 9. Demand for New Sales Units in the Northwest Counties Submarket During the Forecast Period

	Sales Units
Demand	5,300 Units
Under Construction	610 Units

Note: The forecast period is from July 1, 2020, to July 1, 2023.
Source: Estimates by the analyst

Figure 21. Share of Sales by Price Range During the 12 Months Ending June 2020 in the Northwest Counties Submarket



Source: Metrostudy, A Hanley Wood Company

Table 10. Home Sales Quick Facts in the Suburban Counties Submarket

Home Sales Quick Facts		Suburban Counties	Columbus HMA
	Vacancy Rate	0.8%	0.7%
	Months of Inventory	1.4	1.6
	Total Home Sales	9,850	39,700
	1-Year Change	-12%	-8%
	New Home Sales Price	$302,400	$389,000
	1-Year Change	1%	3%
	Existing Home Sales Price	$186,800	$226,500
	1-Year Change	1%	7%
	Mortgage Delinquency Rate	3.3%	3.3%

Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending June 2020; and months of inventory and mortgage delinquency data are as of June 2020. The current date is July 1, 2020.
Sources: CoreLogic, Inc.; Metrostudy, A Hanley Wood Company

Sales Market—Suburban Counties Submarket

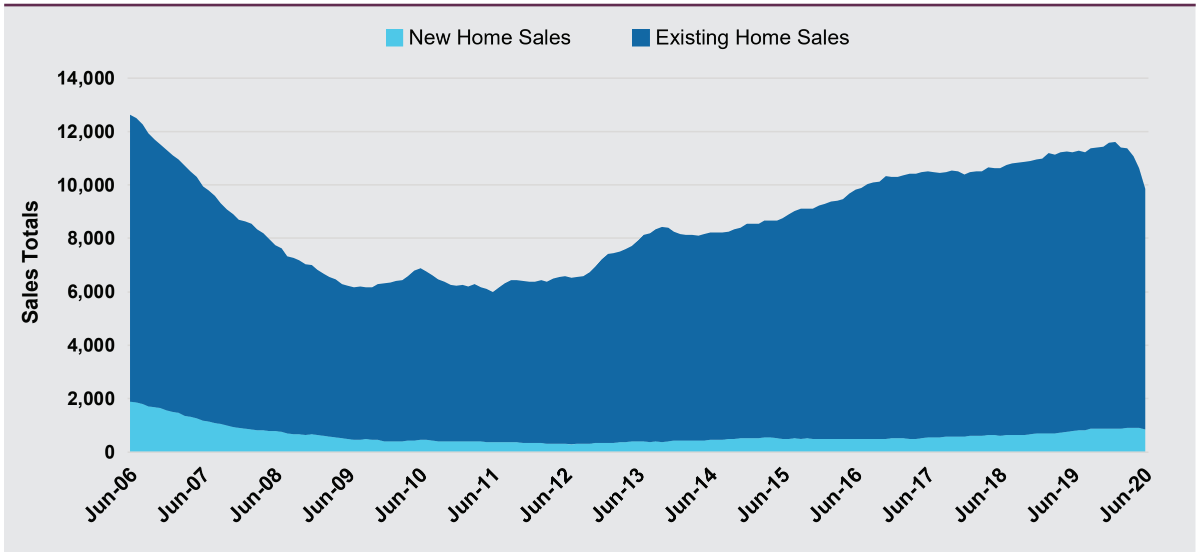
Current Conditions

The sales housing market in the Suburban Counties submarket is currently slightly tight, with an estimated sales vacancy rate of 0.8 percent, down from 2.2 percent during 2010, when conditions were soft (Table 10). During June 2020, the submarket had a 1.4-month supply of available for-sale inventory, down from 2.5 months of supply a year earlier and below the 12.6-month supply during July 2009—the recent peak level. The homeownership rate in this submarket rose slightly from 2010 to the current date, partially because lower sales housing prices allowed more households to buy homes during the past decade. New home sales have not yet returned to pre-recession levels in the Suburban Counties submarket, and existing home sales are also below pre-recession levels. Home sales prices in the Suburban Counties submarket have appreciated at lower rates than in the other submarkets.

New Home Sales and Prices

New home sales in the Suburban Counties submarket declined relatively sharply during the period leading into the Great Recession and have recovered only modestly since then. From 2006 through 2009, new home sales fell an average of 32 percent annually to 410 homes (Figure 22). As with the other submarkets, new home sales

Figure 22. 12-Month Sales Totals by Type in the Suburban Counties Submarket



Source: Metrostudy, A Hanley Wood Company

remained low, averaging 370 annually from 2010 through 2011 before a gradual recovery of new sales during the following period of economic growth and increasing population. From 2012 through 2018, new home sales in the submarket increased 10 percent annually, to average 690 sales during 2018—the lowest annual average count since 2007. During the 12 months ending June 2020, new home sales totaled 850, or 7 percent above the 790 new sales reported a year earlier. The Suburban Counties submarket is the only submarket with an increase in new sales during the 12 months ending June 2020.

The average new home sales price during the 12 months ending June 2020 in the Suburban Counties submarket was $302,400, 1 percent above the average sales price a year earlier and the lowest increase in the average new home sales price among submarkets during the period. Lower land costs contribute to the relatively lower sales price for new homes in the submarket, and there is a wide range in prices across the seven counties that form the submarket. During the 12 months ending June 2020, average new home sales prices among counties in the Suburban Counties submarket ranged from $284,300 in Pickaway County to $339,400 in Madison County. Generally, home sales prices decline as the distance from the city of Columbus increases. Following a gradual increase in new home sales prices from 2006 through 2007, averaging 6 percent annually, new home sales prices then fell 4 percent annually from 2007 through 2010 (Figure 23). From 2010 through 2018, new home sales prices rose, averaging increases of 6 percent annually, to average $294,000 during 2018. The declining inventory of homes for sale has partially contributed to the increase in prices reported during the past decade.

Existing Home Sales and Prices

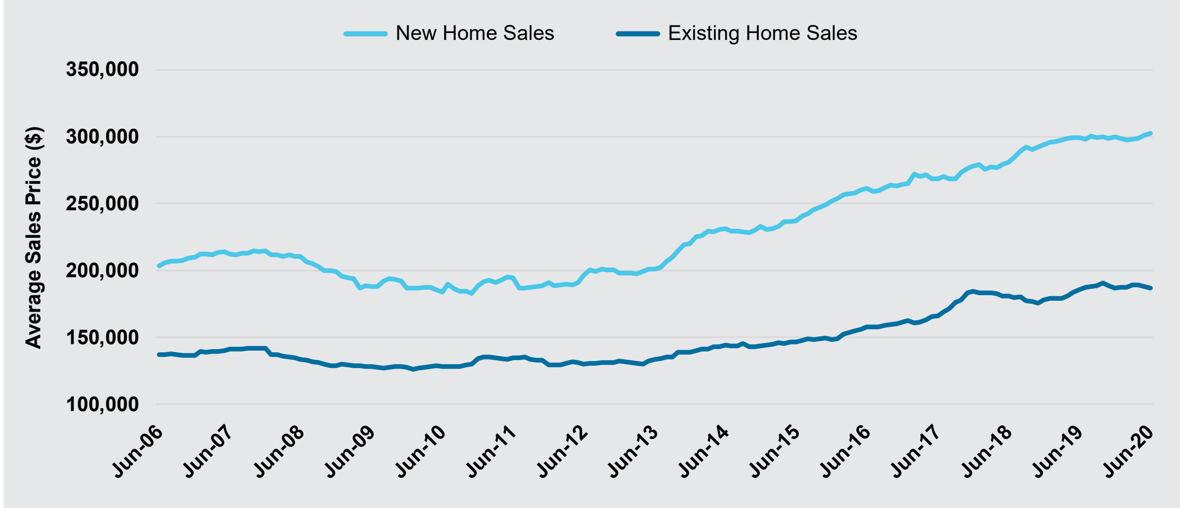
Existing home sales in the Suburban Counties submarket totaled 9,000 during the 12 months ending June 2020, a 14-percent decline from a year earlier. Existing home sales trends are similar to those in the other two submarkets: a sharp decline leading into the period when the HMA was impacted by the Great Recession, followed by a gradual recovery. From 2006 through 2009, existing home sales fell 14 percent annually, on average, to 5,900 sales during 2009, a recent low. From 2009 through 2011, existing sales remained low and averaged 5,925 sales during the 2 years. The recovery in existing home sales from 2012 through 2018 included sales increases averaging 8 percent annually, to an average of 10,300 sales reported during 2018.

During the 12 months ending June 2020, the average sales price for an existing home in the Suburban Counties submarket was $186,800, less than 1 percent above the average of $185,600 reported a year earlier. Although declining in sales counts, the 370 REO sales reported during the same time, with an average sales price of $122,500 and nearly 16 percent below the average a year earlier, likely contributed to the moderate change in sales price reported for all existing home sales. Following a slight rise in the average existing home price, averaging 2 percent annually from 2006 through 2007, the average price for an existing home declined 5 percent annually, on average, during 2008 and 2009. Average annual increases of 2 percent occurred from 2010 through 2013 before stronger gains occurred, averaging 6 percent annually from 2014 through 2018.

Sales Permit Activity

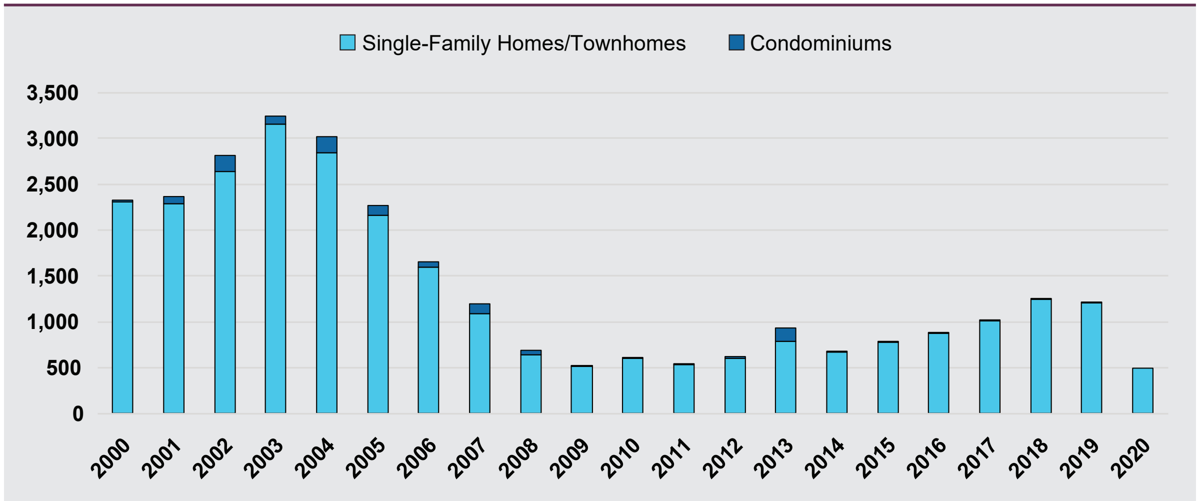
Home sales building activity in the Suburban Counties submarket peaked early during the previous decade before falling sharply during the period leading into and through the Great Recession and its impact on the Columbus HMA. The recovery in homes permitted during the past decade has been modest. During the 12 months ending June 2020, approximately 1,025 homes were permitted, or 10 percent more than were permitted during a year earlier (preliminary data with adjustments by the analyst). From 2000 through 2005, approximately 2,675 homes were permitted annually, including a spike to 3,250 homes permitted during 2004 (Figure 24). From 2006 through 2008, home permitting fell sharply, averaging declines of 33 percent each year, to 690 homes permitted during 2008. Home permitting remained low, averaging 570 annually

Figure 23. 12-Month Average Sales Price by Type of Sale in the Suburban Counties Submarket



Source: Metrostudy, A Hanley Wood Company

Figure 24. Sales Permitting Activity in the Suburban Counties Submarket



Notes: Includes single-family homes, townhomes, and condominiums. Data for 2020 are through June 2020.
Sources: U.S. Census Bureau, Building Permits Survey; 2000 through 2019—final data and estimates by the analyst; 2020—preliminary data and estimates by the analyst

from 2009 through 2012 before beginning to increase. From 2013 through 2018, homes permitted rose 13 percent annually, on average, to a recent high of 1,250 homes permitted during 2018.

New Construction

In the city of Pataskala, in Licking County, the Villas at Cumberland is a new subdivision with 77 home sites in the current plan. Six different model homes are offered and range in price from $307,000 to $375,000. All homes include three or more bedrooms and two or more baths and range in size from 1,665 to 2,300 square feet.

Forecast

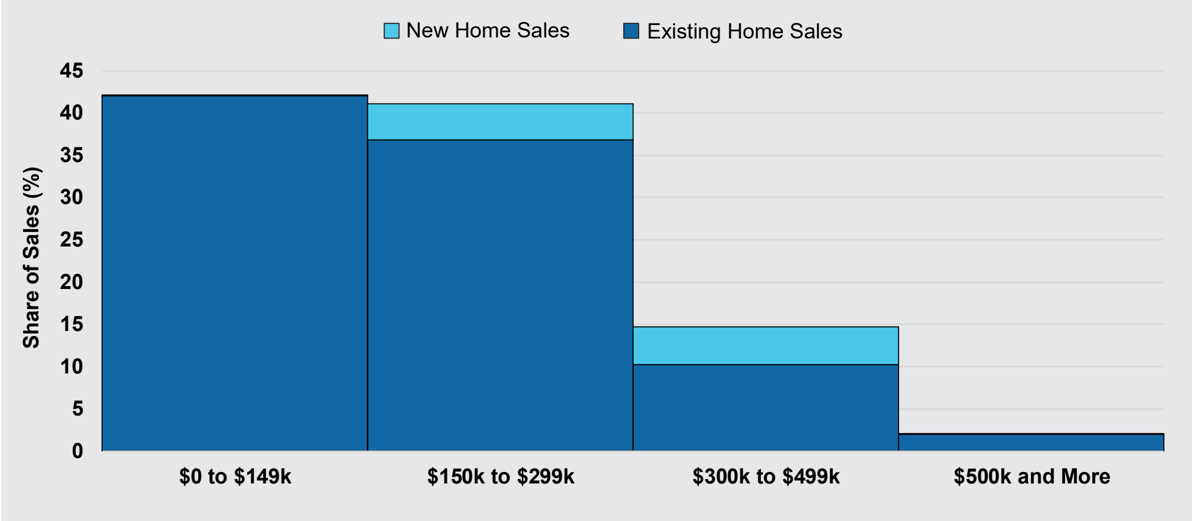
During the 3-year forecast period, demand is estimated for 3,550 homes (Table 11). The 520 homes currently under construction will meet a portion of that demand. Demand is expected to be strongest in the first year of the forecast period. Figure 25 shows home sales by price range in the Suburban Counties submarket; new homes priced from $300,000 to $499,999 are slightly more prevalent than new homes priced from $150,000 to $299,999.

Table 11. Demand for New Sales Units in the Suburban Counties Submarket During the Forecast Period

	Sales Units
Demand	3,550 Units
Under Construction	520 Units

Note: The forecast period is from the current date (July 1, 2020) to July 1, 2023.
Source: Estimates by the analyst

Figure 25. Share of Sales by Price Range During the 12 Months Ending June 2020 in the Suburban Counties Submarket



Source: Metrostudy, A Hanley Wood Company

Rental Market Conditions

Rental Market—Columbus HMA

Market Conditions: Slightly Tight

Currently, the rental market vacancy rate is estimated at 4.8 percent, significantly below the 9.5-percent rate reported in 2010.

Current Conditions and Recent Trends

The overall rental market in the Columbus HMA is slightly tight, compared with 2010 when conditions were soft (Table 12). Tightened rental market conditions for the HMA are mostly attributable to renter household growth that exceeded new supply in the Franklin County submarket. However, renter households increased in the Northwest Counties and Suburban Counties submarkets as well. Renter households currently account for 39.2 percent of all households in the Columbus HMA, up from 37.1 percent during 2010. An estimated 32 percent of renter households in the Columbus HMA live in single-family rental units as of 2018, unchanged from the rate in 2010 (2010 and 2018 American Community Survey, 1-year estimates). An estimated 47 percent of renter households in 2018 lived in larger multifamily structures with five or more units, typically apartments, compared with 44 percent of renter households during 2010. This was due to an increase in new apartments built since 2010 throughout the HMA, although concentrated in the Franklin County submarket, most notably from 2013 through 2018.

Table 12. Rental and Apartment Market Quick Facts in the Columbus HMA

		2010 (%)	Current (%)
Rental Market Quick Facts	**Rental Vacancy Rate**	9.5	4.8
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	32.0	32.0
	Multifamily (2–4 Units)	23.0	20.0
	Multifamily (5+ Units)	44.0	47.0
	Other (Including Mobile Homes)	1.0	1.0
Apartment Market Quick Facts		**Current**	**YoY Change**
	Apartment Vacancy Rate	4.3	0.6
	Average Rent	$1,011	3.6

YoY = year-over-year.
Notes: The current date is July 1, 2020. Percentages may not add to 100 due to rounding.
Sources: 2010 and 2018 American Community Survey, 1-year data; RealPage, Inc.

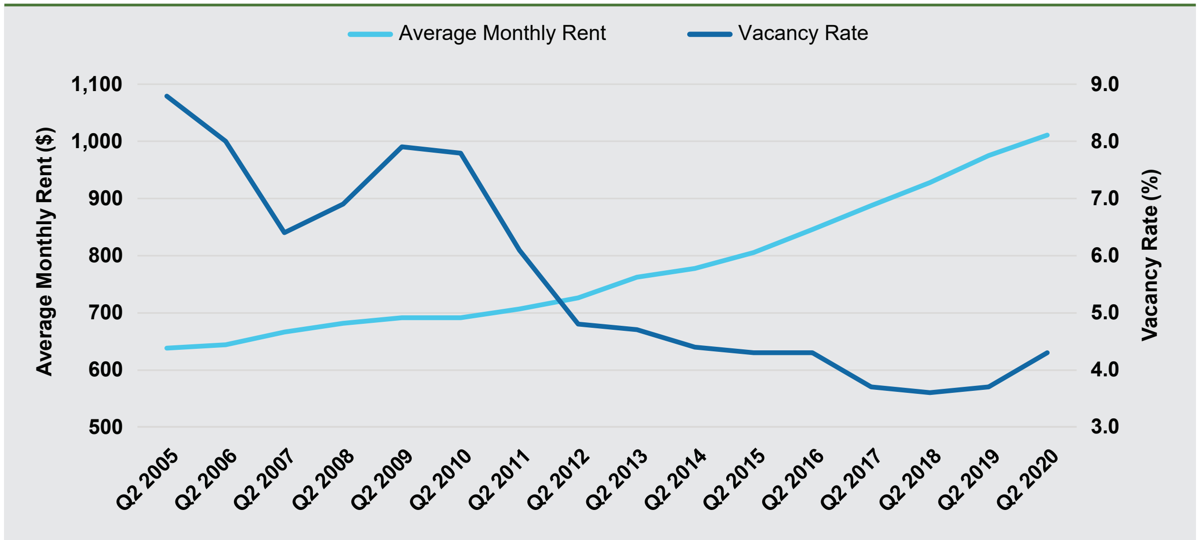
Apartment Market Conditions

The apartment market in the Columbus HMA is also currently slightly tight, and apartment market conditions have tightened since 2010. During the second quarter of 2020, the apartment vacancy rate in the Columbus HMA was 4.3 percent, up from 3.7 percent a year earlier but down from 7.8 percent during the second quarter of 2010 (RealPage, Inc.). By contrast, the national apartment vacancy rate was 4.5 percent during the second quarter of 2020, up from 3.9 percent a year earlier and down from 6.7 percent during the second quarter of 2010. The average apartment rent in the Columbus HMA was $1,011, an increase of nearly 4 percent from a year earlier (Figure 26). By contrast, the national average rent was $1,428, a smaller increase of nearly 3 percent from a year ago. Since the second quarter of 2010, the average apartment rent in the Columbus HMA rose an average of 4 percent annually, approximately the same as the national rate of increase.

Housing Affordability: Rental

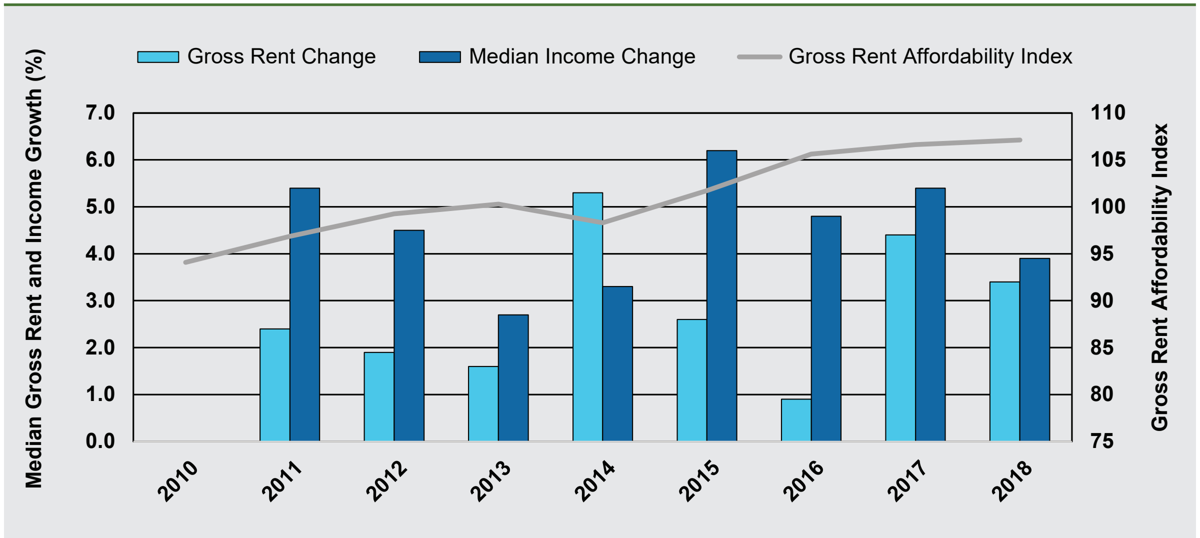
Rental housing in the Columbus HMA is generally affordable and has gradually become more

Figure 26. Apartment Rents and Vacancy Rates in the Columbus HMA



Q2 = second quarter.
Source: RealPage, Inc.

Figure 27. Columbus HMA Gross Rent Affordability Index



Note: The Gross Rent Affordability Index differs from the HUD Rental Affordability Index published on the U.S. Housing Market Conditions website in that it is based on combined rent and utilities expenditure.
Source: American Community Survey, 1-year data

affordable since 2011 (Figure 27). This is primarily because the median income of renters has risen faster than median gross rent in all years since 2010 except one. Another measure of rental affordability is cost burden. A household is cost-burdened if they spend more than 30 percent of household income on housing costs and is severely cost-burdened if they spend more than 50 percent of household income on housing costs. In the Columbus HMA, approximately one-fifth of total renter households are estimated to be cost-burdened, and a similar proportion experience severe cost burden; these proportions are similar to trends reported nationally. Among households with incomes below 50 percent of the area median income, nearly 30 percent experience cost burden in the Columbus HMA, above the national rate, and nearly one-half of households in the HMA report severe cost burden, below the national rate (Table 13).

Forecast

During the 3-year forecast period, demand is estimated for 12,050 rental units in the Columbus HMA (Table 14). Demand is expected to be relatively stable during the forecast period and represents a decline compared with demand since 2010 because of slower forecast population and household growth rates. Rental demand will continue to be strongest in the Franklin County submarket, particularly in the city of Columbus.

Table 13. Percentage of Cost Burdened Renter Households by Income, 2013–2017

	Cost Burdened		Severely Cost Burdened	
	Columbus HMA	Nation	Columbus HMA	Nation
Renter Households with Income <50% HAMFI	29.9	25.6	47.4	50.1
Total Renter Households	20.5	21.8	20.2	22.9

HAMFI = HUD area median family income.
Note: "Cost-burdened" households spend between 30–49 percent of their income on rent, and "severely cost-burdened" households spend over 50 percent of their income on rent.
Sources: Consolidated Planning/CHAS Data; 2013–2017 American Community Survey, 5-year estimates (huduser.gov)

Table 14. Demand for New Rental Units in the Columbus HMA During the Forecast Period

	Rental Units
Demand	12,050 Units
Under Construction	3,705 Units

Note: The forecast period is from the current date (July 1, 2020) to July 1, 2023.
Source: Estimates by the analyst

Table 15. Rental and Apartment Market Quick Facts in the Franklin County Submarket

		2010 (%)	Current (%)
Rental Market Quick Facts	Rental Vacancy Rate	9.8	4.4
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	29.0	28.0
	Multifamily (2–4 Units)	22.0	20.0
	Multifamily (5+ Units)	48.0	51.0
	Other (Including Mobile Homes)	1.0	1.0
		Current	YoY Change
Apartment Market Quick Facts	Apartment Vacancy Rate	4.4%	0.8
	Average Rent	$996	3.4

YoY = year-over-year.
Notes: The current date is July 1, 2020. Percentages may not add to 100 due to rounding.
Sources: 2010 and 2018 American Community Survey, 1-year data; RealPage, Inc.

Rental Market—Franklin County Submarket

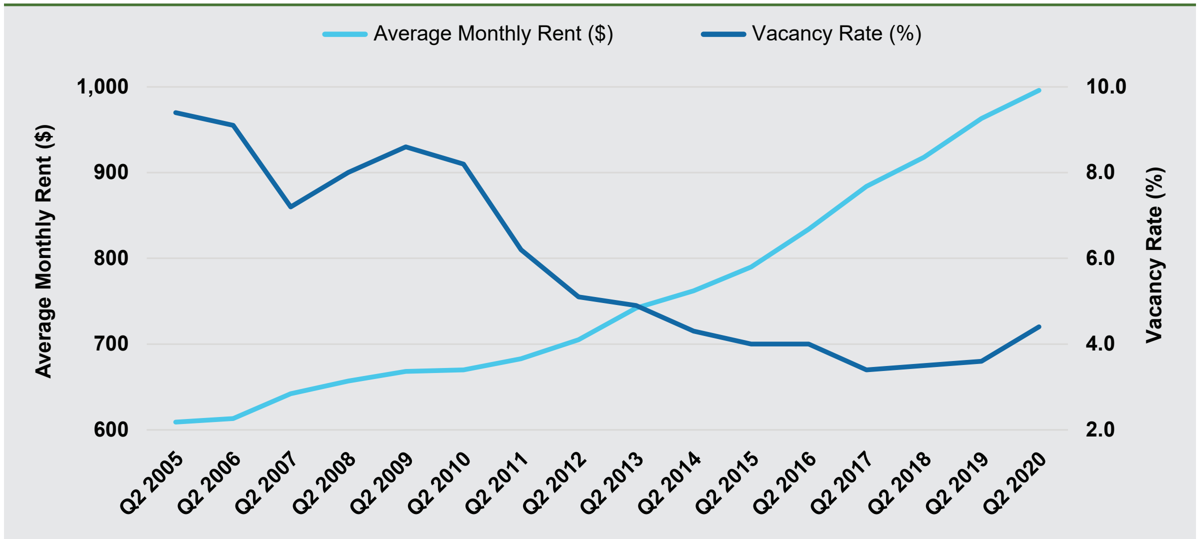
Current Conditions and Recent Trends

The rental housing market in the Franklin County submarket is currently slightly tight, with an estimated vacancy rate of 4.4 percent, down from 9.8 percent during 2010 when conditions were soft (Table 15). A preference for renting predominates in this urban market, where the city of Columbus contributes more than two-thirds of the submarket population. Significantly faster population growth, particularly from 2010 to 2016, contributed to the absorption of vacant rental units in the submarket. Since 2010, renter households grew an average of 1.8 percent annually in the submarket, three times faster than owner households grew at the same time.

Apartment Market Conditions

The apartment market in the Franklin County submarket is also slightly tight, and the apartment vacancy rate is estimated to be 4.4 percent as of the second quarter of 2020, up from 3.6 percent a year earlier (RealPage, Inc.). The apartment vacancy rate fell from 8.6 percent during the second quarter of 2009 to a recent low of 3.4 percent during the second quarter of 2017, before modest increases led to the 2020 second quarter rate of 4.4 percent (Figure 28). The average apartment rent in the

Figure 28. Apartment Rents and Vacancy Rates in the Franklin County Submarket



Q2 = second quarter.
Source: RealPage, Inc.

Franklin County submarket was $996 during the second quarter of 2020, more than 3 percent above the average rent a year earlier; since the second quarter of 2010, the average apartment rent has risen 4 percent annually, on average.

The apartment vacancy rate rose in each of the five RealPage, Inc.-defined market areas that form the Franklin County submarket during the second quarter of 2020 compared with the vacancy rates a year earlier (RealPage, Inc.). The largest increase in the vacancy rate from a year earlier occurred in the Downtown Columbus/University District market area, where the apartment vacancy rate rose to 5.4 percent from 3.6 percent a year earlier. Since the second quarter of 2018, an average of nearly 1,400 new apartment units have entered this market area each year, contributing to increased vacancy. Because of the COVID-19 pandemic, the summer 2020 term at OSU was taught virtually. Some students who would have lived in Columbus did not return; this contributed to the increase in the apartment vacancy rate compared with the rate a year earlier.

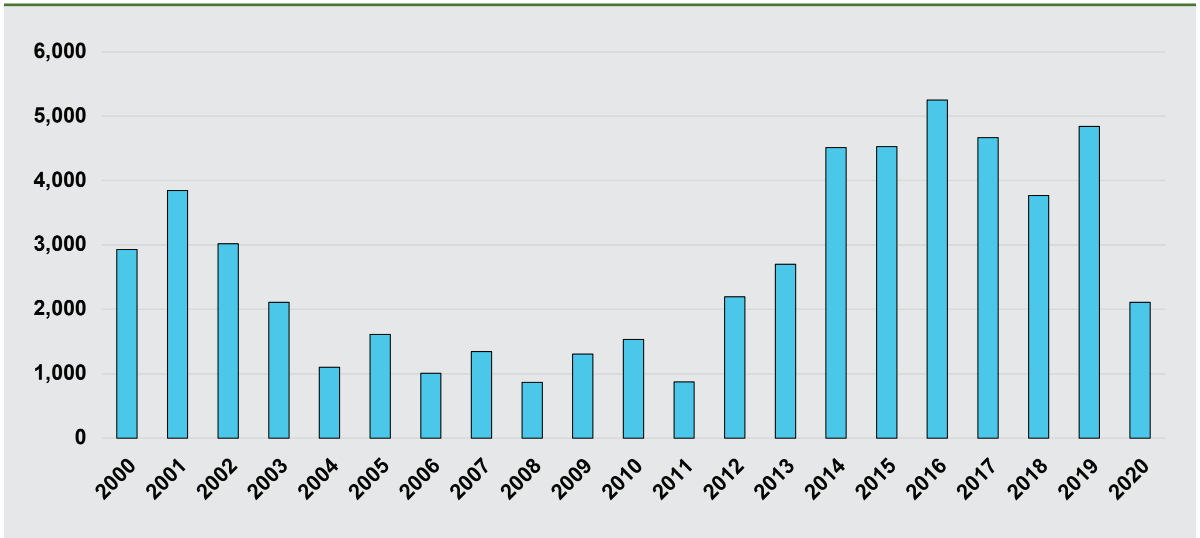
Student Impact on the Rental Market

There are more than 50 colleges and universities in the Columbus HMA, with a total enrollment of nearly 136,000 students (columbusregion.com). The Columbus campus of OSU hosts close to 59,000 of these students; students from OSU and other schools impact the apartment market throughout the Columbus HMA, with primary impact in the Franklin County submarket. Student households constitute an estimated 15,000 renter households in the Franklin County submarket, primarily in the city of Columbus. Student apartment properties are required to be occupied by students and typically rent by the bedroom, and student-competitive properties are conventional apartments that tend to include a large proportion of students as tenants because of location, amenities, and price. During June 2020, among more than 4,150 student beds in 13 properties, occupancy of 75 percent was reported, with monthly asking rent averaging $817 (RealPage, Inc.). During June 2019, the corresponding occupancy rate was 71 percent, and the average rent was $909; because these data are for June, they reflect conditions outside of the traditional school year. For properties considered student-competitive, 51 properties—located an average of 0.75 miles from the OSU campus—were surveyed during June 2020. These properties reported 94-percent occupancy with an average monthly rent of $858, compared with 88-percent occupancy and $814 during June 2019.

Rental Construction Activity

Rental construction activity, as measured by the number of rental units permitted, reached a historic high during 2016 and has been relatively elevated since 2013 (Figure 29). From 2004

Figure 29. Rental Permitting Activity in the Franklin County Submarket



Notes: Includes apartments and units intended for rental occupancy. Data for 2020 are through June 2020.
Sources: U.S. Census Bureau, Building Permits Survey; 2000 through 2019—final data and estimates by the analyst; 2020—preliminary data and estimates by the analyst

through 2011, rental permitting was comparatively low, averaging 1,300 units permitted annually, while population growth in the submarket was also modest. When the population began to increase more rapidly in the submarket, rental units permitted also increased, and units permitted rose 73 percent annually, on average, from 2012 through 2014. From 2015 through 2018, the number of rental units permitted averaged 4,550 annually, including a sharp spike to 7,075 units permitted during 2016. During the 12 months ending June 2020, rental units permitted totaled 3,975, compared with the 5,525 units permitted a year earlier (preliminary data, with adjustments by the analyst). Despite the significant increase in units permitted since 2013, the apartment vacancy rate has remained relatively low and has only begun increasing since the second quarter of 2019.

New Construction

The Reach Apartments is a new apartment property located northwest of downtown Columbus and approximately 1.5 miles south of the Columbus campus of the OSU. The completed property opened in the spring of 2020 at the same time a second phase was beginning construction. The current phase includes 246 units, and rents for one-, two- and three-bedroom units start at $1,255, $1,995, and $2,650, respectively. In the city of Dublin, a third phase of the Bridge Park development in suburban Franklin County is currently under construction. The Bridge Park development, which began construction in 2015, is a large, mixed-use development that includes sales and rental housing units, restaurants, retail space, offices, a hotel, and public space. Construction started on a new apartment phase at the site, with completion of 145 units expected in the summer of 2020. Currently at the Bridge Park site, 380 apartment units—completed during 2017—include studio, one-, two-, three-, and four-bedroom units with monthly rents starting at $814, $1,144, $1,799, $2,570, and $4,059, respectively.

COVID-19 Impacts

The Franklin County Board of Commissioners has used some of their CARES Act funding to develop the Prevention, Retention, and Contingency (PRC) Plus Rental Assistance program, which offers one-time rental assistance up to $1,500 for eligible rental families struggling to meet rent or facing eviction in the county as a result of the COVID-19 pandemic. Eligible households apply to Franklin County and must meet income qualifications and include at least one minor child in the household or a pregnant household member. This assistance is available from June 1, 2020, through September 30, 2020, or until funding is expended. This program is in addition to the existing PRC assistance program and is specific to COVID-19 impacts. An earlier round of funding, offering grants of up to $500 per eligible household and funded with $1.5 million in CARES Act resources, was expended in approximately 24 hours of activity during April 2020.

Forecast

During the 3-year forecast period, demand is estimated for 9,275 new rental units (Table 16), and the 2,925 units currently under construction will satisfy a portion of this demand. Demand is expected to increase during successive years of the forecast period because of continued improvement in the economy as it recovers from the impacts of the COVID-19 pandemic.

Table 16. Demand for New Rental Units in the Franklin County Submarket During the Forecast Period

	Rental Units
Demand	9,275 Units
Under Construction	2,925 Units

Note: The forecast period is from the current date (July 1, 2020) to July 1, 2023.
Source: Estimates by the analyst

Rental Market—Northwest Counties Submarket

Current Conditions and Recent Trends

The rental housing market in the Northwest Counties submarket is currently balanced, with an overall rental vacancy rate of 6.0 percent, down from 7.8 percent during 2010, when the market was considered slightly soft (Table 17). Tightening in the rental market has occurred despite near-record apartment production levels in the submarket, as measured by the number of units permitted. Since 2010, renter households in the Northwest Counties submarket have increased 3.2 percent annually, on average, more than twice the rate of growth of owner households during the same time.

Table 17. Rental and Apartment Market Quick Facts in the Northwest Counties Submarket

		2010 (%)	Current (%)
Rental Market Quick Facts	Rental Vacancy Rate	7.8	6.0
		Current	**YoY Change**
Apartment Market Quick Facts	Apartment Vacancy Rate	4.8	0.8
	Average Rent	$1,151	2.7

YoY = year-over-year.
Notes: The current date is July 1, 2020. Percentages may not add to 100 due to rounding.
Sources: 2010 and 2018 American Community Survey, 1-year data; RealPage, Inc.

Apartment Market Conditions

The apartment market in the Northwest Counties submarket is currently balanced, with a vacancy rate, as of the second quarter of 2020, of 4.8 percent, up from 4.0 percent during the second quarter of 2019 (RealPage, Inc.). The apartment vacancy rate fell from 6.0 percent during the second quarter of 2009 to 2.2 percent during the second quarter of 2012, before rising modestly through the current date (Figure 30). The average apartment rent in the Northwest Counties submarket rose nearly 3 percent, from $1,121 during the second quarter of 2019 to $1,151 during the second quarter of 2020.

Among two RealPage, Inc.-defined market areas that are included in the Northwest Counties submarket, the vacancy rate rose in each, from 3.7 percent to 5.2 percent in the Dublin/Hilliard market area and from 4.3 to 4.5 percent in the Westerville/New Albany/Delaware market area from the second quarter of 2019 to the second quarter of 2020. In the Dublin/Hilliard market area, approximately 310 new apartment units entered the market since the second quarter of 2019, after nearly 700 new apartment units entered the market area a year earlier, contributing to downward pressure on apartment occupancy. Similarly, in the

Westerville/New Albany/Delaware market area, more than 630 new apartment units entered the market during the past year, following more than 1,100 new units that were introduced during the previous year. Average rents during the second quarter of 2020 were $1,181 and $1,120, increases of 3 and 2 percent in the Dublin/Hilliard and the Westerville/New Albany/Delaware areas, respectively.

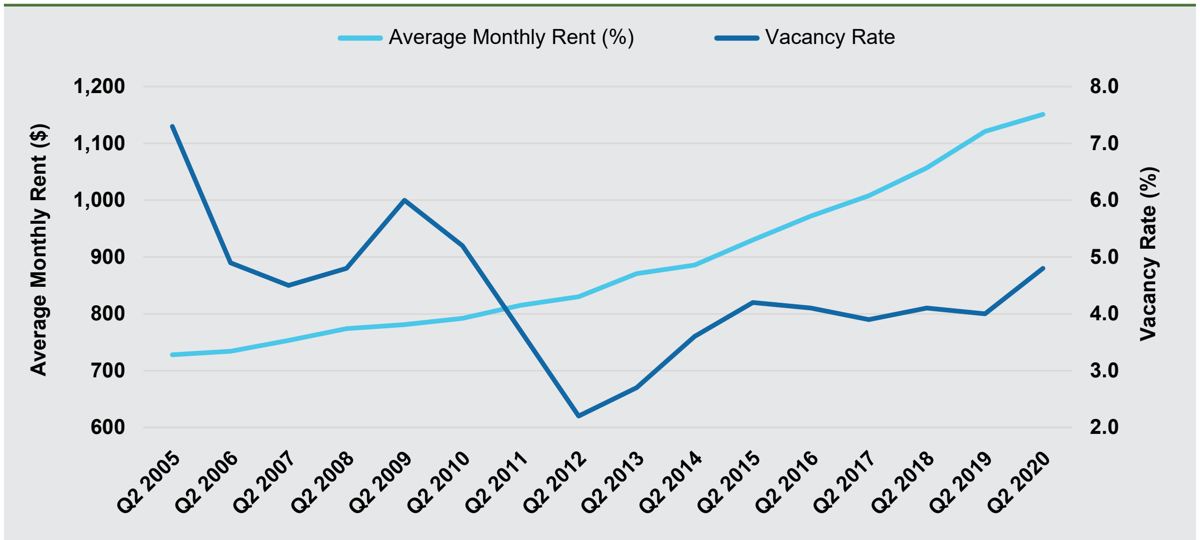
Rental Construction Activity

Rental construction activity in the Northwest Counties submarket was minimal during the 2000s and has increased dramatically, particularly from 2014 through 2019. From 2000 through 2011, rental permitting averaged 120 units annually, including 320 units permitted during 2001 and a low of 35 units permitted during 2004 (Figure 31). Rental permitting activity began to increase after 2011, as developers responded to a shift in living preferences to rental housing. From 2012 through 2016, rental permitting nearly doubled each year, rising 93 percent on average to a record level of 1,250 units permitted during 2016. A brief drop to 710 units permitted during 2017 was followed by another increase to 1,200 units permitted during 2018. During the 12 months ending June 2020, approximately 720 units have been permitted, slightly above the 710 units permitted a year earlier (preliminary data, with adjustments by the analyst).

New Construction

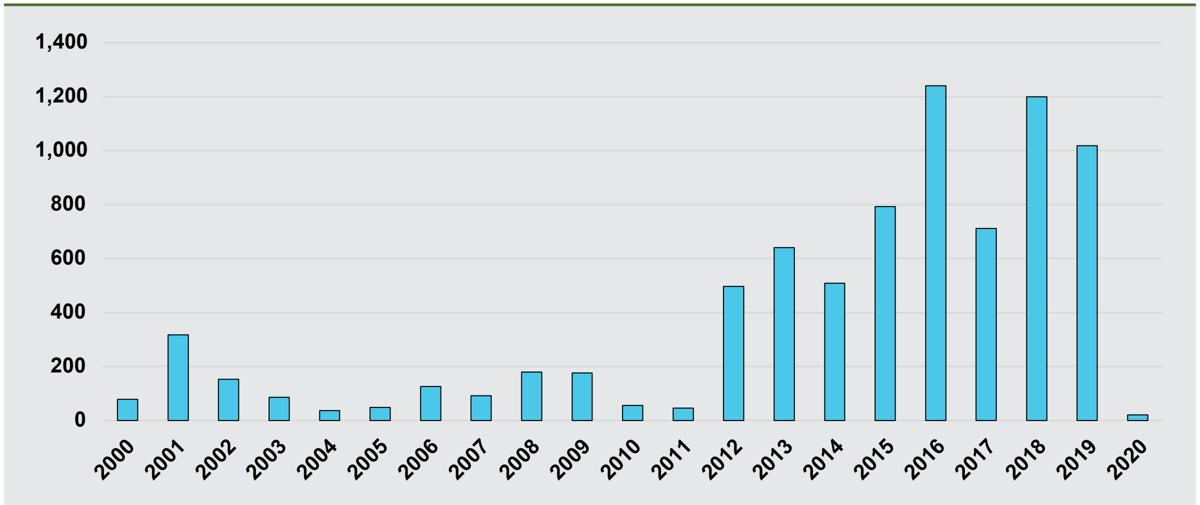
Liberty Summit apartments in Powell, Delaware County, is currently under construction. Including 248 units, with one-, two-, and three-bedroom

Figure 30. Apartment Rents and Vacancy Rates in the Northwest Counties Submarket



Q2 = second quarter.
Source: RealPage, Inc.

Figure 31. Rental Permitting Activity in the Northwest Counties Submarket



Notes: Includes apartments and units intended for rental occupancy. Data for 2020 are through June 2020.
Sources: U.S. Census Bureau, Building Permits Survey; 2000 through 2019—final data and estimates by the analyst; 2020—preliminary data and estimates by the analyst

unit configurations, the property is scheduled to open during the spring of 2021; rents have not yet been set. Tapestry Park Polaris is a 176-unit apartment property that opened in early 2020 in the tier of development along the southern boundary of Delaware County, adjacent to the city of Columbus and Franklin County. One-, two-, and three-bedroom unit rents start at $1,076, $1,312, and $1,990, respectively.

Forecast

During the next 3 years, demand is estimated for 2,075 new rental units in the Northwest Counties submarket (Table 18). The 780 units currently under construction will satisfy a portion of this demand during the first year of the forecast period. Demand is lower than what had been reported since 2010 because of slower forecast population and household growth during the 3-year forecast period. Demand is expected to be strong in the cities of Delaware and Powell in Delaware County and in Marysville and Plainville in Union County.

Table 18. Demand for New Rental Units in the Northwest Counties Submarket During the Forecast Period

	Rental Units
Demand	2,075 Units
Under Construction	780 Units

Note: The forecast period is from the current date (July 1, 2020) to July 1, 2023.
Source: Estimates by the analyst

Rental Market—Suburban Counties Submarket

Current Conditions and Recent Trends

The overall rental housing market in the Suburban Counties submarket is currently balanced, with an estimated vacancy rate of 6.5 percent, down from 8.7 percent in 2010, when rental conditions were soft (Table 19). Although this submarket has a slightly lower homeownership rate than the Northwest Counties submarket, the homeownership rate grew in the Suburban Counties submarket since 2010 because renter households increased relatively slowly compared with the other two submarkets due to lower levels of new apartment construction. Licking and Fairfield Counties to the east of Franklin County, and Pickaway County to the south of Franklin County, have been locations where renter household growth has notably occurred because of proximity and freeway access to the city of Columbus for employment, health care, and cultural amenities.

Table 19. Rental and Apartment Market Quick Facts in the Suburban Counties Submarket

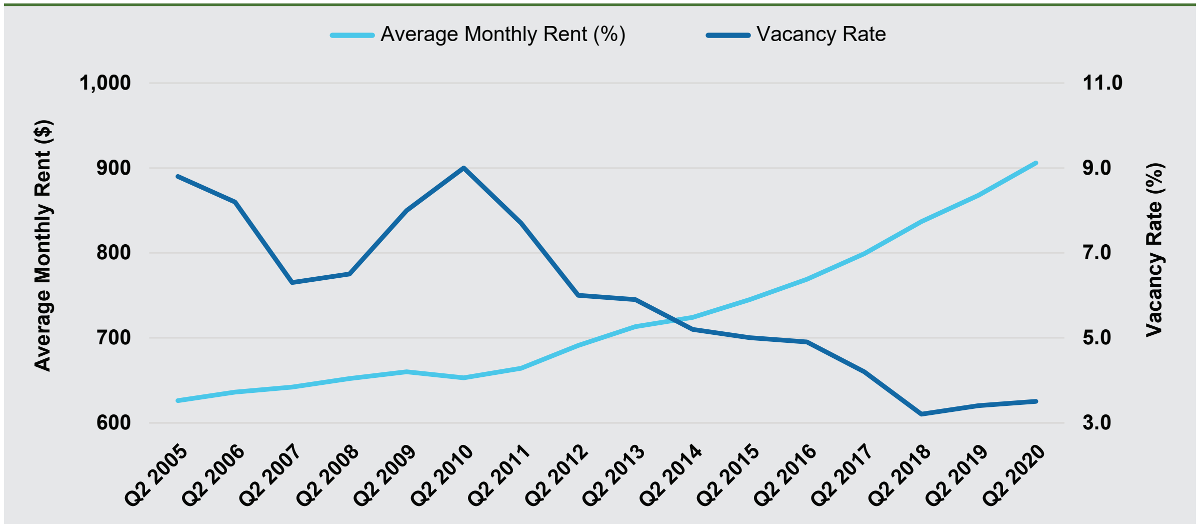
		2010 (%)	Current (%)
Rental Market Quick Facts	Rental Vacancy Rate	8.7	6.5
		Current	YoY Change
Apartment Market Quick Facts	Apartment Vacancy Rate	3.5	0.1
	Average Rent	$906	4.4

YoY = year-over-year.
Notes: The current date is July 1, 2020. Percentages may not add to 100 due to rounding.
Sources: 2010 and 2018 American Community Survey, 1-year data; RealPage, Inc.

Apartment Market Conditions

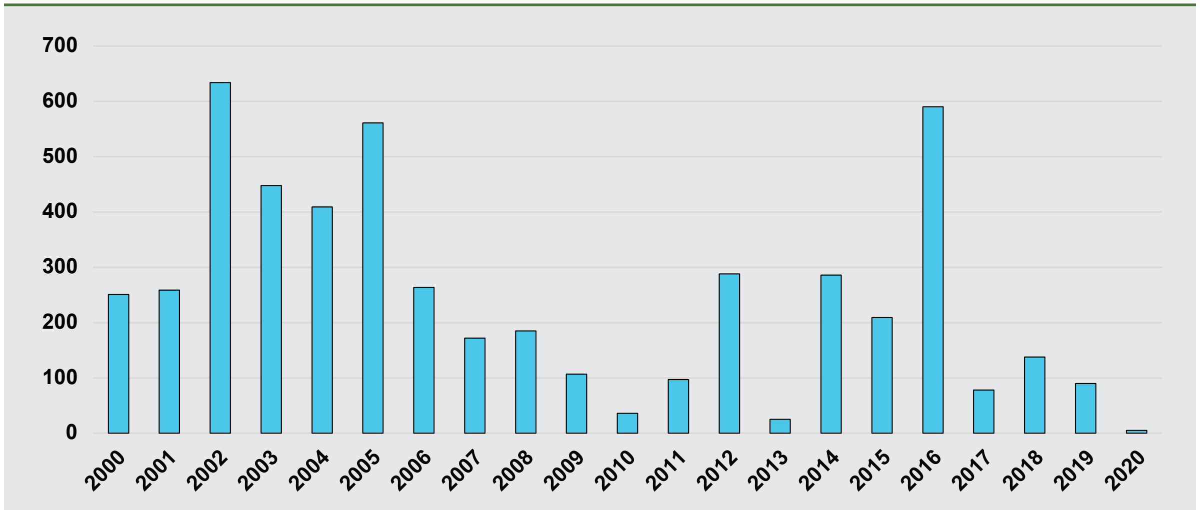
The apartment market in the Suburban Counties submarket is slightly tight, with a vacancy rate of 3.5 percent during the second quarter of 2020, up slightly from 3.4 percent a year earlier (RealPage, Inc.; Figure 32). The apartment vacancy rate reached a recent high during the second quarter of 2010 when the 9.0-percent rate indicated a soft apartment market, commensurate with soft overall rental market conditions. Since 2010, modestly lower apartment construction and stable population growth, which has increased moderately since 2012, have helped to absorb apartment units and bring about tighter apartment market conditions. The average apartment rent in the submarket was $906 during the second quarter of 2020, more than 4 percent above the average rent a year earlier. Apartment rents in the Suburban Counties submarket are the lowest among the three submarkets included in the Columbus HMA.

Figure 32. Apartment Rents and Vacancy Rates in the Suburban Counties Submarket



Q2 = second quarter.
Source: RealPage, Inc.

Figure 33. Rental Permitting Activity in the Suburban Counties Submarket



Notes: Includes apartments and units intended for rental occupancy. Data for 2020 are through June 2020.
Sources: U.S. Census Bureau, Building Permits Survey; 2000 through 2019—final data and estimates by the analyst; 2020—preliminary data and estimates by the analyst

Among the three RealPage, Inc.-defined market areas in the Suburban Counties submarket, the lowest apartment vacancy rate as of the second quarter of 2020 was in the Reynoldsburg/Far East Columbus market area, where the apartment vacancy rate was 3.2 percent, down from 3.4 percent a year earlier. The Grove City/South Columbus and the West Columbus market areas reported apartment vacancy rates of 3.8 and 3.7 percent, compared with rates of 3.1 and 3.7 percent a year earlier, respectively. Average apartment rents among the three market areas were $890 in the Grove City/South Columbus and the West Columbus market areas and $930 in the Reynoldsburg/Far East Columbus market area, representing a growth of 3, 9, and 3 percent, respectively, from a year earlier.

Rental Construction Activity

Rental construction activity, as measured by the number of rental units permitted, has been relatively low since 2010, in contrast to the other two submarkets. Rental permits averaged 260 units permitted annually from 2000 through 2001, then nearly doubled, averaging 510 units annually from 2002 through 2005 (Figure 33). Rental permitting slowed during the years leading into the Great Recession and fell an average of 39 percent annually from 2006 through 2010. Since 2011, permitting has been volatile, including a low of 25 units permitted during 2013 to 590 units permitted during 2016, nearly a record level for the submarket. During the 12 months ending June 2020, an estimated 85 units were permitted, compared with 30 units permitted a year earlier (preliminary estimates, with adjustments by the analyst). Since 2010, most new apartment construction has occurred in Fairfield and Pickaway Counties.

New Construction

In Lancaster, Fairfield County, Eastpointe Apartments and Lofts is a refurbished elementary school converted into 65 one- and two-bedroom flats. This development is scheduled to open in August 2020, and rents start at $950 and $1,050 for one- and two-bedroom units, respectively. In London, Madison County, Daines Village Apartments is a new apartment property, partially financed with low-income housing tax credits, that opened in the spring of 2020. The property includes 48 townhome units with two- and three-bedrooms and rents to income-qualified households from $950 and $1,050 per month, respectively; all units are currently occupied.

Forecast

During the 3-year forecast period, demand is estimated for 700 additional rental units, and there are no new apartment units currently under construction in the submarket (Table 20). Demand is expected to be steady throughout the forecast period. New developments, situated along interstate highways and other major roads enabling easy commuting throughout the HMA, are likely to best satisfy new rental demand in the submarket.

Table 20. Demand for New Rental Units in the Suburban Counties Submarket During the Forecast Period

	Rental Units
Demand	700 Units
Under Construction	No Units

Note: The forecast period is from the current date (July 1, 2020) to July 1, 2023.
Source: Estimates by the analyst

Terminology Definitions and Notes

A. Definitions

Building Permits	Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Cost Burdened	Spending more than 30 percent of household income on housing costs.
Demand	The demand estimates in the analysis are not a forecast of building activity. They estimate 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.
Forecast Period	7/1/2020—7/1/2023—Estimates by the analyst.
Home Sales/ Home Sales Prices	Includes single-family home, townhome, and condominium sales.

Location Quotient	**Location quotients compare the concentration of an industry within a specific area to the concentration of that industry nationwide.**
Other Vacant Units	**In this analysis conducted by the U.S. Department of Housing and Urban Development (HUD), other vacant units include all vacant units that are not available for sale or for rent. Therefore, the term 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.**
Rental Market/ Rental Vacancy Rate	**Includes apartments and other rental units such as single-family, multifamily, and mobile homes.**
Seriously Delinquent Mortgages	**Mortgages 90+ days delinquent or in foreclosure.**

B. Notes on Geography

1.	**The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.**
2.	**Urbanized areas are defined using the U.S. Census Bureau 2010 Census Urban and Rural Classification and the Urban Area Criteria.**

C. Additional Notes

1.	The NAHB Housing Opportunity Index represents the share of homes sold in the HMA that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria.
2.	This analysis has been prepared for the assistance and guidance of 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 determine the acceptability of any mortgage insurance proposals that may be under consideration by the Department.
3.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. 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.

D. Photo/Map Credits

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