

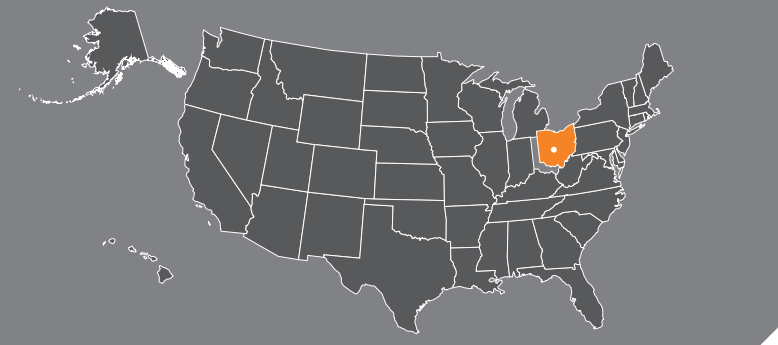
HUD PD&R Housing Market Profiles

Columbus, Ohio



Quick Facts About Columbus

- **Current sales market conditions: balanced.**
- **Current apartment market conditions: balanced.**
- **The Ohio State University, with a total enrollment of 58,300 at its city of Columbus campus as of September 2014, employs 29,700 faculty and staff and had an estimated economic impact, statewide, of more than \$5 billion annually in fiscal year 2014 (The Ohio State University).**



By [Gabriel A. Labovitz](#) | As of May 1, 2015

Overview

The Columbus, OH Metropolitan Statistical Area (hereafter, the Columbus metropolitan area), in central Ohio, includes Delaware, Fairfield, Franklin, Hocking, Licking, Madison, Morrow, Perry, Pickaway, and Union Counties. The economy of the metropolitan area is anchored by the relatively steady employment and expenditures associated with the state capital and the main campus of The Ohio State University. The metropolitan area is also a regional hub for health care in Ohio, and the education and health services sector, which is the third largest nonfarm payroll sector, accounted for nearly 15 percent of total nonfarm payrolls during 2014. In late 2014, Amazon.com announced plans for a \$1.1 billion investment in a new data center network at as many as three sites in central Ohio, which are expected to create more than 1,000 permanent jobs in the metropolitan area when complete. As of 2015, 15 Fortune 1000 companies are headquartered in the metropolitan area, including 5 Fortune 500 companies (Columbus 2020).

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- As of May 1, 2015, the estimated population of the Columbus metropolitan area was 2.02 million, an average annual increase of 24,800, or 1.1 percent, since 2012. By comparison, population increased by 19,350, or 1.0 percent, annually from 2009 to 2012.
- Net in-migration, which has averaged 12,800 people annually since 2012, accounted for 52 percent of the population growth

during that time. From 2009 to 2012, net in-migration totaled 6,875 annually and accounted for 35 percent of the reported growth.

- Population growth has accelerated since 2012, as the economy of the metropolitan area began an expansion that is currently ongoing, leading to increased net in-migration.

Economic Conditions

Economic conditions have improved in the Columbus metropolitan area since 2010, and nonfarm payrolls currently total more than 1 million jobs for the first time. Because of the effects of the 2007-to-2009 national recession, nonfarm payroll jobs in the Columbus metropolitan area declined from 2007 through 2010 by an average of 13,500, or 1.4 percent, annually to 920,300, including a decline of 34,300 jobs during 2009, a 3.6-percent loss. Nonfarm payrolls have increased each year since 2010 and surpassed the prerecession high of 960,800 during 2007.

During the 3 months ending April 2015—

- Nonfarm payrolls averaged 1.02 million jobs, a record-high level and an increase of 18,900 jobs, or 1.9 percent, compared with an increase of 22,000 jobs, or 2.3 percent, a year earlier.

- Of the 11 nonfarm payrolls sectors, 8 added jobs, led by the education and health services and the mining, logging, and construction sectors, which increased by 5,800 and 3,500 jobs, or 4.0 and 11.0 percent, respectively.
- The government sector, which is the second largest nonfarm payroll sector in the metropolitan area, reported the greatest job loss, declining by 1,500 jobs, or 0.9 percent. The state government subsector accounted for the entire loss, as the federal government subsector increased by 100 jobs, or 0.7 percent, offsetting a decline of 100 jobs, or 0.1 percent, in the local government subsector.
- The unemployment rate declined to an average of 4.2 percent from 5.2 percent during the same 3-month period a year earlier; resident employment growth outpaced growth in the labor force.

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Nonfarm payrolls increased in all but three sectors in the Columbus area, led by the education and health services sector.

| | 3 Months Ending | | Year-Over-Year Change | |
|------------------------------------|---------------------------|---------------------------|-------------------------|---------|
| | April 2014 (thousands) | April 2015 (thousands) | Absolute (thousands) | Percent |
| Total nonfarm payrolls | 997.7 | 1,016.6 | 18.9 | 1.9 |
| Goods-producing sectors | 101.1 | 105.6 | 4.5 | 4.5 |
| Mining, logging, and construction | 31.9 | 35.4 | 3.5 | 11.0 |
| Manufacturing | 69.2 | 70.2 | 1.0 | 1.4 |
| Service-providing sectors | 896.6 | 911.0 | 14.4 | 1.6 |
| Wholesale and retail trade | 140.4 | 143.8 | 3.4 | 2.4 |
| Transportation and utilities | 45.6 | 48.1 | 2.5 | 5.5 |
| Information | 18.1 | 17.1 | - 1.0 | - 5.5 |
| Financial activities | 75.2 | 74.3 | - 0.9 | - 1.2 |
| Professional and business services | 170.6 | 172.2 | 1.6 | 0.9 |
| Education and health services | 146.0 | 151.8 | 5.8 | 4.0 |
| Leisure and hospitality | 96.1 | 98.0 | 1.9 | 2.0 |
| Other services | 38.6 | 41.0 | 2.4 | 6.2 |
| Government | 166.1 | 164.6 | - 1.5 | - 0.9 |
| | (percent) | (percent) | | |
| Unemployment rate | 5.2 | 4.2 | | |

Note: Numbers may not add to totals because of rounding.

Source: U.S. Bureau of Labor Statistics



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Job growth in the education and health services sector has averaged 4,900 jobs, or 3.6 percent, annually since 2010 compared with average overall nonfarm payroll growth of 2.4 percent annually during the same period. The value of all healthcare facility expansions in the Columbus metropolitan area has totaled more than \$2.3 billion since 2010, including expansions or new construction at Mount Carmel St. Ann's in Westerville, OhioHealth Riverside Methodist Hospital in the city of Columbus, and Nationwide Children's Hospital in the city of Columbus. The Ohio State University Wexner Medical Center, in the government sector, began a \$1 billion expansion in

Largest employers in the Columbus area

| Name of Employer | Nonfarm Payroll Sector | Number of Employees |
|---------------------------|------------------------|---------------------|
| The Ohio State University | Government | 29,950 |
| State of Ohio | Government | 25,800 |
| JPMorgan Chase & Co. | Financial activities | 20,500 |

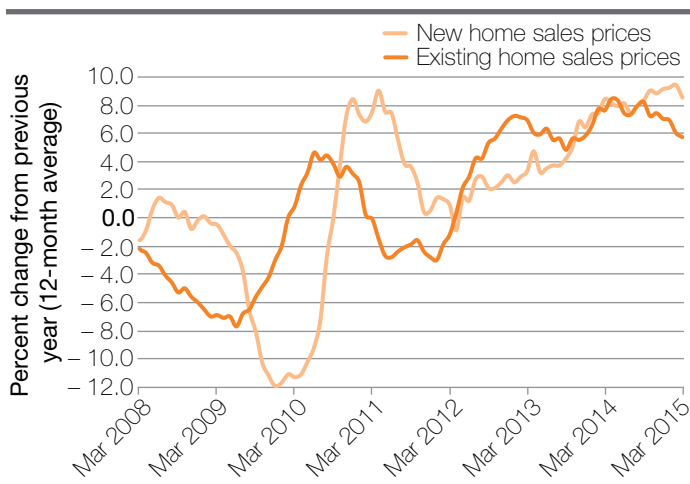
Note: Excludes local school districts.

Sources: Columbus 2020; Columbus Business First; *Book of Lists* 2014; Ohio Department of Administrative Services

Sales Market Conditions

The sales housing market in the Columbus metropolitan area is currently balanced. The estimated sales vacancy rate as of May 1, 2015, was 1.4 percent, down from 2.6 percent in April 2010, as moderate increases in home construction combined with increased population growth has resulted in the absorption of excess inventory since 2012. During the 12 months ending March 2015, existing

New and existing home sales prices have increased in the Columbus area since mid-2012.

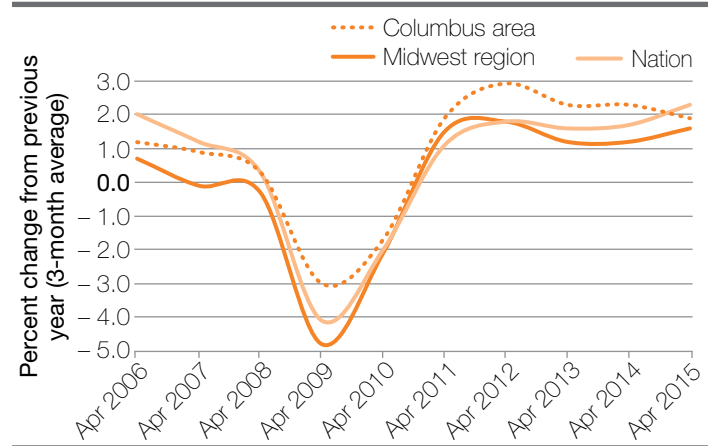


Note: Includes single-family homes, townhomes, and condominiums.

Source: CoreLogic, Inc., with adjustments by the analyst

2010. Together, new and expanded medical facilities are estimated to have added more than 9,000 jobs since 2010, in addition to the construction jobs generated by the building process.

Nonfarm payrolls have increased more than 2 percent annually in the Columbus area since 2010.



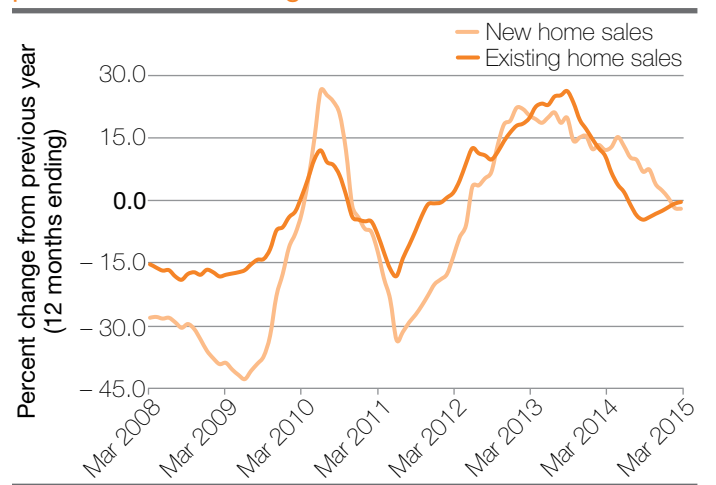
Note: Nonfarm payroll jobs.

Source: U.S. Bureau of Labor Statistics

home sales (including single-family homes, townhomes, and condominiums) totaled 30,950, a slight decrease from the 31,050 sold during the 12 months ending ending March 2014 (CoreLogic, Inc., with adjustments by the analyst). The average sales price of an existing home increased to \$171,900 during the 12 months ending March 2015, 6 percent higher than the previous 12-month period.

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Annual changes in new and existing home sales in the Columbus area have moderated since recent peak increases during 2013.



Note: Includes single-family homes, townhomes, and condominiums.

Source: CoreLogic, Inc., with adjustments by the analyst



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During the same period, new home sales declined 2 percent, to 3,250 homes, and the average new home sales price increased 9 percent, to \$279,500.

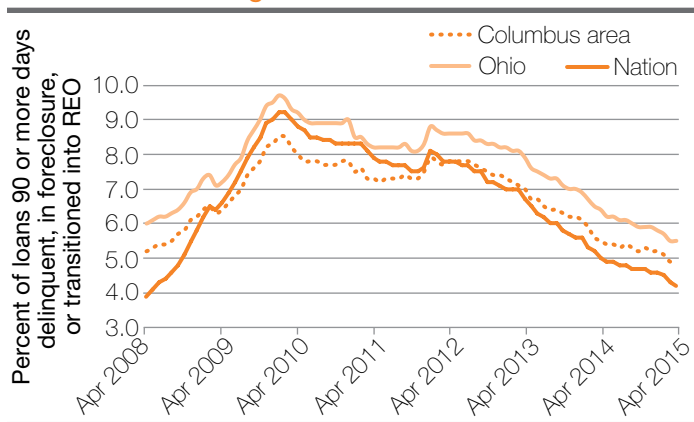
- During April 2015, the unsold inventory totaled 7,000 homes, 17-percent less than the unsold inventory during April 2014; 7,000 unsold homes represents a 2.9-month supply for a geographic area larger than the Columbus metropolitan area, as reported by local Realtors (Columbus Realtors®).
- An estimated 13 percent of existing home sales were distressed sales (real estate owned [REO] and short sales) during the 12 months ending March 2015, down from 23 percent a year earlier (CoreLogic, Inc., with adjustments by the analyst).
- Condominiums, defined as attached for-sale properties, accounted for 24 percent of all home sales during the 12 months ending March 2015, up from 20 percent during the previous 12-month period and well above the recent low of 15 percent during 2011. Franklin County, which includes the city of Columbus, accounted for 83 percent of all attached home sales in the metropolitan area during the 12 months ending March 2015 (Metrostudy, A Hanley Wood Company, with adjustments by the analyst).
- In April 2015, 4.9 percent of mortgage loans in the Columbus metropolitan area were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into REO status, down from 5.5 percent in April 2014. By comparison, the rates

of seriously delinquent loans and REO properties for the state of Ohio and the nation were 5.5 and 4.2 percent, respectively, during April 2015 (Black Knight Financial Services, Inc.).

Because of strengthening economic conditions and population growth since 2012, homebuilders have increased single-family home construction, as measured by the number of single-family homes permitted.

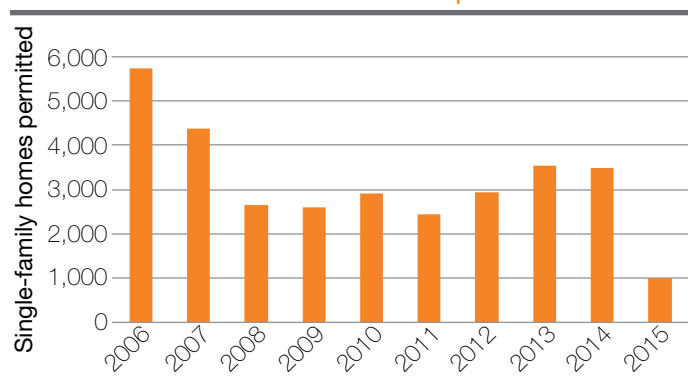
- During the 12 months ending April 2015, the number of single-family homes permitted totaled 3,500, a 4-percent increase from the 3,375 homes permitted during the previous 12-month period (preliminary data).
- Single-family homebuilding averaged 2,700 homes annually from 2008 through 2012 before increasing to 3,525 homes during 2013.
- During the 12 months ending April 2015, single-family homes permitted in Franklin County accounted for 48 percent of all single-family homes permitted in the Columbus metropolitan area, up from 44 percent during the 12 months ending April 2014.
- In downtown Columbus, occupancy at the second phase of the Bishop’s Walk condominium homes began in early 2015, and 11 of 15 units are sold, with remaining units starting at \$179,600. In the city of Lewis Center, in Delaware County, Ryan Homes is offering 35 single-family home sites at Villas of Olentangy starting at \$259,900.

The rate of seriously delinquent loans and REO properties in the Columbus area has been lower than in Ohio but higher than in the nation.



REO = real estate owned.
Source: Black Knight Financial Services, Inc.

Single-family home permitting in the Columbus area has increased but remained below prerecession levels.



Note: Includes preliminary data from January 2015 through April 2015.
Source: U.S. Census Bureau, Building Permits Survey



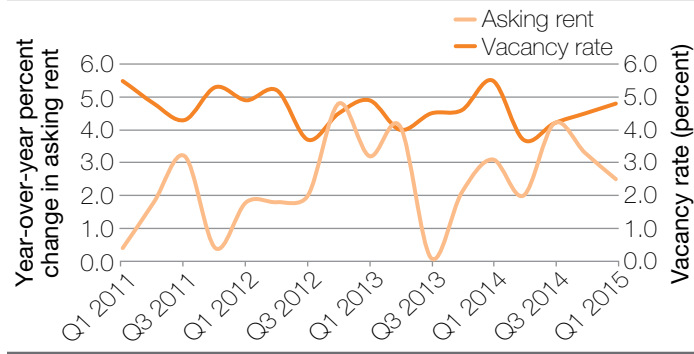
Apartment Market Conditions

Despite high levels of new apartment production since 2012, apartment market conditions are balanced in the Columbus metropolitan area because of a growing economy and increased population growth.

During the first quarter of 2015—

- The apartment vacancy rate was 4.8 percent, down from 5.5 percent during the first quarter of 2014. The average asking rent was \$790, nearly 2.5 percent higher than the average rent reported during the first quarter of 2014 (MPF Research).
- Apartment vacancy rates in the nine MPF Research-defined market areas within the Columbus metropolitan area ranged from 3.4 percent in the Downtown/University District area to 5.8 percent in the Westerville/New Albany/Delaware area.
- The highest rent, \$1,100, was reported in the Downtown/University District area, and this area also recorded the largest year-over-year increase, of 9 percent.
- Concessions were offered at approximately 8 percent of apartments in the metropolitan area, unchanged from a year earlier, but the average value of the concession offered declined to 5 percent of monthly rent from 7 percent during the first quarter of 2014. By comparison, during the first quarter of 2010, nearly 38 percent of apartments offered concessions averaging 10 percent of monthly rent.

Apartment market conditions in the Columbus area have been strong, with low vacancy rates and positive rent growth.

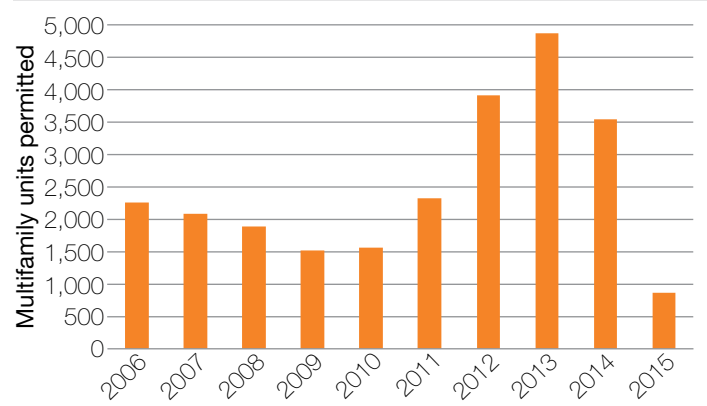


Source: MPF Research

Multifamily construction activity, as measured by the number of units permitted, declined from the previous 12-month period but was higher than during 7 of the past 9 years of permitting data.

- During the 12 months ending April 2015, 3,750 multifamily units were permitted, a decline of nearly 5 percent from the 3,925 units permitted during the previous 12-month period (preliminary data).
- The number of multifamily units permitted averaged 1,950 annually from 2006 through 2011 and increased to annual totals of 3,900 in 2012 and 4,875 in 2013.
- More than 77 percent of multifamily units permitted in the Columbus metropolitan area from 2006 through 2014 were permitted in the city of Columbus.
- About 4,075 apartment units are currently under construction in the Columbus metropolitan area, including 2,525 in the city of Columbus (MPF Research).
- In Hilliard, northwest of the city of Columbus, Avery Pointe began leasing 176 one-, two-, and three-bedroom units in the spring of 2015 with rents starting at \$894, \$1,199, and \$1,604, respectively. In the city of Columbus, approximately 7 miles north of downtown, Scioto Ridge recently broke ground; when it is complete in the summer of 2015, it will include 152 apartments with one- and two-bedroom units starting at \$999 and \$1,309, respectively.

Multifamily permitting in the Columbus area peaked from 2012 through 2014 in response to strong apartment market conditions.



Note: Includes preliminary data from January 2015 through April 2015.
Source: U.S. Census Bureau, Building Permits Survey

