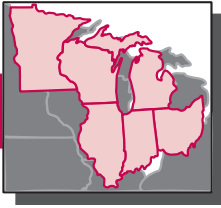


Housing Market Profile



Midwest • HUD Region V

Columbus, Ohio

The Columbus metropolitan area, which consists of eight counties in central Ohio, is the center of the state government, a hub for education and health services, and a growing base of regional transportation services. The city of Columbus is the state capital and home to The Ohio State University (OSU), which has an enrollment of 53,700 students at the Columbus campus. The university has an estimated economic impact of \$4 billion annually on the state and \$1.4 billion on the metropolitan area, according to OSU. As of October 1, 2009, the population of the metropolitan area is estimated at nearly 1.8 million; the city of Columbus accounts for approximately one-half of the total. The metropolitan area population increased by approximately 19,000, or 1.2 percent, from the level recorded a year ago.

During the 12 months ending September 2009, non-farm employment in the metropolitan area averaged 927,900 jobs, a decrease of 15,700 jobs, or 1.7 percent, compared with nonfarm employment during the previous 12 months. During the most recent 12-month period, the manufacturing sector declined by 4,200 jobs, or 6 percent, with transportation equipment manufacturing accounting for nearly 25 percent of the jobs lost in the sector. The financial activities and the professional and business services sectors declined by 2,800 and 2,700 jobs, respectively. Employment in the transportation and warehousing sector declined by 1,600 jobs, or 3.5 percent. According to the Columbus Chamber of Commerce, the Columbus area is located within 1 day's drive of nearly 50 percent of the population of the United States and Canada. As a result, employment in the transportation and warehousing sector has been growing until recently; between 2000 and 2008, the sector increased by 12,300 jobs, or more than 36 percent.

Despite the overall decline in jobs in the metropolitan area, during the 12 months ending September 2009, the education and health services sector added 4,000 jobs, an increase of 3.5 percent. The Ohio State University Medical Center announced plans to start construction on a major expansion during the spring of 2010. Estimated to cost \$1 billion and expected to open in 2014, the expansion will add 6,000 jobs to the medical center's current 11,700 positions and will support another 4,000 jobs in the metropolitan area. Leading employers in Columbus include The OSU, JPMorgan Chase & Co., and Nationwide Mutual Insurance Com-

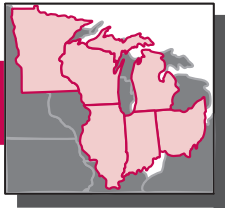
pany, which employ 21,100, 14,700, and 11,750 people, respectively. During the past 12 months, resident employment in the metropolitan area has declined. As a result, the average unemployment rate increased to 7.6 percent during the 12 months ending September 2009, up from the 5.2-percent rate recorded during the previous 12 months.

The slowing local economy and tighter mortgage lending standards have negatively affected home sales in the area, resulting in soft sales housing market conditions. According to data from The Columbus Board of REALTORS®, during the 12 months ending August 2009, approximately 18,800 existing homes were sold in the Columbus metropolitan area, a 12-percent decrease compared with the 21,350 homes sold in the previous 12 months. During the most recent 12-month period, the average sales price of an existing home was \$157,400, a 6-percent decline compared with the average price recorded during the same period a year ago. The average number of days a home remained on the market decreased from 114 during the 12 months ending August 2008 to 98 during the 12 months ending August 2009.

In response to slowing home sales, developers in the Columbus metropolitan area have decreased construction activity for single-family homes, as measured by the number of building permits issued. Based on preliminary data, during the 12-month period ending August 2009, 2,625 single-family homes were permitted, a 14-percent decline compared with the number of homes permitted during the previous 12-month period. Between 2006 and 2008, an average of 4,175 single-family homes a year were permitted. Prices for new three-bedroom, single-family homes in the city of Columbus start at approximately \$120,000, but in the suburb of Delaware, in the north portion of the metropolitan area, prices for new two-bedroom, single-family homes start at approximately \$140,000.

In downtown Columbus, the owner-occupied and rental housing inventory has grown by 4,200 units since 2002, according to the Columbus Downtown Development Corporation. As of the end of June 2009, nearly 400 condominium units were under construction and approximately 860 units were proposed. Prices for existing condominium properties in downtown Columbus start at approximately \$125,000 for small one-bedroom units; two-bedroom condominium units typically are priced between \$250,000 and \$450,000.

The rental housing market in the Columbus metropolitan area is soft due to slower renter household



growth and an increasing number of single-family homes available for rent. As of September 2009, the overall rental vacancy rate is estimated at 8.5 percent, down from approximately 11 percent as of September 2008. For the second quarter of 2009, the apartment vacancy rate in the Columbus metropolitan area was 8.0 percent, up from 7.4 percent for the same quarter of the previous year, according to data from Reis, Inc. The average effective rent, including rent concessions, was \$630 in the second quarter of 2009, down slightly from an average of \$640 recorded a year earlier. In downtown Columbus, vacancy rates and rents reflect a tighter rental market. During the second quarter of 2009, the vacancy rate was estimated at 3.9 percent, down from 4.3 percent recorded a year earlier. Average effective rents in downtown Columbus were estimated

at \$750 a month in the second quarter of 2009, up from an average of \$740 in the same quarter of the previous year. An estimated 43,700 of The OSU's students live off campus and contribute to the tighter rental market conditions in the downtown area.

Multifamily construction activity, as measured by the number of units permitted, has decreased in the metropolitan area during the past 5 years. Based on preliminary data, during the 12 months ending August 2009, the number of multifamily units permitted totaled 1,125, a decline of more than 35 percent from the 1,750 units permitted during the previous 12 months. From 2000 to 2004, an average of 4,575 multifamily units a year were permitted, but the number of units permitted has declined each year since 2005.