

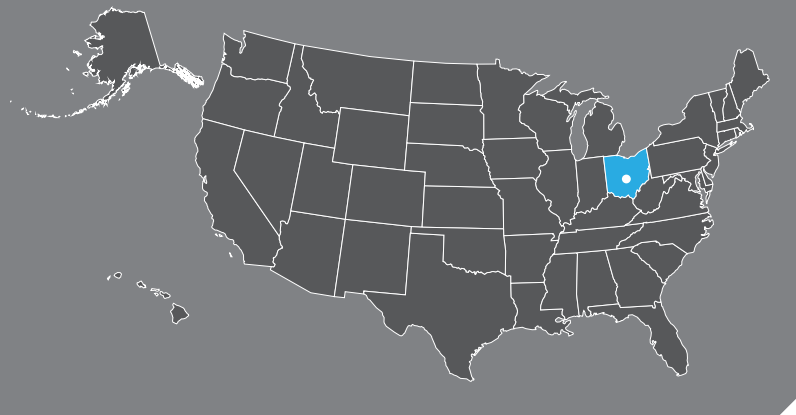
# HUD PD&R Housing Market Profiles

## Columbus, Ohio



### Quick Facts About Columbus

- Current sales market conditions: balanced
- Current apartment market conditions: balanced
- The Ohio State University (OSU), the largest employer in the Columbus metropolitan area, is one of the largest universities in the country, with more than 66,000 students at the Columbus campus. The Columbus campus of OSU directly or indirectly supported more than 62,000 jobs in the metropolitan area (Ohio State University; estimate is for 2019 to include prepandemic data).



By Gabe Labovitz | As of January 1, 2023

### Overview

The Columbus Metropolitan Statistical Area (hereafter, Columbus metropolitan area) includes 10 counties in central Ohio. The city of Columbus, in Franklin County, is the largest city in the metropolitan area and the capital of Ohio. Two of the three largest employers are in the government sector, which is the largest job sector in the metropolitan area, contributing nearly 16 percent of all nonfarm payrolls; by contrast, for the state of Ohio and nationally, government sector jobs constitute 14 and 15 percent of all nonfarm payrolls, respectively. Other major employers in the metropolitan area include JPMorgan Chase & Co., Nationwide Insurance, Huntington National Bank, and healthcare providers including Nationwide Children's Hospital, Mount Carmel Health System, and the Wexner Medical Center (within OSU).

- As of January 1, 2023, the population of the Columbus metropolitan area is estimated at 2.17 million, reflecting an average increase of 0.5 percent annually since April 1, 2020. By contrast, during the previous decade, from 2010 to 2020, the population rose an average of 1.2 percent annually.
- Since 2020, net natural change has fallen sharply to an estimated 5,275 people annually, compared with an average

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of 10,850 people annually from 2015 to 2020 (U.S. Census Bureau decennial census counts and population estimates as of July 1). At the same time, net in-migration averaged 12,400 people annually from 2015 to 2020 and has fallen to an average of 5,600 people annually since 2020. The decline in net natural change mirrors national trends, with declining births and increased deaths, including a surge of deaths since 2020 attributed to COVID-19.

## Economic Conditions

Economic conditions in the Columbus metropolitan area improved during the past year, with nonfarm payrolls growing by 17,700 jobs, or 1.6 percent, following 2.8-percent growth a year earlier. Despite the job gains, the payroll count in the Columbus HMA during the fourth quarter of 2022 was only 0.2 percent above the prepandemic average during the fourth quarter of 2019. By contrast, nationally, nonfarm payrolls were nearly 1.7 percent above the total during the fourth quarter of 2019, and for the Midwest region, nonfarm payrolls were 0.9 percent below the average during the same period in 2019. During the fourth quarter of 2022, four job sectors in the Columbus metropolitan area remained below fourth quarter 2019 averages. The largest deficits from 2019 to 2022 were in the professional and business services, the leisure and hospitality, and the government sectors, which trailed 2019 jobs by 7,200, 6,000, and 4,800 jobs, or 3.9, 5.5, and 2.6 percent, respectively. By contrast, payrolls in the trade, transportation,

- Franklin County is the most populous county in the metropolitan area, with about 1.32 million people; the population in Franklin County rose 1.3 percent annually, on average, from 2010 to 2020, before growth fell to average 0.1 percent annually since 2020. By contrast, the population in the nine suburban counties rose, on average, 1.0 percent annually from 2010 to 2020 and 1.2 percent annually since 2020.

and utilities sector and the mining, logging, and construction sector were 17,600 and 2,700 jobs above their respective averages from the fourth quarter of 2019.

During the fourth quarter of 2022—

- Nine of 11 nonfarm payroll sectors increased year over year, with the largest job gains in the government and the leisure and hospitality sectors, which added 4,800 and 4,100 jobs, or growth of 2.7 and 4.2 percent, respectively.
- Nearly 90 percent of job growth in the government sector was in the local government subsector. By contrast, payrolls in the federal government subsector fell by 200 jobs.
- Payrolls fell in the financial activities and the professional and business services sectors in the Columbus metropolitan area during the past year. In the financial activities sector, significant reductions in home sales, attributed to high sales

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### Nonfarm payrolls in all but two job sectors rose in the Columbus metropolitan area during the fourth quarter of 2022.

	3 Months Ending		Year-Over-Year Change	
	December 2021 (Thousands)	December 2022 (Thousands)	Absolute (Thousands)	Percent
<b>Total Nonfarm Payrolls</b>	1,117.5	1,135.2	17.7	1.6
Goods-Producing Sectors	117.7	121.7	4.0	3.4
Mining, Logging, & Construction	45.8	47.9	2.1	4.6
Manufacturing	71.9	73.7	1.8	2.5
Service-Providing Sectors	999.8	1,013.5	13.7	1.4
Wholesale & Retail Trade	143.1	146.3	3.2	2.2
Transportation & Utilities	94.5	96.5	2.0	2.1
Information	16.3	17.0	0.7	4.3
Financial Activities	86.7	86.2	-0.5	-0.6
Professional & Business Services	183.4	177.5	-5.9	-3.2
Education & Health Services	160.3	163.7	3.4	2.1
Leisure & Hospitality	98.7	102.8	4.1	4.2
Other Services	40.3	42.3	2.0	5.0
Government	176.4	181.2	4.8	2.7
<b>Unemployment Rate</b>	3.2%	3.1%		

Note: Numbers may not add to totals due to rounding.

Source: U.S. Bureau of Labor Statistics



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prices and increased mortgage interest rates, led to job losses in the real estate and mortgage lending industries.

- The unemployment rate in the Columbus metropolitan area was 3.1 percent, down from 3.2 percent a year earlier and well below the 5.4-percent rate during the fourth quarter of 2020. The current rate of 3.1 percent is the lowest fourth quarter rate since the fourth quarter of 2000, whereas the fourth quarter 2020 unemployment rate of 5.4 percent was the highest fourth quarter rate since 2012, when the rate was 6.0 percent.

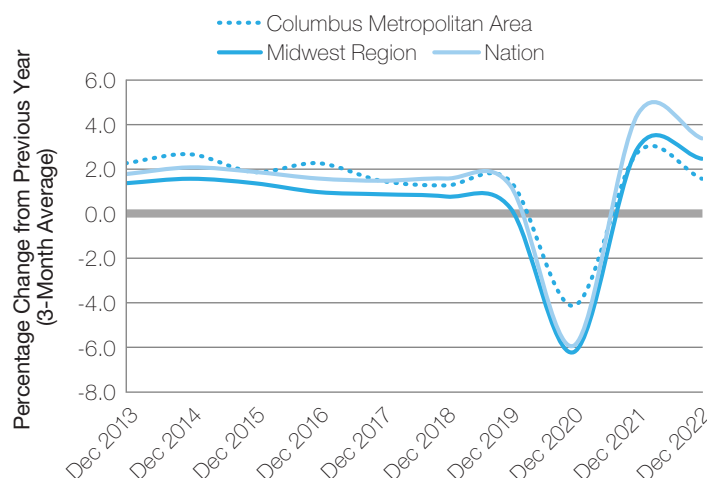
In the Columbus metropolitan area, jobs in the manufacturing sector during the fourth quarter of 2022 rose by 1,800, or 2.5 percent, from a year earlier. Despite that growth, manufacturing jobs contributed 6.5 percent of total nonfarm payrolls, down from 7.0 percent of total nonfarm payrolls during 2013. Also, jobs in the manufacturing sector are a smaller share of the economy in the Columbus metropolitan area than nationally, where manufacturing payrolls contributed 8.4 percent of overall jobs during the fourth quarter of 2022. During early 2022, Intel announced plans to build two new silicon computer chip manufacturing plants in suburban Licking County on a campus known as Ohio One, with a combined development cost of approximately \$20 billion. The plants are expected to create 5,000 to 7,000 jobs in the construction sector during their development and an estimated 3,000 manufacturing jobs once the plants are operational, estimated in 2025. The state of Ohio and local governments have offered incentives for the project totaling approximately \$2 billion.

## Sales Market Conditions

The sales housing market in the Columbus metropolitan area is balanced. The sales vacancy rate is estimated at 1.0 percent, compared with 2.6 percent during April 2010, when the sales housing market was soft. Improving economic conditions during the past 10 years have led to consistent population and household growth, and comparatively low levels of single-family home permitting allowed for the absorption of excess vacant inventory. During December 2022, approximately 2,750 homes were for sale in the metropolitan area, representing 1.2 months of supply, compared with 0.9 month of supply a year earlier (CoreLogic, Inc.). By contrast, 11,150 homes were available for sale during December 2011, representing 7.6 months of supply.

As of December 2022, 1.2 percent of home loans were seriously delinquent or in real estate owned (REO) status, down from 1.7 percent a year earlier and well below the recent peak of 3.8 percent during August 2020, when impacts from the COVID-19 pandemic and efforts to slow its spread led to an economic

## Payroll growth in the Columbus metropolitan area lagged behind regional and national rates in the past year.



Source: U.S. Bureau of Labor Statistics

## Largest Employers in the Columbus Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
The Ohio State University	Government	33,650
State of Ohio	Government	22,750
JPMorgan Chase & Co.	Financial Activities	16,900

Note: Excludes local school districts.

Source: Columbus Business First, 2022

contraction. By contrast, during December 2022, the rate of home loans that were seriously delinquent or in REO status was 1.5 percent for the state of Ohio and 1.3 percent nationally.

New and existing home sales in the Columbus metropolitan area totaled 44,900 during 2022, nearly 12 percent fewer homes than sold during 2021, and the average sales price was \$330,600, nearly 13 percent above the average sales price during 2021. Home sales in the metropolitan area began to slow early in 2022 because of high sales prices and increasing mortgage interest rates, which averaged 6.4 percent during December 2022, compared with an average of 3.1 percent during December 2021 (Freddie Mac).

During 2022—

- New home sales totaled 5,525—nearly 12 percent higher than new home sales a year earlier and the highest annual sales total since 2008 (Zonda). The 4,950 new home sales

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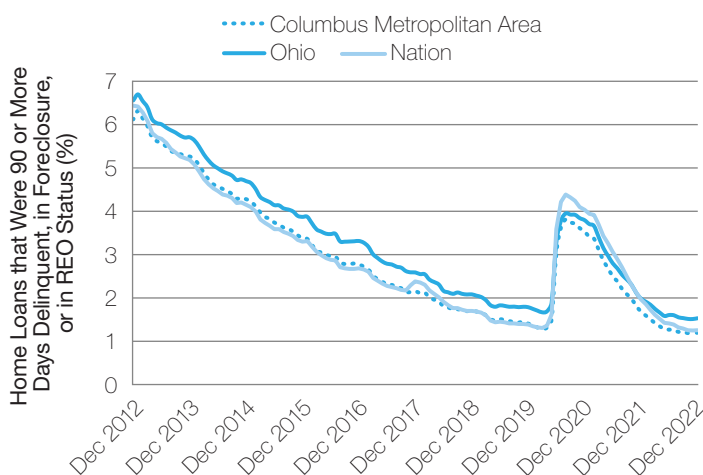


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in the area during 2021 were nearly 14 percent higher than new home sales a year earlier; because of changes in the work environment, including part- or full-time work-from-home and remote learning for many students, many households sought larger living spaces during 2021.

- Existing home sales totaled 39,400, or 14 percent fewer existing home sales than a year earlier; by contrast, the 45,800 existing home sales during 2021 were nearly 10 percent above the level during 2020. Existing home sales peaked at 46,850 sales during the 12 months ending May 2022 before falling later in the year because of high sales prices and increasing mortgage interest rates.
- As a result of a strong recovery in jobs following the initial impacts of the COVID-19 pandemic on the local economy, the average sales prices for both new and existing home sales are at high levels. The average new home sales price was \$469,600, nearly 15 percent higher than the average a year earlier, and the average existing home sales price was \$311,100, nearly 11 percent higher than the average sales price during 2021.
- REO home sales contributed 1.0 percent of all existing home sales, compared with 1.5 percent of all existing home sales during 2021; the share of existing home sales that were REOs reached a peak of nearly 30 percent during the spring of 2009, following the Great Recession. The decline in the REO share of sales contributed to the current high sales prices for existing homes because, during 2022, the average price for an REO sale was \$213,100, compared with \$312,000 for a regular resale.

After briefly rising during 2020 and 2021, the percentage of home loans 90 or more days delinquent, in foreclosure, or in REO status in the Columbus metropolitan area has fallen below 2019 levels.



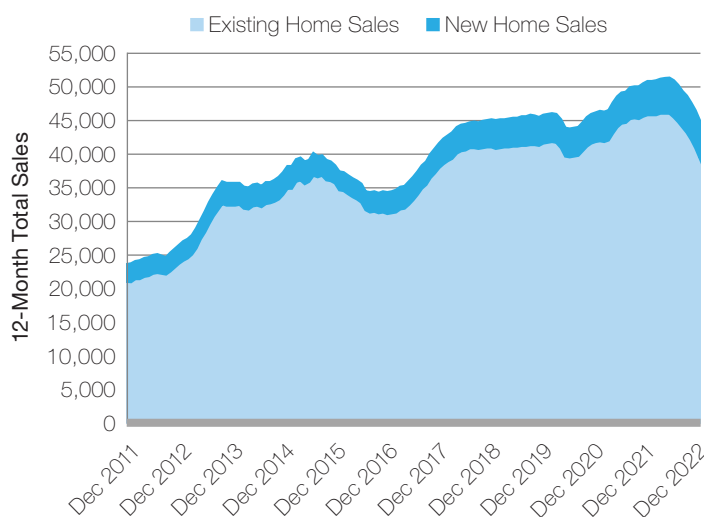
REO = real estate owned.  
Source: CoreLogic, Inc.

As a result of current relatively strong sales housing market conditions, single-family homebuilding, as measured by the number of single-family homes permitted, was at high levels in 2021. Because of the modest decline in home sales during 2022, single-family home permitting also slowed during 2022 but was still above prepandemic average levels.

- During 2022, approximately 5,625 single-family homes were permitted in the Columbus metropolitan area, down

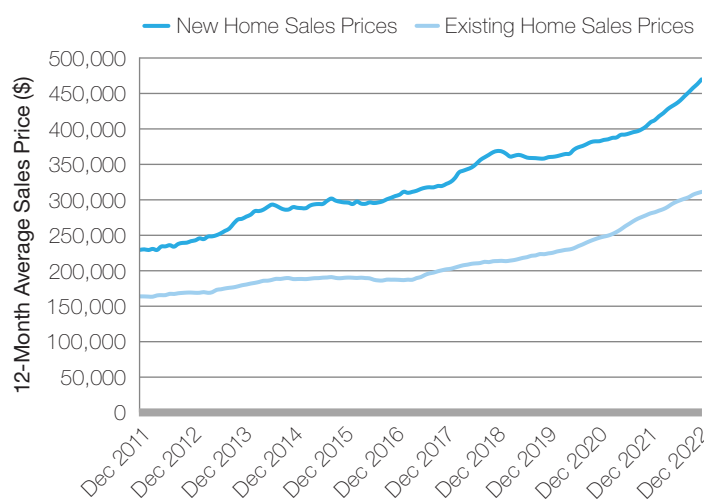
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New and existing home sales reached recent peaks during 2022 in the Columbus metropolitan area.



Note: Sales include single-family homes, townhomes, and condominiums.  
Source: Zonda

New and existing home sales prices in the Columbus metropolitan area increased at strong rates during 2022.



Note: Prices include single-family homes, townhomes, and condominiums.  
Source: Zonda

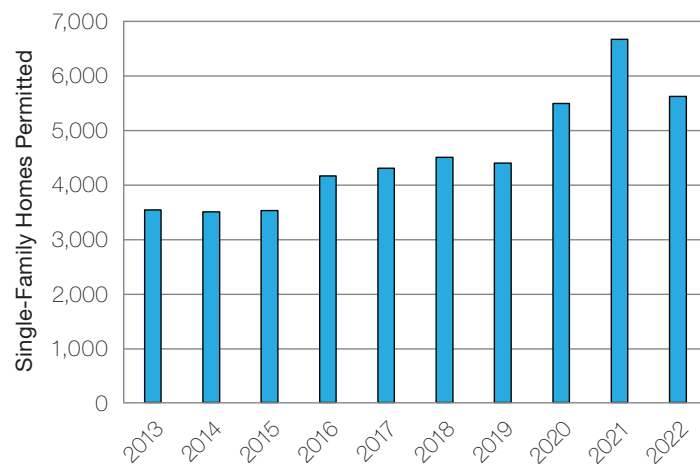


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nearly 16 percent from homes permitted a year earlier but still higher than any preceding year since 2006 (preliminary data). By comparison, the 6,650 homes permitted during 2021, in response to strong sales demand, was the highest level of permitting since 2005.

- Single-family home permitting averaged 3,525 homes annually from 2013 through 2015 and rose to average 4,325 homes permitted annually from 2016 through 2019.
- Despite having approximately 61 percent of the total population in the metropolitan area, Franklin County, including the city of Columbus, had 32 percent of the single-family permitting during 2022, the same proportion of homes permitted during 2018 and 2019 but well below the 42 percent of single-family homes permitted from 2013 through 2017.
- Construction is underway at the Ravines of the Olentangy, in the city of Delaware in Delaware County, where eight different single-family home designs are offered, ranging from two to six bedrooms and from two to four bathrooms, with starting prices ranging from about \$401,000 to \$447,000.

The number of single-family homes permitted in the Columbus metropolitan area has been at relatively elevated levels since 2020.



Sources: U.S. Census Bureau, Building Permits Survey; 2013–21—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

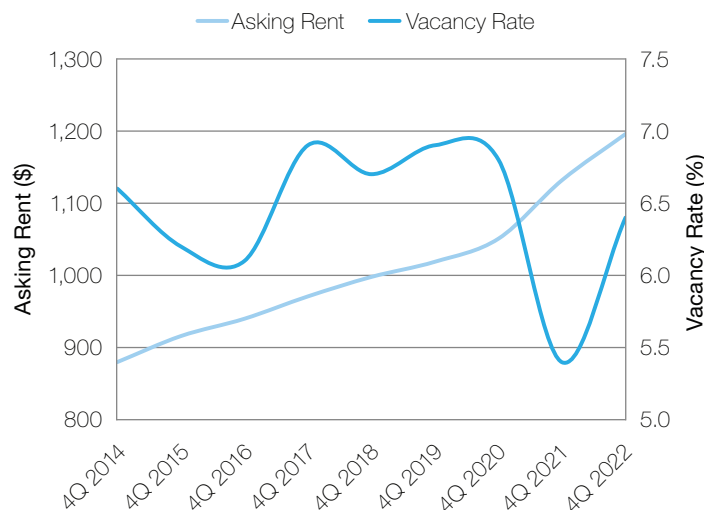
## Apartment Market Conditions

Apartment market conditions in the Columbus metropolitan area are currently balanced. Strong renter household growth in the metropolitan area since 2010 has contributed to current balanced apartment market conditions despite significant new apartment construction that has reached nearly record highs during the past 3 years. During the fourth quarter of 2022, the apartment vacancy rate was 6.4 percent, compared with 5.4 percent a year earlier (CoStar Group). The current apartment vacancy rate is in line with recent historic trends; from 2015 through 2020, the fourth quarter apartment vacancy rate averaged 6.6 percent. Approximately 5,100 new apartments entered the market during 2022, contributing to the increased vacancy rate during the past year, and the relatively higher rents for the new units that were added to the inventory contributed to the overall increase in the average reported rents.

During the fourth quarter of 2022—

- The average apartment rent in the metropolitan area was \$1,196, an increase of 6 percent from a year earlier; rent growth in the metropolitan area is slowing, however, as the average rent in the fourth quarter of 2021 increased 8 percent from a year earlier (CoStar Group). By comparison, in the previous 3 years, rent growth averaged 3 percent.
- Among the 14 CoStar Group-defined market areas that make up most of the Columbus metropolitan area, the highest average rent was in the Downtown Columbus area, where the

The apartment vacancy rate in the Columbus metropolitan area has risen during the past year, but average asking rents have continued to increase strongly.



4Q = fourth quarter.

Source: CoStar Group

rent was \$1,508, or 3.5 percent above the rent a year earlier. The fastest rate of rent growth was in the Union County market area, where the rent rose 9.2 percent to \$1,353. Union County is estimated to have had the fastest rate of

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population growth among the 10 counties in the metropolitan area since July 2020, increasing 3.0 percent a year.

- Apartment vacancy rates in the CoStar Group-defined market areas ranged from 0.7 percent in the Madison County market area to 9.0 percent in the Southern Columbus market area. The largest decline in apartment vacancy was in the Union County market area, where the rate fell from 12.3 percent during the fourth quarter of 2021 to 8.1 percent currently.
- In December 2022, the average vacancy rate for professionally managed single-family home rentals was 2.2 percent, unchanged from the rate during December 2021, and the average rent for a three-bedroom home was \$1,744, more than 10 percent higher than a year earlier (CoreLogic, Inc.). In Franklin County, the vacancy rate was 2.6 percent, up from 2.5 percent a year earlier, and the average rent for a three-bedroom home was \$1,800, nearly 9 percent higher than a year earlier.

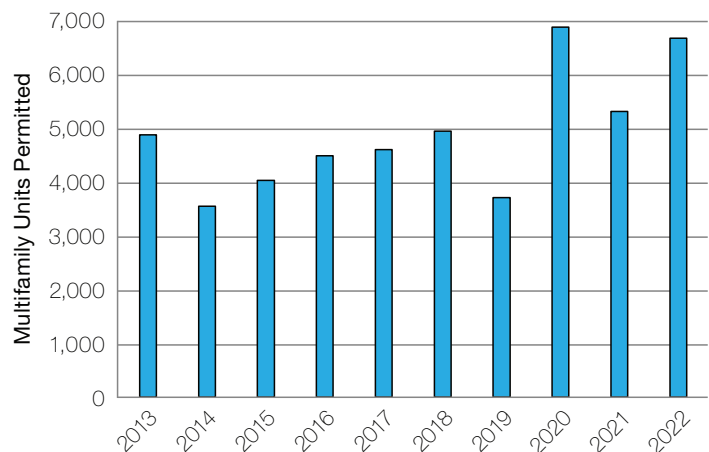
Multifamily construction activity, as measured by the number of units permitted, is at nearly record-high levels and has increased sharply during the past year. An estimated 9,600 units are under construction in the metropolitan area.

- During 2022, approximately 6,675 multifamily units were permitted in the Columbus metropolitan area, compared with 5,300 units permitted during 2021 (preliminary data).
- The recent peak level of multifamily permitting in the Columbus metropolitan area occurred during 2020, when 6,875 units were permitted, many of which entered the market during 2022 and pushed the apartment vacancy rate up 1 percentage point during 2022. Multifamily permitting was reasonably steady from 2013 through 2018, averaging 4,400 units annually, before briefly declining to 3,700 units permitted during 2019.
- Multifamily permitting in the metropolitan area is highly concentrated in Franklin County, which accounted for nearly 95 percent of all multifamily units permitted during 2022. From 2018 through 2021, Franklin County had only

84 percent of all multifamily units permitted, but previously, from 2013 through 2017, an average of 94 percent of all multifamily units were permitted in Franklin County.

- Victoria Manor, in northeast Columbus, which opened during the summer of 2022, includes 480 one-, two-, and three-bedroom apartments with starting rents ranging from \$1,045 for one-bedroom units to \$1,950 for three-bedroom units. In Lancaster, in suburban Fairfield County, Flats on Memorial opened in the fall of 2022 and includes 222 units. Rents start at \$1,250, \$1,385, and \$1,665 for one-, two-, and three-bedroom units, respectively.
- In the city of Canal Winchester, located primarily in suburban Franklin County, Brynwood Reserve apartments is under construction and will include 240 one- and two-bedroom units; it is scheduled to open in the spring of 2023. In Newark, in suburban Licking County, The Landing at Newark Station apartments is under construction and expected to open in fall 2023, offering 108 studio, one-bedroom, and two-bedroom apartments.

**Since 2020, multifamily permitting in the Columbus metropolitan area has been at relatively elevated levels.**



Sources: U.S. Census Bureau, Building Permits Survey; 2013–21—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

## Terminology Definitions and Notes

### A. Definitions

Building Permits	Building permits do not necessarily reflect all residential building activity. 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.
Existing Home Sales	Includes regular resales and REO sales.
Home Sales/Home Sales Prices	Includes single-family, townhome, and condominium sales.
Net Natural Change	Resident births minus resident deaths.
Regular Resales	These are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party and may include short sales.
Seriously Delinquent Mortgages	Mortgages 90 or more 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.
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