Regional building activity

FINDINGS SUMMARY
Central Ohio grew by more than 181,000 people since 2011. Its housing production largely kept pace with growth through a combination of new construction and people moving into previously vacant units.

The region needs more than 246,000 homes to accommodate 615,000+ new people living in Central Ohio by 2050.

Source: Mid-Ohio Regional Planning Commission housing and population projections.
PERMITTING ACTIVITY
IN CENTRAL OHIO

Due to a tight vacancy rate (2%), new construction will be critical in meeting the region’s housing needs.

Building permits are at an all-time high, with 12,000+ issued in 2018. Most of this activity was in multifamily development in Franklin County (61%).

Nearly 42,000 new homes are in the region’s development pipeline.

Source: Mid-Ohio Regional Planning Commission.
Station #2

Development barriers & costs

FINDINGS SUMMARY
According to developers, lack of political and public support for affordable housing and density negatively affect residential development in Central Ohio.

Local land use regulations and costs associated with construction materials and labor and infrastructure increase development costs.
TOP 5 BARRIERS TO HOUSING DEVELOPMENT IN CENTRAL OHIO

1. Politics and neighborhood perception (80%)
2. Local land use regulations (60%)
3. Cost of construction materials (40%)
4. Cost of construction labor (30%)
5. Infrastructure costs (30%)

Source: Online survey of regional developers, conducted by IceMiller as part of the Regional Housing Strategy (n = 31).
FINDINGS SUMMARY

Regulatory, construction, and land costs all influence the ability to increase homes in Central Ohio.

Multifamily development in the region is becoming more costly, driven by higher construction costs and land values.
DEVELOPMENT COSTS
IN CENTRAL OHIO

Regulatory costs
Regional developers estimate regulatory costs account for about one-quarter of total development costs.

Multifamily development costs
Construction costs increased by $26 per square foot (to $182 per square foot) since 2016.

The highest land value of multifamily developments of 40+ units is in Delaware County ($1.1 million).

Source: Online survey of regional developers, conducted by IceMiller as part of the Regional Housing Strategy (n= 31).
Homeownership trends

FINDINGS SUMMARY
A majority of residents living in Central Ohio own their homes (61%).

Today, homeowners are spending, on average, **19% of their income on housing costs**, down from 22% in 2012.

Homeowners are spending more on housing even though **their monthly costs have decreased** since 2006.

It is increasingly difficult to become a homeowner in Central Ohio, especially if you are a person of color. More homes are selling for higher prices. The region experienced gains in homes selling for $150,000+ since 2012.

African-Americans submitted 20,000 fewer home loan applications than Whites and were denied twice as often.

FINDINGS SUMMARY
Renters makes up 39 percent of households in Central Ohio.

Today, renters are spending, on average, 27% of their income on housing costs, down from 29% in 2012.

Units at rents affordable to extremely and very low-income households are scarce in Central Ohio.

AFFORDABLE RENTAL HOMES IN CENTRAL OHIO

Rents **below $700** are typically attainable to **extremely and very low-income households** in Central Ohio.

Nearly **40% of households** in Central Ohio qualify as extremely or very low income.

However, **less than one-quarter** of units in Central Ohio offer rents at this price point.

Residents’ perceptions

FINDINGS SUMMARY
The location of homes matters to residents of Central Ohio.

Respondents believe housing should be **safe and near good schools, shopping**, and other amenities.

They are also juggling **transportation and healthcare costs**, in addition to housing costs.

Source: Online survey of residents and housing service providers, conducted by RAMA as part of the Regional Housing Strategy.
FINDINGS SUMMARY
Today, 213,000+ households in Central Ohio spend 30% or more of their household income on housing costs.

Overall, fewer households (20,000+ households) are cost-burdened than in 2012. Cost-burdens have increased among households with incomes of $20,000-$35,000.

Evictions in Central Ohio reinforce instability among renters.

Evictions in the Central Ohio region are nearly twice the national average:

- United States: 2.34 evictions per 100 renters
- Central Ohio: 4.10 evictions per 100 renters

Evictions are much higher among renters living in high-poverty areas and areas with higher percentages of African-Americans:

- High-poverty areas: 9.70 evictions per 100 renters
- Majority African-American areas: 8.70 evictions per 100 renters

Sources: Eviction Lab at Princeton University (October 2019) via Mid-Ohio Regional Planning Commission.
FINDINGS SUMMARY
A majority of developers (65%) shared that financing and access to debt are two critical factors in making their projects work.

Local, state, and federal resources are being used to support residential development in Central Ohio, but developers still see gaps.
DEVELOPMENT GAPS IN CENTRAL OHIO

- Use of tax increment financing for residential development
- Tax abatements
- Incentives tailored to single-family homes
- Tools to serve households earning between 60% and 100% AMI

Source: Online survey of regional developers, conducted by IceMiller as part of the Regional Housing Strategy (n = 31).