

II. Executive Summary

Based upon a report issued by the Urban Land Institute and Mid-Ohio Regional Planning Commission, Central Ohio is expected to add as many as 1,000,000 people by 2050. The report concluded the area may not be able to accommodate the expected number of new households without reducing the land necessary to provide an adequate number of choices. Further, current housing production is only providing a small share of needed new housing.

The purpose of this report is to estimate the need for new residential housing (for-sale and multifamily rental) in the Columbus, Ohio Metropolitan Statistical Area (MSA) based on projected job growth scenarios for the region through year 2050.

This report concluded that the Columbus MSA and the 10 counties within are projected to gain a million more people from the significant number of jobs expected to be generated through year 2050. There will be a corresponding need for additional housing units to accommodate and realize this job growth. This report also concluded that there are indicators that the Columbus region may not be positioned to address the housing need to accommodate the projected job growth. These indicators included current permitting activity and challenges to affordability.

National peer cities were profiled to provide context to the housing need challenges the Columbus region may face if development activity does not keep pace with job growth projections.

A summary of our findings is detailed as follows:

Housing Need Estimates

The table below summarizes estimated housing need projections by tenure to year 2050 for all geographic areas of study. For detailed figures on projected housing need by income cohorts, see the individual MSA and County profiles detailed in Section VII.

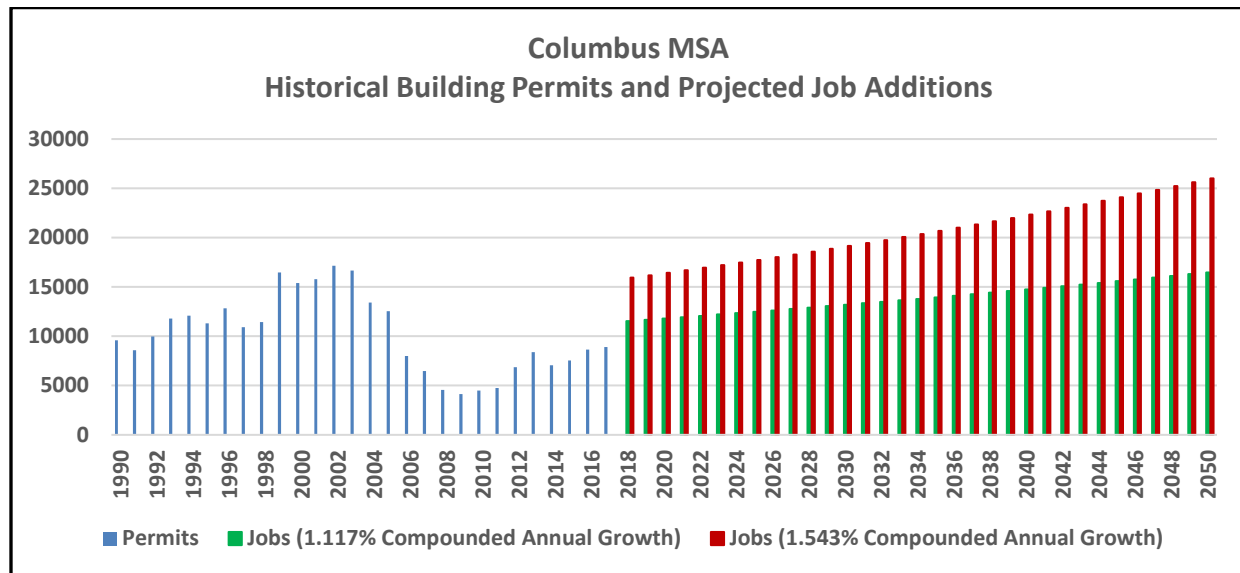
Housing Unit Need to Year 2050						
Geography	Renter		Owner		All	
	1990 to 2017 Historical Growth Trend	2010 to 2017 Historical Growth Trend	1990 to 2017 Historical Growth Trend	2010 to 2017 Historical Growth Trend	1990 to 2017 Historical Growth Trend	2010 to 2017 Historical Growth Trend
Columbus MSA*	233,351	346,392	224,246	332,877	457,597	679,269
Delaware County	63,320	24,734	195,918	76,530	259,238	101,264
Fairfield County	15,798	13,512	25,736	22,012	41,533	35,524
Franklin County	120,534	283,988	84,356	198,750	204,890	482,739
Hocking County	956	216	1,625	367	2,581	583
Licking County	16,033	14,334	23,745	21,229	39,778	35,563
Madison County	1,422	1,994	2,268	3,180	3,689	5,174
Morrow County	1,393	1,236	3,411	3,027	4,804	4,263
Perry County	1,373	1,367	2,212	2,202	3,585	3,569
Pickaway County	2,472	3,695	4,676	6,990	7,148	10,686
Union County	7,296	4,439	17,614	10,716	24,911	15,155

Source: Vogt Strategic Insights; Regionomics LLC; Department of Labor Statistics; ESRI

*The aggregate of individual county data does not equal the MSA data due to rounding carried through individual year-end calculations for each respective county.

Building Permit Trends

The following chart details historical building permits from 1990 to 2017 and the yearly job additions projected in the Columbus MSA to year 2050 under two compounded annual job growth scenarios (see Section VII for each individual county):

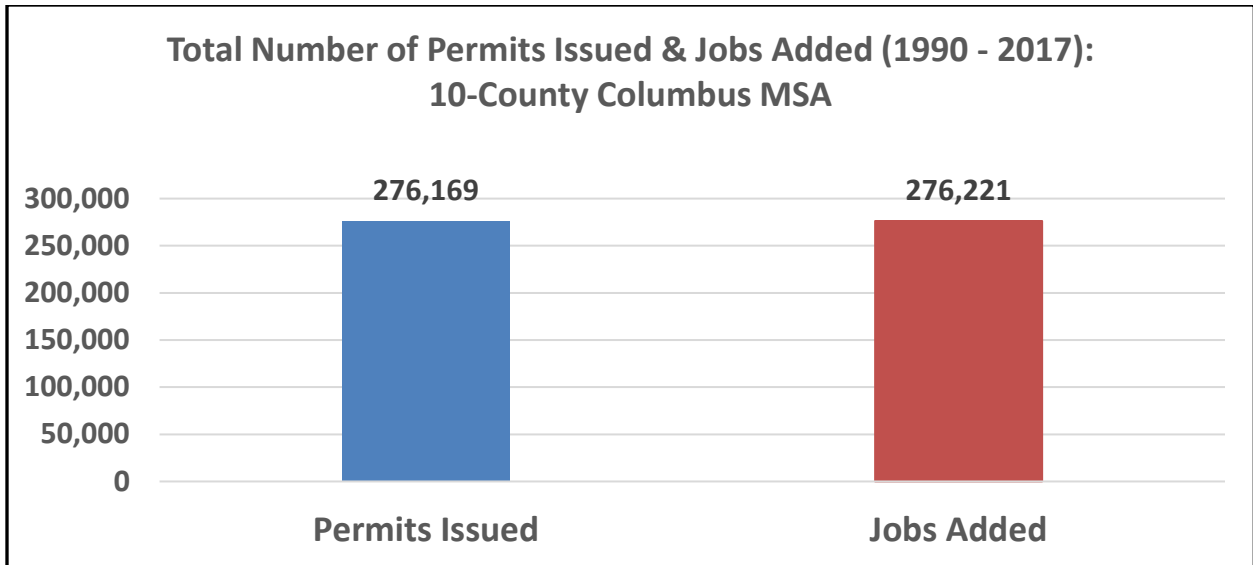


Source: Vogt Strategic Insights; Regionomics LLC; Department of Labor Statistics; State of the Cities Data Systems (SOCDS)

In the preceding chart, the green growth trend bars assume a compounded annual job growth rate of 1.117%. This is the historical compounded annual job growth rate in the Columbus MSA from 1990 to 2017. The red growth trend bars assume a compounded annual job growth rate of 1.543%. This is the historical compounded annual job growth rate in the Columbus MSA from 2010 to 2017.

Clearly, if historical building permit activity continues, the Columbus MSA will **not** meet the housing need based on the anticipated job growth projections through year 2050. In the Columbus MSA, the yearly average number of building permits from 1990 to 2017 was 10,205 (single-family and multifamily permits). If considering the time period from 2010 to 2017, the Columbus MSA averaged 7,077 building permits per year. Based on our job growth projections, the Columbus MSA will average 14,300 to 21,227 new jobs every year through year 2050. This further highlights the inadequate housing development in the Columbus MSA to meet the housing need that will be generated by new jobs added to the region over the next three decades. **Based on our estimates, permitting activity needs to increase two- to three-fold to meet the projected housing need over the next several decades.**

The following chart details the change in employment and reported permits issued in the Columbus MSA from 1990 to 2017.



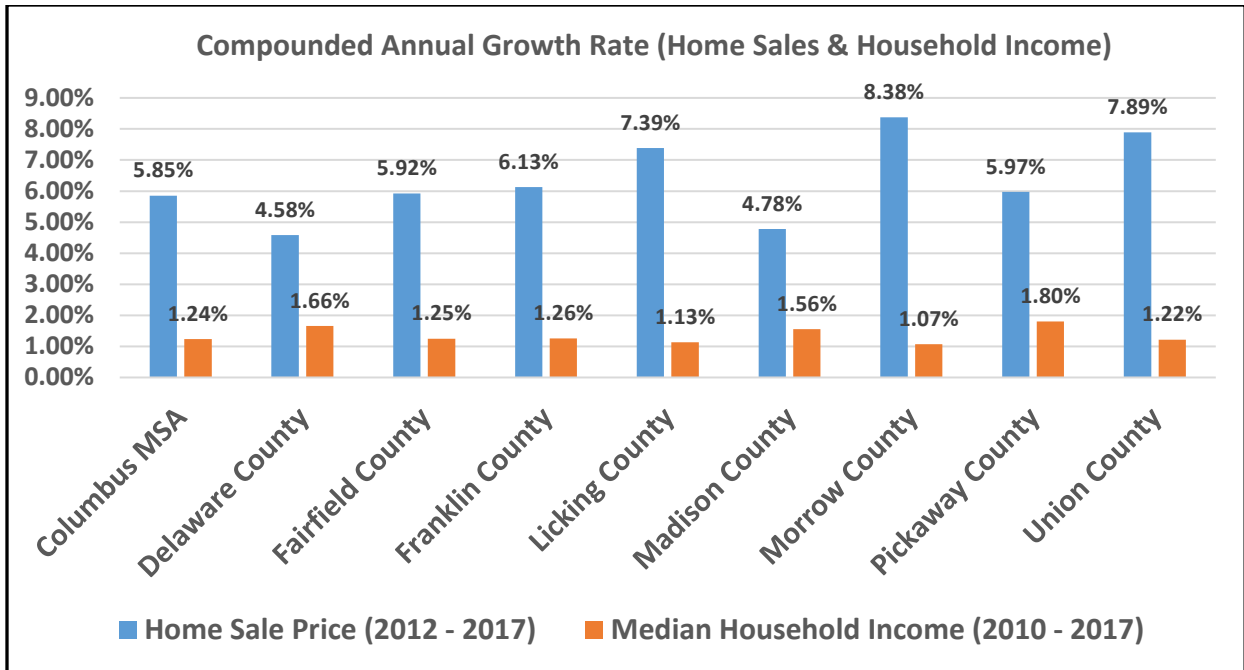
Source: Vogt Strategic Insights; Regionomics LLC; Department of Labor Statistics; State of the Cities Data Systems (SOCDS)

Within the Columbus MSA, the aggregate change in seasonally adjusted employment from 1990 to 2017 was 276,221 while the number of permits reported in the Columbus MSA during this same time period was 276,169. This is a deviation of less than 0.1%. **Based on the historical employment growth and permitting activity in the Columbus MSA from 1990 to 2017, the job growth to housing need ratio assumption to year 2050 is one-to-one (1:1).**

Affordability

A factor that impacts a region’s ability to provide the housing to meet job growth expectations is affordability.

The chart on the following page details the compounded annual growth rates for home sales (years 2012 to 2017) and median household incomes (years 2010 to 2017) for the Columbus MSA and the 10 counties that comprise the MSA.

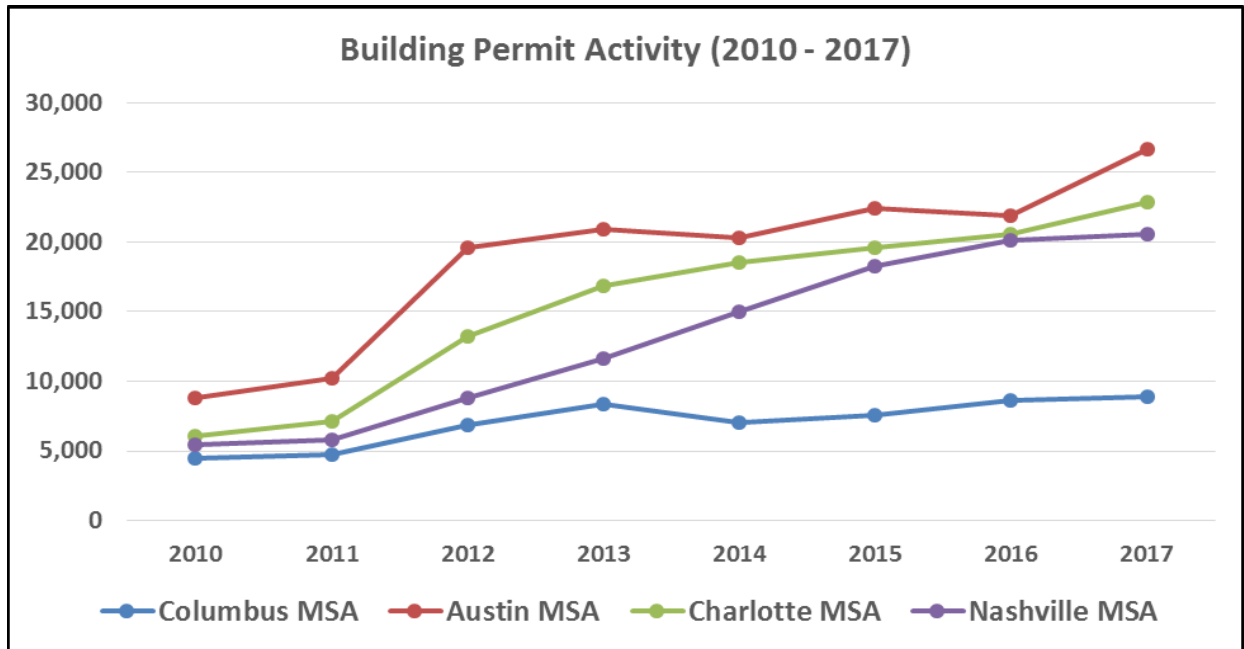


Source: U.S. Census; Vogt Strategic Insights; American Community Survey (ACS); ESRI; Urban Decision Group; Redfin

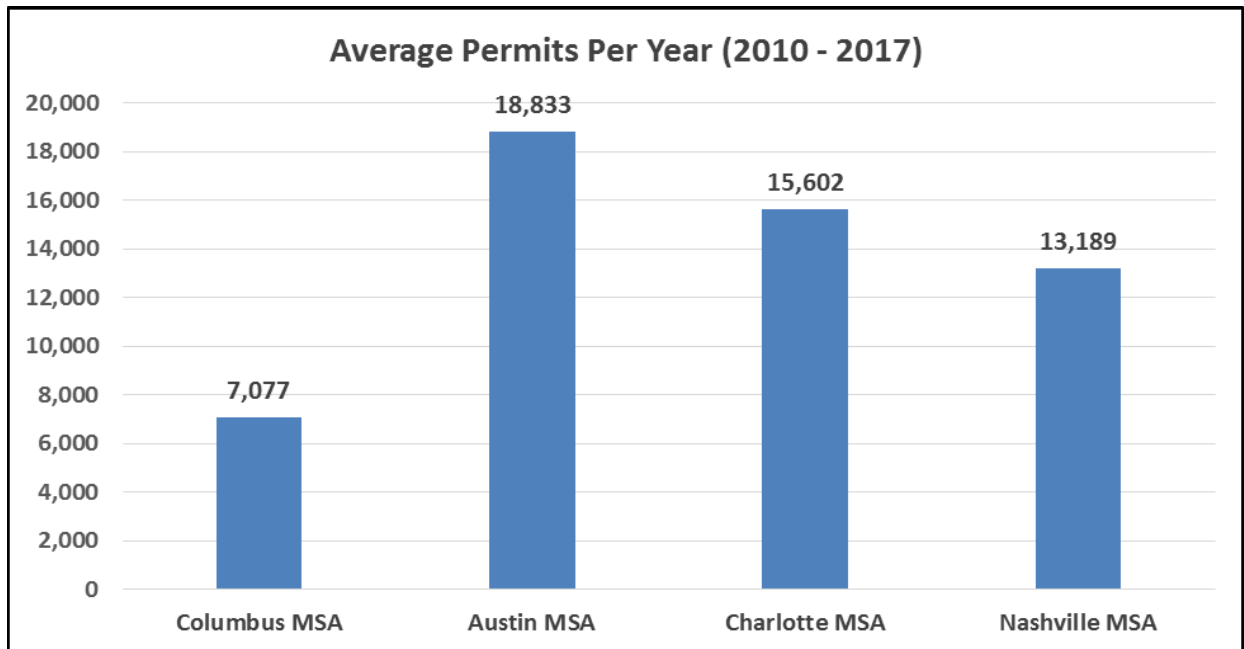
Within all geographic areas of study, the increases in median home sale prices have far outpaced the median household income growth. **In the Columbus MSA, the compounded annual growth rate in home price is nearly five times the compounded annual growth rate in the median household income.** These trends will further exacerbate affordability housing challenges in the Columbus region and will limit the Columbus market from realizing job growth projections.

National Comparable Cities

We have compared Central Ohio permitting activity to other peer regions. VSI case studied three national MSAs that have relative socioeconomic similarities to Central Ohio. The three national MSAs evaluated are Austin, Charlotte and Nashville (see the charts on the following page).



Source: Vogt Strategic Insights; State of the Cities Data Systems (SOCDS)



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Since 2010, the Columbus MSA has averaged just under 7,100 permits per year (single-family and multifamily) whereas the national peers have averaged two to three times more permitting activity during the same time period. Clearly, the Columbus MSA is not keeping pace with national peers. There are a multitude of factors that are contributing to this including, but not limited to, the following: zoning, land availability, regulatory guidelines, construction costs and availability of skilled workers. If permitting activity does not increase, Columbus will not realize its job growth projections and housing affordability challenges will be exacerbated.