Preliminary Residential Market Analysis Findings

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Stakeholders: Market Observations

Delaware attracts those from Columbus/Franklin for:

- More affordability
- Lower income taxes
- Good schools
- Small town life

Cohorts

- 1st Time Buyers ($180-$220k): Many priced out of the market because of student loan burden. 2/3 of Delaware high school grads stay in town, majority rent but look to buy.
- Millennials: Want “less grass,” at least until they start having kids.
- Empty Nesters ($200-$225k): 2BR/2BA condo. Move to Delaware for lower taxes, one-floor living. Some moving from rural areas to downsize.
- Families w/Kids: Move based on school district
- Local workers, who live elsewhere but would otherwise live in Delaware if they could afford it.

Stakeholders: Market Observations

Affordability Gap

- Lenders: 30-40% of prospective Delaware loan applicants cannot afford the note or don’t have the down payment. Many prioritize cars and short-term consumables over housing: An education issue.
- Brokers: New housing prices not aligned with demand from 1st-time buyers, empty nesters, and others; a “lack of affordable housing.” Land prices are increasing, leading to a need for higher density.
- OHFA tax credit loan income thresholds: $75,400 (non-target area) to $91,680 (TA)

Drivers and Assets

Location & Proximity

- Columbus Metro Area
  - *Relatively affordable, with access to Columbus Jobs*
- Access to Polaris, Dublin, Columbus CBD, Honda
- Delaware Municipal Airport

Heritage

- Downtown, Architecture, Strand Theatre
- Rutherford B. Hayes, Vincent Minnelli
- Little Brown Jug

Institutions

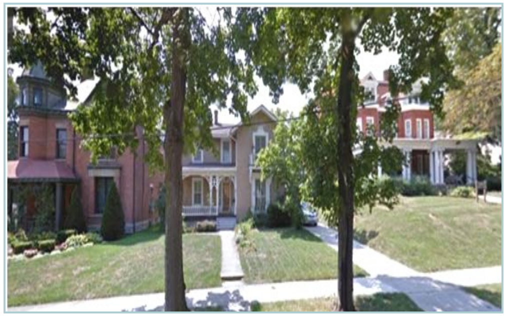
- OH Wesleyan University (1,600 students)
- Methodist Theological School in Ohio
- County and City Government

Existing Business Base (Employees)

- Ohio Health
- Kroger
- Advance Auto
- Vertiv, PPG, Jegs, International Paper, etc.

Delaware Neighborhoods

- **NW Delaware:** Historic District ($60-$600k)
- **East Side**: 1920s Era ($80-$160k)
    - Old Colony Estates ($250-350)
- **University District**: OH Wesleyan ($110-$250k)
- **Marvin/DE Meadows**: Small/1950s ($90-$140k)
- **Southwest Side**: (Upper $200s-$500k)
    - Cheshire Crossing ($200s), Braumiller Woods ($375-425), Braumiller Est ($350-400), Glenross N ($400-500), Communities at Glenross ($300-500), Belmont Place ($300-425)
- **West Side:** Newer Subdivisions ($170-$370k)
    - Carson Farms ($225-$300k), Millbrook ($250-350), Heatherton ($300-420), Lantern Chase ($250), Enclaves@ Adalee ($220-265)



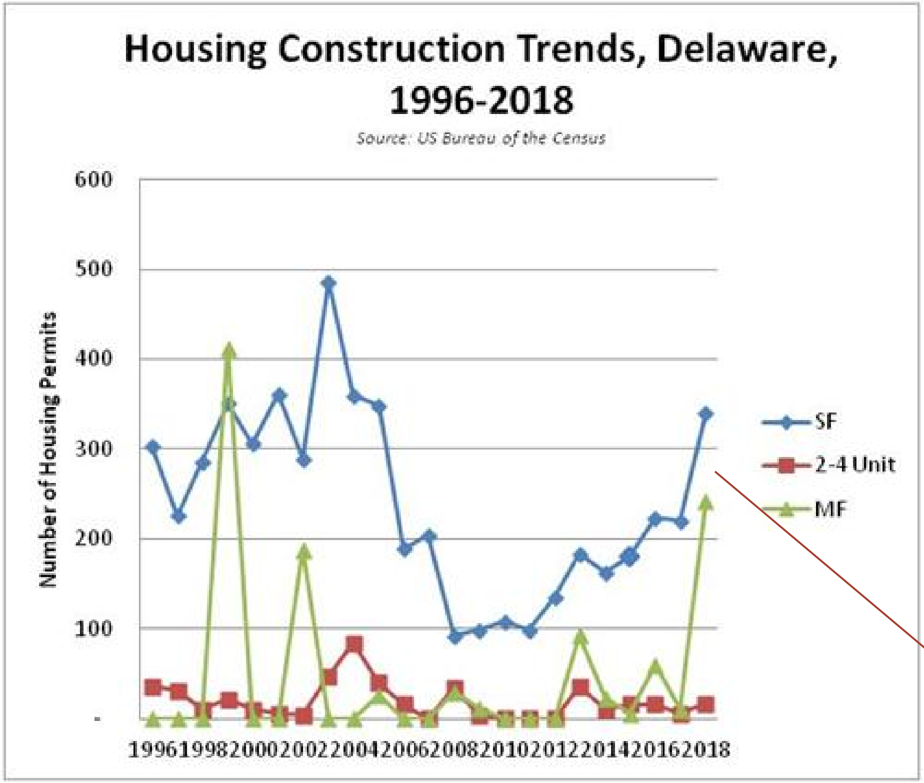
Housing Supply Trends

Table.	HOUSING SUPPLY TRENDS, DELAWARE CITY, 2000-2017			
Units in Building	2000	2017	2000-2017 Change Number	Percent
1-Detach	5,671	9,638	3,967	70.0%
1-Attach	519	862	343	66.1%
2-4	1,517	1,662	145	9.6%
5-9	807	1,282	475	58.9%
10-19	274	642	368	134.3%
20-49	316	411	95	30.1%
50+	228	334	106	46.5%
Mobile/Other	228	355	127	55.7%
TOTAL	**9,560**	**15,186**	**5,626**	**58.8%**
Sources:	U.S. Bureau of the Census and Randall Gross / Development Economics.			

Higher concentration of Single-family detached

Growth in multi-family, but remains small share overall

Construction Trends



- Overall Peak:
  - *2018 (623 DU)*
- Single-family:
  - *Peak: 2003 (533 DU)*
  - *Crisis: 2011 (98 DU)*
- Gradual increase since 2012
- 2018 represented a significant spike in both SF and MF construction permits

Most Active Projects

Single-Family

- *Curtis Farm*
- *Ravines at Olentangy*
- *Belmont Place*
- *Glenross North*
- *Communities at Glenross*
- *Lantern Chase*
- *Heatherton*
- *Springer Woods*
- *Stockdale Farms (planned)*
- *Terra Alta*
- *Braumiller Woods*
- *Old Colony Estates*
- *Willowbrook Farms*

Condominium/TH

- *Lakes at Cheshire (Condo)*
- *Enclave at Adalee*
- *Landings at Glenross*

Rental Apartments

- *The Reserve at Quail Pass*
- *Flats on Houk*
- *Seattle House Apartments*

Housing Tenure

Table.	HOUSING TENURE BY AGE COHORT, DELAWARE CITY, 2017			
Age Cohort	**Renters**	**Owners**	**TOTAL**	**Share Rent**
15-24	464	83	547	85%
25-34	1,276	1,226	2,502	51%
35-44	999	2,358	3,357	30%
45-54	837	1,809	2,646	32%
55-64	776	1,564	2,340	33%
65-74	546	1,158	1,704	32%
75-84	245	607	852	29%
85+	124	179	303	41%
TOTAL	**5,267**	**8,984**	**14,251**	**37%**
Sources:	U.S. Bureau of the Census and Randall Gross / Development Economics.			

Rental tenure declines with age of householder. Delaware has unusual "bump" in middle-age renters.

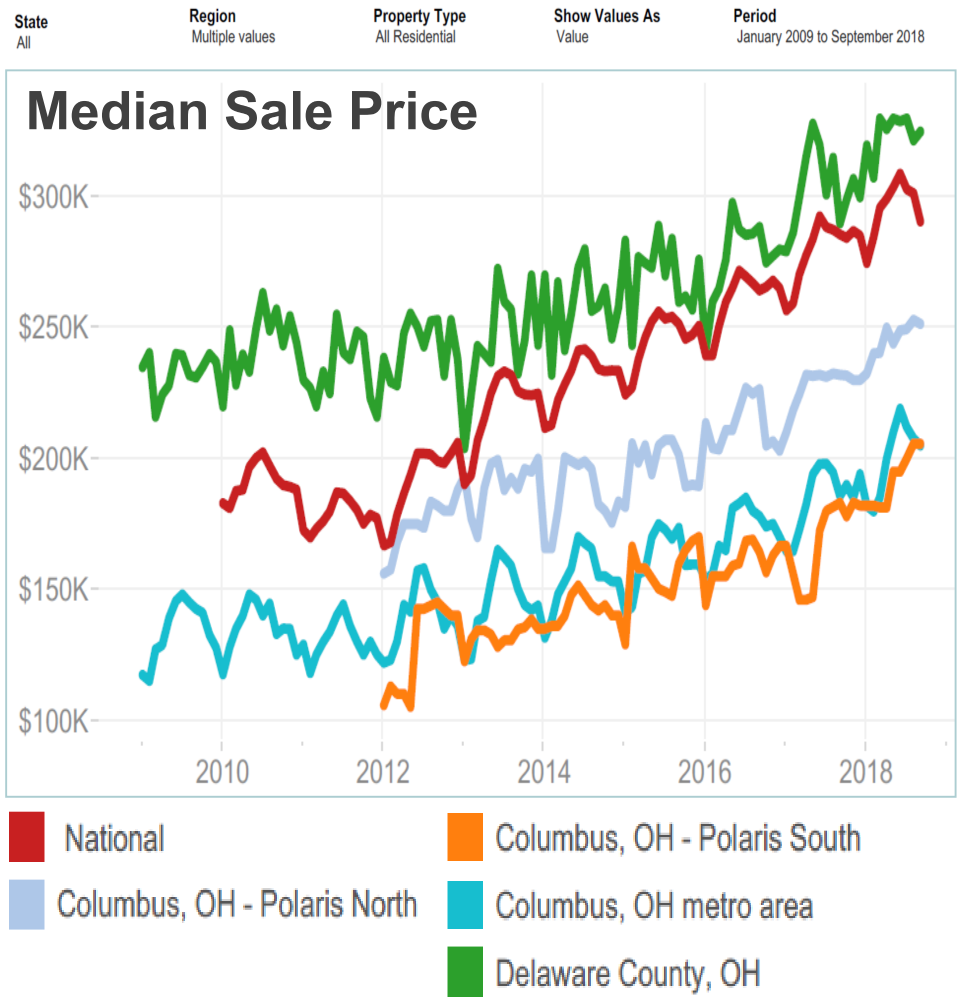
Housing Price Trends

Median Sale Prices

- Metro: $205,000
  - *Up 78% ('09-'18)*
- Del: $325,000
  - *Up 35%*

Median Rents

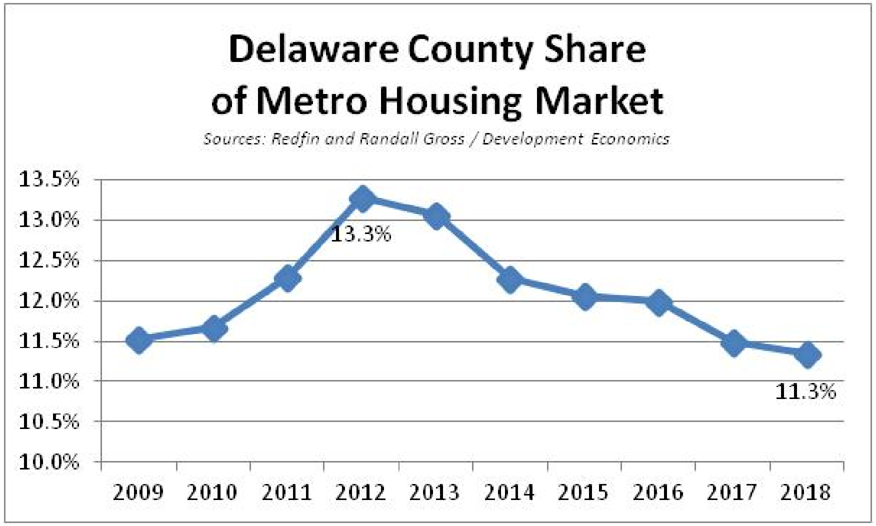
- $720/month overall
  - *Same as Columbus*
  - *Up from $578 (2010)*
    - 25% Increase
- $1,200-$1,500 new
  - *Quail Pass, Flats on Houk*
- CBD: $14/SF (1st Floor)
  - *$13/SF overall*
  - *90% Occupied*

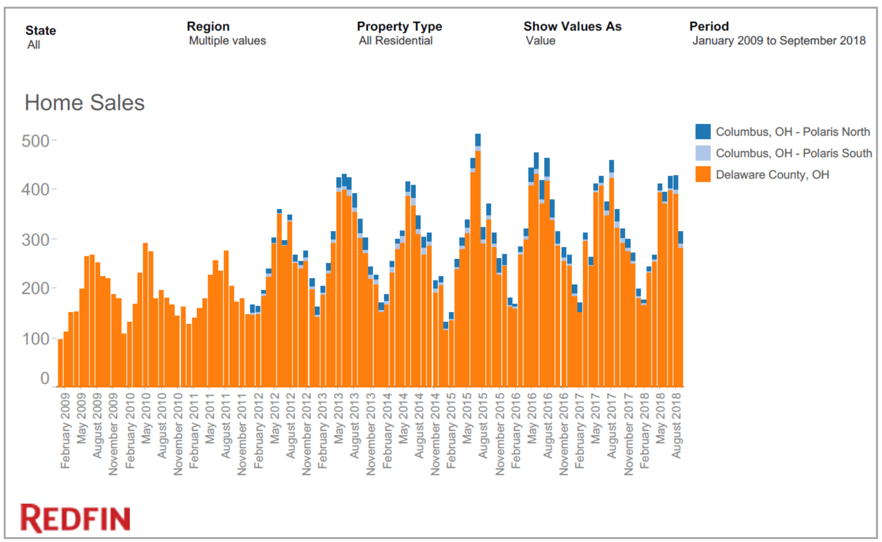


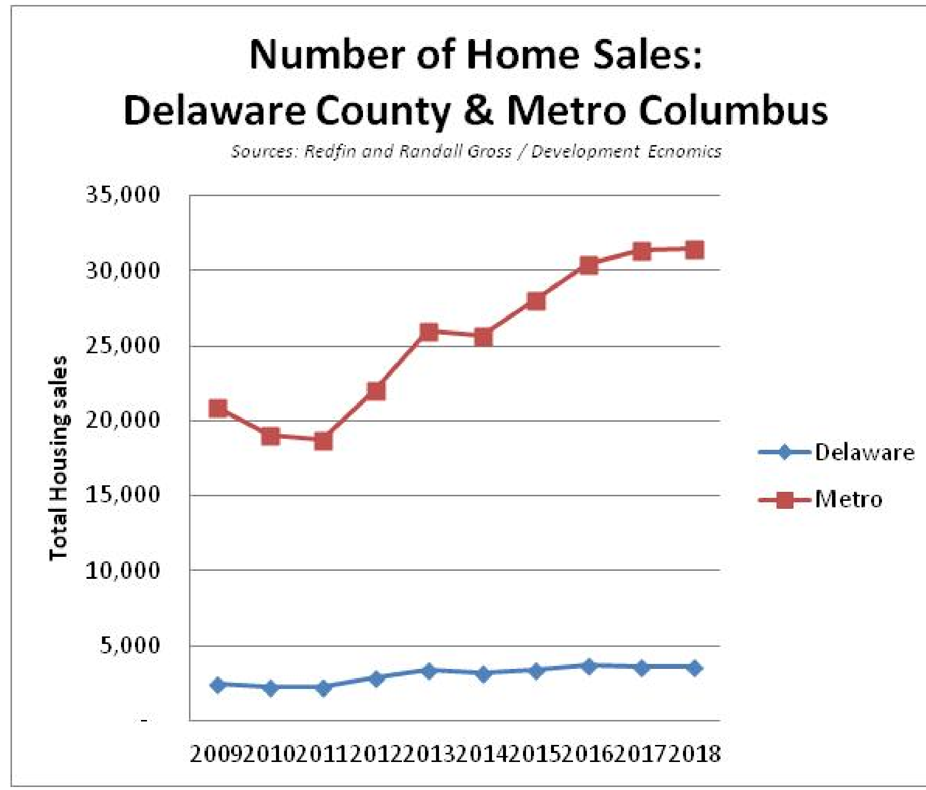
Sales Trends

Delaware County housing market more stable than Metro

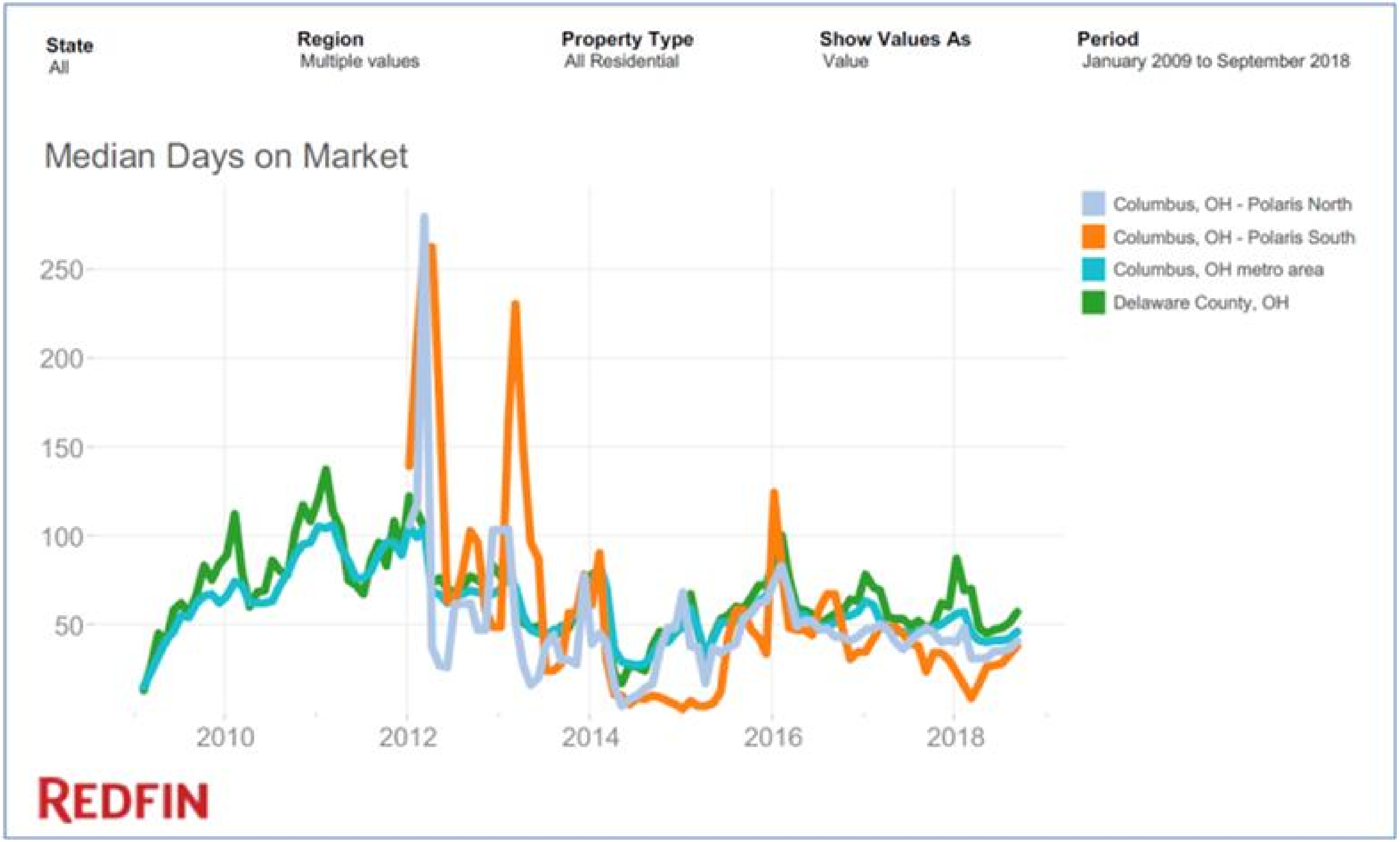
- Metro Ave 25,400/yr
- Delaware Ave 3,000/yr (12%)







Days on Market (Indicator of Demand/Supply Balance)



Housing Market Area

A) Delaware City

B) Remainder of Delaware County

C) Northwest Counties

Morrow, Marion, Union

D) Northwest Franklin/Columbus

Westerville, Dublin, portions of NW Columbus, Hilliard, etc.

E) Inflow

Indicator: Household Forecasts by Age Cohort & Tenure (City)

Table.	HOUSEHOLD FORECASTS BY AGE & TENURE, DELAWARE CITY, 2019-2024		
Age Cohort	Renters	Owners	Total
15-24	127	23	150
25-34	(200)	(192)	(392)
35-44	(50)	(118)	(168)
45-54	138	297	435
55-64	72	145	217
65-74	78	164	242
75-84	68	169	237
85+	9	12	21
TOTAL	**241**	**501**	**742**
Sources:	U.S. Bureau of the Census; Claritas; and Randall Gross / Development Economics.		

Indicator: Household Income

Table.	HOUSEHOLD INCOME TRENDS AND FORECASTS, DELAWARE HOUSING MARKET AREA, 2000-2024				
Area	**2000**	**2019**	**2024**	**2000-2019 Change (%)**	**2019-2024 Change (%)**
Delaware	$ 48,399	$ 72,718	$ 81,711	3.1%	2.5%
DE County	$ 70,033	$ 112,427	$ 132,770	3.8%	3.6%
NW Counties	$ 43,662	$ 60,468	$ 64,366	2.4%	1.3%
NW Columbus	$ 58,883	$ 82,697	$ 90,632	2.5%	1.9%
Sources:	U.S. Bureau of the Census; Claritas; and Randall Gross / Development Economics.				

Indicator: Household Forecasts by Income (City)

Table.	HOUSEHOLD FORECASTS BY INCOME DELAWARE CITY, 2019-2024		
Income Cohort	**2019**	**2022**	**Change**
<$15,000	1,335	1,257	(78)
$15-$25,000	1,075	1,002	(73)
$25-$35,000	1,145	1,056	(89)
$35-$50,000	2,183	2,007	(176)
$50-$75,000	2,661	2,668	7
$75-$100,000	1,962	2,100	138
$100-$125,000	1,525	1,610	85
$125-$150,000	1,171	1,287	116
$150-$200,000	1,178	1,456	278
$200,000+	1,100	1,634	534
TOTAL	**15,335**	**16,077**	**742**
Sources:	U.S. Bureau of the Census; Claritas; and Randall Gross / Development Economics.		

Indicator: Employment Forecasts

Projected Regional Job Growth (OH Dept JFS, etc.)

- +31,750 (2024)

Key Growth Sectors

- Ambulatory Health Care Services (36.9%)
- Non-store Retailers (30.1%)
- MGT, Scientific, Tech Services (25.0%)
- Security Trading & Investments (20.0%)
- Office Administrative Services (15.2%)
- Construction (12.4%)
- Employment Services (12.2%)
- Wood Product MFG (11.1%)
- Specialized Design Services (10.5%)

Cumulative Delaware Capture

- 1.49%

Indicator: Market Area Housing Mobility

Table	HOUSING MOBILITY BY TENURE AND HOUSEHOLDER AGE, DELAWARE MARKET AREA, 2010-2014							
	Delaware City		Delaware County		NW Counties		NW Franklin/Columbus	
Age Cohort	Rental	Owner	Rental	Owner	Rental	Owner	Rental	Owner
15-24	77.4%	49.3%	70.0%	61.4%	69.9%	52.1%	69.2%	61.7%
25-34	63.3%	40.4%	57.3%	50.2%	57.2%	42.6%	56.6%	50.5%
35-44	66.5%	24.2%	64.4%	24.9%	56.6%	17.8%	64.1%	22.2%
45-54	54.4%	19.8%	52.7%	20.4%	46.3%	14.5%	52.4%	18.2%
55-64	60.5%	22.0%	58.5%	22.7%	51.4%	16.1%	58.3%	20.2%
65-74	60.6%	12.8%	63.3%	14.9%	35.3%	9.0%	49.3%	10.8%
75-84	49.6%	10.5%	51.8%	12.2%	28.9%	7.3%	40.3%	8.9%
85+	33.0%	7.0%	34.5%	8.1%	19.3%	4.9%	26.9%	5.9%
Sources:	U.S. Bureau of the Census and Randall Gross / Development Economics.							

Rental Housing Demand

Table.	RENTAL HOUSING POTENTIALS, DELAWARE, 2019-2024		
	Area Capture		Market
Rent Range	Moderate	High	Rate
$ 300	192	239	-
$ 500	97	139	-
$ 600	87	140	
$ 700	171	306	
$ 800	152	293	223
$ 1,100	97	198	147
$ 1,200	51	124	88
$ 1,500	34	111	73
Sub-Total	**881**	**1,549**	**530**
Workforce	*355*	*584*	
Job Induced	**87**	**175**	**60**
TOTAL	**969**	**1,724**	**590**
Sources:	U.S. Bureau of the Census; Claritas; and Randall Gross / Development Economics.		

Potential: 970-1,720 DU
(194-344 / year)

Workforce: 355-584 DU
Existing Delaware workers and young graduates represent significant underserved portions of market

Market Rate: 118/year
Construction Trend: 73/year

For-Sale Housing Demand

Table.	FOR-SALE HOUSING POTENTIALS, DELAWARE, 2019-2024		
	Area Capture		Market
Price Point	Moderate	High	Rate
$ 106,250	183	193	-
$ 156,250	88	95	-
$ 218,750	99	110	110
$ 247,500	83	95	95
$ 288,750	17	20	20
$ 367,500	36	43	43
Sub-Total	**506**	**556**	**268**
Job-Induced	**179**	**298**	**144**
TOTAL	**685**	**854**	**411**
Sources:	U.S. Bureau of the Census; Claritas; and Randall Gross / Development Economics.		

Potential: 685-850 DU
(135-170 / year)

Workforce: 270-440 DU
Existing Delaware workers and young local families represent significant, underserved portion of market

Market Rate: 100/year
Construction Trend: 170/year

Products Associated with Potential Market Demand

Workforce Housing

- Rental apartments
- Higher-density Single-family
  - *Cottages, townhouses, 0-lot line, mixed-use*
- Rehabilitation of Existing Neighborhoods

Empty Nester Housing

- "Maintenance-free" products in walk-able neighborhoods
  - *Condominiums, 0-lot line, small lot SF*
  - *Accessible, aging-in-place*

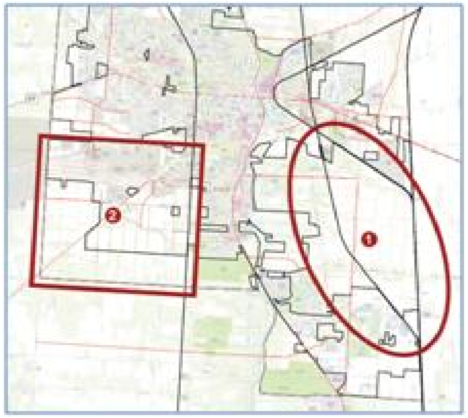
More Diverse Single-Family Product

- Avoid "cookie cutter"
- Walk-ability, Integrate mix of uses
- Integrate with existing neighborhoods where possible
- TND or other communities that offer a mix of SF/MF and uses in walk-able environment

Special Area Concepts

Area 1 (South Eastern District)

- More Diverse Single-Family housing stock
- Walk-able Neighborhood Commercial Nodes
- Opportunity for Traditional Neighborhood Development (TND)
    - *Offering a mix of housing (SF, apartment, condominium)*
    - *Retail/commercial center*



Area 2 (South Western District)

- Sawmill District Gateway Amenity Node
    - *Workforce Housing: Apartments/Mixed-Use, Townhouses, Cottage Communities*
    - *Retail, Restaurants, Services, Amenities*
- Sawmill Parkway: “Corporate” Character
- Closer to 23: Residential Character