

Forecast 2007: Condominiums

Robert Vogt, VWB Research

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Growth Trends

Impacting Housing Demand

- ◆ In 2005, the Columbus MSA added about 17,000 people in 7,500 households
- ◆ Less than 20% of growth was in Franklin County
- ◆ Between 2001 and 2005, the MSA added just over 37,200 households
- ◆ Over the same period, residential permits totaled 71,400

Condominiums Continue to Dominate M/F Permits

- ◆ Columbus MSA permits are down 33% from 2005
- ◆ M/F permits are down 36% to the lowest level in over 20 years
- ◆ In 2005, condos represented 60% of permits. In 2006, the share was up to 76%
- ◆ Condo permits down 39%; apartments down nearly 70%

Existing Condominium Prices

- ◆ Existing condominium sales prices have fallen 6.7%, from 3rd qtr. 2005 to 2006
- ◆ Existing s/f home sales prices have fallen 3.3% over the same time period
- ◆ Median sales price of existing condominiums is \$123,900 compared to \$151,400 for s/f homes
- ◆ Median of new condo last year was \$241,500

New Condominium Sales

Area	2003	2004	2005	2006*	Total
Central City	136	211	589	301	1,237
Remainder	2,174	2,219	2,559	1,369	8,321
Total	2,310	2,430	3,148	1,670	9,558
Central as share of total	5.9%	8.7%	18.7%	18.0%	12.9%
*Projected year end					

Sales Velocities

- ◆ Average sales velocity per project has dropped from 2.0 in 2005 to 1.4 in 2006
- ◆ Central city projects averaged less than one sale per month in 2006
- ◆ Central city sales velocity is impacted by small scale developments (<8 units)
- ◆ Product type, advertising effort, location, number of units, ability of buyers to sell their homes all influence performance

Demographics Favor Condos

- ◆ Empty-nesters continue to experience double digit growth
- ◆ Represent the largest share of condominium buyers
- ◆ Current sales impacted by inability of empty-nesters to sell current residence

Generation Y

- ◆ Continues to support downtown properties
- ◆ Lifestyle centers are creating a “downtown” environment Gen Y
- ◆ Price sensitive
- ◆ Large market for affordable downtown units

Single Women

- ◆ Represents a growing demographic group
- ◆ Will see condominium products designed, built, and marketed to this market segment
- ◆ Avenue Lofts in Short North

Market Areas to Watch

- ◆ Central City infill sites
 - The Metropolitan
 - Rich Street Walk
 - The Jeffrey
 - Kramer Place
 - Gay Street Condominiums
- ◆ Short North development on High St.
 - The Dakota
 - Jackson on High
- ◆ Arena District
 - Condominiums at North Bank Park

Markets to Watch

- ◆ Upper Arlington
 - Arlington Crossing (Tremont)
- ◆ Marble Cliff
 - Prescott Place
- ◆ Grandview Heights
 - The Heights
- ◆ Dublin
 - Corazon
- ◆ Grove City
 - Pinnacle

What to Expect

- ◆ More mid-rise buildings
- ◆ Many more infill sites
- ◆ More variations (small lots, zero lot line)
- ◆ Downtown absorption peaked in 2005; will have more choices in 2007 than 2005
- ◆ Overall sales velocities will be slower than 2006 with significant inventories