

APPENDIX D

# RESIDENTIAL MARKET POTENTIAL





# *Residential Market Potential*

## **Overview**

In January 2012, Laurie Volk of Zimmerman Volk Associates completed an analysis of potential demand for housing in East Franklinton as part of the City of Columbus's creative community planning initiative. Analyzing various sources—including data for population mobility, migration, and target-market analysis—she conservatively projected that demand over ten years could support construction of at least 1,800 units of rental and ownership housing with a wide range of unit types—including live/work space for artists—and a mix of market-rate and affordable units.

This appendix presents the analysis that produced the final projections, including an explanation of methodology. As with all other analyses undertaken for this plan, the projections rest on conservative assumptions about market absorption, rents and prices, and financing.

## SUMMARY OF FINDINGS

### Residential Market Potential

East Franklinton  
Creative Community District  
*City of Columbus, Franklin County, Ohio*

January, 2012

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This study identifies the depth and breadth of the market for newly-introduced market-rate and affordable housing units—created both through adaptive re-use of existing non-residential buildings as well as through new construction—that could be developed over the next several years within the East Franklinton Creative Community District, in the City of Columbus, Franklin County, Ohio. The boundaries of the study area include the railroad tracks to the north and east, the Scioto River to the south, and the West Innerbelt Freeway to the west.

For purposes of this analysis, housing units that could be considered to be affordable are those that can be rented or purchased by households earning between 80 and 120 percent of the Columbus Area Median Family Income (AMI), which was determined to be \$67,500 for a family of four as of December 11, 2011. In many cases, especially with for-sale housing, subsidies may be required to ensure affordability. Market-rate units are those that can be rented or purchased by households with annual incomes above 120 percent AMI.

The current constrained market—characterized throughout most of the United States by weak housing prices; higher than typical levels of unsold units, both builder inventory units as well as foreclosed and/or abandoned houses; and high levels of mortgage delinquencies by speculators and investors as well as homeowners—has resulted in restrictive development financing and mortgage underwriting, taking a significant percentage of potential homebuyers out of the market. However, contrary to typical performance during economic recessions with high unemployment levels, rental occupancies have, in general, risen over the past year.

These market constraints do not reduce the size of the potential market; however, depending on the timing of market entry, the initial percentage of the potential market able to overcome the constraints of the deep recession and restrictive mortgage underwriting could be reduced.

The findings of this analysis reflect the impact on the study area of local, regional, and national demographic and housing trends. The remarkable transformation of American households—particularly the emerging predominance of one- and two-person households—over the past decade, combined with steadily increasing traffic congestion and rising gasoline prices and home heating/cooling costs, is contributing to significant changes in neighborhood and housing preferences. A shift has become discernable away from single-family detached houses in lower-density exurban locations to a diverse mix of apartments, townhouses, and higher-density detached houses in downtowns and in walkable, mixed-use neighborhoods. This fundamental transformation of American households and housing preferences is likely to continue for at least the next decade, representing an unprecedented demographic foundation on which cities can rebuild their downtowns and in-town neighborhoods.

In brief, using the target market methodology, Zimmerman/Volk Associates determined:

- Where the potential renters and buyers for new affordable and market-rate housing units in East Franklinton Study Area are likely to move from (the draw areas);
- How many have the potential to move to the study area if appropriate housing units were to be made available (depth and breadth of the market);
- What their housing preferences are in aggregate (rental or ownership, multi-family or single-family);
- Who currently lives in the draw areas and what they are like (the target markets);
- What their alternatives are (other relevant housing in the Greater Downtown Columbus area);
- What they will pay to live in the study area (market-rate rents and prices); and
- How quickly they will rent or purchase the new units (absorption forecasts).

SUMMARY OF FINDINGS

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*Where will the potential market for housing in the East Franklinton Study Area move from?*

As derived from migration, mobility and target market analysis, the draw area distribution of market potential (those households with the potential to move to the East Franklinton Study Area) is as follows:

**Market Potential by Draw Area**  
**EAST FRANKLINTON CREATIVE COMMUNITY DISTRICT**  
*City of Columbus, Franklin County, Ohio*

|  |              |
|--|--------------|
| City of Columbus (Primary Draw Area):  | 54.5%        |
| Balance of Franklin County (Local Draw Area):  | 6.3%         |
| Delaware, Fairfield, Licking, Pickaway and<br>Madison Counties (Regional Draw Area): | 0.7%         |
| Cuyahoga, Montgomery and<br>Hamilton Counties (Urban Draw Area):                     | 6.5%         |
| Balance of US (National Draw Area):  | <u>32.0%</u> |
| Total:   | 100.0%       |

SOURCE: Zimmerman/Volk Associates, Inc., 2012.

*How many households are likely to rent or purchase new or existing units each year in the East Franklinton Study Area?*

As derived by the target market methodology, up to 1,800 households represent the annual potential market for new market-rate and affordable higher-density housing units in the East Franklinton Creative Community District. (See Table 1.) These households comprise just 2.4 percent of the approximately 70,885 households that represent the potential market for new and existing market-rate and affordable housing units in all of the City of Columbus, a share of the total market that is consistent with Zimmerman/Volk Associates' experience in other cities.

### *Who is the potential market?*

As noted above, the increasing market interest in urban neighborhoods—walkable, with a mix of uses and a variety of housing types—is the result of dramatic changes in American household composition, the growing cost of commuting by private automobile, and the profound impact of the Great Recession—which began in 2007—on both households and builder/developers.

The changing composition of American households may have the most lasting influence, however, because of the changing housing preferences of the two largest generations in the history of America: the Baby Boomers (currently estimated at 77 million), born between 1946 and 1964, and the estimated 78 million Millennials, who were born from 1977 to 1996 and, in 2010, surpassed the Boomers in population.

As determined by the target market analysis, and reflecting these trends, the annual potential market—represented by lifestyle—for new affordable and market-rate housing units in the East Franklinton Study Area can be characterized by general household type as follows (*see* Table 2):

- Younger singles and childless couples—including, among others, office workers, junior executives, university affiliates, artists or artisans, and retail and service employees (71 percent);
- Empty nesters and retirees, 30 percent of whom would be moving from elsewhere in the city (16 percent); and
- A range of urban families (13 percent).

*What are their housing preferences?*

As derived from the tenure and housing preferences of the target households, the distribution of higher-density rental and for-sale housing types is as follows (*see again* Table 1):

**Annual Potential Market for New Housing Units  
Higher-Density Housing Units  
EAST FRANKLINTON CREATIVE COMMUNITY DISTRICT  
*City of Columbus, Franklin County, Ohio***

| HOUSING TYPE   | NUMBER OF HOUSEHOLDS | PERCENT OF TOTAL |
|--|----------------------|------------------|
| Rental Multi-Family<br>(lofts/apartments, leaseholder)   | 1,005                | 55.8%            |
| For-Sale Multi-Family<br>(lofts/apartments, condo/co-op ownership)                               | 265                  | 14.8%            |
| For-Sale Single-Family Attached<br>(townhouses/ live-work, fee-simple,<br>condominium ownership) | 350                  | 19.4%            |
| For-Sale Single-Family Detached<br>(urban houses, fee-simple ownership)                          | <u>180</u>           | <u>10.0%</u>     |
| Total  | 1,800                | 100.0%           |

SOURCE: Zimmerman/Volk Associates, Inc., 2012.

The market potential delineated by tenure (rental vs. for-sale) and housing type represents a long-term sustainable mix for the East Franklinton Creative Community District. The initial residential mix, however, should be biased significantly to rental housing due to higher rental absorption paces, the long-term lack of any investment-grade multi-family development in the neighborhood, and the greater willingness of renters to move to an emerging neighborhood.

A majority of rental development in the near-term residential mix is critical for several important reasons.

- New quality rental housing is the linchpin of urban redevelopment and should be introduced to the market as quickly as possible.

- Rental apartments are required for the establishment of “critical mass,” because rentals are absorbed at higher rates than for-sale units.
- Rentals are the most efficient way to incorporate units affordable to households with a range of incomes.
- Rentals allow households to experiment with living in an area without the mortgage commitment of home ownership.
- The perception of declining home values creates a lack of confidence in the for-sale market.
- Renters form a pool of potential purchasers of for-sale condominiums, and townhouses that can be built in later phases, when the market has recovered.

Although there is often the perception that multi-family rentals reduce the value of nearby ownership housing units, this is not the case in new construction with appropriate site planning. In fact, there is growing academic evidence that new apartment developments may actually increase values of nearby single-family houses by adding choice to an area that is made more attractive through planning and design.

Because of these fundamental dynamics—as well as currently constrained financing, both for potential developers and for potential homebuyers—the target mix of housing units to be developed within the East Franklinton Study Area over a 10-year time frame should include approximately 56 percent rental housing. Over time, however, as the pent-up market potential for urban rentals in the neighborhood is met, the balance should shift toward for-sale dwelling units.

*What are their current housing alternatives?*

There are several rental properties located in Downtown Columbus, across the Scioto River from the East Franklinton Study Area, with rents ranging from approximately \$575 per month for a small one-bedroom apartment to over \$2,100 per month for a two-bedroom, two-and-a-half bath townhouse (*see Table 3 for further detail*).

There has been extensive for-sale development activity in Greater Downtown Columbus over the past several years. The majority of downtown condominium development has consisted of projects of 50 or fewer units, with prices currently starting at just under \$140,000 for a 700-square-foot condominium to \$1.275 million for a 4,000-square-foot penthouse (*see Table 4 for further detail*).

*The Optimum Market Position  
for the East Franklinton Creative Community District*

The successful establishment of new housing options in disinvested neighborhoods or in previously non-residential areas has often been initially dependent upon “risk-oblivious” households. “Risk-oblivious” households are mostly young singles and couples, often with a large contingent of gays and a high percentage of artists and artisans seeking inexpensive space for combined living and working. These pioneers will often begin neighborhood transformation by living illegally in commercial space. Eventually, restaurants, bars, clubs and unique or unusual retail establishments begin to define the neighborhood character and raise its profile. At this point, these neighborhoods become sought after by “risk-tolerant” households, a mix of younger and older singles and couples who are almost always childless. The “risk-tolerant” includes those willing to make investments in ownership housing—sometimes they are the former “risk oblivious” seeking to recoup years of sweat equity.

In every case, however, the neighborhood established by these households has grown to encompass more than simply housing; its flavor and tone has been reinforced by the non-residential uses—*avant garde* shops, cutting-edge galleries, trendy clubs and stylish eating and drinking establishments—that follow the risk-oblivious and risk-tolerant households and make the neighborhood acceptable for the “risk-aware” households that follow.

The target market analysis has indicated that there is a significant number of risk-oblivious and risk-tolerant households who already live within the city limits, and who represent the majority of the market for new housing units in the East Franklinton Creative Community District.

However, despite significant market potential, there are major challenges to new residential development in the East Franklinton Study Area. These include:

- High costs: The high costs of materials and labor, in addition to the typically high cost of adaptive re-use, are, without incentives or subsidies, likely to drive rents and prices beyond the reach of many potential residents.

- Financing challenges: Restrictive mortgage underwriting and development finance are a challenge to developers and mortgage qualification continues to be difficult for many potential buyers.
- Neglected and vacant properties: Derelict and vacant properties are a deterrent to potential urban residents, as they contribute to the perception that the neighborhood is neglected and/or dangerous.

It is unlikely that the rents and prices outlined below will be achievable without the development of a catalytic project of sufficient scale to alter public perceptions. The project will need to be large enough to achieve development efficiency, to have a significant perceived impact on the neighborhood, and to support a high-profile marketing campaign.

Within the East Franklinton Study Area, the development of the Housing Authority property adjacent to the Scioto River has the greatest potential to be that catalyst. The site is large enough to support between 800 and 1,000 units, in a mix of rental and for-sale, affordable and market-rate units, including the potential for retail uses on the ground floors of the buildings that front Rich Street.

A catalytic project on the Housing Authority site does not have to foreclose the possibility of smaller-scale, quirky and unusual projects more likely to appeal to less affluent artists and artisans. There are a number of buildings in the study area that represent redevelopment potential as artists' live-work studios or creative commercial space. However, depending on acquisition and construction costs, it is likely that many of these projects will require financing assistance, subsidies and/or tax incentives to make redevelopment of these buildings economically feasible.

*What is the market currently able to pay?*

As noted in the introductory paragraphs, affordable housing units have been designated to be those that are affordable to households earning between 80 and 120 percent of the Columbus AMI, and market-rate units are generally those that are affordable to households with annual incomes above 120 percent AMI.

For affordable housing, then, an income qualification range established between 80 percent and 120 percent AMI would mean an income range of approximately \$37,800 to \$56,700 for a single-person household; \$43,200 to \$64,800 for a two-person household, \$48,600 to \$72,900 for a three-person household, and so on. To qualify for new market-rate units, households would generally need annual incomes above 120 percent AMI.

A single-person household with an income at 80 percent AMI, or \$37,800 per year, paying no more than 30 percent of gross income for rent and utilities—which is HUD’s affordability standard—would qualify for a rent—including utilities—of \$945 per month. A two-person household, with an annual income just under 120 percent AMI, or \$72,000 per year, paying no more than 30 percent of gross income for rent and utilities, would qualify for a rent—including utilities—of \$1,600 per month.

The distribution by rent range of the 1,005 target households—with incomes above 80 percent of the AMI (*as shown on Table 5*)—that represent the potential market for new rental units in the East Franklinton Study Area is as follows:

**Distribution by Rent Range  
Target Groups For New Multi-Family For Rent  
EAST FRANKLINTON CREATIVE COMMUNITY DISTRICT  
City of Columbus, Franklin County, Ohio**

| MONTHLY<br>RENT RANGE | HOUSEHOLDS<br>PER YEAR | PERCENTAGE   |
|-----------------------|------------------------|--------------|
| \$750–\$1,000         | 284                    | 28.3%        |
| \$1,000–\$1,250       | 250                    | 24.9%        |
| \$1,250–\$1,500       | 195                    | 19.4%        |
| \$1,500–\$1,750       | 144                    | 14.3%        |
| \$1,750 and up        | <u>132</u>             | <u>13.1%</u> |
| Total:                | 1,005                  | 100.0%       |

SOURCE: Zimmerman/Volk Associates, Inc., 2011.

As noted above, for affordable housing, the income limitation of 80 percent to 120 percent AMI would mean an income range of \$37,800 to \$56,700 for a single-person household; \$43,200 to \$64,800 for a two-person household, \$48,600 to \$72,900 for a three-person household, and so on, and to qualify for new market-rate units, households would generally need annual incomes above 120 percent AMI.

A single-person household with an income at 80 percent AMI, or approximately \$37,800 per year, paying no more than 30 percent of gross income for housing costs, including mortgage principal, interest, taxes, insurance and utilities, could qualify for a 30-year mortgage of \$100,000 at a 4.5 percent interest rate. The down payment—contributed by the buyer, or subsidized through a soft second mortgage, another mechanism, or some combination—would be required to make up the difference between \$100,000 and the purchase price. A two-person household, with an income just under 120 percent AMI, or \$64,800 per year, under the same criteria, could qualify for a 30-year mortgage of \$200,000 at a 4.5 percent interest rate. Again, the down payment would be required to make up the difference between \$200,000 and the purchase price.

The distribution by price range of the 265 target households—with incomes above 80 percent of the AMI (*as shown on Table 6*)—that represent the potential market for new for-sale multi-family units (condominiums) in the East Franklinton Study Area is as follows:

**Distribution by Price Range**  
**Target Groups For New Multi-Family For Sale (Condominiums)**  
**EAST FRANKLINTON CREATIVE COMMUNITY DISTRICT**  
*City of Columbus, Franklin County, Ohio*

| PRICE RANGE         | HOUSEHOLDS PER YEAR | PERCENTAGE  |
|---------------------|---------------------|-------------|
| \$125,000–\$150,000 | 70                  | 26.4%       |
| \$150,000–\$175,000 | 55                  | 20.8%       |
| \$175,000–\$200,000 | 50                  | 18.9%       |
| \$200,000–\$225,000 | 30                  | 11.3%       |
| \$225,000–\$250,000 | 20                  | 7.5%        |
| \$250,000–\$275,000 | 20                  | 7.5%        |
| \$275,000–\$300,000 | 10                  | 3.8%        |
| \$300,000 and up    | <u>10</u>           | <u>3.8%</u> |
| Total:              | 265                 | 100.0%      |

SOURCE: Zimmerman/Volk Associates, Inc., 2012.

The distribution by price range of the 350 target households—with incomes above 80 percent of the AMI (*as shown on* Table 7)—that represent the potential market for new for-sale single-family attached units (townhouses and live-work units) in the East Franklinton Study Area is as follows:

**Distribution by Price Range**  
**Target Groups For New Single-Family Attached For Sale (Townhouses/Live-Work)**  
**EAST FRANKLINTON CREATIVE COMMUNITY DISTRICT**  
*City of Columbus, Franklin County, Ohio*

| PRICE RANGE         | HOUSEHOLDS PER YEAR | PERCENTAGE  |
|---------------------|---------------------|-------------|
| \$150,000–\$200,000 | 100                 | 28.5%       |
| \$200,000–\$250,000 | 92                  | 26.3%       |
| \$250,000–\$300,000 | 90                  | 25.7%       |
| \$300,000–\$350,000 | 38                  | 10.9%       |
| \$350,000 and up    | <u>30</u>           | <u>8.6%</u> |
| Total:              | 350                 | 100.0%      |

SOURCE: Zimmerman/Volk Associates, Inc., 2012.

The distribution by price range of the 180 target households—with incomes above 80 percent of the AMI (*as shown on* Table 8)—that represent the potential market for new for-sale single-family detached units (urban houses) in the East Franklinton Study Area is as follows:

**Distribution by Price Range**  
**Target Groups For New Single-Family Detached For Sale (Urban Houses)**  
**EAST FRANKLINTON CREATIVE COMMUNITY DISTRICT**  
*City of Columbus, Franklin County, Ohio*

| PRICE RANGE         | HOUSEHOLDS PER YEAR | PERCENTAGE   |
|---------------------|---------------------|--------------|
| \$225,000–\$250,000 | 25                  | 13.9%        |
| \$250,000–\$275,000 | 30                  | 16.7%        |
| \$275,000–\$300,000 | 30                  | 16.7%        |
| \$300,000–\$325,000 | 35                  | 19.4%        |
| \$325,000–\$350,000 | 30                  | 16.7%        |
| \$350,000 and up    | <u>30</u>           | <u>16.7%</u> |
| Total:              | 180                 | 100.0%       |

SOURCE: Zimmerman/Volk Associates, Inc., 2012.

Therefore, based on the tenure preferences of draw area households and their income and equity levels, the general range of rents and prices for newly-developed affordable and market-rate residential units in the East Franklin Study Area that could currently be sustained by the market is as follows (*see* Table 9):

**General Rent, Price and Size Ranges**  
**Newly-Created Housing (Adaptive Re-Use and New Construction)**  
**EAST FRANKLINTON CREATIVE COMMUNITY DISTRICT**  
*City of Columbus, Franklin County, Ohio*

| HOUSING TYPE                              | RENT/PRICE RANGE      | SIZE RANGE     | RENT/PRICE PER SQ. FT. |
|---|-----------------------|----------------|------------------------|
| <b>FOR-RENT (MULTI-FAMILY)—</b>           |                       |                |                        |
| Hard Lofts *                              | \$750–\$1,400/month   | 550–1,150 sf   | \$1.22–\$1.36 psf      |
| Soft Lofts †                              | \$850–\$1,600/month   | 600–1,250 sf   | \$1.28–\$1.42 psf      |
| Luxury Apartments                         | \$1,050–\$1,850/month | 700–1,350 sf   | \$1.37–\$1.50 psf      |
| <b>FOR-SALE (MULTI-FAMILY)—</b>           |                       |                |                        |
| Hard Lofts *                              | \$125,000–\$175,000   | 700–1,250 sf   | \$140–\$179 psf        |
| Soft Lofts †                              | \$145,000–\$225,000   | 750–1,350 sf   | \$167–\$193 psf        |
| Luxury Condominiums                       | \$195,000–\$300,000   | 900–1,450 sf   | \$207–\$217 psf        |
| <b>FOR-SALE (SINGLE-FAMILY ATTACHED)—</b> |                       |                |                        |
| Townhouses                                | \$185,000–\$365,000   | 1,000–1,750 sf | \$185–\$209 psf        |
| Live-Work                                 | \$235,000–\$375,000   | 1,200–1,800 sf | \$196–\$208 psf        |

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| HOUSING TYPE                              | PRICE RANGE         | SIZE RANGE     | PRICE PER SQ. FT. |
|---|---------------------|----------------|-------------------|
| <b>FOR-SALE (SINGLE-FAMILY DETACHED)—</b> |                     |                |                   |
| Urban Houses                              | \$245,000–\$395,000 | 1,200–2,000 sf | \$198–\$204 psf   |

\* Unit interiors of “hard lofts” typically have high ceilings and commercial windows and are either minimally finished, limited to architectural elements such as columns and fin walls, or unfinished, with no interior partitions except those for bathrooms.

† Unit interiors of “soft lofts” may or may not have high ceilings and are fully finished, with the interiors partitioned into separate rooms.

SOURCE: Zimmerman/Volk Associates, Inc., 2012.

The above rents and prices are in year 2012 dollars, within the economic capability of the target households, and are exclusive of consumer options or upgrades, or floor or location premiums, and cover the broad range of rents and prices for newly-developed units currently sustainable by the market. However, as noted above, it is unlikely that these rents and prices will be achievable without the development of a catalytic project of sufficient scale to alter public perceptions of the study area.

*How fast will the units lease or sell?*

As noted previously in this study, the current constrained market is characterized in many locations by reduced housing prices, high levels of unsold units, high levels of mortgage delinquencies and foreclosures, and restrictive mortgage underwriting and development finance. Partly as a result, there has been a significant shift in market preferences from home ownership to rental dwelling units, particularly among younger households. This results in a higher share of consumer preference for multi-family rentals even among relatively affluent consumers than would have been typical just three years ago.

Given current economic conditions, which are not likely to improve significantly for new for-sale housing over the near term, Zimmerman/Volk Associates has determined that an annual capture of approximately eight to 10 percent of the potential market for each for-sale housing type could be achievable over the next five years. (Nationally, prior to the housing collapse in 2008, new dwelling units represented 15 percent of all units sold; in the last quarter of 2011, new dwelling units represented just 8.3 percent of all units sold.)

In contrast to the constrained for-sale housing conditions, Zimmerman/Volk Associates has determined that for new multi-family rentals, an annual capture of 12 to 15 percent of the potential market is likely to be achievable.

Based on these market capture forecasts, the East Franklinton Study Area should be able to support between 186 to 230 new affordable and market-rate housing units per year over the next five years, as follows (*see again* Table 9:

**Annual Capture of Market Potential**  
**EAST FRANKLINTON CREATIVE COMMUNITY DISTRICT**  
*City of Columbus, Franklin County, Ohio*

| HOUSING TYPE  | NUMBER OF HOUSEHOLDS | NUMBER OF NEW UNITS | ANNUAL CAPTURE RATE |
|---|----------------------|---------------------|---------------------|
| Rental Multi-Family<br>(lofts/apartments, leaseholder)                          | 1,005                | 124 to<br>148       | 12.3% to<br>14.7%   |
| For-Sale Multi-Family<br>(lofts/apartments, condo/co-op ownership)              | 265                  | 20 to<br>28         | 7.5% to<br>10.6%    |
| For-Sale Single-Family Attached<br>(townhouses/live-work, fee-simple ownership) | 350                  | 28 to<br>36         | 8.0% to<br>10.3%    |
| For-Sale Single-Family Detached<br>(urban houses, fee-simple ownership)         | <u>180</u>           | 14 to<br><u>18</u>  | 7.8% to<br>10.0%    |
| Total   | 1,800                | 186 to 230<br>units |                     |

SOURCE: Zimmerman/Volk Associates, Inc., 2012.

These capture rates are well within the target market methodology’s parameters of feasibility.

NOTE: Target market capture rates are a unique and highly-refined measure of feasibility. Target market capture rates are *not* equivalent to—and should not be confused with—penetration rates or traffic conversion rates.

The **target market capture rate** is derived by dividing the *annual* forecast absorption—in aggregate and by housing type—by the number of households that have the potential to purchase or rent new housing within a specified area *in a given year*.

The **penetration rate** is derived by dividing the *total* number of dwelling units planned for a property by the *total* number of draw area households, sometimes qualified by income.

The **traffic conversion rate** is derived by dividing the *total* number of buyers or renters by the *total* number of prospects that have visited a site.

Because the prospective market for a location is more precisely defined, target market capture rates are higher than the more grossly-derived penetration rates. However, the resulting higher capture rates are well within the range of prudent feasibility.

Mansion buildings should be strictly regulated in form, but flexible in use. However, flexibility in use is somewhat constrained by the handicapped accessibility regulations in both the Fair Housing Act and the Americans with Disabilities Act.

- Townhouse: Similar in form to a conventional suburban townhouse except that the garage—either attached or detached—is located to the rear of the unit and accessed from an alley or auto court. Unlike conventional townhouses, urban townhouses conform to the pattern of streets, typically with shallow front-yard setbacks. To provide privacy and a sense of security, the first floor should be elevated significantly above the sidewalk.
- Live-work is a unit or building type that accommodates non-residential uses in addition to, or combined with living quarters. The typical live-work unit is a building, either attached or detached, with a principal dwelling unit that includes flexible space that can be used as office, retail, or studio space, or as an accessory dwelling unit.

Regardless of the form they take, live-work units should be flexible in order to respond to economic, social and technological changes over time and to accommodate as wide as possible a range of potential uses. The unit configuration must also be flexible in order to comply with the requirements of the Fair Housing Amendments Act and the Americans with Disabilities Act.

- Urban House: A two- to three-story single-family detached house on a narrow lot. The garage is located to the rear of the house and accessed from an alley or auto court. Urban houses also conform to the pattern of streets, typically with shallow front-yard setbacks or dooryards.



City of Columbus; Balance of Franklin County; Delaware, Fairfield, Licking, Pickaway, and Madison Counties;  
Cuyahoga, Montgomery, and Hamilton Counties, Ohio; Balance of U.S.  
Draw Areas

**TABLE 1**

**Annual Market Potential**

Derived From Rental And Purchase Propensities Of Draw Area Households With The Potential To Move To The East Franklinton Study Area Each Year Over The Next Five Years

EAST FRANKLINTON STUDY AREA—CITY OF COLUMBUS, FRANKLIN COUNTY, OHIO

Sources: Nielsen Claritas, Inc.; Zimmerman/Volk Associates, Inc.

Total Target Market Households With Potential To Rent/Purchase In City of Columbus, Franklin County, Ohio 70,885

Total Target Market Households With Potential To Rent/Purchase In The East Franklinton Study Area 1,800

**Annual Market Potential**

|                     | Multi-Family |          | Single-Family       |                    |                      | Total  |
|---------------------|--------------|----------|---------------------|--------------------|----------------------|--------|
|                     | For-Rent     | For-Sale | Attached All Ranges | Low-Range Detached | Mid-Range High-Range |        |
| Total Households:   | 1,005        | 265      | 350                 | 225                | 200                  | 2,220  |
| (Mix Distribution): | 45.3%        | 11.9%    | 15.8%               | 10.1%              | 9.0%                 | 100.0% |

**Target Residential Mix (Excluding Large-Lot Single-Family Detached)**

|                     | Multi-Family |          | Single-Family       |                | Total  |
|---------------------|--------------|----------|---------------------|----------------|--------|
|                     | For-Rent     | For-Sale | Attached All Ranges | Urban Detached |        |
| Total Households:   | 1,005        | 265      | 350                 | 180            | 1,800  |
| (Mix Distribution): | 55.8%        | 14.8%    | 19.4%               | 10.0%          | 100.0% |

NOTE: Reference Appendix One, Tables 1 Through 12.

|   | Number of Households:                             | Multi-<br>..... Family ..... |          | Single-<br>..... Family ..... |                              |                         |
|---|---|------------------------------|----------|-------------------------------|------------------------------|-------------------------|
|   |   | Total                        | For-Rent | For-Sale                      | .. Attached ..<br>All Ranges | .. Detached ..<br>Urban |
|   |   | 1,800                        | 1,005    | 265                           | 350                          | 180                     |
| <b>TABLE 2</b>  | <b>Empty Nesters &amp; Retirees</b>               | 16%                          | 8%       | 15%                           | 21%                          | 44%                     |
| <b>Annual Market Potential By Household Type</b>  | <b>Traditional &amp; Non-Traditional Families</b> | 13%                          | 11%      | 0%                            | 19%                          | 36%                     |
| <i>Derived From Rental And Purchase Propensities Of Draw Area Households With The Potential To Move To The East Franklinton Study Area Each Year Over The Next Five Years</i> | <b>Younger Singles &amp; Couples</b>              | 71%                          | 81%      | 85%                           | 60%                          | 19%                     |
| <b>THE EAST FRANKLINTON STUDY AREA—CITY OF COLUMBUS, FRANKLIN COUNTY, OHIO</b>  |   |                              |          |                               |                              |                         |
| <i>Sources: Nielsen Claritas, Inc. Zimmerman/Volk Associates, Inc.</i>  |   | 100%                         | 100%     | 100%                          | 100%                         | 100%                    |

**TABLE 3**  
**Summary Of Selected**  
**Rental Properties**

GREATER DOWNTOWN  
 COLUMBUS, FRANKLIN COUNTY,  
 OHIO—DECEMBER, 2011

Source: Zimmerman/Volk  
 Associates, Inc.

| <u>Property</u><br><u>Address</u>  | <u>Number</u><br><u>of Units</u> | <u>Reported</u><br><u>Base Rent</u> | <u>Reported</u><br><u>Unit Size</u> | <u>Rent per</u><br><u>Sq. Ft.</u> | <u>Additional Information</u>   |
|--|----------------------------------|-------------------------------------|-------------------------------------|-----------------------------------|---|
| <i>Near East Side</i>  |                                  |                                     |                                     |                                   |   |
| <b>Skyview Towers</b><br>525 Sawyer Blvd.<br>VTI Properties                | 1br/1ba                          | \$575 to \$675                      | 545 to 730                          | \$0.92 to \$1.06                  | Fitness center,<br>indoor basketball court,<br>billiard room, gaming center.<br>Utilities included. |
|  | 2br/1ba                          | \$850                               | 900                                 | \$0.94                            |   |
| <i>Arena District</i>  |                                  |                                     |                                     |                                   |   |
| <b>Flats on Vine</b><br>205 Vine Street<br>Village Green                   | <b>226</b><br>Studio/1ba         | \$805 to \$885                      | 508 to 517                          | \$1.58 to \$1.71                  | <b>99% occupancy</b><br>Clubhouse, fitness center,<br>pool, whirlpool,<br>business center, lounge.  |
|  | 1br/1ba                          | \$975 to \$1,395                    | 722 to 887                          | \$1.35 to \$1.57                  |   |
|  | 2br/2ba                          | \$1,465 to \$1,850                  | 988 to 1,255                        | \$1.47 to \$1.48                  |   |
|  |                                  |                                     |                                     |                                   |   |
| <b>Arena Crossing</b><br>423 North Front Street<br>Village Green           | <b>252</b><br>Studio/1ba         | \$805 to \$950                      | 510 to 644                          | \$1.48 to \$1.58                  | <b>98% occupancy</b><br>Fitness center,<br>outdoor pool, spa, fire pit.                             |
|  | 1br/1ba                          | \$1,085 to \$1,245                  | 798 to 956                          | \$1.30 to \$1.36                  |   |
|  | 2br/2ba                          | \$1,535                             | 1,146 to 1,266                      | \$1.21 to \$1.21                  |   |
|  | 2br/2ba TH                       | \$1,925                             | 1,673                               | \$1.15                            |   |
| <i>River South District</i>  |                                  |                                     |                                     |                                   |   |
| <b>Annex at RiverSouth</b><br>186 S. Front Street<br>Lifestyle Communities | <b>213</b><br>1br/1ba            | <b>Annex East</b>                   |                                     | \$1.25 to \$1.39                  | Fitness center,<br>sundeck.   |
|  | 2br/2ba                          | \$825 to \$1,435                    | 661 to 1,135                        |                                   |   |
|  |                                  | <b>Annex West</b>                   |                                     | \$1.26 to \$1.28                  |   |
|  | 2br/2.5ba TH                     | \$1,730 to \$1,845                  | 1,255 to 1,687                      |                                   |   |
|  | 2br/2.5.5ba TH                   | \$1,900 to \$2,115                  | 1,612 to 1,865                      |                                   |   |

**TABLE 3** (continued)  
**Summary Of Selected  
 Rental Properties**

GREATER DOWNTOWN  
 COLUMBUS, FRANKLIN COUNTY,  
 OHIO—DECEMBER, 2011

Source: Zimmerman/Volk  
 Associates, Inc.

| <u>Property (Date Opened)<br/>Address</u> | <u>Number<br/>of Units</u> | <u>Reported<br/>Base Rent</u> | <u>Reported<br/>Unit Size</u> | <u>Rent per<br/>Sq. Ft.</u> | <u>Additional Information</u>   |
|---|----------------------------|-------------------------------|-------------------------------|-----------------------------|---|
| <i>Brewery District</i>                   |                            |                               |                               |                             |   |
| <b>Brewers Yard</b>                       | <b>303</b>                 |                               |                               |                             |   |
| 100 Frankfort Square                      | 1br/1ba                    | \$950 to                      | 710 to                        | \$1.26 to                   | <i>Clubhouse,<br/>fitness center, pool,<br/>sundeck, lounge,<br/>movie theater,<br/>aerobics/yoga room.</i> |
| Elford Development                        | 1br/1ba/den                | \$1,295 to                    | 1,024 to                      | \$1.34 to                   |   |
|   |                            | \$1,020 to                    | 944 to                        | \$1.08 to                   |   |
|   |                            | \$1,195 to                    |                               | \$1.27 to                   |   |
|   | 2br/2ba                    | \$1,250 to                    | 1,074 to                      | \$1.16 to                   |   |
|   |                            | \$1,550 to                    | 1,291 to                      | \$1.20 to                   |   |
| <b>Liberty Place</b>                      | <b>135</b>                 |                               |                               |                             |   |
| 250 Liberty Street                        | 1br/1ba                    | \$995 to                      | 664 to                        | \$1.47 to                   | <i>Business center, clubhouse<br/>fitness center,<br/>pool, spa,<br/>BBQ/picnic area.</i>                   |
| Winther Investments                       | 1br/1ba/study              | \$1,325 to                    | 903 to                        | \$1.50 to                   |   |
|   | 2br/1ba                    | \$1,455 to                    | 1,033 to                      | \$1.41 to                   |   |
|   | 2br/1ba                    | \$1,296 to                    | 976 to                        | \$1.33 to                   |   |
|   | 2br/2ba                    | \$1,595 to                    | 1,150 to                      | \$1.36 to                   |   |
|   |                            | \$1,755 to                    | 1,291 to                      | \$1.39 to                   |   |
|   | 3br/2ba                    | \$1,995 to                    | 1,697 to                      | \$1.18 to                   |   |

**TABLE 4**  
**Summary Of Selected**  
**For-Sale Multi-Family And**  
**Single-Family Attached**  
**Developments**

GREATER DOWNTOWN  
 COLUMBUS, FRANKLIN COUNTY,  
 OHIO—DECEMBER, 2011

Source: Zimmerman/Volk  
 Associates, Inc.

| <i>Development (Date Opened)</i><br><i>Address</i>                      | <i>Unit</i><br><i>Type</i>   | <i>Base Price</i><br><i>Range</i> | <i>Unit Size</i><br><i>Range</i>  | <i>Base</i><br><i>Price Per</i><br><i>Sq. Ft.</i>  | <i>Total</i><br><i>Units</i>                                | <i>Sold</i><br><i>Units</i> |                               |
|---|--|-----------------------------------|---|--|---|-----------------------------|-------------------------------|
| <b>Hartman Lofts</b><br>150 E. Main Street<br>Plaza Properties          | <b>CO</b><br>1br/1ba<br>1br/1ba<br>1br/1ba<br>1br/1ba<br>1br/1ba<br>2br/2ba                |                                   | Current Listings<br>703<br>762<br>762<br>942<br>942<br>1,457                | \$139,900<br>\$159,900<br>\$166,830<br>\$186,519<br>\$189,516<br>\$287,900                       | \$199<br>\$210<br>\$219<br>\$198<br>\$201<br>\$198          | <b>24</b>                   | <b>18</b><br><b>Phase One</b> |
| <b>The York on High</b><br>1276 North High Street<br>The New Victorians | <b>CO</b><br>1br/1ba<br>1br/1ba/loft<br>2br/2ba<br>2br/2ba/loft                            |                                   | Current Listings<br>726<br>926<br>1,881<br>1,500 to<br>1,734                | \$149,900 to<br>\$154,900<br>\$179,900 to<br>\$184,900<br>\$339,900<br>\$229,900 to<br>\$289,900 | \$213<br>\$194<br>\$181<br>\$159<br>\$193                   | <b>25</b>                   | <b>15</b>                     |
| <b>Lofts at 106</b><br>106 N. High Street                               | <b>CO</b><br>1br/1ba<br>1br/1ba<br>2br/2ba<br>2br/1.5ba<br>2br/1.5ba<br>2br/2ba<br>2br/2ba |                                   | Current Listings<br>800<br>996<br>1,152<br>1,337<br>1,583<br>1,667<br>2,542 | \$149,900<br>\$179,900<br>\$199,900<br>\$234,900<br>\$259,900<br>\$274,900<br>\$479,900          | \$187<br>\$181<br>\$174<br>\$176<br>\$164<br>\$165<br>\$189 | <b>48</b>                   | <b>23</b>                     |
| <i>Remaining unsold units are rented.</i>                               |  |                                   |   |  |   |                             |                               |
| <b>Carlyle's Watch</b><br>100 East Gay Street                           | <b>CO</b><br>1br/1ba<br>1br/1ba<br>2br/2ba<br>2br/2ba<br>2br/2ba                           |                                   | Current Listings<br>882<br>882<br>1,185<br>1,185<br>1,475                   | \$154,900<br>\$159,900<br>\$209,900<br>\$211,900<br>\$259,900                                    | \$176<br>\$181<br>\$177<br>\$179<br>\$176                   | <b>54</b>                   | <b>49</b>                     |

**TABLE 4** (continued)  
**Summary Of Selected  
 For-Sale Multi-Family And  
 Single-Family Attached  
 Developments**

GREATER DOWNTOWN  
 COLUMBUS, FRANKLIN COUNTY,  
 OHIO—DECEMBER, 2011

Source: Zimmerman/Volk  
 Associates, Inc.

| <i>Development (Date Opened)<br/>Address</i>                         | <i>Unit<br/>Type</i> | <i>Base Price<br/>Range</i> | <i>Unit Size<br/>Range</i> | <i>Base<br/>Price Per<br/>Sq. Ft.</i> | <i>Total<br/>Units</i> | <i>Sold<br/>Units</i> |
|--|----------------------|-----------------------------|----------------------------|---------------------------------------|------------------------|-----------------------|
| <b>Ohio Lofts</b><br>139 East Main Street                            | CO                   |                             | Current Listings           |                                       | 21                     | n/a                   |
|  | 2br/1ba              | \$159,900                   | 1,163                      | \$137                                 |                        |                       |
|  | 1br/1ba              | \$169,900                   | 1,238                      | \$137                                 |                        |                       |
| <b>Buggyworks</b><br>400 W. Nationwide Blvd.<br>Kyle Katz, Developer | CO                   |                             |                            |                                       | 34                     | Phase Two             |
|  | Open lofts           | \$160,000 to<br>\$600,000   | 852 to<br>2,207            | \$188 to<br>\$272                     |                        |                       |
| <b>Terraces on Grant</b><br>195 S. Grant Avenue                      | CO                   |                             | Current Listings           |                                       | 44                     | 27                    |
|  | 2br/2ba              | \$165,900 to<br>\$231,900   | 1,154 to<br>1,304          | \$144 to<br>\$178                     |                        |                       |
| <b>One Ninety Nine</b><br>199 S. Fifth                               | CO                   |                             | Current Listings           |                                       | 28                     | 10                    |
|  | 1br/1.5ba            | \$199,900 to<br>\$324,900   | 1,275 to<br>1,383          | \$157 to<br>\$235                     |                        |                       |
|  | 1br/1ba              | \$214,900                   | 807                        | \$266                                 |                        |                       |
|  | 2br/2ba              | \$229,900 to<br>\$439,900   | 1,241 to<br>1,898          | \$185 to<br>\$232                     |                        |                       |
|  | 2br/2.5ba            | \$267,900 to<br>\$319,900   | 1,331 to<br>1,453          | \$201 to<br>\$220                     |                        |                       |
|  |                      |                             |                            |                                       |                        |                       |
| <b>Burnham Square Condos.</b><br>250 Daniel Burnham Square           | CO                   |                             | Original Prices            |                                       | 98                     | n/a                   |
|  | 1br/1ba              | \$229,000 to                | 970 to                     | \$236 to                              |                        |                       |
|  | 2br/2ba              | \$850,000                   | 2,370                      | \$359                                 |                        |                       |
|  |                      |                             | Resales                    |                                       |                        |                       |
|  | 1br/1ba              | \$269,000                   | 1,021                      | \$263                                 |                        |                       |
| 2br/2ba  | \$379,900            | 1,445                       | \$263                      |                                       |                        |                       |

**TABLE 4** (continued)  
**Summary Of Selected  
 For-Sale Multi-Family And  
 Single-Family Attached  
 Developments**

GREATER DOWNTOWN  
 COLUMBUS, FRANKLIN COUNTY,  
 OHIO—DECEMBER, 2011

Source: Zimmerman/Volk  
 Associates, Inc.

| <u>Development (Date Opened)<br/>Address</u>  | <u>Unit<br/>Type</u>  | <u>Base Price<br/>Range</u>                      | <u>Unit Size<br/>Range</u>   | <u>Base<br/>Price Per<br/>Sq. Ft.</u>              | <u>Total<br/>Units</u> | <u>Sold<br/>Units</u> |
|---|---|--|--|--|------------------------|-----------------------|
| <b>8 on The Square</b><br>8 East Broad Street<br>Casto Development  | <b>CO</b><br>1br/1ba to<br>2br/2.5ba  |  | Original Prices<br>to 946<br>2,800                                     | \$253 to<br>\$379                                  | <b>23</b>              | <b>19</b>             |
|   | 2br/2.5ba   | \$779,000<br>\$799,000<br>\$819,000<br>\$850,000 | 2,800<br>2,800<br>2,800<br>2,800                                       | \$278<br>\$285<br>\$293<br>\$304                   |                        |                       |
| <b>Miranova (1999)</b><br>One Miranova Place  | <b>CO</b><br>1br/1.5ba<br>1br/1.5ba<br>2br/2.5ba<br>2br/2.5ba<br>Penthouse<br>Penthouse |  | Current Listings<br>1,471<br>1,453<br>2,021<br>2,573<br>3,045<br>4,031 | \$187<br>\$344<br>\$286<br>\$262<br>\$279<br>\$316 | <b>113</b>             | <b>107</b>            |
| <b>Jackson on High</b><br>1127 N. High Street<br>JBH Holdings   | <b>CO</b><br>2br/2ba flat<br>2br/3ba TH   |  | Current Prices<br>to 1,253 to<br>1,964<br>to 1,741 to<br>5,141         | \$223 to<br>\$255<br>\$184 to<br>\$331             | <b>44</b>              | <b>24</b>             |
| <b>Neighborhood Launch</b><br>Between 4th & 6th Streets,<br>and Gay and Long Streets<br>Edwards Companies | <b>CO</b><br>Bishop's Walk<br><b>TH</b><br>Contemporary<br>Bishop's Walk                |  | Current Listings<br>1,134<br>1,534<br>to 1,594<br>1,991                | \$256<br>\$251<br>\$251 to<br>\$260                | <b>300</b>             | <b>62</b>             |

| <u>Development (Date Opened)</u><br><u>Address</u>                  | <u>Unit Type</u>              | <u>Base Price Range</u>   | <u>Unit Size Range</u> | <u>Base Price Per Sq. Ft.</u> | <u>Total Units</u> | <u>Sold Units</u> |
|---|-------------------------------|---------------------------|------------------------|-------------------------------|--------------------|-------------------|
| <b>North Bank Park</b><br>300 W. Spring Street<br>Nationwide Realty | <b>Lofts</b><br>A&P Warehouse | \$376,000 to<br>\$655,000 | 1,536 to<br>2,554      | \$245 to<br>\$256             | # 21               | 4                 |
|   | <b>CO</b><br>The Tower        | \$425,000 to<br>\$873,000 | 1,905 to<br>2,414      | \$223 to<br>\$362             | 88                 | 67                |

**TABLE 4** (continued)  
**Summary Of Selected For-Sale Multi-Family And Single-Family Attached Developments**

GREATER DOWNTOWN  
COLUMBUS, FRANKLIN COUNTY,  
OHIO—DECEMBER, 2011

Source: Zimmerman/Volk  
Associates, Inc.

**TABLE 5**  
**Target Groups For New**  
**Multi-Family For-Rent**

EAST FRANKLINTON STUDY AREA  
 CITY OF COLUMBUS, FRANKLIN  
 COUNTY, OHIO

Sources: Nielsen Claritas, Inc.;  
 Zimmerman/Volk Associates, Inc.

| <b>Empty Nesters<br/>&amp; Retirees</b>               | <i>Number of<br/>Households</i> | <i>Percent</i> |
|---|---------------------------------|----------------|
| Urban Establishment                                   | 10                              | 1.0%           |
| Suburban Establishment                                | 5                               | 0.5%           |
| Affluent Empty Nesters                                | 5                               | 0.5%           |
| New Empty Nesters                                     | 5                               | 0.5%           |
| Cosmopolitan Couples                                  | 5                               | 0.5%           |
| Mainstream Retirees                                   | 5                               | 0.5%           |
| Middle-Class Move-Downs                               | 15                              | 1.5%           |
| No-Nest Suburbanites                                  | 25                              | 2.5%           |
| Middle-American Retirees                              | 5                               | 0.5%           |
| Multi-Ethnic Retirees                                 | 5                               | 0.5%           |
| Subtotal:   | 85                              | 8.5%           |
| <b>Traditional &amp;<br/>Non-Traditional Families</b> |                                 |                |
| Nouveau Money   | 5                               | 0.5%           |
| Unibox Transferees                                    | 5                               | 0.5%           |
| Full-Nest Suburbanites                                | 10                              | 1.0%           |
| Full-Nest Urbanites                                   | 15                              | 1.5%           |
| Multi-Ethnic Families                                 | 20                              | 2.0%           |
| Blue-Collar Button-Downs                              | 30                              | 3.0%           |
| Multi-Cultural Families                               | 25                              | 2.5%           |
| Subtotal:   | 110                             | 10.9%          |
| <b>Younger<br/>Singles &amp; Couples</b>              |                                 |                |
| The Entrepreneurs                                     | 5                               | 0.5%           |
| e-Types   | 20                              | 2.0%           |
| Fast-Track Professionals                              | 20                              | 2.0%           |
| The VIPs  | 20                              | 2.0%           |
| Upscale Suburban Couples                              | 30                              | 3.0%           |
| New Bohemians   | 60                              | 6.0%           |
| Twentysomethings                                      | 75                              | 7.5%           |
| Suburban Achievers                                    | 215                             | 21.4%          |
| Small-City Singles                                    | 95                              | 9.5%           |
| Urban Achievers                                       | 270                             | 26.9%          |
| Subtotal:   | 810                             | 80.6%          |

**TABLE 6****Target Groups For New Multi-Family For-Sale**

EAST FRANKLINTON STUDY AREA  
 CITY OF COLUMBUS, FRANKLIN COUNTY, OHIO

Sources: Nielsen Claritas, Inc.;  
 Zimmerman/Volk Associates, Inc.

| <b>Empty Nesters &amp; Retirees</b>  | <i>Number of Households</i> | <i>Percent</i> |
|--------------------------------------|-----------------------------|----------------|
| Urban Establishment                  | 5                           | 1.9%           |
| New Empty Nesters                    | 5                           | 1.9%           |
| Mainstream Retirees                  | 5                           | 1.9%           |
| Middle-Class Move-Downs              | 5                           | 1.9%           |
| No-Net Suburbanites                  | 15                          | 5.7%           |
| Middle-American Retirees             | 5                           | 1.9%           |
| Subtotal:                            | 40                          | 15.1%          |
| <br>                                 |                             |                |
| <b>Younger Singles &amp; Couples</b> |                             |                |
| The Entrepreneurs                    | 5                           | 1.9%           |
| e-Types                              | 10                          | 3.8%           |
| Fast-Track Professionals             | 10                          | 3.8%           |
| TheVIPs                              | 10                          | 3.8%           |
| Upscale Suburban Couples             | 15                          | 5.7%           |
| New Bohemians                        | 10                          | 3.8%           |
| Twentysomethings                     | 25                          | 9.4%           |
| Suburban Achievers                   | 70                          | 26.4%          |
| Small-City Singles                   | 25                          | 9.4%           |
| Urban Achievers                      | 45                          | 17.0%          |
| Subtotal:                            | 225                         | 84.9%          |
| <b>Total Households:</b>             | <b>265</b>                  | <b>100.0%</b>  |

**TABLE 7**  
**Target Groups For New**  
**Single-Family Attached**  
**For-Sale**

EAST FRANKLINTON STUDY AREA  
 CITY OF COLUMBUS, FRANKLIN  
 COUNTY, OHIO

Sources: Nielsen Claritas, Inc.;  
 Zimmerman/Volk Associates, Inc.

| <b>Empty Nesters<br/>&amp; Retirees</b>               | <i>Number of<br/>Households</i> | <i>Percent</i> |
|---|---------------------------------|----------------|
| Old Money   | 5                               | 1.4%           |
| Urban Establishment                                   | 10                              | 2.9%           |
| Suburban Establishment                                | 5                               | 1.4%           |
| Affluent Empty Nesters                                | 5                               | 1.4%           |
| New Empty Nesters                                     | 5                               | 1.4%           |
| Cosmopolitan Couples                                  | 5                               | 1.4%           |
| Mainstream Retirees                                   | 5                               | 1.4%           |
| Middle-Class Move-Downs                               | 10                              | 2.9%           |
| No-Net Suburbanites                                   | 20                              | 5.7%           |
| Middle-American Retirees                              | 5                               | 1.4%           |
| Subtotal:   | 75                              | 21.4%          |
| <b>Traditional &amp;<br/>Non-Traditional Families</b> |                                 |                |
| Nouveau Money   | 5                               | 1.4%           |
| Unibox Transferees                                    | 5                               | 1.4%           |
| Full-Nest Suburbanites                                | 10                              | 2.9%           |
| Full-Nest Urbanites                                   | 10                              | 2.9%           |
| Multi-Ethnic Families                                 | 10                              | 2.9%           |
| Blue-Collar Button-Downs                              | 15                              | 4.3%           |
| Multi-Cultural Families                               | 10                              | 2.9%           |
| Subtotal:   | 65                              | 18.6%          |
| <b>Younger<br/>Singles &amp; Couples</b>              |                                 |                |
| The Entrepreneurs                                     | 5                               | 1.4%           |
| e-Types   | 5                               | 1.4%           |
| Fast-Track Professionals                              | 10                              | 2.9%           |
| TheVIPs   | 15                              | 4.3%           |
| Upscale Suburban Couples                              | 20                              | 5.7%           |
| New Bohemians   | 10                              | 2.9%           |
| Twentysomethings                                      | 30                              | 8.6%           |
| Suburban Achievers                                    | 65                              | 18.6%          |
| Small-City Singles                                    | 30                              | 8.6%           |
| Urban Achievers                                       | 20                              | 5.7%           |
| Subtotal:   | 210                             | 60.0%          |

**TABLE 8**  
**Target Groups For New**  
**Urban Single-Family**  
**Detached For-Sale**

EAST FRANKLINTON STUDY AREA  
 CITY OF COLUMBUS, FRANKLIN  
 COUNTY, OHIO

Sources: Nielsen Claritas, Inc.;  
 Zimmerman/Volk Associates, Inc.

| Empty Nesters<br>& Retirees                           | <i>Number of<br/>Households</i> | <i>Percent</i> |
|---|---------------------------------|----------------|
| Old Money   | 15                              | 8.3%           |
| Urban Establishment                                   | 15                              | 8.3%           |
| Small-Town Establishment                              | 5                               | 2.8%           |
| Cosmopolitan Elite                                    | 5                               | 2.8%           |
| Suburban Establishment                                | 5                               | 2.8%           |
| Affluent Empty Nesters                                | 5                               | 2.8%           |
| New Empty Nesters                                     | 10                              | 5.6%           |
| Mainstream Retirees                                   | 5                               | 2.8%           |
| Middle-Class Move-Downs                               | 5                               | 2.8%           |
| No-Net Suburbanites                                   | 5                               | 2.8%           |
| Middle-American Retirees                              | 5                               | 2.8%           |
| Subtotal:   | 80                              | 44.4%          |
| <b>Traditional &amp;<br/>Non-Traditional Families</b> |                                 |                |
| The Social Register                                   | 5                               | 2.8%           |
| Nouveau Money   | 10                              | 5.6%           |
| Unibox Transferees                                    | 15                              | 8.3%           |
| Late-Nest Suburbanites                                | 5                               | 2.8%           |
| Full-Nest Suburbanites                                | 15                              | 8.3%           |
| Full-Nest Urbanites                                   | 5                               | 2.8%           |
| Multi-Ethnic Families                                 | 5                               | 2.8%           |
| Blue-Collar Button-Downs                              | 5                               | 2.8%           |
| Subtotal:   | 65                              | 36.1%          |
| <b>Younger<br/>Singles &amp; Couples</b>              |                                 |                |
| The Entrepreneurs                                     | 15                              | 8.3%           |
| Fast-Track Professionals                              | 5                               | 2.8%           |
| TheVIPs   | 5                               | 2.8%           |
| Upscale Suburban Couples                              | 10                              | 5.6%           |
| Subtotal:   | 35                              | 19.4%          |
| <b>Total Households:</b>                              | <b>180</b>                      | <b>100.0%</b>  |

**TABLE 9**  
**Optimum Market Position**  
 EAST FRANKLINTON STUDY AREA  
 CITY OF COLUMBUS, FRANKLIN COUNTY, OHIO  
 Sources: Zimmerman/Volk Associates, Inc.

| <u>Percent of Units</u> | <u>Housing Type</u>                    | <u>Rent/Price Range*</u> | <u>Unit Size Range</u> | <u>Rent/Price Per Sq. Ft.*</u> | <u>Market Capture</u> |
|-------------------------|--|--------------------------|------------------------|--------------------------------|-----------------------|
| 55.8%                   | <b>Multi-Family For-Rent</b>           |                          |                        |                                | <b>124</b>            |
|                         | Hard Lofts                             | \$750 to                 | 550 to                 | \$1.22 to                      | to                    |
|                         | Open Floorplans/1ba                    | \$1,400                  | 1,150                  | \$1.36                         | <b>148</b>            |
|                         |  |                          |                        |                                | units                 |
|                         | Soft Lofts                             | \$850 to                 | 600 to                 | \$1.28 to                      |                       |
|                         | Studios to Two-Bedrooms                | \$1,600                  | 1,250                  | \$1.42                         |                       |
|                         | Luxury Apartments {New Construction}   | \$1,050 to               | 700 to                 | \$1.37 to                      |                       |
|                         | One- and Two-Bedrooms                  | \$1,850                  | 1,350                  | \$1.50                         |                       |
| 14.8%                   | <b>Multi-Family For-Sale</b>           |                          |                        |                                | <b>20</b>             |
|                         | Hard Lofts                             | \$125,000 to             | 700 to                 | \$140 to                       | to                    |
|                         | Open Floorplans/1ba                    | \$175,000                | 1,250                  | \$179                          | <b>28</b>             |
|                         |  |                          |                        |                                | units                 |
|                         | Soft Lofts                             | \$145,000 to             | 750 to                 | \$167 to                       |                       |
|                         | One- and Two-Bedrooms                  | \$225,000                | 1,350                  | \$193                          |                       |
|                         | Luxury Condominiums {New Construction} | \$195,000 to             | 900 to                 | \$207 to                       |                       |
|                         | One to Three-Bedrooms                  | \$300,000                | 1,450                  | \$217                          |                       |
| 19.4%                   | <b>Single-Family Attached For-Sale</b> |                          |                        |                                | <b>28</b>             |
|                         | Townhouses                             | \$185,000 to             | 1,000 to               | \$185 to                       | to                    |
|                         | Two- and Three-Bedrooms                | \$365,000                | 1,750                  | \$209                          | <b>36</b>             |
|                         |  |                          |                        |                                | units                 |
|                         | Live-Work                              | \$235,000 to             | 1,200 to               | \$196 to                       |                       |
|                         | One- and Two-Bedrooms                  | \$375,000                | 1,800                  | \$208                          |                       |
|                         | 2- and 3-story                         |                          | 500 sf work space      |                                |                       |
| 10.0%                   | <b>Single-Family Detached For-Sale</b> |                          |                        |                                | <b>14</b>             |
|                         | Urban Houses                           | \$245,000 to             | 1,200 to               | \$198 to                       | to                    |
|                         | Two- and Three-Bedrooms                | \$395,000                | 2,000                  | \$204                          | <b>18</b>             |
|                         |  |                          |                        |                                | units                 |
| <b>100.0%</b>           |  |                          |                        |                                | <b>186</b>            |
|                         |  |                          |                        |                                | to                    |
|                         |  |                          |                        |                                | <b>230</b>            |
|                         |  |                          |                        |                                | units                 |

NOTE: Base rents/prices in year 2012 dollars and exclude floor or view premiums, options or upgrades.

#### ASSUMPTIONS AND LIMITATIONS—

Every effort has been made to insure the accuracy of the data contained within this analysis. Demographic and economic estimates and projections have been obtained from government agencies at the national, state, and county levels. Market information has been obtained from sources presumed to be reliable, including developers, owners, and/or sales agents. However, this information cannot be warranted by Zimmerman/Volk Associates, Inc. While the methodology employed in this analysis allows for a margin of error in base data, it is assumed that the market data and government estimates and projections are substantially accurate.

Absorption scenarios are based upon the assumption that a normal economic environment will prevail in a relatively steady state during development of the subject property. Absorption paces are likely to be slower during recessionary periods and faster during periods of recovery and high growth. Absorption scenarios are also predicated on the assumption that the product recommendations will be implemented generally as outlined in this report and that the developer will apply high-caliber design, construction, marketing, and management techniques to the development of the property.

Recommendations are subject to compliance with all applicable regulations. Relevant accounting, tax, and legal matters should be substantiated by appropriate counsel.



#### RIGHTS AND STUDY OWNERSHIP—

Zimmerman/Volk Associates, Inc. retains all rights, title and interest in the methodology and target market descriptions contained within this study. The specific findings of the analysis are the property of the client and can be distributed at the client's discretion.