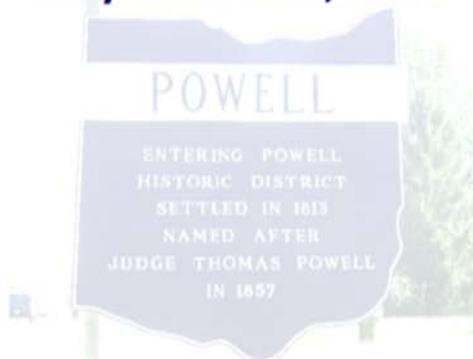


2018 Powell Market Analysis Staff Summary



VSI Vogt Strategic Insights

Real Estate Market Study and Strategic Recommendations Analysis
in the
City of Powell, Ohio



POWELL

ENTERING POWELL HISTORIC DISTRICT
SETTLED IN 1813
NAMED AFTER
JUDGE THOMAS POWELL
IN 1857

For:
Mr. David Betz, Director of Development
City of Powell
47 Hall Street
Powell, Ohio 43065

Effective Date: **October 4, 2018**
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Housing

Rental Housing

The City of Powell has a significantly higher share of single-family rentals than the PMA¹, Delaware County and the Columbus MSA². In 2018, it is estimated that **64% of all rental units** are 1 detached (single-family) and 1 attached (fee-simple) in Powell. This is an indication that there is a **disproportionately low share of conventional apartment opportunities** in Powell compared to other geographic areas in the region.

In order to attract future homeowners to a community and continue community growth, modern **rental housing development is considered paramount to the long-term success** of a community. Demographic support exists for the construction of up to **800 conventional market-rate apartments** to be developed in Powell over the next 5 years. These market-rate apartment projects do not need to be and should not be in one location. Rather, a number of smaller market-rate apartment projects could be supported **at different locations throughout the city**, including some in the downtown area. A new construction “**workforce**” project that has rents priced at least 10% below the achievable market rate is recommended. To ensure the long-term success of the community and maintain healthy growth, it is important to respond to younger households in this aging community. A lack of sufficient housing options in a city limits its ability to **attract and retain households throughout their life cycle**. It is important for a city to offer appealing rental options to attract younger households, as well as modern and updated for-sale options. See figures 1-2 for reference.

For-Sale Housing

According to county sales records, the number of home sales in the city of Powell increased in 2015 and 2016, but has since declined. Part of this is likely due to the fact that **Powell is relatively built-out and without annexing additional land**, there is **less potential for new homes to be developed**.

However, that is not to say that market demand is declining. Rather, as Powell home values rise, the Olentangy Local School District remains exemplary and job opportunities increase, the city of Powell has **potential for additional new home development** from a market demand standpoint. It should be noted that the **median list price** through July 2018 in Powell is **\$411,173**, which is more than 10% higher than the \$370,690 median list price in Delaware County. The **median home value** within Powell is estimated to be **\$365,007**.

A community should **offer a variety of for-sale options** in which the younger households can “move-up” as they increase their earnings, have children and progress in their careers. Similarly, empty-nesters need sufficient housing choices as they age and no longer need large, single-family homes. A variety of housing alternatives for different household sizes, ages, tenures and income levels is paramount to **providing a healthy continuum of housing**. Modular patio homes can be developed at slightly more affordable price-points, while still maintaining a high standard of quality and city-mandated design/architectural standards. This development strategy could help to provide a more affordable for-sale housing opportunity to the city of Powell. Powell currently has significant opportunity for additional housing development, although **some land annexation may be necessary to achieve the number of housing units** that could potentially be developed. See figures 3-4 for reference.

¹ Primary Market Area: the geographic area expected to generate most of the support for residential development, where the community services that site residents will likely utilize are located and/or where comparable housing alternatives exists.

² Metropolitan Statistical Area: the city of Powell is located in the southern portion of Delaware County, within the Columbus, Ohio Metropolitan Statistical Area

Commercial

The commercial analysis broke Powell down into eight zones as each area has similarities and synergies. See the attachment for maps of the different zones.

Downtown (fig. 5): Redevelopment scenarios should consider a **mix of office and other uses**, whether they be retail or multifamily residential. An addition of **more housing downtown will help to support business**. A new **downtown business organization** – similar to the Old Worthington Partnership – could be formed that would support the downtown economy by helping downtown businesses in their efforts to draw more visitors. **Events** like a monthly or bi-weekly gallery hop-like event downtown, along with establishing a **DORA** would help to create a livelier downtown atmosphere and encourage businesses to stay open past 6:00pm. Old Worthington passed their DORA ordinance last year, and since its adoption participating restaurants/bars have seen an average sales increase of 10%. The city should also consider establishing a **parking management district** as part of any new development agreement. Another option is for the city to assume all maintenance costs of downtown private lots to allow universal parking throughout, turning all private parking into publicly maintained parking.

Grace Drive (fig. 6): A strategy should be put in place to redevelop Grace Drive and **create a uniform zoning** across the district. Currently there are three zoning categories: Downtown Business District, Planned Commercial District, and Residence District. A new, single planned zoning district would **streamline the development process** along Grace Drive and allow the city to implement a clear vision for the entire corridor. Creating a **Community Reinvestment Area** that includes Grace Drive would offer property tax exemptions to property owners who renovate existing or construct new buildings, thereby incentivizing future development. The area most in need is the Powell Center. A new development that fronts Olentangy Street would improve the physical and psychological linkages between the residential developments on the east side of town and downtown Powell. Regardless of execution of Powell Center redevelopments, a **neighborhood market** that sells fresh produce, convenience items and prepared meals would work well in this area and would contribute to the success of downtown. Such a place could include a restaurant or café with patio seating and meeting spaces for community events.

West Olentangy Zone (fig. 7): The design style of the Armita Plaza development with its **zero setback and parking in the back** should be replicated wherever possible. This could be achieved through the creation of a zoning overlay district, by extending the Downtown Business District throughout the corridor or by creating a new zoning district to guide development and design principles. The creation of a **new, single zoning district** would provide a developer with clear guidance and streamline the development process because they would not have to apply for re-zoning. The West Olentangy Street corridor would be considered a **gateway into downtown Powell** from the west. There should be **visual cues** that let people know they are about to enter downtown Powell, such as **signs or arches**. Connectivity between **both sides of the railroad tracks** should be a top priority to take advantage of the spillover and customer base from the new retail and multifamily developments nearby.

Sawmill & Home Road Zone (fig. 8): This zone lies in the path of growth. The high school and future medical center represent **market opportunities** for future retail and service development. Further, the existing businesses would experience more traffic and sales if the right mix of uses were developed in a **more compact, walkable fashion**. The undeveloped land to the north of the zone is expected to accommodate a **population increase of 35%** by the year 2040 and most of those households will be younger family households with two or more children. **Future development should be compact (strip**

center) and utilize shared parking. Retail programming should seek clusters of similar and/or compatible uses that could cater to both high school and medical center traffic as well as the younger family households. Within the next five years, this area will be capable of supporting a grocery that is between 20,000 and 40,000 square feet. If a grocery were to be built, it should incorporate additional, compact strip retail. This zone could support several restaurants of varying styles and price points, including fast causal and quick-serve offerings for those with a limited lunch break (i.e., medical center employees and customers emanating from the high school).

Sawmill Parkway & Seldom Seen Zone (fig. 9): Before the arrival of the Verizon store in 2017, there had been no new construction in this zone since 2008, although there are several parcels available for development. The lack of interest in these parcels could be attributed to a number of factors, such as poor visibility or price. The lack of interest tells us the market believes this location is less desirable than other nearby locations. The auto-dependent layout and design of this commercial zone is not maximizing anything other than single-destination trips. The vacant restaurant space may be a harbinger of the times ahead for this zone, especially the portion north of Seldom Seen Road. The undeveloped parcels would be better off combined or subdivided into smaller parcels. As currently configured, the two adjacent undeveloped parcels north of Seldom Seen Road could, if developed, exacerbate the problems that exist today. This zone is extremely vulnerable in the mid- to long-term. The City of Powell needs to be willing to change their plan and vision for this zone because the current incarnation is not functioning efficiently. As currently configured, this zone is unable to compete with retail clusters to the north and the south. In the absence of some significant changes in development requirements, this zone is in danger of becoming blighted.

Sawmill Parkway & Powell Road Zone (fig. 10): Liberty Crossing rents are stable and consistent with a nearly identical shopping center across the street, south of Powell Road. There is a significant retail supply gap across all the major sectors within the Central CTA³ within which the shopping center lies. This overall lack of supply across all sectors is one of the reasons why retail unit vacancies do not stay vacant for very long. However, a nearly identical shopping district south of Liberty Crossing represents strong competition, primarily due to its largest tenant—Kroger. In the near-term, there is no clear advantage to either shopping center; however, that could change quickly depending on the grocery stores strategies.

Sawmill Parkway & Hampton Drive Zone (fig. 11): This zone is best recognized as the area that contains Target. Much of the retail and service demand in this area is met in the areas just north of Interstate 270; however, there are opportunities for a home improvement and furniture store in this area, preferably near the Target. The proximity of this area to the interstate may attract interest for office development, especially if developed in conjunction with a compact retail strip center with shared parking. A more compact design would encourage spillover traffic, thereby reducing total trips generated and would also attract the nearby office workers—especially if there are restaurant options available.

Village Park Zone (fig. 12): This zone contains primarily Class B and Class C office, flex-office and warehouse spaces. The average rents and vacancy rates in this zone are consistent with similar spaces found in central Ohio. Nationally and regionally, the trend has been moving away from suburban office parks that only contain and/or are surrounded by a single use. Two undeveloped parcels currently zoned as Planned Commercial District are in the northeast corner of this zone, as well as a portion of a parcel located in the northwest corner, which could accommodate such uses as restaurant and convenience retail. The desirability, rents and income taxes associated with the office and flex-office would likely increase along with the addition of, and improved access to, these commercial uses. The leakage/surplus analysis for the Central CTA indicates there is demand, and thus such uses would likely see strong support.

³ Commercial Trade Area: the area from which commercial or retail establishments at the subject site will draw the majority of support in terms of household expenditures.

Fig. 1 Recommended/Appropriate Market-Rate Unit Sizes and Net Rents

Bedrooms/Baths	Square Feet	Net Rents	Net Rent per Square Foot
1 bed/1.0 bath	650 - 800	\$1,000 - \$1,320	\$1.55 - \$1.65
2 bed/1.0-2.0 bath	900 - 1,100	\$1,300 - \$1,700	\$1.45 - \$1.55
3 bed/2.0 bath	1,200 - 3,000	\$1,560 - \$1,890	\$1.30 - \$1.40
3 & 4 bed/2.5+ bath Townhouses/Single-Family Homes	2,000 - 3,000	\$3,000 - \$4,500	\$1.50 +/-

Fig. 2 Demographic Support Existing for Rental Units in Powell by 2023

Housing Type	# of Units
affordable non-subsidized “workforce” (Tax Credit)	~550 - 700
conventional affordable senior-restricted (55+)	~140 - 215
rent-assisted (government-subsidized)	up to 200
very low-income (rent-assisted) senior-restricted (55+)	up to 90

Fig. 3 Potentially Supportable For-Sale Units in Powell Over the Next 5 Years

Price Range	# of Units
\$150,000 - \$249,999	up to ~195
\$250,000 - \$499,999	up to ~225
\$500,000 +	up to ~120

Fig. 4 Potentially Supportable For-Sale Senior Units in Powell Over the Next 5 Years

Price Range	# of Units
\$150,000 - \$249,999	up to ~85
\$250,000 - \$499,999	up to ~225
\$500,000 +	up to ~120

Fig. 5 Downtown Commercial Zone



Fig. 6 Grace Drive Commercial Zone



Fig. 7 West Olentangy Commercial Zone



Fig. 8 Sawmill & Home Commercial Zone



Fig. 9 Sawmill & Seldom Seen Commercial Zone



Fig. 10 Sawmill & Powell Commercial Zone



Fig. 11 Sawmill & Hampton Commercial Zone



Fig. 12 Village Park Commercial Zone

