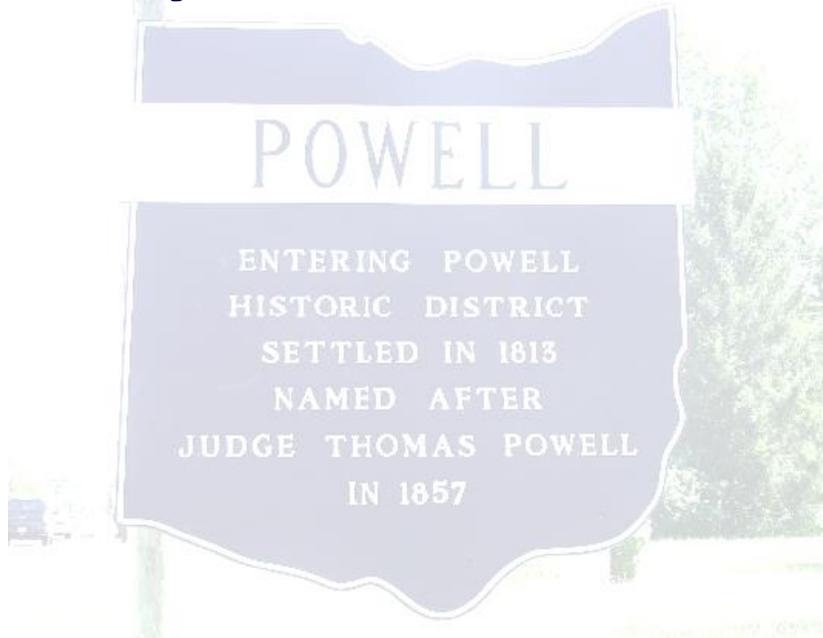




**Vogt Strategic
Insights**

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



For:

Mr. David Betz, Director of Development

City of Powell

47 Hall Street

Powell, Ohio 43065

Effective Date: **October 4, 2018**

Job Reference Number: **14948AM**



Formerly known as
National Council of Affordable
Housing Market Analysts

Market Study and Strategic Recommendations Analysis Certification

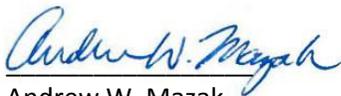
This certifies that Robert Vogt, Andrew Mazak, Mark Ferritto and Kevin Cannon of Vogt Strategic Insights (VSI), and Rick Stein and Drew Merrill of Urban Decision Group (UDG), all contributed to the analysis contained within this report. Further, the information contained in this report is true and accurate as of October 11, 2018.

This market study and strategic recommendations analysis has been prepared by VSI, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysis industry where applicable in this housing needs assessment. The NCHMA market study standards focus on site-specific market studies, rather than larger-scale housing needs assessments. However, the general themes and concepts have been applied to this city-wide analysis.

The NCHMA standards include the *Standard Definitions of Key Terms Used in Market Studies for Affordable Housing Projects* and *Model Content Standards for the Content of Market Studies for Affordable Housing Projects*. These standards are designed to enhance the quality of market studies and to make them easier to prepare, understand and use by market analysts and by the end users. These standards are voluntary only and no legal responsibility regarding their use is assumed by the National Council of Housing Market Analysts.

Vogt Strategic Insights is duly qualified and experienced in providing market analyses housing. The company's principals participate in the National Council of Housing Market Analysts (NCHMA) educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Vogt Strategic Insights is an independent market analyst. No principal or employee of VSI has any financial interest whatsoever in the development for which this analysis has been undertaken.

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1. Executive Summary and Conclusions

The purpose of this market study and strategic recommendations analysis is to evaluate housing characteristics and economic/employment trends impacting the city of Powell, which is located in the southern portion of Delaware County, within the Columbus, Ohio Metropolitan Statistical Area (MSA) and to project the future housing and commercial/retail needs of Powell based on current and anticipated demographic, economic and housing trends. The projections for housing and commercial/retail development represent the gross support potential of Powell. That is, the aggregate projections likely exceed the current capacity of the community to support the projections. This study is not recommending a specific development, but rather providing the gross potential of the city to support real estate development. The community should make decisions on which strategies and development options they prefer.

Considering the demographic characteristics, economic trends and forecast, as well as the performance of the housing and commercial/retail markets in Powell, the city has the potential to support significant levels of additional housing and commercial/retail development. Additional development in Powell can be accomplished through the development of existing, vacant parcels, as well as the potential annexation of adjacent Delaware County land. The following is a summary of the overall commercial/retail and housing potential for the city of Powell.

Commercial/Retail Trade Analysis

Methods

The evaluation of the retail/commercial and office markets requires a novel and nuanced approach that reflects the uncertainty of the markets themselves. To account for all this change, we employed a multi-pronged approach that blends traditional market analysis with recent trends and expert-level, informed speculation.

Businesses in Powell are not simply competing against one another. A business' trade area is not contained to a political boundary. A good or service's elasticity of demand is dependent upon several factors such as price, scarcity, supply and demand; as such, the size of the trade area varies accordingly.

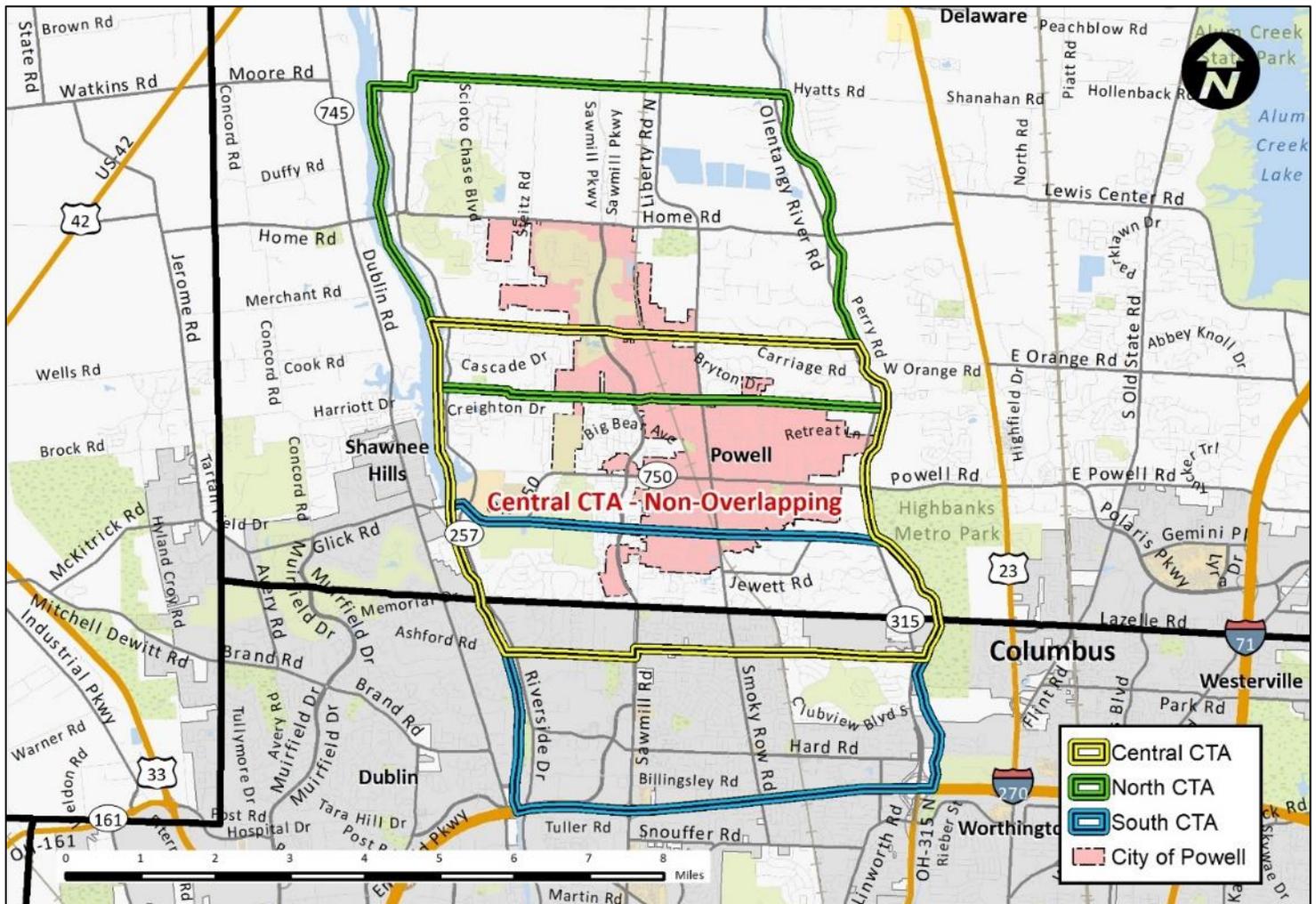
Using a combination of demographic and expenditure data, interviews with local stakeholders and experts, and our own expertise and experience, we identified three overlapping Commercial Trade Areas (CTA) for the purpose of analyzing the retail/commercial markets: CTA North, CTA Central and CTA South. Each CTA has its own characteristics, but they share common traits as well. The information gleaned from the CTA analysis helps us better understand the opportunities and threats that face the retail/commercial nodes that are contained within each area.

We identified eight retail/commercial nodes within the city of Powell. Some of them are contiguous while others stand alone, surrounded by other land uses. Each one was defined by common sets of organizing principles, such as land use, development character, and physical boundaries. The micro-level analysis of the businesses, office complexes and shopping centers was informed by the applicable macro-level Commercial Trade Area analysis, or analyses if in an area of overlap. Detailed of this commercial/retail trade analysis can be found in Section 3 of this report.

Commercial Trade Area (CTA) Delineation

A Commercial Trade Area (CTA) is defined as the area from which a business will draw the majority of support from its customers in terms of sales volume. The establishment of each CTA was based on a variety of factors, including the location and types of businesses relative to existing and anticipated residential development. We also used knowledge of the area gained through field analysis and discussions with commercial realtors familiar with the area to solidify the boundaries.

Although each CTA is analyzed separately, they are not exclusive of one another in terms of geography. The Central CTA overlaps both the North CTA and South CTA while a portion of the Central CTA is exclusive of both. Businesses located in these overlapping areas are likely to draw similar levels of support from both the north and the south. Those businesses located in the non-overlapping portion of the Central CTA tend to be more reliant on local customers purchasing relatively inelastic goods. The map on the following page illustrates the location of the three CTA's relative to one another and the city of Powell.



North CTA

The North CTA is defined by Hyatts Road (north), Olentangy River (east), Seldom Seen Road and Sherborne Lane (south) and the Scioto River (west). A high median income and a low median age for the residents within this CTA bodes well for the emerging goods and delivery services such as grocery, hot food and miscellaneous department store types of goods. While the density and daytime population numbers may not support much more than auto-dependent uses, higher income-earning households that spend one hour or more commuting will increasingly utilize delivery services.

A retail gap analysis evaluates the retail potential for specific business types within a trade area. Demand, or retail potential, is calculated by estimating the spending habits of residents living within the trade area and aggregating those spending totals by North American Industry Classification System (NAICS) code - a federal standard used for classifying businesses by their primary function. The supply is calculated by estimating the total retail sales within the trade area. Once supply and demand are calculated for the trade area, the retail gap amount is calculated by subtracting the supply from the demand. This figure is then divided by the demand and multiplied by 100 to create a leakage/surplus factor. The higher the leakage/surplus factor, the higher the retail potential.

According to the leakage/surplus data for the North CTA, the area is undersupplied in the Retail Trade and Food and Drink sectors by a total \$342 million. The bulk of this unmet demand is in four categories: Motor Vehicle and Parts Dealers, Furniture and Home Furnishings Stores, General Merchandise Stores and Food and Beverage Stores. These four categories combined have a retail gap of \$198 million.

The primary driver in terms of sales for Food and Beverage Stores is Grocery Stores. No grocery stores are in this CTA, although a Giant Eagle and Kroger are just south near Sawmill Parkway and Powell Road. A grocery store in the central or northern portion of this CTA makes sense given the growth potential and purchasing power of households in this area. For comparison purposes, a three-mile trade area emanating from the intersection of Sawmill Parkway and Powell Road (representing a point between the Kroger and Giant Eagle) contains approximately 12,500 households which are effectively supporting two grocery stores with a combined 120,000 square feet of grocery space. A three-mile trade area emanating from the center of the North CTA contains just under 6,000 households today. If the North CTA continues to experience residential development at the same or higher densities, we would expect another grocery store to emerge in this area shortly.

Central CTA

The Central CTA is defined by Rutherford Road (north), Olentangy River (east), Summit View Road (south) and the Scioto River (west). This CTA includes the majority of the city of Powell and parts of northern Franklin County. The population in this CTA is projected to grow by 7% over the next five years. According to the business data provided by ESRI and Infogroup, the Retail Trade and Food and Drink sectors were undersupplied by about \$433 million in 2017. The largest gap in in this CTA is in the Motor Vehicle and Parts Dealers sector, which was undersupplied by \$118 million; however, demand in this sector tends to be very elastic, which means consumers are willing to travel to purchase these goods.

Because retail potential exists in all sectors of this CTA, it is imperative to take a more detailed approach when recommending specific types of retail in specific locations. For instance, while there is high demand for clothing stores overall within the CTA, it makes more sense to cluster these stores in and near the downtown Powell area to enhance the overall shopping experience, rather than locating these stores along Sawmill Parkway—a location where they may see more commuter traffic, but would likely not spur additional “spillover” purchases at adjacent and nearby businesses.

South CTA

The South CTA is defined by Jewett Road, Presidential Parkway and State Route 750 (north), Olentangy River (east), Interstate 270 (south) and the Scioto River (west). In terms of total land area, the South CTA is the smallest; however, it has the highest population (35,772 people). Although this area is expected to continue growing slightly, there are far less opportunities for newer, large-scale single-family home development. Growth will most likely come from higher density infill development – primarily multifamily development.

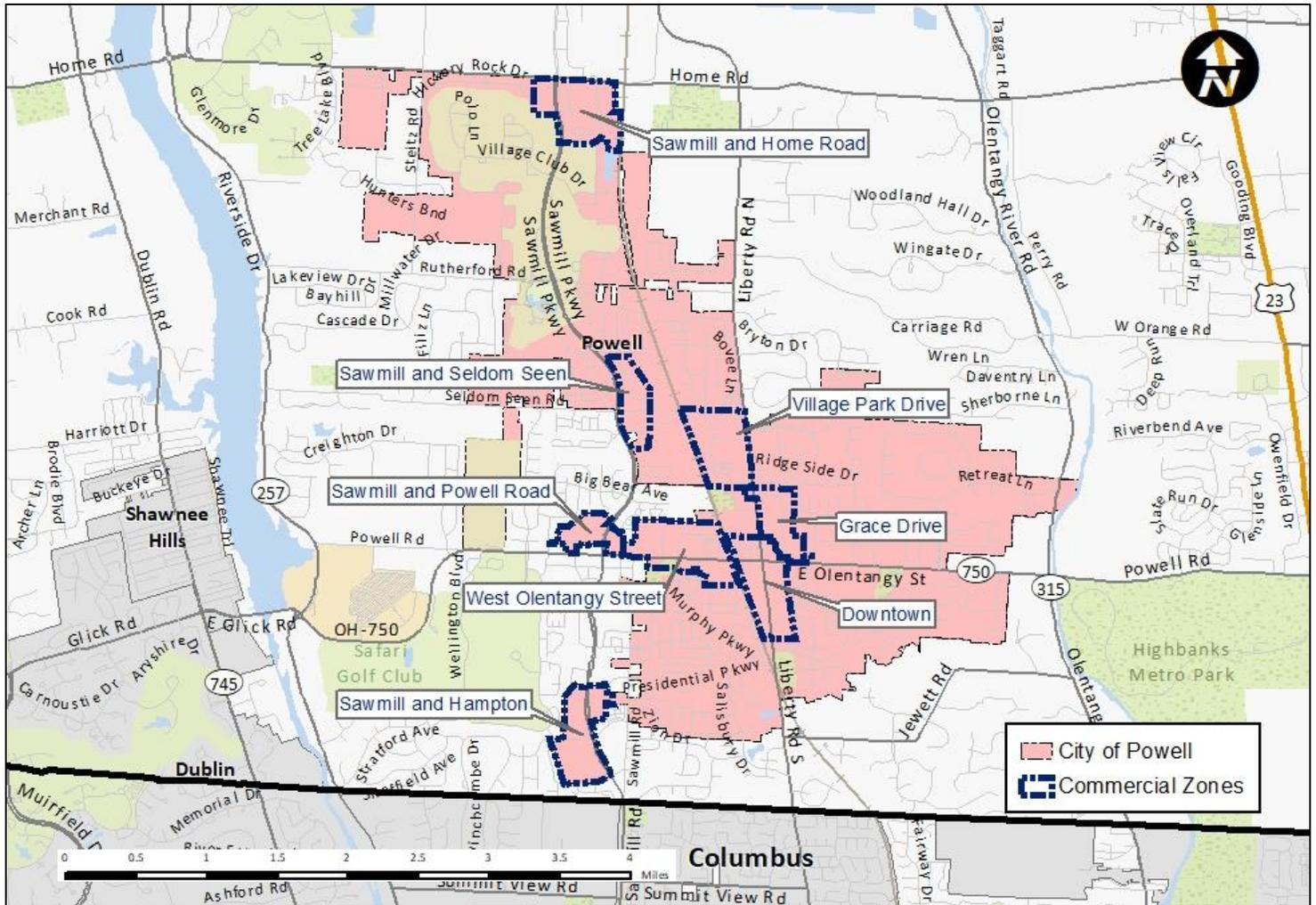
Despite the higher amount of retail demand existing in this CTA, the leakage/surplus factor is only 13.3—the lowest of the three CTA’s. This is due to the relatively large amount of businesses that exist in the southern portion of this CTA and the high sales volume, particularly in the subsector of Motor Vehicle and Parts Dealers, which was oversupplied by \$1.2 million in 2017. This subsector includes auto dealerships, which exist in large supply on the periphery of Interstate 270.

Key Observations and Recommendations – Commercial Zones

In addition to the three CTA analyses, separate analyses were conducted for smaller “commercial zones” identified within the city of Powell. The information gleaned from the CTA analyses was used to inform the broader supply and demand characteristics of the areas, resulting in targeted recommendations within each Commercial Zone. Those separate zonal analyses follow the CTA analyses.

We identified eight commercial/retail zones within the city of Powell. Some of them are contiguous while others stand alone, surrounded by other land uses. Each one was defined by common sets of organizing principles, such as land use, development character, and physical boundaries. The micro-level analysis of the businesses, office complexes and shopping centers was informed by the applicable macro-level CTA analysis, or analyses if in an area of overlap.

The map on the following page illustrates the locations of the eight commercial zones. A summary of the key observations and recommendations for each zone follows the map. Additional details and analysis can be found in Section 3.



Key Observations and Recommendations – Downtown Commercial Zone

The Downtown Commercial Zone in Powell is defined by Grace Drive to the east, Village Academy campus to the south, CSX railroad tracks to the west and East Case Street and the Powell Cemetery to the north. This zone is characterized by local shops residing in historic village homes, several popular restaurants and a mix of office and retail uses existing in a variety of spaces.

Although there are very little vacant parcels to be redeveloped within the Downtown Commercial Zone, redevelopment scenarios should consider a mix of office and other uses, whether they be retail or multifamily residential. The city should also consider establishing a parking management district as part of any new development agreement in which all maintenance costs are split between several parties. This would allow visitors to park anywhere within the district to visit any of the businesses.

Another recommendation to alleviate some of the parking concerns downtown is to add wayfinding tools like additional signage on all sides of the Four Corners intersection directing drivers to the free public parking lots. These signs could incorporate a digital component to give real time updates of the space count in each lot.

One sign of a vibrant downtown is its ability to keep people entertained 18 hours a day. In downtown Powell, most of the businesses outside of the restaurants close down by 6:00 p.m. A lack of residents living in and around downtown also contributes to the low nighttime population. One way to encourage people to explore Powell at night is to create a recurring monthly or bi-weekly event that encourages the downtown shops to extend their hours.

One way to support businesses downtown while relieving some of the congestion and parking issues is to add more housing downtown. For instance, if a new restaurant were to open downtown it would have enough support from customers just within a one-mile radius based on a surplus of \$1.3 million in demand. This is based on an average of \$1 million in sales annually for a restaurant located downtown. However, within a half-mile radius the surplus demand is only \$557,000, meaning that a restaurant would need to rely on about half of its customers living outside of a reasonable walking distance.

According to spending data within the CTA, the average household spends \$8,020 on food and drink establishments. With 786 households living within a half-mile of the Four Corners Intersection that is a total of \$6.3 million spent at food and drink establishments annually. If just 100 households were added with the same level of spending power that equates to \$7.1 million on food and drink. This difference combined with a leakage amount of \$757,859 is more than enough to support a new restaurant almost entirely from local customers.

Key Observations and Recommendations – Grace Drive Commercial Zone

The Grace Drive Commercial Zone includes all the parcels along Grace Drive extending from Olentangy Street to Liberty Road. This zone also includes one commercial office building on the west side of Liberty Road. This zone is characterized by a mix of neighborhood retail centers, Class C office space, flex office/warehouse buildings and large-lot single-family homes.

In terms of development opportunities, Grace Drive has a much larger footprint of vacant land to work with than what is available downtown. The key to any redevelopment of these parcels will be to incorporate a mix of uses. One use that should be strongly considered in this zone is commercial office. Based on discussions with a commercial realtor and the lack of Class A multistory office space within a 15-minute drive from Grace Drive, we believe that new office space is a viable use and would perform well in this zone if it is complimented by other uses.

A strategy should be put in place to redevelop the entirety of Grace Drive and create uniform zoning across the district. Currently there are three zoning categories for the properties that front Grace Drive: 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. Given the proximity to downtown and the lack of available commercial space, the vacant space along Grace Drive should be maximized in terms of density. Higher density commercial uses would also allow the city to collect much-needed income taxes to support the infrastructure improvements both along Grace Drive and downtown.

The obvious challenge (and opportunity) in this zone is Powell Center. Frankly, the option that would be most beneficial to businesses, residents, the entire downtown Powell district and the city of Powell itself, is a wholesale redevelopment of the center. A mixed-use development with residential units above would be one suitable redevelopment option. The key to any redevelopment effort would be orienting buildings to front Olentangy Street and employ a minimal setback.

An example of this is already taking shape in the form of the newly constructed Armita Plaza on Olentangy Street, west of the railroad tracks and between Traditions Way and Lincoln Street. A similar design with an orientation towards Olentangy Street would immediately connect (both physically and psychologically) the residential neighborhoods immediately east of downtown with downtown Powell. This more efficient use of land would also allow space for either shared public/private parking and/or the addition of another public parking lot north of the buildings.

Key Observations and Recommendations – West Olentangy Commercial Zone

The West Olentangy Commercial Zone includes all parcels along W. Olentangy Street between Galloway Drive and the railroad tracks and all of the parcels north of W. Olentangy Street up to Powell Adventure Park and the residential developments to the north. W. Olentangy Street is similar to Grace Drive in that it contains a mix of retail, office and light industrial uses that have been developed throughout the years in a very auto-oriented manner with deep setbacks and parking fronting the buildings. It is encouraging that the two new retail centers have zero setback and have parking oriented to the rear of the building. This type of development should be encouraged all along the corridor. This could be achieved a few ways, either through the creation of a zoning overlay district that “floats” over all of the current parcels that front W. Olentangy Street, 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 a change in zoning.

Similar to the Downtown and Grace Drive Zones, new multistory office space would be a compliment to the new retail and multifamily development in the area. As discussed in the CTA analyses, there are no Class-A commercial or Class A office spaces located within a 10-minute drive of downtown Powell. Any new office space should be located close to the street and incorporate a retail or restaurant use on the ground level and could also incorporate residential units into the mix. Any new mixed-use office development should also be a minimum of four stories in order to maximize leasable floor space and generate more income tax revenue.

Key Observations and Recommendations – Sawmill and Home Road Commercial Zone

The Sawmill and Home Road Commercial Zone is characterized mostly by office and retail space and includes the Villas at Woodcutter condominiums. Olentangy Liberty High School is located just northwest of this commercial zone. A new OSU Medical Center is planned for the property directly east of the school, which will employ over 500 people.

Both large institutions represent market opportunities for future retail and service development. The planned OSU Medical Center not only impact local businesses by adding to the daytime population, it will also spur other development in the area. In addition to the institutions, the area beyond the northern border of the North CTA contains thousands of acres of undeveloped land, much of which would likely be residential. This land 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.

Although this zone is primarily auto-dependent, that should not prohibit development that encourages walking, and thus spillover foot traffic upon arrival at this destination. Clusters of similar and/or compatible uses could cater to both high school and medical center traffic, not to mention the younger family households that will continue to enter this area. While relatively large-lot, single-family homes are expected to remain the predominant trait for residential land uses, commercial/retail development need not eschew development that is much more compact and efficient. Considering the sales and income tax generating potential at the northern reaches of Powell, the city should encourage or even mandate a development style other than single standalone uses with their own dedicated parking.

Within the next five years, this area will be capable of supporting a grocery store that is between 20,000 and 40,000 square feet. Please note, this size range reflects the decade-long trend of smaller grocery footprints and an increasing emphasis on pick-up and/or delivery. However, we want to caution against allowing a grocery store and parking footprint to dominate this zone at the expense of a compact retail and service development that could house multiple compatible uses.

Key Observations and Recommendations – Sawmill and Seldom Seen Commercial Zone

The Sawmill and Seldom Seen Commercial Zone includes 21 businesses located at the intersection of Sawmill Parkway and Seldom Seen Road, all of which reside on the east side of Sawmill Parkway. Located just 1.3 miles south of the Sawmill and Home Road Commercial Zone and just over a half-mile north of the intersection of Sawmill Parkway and Powell Road, this zone inherits most of its character from two retail strip centers.

The layout and design of this commercial zone is only maximizing single-destination trips. Very few opportunities for pedestrian spillover traffic exist, which means less consumer expenditures and sales and income tax revenues. This zone is extremely vulnerable to today's retail and commercial market and the expectations of these markets in the future when we anticipate most businesses will be able to do more with less floor space and parking. With the expected increase in retail goods and food delivery, this zone may be more productive as a small distribution hub—the origin node of the “last mile.” If managed correctly, this concept could reduce the trips generated when compared to today.

The city of Powell needs to be willing to change their plan and vision for this zone because the current version is not functioning efficiently. The wholesale redevelopment of one or more parcels may be required. As currently configured, this zone is unable to compete with retail clusters to the north and south. In the absence of some significant changes in zoning and layout/configuration, this zone is in danger of becoming blighted.

Key Observations and Recommendations – Sawmill Parkway and Powell Road Commercial Zone

This zone is best described as a typical neighborhood-scale shopping center anchored by a large grocery store, fronted by approximately seven acres of parking and six outparcels, only one of which is within the city of Powell. In addition, five parcels directly east of the shopping center, on the east side of Sawmill Parkway, have been included in this zone because of their common character.

The Sawmill and Powell Road Commercial Zone faces several short-, mid- and long-term challenges. First, a nearly identical shopping district is on the south side of Powell Road, in Liberty Township. Consumers have been known to exhibit brand loyalty when it comes to grocery shopping, but more often than not it comes down to price.

However, if consumers have other shopping to do, they will patronize the shopping center that has all or most of the destinations they are looking for. In the near-term, there is no clear advantage to either shopping center, although that could change quickly depending on the grocery stores.

The grocery store sector is on the front lines of the massive disruptions taking place in retail. For decades, the size of grocery stores grew larger and larger until about ten years ago. For the last decade, grocery store size has steadily declined as consumers have utilized online and omnichannel retailers to procure an increasing share of their non-food items. Facing increasing pressure from the likes of Amazon and Walmart, the grocery store sector has responded recently by being a leader in the online order and pick-up or delivery of goods. Further, the Kroger Company is testing the use of autonomous delivery vehicles in Scottsdale, Arizona. After years of failed starts and concepts, the grocery sector has finally found its footing in the world of e-commerce and omnichannel sales, and it happens to be occurring at the same time smaller, autonomous delivery vehicles are hitting our streets.

Key Observations and Recommendations – Sawmill and Hampton Commercial Zone

The Sawmill and Hampton Commercial Zone includes the Target at the southwest corner of the intersection, accompanying outparcel businesses, the shopping center at the southeast corner of Sawmill and Presidential parkways and the urgent and memory care facility on the west side of Sawmill Parkway.

There are essentially three distinct areas within this zone for which the design and layout are important: Target and its outparcels, urgent care and strip shopping center. The Target and its outparcels, including the side parcels, is configured like most Targets in a suburban setting. Target is set back over 650 feet from Sawmill Parkway and has over seven acres of parking between the building and the outparcels in front of it. There are four outparcels that have not yet been developed.

This zone lies within the overlap of the Central CTA and the South CTA. The leakage/surplus analysis for the South CTA indicated there are still market opportunities for almost all retail sectors, but the South CTA is not nearly as undersupplied as the Central CTA, which had a supply gap of \$433 million. The development, and lack thereof, within the Sawmill and Hampton Road Zone is indeed a reflection of the market conditions inherent to these two CTAs.

Immediately south of Target it appears there is a new development emerging. This space is fronted by a parking lot that is relatively unused today, sans a few cars every now and then. Four of the seven outparcels remain untouched almost five years after the Target was built. If or when demand for commercial/retail increases in this area, we recommend a compact development style (i.e., strip centers with shared parking). A more compact design would encourage spillover traffic, thereby reducing total trips generated.

Key Observations and Recommendations – Village Park Drive Commercial Zone

The Village Park Drive Commercial Zone includes 52 businesses along Village Park Drive and Clairedan Drive, as well as one office building on N. Liberty Street. This zone is characterized by office space, warehouse buildings and some apartments and condominiums. The two main office parks are Wolf Commerce Park (west side of Village Park Drive) and North Powell Office Condominiums (south side of Clairedan Drive). Both have signs that list all of the businesses and consist of single-story brick buildings.

Although this area has developed gradually over the last 20 years, the office building and warehouse/flex-office design tends to be consistent. The dominant style is single-story, multitenant office buildings like you would find in a typical suburban office park. Nationally and regionally, the trend has been moving away from suburban office parks that only contain a single use. This zone does not fit the typical definition of a suburban office park, but it is close. Although this zone effectively contains a single use, it is surrounded by or is in close proximity to residential and retail uses (including restaurants and services). In other words, it is within walking or biking distance to places where workers can eat and/or shop.

Two undeveloped parcels are in the northeast corner of this zone that are currently zoned as Planned Commercial District, as well as a portion of a parcel located in the northwest corner, that 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.

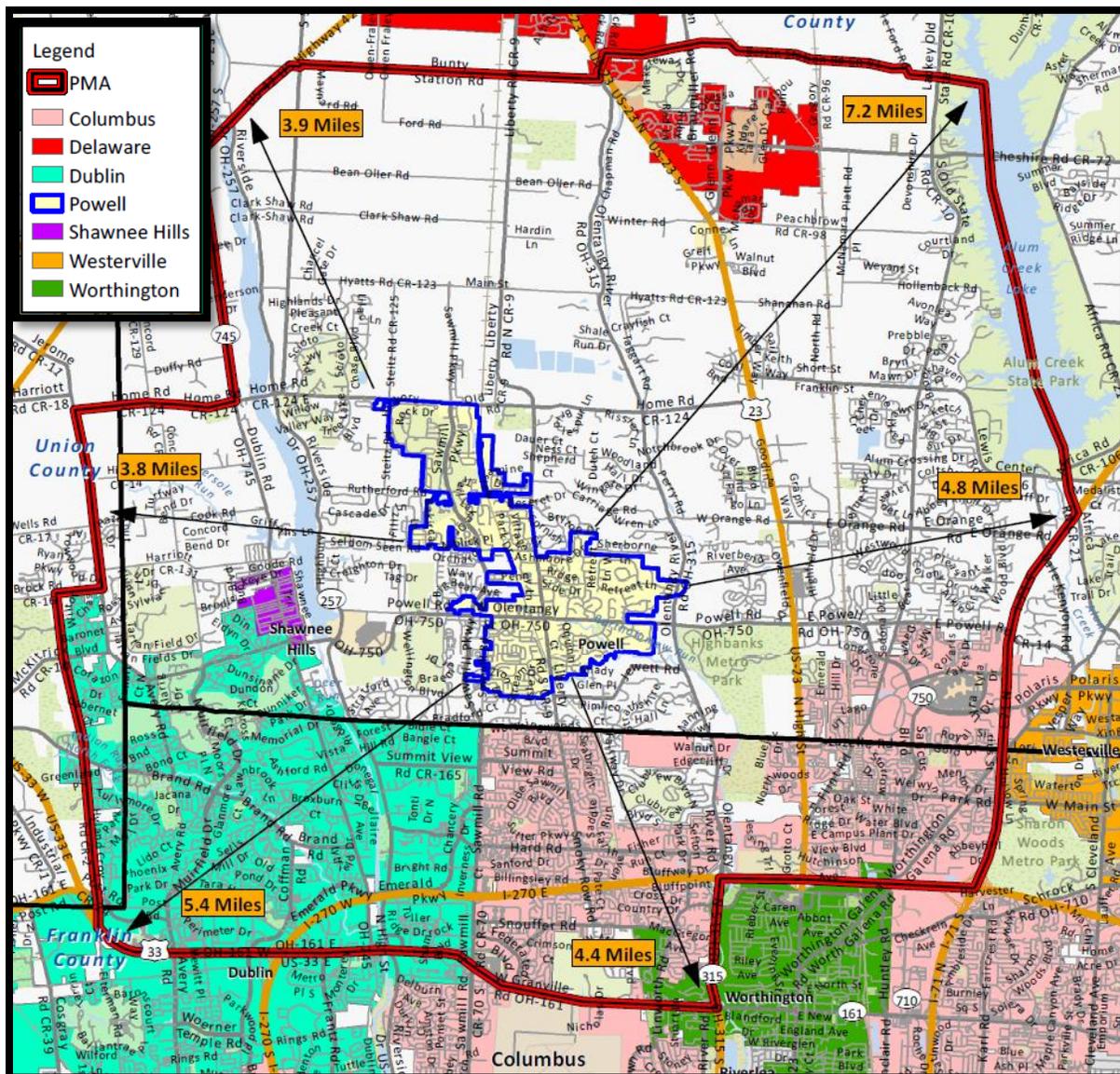
Overall Commercial/Retail Trade Conclusions

All commercial zones within Powell have some degree of vulnerability but that is certainly not unique to Powell or other similar suburban communities in the region. All investment and income-generating properties are competing against one another while also adapting to shifting market forces. The city, developers, investors and citizens should be willing to embrace those tools and development styles that are appropriate for the area to which they are being applied. The traditional path of commercial development will not produce the results that are necessary for sustained growth.

The Retail/Commercial and Office sectors are in the middle of a period of great change and realignment. Norms that have held true over the last 60 years can no longer be trusted to guide policy, planning, investment and development efforts. No single event is triggering the disruption; rather, it is a combination of forces which are powerful enough on their own, but when taken together are nothing short of unstoppable. We are closer to the end of the beginning of this disruption, than we are to the beginning of the end. It's quite possible the shifting sands on which these markets are built may be our new reality, but only time will tell.

Housing Primary Market Area (PMA) Delineation

The housing analysis portion of this market study and strategic recommendations analysis is based on the formation of a Primary Market Area (PMA). A housing PMA is the geographic area where most of the support for housing originates, where the services used by residents of housing are concentrated and where households would likely consider housing choices. This is standard methodology used to evaluate any potential real estate development. Typically, PMAs account for approximately 60% to 80% of the support component for a housing development. Site specific market feasibility analyses determine PMAs to evaluate and quantify supply and demand characteristics of a given market. For the purpose of this housing needs assessment, the primary focus of the analysis is the city of Powell. However, considering current demographic trends, employment opportunities, roadway access, housing alternatives, community services, schools, etc., a new housing development located within the city of Powell will draw resident support from a large portion of the northwestern portion of the Columbus metro area. Additional support for new housing will come from outside of the Powell city limits. The defined PMA is below.



The Dublin area to the west of Powell has a similar demographic and socioeconomic makeup to Powell. Similarly, east of Powell, the Lewis Center area and the area surrounding Polaris is considered relatively similar. Although, this area has a much higher share of renter-occupied households, and the median household incomes are lower, it is likely that households currently residing in upscale apartment units would consider a home purchase in the city of Powell as a “step-up” housing choice. Similarly, the area south of Powell, within Franklin County, is also characterized by lower incomes with higher shares of renter-occupied housing. Residents in this area south of Powell often seek to move north into Powell as they mature through their careers and have families with school-age children. The stellar Olentangy School District is an attribute that attracts residents.

Note that the ability of a specific housing development to attract households would be largely dependent upon numerous factors, including an appealing home design, sufficient unit sizes and bathrooms and the neighborhood (site) in which the homes are built, specific schools and other community services.

Regardless, it is realistic to assume that a well-designed housing product could draw support from this geographic area northwest of Columbus. This PMA consists of approximately 112 square miles.

A small portion of support comes from outside the city of Powell and the PMA; however, this support component is not significant. We anticipate that approximately 80% of support for new housing in the city of Powell will originate from this geographic area. Additional details regarding the PMA can be found in Section 4.

Demographic Trends

The following demographic overview table compares the trends within the city of Powell, the Primary Market Area (PMA) Delaware County and the Columbus, Ohio Metropolitan Statistical Area (MSA).

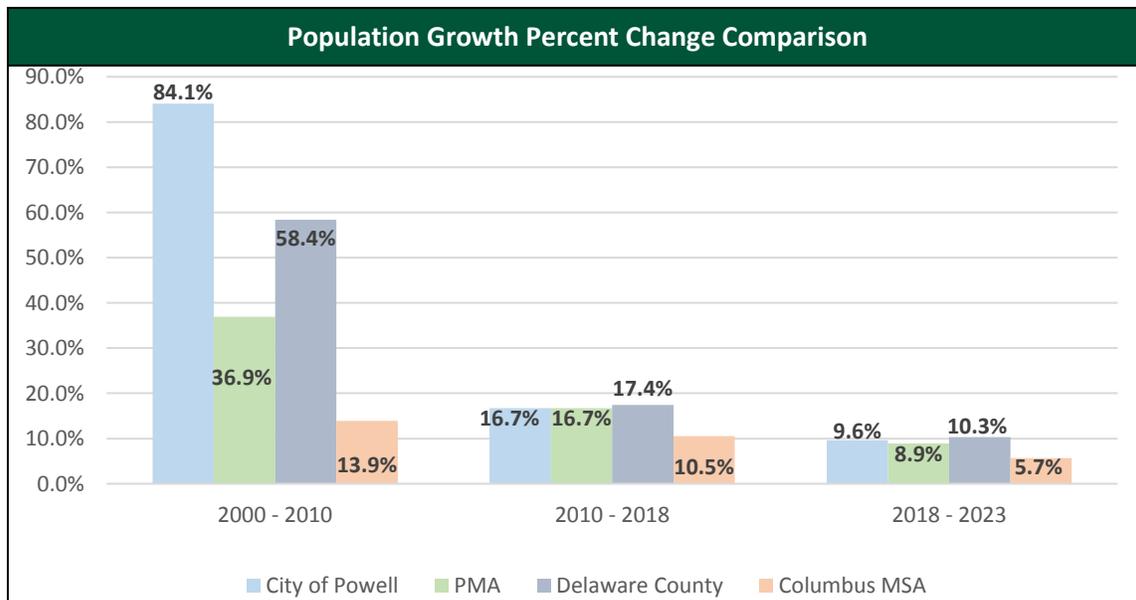
	Population/Household Change Overview							
	City of Powell		PMA		Delaware County		Columbus MSA	
	Pop.	H.H.	Pop.	H.H.	Pop.	H.H.	Pop.	H.H.
2000 Census	6,247	1,975	116,754	44,054	109,989	39,674	1,612,418	636,596
2010 Census	11,500	3,796	159,815	59,640	174,214	62,760	1,836,536	723,572
2018 Estimated	13,417	4,391	186,544	69,173	204,492	73,582	2,029,383	797,308
Change 2010-2018	1,917	595	26,729	9,533	30,278	10,822	192,847	73,736
Percent Change 2010-2018	16.7%	15.7%	16.7%	16.0%	17.4%	17.2%	10.5%	10.2%
2023 Projected	14,700	4,806	203,208	75,144	225,597	81,150	2,145,182	842,469
Change 2018-2023	1,283	415	16,664	5,971	21,105	7,568	115,799	45,161
Percent Change 2018-2023	9.6%	9.5%	8.9%	8.6%	10.3%	10.3%	5.7%	5.7%

Source: VSI; ESRI; 2000, 2010 Census

H.H. – Households

Pop. – Population

After experiencing a significant demographic increase between 2000 and 2010, the city of Powell has experienced similar demographic growth rates since 2010 compared to the PMA and Delaware County as a whole, and greater growth than the Columbus MSA. The following chart compares the rate of population growth for the city, PMA, county and MSA.



Source: 2010 Census; ESRI; Urban Decision Group; VSI

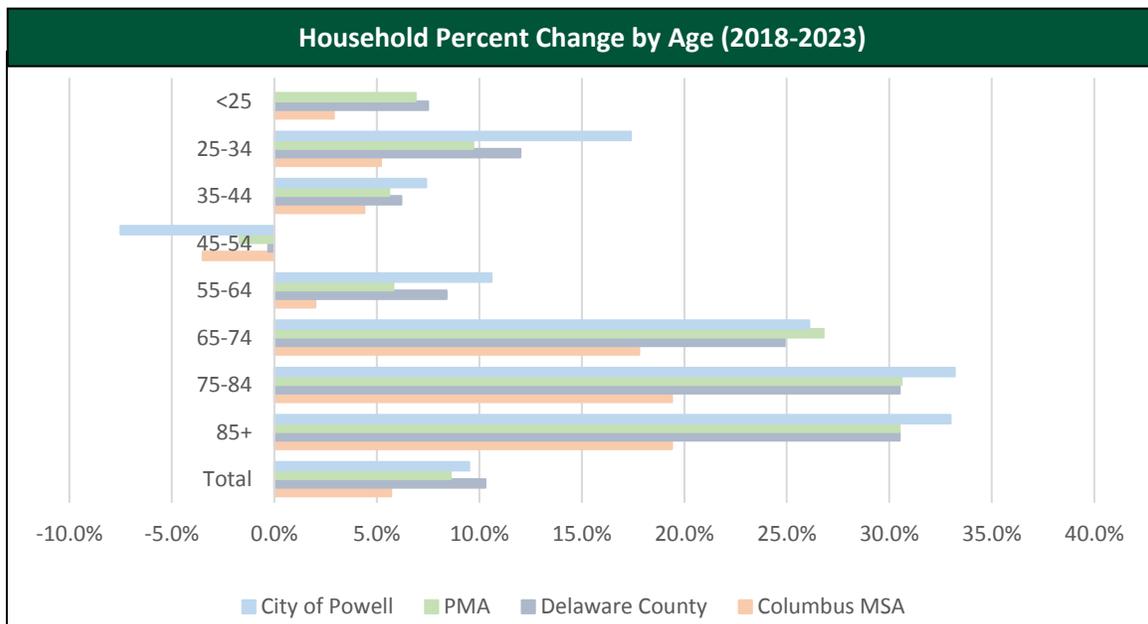
As illustrated in the preceding chart, the city of Powell is projected to experience slightly greater population growth over the next five years than the PMA. Conversely, Delaware County is projected to experience slightly greater population growth than the city of Powell. All three of these geographic areas will increase at a greater rate than the Columbus MSA as a whole.

When evaluating potential and future need for housing, it is important to evaluate household trends. The following table compares the distribution and projected growth of households by age.

	Year	Households by Age								Total
		< 25	25-34	35-44	45-54	55-64	65-74	75-84	85+	
City of Powell	2018	14	409	1,021	1,114	963	543	235	91	4,391
	2023	14	480	1,097	1,030	1,065	685	313	121	4,806
	% Change	0.0%	17.4%	7.4%	-7.5%	10.6%	26.1%	33.2%	33.0%	9.5%
PMA	2018	2,182	11,431	15,528	15,117	13,013	7,543	3,049	1,310	69,173
	2023	2,332	12,538	16,393	14,857	13,769	9,563	3,982	1,710	75,144
	% Change	6.9%	9.7%	5.6%	-1.7%	5.8%	26.8%	30.6%	30.5%	8.6%
Delaware County	2018	1,579	9,433	15,935	16,685	14,508	9,674	4,347	1,422	73,582
	2023	1,697	10,562	16,918	16,631	15,733	12,083	5,671	1,856	81,150
	% Change	7.5%	12.0%	6.2%	-0.3%	8.4%	24.9%	30.5%	30.5%	10.3%
Columbus MSA	2018	45,215	140,502	145,350	146,015	145,402	103,107	50,286	21,432	797,308
	2023	46,527	147,873	151,759	140,925	148,286	121,450	60,055	25,595	842,469
	% Change	2.9%	5.2%	4.4%	-3.5%	2.0%	17.8%	19.4%	19.4%	5.7%

Source: 2010 Census; ESRI; Urban Decision Group; VSI

The following graph illustrates the projected percent changes in households by age through 2023.



Source: 2010 Census; ESRI; Urban Decision Group; VSI

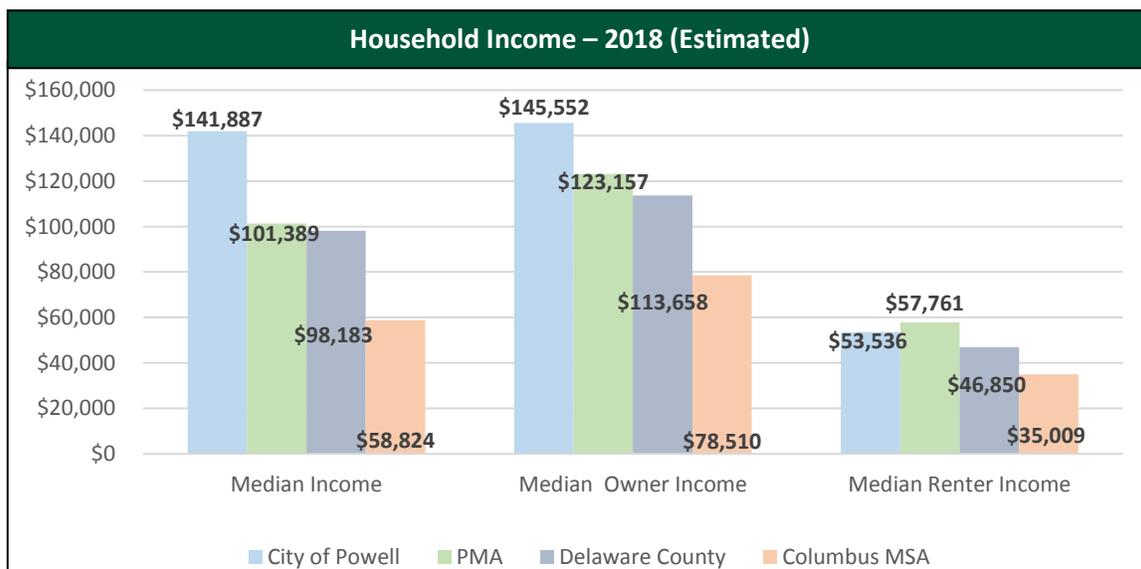
Over the next five years, Powell is projected to experience a larger than typical (17.4%) increase in households between the ages of 25 and 34, as well as among senior households over the age of 65. An unusually large decline is projected among households between the ages of 45 and 54. Housing designed for younger households, as well as older households, will be important to offer in order for the city to adequately meet the changing needs of the demographic household base. The city of Powell PMA is projected to experience a higher than typical rate of increase in households between the ages of 25 and 44, as well as seniors over the age of 65. Thus, it will be important for new housing development to be aware of the changing

The estimated 2018 distribution of households by income and the median income by tenure within the city of Powell, the PMA, Delaware County as the Columbus MSA are summarized as follows:

Household Income Range	Household Income – 2018 (Estimated)							
	City of Powell		PMA		Delaware County		Columbus MSA	
	Households	Percent	Households	Percent	Households	Percent	Household	Percent
Less than \$10,000	18	0.4%	1,095	1.6%	1,998	2.7%	53,185	6.7%
\$10,000 to \$19,999	67	1.5%	2,105	3.0%	3,085	4.2%	70,785	8.9%
\$20,000 to \$29,999	92	2.1%	2,918	4.2%	3,750	5.1%	74,818	9.4%
\$30,000 to \$39,999	99	2.2%	3,950	5.7%	4,056	5.5%	75,714	9.5%
\$40,000 to \$49,999	140	3.2%	4,652	6.7%	4,309	5.9%	69,008	8.7%
\$50,000 to \$59,999	137	3.1%	4,710	6.8%	4,153	5.6%	62,564	7.8%
\$60,000 to \$74,999	204	4.6%	5,684	8.2%	6,035	8.2%	79,688	10.0%
\$75,000 to \$99,999	494	11.2%	9,043	13.1%	10,192	13.9%	104,209	13.1%
\$100,000 to \$124,999	620	14.1%	8,337	12.1%	9,398	12.8%	73,864	9.3%
\$124,999 to \$149,999	486	11.1%	6,736	9.7%	7,259	9.9%	44,756	5.6%
\$150,000 to \$199,999	910	20.7%	8,921	12.9%	9,184	12.5%	46,142	5.8%
\$200,000+	1,127	25.7%	11,023	15.9%	10,161	13.8%	42,576	5.3%
Total	4,391	100.0%	69,173	100.0%	73,582	100.0%	797,308	100.0%
Median Income	\$141,887		\$101,389		\$98,183		\$58,824	
Median Owner Income	\$145,552		\$123,157		\$113,658		\$78,510	
Median Renter Income	\$53,536		\$57,761		\$46,850		\$35,009	

Source: 2010 Census; ESRI; Urban Decision Group; VSI

The median household income in Powell (\$141,887) is significantly higher than the PMA (\$101,389), Delaware County (\$98,183) and the Columbus MSA (\$58,824). However, it should be noted that the median renter income in the city of Powell is actually less than the median renter income in the PMA. This is likely due in part of the limited number of rental options in the city of Powell.



Source: 2010 Census; ESRI; Urban Decision Group; VSI

Additional demographic characteristics and trends can be found in Section 5.

Economic Trends Summary

Located in Delaware County, the city of Powell is an upscale, high-income suburban community north Columbus. Powell contains different Commercial Trade Area (CTAs) and commercial zones, as described in detail in Section IX of this market study and strategic recommendations analysis. Within these different CTAs and commercial zones are a wide variety of job opportunities for locals. However, Powell is not reliant on its own commercial base but on the larger, more diversified regional base of the Columbus metropolitan area, which includes Delaware County, for its residences' workplaces. The city of Powell noted it receives over 90% of its income tax revenue from individuals who work outside the city limits.

Between 2001 and 2017, Delaware County employment grew significantly by 128.4% overall. This compares favorably to a 1.3% employment decline statewide during the same period. Employment in Delaware County dipped during 2009, but has increased steadily since then, resulting in a 22.1% growth during the past seven-year period. Based on the positive demographic growth of Powell, as well as the historical economic growth, it is anticipated that the local economy will continue to grow in and around Powell.

The recently announced plans of The Ohio State University's Wexner Medical Center to develop an Outpatient Surgery Center and medical offices northeast of the intersection of Sawmill Parkway and Home Road will have a significant economic impact on the city of Powell. The first phase of the development will initially bring 450 to 500 jobs to the area, with an average salary of employees of approximately \$100,000 per year. A second phase of development will likely bring an additional 125 to 500 employees to the area. The first phase of development is planned to involve the construction of a 150,000-square-foot, five-story, ambulatory care center and a two-story building with another 56,000 square feet of medical space. The second phase will include approximately 250,000 to 300,000 square feet of medical space. These medical facilities and the new workers who will be working in Powell will provide a significant amount of new demand for additional housing development.

Housing Overview

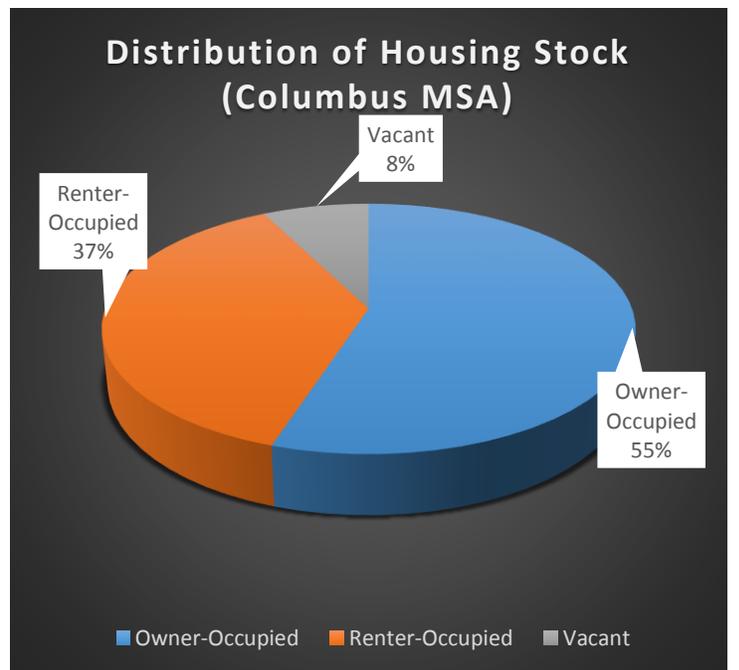
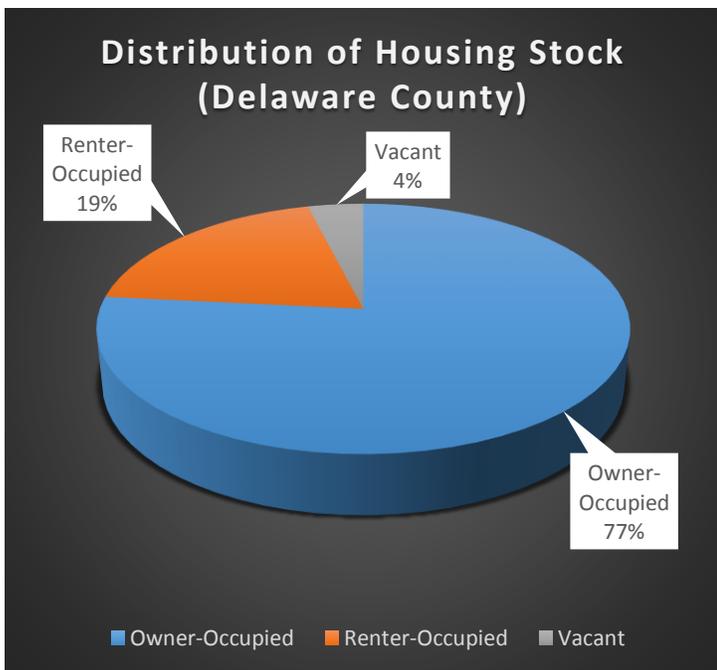
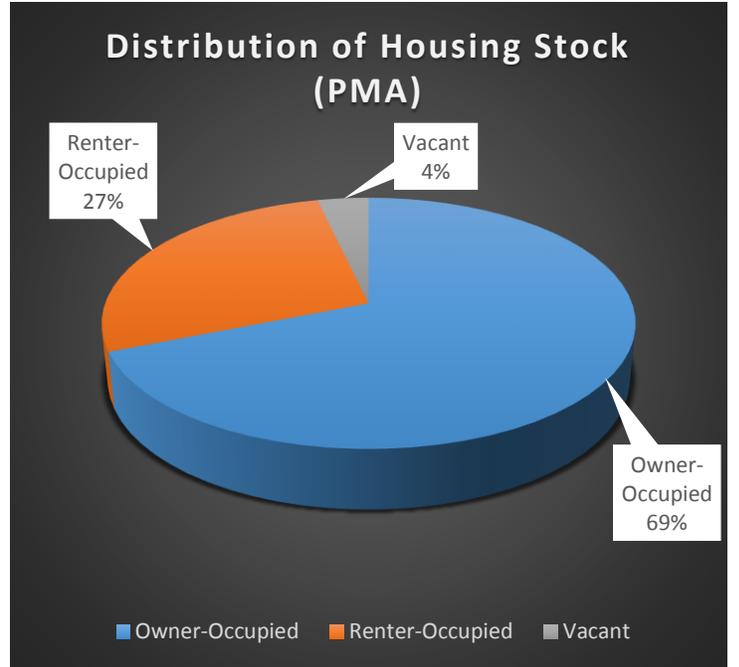
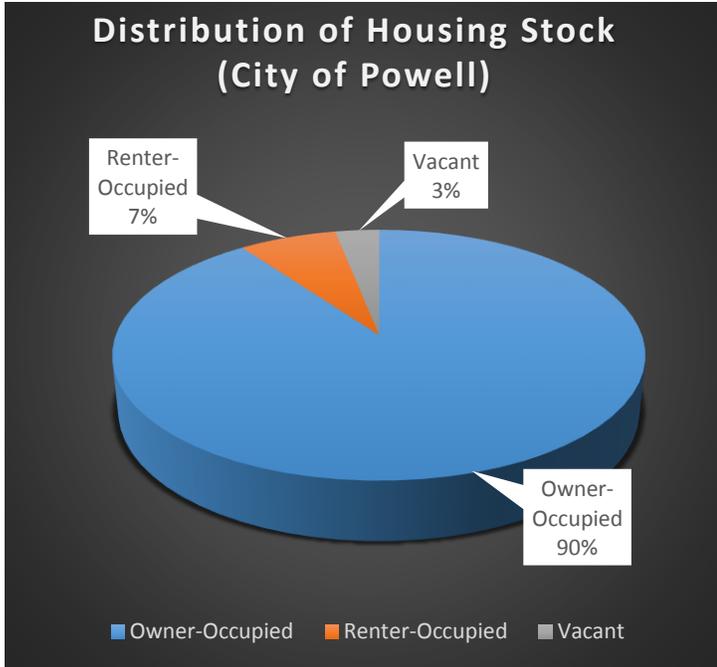
We have analyzed demographic data collected by the American Community Survey (ACS) as well as conducted an in-person survey of existing rental housing in Powell and the defined PMA. The following table summarizes the distributions of the area housing stock:

Distribution of Housing Stock							
Geographic Area	Housing Status	2010 (Census)		2018 (Estimated)		2023 (Projected)	
		Number	Percent	Number	Percent	Number	Percent
City of Powell	Total-Occupied	3,796	95.5%	4,391	96.9%	4,806	96.8%
	Owner-Occupied	3,574	94.2%	4,077	92.9%	4,453	92.7%
	Renter-Occupied	222	5.8%	314	7.1%	353	7.3%
	Vacant	179	4.5%	140	3.1%	157	3.2%
	Total	3,975	100.0%	4,531	100.0%	4,963	100.0%
PMA	Total-Occupied	59,640	94.6%	69,173	96.4%	75,144	96.3%
	Owner-Occupied	43,853	73.5%	49,472	71.5%	53,872	71.7%
	Renter-Occupied	15,787	26.5%	19,701	28.5%	21,272	28.3%
	Vacant	3,384	5.4%	2,553	3.6%	2,878	3.7%
	Total	63,024	100.0%	71,726	100.0%	78,022	100.0%
Delaware County	Total-Occupied	62,760	94.5%	73,582	96.1%	81,150	96.0%
	Owner-Occupied	51,354	81.8%	58,676	79.7%	64,648	79.7%
	Renter-Occupied	11,406	18.2%	14,905	20.3%	16,501	20.3%
	Vacant	3,618	5.5%	3,012	3.9%	3,352	4.0%
	Total	66,378	100.0%	76,594	100.0%	84,502	100.0%
Columbus MSA	Total-Occupied	723,572	91.3%	797,308	92.5%	842,469	92.4%
	Owner-Occupied	452,499	62.5%	474,333	59.5%	499,596	59.3%
	Renter-Occupied	271,073	37.5%	322,976	40.5%	342,874	40.7%
	Vacant	68,768	8.7%	64,264	7.5%	68,929	7.6%
	Total	792,340	100.0%	861,572	100.0%	911,398	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; VSI

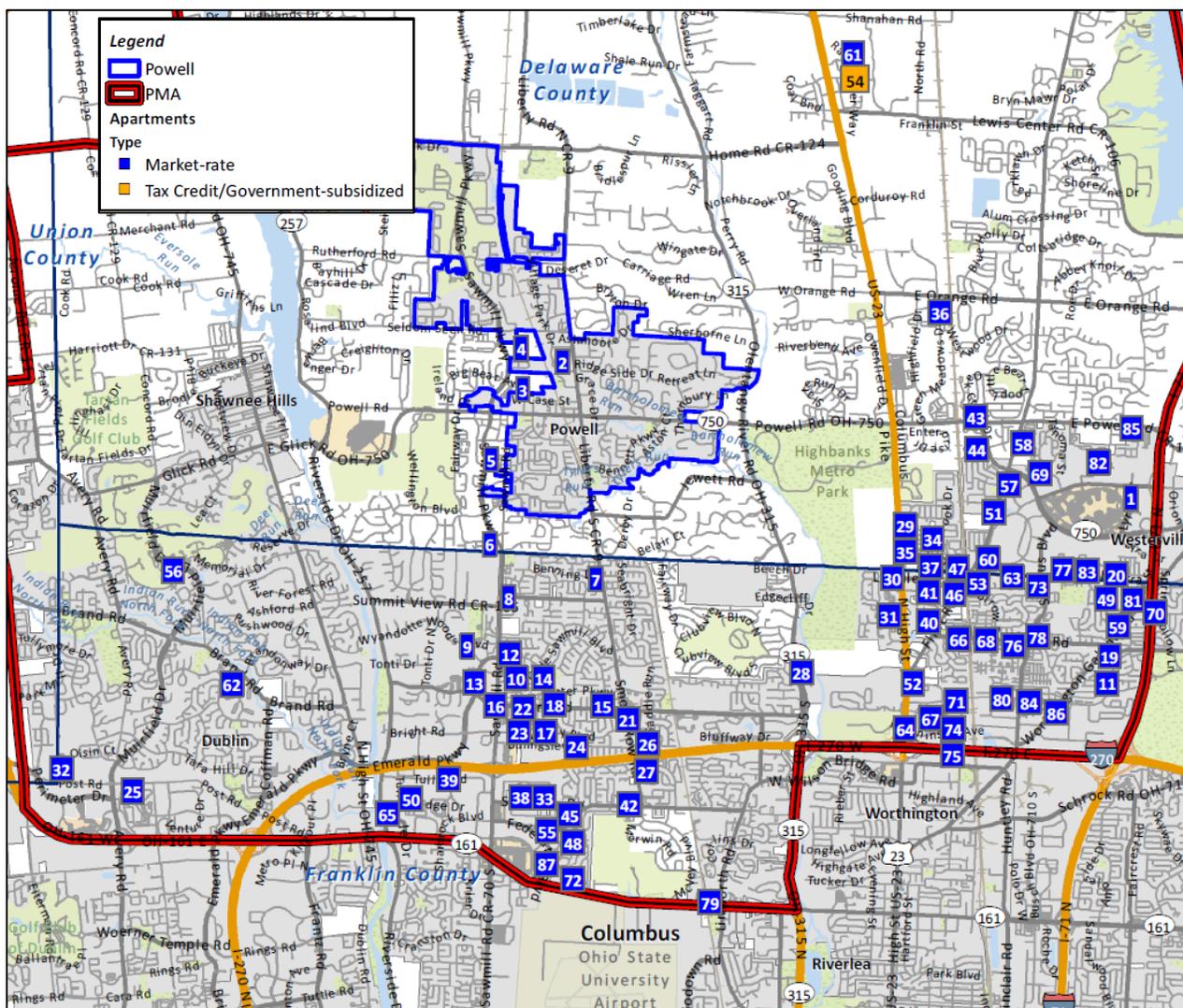
In 2018, the city of Powell is estimated to have a 3.1% vacancy rate among all housing units (both owner and renter). This is considered extremely low and is less than half of the Columbus MSA vacancy rate of 7.5%. This may be due in part to the fact that the city of Powell has an extremely low share of renter-occupied housing units, 7.1%. Owner-occupied housing clearly dominates the city of Powell, more so than the PMA, Delaware County or the Columbus MSA.

The city of Powell is a destination housing location. However, additional rental options could increase the chance for greater growth, as it is often easier for communities to retain current residents and allow them to “move-up” to higher quality homeownership options, than it is to attract demographic support from outside of the area, where other options may exist. Generally, a health continuum of housing with a variety of housing options (with regard to type and price-points) is a positive attribute of a community.



Apartment Survey

We identified and personally surveyed 87 conventional apartment projects containing a total of 17,263 rental units within the Powell PMA during our in-person survey in May and June 2018. This survey was conducted to establish the overall strength of the rental market and to identify those properties that would be theoretically most comparable to modern, new construction apartments that could potentially be supported in the city. In the Powell PMA, we consider rental properties of generally more than 20 units per property to be “conventional” apartment projects. Single-family home rentals, duplexes and triplexes are generally considered to be non-conventional rentals. It should be noted that additional small four- to eight-unit rental projects, technically considered “conventional” in this analysis, were identified in Powell. Although complete data for each project could not be obtained for some of these smaller rental projects, we were able to obtain rental information on many of these units and have included them in the discussion and aggregate data provided in the non-conventional rental analysis found later in this section.



Additional details of the each surveyed conventional rental project can be found in Section 7.

We identified eight under construction properties in the Powell PMA as well as four planned/proposed conventional apartment projects. The following table summarizes the distribution of existing apartment units in the PMA by bedroom/bathroom unit type.

Market-rate						
Bedrooms	Baths	Units	Distribution	Vacant Units	Vacancy Rate	Median Net Rent
Studio	1.0	179	1.0%	5	2.8%	\$796
One-Bedroom	1.0	5,675	32.9%	286	5.0%	\$990
One-Bedroom	1.5	90	0.5%	29	32.2%	\$1,569
Two-Bedroom	1.0	2,891	16.8%	39	1.3%	\$1,037
Two-Bedroom	1.5	1,623	9.4%	23	1.4%	\$1,163
Two-Bedroom	2.0	4,044	23.5%	191	4.7%	\$1,338
Two-Bedroom	2.5	2,268	13.2%	52	2.3%	\$1,358
Three-Bedroom	1.5	29	0.2%	1	3.4%	\$1,125
Three-Bedroom	2.0	194	1.1%	4	2.1%	\$1,843
Three-Bedroom	2.5	200	1.2%	2	1.0%	\$1,902
Three-Bedroom	3.0	30	0.2%	1	3.3%	\$2,520
Four-Bedroom	2.0	20	0.1%	1	5.0%	\$2,199
Total Market-rate		17,243	100%	634	3.7%	-
Overall Median Market-rate Rent						\$1,170
Subsidized Tax Credit						
Bedrooms	Baths	Units	Distribution	Vacant Units	Vacancy Rate	Median Net Rent
One-Bedroom	1.0	20	100.0%	0	0.0%	-
Total Market-rate		20	100%	0	0.0%	-
Grand Total		17,263	-	634	3.7%	-

Source: VSI Field Survey

Median rents increase based on the number of bedrooms and bathrooms offered. Specifically, the two-bedroom/1.0-bath median net rent is \$1,037, while the two-bedroom/2.5-bath median net rent is \$1,358. Similarly, the three-bedroom/1.0-bath median rent among surveyed units is \$1,125, while the three-bedroom/3.0-bath median net rent is \$2,520. Overall, larger units with more bathrooms are commanding notably higher rents than smaller units with just 1.0 bathroom per unit.

The following table summarizes the breakdown of market-rate apartment units in conventional apartment projects surveyed within the PMA. Note that we have provided rent data based on the collected/net rents. Affordable housing programs typically require the evaluation of the total cost of housing, or gross rent (collected rent plus tenant-paid utilities), while market-rate (non-income- or rent-restricted) are often more concerned with the collected/net rent.

Market-rate					
Bedrooms	Baths	Units	Unit Size Range (Square Feet)	Net Rent Range	Net Rent/ Square Foot Range
Studio	1.0	179	288 - 779	\$587 - \$1,376	\$1.28 - \$2.42
One-Bedroom	1.0	5,675	550 - 1,180	\$729 - \$2,078	\$1.00 - \$1.94
One-Bedroom	1.5	90	1,206 - 1,393	\$1,279 - \$2,053	\$0.92 - \$1.70
Two-Bedroom	1.0	2,891	650 - 1,130	\$819 - \$1,538	\$0.96 - \$1.52
Two-Bedroom	1.5	1,623	900 - 1,650	\$970 - \$2,474	\$0.59 - \$2.51
Two-Bedroom	2.0	4,044	872 - 1,960	\$825 - \$2,647	\$0.92 - \$2.56
Two-Bedroom	2.5	2,268	1,225 - 1,623	\$1,130 - \$3,676	\$0.87 - \$1.90
Three-Bedroom	1.5	29	870 - 1,250	\$1,125 - \$1,756	\$0.80 - \$1.67
Three-Bedroom	2.0	194	1,223 - 2,191	\$1,357 - \$2,822	\$0.93 - \$1.79
Three-Bedroom	2.5	200	1,130 - 2,060	\$1,226 - \$2,102	\$1.09 - \$1.33
Three-Bedroom	3.0	30	1,885 - 1,980	\$2,520 - \$2,600	\$1.31 - \$1.34
Four-Bedroom	2.0	20	2,100	\$2,199	\$1.05

Source: VSI Field Survey

N/A – not applicable, as residents pay 30% of their income to rent in subsidized units

The following are photographs of a sampling of existing conventional apartment projects in the Powell PMA.

Example of Modern, “A” Quality Market-Rate Apartments





Housing Choice Voucher Holders

In addition to government-subsidized apartments, which operate with project-based subsidies, there is another program that serves very low-income renters. This program is the Housing Choice Voucher program, which is administered by local housing authorities. Individual households can apply for and receive a Housing Choice Voucher, which the households can then take to any rental home that accepts these Vouchers. Residents with Vouchers are merely responsible to pay 30% of their income to rent, rather than the asking rent at the property in which they live.

The housing authority administering the Vouchers will pay the remaining amount, up to the amount of the specified payment standard. This Housing Choice Voucher program has historically been successful in providing very low-income renter households with additional affordable housing opportunities, outside of project-based government-subsidized or income-restricted properties.

According to the Delaware Metropolitan Housing Authority, approximately 440 Housing Choice Vouchers are in use within Delaware County. Housing authority representatives stated that approximately 800 households are in use currently on the waiting list for additional Vouchers. The waiting list is currently closed. This reflects the continuing need for Housing Choice Voucher assistance. Note that based on our survey of nearly 100 conventional apartment projects, most do not accept vouchers. Therefore, although demographic support and market demand exist for more low-income rental housing, property owners in this part of Columbus have generally been unwilling to accept Vouchers and low-income tenants.

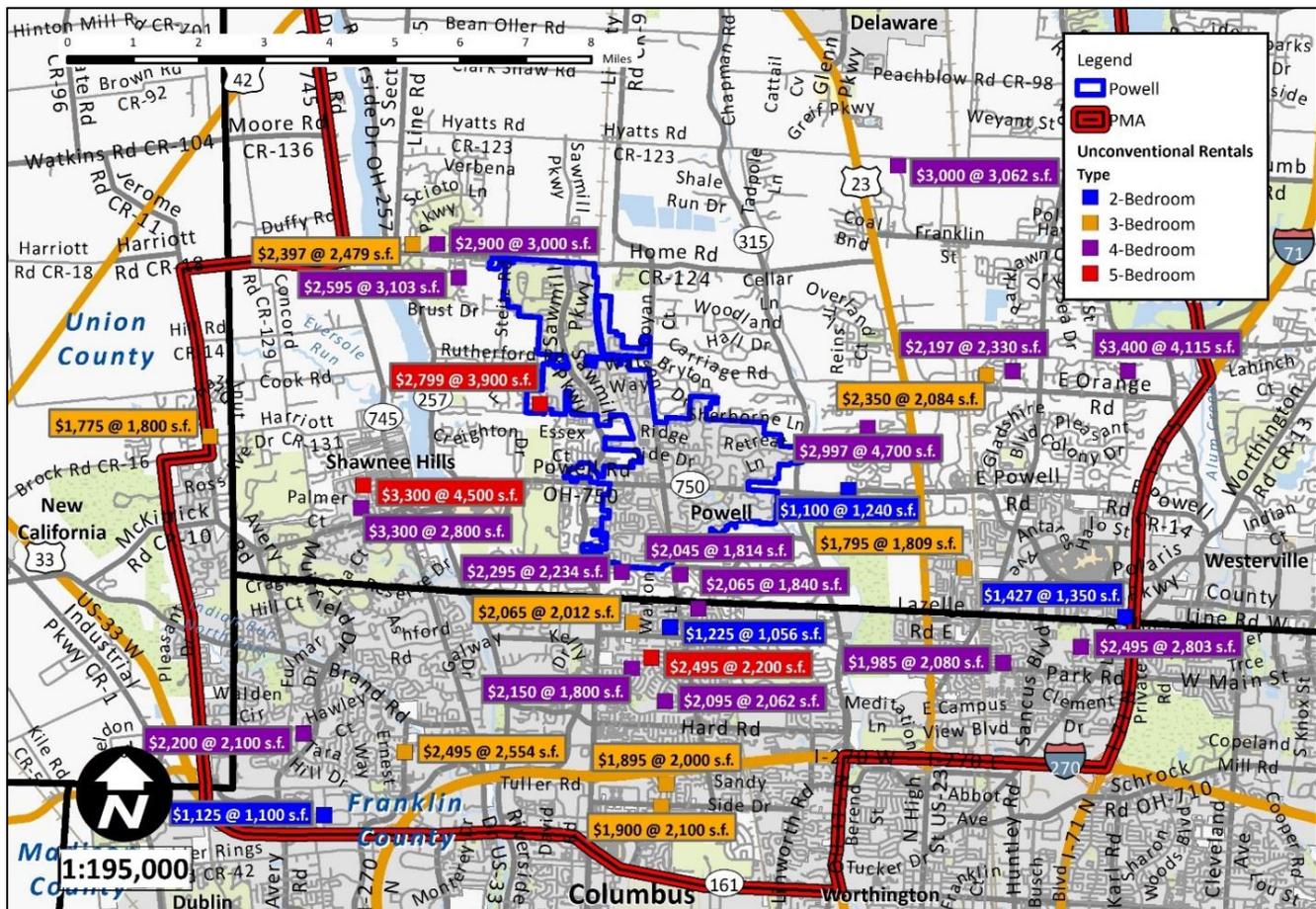
Non-Conventional Rentals (Single-Family Homes, Duplexes, Triplexes, Etc.)

During our in-person evaluation of the Powell PMA rental market, VSI identified and surveyed a sampling of non-conventional rental units, primarily including single-family rentals, as well as some duplex-unit rentals and other small communities with less than five units per project. These non-conventional rentals are dominated by single-family homes generally built between 10 and 20 years ago that are considered to be in good to very good condition. Many of these properties were acquired during the Great Recession when numerous homes were foreclosed. The following table summarizes these surveyed non-conventional rentals.

Survey of Non-Conventional Rentals					
Bedrooms	Units	Square Footage Range	Low Collected Rent	High Collected Rent	Median Collected Rent
Two-Bedroom	4	1,056 – 1,240	\$1,100	\$1,350	\$1,183
Three-Bedroom	8	1,809 – 2,554	\$1,775	\$2,495	\$1,983
Four-Bedroom	16	1,800 – 4,700	\$1,985	\$3,400	\$2,545
Five-Bedroom	3	2,200 – 4,500	\$2,495	\$3,330	\$2,799
Total	31	1,056 – 4,700	\$1,100	\$3,400	\$2,210

Source: VSI Field Survey

The following map illustrates the locations of the non-conventional rental units surveyed during our in-person evaluation of the Powell housing market.



Below are photographs of a sample of the non-conventional rentals that were surveyed that reflect the quality and types of non-conventional rentals available.

Example of Non-Conventional Single-Family Rentals



Example of Duplex/Condominium Non-Conventional Rentals



Although some of the lower quality, older non-conventional rentals are achieving rents below \$2,000, the non-conventional rentals within the city of Powell are generally achieving monthly rents above \$2,000. These properties typically provide rental housing to larger families often with pre-school or school-age children. Overall, despite the existence of some upscale rental alternatives for higher earning households, it should be noted that executive rental housing is still in very high demand in Powell.

As discussed in the demographic analysis portion of this housing needs assessment, found in Section 5, there are 278 renter households within the city of Powell in 2018 (estimated) with incomes of more than \$75,000 per year. Within the Powell PMA, there are 13,290 renter households with incomes above \$75,000. The following table illustrates the distribution of renter household income by household size.

Household Income Range	City of Powell: Renter Households 2018 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	3	1	1	1	0	6
\$10,000 to \$19,999	12	5	3	2	1	23
\$20,000 to \$29,999	15	7	4	3	2	31
\$30,000 to \$39,999	13	7	4	3	2	29
\$40,000 to \$49,999	15	9	5	4	2	35
\$50,000 to \$59,999	8	5	3	2	2	20
\$60,000 to \$74,999	12	8	4	4	2	30
\$75,000 to \$99,999	13	11	6	5	3	37
\$100,000 to \$124,999	12	9	5	4	3	32
\$125,000 to \$149,999	9	7	4	3	2	25
\$150,000 to \$199,999	7	6	3	3	2	20
\$200,000 & Over	9	7	4	3	2	25
Total	129	82	43	37	23	314

Source: 2010 Census; ESRI; Urban Decision Group; VSI

Household Income Range	Powell PMA Renter Households 2018 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	228	153	87	55	35	558
\$10,000 to \$19,999	469	299	171	108	69	1,115
\$20,000 to \$29,999	749	464	265	167	107	1,752
\$30,000 to \$39,999	875	658	376	237	152	2,297
\$40,000 to \$49,999	896	713	407	257	165	2,438
\$50,000 to \$59,999	812	650	371	235	151	2,218
\$60,000 to \$74,999	991	779	445	281	181	2,678
\$75,000 to \$99,999	1,152	1,007	575	365	234	3,334
\$100,000 to \$124,999	391	348	199	126	81	1,145
\$125,000 to \$149,999	314	283	162	102	65	925
\$150,000 to \$199,999	187	170	97	61	39	555
\$200,000 & Over	238	207	118	75	48	687
Total	7,302	5,731	3,272	2,068	1,328	19,701

Source: 2010 Census; ESRI; Urban Decision Group; VSI

Considering the demographic trends in the city of Powell and within the PMA, there is a significant demographic support base among renter households that could theoretically afford to live in upscale rental housing. Additional details of the demographic support potential for additional upscale, market-rate rental housing within the city of Powell can be found in Section 9 of this market study and strategic recommendations analysis.

Considering the demographic trends, as well as the reputation of the Olentangy Local School District, the city of Powell has a unique potential to create single-family rental options that can appeal to higher-income households with school-age children. Specifically, within the city of Powell there are an estimated 38 three-person and larger renter households with incomes above \$100,000. Overall within the PMA there are 1,173 three-person and larger renter households with incomes above \$100,000. Considering the costs associated with developing single-family rentals, as well as the upkeep involved with maintaining a neighborhood, there appears to be a unique opportunity for small-lot, single-family rentals that could appeal to families with children. Below is an example of the type of dense, single-family development that could be supported in the area. While this is a more dense development option than traditional single-family housing (and may require zoning changes), it could enable Powell to attract households who desire a detached, upscale rental option that is not readily available.

Example of Non-Conventional Rental Home/Neighborhood Options



A new modern rental development in Powell will create a new housing opportunity that is not readily available in the city, and will likely be priced well above existing rental alternatives in the area in order for the development to be economically feasible for a developer. Obviously, VSI has not evaluated building costs or other costs/risks associated with developing and constructing an apartment project.

Overview of For-Sale Housing

We have analyzed demographic data as well as conducted a survey of existing for-sale/owner-occupied housing opportunities. The following is a discussion of demographic data that impacts the market. The table below is a summary of the median home values for the city of Powell, the Primary Market Area (PMA), Delaware County and the state of Ohio.

Median Home Value 2018 (Estimated)			
Powell	Primary Market Area	Delaware County	State of Ohio
\$365,007	\$294,602	\$285,613	\$149,000

Source: 2010 Census; ESRI; Urban Decision Group; VSI

As illustrated in the preceding table, the city of Powell has notably higher median home values than the PMA, Delaware County and the state of Ohio. This is not surprising considering the demographic and socioeconomic makeup of the city.

Zillow For-Sale Overview and Historic Data

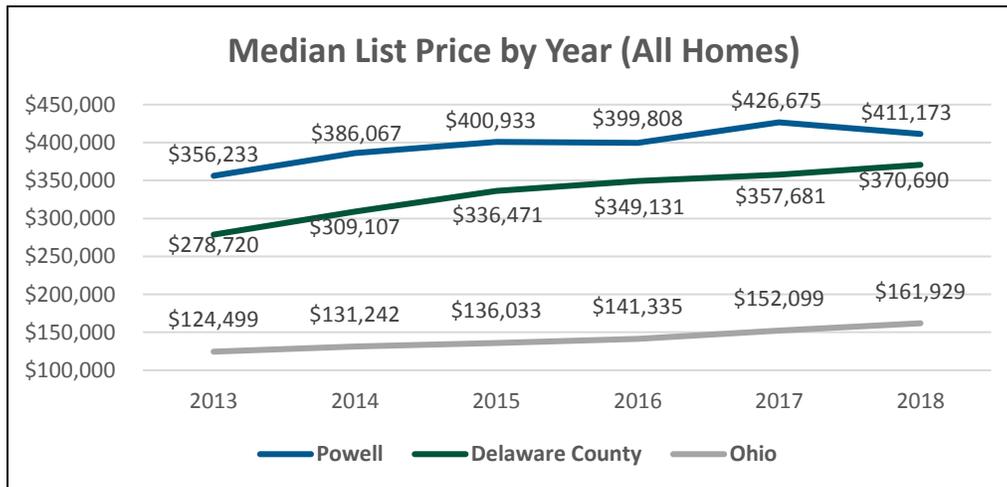
The Zillow Group was founded in 2006 and currently has data on more than 110 million homes across the country. In addition to giving value estimates of homes, it offers several features, including value changes of each home in a given time frame (such as one, five or 10 years), aerial views of homes and prices of comparable homes in the area. The Zillow Group accesses public data (through tax assessor data, the Multiple Listing Service and other official record-keeping groups), to provide basic information on a given home, such as square footage and the number of bedrooms and bathrooms.

Information is gathered and maintained regarding sales activity of homes, list prices, days on market, sales prices, etc. The Zillow Group maintains up-to-date statistical information databases on homes across the country, including the city of Powell, Delaware County, the Columbus MSA and/or the state of Ohio (based on the availability of data).

The following table compares the median list prices by year for all homes in Powell, Delaware County and Ohio.

Median List Price by Year (All Homes)						
Year Sold	Powell		Delaware County		Ohio	
	Median List Price	Percent Change	Median List Price	Percent Change	Median List Price	Percent Change
2013	\$356,233	-	\$278,720	-	\$124,499	-
2014	\$386,067	+8.4%	\$309,107	+10.9%	\$131,242	+5.4%
2015	\$400,933	+3.9%	\$336,471	+8.9%	\$136,033	+3.7%
2016	\$399,808	-0.3%	\$349,131	+3.8%	\$141,335	+3.9%
2017	\$426,675	+6.7%	\$357,681	+2.4%	\$152,099	+7.6%
2018*	\$411,173	-3.6%	\$370,690	+3.6%	\$161,929	+6.5%
Overall Change (2013 – 2018)	+19.8%		+28.3%		+22.2%	

Source: Zillow
*Through July

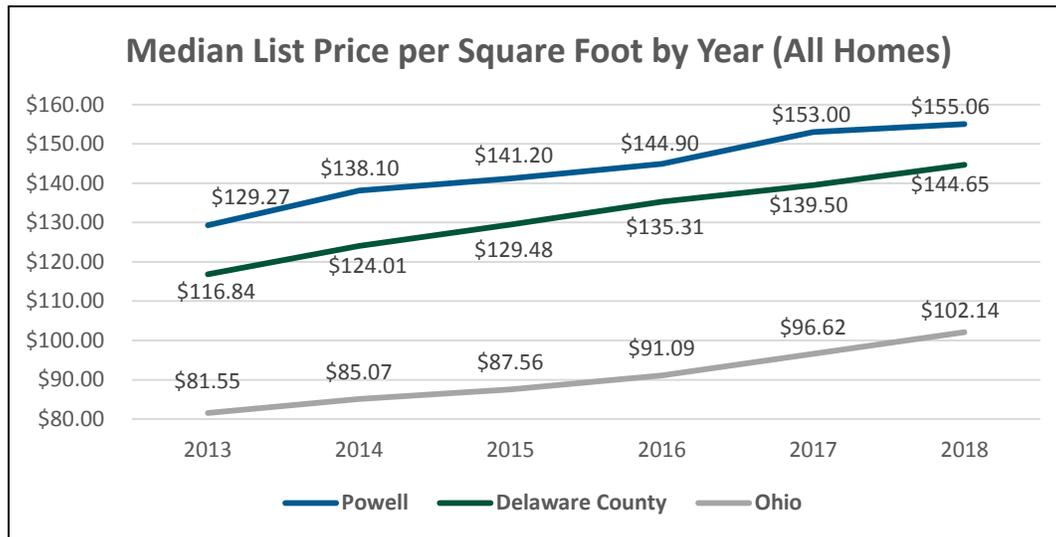


Over the past few years, the list prices of homes in Powell, in Delaware County and the state of Ohio have generally increased. Specifically, list prices in Powell have increased at a lower rate (19.8% between 2013 and 2017) than within Delaware County (28.3%) and the state of Ohio as a whole (22.2%). The partial-year 2018 data (through July) indicates a 3.6% decline in the median list price for Powell, compared to the positive 3.6% increase in Delaware County and the positive 6.5% increase in Ohio overall. Regardless, 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 following table compares the median list prices per square foot by year for Powell, Delaware County and the state of Ohio.

Median List Price per Square Foot by Year (All Homes)						
Year Sold	Powell		Delaware County		Ohio	
	Average List Price/S.F.	Percent Change	Average List Price/S.F.	Percent Change	Average List Price/S.F.	Percent Change
2013	\$129.27	-	\$116.84	-	\$81.55	-
2014	\$138.10	+6.8%	\$124.01	+6.1%	\$85.07	+4.3%
2015	\$141.20	+2.2%	\$129.48	+4.4%	\$87.56	+2.9%
2016	\$144.90	+2.6%	\$135.31	+4.5%	\$91.09	+4.0%
2017	\$153.00	+5.6%	\$139.50	+3.1%	\$96.62	+6.1%
2018*	\$155.06	+1.3%	\$144.65	+3.7%	\$102.14	+5.7%
Overall Change (2013 – 2018)	+18.4%		+19.4%		+18.5%	

Source: Zillow
*Through July



Although the overall median list prices of homes in Powell declined through July 2018, it should be noted that the median list price per square foot increase by 1.3%. This may indicate that the size of homes that have been listed for sale in Powell were somewhat smaller during the first half of 2018. Regardless, the median list price per square foot in Powell is more than \$10 per square foot higher than the median list price per square foot in all of Delaware County.

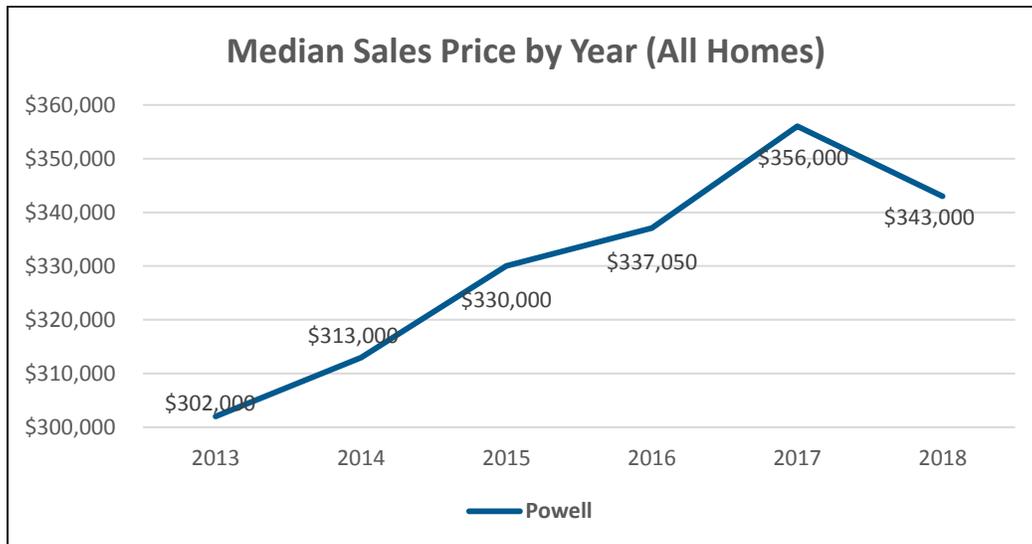
Powell Home Sales Analysis

There has been a variety of homes built in the Powell area, including single-family homes, attached condominium homes and patio homes (detached condominiums). While the price points range significantly, the following table compares the median sales prices per year in Powell.

Median Sales Price Per Year		
Year Sold	Powell	
	Median Sales Price	Percent Change
2013	\$302,000	-
2014	\$313,000	+3.6%
2015	\$330,000	+5.4%
2016	\$337,050	+2.1%
2017	\$356,000	+5.6%
2018*	\$343,000	-3.7%
Overall Change (2013 – 2018*)	+13.6%	

Source: Delaware County Auditor

*Through March

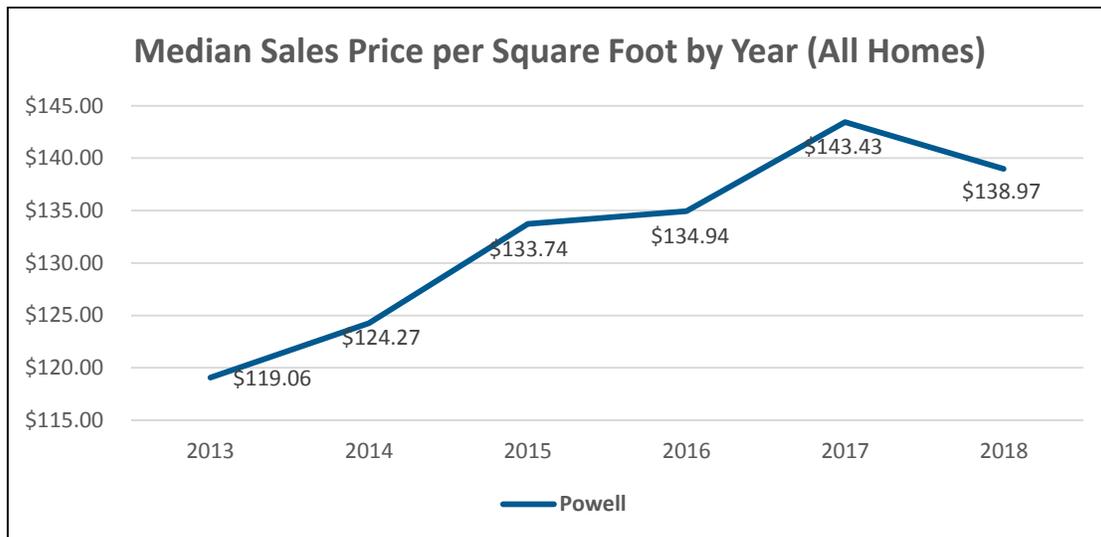


The median sales price in Powell increased by 17.9% between 2013 and 2017, before declining somewhat during the first part of 2018. This resulted in an overall increase of 13.6% sales price between 2013 and 2018 (through March). Between 2013 and 2017, the median sales prices increase by approximately 4.5% annually, which is considered to be a very healthy rate. It should be noted that the 2018 statistics are based only off of the first three months of the year. Spring and summer are typically the busiest home selling time, so the 2018 statistics may be skewed by the lack of the entire year data.

The following table compares the median sales prices per square foot per year in Powell.

Median Sales Price per Square Foot Per Year		
Year Sold	Powell	
	Median Sales Price/S.F.	Percent Change
2013	\$119.06	-
2014	\$124.27	+4.4%
2015	\$133.74	+7.6%
2016	\$134.94	+0.9%
2017	\$143.43	+6.3%
2018*	\$138.97	-3.1%
Overall Change (2013 – 2018*)	+16.7	

Source: Delaware County Auditor
 *Through March



Overall, the median sales price per square foot for homes in Powell increased at a similar rate to the median sales price. Between 2013 and 2017, the median sales price per square foot increased by 20.5% or 5.1% annually. The greater increase in median sales price per square foot may be due in part to the notable increases in build/construction costs among new construction homes, and the resulting trickle-down pricing on resale home prices.

The following table illustrates the median sales price by year built of homes that have sold over the past five years in the Powell area, as well as the median sales price per square foot by year built of homes that have sold.

Median Sales Price by Year Built		
Year Built	Median Sales Price	Median Sales Price/Square Foot
Before 1950	\$205,000	\$116.61
1950 to 1969	\$245,000	\$143.21
1970 to 1989	\$291,250	\$123.86
1990 to 1999	\$323,950	\$132.59
2000 to 2009	\$330,000	\$132.14
2010 to 2014	\$351,253	\$132.73
2015	\$288,406	\$128.99
2016	\$400,425	\$131.01
2017	\$373,745	\$134.45
2018*	N/A	N/A

Source: Delaware County Auditor

*Through March

The median sales price by year built indicates that the most modern homes built in the Powell area are priced well above the older homes. This is due in part to the fact that the more modern homes are larger in size, as suggested by the resulting median sales price per square foot by year built information in the preceding table.

Despite the fact that the median sales price of homes in the Powell area has ranged from approximately \$125 to \$145 per square foot, it is important to note that many new-build single-family homes, condominiums and detached patio homes have sold for \$150 to \$200 per square foot (new and existing homes). Obviously, the achievability of specific sales prices are dependent upon numerous factors, including home location, subdivision, home size, features, amenities, design, etc. However, given the demographic support in the Powell area, the increasing sales prices and the economic growth occurring, new construction homes can continue to achieve prices of \$150 to \$200 per square foot sales over the next few years.

While the city of Powell is an upscale bedroom community characterized by high income households, when evaluating the demographic trends, the regional market demand and the increasing economic trends, there is still projected demand for more affordable for-sale homes priced in the \$150,000 to \$249,999 price range. An increasingly popular housing development option that is being embraced by communities is the development of modern, high-quality, manufactured/modular housing alternatives or prefabricated homes. Although manufactured/ modular housing options are typically envisioned as “trailer parks” that have traditionally been an affordable option for lower income households, new trends in fabrication and construction of manufactured homes have lent a new dimension to the often-stereotyped housing type.

Higher quality, multi-section homes are being used more often as infill units among site-built housing and provide an affordable second home option in resort areas. Development of the non-mobile, upscale manufactured housing is currently outpacing development of single-section “mobile” home housing on a national scale in resort and permanent communities alike.

The more upscale “non-mobile” manufactured housing is increasingly being combined with site-built condominiums, patio homes and single-family homes in addition to existing communities, or as infill to existing neighborhoods. This development strategy could help to provide a more affordable for-sale housing opportunity to the city of Powell. 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. Below are examples of modern manufactured/ prefabricated homes.





More modern architectural designs could become more accepted and provide further diversity among Powell neighborhoods, while still maintaining a similar high standard of quality homes.

Overall Demographic Support Conclusions and Housing Market Conclusions

A detailed demographic support analysis has been conducted to determine the number and type of housing units that can be supported within the city of Powell. To establish the demand potential for new housing, we have estimated the number and type of housing units that can be supported by 2023, or over the next five years. Demographic and economic characteristics, along with the current supply of various housing types, have been evaluated to determine the types of units by tenure that could be supported.

In order for a community to sustain demographic and economic growth, a variety of housing opportunities help to ensure a balanced continuum of housing that appeals to and serves a variety of household sizes, tenure, ages and income levels. The inability to attract younger households early in their residential search can be detrimental to long-term population and household demographic levels, as younger households may be more apt to progress through the housing continuum in other areas. It is important to provide enough housing options in which households can “move-up” into 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.

The city of Powell currently has opportunity to support additional housing development. Again, that is not to say that the aggregate amount of support for all types of housing should be developed. The city will have the ability to create and proceed with development strategies and policies that encourage the type of development that is determined to be the best fit for the overall vision of Powell.

The conclusions of this housing needs assessment do not take into considering various regulations associated with housing development, detailed construction costs, permit/tap fees, etc. However, general assumptions have been considered in this evaluation to provide a realistic analysis of supportable units. Regardless, it will be important for the city to provide proactive, hands-on, transparent and open discussions and partnerships with local developers in order to incentivize and attract the type of housing development that is needed and supported by the community.

The following table summarizes the estimated income ranges required to support the various housing types considered in this analysis.

Demographic Support Assumptions			
Housing Type and Targeted Age	Targeted Household Size	Minimum Income	Maximum Income
For-Sale: \$150,000 to \$249,999 Homes	All Sizes	\$50,000	\$99,999
For-Sale: \$250,000 to \$499,999 Homes	All Sizes	\$100,000	\$199,999
For-Sale: \$500,000 and Higher Homes	All Sizes	\$200,000	No Limit
Market-Rate Apartments	1-, 2- & 3-Person Renter Households	\$50,000	No limit
Affordable (“Workforce”) Apartments	1-through 5-Person Renter Households	\$23,500	\$72,500
Affordable (Tax Credit) Senior-Restricted (Age 55+) Apartments	1- & 2-Person Renter Households	\$20,000	\$54,000
Very Low-Income (Rent-Assisted) Apartments	1-through 5-Person Renter Households	\$0	\$23,500
Very Low-Income (Rent-Assisted) Senior-Restricted (Age 55+) Apartments	1- & 2-Person Renter Households	\$0	\$20,000

The following is a summary of the demographic support calculations for housing development in Powell over the next five years. This is the gross support potential, rather than specific development recommendations. In addition, to realistically absorb the maximum supportable units, projected growth areas would need to be developed and continued annexation would also need to occur.

Potentially Supportable New Housing Units – 2023 Conclusions	
Type of Housing	Supportable Units
Family (Under Age 55) For-Sale: \$150,000 to \$249,999 Homes	Up to 195 Homes
Family (Under Age 55) For-Sale: \$250,000 to \$499,999 Homes	Up to 225 Homes
Family (Under Age 55) For-Sale: \$500,000 and Higher Homes	Up to 120 Homes
Senior (Age 55+) For-Sale: \$150,000 to \$249,999 Homes	Up to 85 Homes
Senior (Age 55+) For-Sale: \$250,000 to \$499,999 Homes	Up to 110 Homes
Senior (Age 55+) For-Sale: \$500,000 and Higher Homes	Up to 60 Homes
Market-Rate Apartments	~ 585 – 880 Units
Affordable (“Workforce”) Apartments	~ 550 – 700 Units
Affordable (Tax Credit) Senior-Restricted (Age 55+) Apartments	~ 140 – 215 Units
Very Low-Income (Rent-Assisted) Apartments	~ 135 – 200 Units
Very Low-Income (Rent-Assisted) Senior-Restricted (Age 55+) Apartments	~ 70 – 90 Units

In addition to the supportable units of conventional owner-occupied and renter-occupied housing summarized above, there is also additional support potential in Powell for senior-living with healthcare services, such as “assisted living”, “congregate care” and/or “nursing care” communities. It should be noted that support for this type of specialized senior-living with healthcare services often originates in large part from resident sponsors (adult children of prospective site residents) who reside in the area but have an aging parent that does not. In many cases, the adult child will have a significant influence on the place of residency for an aging parent, especially in circumstances where the aging parent has declining health warranting stay within an assisted living community. Often, the adult child will choose to place the aging parent in a community within relative proximity of the respective adult child’s home. Due to the unique nature of this type of housing and the nuances involved with the potential support, VSI has not quantified the number of potentially supportable units. However, based on increasing demographic and economic trends, as well as the aging population of Powell, the city can support additional development of this type of senior-living with healthcare services.

Demographic support exists for all types of new construction owner-occupied and renter-occupied housing, ranging from affordable rental housing up to executive for-sale homes. These overall conclusions assume that appealing and marketable site locations can be identified and developed to accommodate the different types of new housing that can be supported. The development of new housing may result in some tenant displacement of a portion of the older, functionally obsolete housing alternatives in the market.

Should new lower cost housing be an objective of the city, incentives may need to be considered to assist for-sale/owner-occupied housing development (for which demographic support and market demand exists), such as property tax abatement for a specific period of time (10 or 15 years, for example) for any housing unit developed within a specific targeted area of Powell. This strategy has been successful in helping to increase lower cost for-sale housing development in other cities across the country. However, this must be tempered by the fact that existing homeowners, many of whom may have stretched their budget to afford property taxes, neighborhood homeowner association dues, etc. may feel disenchanting. Furthermore, the impact on the local school district must also be evaluated and considered if any city assistance is provided.

Other incentives could be considered, such as down payment assistance incentives for first-time homebuyers, forgivable loans for specific demographic or economic/“workforce” cohorts have also been a successful strategy to increase for-sale home interest in developing areas. Local employers may consider partnering with the city to help provide incentives to attract current and potential employees to Powell.

Developer-oriented incentives could be considered to incentive additional housing development in specific areas of interest. For instance, reduced development fees, building permit costs, tap fees, zoning/review expenses, streamlined processes, etc. could further help to encourage additional housing development in different areas of the city.

Proactive strategies will need to be developed to help create the synergy needed to effectively attract support from outside the city of Powell. However, based on the regional trends and the positive attributes of the city of Powell, it is possible for a significant amount of demographic support to come from outside the city, based on the economic support component, as well as migration patterns discussed in this analysis.

Overall, the city of Powell has market demand and demographic support for additional new housing development over the next five years, especially considering the historical and projected economic growth in the city and surrounding region of Central Ohio.