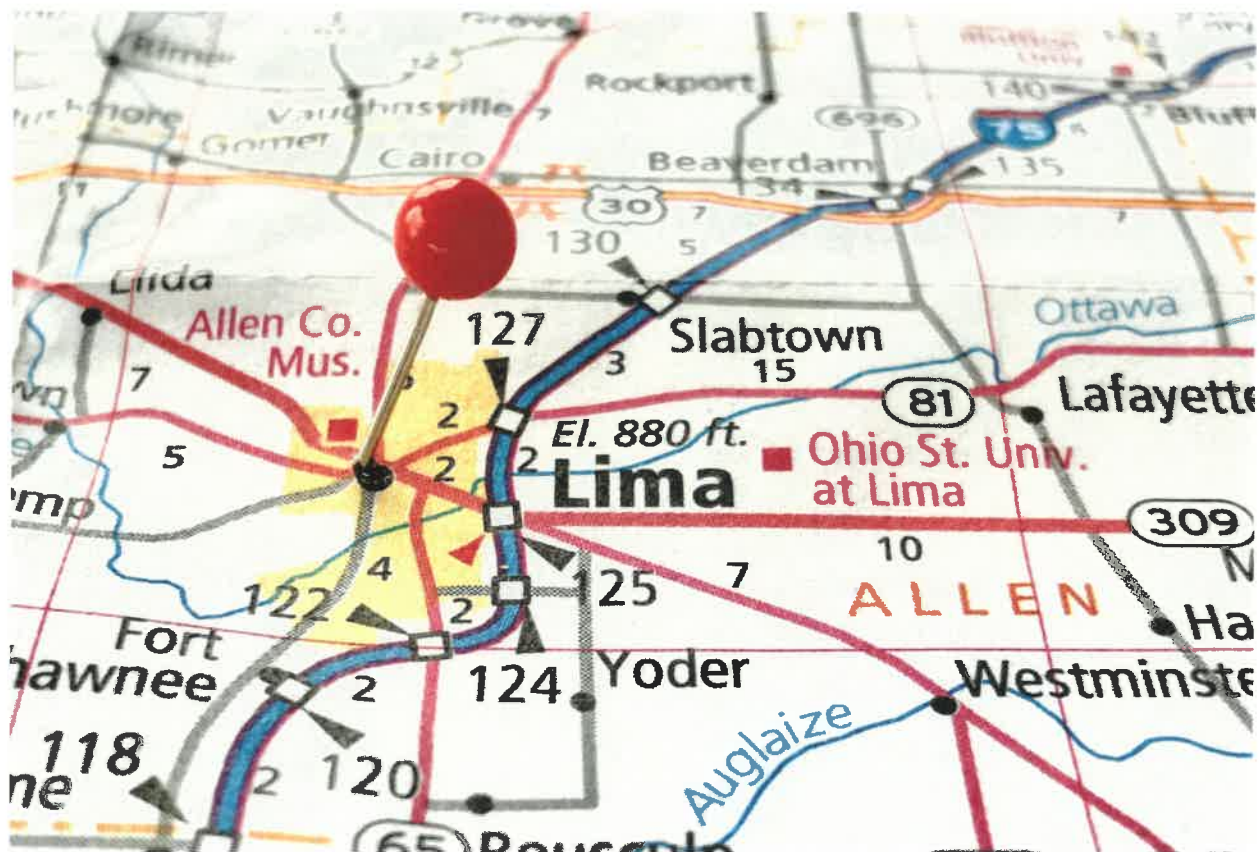


# Housing Opportunities Analysis

## Greater Lima Region, Ohio



Prepared For:

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## I. Executive Summary

The purpose of this report is the identification of housing opportunities within the Greater Lima Region and strategies to facilitate housing development. The following summarizes the key findings and conclusions contained within the market analysis.

**Based on the results of our housing analyses, a market exists for 400 to 500 rental housing units and 120 to 150 for-sale housing units.** A distribution of market-supported housing by type, total units and price points follows.

### Greater Lima Region Market-Supported Housing Three-Year Period

Housing Type	Total Units	Price Points
Rental Housing		
Affordable*	70 to 100	Less than \$750
Moderate	220 to 260	\$750 to \$949
Upscale	110 to 140	\$950 and Higher
For Sale		
Affordable	40 to 50	\$125,000 to \$149,999
Moderate	50 to 60	\$150,000 to \$199,999
Moderate Plus	24 to 30	\$200,000 to \$299,999
Upscale	6 to 10	\$300,000 and Higher
Total	520 to 650	

\*Primarily preservation and/or replacement housing

NOTE: Additional market support exists at lower sale prices; however, the ability of home builders to deliver new housing below \$125,000 is limited due to rising construction costs.

The projected total market-supported units represent levels not achieved in the market in decades. The ability to achieve these levels assumes:

- Variety of product types and price points
- Efficient entitlement and building process
- Regionally competitive development incentives

The demand is greatest for rental housing attributable to an extremely low vacancy rate (1.3%) and significant renter household growth far outpacing limited rental housing development. Conversely, since 2010, there has been a decline of nearly 1,000 homeowners.

The number of identified market-supported affordable rental housing takes into account a five-year projected decline of more than 1,100 households with incomes less than \$25,000. Many of the lower-income households remain in the market but now have increased household income. For this reason, DDA recommends any additional affordable housing be targeted for the preservation of affordable housing stock and/or replacement of older low-quality housing. According to the Ohio Housing Finance Agency, Allen County has a ratio of affordable housing to low-income households of 23 units to 100 renters, comparable to the state average (22-to-100). The City of Lima matches the statewide ratio at 22-to-100.

It is DDA's opinion that the core downtown area represents the best opportunity to support higher-priced market-rate rental housing and bring positive transformational change to the City of Lima and the region.

## Rental Housing Development Strategies

### Prime Redevelopment Areas

To achieve 400 to 500 rental housing units we recommend delivery of a variety of housing types and price points in multiple locations. Examples of development scenarios have been provided in three areas of Lima: Downtown, I-75/Harding Highway/Bellefontaine interchange and North Cable/Allentown Road Area. These areas and examples are not intended to be the only areas or development types, but represent examples of prime opportunities.



### 1. Downtown Lima

Our online survey of 235 local workers and residents showed more of a willingness to pay higher rents for housing in downtown than in the outlying region. In fact among, upscale rent levels, \$950 per month and higher, one of four would consider paying these rates in downtown versus one in ten in the outlying areas.

Additionally, the North Main Street and West Market areas of downtown were considered the most appealing areas to live. Our recommended development scope is rehabilitation and conversion of existing historic buildings in the core downtown.

#### Scenario One – Adaptive reuse of office buildings into upscale lofts

- 24 to 36 Units
- 1- and 2-bedroom units
- \$950 and Higher
- Dedicated and secure parking



Enterprise Building, 201 W Market Street  
Owner: Walter Development Enterprises Co.



Metropolitan Block, 300 N Main Street  
Owner: Met Place Properties Incorporated



Thomas - Savings Bldg., 200 W Market Street  
Owner: Allen County Board of Commissioners

## Scenario Two – Upper floor conversion to moderate and upscale lofts

- Small projects, one or more units
- 1- and 2-bedroom units
- \$800 and Higher



124 to 146 S Main Street  
Owners: Dggenti Investments LLC (124 -126); Hollander On Main Building LLC (140)



122 to 132 N Elizabeth Street  
Owner: Lima Roxy Incorporated

## Scenario Three – Long-term; Conversion subsidized housing to moderate-priced market-rate

- Towne Square, 45 units
- 10 studios and 35 one-bedroom units
- Approximately \$675 to \$750

**Low-income housing dominates the downtown landscape.** The conversion of one subsidized property to market-rate housing will help diversify the downtown resident profile. The Towne Square property occupies a prominent area of Lima's Town Square. The property is operating under a project-based HUD Section 8 HAP contract that expires in 2026. Based on our conversations with a HUD representative, the owner cannot opt out earlier than the contract expiration date.



### *2. North Cable and Allentown Road*

## Scenario One – Replace portions of retail center with moderate-priced apartments

- 100 to 150 units
- One-, two- and small share of three-bedroom units
- \$750 and higher

Shopping centers with excess vacancies can be repositioned to mixed-use development by replacing a portion of the retail with modern rental housing. Clock Tower and Westgate Shopping Center at the northwest corner of North Cable and Allentown Road are strong candidates for new moderately-priced housing.

The Lima Mall is a prime candidate for this type of housing development. The location of the two vacant anchor spaces, formerly Sears and Elder-Beerman, are considered highly marketable housing locations because of visibility, ease of access and strong surrounding commercial environment.

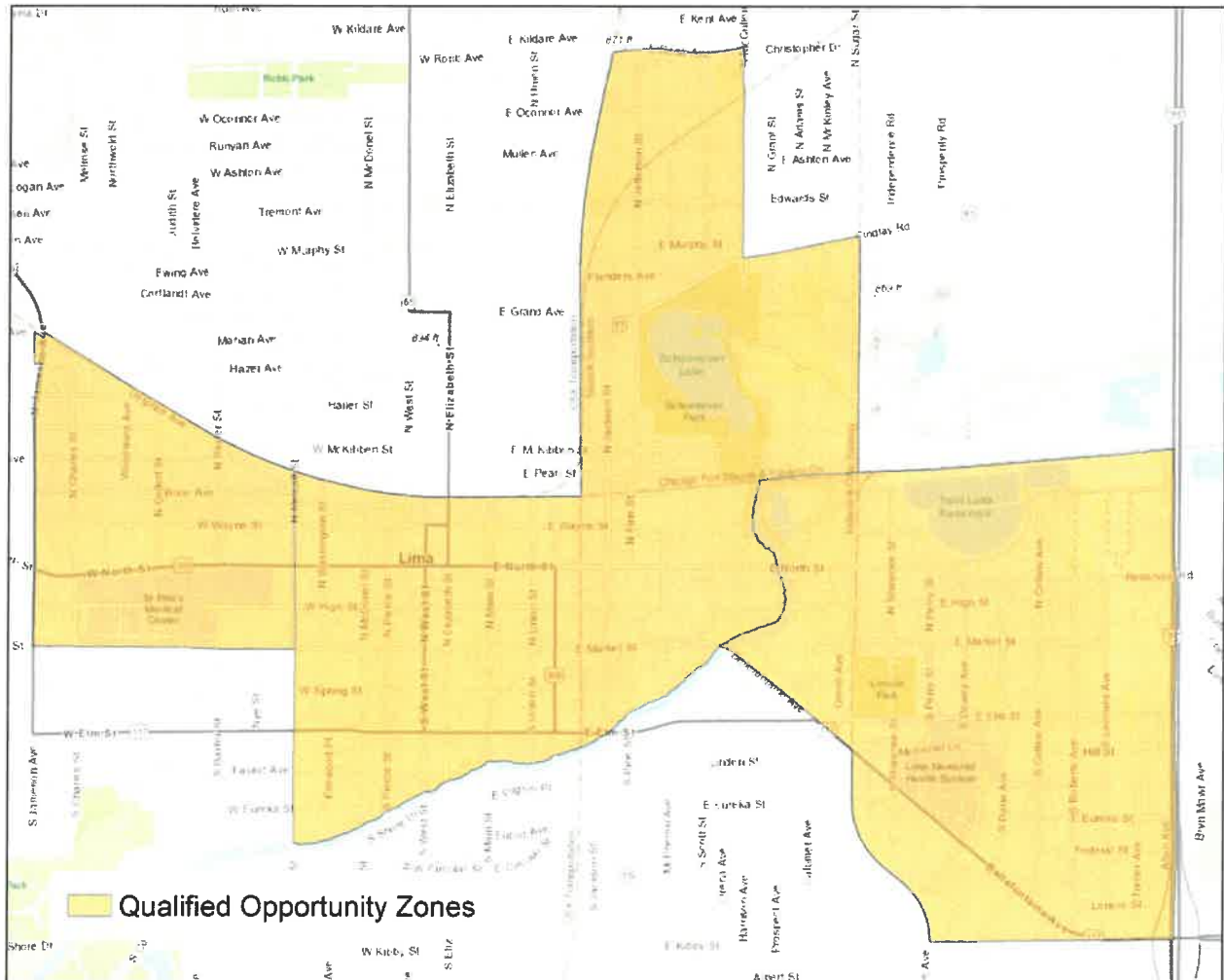




## Qualified Opportunity Zones

The downtown area and the northwest quadrant of I-75 and Harding Highway are within the newly created Qualified Opportunity Zones (QOZs). QOZs were created by the 2017 Tax Cuts and Jobs Act, and are designed to spur investment in communities through tax benefits.

QOZs provide a deferral and reduction of capital gains taxes within five to seven years and a total waiver of capital gains taxes at ten years or longer. The Qualified Opportunity Zone for the City of Lima are highlighted below.



Properties eligible for QOZ investment or Qualified Opportunity Funds (QOF) must be purchased after 12/31/2017 with any prior ownership limited to 20% of the fund. The current QOF deadlines, pending new legislation are as follows.

- December 31, 2019 – Last day to invest in QOF to receive ALL potential tax benefits
- December 31, 2021 – Last day to invest in QOF to be able to receive 10% reduction in tax liabilities
- December 31, 2026 – Last day to invest in QOF without 5- and 7-year tax reduction.
- December 31, 2028 – QOZs expire, pending new legislation

QOZ's can be used in conjunction with other incentive programs, such as the Federal and State Historic Tax Credit program or the Community Reinvestment Area (CRA) Program.

## For-Sale Housing

The largest segment of demand in the market is for homes priced from \$125,000 to \$200,000. The product types associated with these rates will include first-time homebuyers, moderate-priced single-family homes and attached ranch maintenance-free housing.

We expect the majority of the market-supported for-sale housing to be outside Lima city limits in the surrounding townships due to the lack of available land and high concentrations of low-valued housing (see thematic map on page 19). In the past decade, the most total single-family permits issued in Lima was four.

The results of the online survey showed that local workers and residents most preferred for-sale housing in the West Market/West North Street corridors near St. Rita's Medical Center. If an appreciable-sized site were identified in this area, the City of Lima could greatly increase their share of market-supported housing.

The area is largely built out with homes and acres of surface parking lots around the hospital. Consideration may be given to working with the hospital to add a low-level parking deck to reduce the surface parking footprint and create developable land, such as for-sale townhomes. Parking decks are an affordable option to multi-story parking garages.



Based on our review of platted subdivisions and condominiums in the county and discussions with regional planning staff, a pattern has surfaced of developers/builders building one to several homes in a residential community scattered throughout the entire site. The result is that a developer must prematurely extend infrastructure (roads, utilities, graded lots) to accommodate homes spaced far apart. This is atypical of most experienced developers who group lots contiguously and provide infrastructure only as far as needed to accommodate the cluster of homes/lots. Recruiting experienced housing developers will be important to achieving the optimal for-sale market potential.

## Downtown Lima Assessment

Downtown Lima was assessed by DDA as it relates to the attractiveness of the core downtown as a place to visit and live. Based on our online survey, vacant storefronts is the top issue that needs to be addressed in the downtown followed by unkempt properties and security. In the core downtown area, one-third of the ground floor space is vacant.

Many of the vacancies are stores that are under development and do not have window dressings, or the windows are blocked out with paper. At a minimum these storefronts should have a sign communicating the type of business and that it is coming soon. One of the vacant spaces in the photo being developed is a brewery, the number one desired amenity in the downtown indicated in our online survey. No signage is posted.



Downtown Lima has a low share of food and drink establishments and retail goods. In six of the top ten responses to our online survey, respondents indicated a desire for a food or beverage establishment downtown. A listing of the top 20 businesses desired in the downtown follows.

*What additional businesses/amenities would you like to see downtown?*

Top 10 Response	Responses – ranked 11 thru 20
Brewery/brew pub – 30%	Antique store – 7.1%
Bakery – 21%	Wine shop – 6.6%
Family recreation (arcade/bowling/etc.) – 21%	Cards and gifts – 6.6%
Delicatessen/sandwich shop – 16.8%	Clothing store – 6.0%
Vintage shops – 15%	Music store – 6.0%
Full-service restaurant – 13.1%	Arts and crafts – 6.0%
Arcade bar – 12.6%	Makerspace – 6.0%
Ice cream/yogurt shop – 10.4%	Fitness center – 5.5%
Limited-service restaurant – 9.3%	Child care – 4.9%
Day spa – 7.7%	Art galleries – 4.4%

A relatively healthy mix of visitor-oriented uses, such as Premier Paint & Sip Studio, Alter Ego Comics and Artspace, exists in the core downtown area. One amenity missing from the downtown is a pocket park. Future planning efforts should consider the placement of a park in or adjacent the core area of the downtown.

A day spa was the tenth most popular desired business for the downtown; despite the recent addition of Perennial Glow Spa at 147 North Main Street. However, there is no signage to identify and market the business. We are unaware if the business is in the process of getting signage.

Downtown Safety

During the course of our stakeholder interviews, the loitering in the northeast portion of the town square plaza by local transients/homeless deterred people from visiting the downtown, especially at night. **In DDA’s opinion, this loitering issue has unintentionally branded the downtown in a negative light.**

Based on our multiple visits to the downtown, loitering occurs at the northeast corner of the square. An adjacent business, Joey’s Subs, has a no panhandling sign in their window. Consideration should be given to playing music on speakers outside to deter loitering. The City of Columbus cut down on loitering in an area by playing classical music on speakers posted outdoors. Other cities such as Seattle have implemented this tactic as well, adding country and opera music.



A perception of safety issues also is associated with the downtown. Like many larger cities, the crime rate in the downtown is more than three times the national average. However, this is not the case in the downtown areas of the smaller outlying communities.

To help change perceptions of the downtown, we recommend looking into establishing a Special Improvement District (SID) for the core downtown area (see map on following page). In other downtowns SIDS have been successful mechanisms for revitalization. In general, the SID would hire a small staff to assist visitors, clean trash, water plants, report crimes and code enforcement issues. In many cities, the SID staff have the same colorful outfit and are easily

recognized. The SID would be funded through an additional tax assessment on each property owner.

### Core Downtown Expansion Opportunities

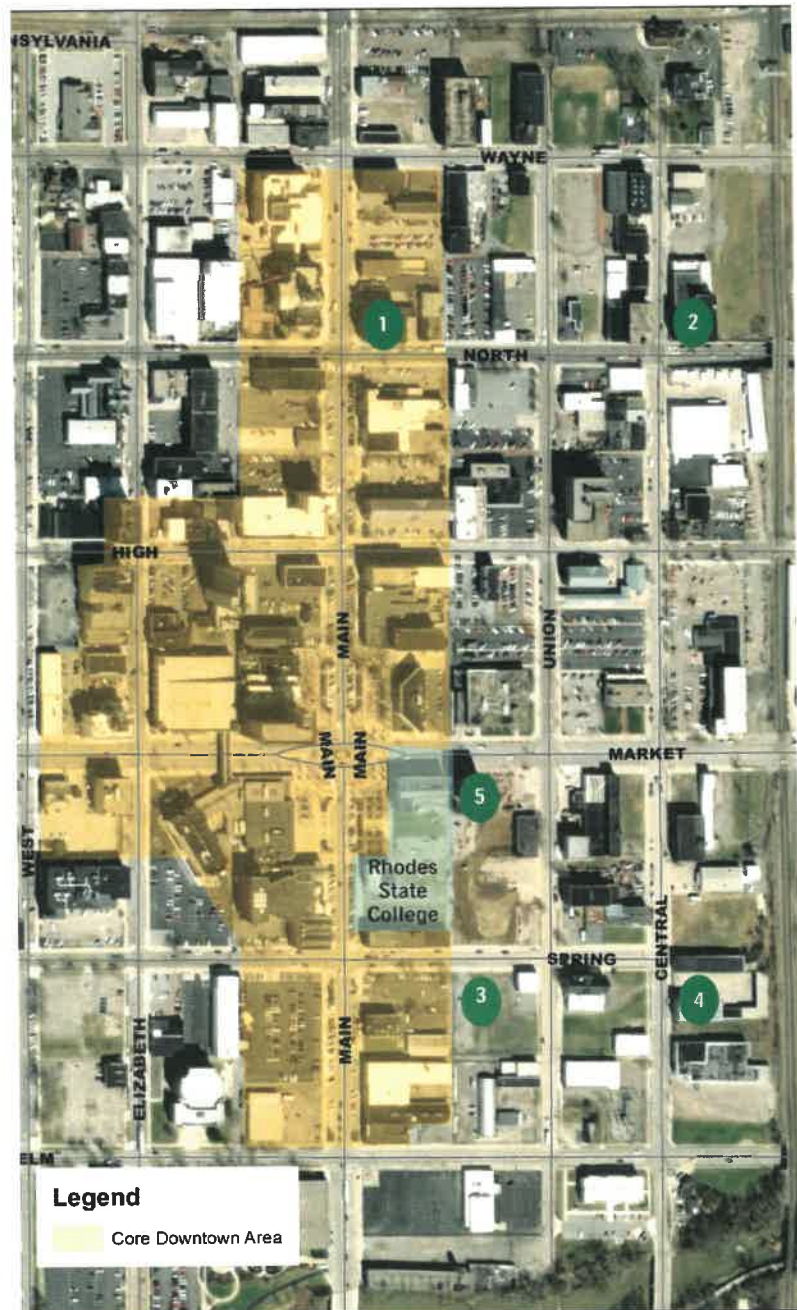
An opportunity exists to expand the core area east to Central Street.

At the northern end of the core area, the Met (#1) is planning the development of a brewery (#2) two blocks east at North and Central Avenue.

Consideration should be given to demolishing the outdated motel on the northwest corner of North and Union Streets.

In the event a makerspace venue is developed at Spring and Central Streets (#4), consideration should be given to purchasing the adjacent church to create a better connection between it and the planned amphitheater at Spring and Union Streets (#3). A connected open space can expand and even combine events related to both venues.

The development of Rhodes State College Center of Health Science Education and Innovation will be a big boost to the downtown area providing another institutional anchor. The Kirwan Hotel (#5) currently houses homeless and ex-convicts. This is an unsuitable adjacent use to the future Rhodes State College and contributes to the negative perception of the downtown. Redevelopment of the building to student housing or another complementary use should be a priority.



### Summary

Lima has gone through decades of disinvestment and only in the past several years has the downtown area shown positive signs of revitalization. The downtown represents the best opportunity to realize new housing by connecting and leveraging key community assets and vibrant businesses with those potential housing redevelopment sites. Modern housing is drastically needed in the Greater Lima Region, but the factors most people consider when moving to an area is more than just housing, it's also about quality of life.

## II. Introduction

### A. Objective

DiSalvo Development Advisors, LLC (DDA) has analyzed the market-supported opportunities for housing in the City of Lima and the strategies in support of housing and long-term vibrancy of the downtown.

### B. Methodology

DDA's conclusions related to the market-supported opportunities for housing in Lima are based on analyses of the housing market within the Primary Market Area, area demographics and the attractiveness of the surrounding environment.

#### 1. Primary Market Area

Identification of an appropriate Primary Market Area (PMA) is essential to this analysis as it is used to establish market demand and housing values within the City of Lima.

A PMA is the smallest geographic area which represents 60% to 70% of anticipated support for housing in the City of Lima. The PMA includes the City of Lima and its surrounding townships: American (Elida), Bath, Perry and Shawnee (Fort Shawnee).

The PMA was determined based on interviews with area real estate, planning, and housing professionals, analyses of area mobility patterns, and determining factors made by DDA's analysts in the field. The PMA was further validated from data obtained from an online worker and resident survey.

The PMA captures the highest concentration of areas where local workers live (see thematic map on right). Additional employee analysis is included on page 25 of this report.

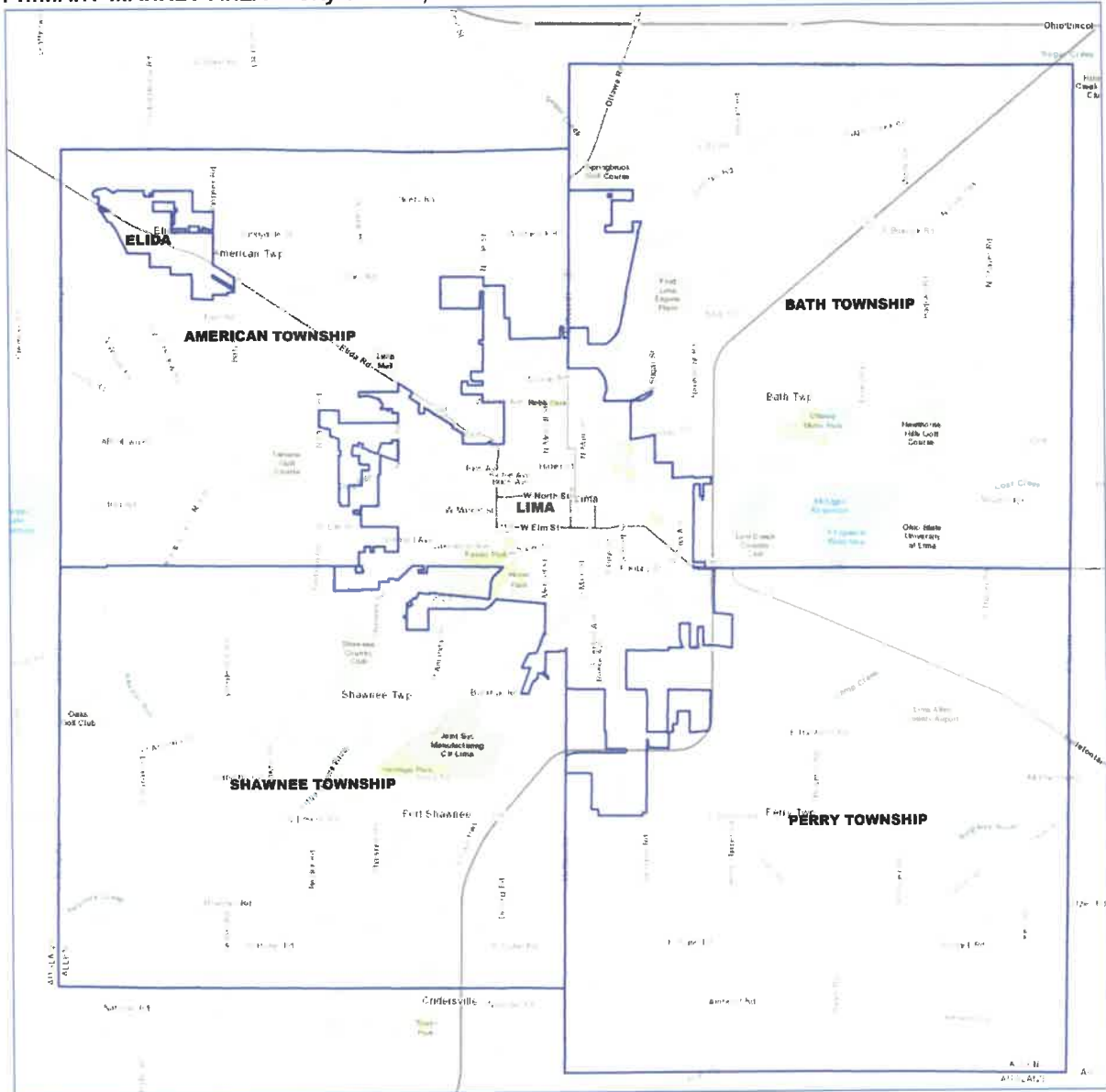
We generally do not expect substantial support originating from residents in rural environments because a move would be a significant change in lifestyle. Perry Township was included in the PMA because of proximity to the City of Lima.

A street map with the delineated Primary Market Area and City of Lima corporate limits follows.



Place of Residence for Local Workers (2015 Longitudinal Data, Census)

## PRIMARY MARKET AREA – City of Lima, Ohio



### 2. Downtown Assessment - Commercial Opportunities/Strategies

Downtowns are the heart of small and mid-size cities and often considered the measure of a community's overall charm and marketability. A vibrant downtown positively impacts housing throughout the city and offers an urban mixed-use lifestyle often sought by young professionals, empty nesters and employee transfers from major urban markets.

In communities dominated by decade's old housing stock and lower rent levels, downtown areas often represent the best opportunity to deliver modern housing stock including new construction and historic rehab.

The ability of the market to support an appreciable amount of residential space will be predicated not only on building attributes and prevailing market conditions, but also on entertainment, green space, restaurants, coffee shops and night clubs within easy walking distance (1/4 mile). Based on DDA's experience with mixed-use development in downtowns and lifestyle centers, these types of amenities provide a unique lifestyle that is necessary for attracting tenants and achieving higher housing values.

The following steps will be taken to assess non-residential opportunities within the downtown.

- Conduct stakeholder interviews to assess strengths/weakness
- Inventory ground floor businesses in core downtown area
- Provide tenant profile (vacancies and users)
- Compare downtown with other downtown areas

A basic downtown market plan in the form of a bubble diagram will be developed to highlight areas of optimal redevelopment potential considering the following factors:

- Development strategies
- Housing placement
- Adding to existing retail/restaurant clusters
- Leveraging and enhancing areas with strong community assets (i.e. greenspace, popular commercial businesses and parking provisions)
- Other market opportunities

### **3. Identification of Market Conditions**

Conventional apartment properties have been identified and personally inspected and/or contacted by telephone by an analyst of DiSalvo Development Advisors. Annual for-sale housing sales trend data and Lima County Auditor data has been analyzed to assess the depth of the for-sale housing market.

### **4. Demographic and Economic Summary**

Household trends have been analyzed, including increases/decreases in households', incomes and tenure (owner/renter). A review of major employers, labor force, unemployment rate and distribution of employees by industry type will be provided.

### **5. Demand Analysis**

The report includes a demand analysis for housing development which considers several key issues.

- Historic absorption/sales rates of rental and for-sale housing within the city
- Internal support – Demand from all households within the City of Lima
- External support – Demand from employees in Lima residing outside Lima and anticipated new hires/transfers from outside the area.
- Optimal absorption – Achievable housing total based on experience of similar-sized markets, citywide and downtown specific

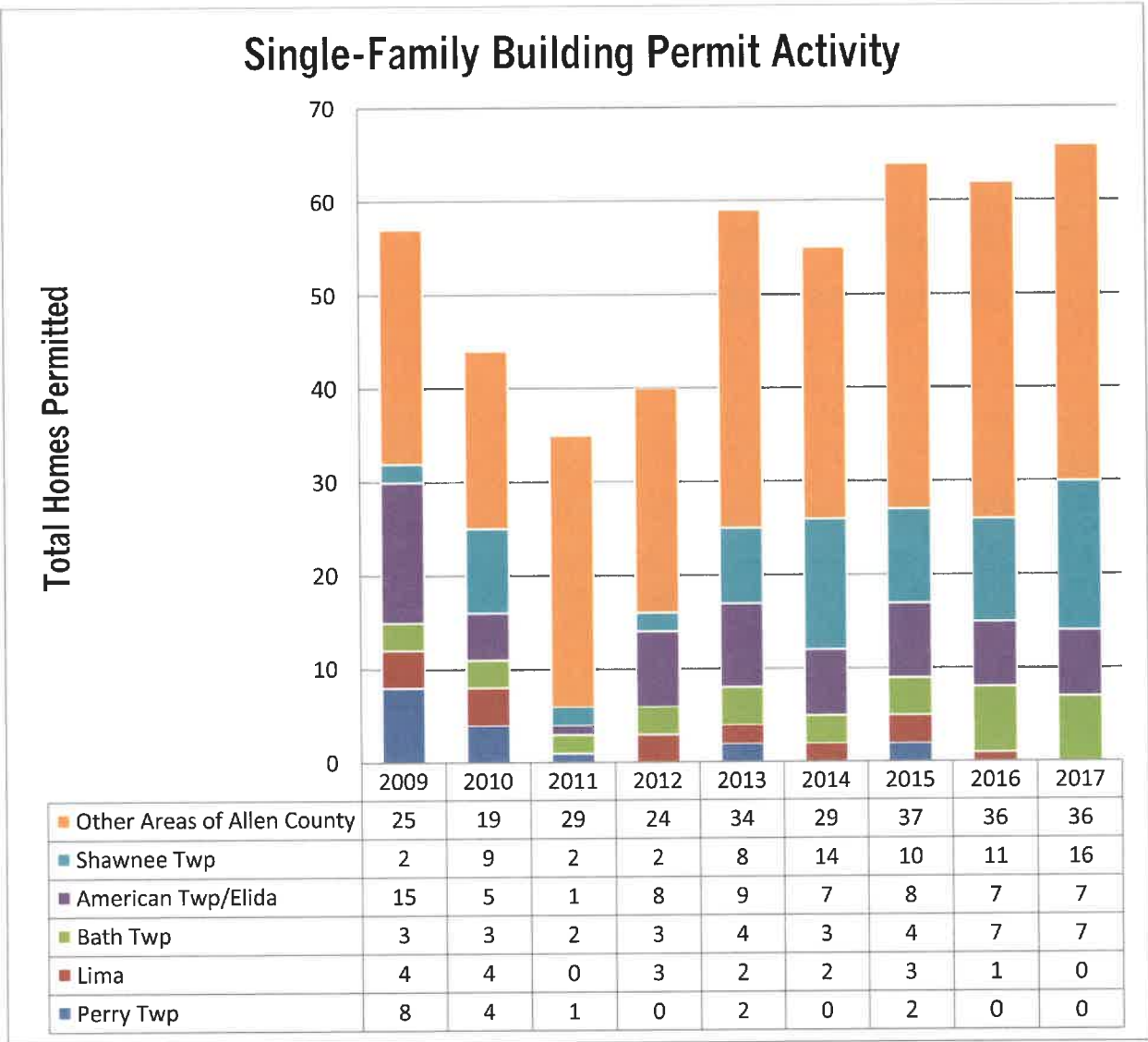
The demand analysis is supplemented by results of an online survey of local workers and residents.

### III. Housing Market Conditions

Housing market conditions have been identified through an analysis of permit activity and surveys of rental and for-sale housing. The results of the housing surveys are used to establish the overall strength of the housing market and to identify opportunities and obstacles related to housing development.

#### 1. Housing Permit Activity

The City of Lima has no more than four home permits annually since 2009. Single-family permitting activity in the PMA is highest within Shawnee Township followed by American Township and the Village of Elida. In 2017, Marion Township/Delphos, an area in the northwest corner of Allen County, had the most single-family building permits issued, 19 in total. 2017 also represented the year most single-family building permits were issued in the county since 2009.

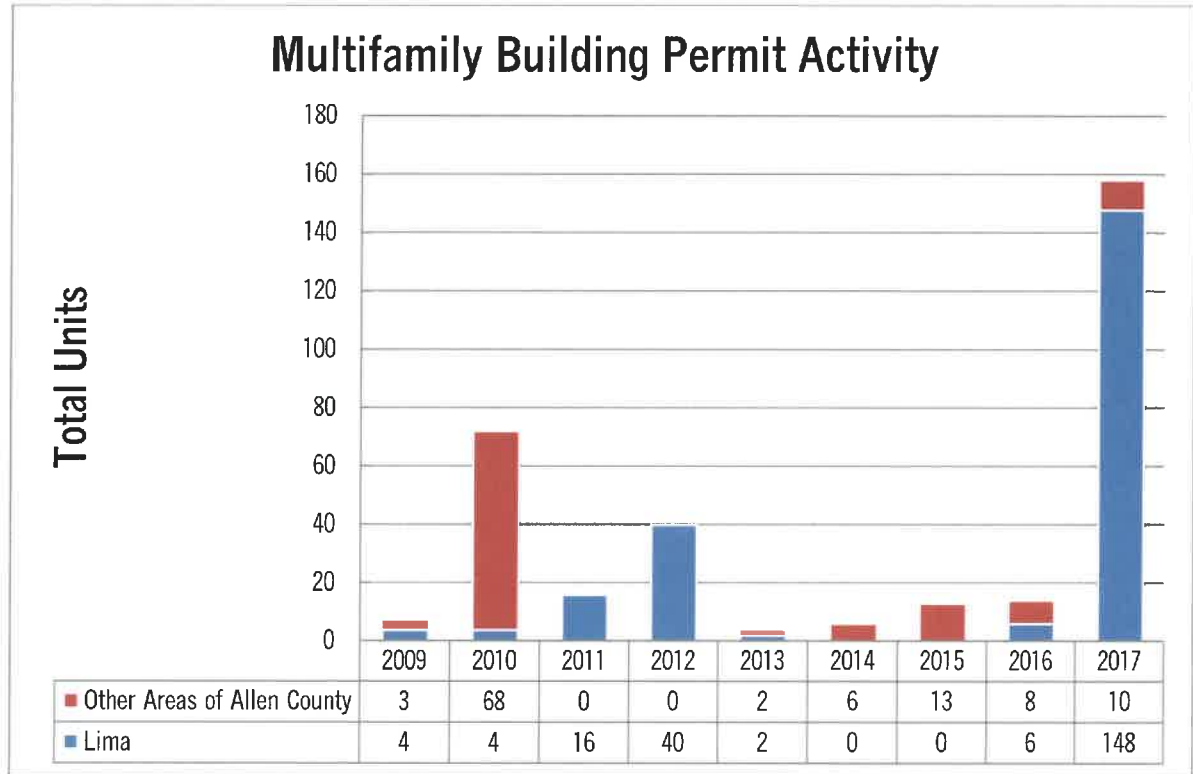


Source: Census Bureau

At the peak of the housing boom in the early 2000s, single-family permits were as much as five times higher than permit activity in the past 10 years.



Since 2009, multifamily building permit activity (buildings of two or more units) was less than 20 total units in six of the past nine years. The higher building activity in 2010 and 2012 largely represented new low-income Tax Credit properties being added to the market. In 2017, permits were issued within the City of Lima for 148 units at Shawnee Lakes. Since then, an additional 40 units have been permitted and are under construction at the property.



## 2. Rental Housing

To establish the overall strength of the rental housing market and to identify prevailing rental rates among rental housing, DDA conducted a survey of conventional apartment developments of 20 or more units within the PMA.

A total of 3,550 units were identified in 54 apartment properties within the PMA. Based on the results of our housing survey, the local apartment market is strong with demand at a 98.7% occupancy level and clearly limited by supply. A healthy market is considered to have an occupancy level of 95.0% which allows tenant mobility throughout the market.

As the table below shows, overall occupancy rates are high among all ages of rental housing in the Lima PMA.

Decade Built	Number of Projects	Total Units	Occupancy Rate**	Apartment Developments Surveyed
Pre-1960	6	317	98.4%	Moreland Manor; 124 N. Jameson Avenue; Terrace Court; Barr Apartments; Argonne Residence Inn; Waterford Town Homes*
1960-1969	5	287	99.0%	Shawnee Terrace Arms; Webb Apartments; Mark Royal; Dorothy Lee Apartments; Charlestowne Apartments
1970-1979	24	1,638	98.5%	McKinley Arms; Rebecca Drive; Towne & Country; Hampton Greene; Lima Apartments; Northlake Village; Coachman East; Maplewood; Towne Square; Kimberly Apartments; Columbia Terrace; Carmen Place; Sharon Park; Vineyards; Lima Towers; Northwood; Royal Jameson; Andover Court; Shoreline; D & S Apartments; Mt. Vernon Village*; Richelieu; Kimberly Apartments*; Birches*; Gray Fox*
1980-1989	9	637	99.4%	Luther Pines; Lima West; Pilgrim Place; Wilshire Place; Dominion Building; Furl Williams; Greenglen*; Steiner McBride*; Elijah Road Townhomes;
1990-1999	7	433	99.1%	Robin Rogers; Golden Lane; Market Place; NWC Corp Apartments; Brower Commons; Willow Lake; Wolf*
2000-2009	0	0	-	-
2010-2018	3	238	100.0%	Shirley Daley Senior Village*; Shawnee Lakes; 43 Towne Square (under construction)
Total	54	3,550	98.7%	

\*Property management could not be reached and/or did not divulge occupancy

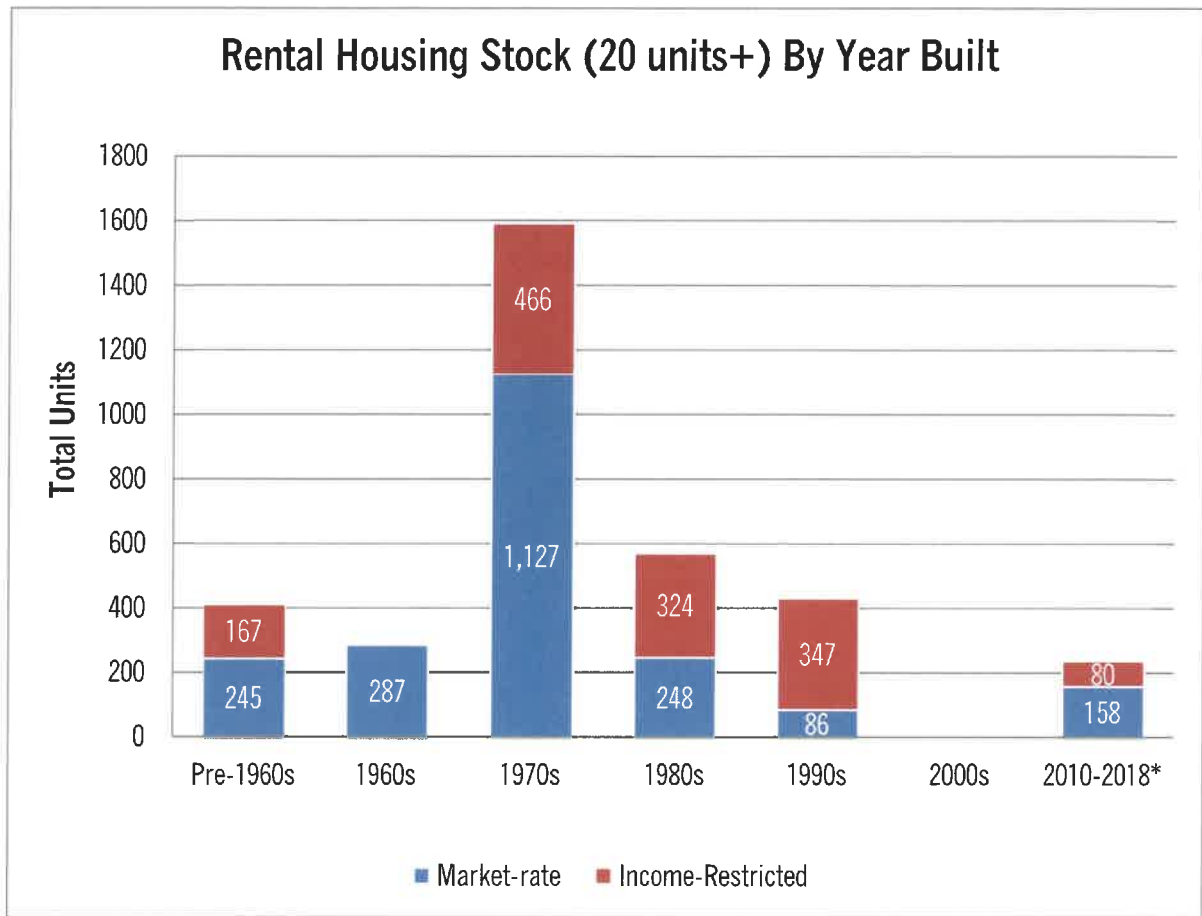
\*\*Occupancy rate excludes those properties in which occupancy information was not available.

The high occupancy levels are validated with lengthy waiting lists identified among 13 properties; four in market-rate and nine among income-restricted properties.

Based solely on current occupancy of apartment properties of 20 or more units, the market can immediately absorb an additional 130 units. The high occupancies likely have turned away prospective residents and the actual demand for additional units is much higher.

No rental housing development of 20 or more units was identified from 2000 to 2010. The rental housing stock is old and outdated with more than 80% of the apartments built more than 30 years ago.

The addition of Shawnee Lakes has resulted in the first decade since the 1970s in which market-rate rental housing has outpaced income-restricted or Tax Credit properties.



Shawnee Lakes (photo on right) opened in February 2018 and reportedly reached a 95% occupancy level by June 2018, yielding an average monthly absorption rate of 20 units per month. This is considered a strong initial lease up rate indicative of strong market demand. A summary of the property by unit type, size and collected rents is in the chart below.



Unit Type	Unit Size (sf)	Collected Rent	Rent Per Square Foot
One-Bd/1.0-Bath	672	\$755	\$1.12
Two-Bd/1.0-Bath	879	\$900	\$1.02
Two-Bd/2.0-Bath	927-1,040	\$960-\$1,195	\$1.04 - \$1.15
Three-Bd/2.0-Bath	1,365	\$1,575	\$1.15

Shawnee Lakes has the highest two- and three-bedroom rents in the market, aside from the two-bedroom units at Golden Lane Apartments, a senior rental housing community built in the mid-1990s next to the senior center (membership cost included in monthly rent).

The collected one-bedroom rents at Shawnee Lakes are lower than those at Northlake Village, a 150-unit former Section 8 apartment community in Lima, built in the early 1970s. The two-bedroom/one bath rent at Shawnee Lakes is \$100 above the highest existing rent, representing a 112.5% rent increase. Based on DDA’s experience in other markets, this increase is typical of achievable rents of new properties in markets that have not had appreciable market-rate housing development in decades. A summary of the collected rent by unit type follows (Shawnee Lakes and Golden Lane excluded).

Unit Type	Average Collected Rent	Collected Rent Range (Property)*
Studio	\$454	\$375 (Andover Court) to \$550 (Moreland Manor)
One-Bedroom	\$541	\$420 (Hampton Greene) to \$759 (Northlake Village)
Two-Bedroom	\$646	\$410 (Terrace Court) to \$800 (Coachman East)
Three-Bedroom	\$768	\$490 (Webb Apartments) to \$849 (Northlake Village)

\*Does not include Golden Lane

The historic First National Bank and Trust Building in Downtown Lima is being converted by the Woda Group into a mixed-income housing development. The new housing development, 43 Town Square, will include 47 total units, of which 10 will be market-rate and the remaining will be low-income available to households with incomes up to 30%, 50% and 60% of area median income.



43 Town Square in Downtown Lima

Unit Type	Unit Size (sf)	Collected Rent
One-Bd/1.0-Bath	800	\$525
Two-Bd/1.0-Bath	1,000	\$306 - \$769*
Three-Bd/2.0-Bath	1,200	\$675 - \$916*

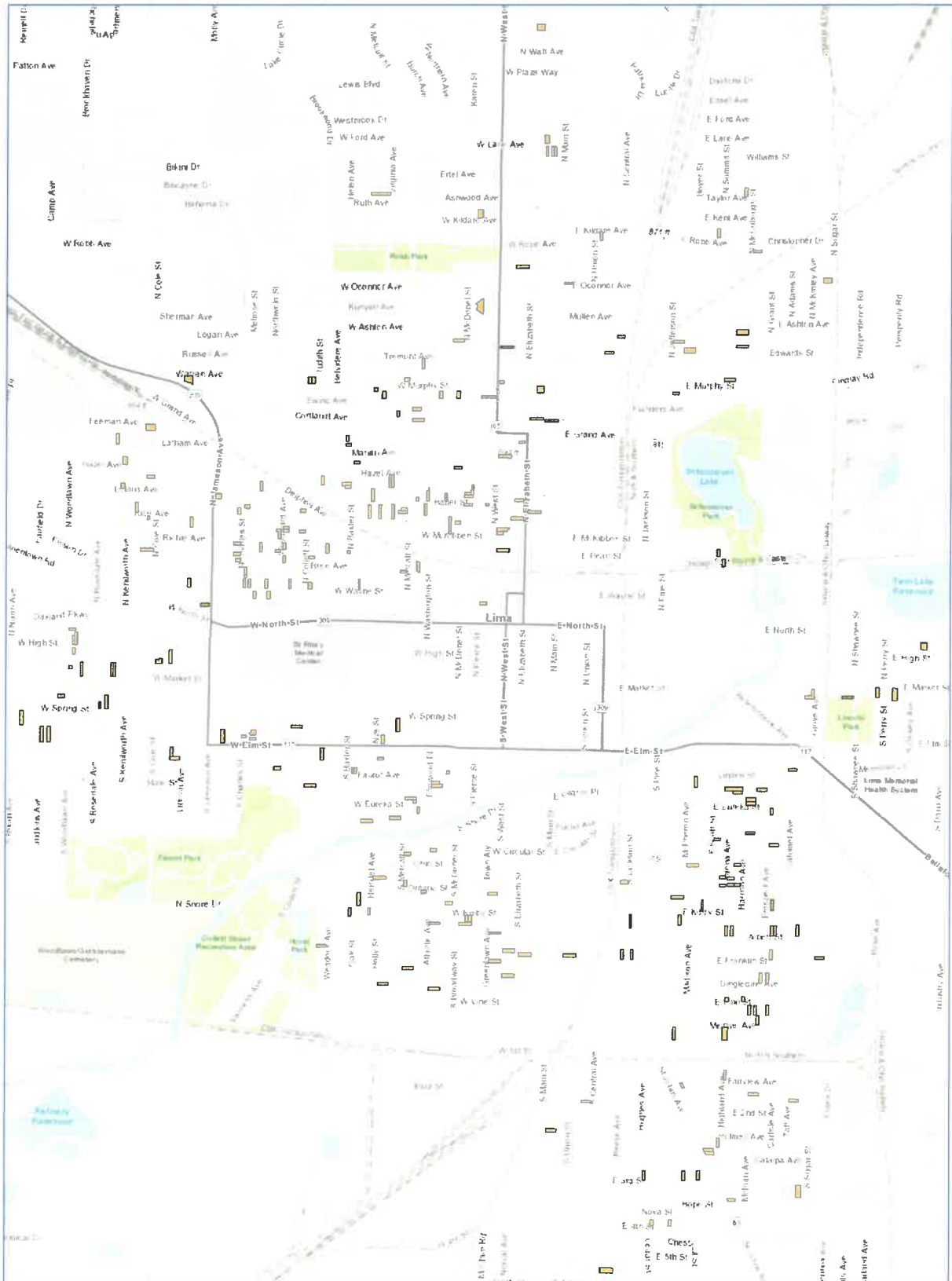
\*Market-rate rents

The market-rate rent levels are low relative to rents achieved in the marketplace. In addition to Shawnee Lakes, there are four other older apartment properties in the PMA offering two-bedroom rents in excess of the market-rate rents at 43 Town Square. Two of the market-rate units were reportedly rented by local doctors and the nostalgia of the building is attractive to many prospective residents. The unit mix includes two one-bedroom units, 32 two-bedroom units and 13 three-bedroom units. Of the ten market-rate units, nine are preleased. According to management, the income-restricted units are renting quickly and they expect to be fully occupied at opening. 43 Town Square is slated to open no later than April 1, 2019.

### Other Rentals

A single-family and duplex rental portfolio of multiple owners of nearly 300 homes was listed for sale. The homes rented from \$250 to \$725 per month with an overall average rent of \$472. Most of the market value of these homes are below \$50,000 (source: Allen County Auditor). A map of these nonconventional rentals follows.

# Single-Family and Duplex Rentals Locations Map



Note: the locations shown are those from a portfolio and do not represent every single-family or duplex rental in the Lima area.

## Planned Rental Housing

Walter Development Enterprises is planning an adaptive reuse of the Metro Center building at 131-133 North Elizabeth Street into luxury rental lofts with balconies and a rooftop entertainment area. An on-site fitness area will be available to residents. The project will include 39 to 40 total one- and two-bedroom units. Demolition is scheduled to start mid-March with an estimated completion date of 2020.

A “business mall” of approximately 12,000 square feet will be included with a combination of office and retail tenants.



### 3. For-Sale Housing

Platted subdivisions represent most for-sale housing alternatives and locations within Allen County and the City of Lima. Scattered farmhouses and manufactured homes typically situated on larger tracts, often with adjacent agriculture, are more prevalent outside the city limits in more rural areas of the county.

Area	Single-Family			Condominium Units*	Total
	Homes on Subdivision Lots	Unplatted & Farmhouses	Manufactured Homes		
City of Lima	10,698	0	7	3	10,708
American Township/Elida	3,694	792	31	186	4,703
Shawnee Township	3,311	915	16	281	4,523
Bath Township	1,910	1,014	66	190	3,180
Perry Township	364	690	53	2	1109
Primary Market Area	19,977	3,411	173	662	24,223
Allen County	23,891	8,507	491	787	33,676

\*Apartments that were established as condominiums were excluded.

Source: Lima County Auditor and DDA

With an estimated 6,794 homeowners in the City of Lima in 2018 (source: ESRI, Incorporated), approximately 3,900 or 36% of the 10,708 typical owner-occupied homes within the City of Lima are rented or vacant (for-sale, for rent or uninhabitable). Within the PMA and Allen County, the overall share of potential rentals among these housing types is 20% to 22%, relatively comparable to other communities in Northwest Ohio.

DDA obtained 2018 market values from the Allen County Auditor. A thematic map illustrating home values of all single-family and condominium units follows.



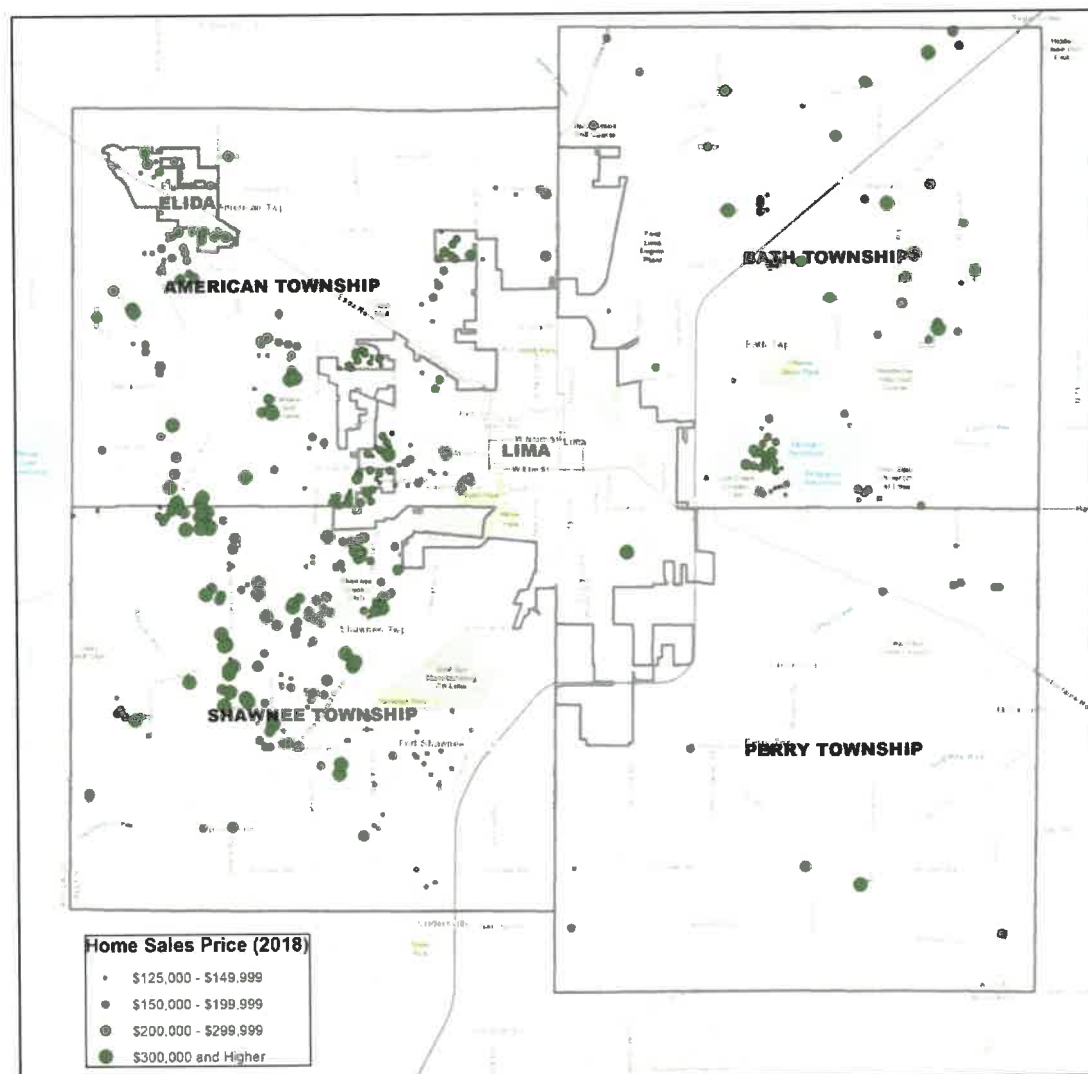
## Single-Family Home Sales

According to the Allen County Auditor, there were annual single-family home sales within the PMA in the past year of 346 in 2015 up to 488 in 2018 (excluding home sales of less than \$125,000). A summary of single-family home sales by price point follows.

Home sales have increased each year within every price point, except for homes priced between \$200,000 and \$300,000, which were slightly lower in 2016. The highest sales volume is within homes sold between \$150,000 and \$200,000.

Sale Price Range	Total Home Sales by Year and Sale Price			
	2015	2016	2017	2018
\$125,000 - \$149,999	121	137	141	149
\$150,000 - \$199,999	115	157	162	172
\$200,000 - \$299,999	82	78	82	109
\$300,000 and Higher	28	29	46	58
Total	346	401	431	488

As the map illustrates, recent home sales in excess of \$125,000 were heavily concentrated in Shawnee Township, the west side of Lima/American Township and the Village of Elida; the same areas where home values are highest.



## Condominiums

Since 2015, annual condominium sales have totaled 24 to 31 units. A summary of the recent condominium sales by year follows.

Sale Price Range	Total Home Sales by Year and Sale Price			
	2015	2016	2017	2018
\$125,000 - \$149,999	3	7	5	12
\$150,000 - \$199,999	21	14	18	13
\$200,000 - \$299,999	1	3	8	4
\$300,000 and Higher	1	0	0	0
Total	26	24	31	29

The majority of condominium sales are occurring in the \$150,000 to \$199,999 price point. Newer condominium/villa development is largely limited to Shawnee Township. A summary of three properties offering newly constructed housing follows.

Property	Housing Type	Bedroom/Bath	Unit Size	Listed Price
Village at Riverwalk	Four-plex Ranch, 2-car garage	3-Bd/2Ba	1,934	\$269,000*
Villas of Camden Place	Detached Villas, 2-car garage	2-Bd/2Ba	1,355	\$199,900
Springbrook Gardens	Detached Villas, 2-car garage	2-Bd/2Ba	1,517	\$199,800

\*Built in 2017. A higher-priced newly built three-bedroom unit will be listed soon.

Each of the condominiums has multiple plat and declaration filings as development and sales are often occurring in small groups of no more than six units. Village at Riverwalk, with a total of approximately 44 units, has 11 declaration amendments and multiple plats. Development at Village at Riverwalk started more than 10 years ago.



Newly constructed home at Villas of Camden Place

No available attached ranch villas were identified within Allen County. This attached product type is prevalent and has been successful in other Northwest Ohio markets, such as Findlay. Additionally, the smaller lot, shared wall and foundation represents a cost savings to builders.

# IV. Demographics & Economic Analysis

## A. Area Demographics

### 1. Population and Household Trends

From 2010 to 2018, a slight population decline occurred in most of Allen County, except Shawnee and Perry Townships which showed small gains. The estimated population decline in Lima from 2010 to 2018 is 0.7%, 0.3 percentage point above the countywide rate of decline. During this same time period, communities experienced similar declines among households. The population and household trends for 2010 and 2018 (estimated) are summarized as follows:

Area	Population			Households		
	2010	2018	Change	2010	2018	Change
City of Lima	38,986	38,726	-260	14,308	14,175	-133
Shawnee Township	12,433	12,540	107	4,833	4,880	47
American Township	14,381	14,259	-122	6,052	5,994	-58
Bath Township	9,725	9,645	-80	3,827	3,796	-31
Perry Township	3,531	3,544	13	1,453	1,456	3
Allen County	106,331	105,873	-458	40,619	40,416	-203

Source: 2010 Census; ESRI Incorporated

In 2018, the City of Lima had the youngest median household age at 34.7, 4.0 to 4.6 years younger than households in the PMA and Allen County. The four townships within the PMA have a median household age of 43.9, nearly ten years older than households residing in Lima.

Households by Age	City of Lima		Primary Market Area		Allen County	
	Number	Percent	Number	Percent	Number	Percent
Under 25	998	7.0%	1,613	5.3%	1,868	4.6%
25 to 34	2,616	18.5%	4,675	15.5%	6,110	15.1%
35 to 44	2,186	15.4%	4,295	14.2%	5,826	14.4%
45 to 54	2,236	15.8%	4,759	15.8%	6,538	16.2%
55 to 64	2,569	18.1%	5,878	19.5%	8,149	20.2%
65 to 74	2,022	14.3%	5,001	16.6%	6,538	16.2%
75 & Over	1,549	10.9%	3,992	13.2%	5,389	13.3%
Total	14,175	100.0%	30,212	100.0%	40,416	100.0%
Median Age (2018)	34.7		38.7		39.3	

Source: Esri, Incorporated rounding



From 2010 to 2018, there was an estimated increase of 338 renter households and decline of 471 homeowners in the City of Lima; shifting the majority of households in the city (52.1%) for the first time to renters. Notably, all the areas of Allen County had increases in renters and declines among homeowners. There remains an above-average share of renters in the city relative to the county (33.5%) and region. Households by tenure are distributed as follows:

Area	Renter Households			Owner Households		
	2010	2018	Change	2010	2018	Change
City of Lima	7,043	7,381	+338	7,265	6,794	-471
Shawnee Township	663	760	+97	4,170	4,120	-50
American Township	1,841	2,004	+163	4,211	3,990	-221
Bath Township	763	811	+48	3,064	2,985	-79
Perry Township	291	429	+138	1,162	1,027	-135
Allen County	12,520	13,526	+1,006	28,099	26,890	-1,209

## 2. Household Income Trends

The distribution of households by income within the PMA is summarized as follows:

Household Income (2018)	City of Lima		Primary Market Area		Allen County	
	Number	Percent	Number	Percent	Number	Percent
Less Than \$15,000	3,331	23.5%	4,788	15.8%	5,614	13.9%
\$15,000 to \$24,999	2,348	16.6%	3,895	12.9%	4,882	12.1%
\$25,000 to \$34,999	1,835	12.9%	3,245	10.7%	4,188	10.4%
\$35,000 to \$49,999	1,995	14.1%	4,264	14.1%	5,802	14.4%
\$50,000 to \$74,999	2,456	17.3%	5,949	19.7%	8,377	20.7%
\$75,000 to \$99,999	1,115	7.9%	3,269	10.8%	4,810	11.9%
\$100,000 to \$149,999	842	5.9%	3,106	10.3%	4,438	11.0%
\$150,000 to \$199,999	121	0.9%	800	2.6%	1,163	2.9%
\$200,000 & Over	128	0.9%	896	3.0%	1,138	2.8%
Total	14,171	100.0%	30,212	100.0%	40,413	100.0%
Median Income (2018)	\$32,109		\$45,232		\$49,036	

Source: Esri, Incorporated

The estimated 2018 median income in the City of Lima is well below that of the PMA and Allen County. In fact, the 2018 median income of the four townships in the PMA is estimated at \$57,155; \$25,046 above the City of Lima.

The following table shows the estimated number of owner households within the PMA by size and income for 2018.

Owner Households	1-PHH	2-PHH	3-PHH	4-PHH	5+PHH	Total, All Ages	Age 65+
Less than \$15,000	860	255	74	44	31	1,264	848
\$15,000 - \$24,999	875	447	51	67	16	1,457	1,187
\$25,000 - \$34,999	826	708	92	50	24	1,700	971
\$35,000 - \$49,999	905	1,253	327	211	100	2,796	1,145
\$50,000 - \$74,999	646	2,057	760	526	413	4,403	1,356
\$75,000 - \$99,999	190	1,142	533	538	392	2,795	662
\$100,000 - \$149,999	197	977	573	636	483	2,867	564
\$150,000 or more	80	660	289	242	295	1,565	343
Total	4,579	7,499	2,700	2,314	1,755	18,847	7,076
Share	24.3%	39.8%	14.3%	12.3%	9.3%	100.0%	37.5%

Note: The data is derived from HUD's Economic and Market Analysis Division, 2016 ACS county data and has been adjusted accordingly by DDA to reflect 2018 household estimates for the PMA.

The owner and renter households of one- to two-persons represent nearly two-thirds of the households in the PMA, comparable to that of other communities in Northwest Ohio. Approximately 40% of homeowners are two-persons while nearly the same share among renters are one-person households. There are 3.5 times more homeowners age 65 and older than renters within the same age group.

The following table shows the estimated number of renter households within the PMA by size and income for 2018.

Renter Households	1-PHH	2-PHH	3-PHH	4-PHH	5+PHH	Total, All Ages	Age 65+
Less than \$15,000	2,174	618	408	199	126	3,524	685
\$15,000 - \$24,999	1,147	563	357	208	162	2,438	561
\$25,000 - \$34,999	379	461	282	248	176	1,545	230
\$35,000 - \$49,999	396	353	256	190	273	1,468	165
\$50,000 - \$74,999	221	480	301	254	290	1,546	156
\$75,000 - \$99,999	19	172	153	63	67	474	58
\$100,000 - \$149,999	40	64	28	62	45	239	25
\$150,000 or more	20	67	22	11	11	131	37
Total	4,396	2,779	1,807	1,233	1,150	11,365	1,917
Share	38.7%	24.4%	15.9%	10.8%	10.1%	100.0%	16.9%

Note: The data is derived from HUD's Economic and Market Analysis Division, 2016 ACS county data and has been adjusted accordingly by DDA to reflect 2018 household estimates for the PMA.

The share of renter households, in the PMA by household size, is comparable to the countywide renter household base.

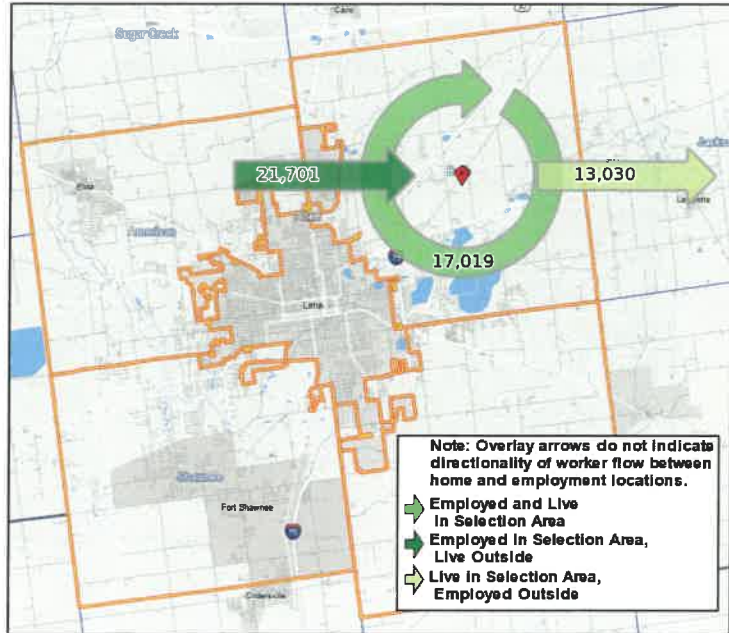
## B. Employment

### 1. Employee Commuting Trends

According to 2015 Longitudinal Census data, more than 40,000 employees commute within and out of the PMA.

The 21,701 employees that live outside the area and commute into the PMA for work represent a potential source of support for new housing in the Greater Lima Region. Another 13,030 people live inside the PMA and commute to work outside the PMA. In 2015, 17,019 or 44.0% of the 38,720 employees in the PMA also lived in the PMA.

In the City of Lima, in 2015, 39.1% of the 24,434 employees also lived in the City of Lima; 15.7 percentage points higher than persons who live and work in the surrounding townships.



#### City of Lima – Employee Profile (worked in Lima in 2015)

Employee Income (2015)	<30	30 - 54	55+	Total
Less than \$15,000	2,228	2,681	1,473	6,382
\$15,000 - \$39,999	1,653	3,923	1,636	7,212
\$40,000 and Higher	492	3,797	1,617	5,906
Total	4,373	10,401	4,726	19,500

The employment base in the City of Lima includes nearly five percentage point higher share of lower paid workers (less than \$15,000/year) and the same percentage less of higher priced workers (\$40,000+/year). This is attributed to higher employment in the retail trade sector due to the fact that the largest concentration of retail is within the City of Lima.

#### City of Lima – Resident Profile (in workforce in 2015)

Resident Income (2015)	<30	30 - 54	55+	Total
Less than \$15,000	2,048	1,649	879	4,576
\$15,000 - \$39,999	1,547	3,096	1,115	5,758
\$40,000 and Higher	422	2,451	967	3,840
Total	4,017	7,196	2,961	14,174

Based on this data we can conclude that a disproportionately high share of older adults (age 55+) that work in Lima do not reside in the city.

## 1. Labor Force Profile

Half of the labor force in the PMA is within three employment sectors: Health Care & Social Assistance (28.4%), Retail Trade (11.0%) and Manufacturing (10.0%). Employment in the PMA, as of 2018, was distributed as follows:

NAICS Group	Establishments	Employees	Percent
Health Care & Social Assistance	325	15,214	28.4%
Retail Trade	440	5,921	11.0%
Manufacturing	129	5,339	10.0%
Accommodation & Food Services	215	4,403	8.2%
Educational Services	81	3,976	7.4%
Public Administration	146	3,767	7.0%
Other Services (except Public)	421	2,850	5.3%
Wholesale Trade	111	2,655	5.0%
Construction	183	1,616	3.0%
Transportation & Warehousing	68	1,385	2.6%
Professional, Scientific & Tech Services	184	1,377	2.6%
Information	64	1,242	2.3%
Administrative & Support & Waste	99	1,234	2.3%
Finance & Insurance	154	1,068	2.0%
Real Estate, Rental & Leasing	153	795	1.5%
Arts, Entertainment & Recreation	39	438	0.8%
Utilities	6	146	0.3%
Unclassified Establishments	90	98	0.2%
Agriculture, Forestry, Fishing & Hunting	14	38	0.1%
Mining	3	30	0.1%
Management of Companies & Enterprises	5	17	0.0%
Total	2,930	53,609	100.0%

Sources: ESRI Incorporated and Infogroup

## 2. Major Employers

The 20 largest employers in Allen County employ nearly 15,000. The area's largest employer is Mercy Health, St. Rita's Medical Center on the near west side in the City of Lima. St. Rita's Medical Center is expanding their graduate medical education program and adding four new residencies to include family medicine, internal medicine, emergency medicine and general surgery. The hospital plans to add 30 residents to the programs by the end of 2020 with a goal of having 90 residents by 2025.



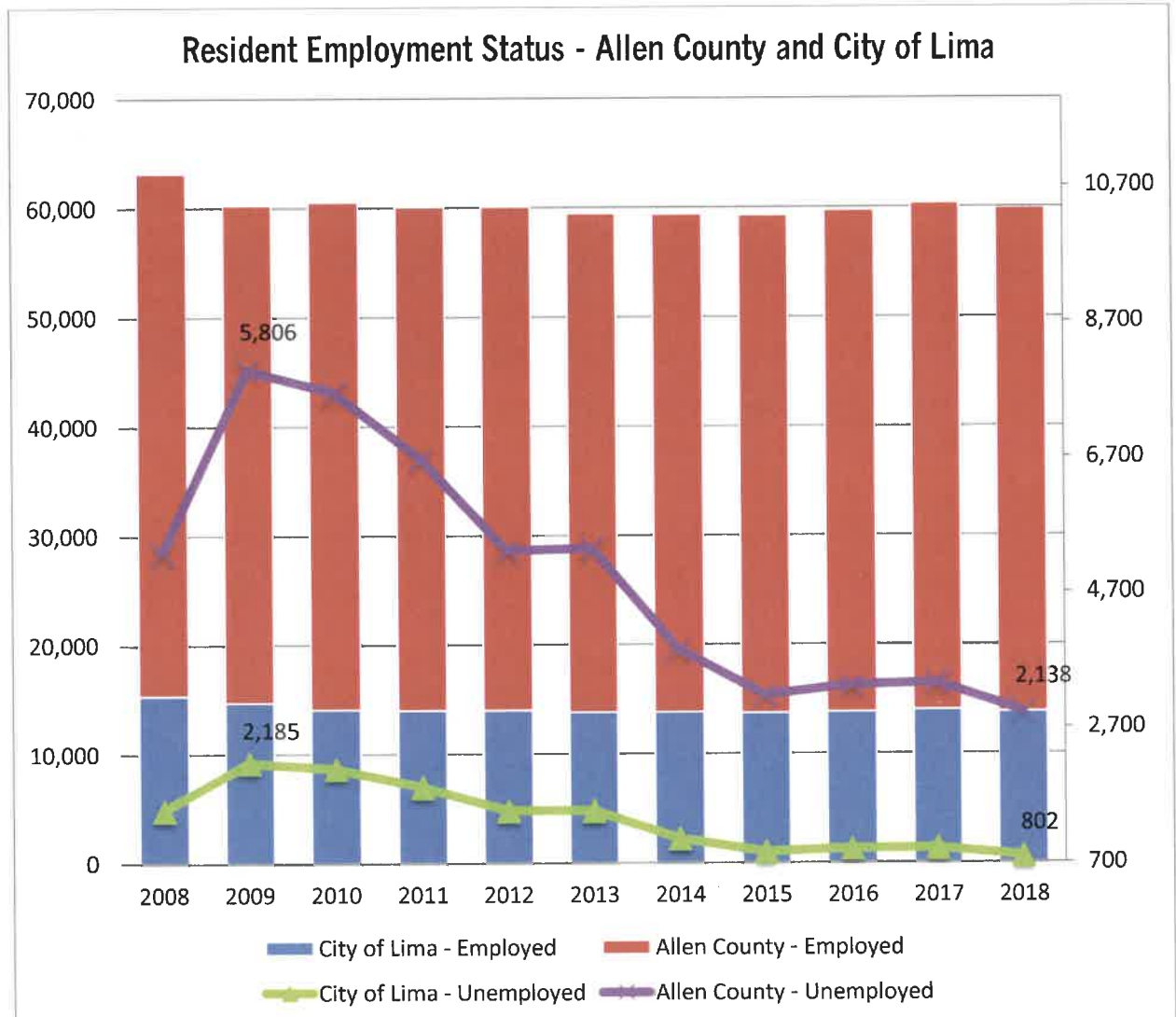
A list of employers of 125 or more employees is summarized as follows:

Business Name	Major Industry	Number of Employees
Mercy Health, St. Rita's Medical Center	Health Care & Social Assistance	3,000
Lima Building Trades	Construction	1,470
Ford Motor Company	Manufacturing	1,375
Lima Memorial Health Systems	Health Care & Social Assistance	910
MetoKote Corp.	Manufacturing	800
Proctor & Gamble Manufacturing Company	Manufacturing	704
DTR	Manufacturing	611
Joint Systems Manufacturing Ctr.	Manufacturing	570
University of Northwestern Ohio	Educational Services	530
Lima Refining Company	Oil Refinery	520
Dana Corp.	Manufacturing	500
Lakeview Farms	Food Manufacturing	420
Bob Evans Foods, Inc.	Food Manufacturing	377
Spartan Nash	Wholesale Grocery Distributor	274
Nelson Packaging Company, Inc.	Manufacturing	244
Charles Rivers Laboratories, Inc.	Pharmaceutical	220
CR Properties/Tuttle Services, Inc.	Construction	200
Rudolph Foods	Food Manufacturing	175
K & M Tire, Inc. & Langhals Enterprises, LLC	Wholesale Tire Company	172
PCS Nitrogen Ohio LP	Fertilizer Supplier	172

Sources: Allen Economic Development Group

### 3. Employment Trends

The following charts were generated from the U.S. Department of Labor's, Bureau of Labor Statistics. It reflects employment and unemployment trends for the City of Lima and Allen County, Ohio. Unemployment persons are at a ten-year low. The total of city and county resident employment base has remained relatively stable since 2009.



Note: December 2018 employment data is preliminary, subject to change.

## V. Downtown Assessment

The housing market potential in Downtown Lima is predicated on the variety and quality of commercial businesses within the downtown. The commercial environment is an important factor in providing a unique lifestyle to attract persons to live downtown. The type and number of households that would consider living downtown increases when there is a more developed and vibrant commercial environment.

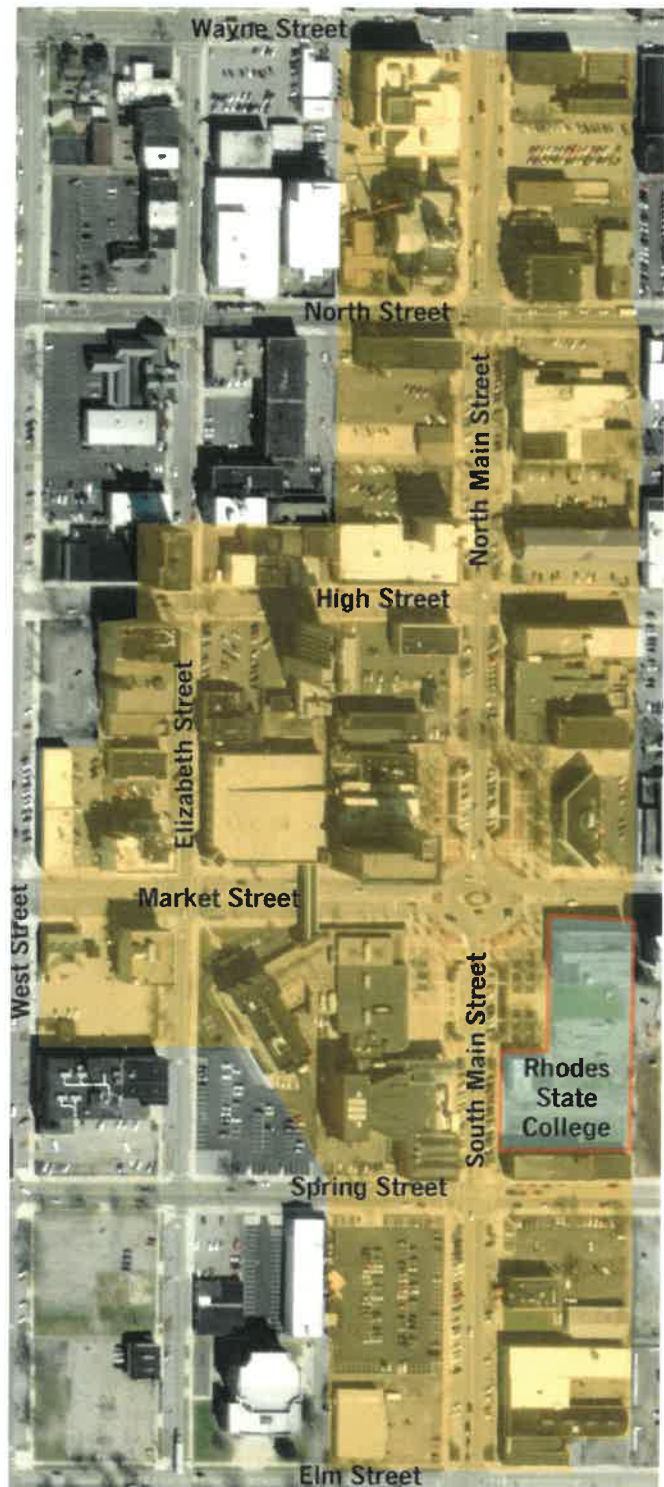
To assess the downtown's commercial environment, DDA inventoried building uses within the core area of the downtown (see highlighted area on aerial). The inventory included properties with frontage along the following city blocks:

- North Main Street - 100 to 300 Blocks
- South Main Street – 100 to 200 Blocks
- West Market Street – 100 to 200 Blocks
- East Market Street – 100 Block
- West High Street – 100 Block
- North Elizabeth Street – 100 Block

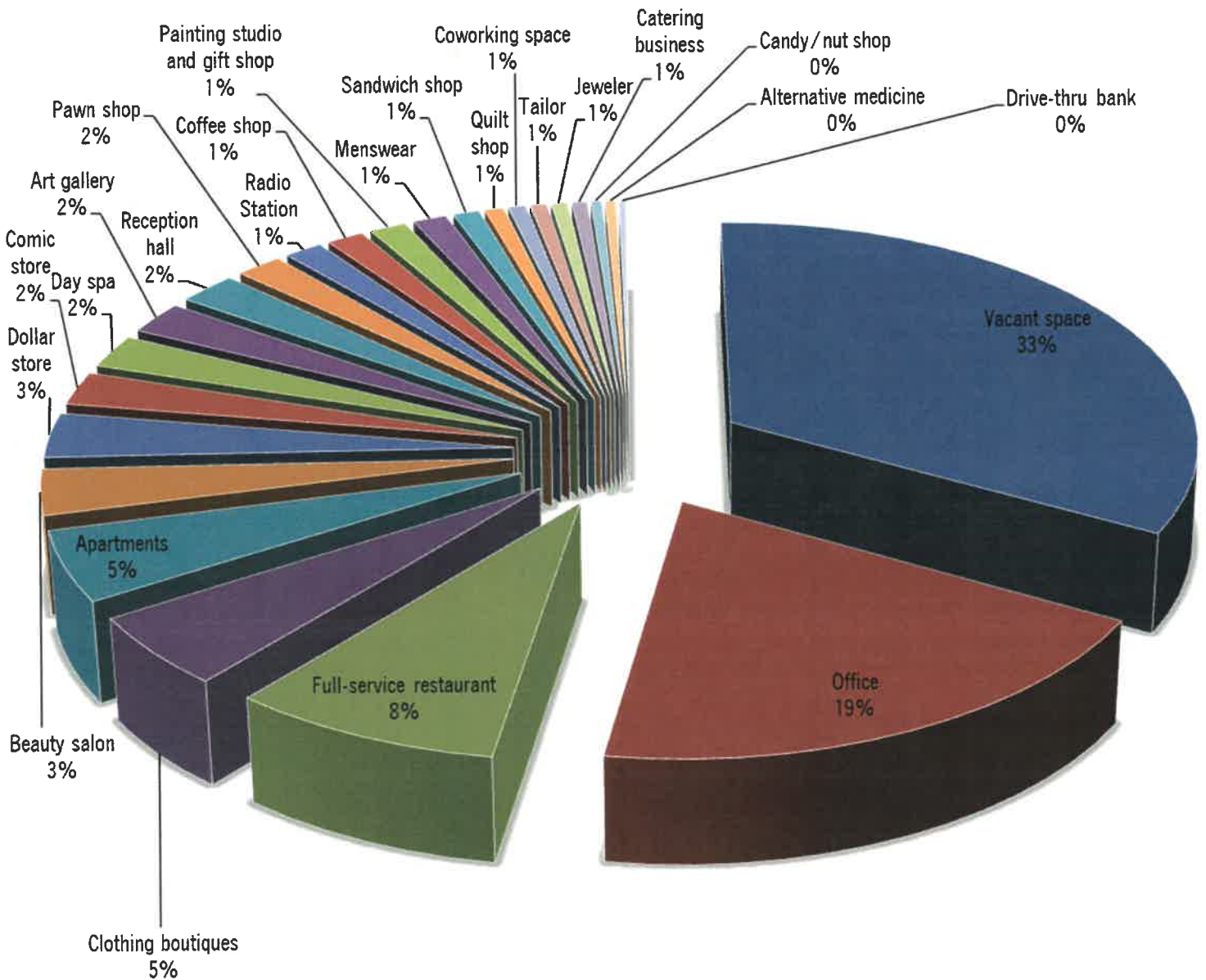
Downtown Lima encompasses a much larger area. However, we have focused on the smaller more walkable core area for assessing the commercial environment. There are several other key amenities within walking distance of the core downtown area, however, they typically generate less pedestrian traffic and are physically fragmented from the core area. Lastly, in identifying the core area consideration was given to new planned developments that are in varying stages of redevelopment.

### 1. Downtown Inventory

There is approximately 220,000 square feet of ground floor space in the core area of Downtown Lima (excluding municipal institutions). Of this space, an estimated one-third or 72,600 square feet is vacant. This is a high vacancy rate and greatly hinders the marketability of the downtown. The next largest space user are office users at nearly one-fifth (19%) of the ground floor space. A distribution of uses in the core area of Downtown Lima by share of ground floor square footage follows.



## Downtown Core Uses by Share of Ground Floor Space



There are at least 24 different uses throughout the core downtown area, not including vacant space and city/county institutional buildings. A more detailed inventory of ground floor uses by estimated total square footage and share follows.

Ground Floor Uses by Estimated Square Footage  
Core Area of Downtown Lima  
4<sup>th</sup> Quarter 2018

Ground Floor Use	Estimated Square Feet	Share of Ground Floor Space
Vacant space	72,671	33.3%
Office	41,943	19.2%
Full-service restaurant	18,424	8.5%
Clothing boutiques	11,150	5.1%
Apartments	11,016	5.1%
Beauty salon	7,155	3.3%
Dollar store	7,000	3.2%
Comic store	5,216	2.4%
Day spa	5,202	2.4%
Art gallery	5,048	2.3%
Reception hall	5,000	2.3%
Pawn shop	3,900	1.8%
Radio Station	3,175	1.5%
Coffee shop	3,100	1.4%
Painting studio and gift shop	3,099	1.4%
Menswear	2,850	1.3%
Sandwich shop	2,220	1.0%
Quilt shop	1,600	0.7%
Coworking space	1,500	0.7%
Tailor	1,400	0.6%
Jeweler	1,395	0.6%
Catering business	1,290	0.6%
Candy/nut shop	950	0.4%
Alternative medicine	920	0.4%
Drive-thru banks	693	0.3%
<b>Total</b>	<b>217,917</b>	<b>100.0%</b>

Source: Allen County Auditor and DDA estimates

In addition to the high share of vacant ground floor space in the downtown, there are several vacant properties located in key redevelopment efforts that can hinder marketability. For example, the adaptive reuse of the Metro Center on North Elizabeth into luxury apartments will be directly across from two vacant and boarded up buildings (see photo on right).



The downtown tenant mix is compared with similar sized downtowns to assess its mix of uses on the following page.

## 2. Downtown Commercial Environment Comparisons

DDA inventoried other small- to medium-sized downtowns in Ohio to identify the typical mix of uses associated with downtowns in different stages of maturation. Based on this comparative assessment, Downtown Lima has a low share of food and drink establishments and retail goods. A relatively healthy mix of visitor-oriented uses, such as Premier Paint & Sip Studio, Alter Ego Comics and Artspace, exists in the core downtown area. There are high shares of office users in ground floor spaces. Office workers bolster consumer spending in the downtown, however, such a high share of ground-floor office spaces limits opportunities for restaurants and/or retail establishments. A comparison of the Downtown Lima mix of uses with the average share in a variety of commercial environments follows.

Quality Of Environment	Average Share of Uses In Core Downtown Ground Floor Space By Quality of Environment					
	Food & Drink	Vacant	Visitor-Oriented	Offices	Retail Goods/Services	Other Uses
Poor	10%	30%	0%	10%	10%	40%
Limited	15%	25%	3%	10%	14%	33%
Fair	25%	15%	5%	15%	20%	20%
Healthy	27%	10%	10%	20%	23%	10%
Vibrant	30%	5%	13%	20%	27%	5%
<i>Lima</i>	<i>11.3%</i>	<i>33.3%</i>	<i>9.9%</i>	<i>21.4%</i>	<i>13.6%</i>	<i>13.0%</i>

A list of common businesses found in other well-developed downtowns that are not present in the downtown core follows (the highlighted uses were those indicated in an online survey of local workers and residents as the most desired businesses/amenities to add to the downtown).

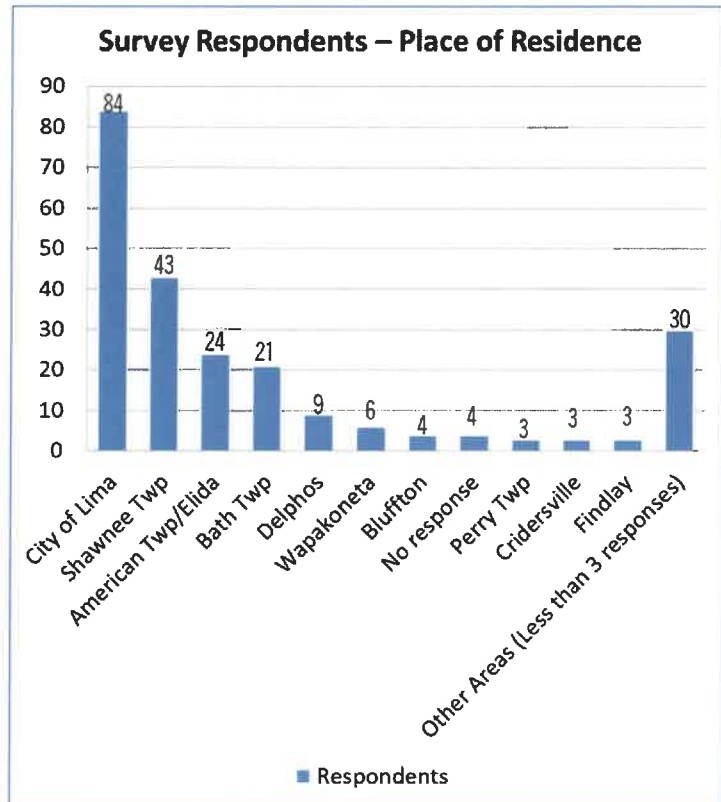
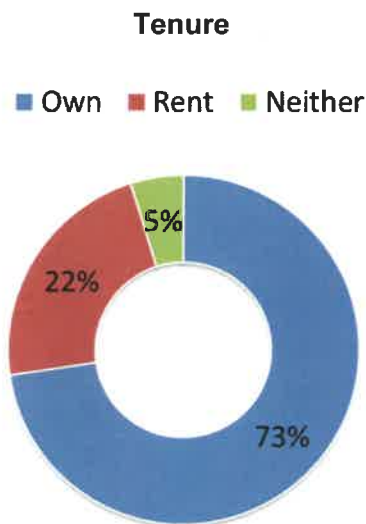
Common Downtown Businesses Not Represented in Lima's Downtown Core	
Antique	Health club/yoga studio/fitness center/training facility
Bakery	Hobby/ toy
Beauty supplies	Home accessories
Bicycle	Ice cream/yogurt
Brewery/brew pub/arcade bar	Limited-service restaurant
Bridal shop	Music store
Candle shop	Pet goods store
Cellular/wireless	Pet grooming
Cigar	Photo studio
Delicatessen	Record Stores - CDs/Vinyl albums
Doughnut/muffin/cupcake	Sewing, piece goods store
Dry cleaner	Shoe repair
Electronic/computer repair	Shoes
Eye care/eyewear	Specialty sporting goods
Family recreation	Tattoo
Florist/flowers/plants	Vintage shops
Furniture	Wine shop

## VI. Online Housing Survey

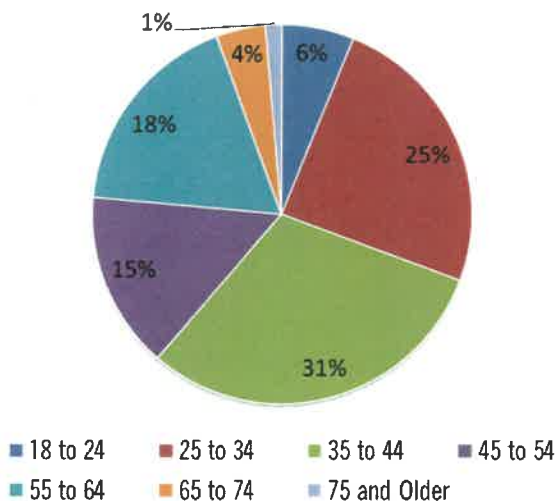
An online housing survey was responded to by 235 persons in November 2018 and January/February 2019. Of the 235 respondents, 208 indicated that they, or a family member, work in Lima and 26 do not work in Lima. A summary of the respondent's profile and answers to housing questions follows.

### 1. Respondent Profile

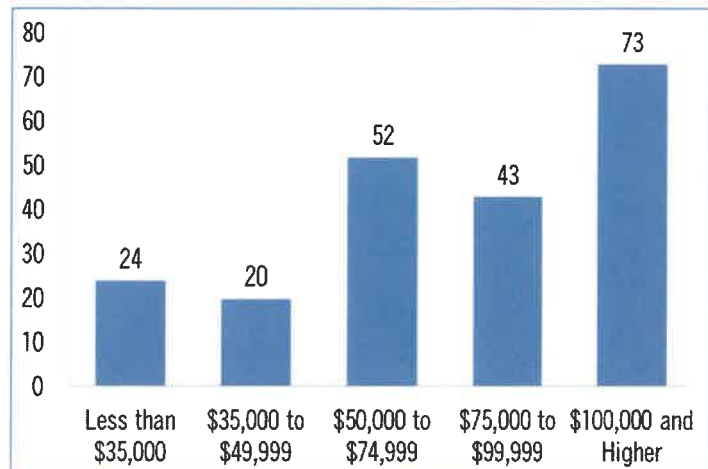
Lima residents represented 35% of the respondents. Of the 84 Lima residents, four lived in the downtown area. Three out of every four respondents reside within the Primary Market Area.



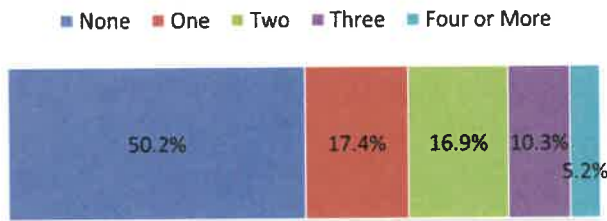
### Age of Respondent



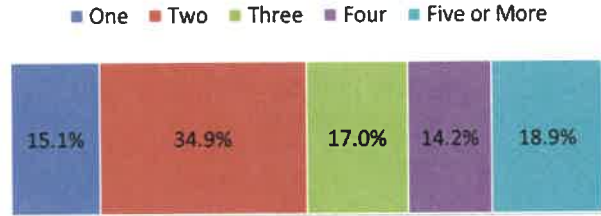
### Household Income (pre-tax)



### Number of Children (age 17 or under)



### Household Size (Number of Persons)

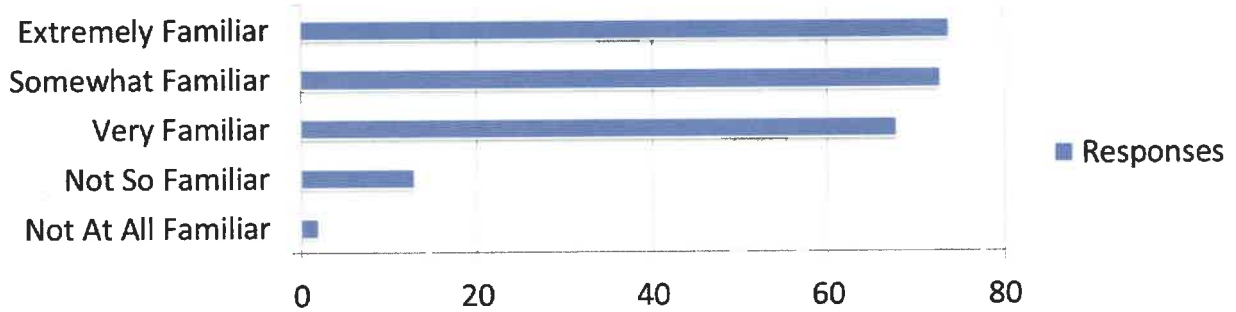


The response rate reflects a higher share of homeowners, higher-income households and older households than the City of Lima resident population. Nonetheless, all demographic groups were represented in the survey. While not statistically valid, the goal of the survey is to identify key issues relating to housing in the City of Lima.

## 2. Downtown Living

Nearly three-fourths (61.7%) of the respondents are extremely or very familiar with the businesses in Downtown Lima. Fifteen respondents indicated they were not so familiar or not at all familiar with the businesses in the downtown.

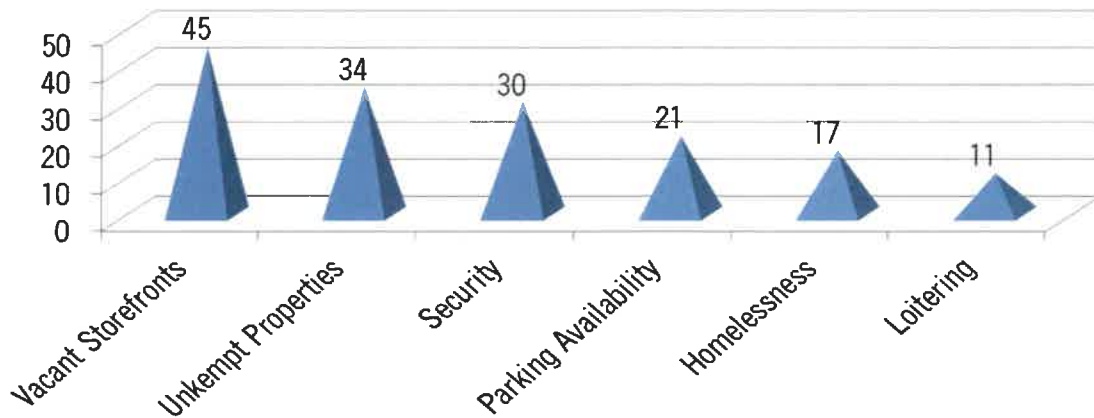
### Familiarity with Downtown Businesses



What additional businesses/amenities would you like to see downtown (please check top 3 choices)?

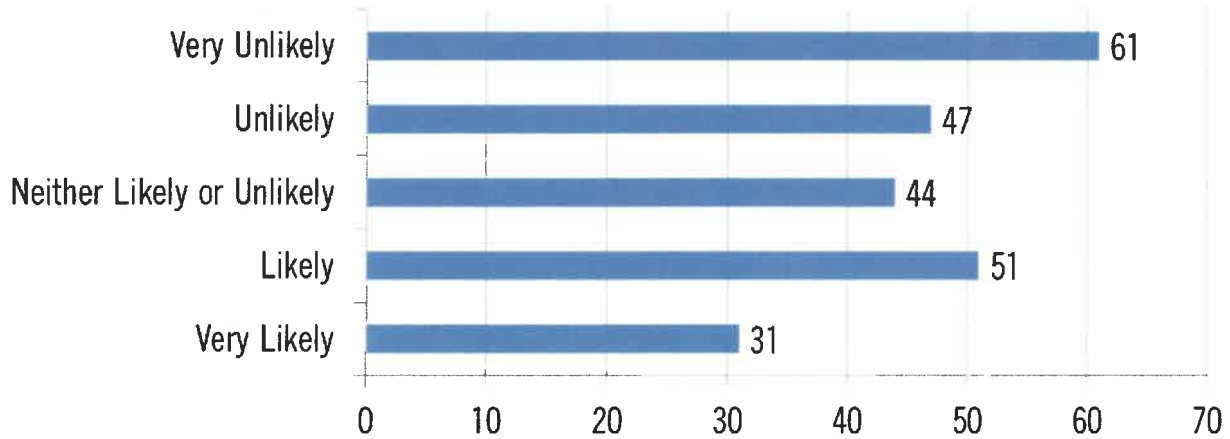
Top 10 Response	Responses – ranked 11 thru 20
Brewery/ brew pub – 30%	Antique store – 7.1%
Bakery – 21%	Wine shop – 6.6%
Family recreation (arcade/bowling/etc.) – 21%	Cards and gifts – 6.6%
Delicatessen/sandwich shop – 16.8%	Clothing store – 6.0%
Vintage shops – 15%	Music store – 6.0%
Full-service restaurant – 13.1%	Arts and crafts – 6.0%
Arcade bar – 12.6%	Makerspace – 6.0%
Ice cream/yogurt shop – 10.4%	Fitness center – 5.5%
Limited-service restaurant – 9.3%	Child care – 4.9%
Day spa – 7.7%	Art galleries – 4.4%

Aside from additional businesses/amenities, what is the top issue that needs to be addressed in the downtown?



When asked, “Would you consider living downtown if the housing met all or most of your preferences,” 82 or 35% of respondents indicated “Likely” or “Very Likely.” The 35% share of respondents who would live downtown is a typical ratio in other downtowns.

### Would you consider living downtown...?



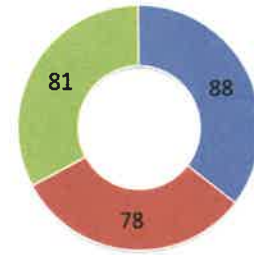
The preferred minimum number of bedrooms and baths in downtown housing shows a high share of three-bedrooms, atypical of most downtowns.

Unit Type	1.0 Bath	1.5 Baths	2.0 Baths	Total	Share
One-Bedroom	10	-	2	12	9.1%
Two-Bedroom	23	24	17	64	48.5%
Three-Bedroom	5	9	42	56	42.4%
Total	38	33	61	132	100.0%

There is a preference for all housing types, flats, townhouses and loft units.

More respondents found historic buildings to be more important than newly constructed housing downtown:

- 76 indicated historic as “Pretty Important” or “A Must”
- 38 indicated new construction as “Pretty Important” or “A Must”



- Loft with high vaulted ceilings (one floor)
- Flat (one floor)
- Townhouse (two floors)

What area(s) of Downtown would you find appealing for a place to live?

### Locational Preference

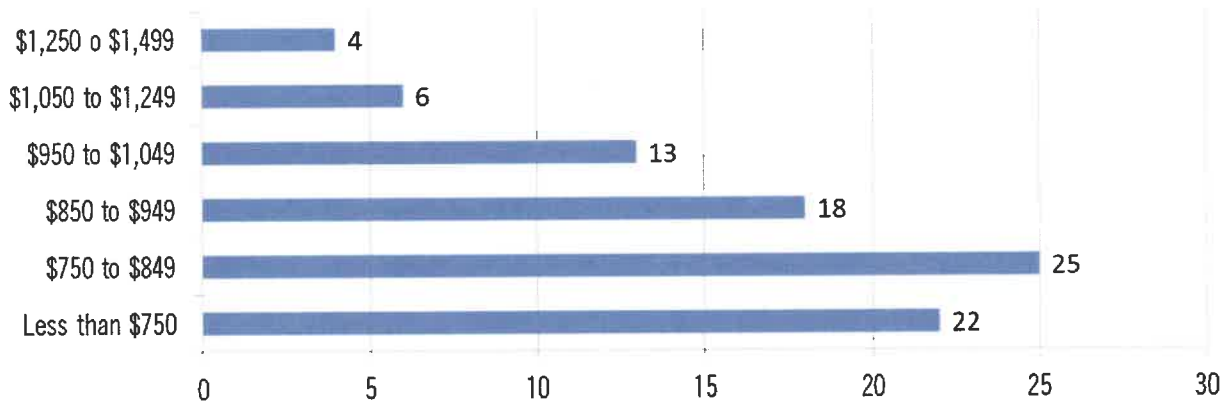


The North Main Street and West Market Street corridors were indicated as the most preferred areas to live downtown.

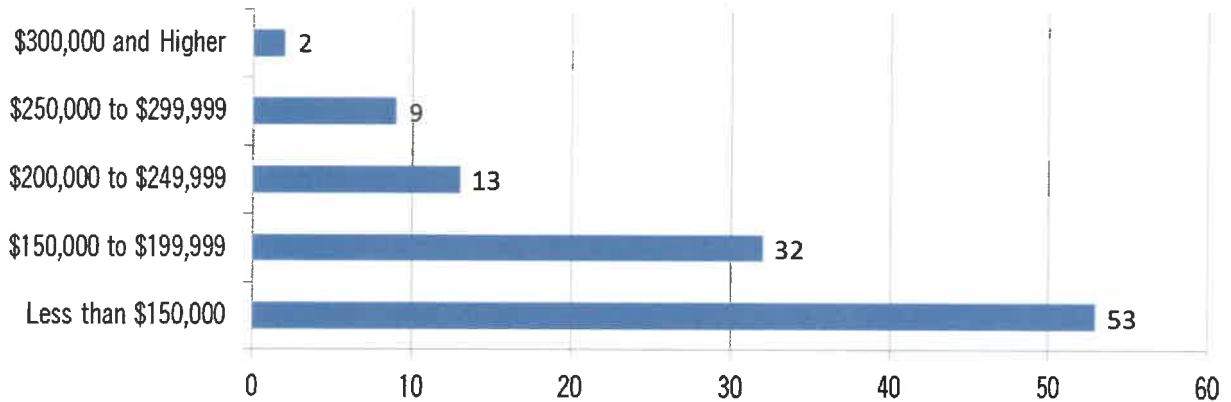
Would you prefer to rent or own housing downtown?

- 51 – Rent
- 40 – Unsure
- 38 – Own

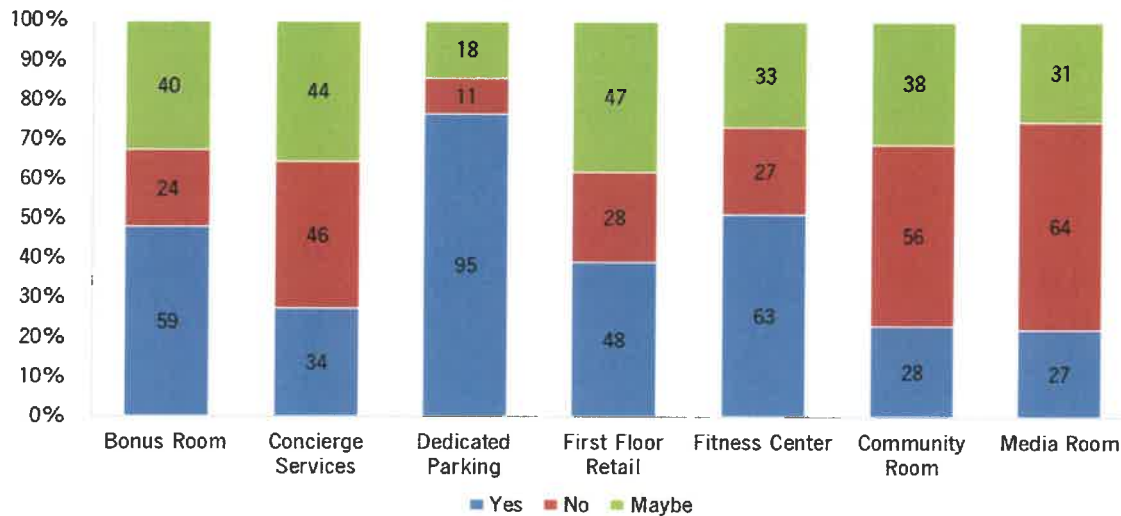
### What Rent Are You Willing To Pay?



### What Sale Price Are You Willing To Pay?



Would you consider paying more for housing in the downtown (rental or for-sale) for additional amenities?



Secure dedicated parking is the most desired amenity that most respondents would pay extra. Fitness center and bonus rooms are also desired amenities that will yield rent/sale price premiums. There is limited interest in paying more for a media and community room. The first-floor retail or “complementary ground floor business” has the highest “maybe” response.

### 3. Areas Outside Downtown

Respondents were asked where, of the areas outside Downtown Lima, they would consider living if housing met their preferences. An “other area” option was also provided. Areas are shown in chart below.

Area	Rent	Own	Total
West Market/West North Street Corridors – near St. Rita’s Medical Center	29	66	95
Elida Road (SR 309)/Allentown Road (SR 81) Corridors – near UNOH and mall	26	49	75
North West Street/Robb Street Corridors – north central area of Lima	15	36	51
Bellefontaine Avenue Corridor – near Lima Memorial Hospital	11	18	29
South Main/Fourth Street Corridors – near OEAMC	4	9	13
Other (Shawnee - 10; “open”/”rural” - 6)	10	34	44

Note: area counts represent multiple choices by respondents

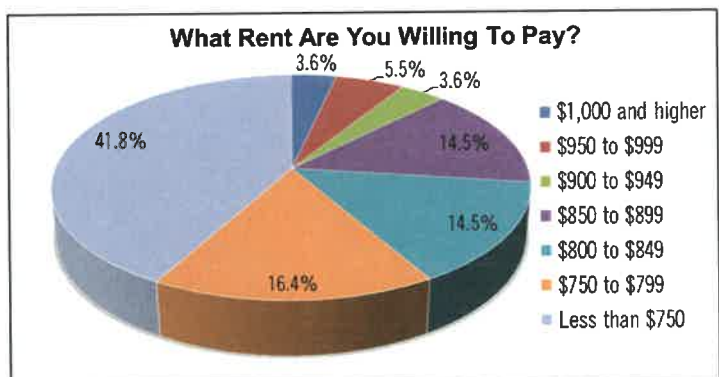


The west area of Lima near St. Rita’s Medical Center, the Lima Mall and University of Northwest Ohio was the most popular choice of place of residence in Lima.

Rental Housing (outside Downtown area)

Of the respondents who indicated the preference to rent housing outside the downtown, more than half (58.2%) indicated that they would be willing to pay rent in excess of \$750 per month.

Approximately one of 10 respondents indicated that they would be willing to pay rent of \$900 or higher if the housing met their preferences.



When asked “Other than a fully-furnished kitchen, what amenities would you expect from a new and modern rental?” over half of the respondents indicated “none” or “not sure.” The remaining respondents indicated amenities and quality that is standard in new rental housing, with a primary desire for in-suite washer/dryers and/or laundry room.

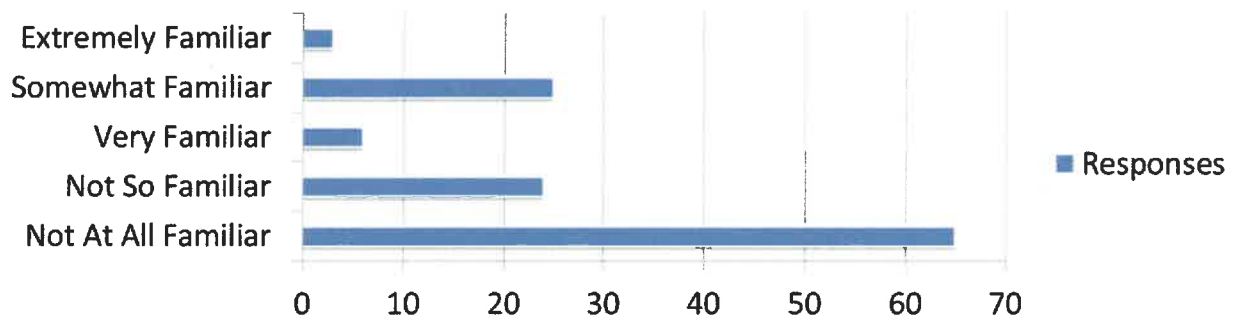
For-Sale Housing (Outside Downtown)

Of those respondents who prefer for-sale housing, two-thirds of the respondents would pay \$150,000 and higher for housing.



When asked “How familiar are you with the 10- to 15-year property tax abatement program that is available in most areas of the City of Lima for new construction and/or renovation improvements?” nearly three-fourths (72.4%) were “not so familiar” or “not at all familiar.”

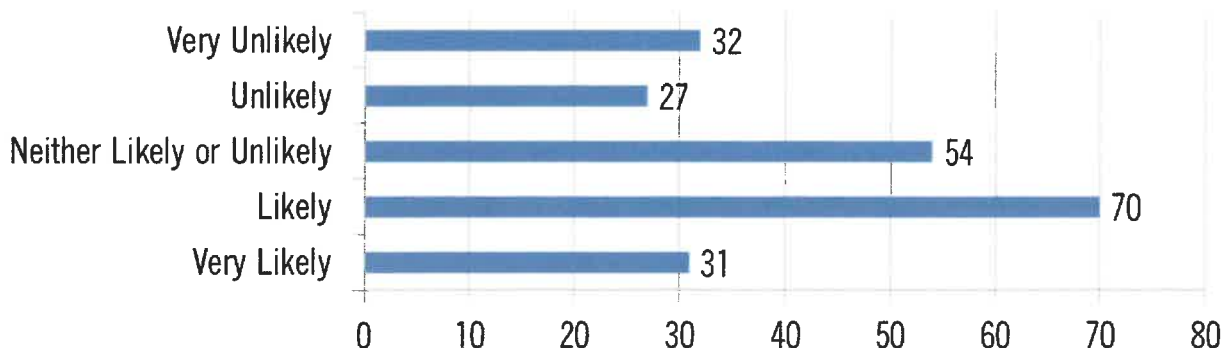
**Familiarity with Property Tax Abatement Program**



Would you ever consider paying an additional monthly fee for maintenance-free living that included services such as mowing, landscaping, shoveling and exterior building maintenance?  
 Yes - 122 (76.3%); No - 38 (23.7%)

Would you consider moving into new modern housing in the City of Lima if it were available under the conditions you indicated?

**Would you consider moving into new modern housing in Lima?**





renter households in Allen County is 23, one point above the statewide ratio of 22 rental units per 100 low-income renters. This is comparable ratio to Lucas, Hamilton and Cuyahoga County. It is important to note that ESRI, Incorporated, an international demographer, projects a 13.0% decline among households with incomes less than \$25,000 by 2023. This will raise the ratio of affordable housing to low-income households and lessen the total need for additional affordable units.

According to the US Department of Housing and Urban Development (HUD), housing costs are considered affordable to households who are not paying more than 30% of their income toward gross rent. The reality is higher incomes typically have lower income-to-gross rent ratios. Affordable gross and collected rents (net electricity and heating) are summarized in the following table by household income, income-to-gross-rent ratio and affordable rents.

Household Income	Income-to-Gross Rent Ratio	Affordable Gross Rent	Affordable Net Monthly Rent By Bedroom Size		
			One-Bedroom	Two-Bedroom	Three-Bedroom
Less than \$24,999	30%	Less than \$625	Less than \$530	Less than \$497	Less than \$465
\$25,000 - \$34,999	30%	\$625 - \$874	\$550 - \$775	\$498 - \$746	\$466 - \$714
\$35,000 - \$49,999	25% - 30%	\$875 - \$1,041	\$776 - \$942	\$747 - \$913	\$715 - \$881
\$50,000 - \$74,999	20% - 25%	\$1,042 - \$1,249	\$943 - \$1,150	\$914 - \$1,121	\$882 - \$1,089
\$75,000 - \$99,999	20%	\$1,250 - \$1,666	\$1,151 - \$1,567	\$1,122 - \$1,538	\$1,090 - \$1,506
\$100,000 - \$149,999	20%	\$1,667 - \$2,499	\$1,568 - \$2,400	\$1,539 - \$2,371	\$1,507 - \$2,339
\$150,000 or more	20%	\$2,500+	\$2,401+	\$2,372+	\$2,340+

Source: Allen County Metropolitan Housing Authority

The highlighted cells in the table above indicate the collected rental rates in the marketplace among all rental types. Notably, the approximately 400 one-person renter households in the PMA with incomes in excess of \$35,000 can afford to pay rent well above the existing rent range (\$420 to \$759). Additionally, the nearly 2,400 renter households in the PMA with incomes of \$50,000 and higher can afford rents not achieved in the marketplace.

### External Support

Based on the results of our local worker and resident online survey, one of every four local workers who live outside the PMA are likely or very likely to consider moving into the City of Lima if housing was available that met their preferences. The reality is the percentage of respondents who would move is actually smaller.

DDA estimates that 17,000 local worker households live outside the PMA, of which 30% are renters.

Estimated local worker households that live outside PMA	17,000
Estimated renter households (30%)	5,000
Capture rates	3.0% to 4.0%
Total Units	150 to 200

An estimated market exists for 153 to 204 local workers who currently live outside the area. The external support represents 26.7% to 32.7% of market support for housing in the City of Lima.

## 2. For-Sale Housing

According to the National Association of Home Builders (NAHB), homeowners move every 15 to 20 years, depending on the age of the homeowner, indicating that 5.0% to 6.7% of homeowners are moving each year. We have applied the more conservative turnover rate of 5%. Based on this analysis, there is a deficit of approximately 50 homes in the market to allow homeowners other housing alternatives as family dynamics change, including income, age and number of households. A distribution of home sale prices, existing homes by market value and recent home sales follows.

Home Sale Price	Total Existing Homes	Market Potential Based on 5% Turnover	Homes Sold (2018)	Annual Deficit (Turnover minus Sold Homes)
\$125,000 to \$149,999	3,421	171	149	22
\$150,000 to \$199,999	4,016	201	172	29
\$200,000 to \$299,999	2,196	110	109	1
\$300,000 and Higher	716	36	58	-
Total	10,349	518	488	52

A deficit does not exist among homes priced \$200,000 and higher, however the volume of home sales indicates continued demand for homes at these price points.

The City of Lima, historically, had a few single-family building permits issued each year (no more than four), in part, to the lack of marketable vacant sites. Infill housing in most areas of Lima is not feasible because appraisal values are too low due to lower values of surrounding homes.

The reality is that 50 new homes have not been built and sold in a year since the housing boom in the early to mid-2000s. In 2017, the most recent year available for building permit activity, there were 30 building permits for single-family homes. Demand is limited by supply in the marketplace and building permit activity is not reflective of full market potential.

- The sale of homes priced above \$125,000 has increased at an average annual rate of 13.7% from 2015 through 2018 (source: Allen County Auditor).
- From 2015 through 2017, the average days on the market has declined by 24 among the four surrounding townships and 21 days in the City of Lima (79 and 85 total days on market in 2017, respectively).
- Homes were selling so quickly that Dino Guagenti, a broker with Real Living CCR Realtors in Lima, said many families struggled to find a new home after selling (source: LimaNews.com).

“We have a lot of people that want to sell but have nowhere to go,” he said. “It used to be finding a home was easy, selling was hard. Selling a home isn’t the problem (now). It’s finding somewhere else to go once they sell.”

The ability of the marketplace to absorb 22 additional homes each year will be predicated on several factors:

- *Provide a variety of housing product, location and price point* – results of the online survey showed that a wide range of preferences related to location and price point.
- *Offer an efficient entitlement and building process* – the speed and efficiency to which developers/builders can entitle properties and deliver homes impacts the market potential of a community. A January 2019 article in LimaOhio.com, reported that Allen County Commissioners heard repeated complaints from businesses about the city building department, to the extent that the businesses will no longer work with city staff. The article further states that, Lima’s Chief Building Official, Amy Harpster, recently proposed several initiatives to improve customer service, including expanding certification among staff and potentially offering an online plan review.
- *Attract homebuyers who live from outside the area* – There are an estimated 12,000 homeowners that work in the PMA and live outside the PMA. Assuming an annual 5% turnover, there are 600 homeowners from outside the area, looking to buy new housing each year. The 22 additional homes represent 3.7% of these out-of-town homebuyers. This is considered an achievable capture rate.

### **Uses, Applications and Assumptions**

Although this report represents the best available attempt to identify the current market status and future market trends, it is important to note that most markets are continually affected by demographic, economic and developmental changes. This analysis also has been conducted with respect to a particular client's development objectives, and consequently has been developed to determine the current market's ability to support those particular objectives. For these reasons, the conclusions and recommendations in this study are applicable only to the subject area and potential uses identified herein.

This study represents a compilation of data gathered from various sources, including the properties surveyed, local records and interviews with local officials, real estate professionals and major employers and the use of secondary demographic material. Although we judge these sources to be reliable, it is impossible to authenticate all data. The analyst does not guarantee the data and assumes no liability for any errors in fact, analysis or judgment. The conclusions contained in this report are based on the best judgments of the analysts; we make no guarantees or assurances that the projections or conclusions will be realized as stated.

