

Housing Opportunities Analysis

Tiffin, Ohio



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June 19, 2019

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I. Executive Summary

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

It is DDA's opinion that in the next three years a market exists for 330 to 450 new housing units in the Tiffin area (Tiffin and surrounding townships). A distribution of housing support by product type and area is included in the following table:

Market-Supported New Housing Development Three-Year Total Tiffin Area, Ohio

Housing Type & Price Range	Total Units
Rental Housing	200 - 260
Less than \$750	90 - 100
\$750 to \$849	55 - 75
\$850 to \$999	35 - 55
\$1,000 and Higher	20 - 30
For-Sale Single-Family	90 - 130
\$140,000 to \$159,999	38 - 48
\$160,000 to \$179,999	20 - 24
\$180,000 to \$199,999	16 - 30
\$200,000 to \$299,000	10 - 18
\$300,000+	6 - 12
For-Sale Condominium/Villa/Duplex/Townhouse	40 - 60
\$140,000 to \$179,999	18 - 24
\$180,000 to \$199,999	14 - 20
\$200,000 and Higher	10 - 16
3-Year Total	330 - 450

The Tiffin market represents one of the most underserved housing markets in Northwest, Ohio. The lack of rental and for-sale housing development has resulted into an extreme shortage of housing that prevents prospective homeowners and renters from moving into the area. The lack of modern housing is a quality of life and an economic issue. Growth in the labor pool and spending power for the local businesses is constrained without available housing.

There is an extreme shortage among all housing types. Among 18 rental properties surveyed, only two units were vacant. At the time of this writing, there were just 30 homes listed for sale (above \$50,000) that were not pending and no condominiums were listed for sale.

Housing Development Strategies

To achieve absorption of 330 to 450 housing units, we recommend delivery of a variety of housing types and price points in multiple locations. A summary of key market considerations, example sites and development scenarios of for-sale and rental housing follows.

Key Market Considerations

The following key market considerations are based on the results of our online survey of 600 persons, site characteristics and prevailing market conditions.

For-sale housing

- Eight out of ten preferred a park within walking distance of their residence
- The majority of homeowners prefer to live in the southern quadrant of Tiffin and areas outside the city limits (within 44883 zip code)
- Higher home values in the south and other select areas of Tiffin increase the likelihood of development of the higher sale prices associated with new construction (see home values map on page 16).

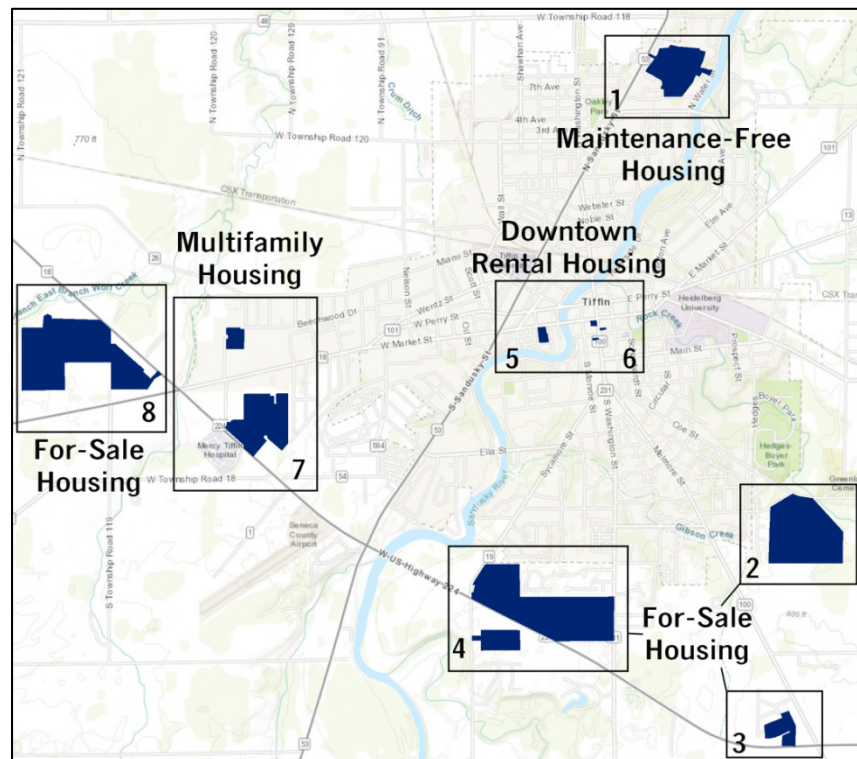
Rental housing

- Preferred relocation areas are proximate parks, retail and workplace
- Most renters are willing to live in all areas of the city
- The most marketable multifamily sites are visible to high volumes of traffic, because increased market exposure yields an increase in prospective renter traffic

Potential Housing Development Site Examples

DDA has provided examples of development sites for a variety of housing product throughout the area. Based on our preliminary research, all sites appear proximate utilities. Further research should be conducted to assess the availability and connectivity of utilities.

Site examples that are available for purchase will be noted. Not all property owners were contacted regarding the status of their properties. Therefore, the inclusion of their properties in the list is for example purposes only.



Development Site Examples Reference Map

A summary of each of the eight development site examples follows (site boundaries in dark blue).

1. Infill Maintenance-Free Housing Development Scenario (North Quadrant)

The site is a former golf course with established maintenance-free housing. City parks are north of the site along the river.

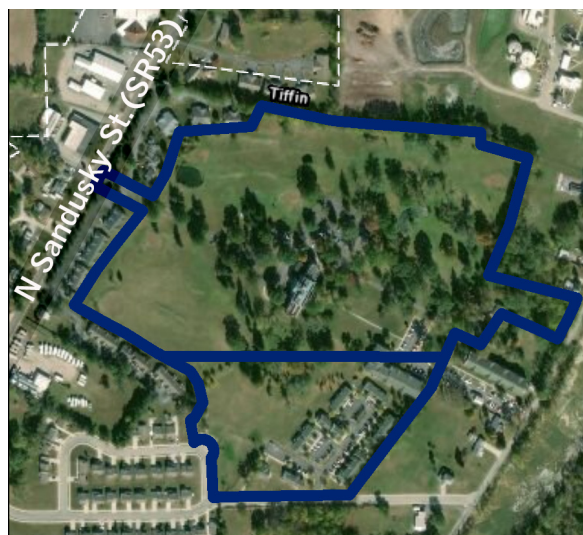
Consideration should be given to retaining green area, adding walking paths and a large retention pond on the site that will also serve as an amenity and premium for the attached housing.

DDA contacted a representative of Woda Cooper Companies and they will consider selling.

Parcel #: Q53021369700000

Acres #: 42.5 (gross, includes existing housing)

Municipality: City of Tiffin



2. For-Sale Housing Development Proximate Park Scenario (Southeast Quadrant)

The site example is farmland with frontage along Coe Street/CR 36 and East Spayth Street.

Hedges-Boyer Park and the Tiffin Community YMCA Recreation Center are within easy walking distance from this site.

At 81.5 acres, the site is too large for full buildout and would likely require a parcel split. The Seneca County Active Transportation Plan proposes shared lane markings along Coe Street/CR 36 connecting directly to the parks path system.

Parcel #: D17000240240000

Acres #: 81.5 acres

Municipality: Clinton Township



3. Additional Phase For-Sale Housing – Deer Ridge Phase II (South Quadrant)

A second phase at the site (Deer Ridge) has already been approved and platted for single-family development.

Township Road 1197 can be extended from the initial subdivision.

The owner expressed interest in selling the land.

Parcel #: D17000226280000

Acres #: 13.42

Municipality: Clinton Township



4. For-Sale Housing Sites – (Southwest Quadrant)

A number of large-scale parcels are available along the US Highway 224 corridor. According to the Ohio Department of Transportation, access to sites along the corridor is generally limited to intersecting secondary roadways.

The sites north of US Highway 224 are large and offer the opportunity to incorporate parkland, schools and other complementary uses.

Parcel #s: D17999245120000 (82 acres);
D17000210440000 (59 acres); and
D17000200160000 (17.25 acres)

Municipality: Clinton Township



5. Downtown Urban Infill Housing Site

The site is a 2.6-acre vacant tract along the 100 block of West Market Street. It is a city block west side of the Sandusky River and the core downtown area.

Low- to moderately-valued homes surround the site. It is DDA's opinion, that the best development opportunity for the site, in the near-term, is affordable rental townhomes. If the planned mixed-use Tiffin River Walk (see page 14) comes to fruition, for-sale and/or higher-priced rental townhomes could be a possibility.

The site was home to a former school and is currently owned by the Tiffin City Board of Education.

Parcel #s: Q53035971440000; 53031211040000

Municipality: City of Tiffin



6. Adaptive Reuse Rental Housing Sites – (Downtown)

Demand remains for additional market-rate lofts and apartments in the downtown. Based on rental housing in other downtowns and the results of our online survey, DDA projects 30% of the overall demand for rental housing or 60 to 80 units can be accommodated in the downtown.

The vibrancy of the commercial environment plays an important role in attracting residents and employees downtown. Continued efforts should be made in improving the quality and variety of downtown venues, amenities and businesses (see page 23 for desired downtown amenities).

DDA identified South Washington Street as the top candidate for housing redevelopment in the downtown. An example of three downtown properties follows.

- a. The Laird Arcade building at 120 S. Washington Street has occupants on the first and second floors. The third floor is largely vacant, is accessible via a working elevator and could be renovated for rental housing. Shuff Consulting is interested in talking to parties about the opportunity.

Parcel #: Q53041356800000

Municipality: City of Tiffin



- b. The former Gibson Hotel at 160 S. Washington Street reportedly was recently placed in contract for purchase. The four-story building totaling 17,033 square feet has an elevator shaft, but not an operable elevator.

Parcel #: Q53041356800000

Municipality: City of Tiffin

- c. Smaller buildings with vacant second and third floors are prevalent throughout the downtown and represent two- to four-unit housing redevelopment scenarios.

Parcel #: Various

Municipality: City of Tiffin



7. Multifamily Housing Sites – (West Quadrant)

All multifamily sites on the west side of Tiffin are proximate shopping, employment and nature preserves. The largest of the sites, borders a planned 92-unit senior housing healthcare facility by Trilogy Senior Living Community. Maintenance-free for-sale ranch housing at the site would complement the planned development. This site and the surrounding environment would also support market-rate apartment housing.

Parcel #s: Q56030321480000 (45 acres);
Q56030321240100 (5.85 acres);
Q56030331640600 (3.487 acres); and
Q56030331640500 (3.892 acres)

Municipality: City of Tiffin



8. For-Sale Housing Sites – (Far West Quadrant)

Farmland northwest of US Highway 224 and West Market Street/SR 18 has development potential for a mix of attached for-sale housing and single-family homes.

Parcel #s: F20000307040000 (24.86 acres);
F20000313520000 (95 acres);
F20000313560000 (23.77 acres)

Municipality: Hopewell Township



Building Incentives

Rising construction costs (goods and labor) have made it increasingly difficult for builders, especially in the multifamily sector, to deliver housing to smaller or secondary markets. Today, building incentives are a necessity to lessen this burden and encourage development.

Tax abatement programs via Community Reinvestment Acts currently exist for most of the site examples shown in the downtown area and Hopewell Township areas. Redevelopment of sites similar to the examples shown in the south, north and southeast areas are less likely unless developers are provided tax abatements and/or Tax Increment Financing.

Lastly, the large development sites are the most difficult to achieve and typically require a developer to often hold the land for decades at a time. To improve attractiveness of larger development sites of approximately 20 or more acres, DDA recommends the following considerations.

- Integration of other uses on the site, such as parkland and/or elementary school
- Purchase agreements that allow a developer/builder a phased purchase and building schedule (city may need to play a role)
- Allow variety of housing density, including attached and detached housing

Summary

A market clearly exists for all types of housing throughout the Tiffin area. Because housing development over the past few decades has been limited and has not tested the market, it will be important to deliver tax abatement and potentially other incentives to initial housing developers to incentivize development. Once a pattern of successful development and market response have occurred future developers will require less incentives to counter their risks. Until this time, DDA envisions the City of Tiffin continuing to play an active role in housing (re)development from adding infrastructure, such as roadways and incorporating community parks as part of larger developments. In an extreme example of a city involved in housing development with the assumption of higher risk levels, the City of Moraine developed land for Ryan Homes and sold lots to the builder based on market demand. In our opinion, there are ample marketable development sites in the Tiffin area and incorporating one or more of the recommended building incentives will provide the community the best opportunity to attract builders and realize a variety of new housing development.

II. Introduction

A. Objective

DiSalvo Development Advisors, LLC (DDA) has analyzed the market-supported opportunities for housing development in the City of Tiffin, Ohio.

B. Methodology

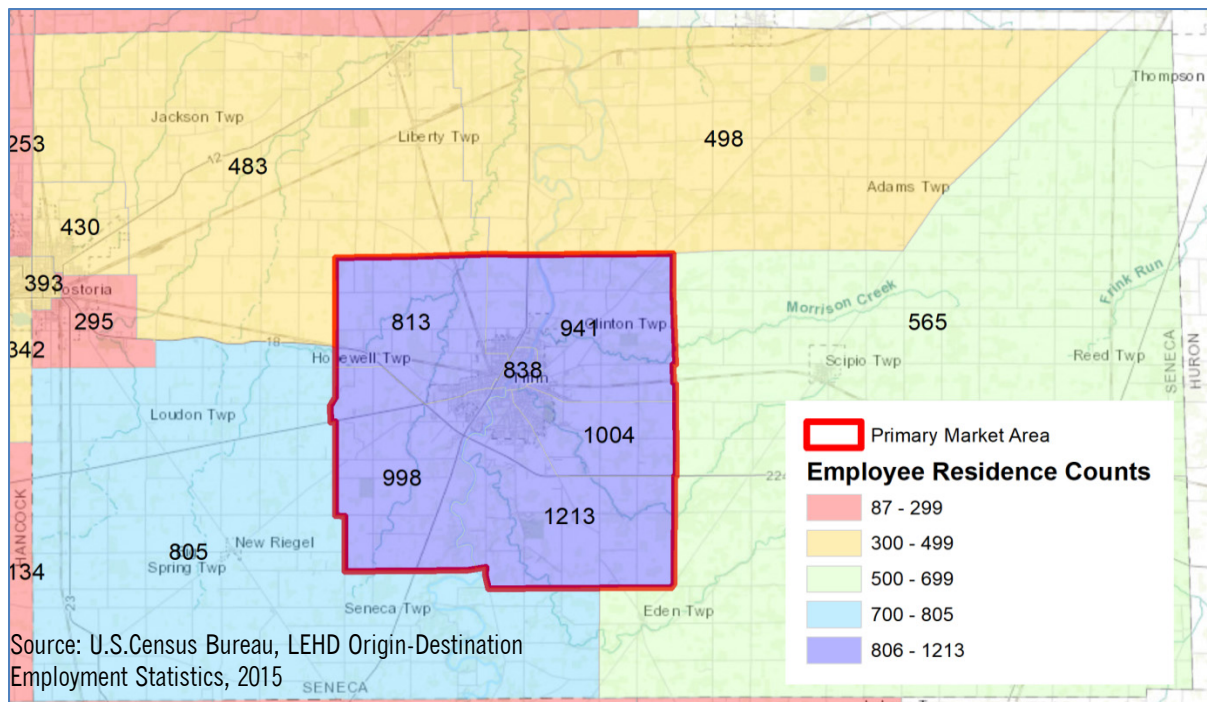
DDA's conclusions related to market-supported opportunities for housing in Tiffin are based on our analyses of the housing market within the Primary Market Area, area demographics and the attractiveness of the surrounding environment. In order to ascertain the best opportunities, we made multiple field trips to the Tiffin area to review sites and interview local stakeholders.

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 Tiffin.

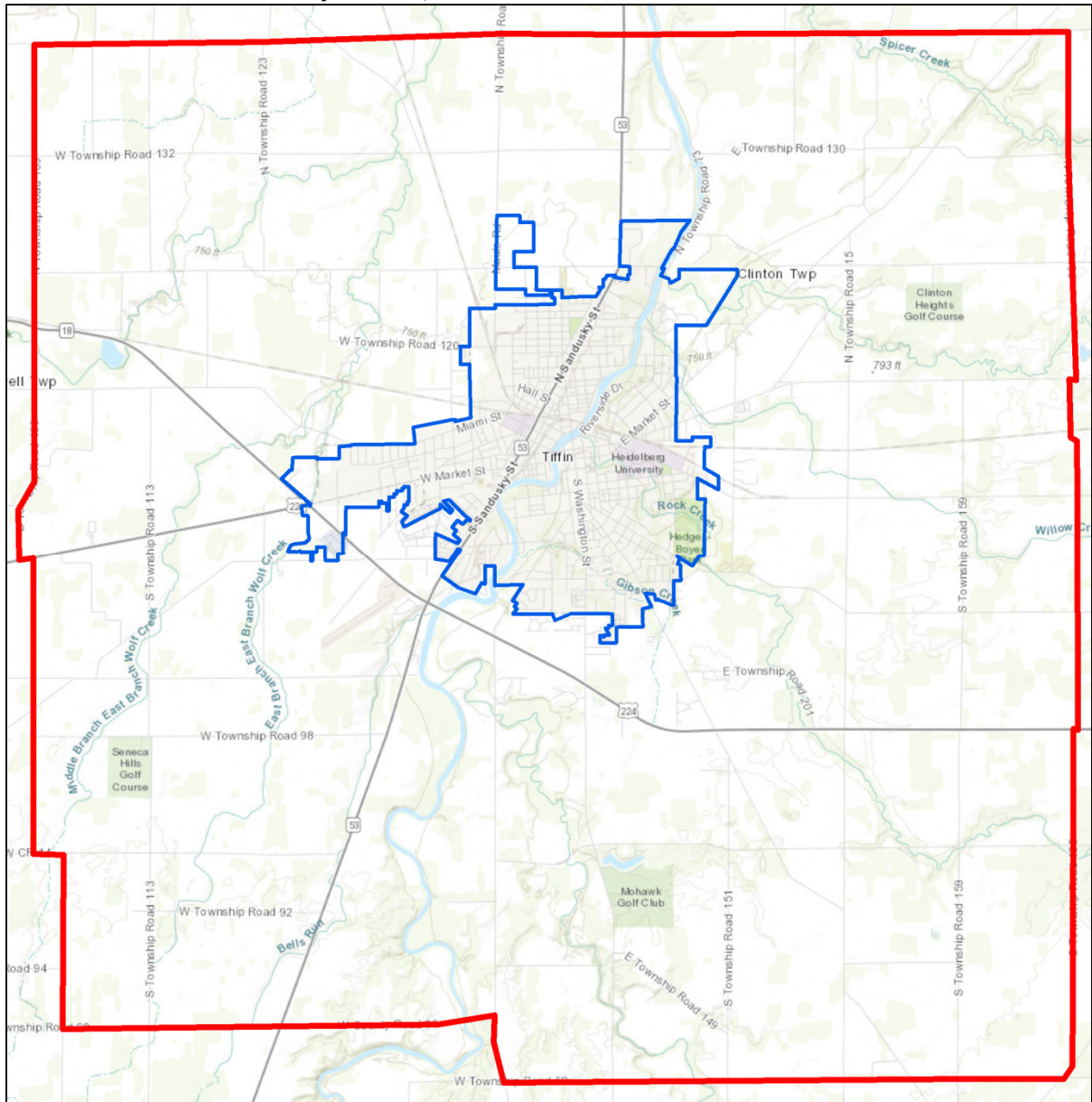
A PMA is the smallest geographic area which represents 60% to 70% of anticipated support for housing in the City of Tiffin. The PMA includes the City of Tiffin and portions of the surrounding townships: Hopewell, Clinton, Seneca and Eden. The PMA is comprised of Census Tracts 9632 through 9637.

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 our online worker and resident survey. The PMA is situated in the central area of Tiffin County. While it is not uncommon for a county seat to attract households throughout the entire county, we have excluded the more rural areas of Tiffin County. The PMA captures the highest concentration of areas where local workers live (see thematic map below).



Following is a more detailed street map with the delineated Primary Market Area (red boundary) and City of Tiffin corporate limits (blue boundary) follows.

PRIMARY MARKET AREA – City of Tiffin, Ohio



2. 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 Tiffin County Auditor data has been analyzed to assess the depth of the for-sale housing market.

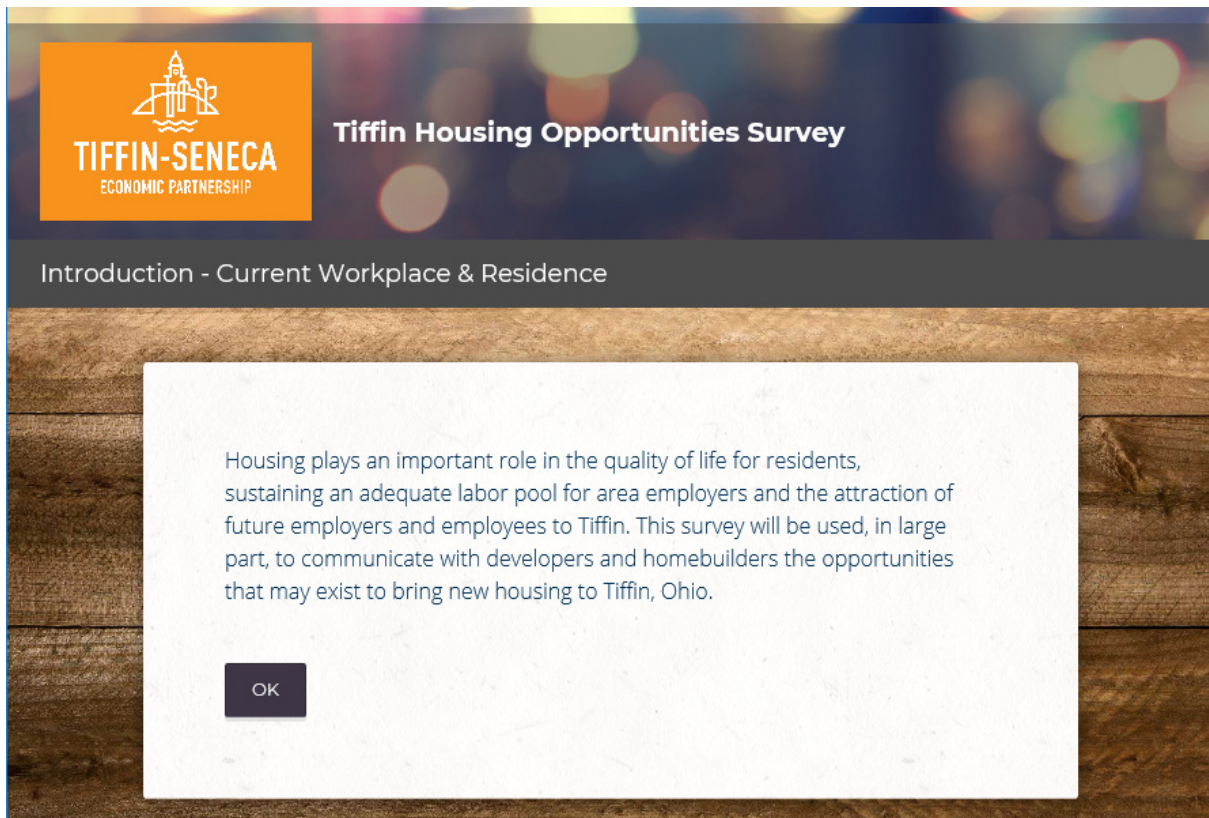
3. Demographic and Economic Summary

Household trends have been analyzed, including increases/decreases in households' (projected through 2023), incomes and tenure (owner/renter).

A review of major employers, labor force, unemployment rate and distribution of employees by industry type will be provided.

4. Online Survey

DDA conducted an online housing survey of local residents and workers to identify housing preferences including product type, price points, location and proximity to surrounding amenities. Following is an image of the landing page and introduction to the survey.



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 Tiffin
- External support – Demand from employees in Tiffin residing outside Tiffin
- 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 housing surveys are used to establish the overall strength of the housing market and identification of opportunities and obstacles related to housing development.

1. Housing Permit Activity

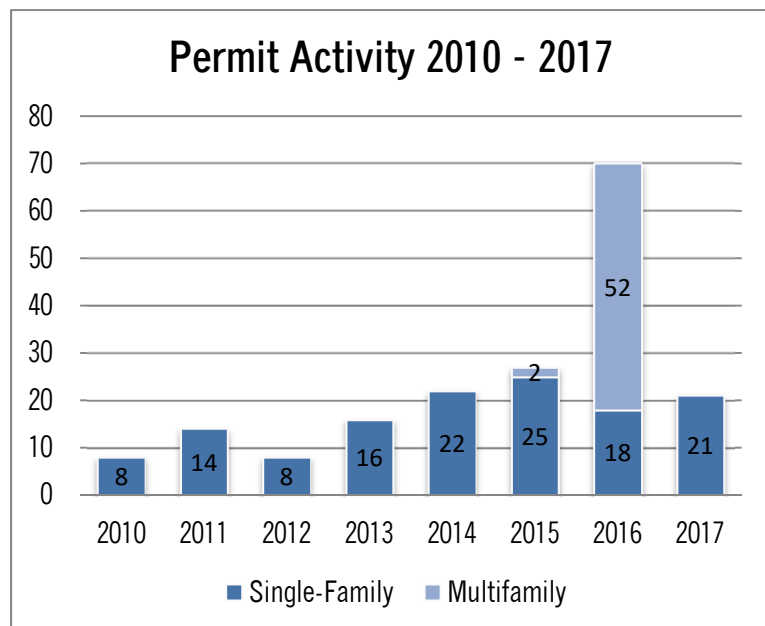
The City of Tiffin and neighboring Townships of Clinton, Hopewell and Eden have averaged 16.5 single-family home permits annually since 2010. Single-family permit activity in the townships exceeded permit totals in the City of Tiffin in 2016 and 2017 (Clinton and Hopewell Townships had seven permits each issued). In 2017, single-family permitting activity in Tiffin and the surrounding townships accounted for three-fourths of all single-family homes in Seneca County.

Year of Housing Permit	Single-Family Detached			Multifamily		
	Tiffin	Townships*	Total	Tiffin	Townships*	Total
2010	4	4	8	0	0	0
2011	7	7	14	0	0	0
2012	3	5	8	0	0	0
2013	9	7	16	0	0	0
2014	15	7	22	0	0	0
2015	13	12	25	0	2	2
2016	7	11	18	52	0	52
2017	4	17	21	0	0	0
<i>Total</i>	<i>62</i>	<i>70</i>	<i>132</i>	<i>52</i>	<i>2</i>	<i>54</i>

*Permit data for Seneca Township was not available or no permits were reported.

The highest number of annual single-family home permits was 25 units in 2015 (see bar chart on right). From 2014 through 2017, there was an average of 21.5 single-family permits. Since 2010, only one two-unit attached home was permitted. The two-unit structure was permitted in Clinton Township.

Just one multifamily project was permitted since 2010, the 52-unit Tiffin Pointe.



Source: US Census Bureau

Note: Annual permit data for 2018 is not available.

2. Rental Housing

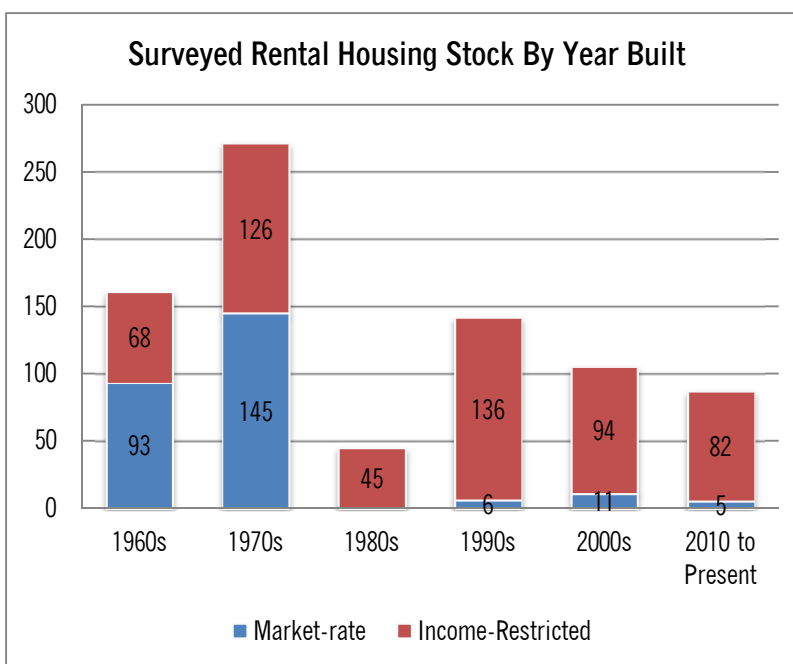
DDA identified and surveyed 18 apartment properties of ten or more units within the Tiffin area totaling 811 units. At an overall 99.8% occupancy level, the local apartment market is clearly constrained as demand is exceeding supply. DDA identified two vacant apartment units among these 18 properties. Waiting lists were reported at 15 of the 18 properties surveyed. As the table below shows, overall occupancy rates are extremely high among all ages and types of rental housing in the PMA.

Apartment Property	Year Built	Total Units	Occupancy Rate	Project Type
Elizabeth Schaefer	1960	31	100.0%	Market-rate, age 62+
Terrace View Apartments	1960	40	97.5%	Market-rate, no income limits
Gibson Manor	1965	22	100.0%	Market-rate, no income limits
Willow Creek	1968	68	100.0%	LIHTC, HUD Section 8
Charles Meadow	1972	28	100.0%	Government-subsidized
Kiwanis Manor	1972	98	100.0%	Government-subsidized, age 62+
University Center I & II	1973	96	100.0%	Market-rate, no income limits
Fernwood Apartments	1975	49	95.9%	Market-rate, no income limits
Helburn Meadows Garden	1987	45	100.0%	Government-subsidized
Tiffin West	1998	60	100.0%	LIHTC
Devon House	1999	40	100.0%	LIHTC, 6 market-rate units
Tall Trees	1999	42	100.0%	LIHTC, age 55+
Goldbond Building	2003	22	100.0%	LIHTC
Autumnwood Terrace	2004	13	100.0%	Government-subsidized
Conventry House	2004	30	100.0%	LIHTC, 5 market-rate units
Tremont Greene	2004	40	100.0%	LIHTC; 6 units market-rate
Fairway Crossing	2010	35	100.0%	LIHTC
Tiffin Pointe	2018	52	100.0%	LIHTC; 5 units market-rate
Total		811	99.8%	

LIHTC – Low-Income Housing Tax Credit; HUD – Housing and Urban Development

Of the 811 apartment units surveyed, 551 (67.9%) are within federal housing programs with rent and income limitations no higher than 60% of area median income (\$27,480 for a one-person household and \$31,440 for a two-person household).

All of the new apartment development, of ten or more units, within the past three decades has been through the Low-Income Housing Tax Credit program.



Aside from 5 to 6 units that were set aside as market-rate at the new LIHTC projects, the next newest market-rate properties were built in the 1970s. Market-rate rental housing rates in the PMA range from \$450 to \$695 among one-bedroom units and \$550 to \$870 among two-bedroom units. The three-bedroom market-rate rents range from \$525 (University Center) to \$806 (Tiffin Pointe). We attribute the low rates to the dated rental housing stock with minimal amenities.



Tiffin Pointe Apartments

Other Rentals

According to area realtors, single-family homes, when available, rent for \$500 to \$850 per month. The higher-end homes are typically newer and include an attached garage.

There are a number of apartment properties above ground floor commercial space of less than 10 units in the downtown. We did not identify any availability among those properties. The older properties that have not been significantly improved in the past 10 or more years are achieving rents similar to prevailing rents among larger apartment properties. The newest renovated properties are achieving one-bedroom rents of \$800 to \$900 and two-bedroom rents of \$950 to \$1,200 per month. The starting rents of the newer lofts are approximately 10% to 15% above the highest achieved rents in apartments outside the downtown. In other well-development downtowns it is not uncommon to for newly renovated apartments to achieve rent premiums of 25% and higher than apartments outside the downtown area.

Suzie Reineke & Weston Reinbolt are leading loft development in the downtown. Each of their properties includes vibrant ground floor commercial users and other nearby complementary uses (see photos below).

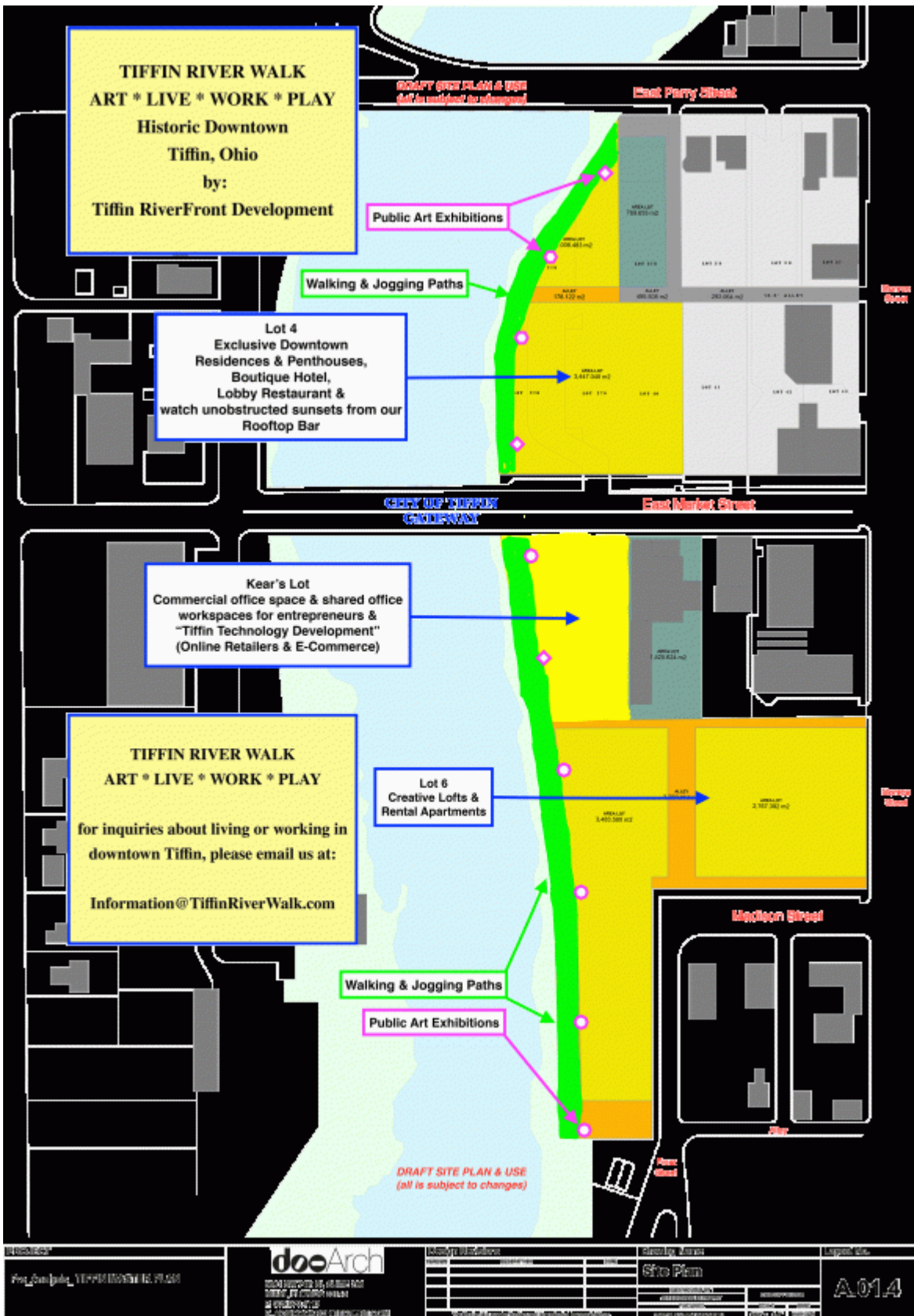


140 S. Washington



Kebolt Lofts, 29 - 31 S. Washington

Eduardo Hernando, a developer and former Heidelberg University student, has proposed an ambitious large mixed-use redevelopment on the northwest edge of downtown. A conceptual land use plan was approved by the city, but, at the time of this writing no formal plans have been submitted to the city. The conceptual plan of the Tiffin River Walk development follows.



3. For-Sale Housing

Platted subdivisions represent the majority of the for-sale housing alternatives and locations within the City of Tiffin. Unplatted homes and scattered manufactured homes typically situated on larger tracts, often adjacent agriculture, are more prevalent outside the city limits in more rural areas of the county.

Area	Single-Family Home		Condominium	Manufactured Home	Total
	Platted	Unplatted			
PMA	5,821	1,490	318	40	7,669

Source: Seneca County Auditor and DDA

Note: Farmhouses not categorized under residential were not included in the above totals. DDA estimates there are 200 to 300 of these types of residences throughout the PMA.

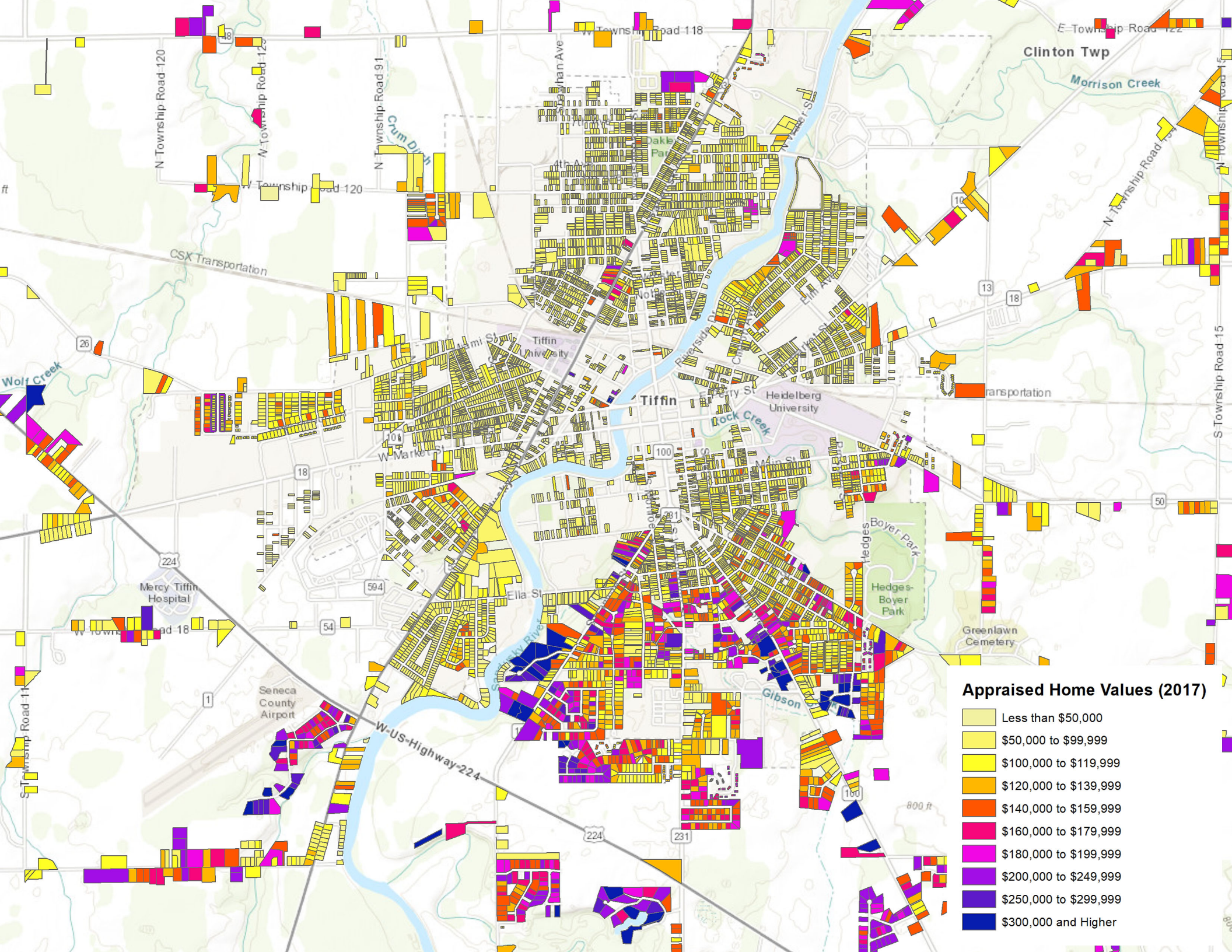
With an estimated 6,602 homeowners in the PMA in 2018 (source: ESRI, Incorporated), approximately 1,000 or 16% of the typical owner-occupied homes are rented or vacant (for-sale, for rent or uninhabitable). This is relatively comparable to other communities in the region.

County property records were reviewed to identify parcels that are not receiving an owner-occupied credit. The majority of homes that are not a primary residence of the owner are valued less than \$100,000. Many of these lower priced homes are likely rentals, while others may be second homes, up for sale and/or occupied by a family member.

Home Value (2017)	Total Homes	Not Primary Residence of Owner	
		Total	Share
Less than \$50,000	626	365	58.3%
\$50,000 to \$99,999	3,803	954	25.1%
\$100,000 to \$119,999	1,092	106	9.7%
\$120,000 to \$139,999	775	75	9.7%
\$140,000 to \$159,999	526	43	8.2%
\$160,000 to \$179,999	299	26	8.7%
\$180,000 to \$199,999	194	26	13.4%
\$200,000 to \$249,000	240	22	9.2%
\$250,000 to \$299,999	65	6	9.2%
\$300,000 and Higher	49	7	14.3%
Total	7,669	1,630	21.3%
Median Home Value		\$88,730	

The largest shares of homes in the Tiffin area are valued by the Seneca County Auditor between \$50,000 and \$100,000 (50%), followed by homes valued between \$100,000 and \$120,000 (14%).

As a map on the following page illustrates, the south quadrant of the area contains the highest concentrations of homes valued above \$140,000.



Clinton Twp

Morrison Creek

N-Township Road-120

W-Township Road-120

N-Township Road-91

W-Township Road-118

E-Township Road-122

CSX Transportation

26

13

18

101

Tiffin

Heidelberg University

Transportation

50

224

Mercy Tiffin Hospital

18

504

54

Seneca County Airport

W-US-Highway-224

Ella St

224

231

Gibson

100

800 ft

Appraised Home Values (2017)

- Less than \$50,000
- \$50,000 to \$99,999
- \$100,000 to \$119,999
- \$120,000 to \$139,999
- \$140,000 to \$159,999
- \$160,000 to \$179,999
- \$180,000 to \$199,999
- \$200,000 to \$249,999
- \$250,000 to \$299,999
- \$300,000 and Higher

Single-Family Home Sales

According to the Seneca County Auditor, in the past year, there were 307 single-family home sales within the PMA (excluding home sales of less than \$50,000).

Nearly half the home sales were among homes priced between \$50,000 and \$100,000. A review of property owner data indicates that at least 10% of the owners within this price point are businesses. Despite the high share of lower-priced housing, there are a significant amount of three-bedroom homes in the lower- to mid-price points that include two or more bathrooms.

Home Sale Price	Median Year Built	Home Sales by Sale Price and Number of Bedroom/Bathrooms						Total
		1-2Br/1Ba	2Br/2+Ba	3Br/1Ba	3Br/2+Ba	4+Br/1Ba	4+Br/2+Ba	
\$50,000 to \$99,999	1920	43	6	32	48	6	11	146
\$100,000 to \$119,999	1950	3	5	11	17	1	4	41
\$120,000 to \$139,999	1960	5	3	6	16	2	3	35
\$140,000 to \$159,999	1971	-	3	1	14	-	2	20
\$160,000 to \$179,999	1964	-	1	1	15	-	3	20
\$180,000 to \$199,999	1971	-	-	-	7	-	4	11
\$200,000 to \$249,000	1978	-	1	1	8	-	11	21
\$250,000 to \$299,999	1966	-	-	-	3	-	3	6
\$300,000 and Higher	1992	1	-	-	3	-	3	7
Total		52	19	52	131	9	44	307
Share		16.9%	6.2%	16.9%	42.7%	2.9%	14.3%	100.0%

Note: Table does not include farmhouse sales

The median year built is old among all price points, except for homes priced above \$300,000.

Sara Riesen of Bolte Real Estate provided sales data from the Fireland MLS for the Tiffin area (zip code 44883). A summary of average sold price and time on the market follows.

	Tiffin Homes Sales			
	2016	2017	2018	Change 2017-2018
Average Sold Price	\$117,180	\$116,881	\$123,553	+5.7%
Average Market Time (Days)	94	73	68	-5

Source: Firelands MLS

From 2017 to 2018, the average sold price increased 5.7% while the average time on the market decreased 5 days.

A review of current single-family home listings shows only four homes listed in the Tiffin area built in the last 20 years. The four homes are 18 to 20 years old and three are modular/manufactured homes. A total of 55 homes are listed on the market priced above \$50,000, of which 25 are in contract negotiations, and indicated as either pending or contingent. The 30 available homes represent just 10% of the total sales in 2018.

Condominiums

A total of 19 condominium units were sold within the PMA in 2018. The average condominium sold for \$155,695 in 2018, \$32,142 above the average sold single-family home. A summary of the recent condominium resales by condominium development follows.

Condominium Property	Sale Price	Year Built	Bedrooms	Baths
Autumnwood	\$78,000	2004	2	1.0
East Teakwood	\$176,500	1999	2	2.0
Golf View	\$118,000	1995	2	2.0
Green Meadows	\$95,000	2003	2	2.0
Greenbrier	\$129,900	1988	2	2.0
	\$173,000	1990	2	2.0
Hedgegate	\$74,500	1985	2	1.0
	\$185,000	2000	2	2.0
	\$218,000	2009	3	2.0
Hepp	\$85,000	1994	2	2.0
Kennat Estates	\$152,000	1987	2	2.0
	\$153,000	1994	3	2.5
Mohawk	\$99,900	1994	2	2.0
North Westwood	\$183,000	1996	2	2.0
Northwoods	\$176,500	2006	2	2.0
Oakley Meadow	\$245,000	2015	2	2.0
	\$260,000	1999	3	2.5
Tiffin Towne & Country	\$172,900	2017	2	2.0
Westgate II	\$183,000	2005	2	2.0
Median	\$162,950	1997		

Occupied attached condominium ranch homes are located in every quadrant of the Tiffin Area. The most recent built home that sold in 2018 is an attached ranch home at Tiffin Towne & Country located on the north side of Tiffin along North Sandusky Street/SR 53. The highest priced condominium resales occurred at Oakley Meadows located in the southern quadrant of Tiffin accessed from South Washington Street/SR 231.



Condominium at Tiffin Towne & Country

There are no condominiums listed for sale within the entire Tiffin area.

IV. Demographics & Economic Analysis

A. Area Demographics

1. Population Trends

A slight population decline of 163 occurred in the PMA between 2000 and 2010. Small declines are estimated and projected to continue through 2023. From 2000 to 2010, the population decline in the City of Tiffin was twice the rate of decline of the overall PMA (1.3%). However, the city population in Tiffin increased by 47, an increase of 0.3%. The population for 2000, 2010, 2018 (estimated) and 2023 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2018 (Estimated)	2023 (Projected)
Population	25,626	25,493	25,419	25,254
Population Change	-	-163	-74	-165
Percent Change	-	-0.6%	-0.3%	-0.6%

Source: 2000, 2010 Census; ESRI Incorporated

Between 2018 and 2023, the population is projected to decline by 1,940 persons or 0.8%.

2. Household Trends

Households are a better indication of housing demand than population, especially with number of persons per households declining nationally. Household trends within the PMA are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2018 (Estimated)	2023 (Projected)
Households	10,141	9,927	9,971	9,937
Household Change	-	-214	+44	-34
Percent Change	-	-2.1%	+0.4%	-0.3%
Household Size	-	2.35	2.33	2.32

Source: 2000, 2010 Census; ESRI Incorporated

Within the PMA, households declined by 214 households between 2000 and 2010. Between 2010 and 2018, the household base experienced a slight increase of 44 households. By 2023 the household base is projected to incur a slight decline to 9,937 households, a change of only 0.3% since 2018.

The average household size within the PMA in 2018 of 2.33 persons is comparable to the households in the City of Tiffin (2.31).

Between 2018 and 2023, the greatest growth among household age groups is projected to be among households between the ages of 65 and older indicating an increasing need for housing for older adults/seniors in the market. Modest declines are projected among households age 45 to 64. Households by age are summarized as follows:

Households by Age	2018 (Estimated)		2023 (Projected)		Change 2018-2023	
	Number	Percent	Number	Percent	Number	Percent Points
Under 25	464	4.7%	438	4.4%	-26	-0.2%
25 to 34	1,469	14.7%	1,454	14.6%	-15	-0.1%
35 to 44	1,334	13.4%	1,388	14.0%	54	0.6%
45 to 54	1,564	15.7%	1,425	14.3%	-139	-1.3%
55 to 64	2,047	20.5%	1,830	18.4%	-217	-2.1%
65 to 74	1,629	16.3%	1,814	18.3%	185	1.9%
75 & Over	1,464	14.7%	1,588	16.0%	124	1.3%
Total	9,971	100.0%	9,937	100.0%	-34	-

Source: ESRI, Incorporated

From 2010 to 2018, there was a three-percentage point tenure shift with an estimated increase of 299 renter households and decline of 255 homeowners. By 2023, household tenure shares are projected to remain relatively the same as 2018. The share of renters in the City of Tiffin is 38.3%, 4.5 points higher than the overall PMA (33.8%). Households by tenure are distributed as follows:

Tenure	2010 Census		2018 (Estimated)		2023 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	6,857	69.1%	6,602	66.2%	6,608	66.5%
Renter-Occupied	3,070	30.9%	3,369	33.8%	3,329	33.5%
Total	9,927	100.0%	9,971	100.0%	9,937	100.0%

Source: ESRI, Incorporated

3. Household Income Trends

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

Household Income	2018 (Estimated)		2023 (Projected)	
	Households	Percent	Households	Percent
Less Than \$15,000	1,177	11.8%	966	9.7%
\$15,000 to \$24,999	1,450	14.5%	1,196	12.0%
\$25,000 to \$34,999	1,279	12.8%	1,159	11.7%
\$35,000 to \$49,999	1,388	13.9%	1,348	13.6%
\$50,000 to \$74,999	1,948	19.5%	1,996	20.1%
\$75,000 to \$99,999	1,127	11.3%	1,252	12.6%
\$100,000 to \$149,999	965	9.7%	1,227	12.3%
\$150,000 to \$199,999	328	3.3%	417	4.2%
\$200,000 & Over	309	3.1%	376	3.8%
Total	9,971	100.0%	9,937	100.0%
Median Income	\$45,803		\$52,555	

Source: Esri, Incorporated

From 2018 to 2023, ESRI, Incorporated projects an income shift with 465 or 17.7% less households earning less than \$25,000 a year. During this same period, households earning \$50,000 or more are projected to increase by 591. In 2018, the median household income was \$45,803. By 2023, the median household income is projected to increase 14.7% to \$52,555. The 2018 median household income in Tiffin is \$42,023, slightly lower than the PMA.

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	209	66	59	32	5	371	198
\$15,000 - \$24,999	468	166	34	19	32	720	407
\$25,000 - \$34,999	380	282	50	41	6	759	382
\$35,000 - \$49,999	302	497	77	38	61	976	406
\$50,000 - \$74,999	161	689	257	126	102	1,335	366
\$75,000 - \$99,999	36	437	197	167	107	945	214
\$100,000 - \$149,999	37	310	201	207	139	894	174
\$150,000 or more	36	256	113	116	82	602	201
Total	1,630	2,704	988	746	535	6,602	2,349
Share	24.7%	41.0%	15.0%	11.3%	8.1%	100.0%	35.6%

Note: The data is derived from HUD's Economic and Market Analysis Division, 2017 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 approximately two-thirds of the households in the PMA. This share by household size is typical for the region. There are three 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	449	151	140	44	21	806	245
\$15,000 - \$24,999	430	171	50	77	3	730	265
\$25,000 - \$34,999	227	123	86	28	55	520	112
\$35,000 - \$49,999	146	138	53	22	53	412	39
\$50,000 - \$74,999	141	193	98	78	103	613	56
\$75,000 - \$99,999	40	41	24	40	37	182	16
\$100,000 - \$149,999	0	21	10	4	37	71	12
\$150,000 or more	15	17	0	3	0	35	0
Total	1,448	854	462	296	309	3,369	744
Share	43.0%	25.3%	13.7%	8.8%	9.2%	100.0%	22.1%

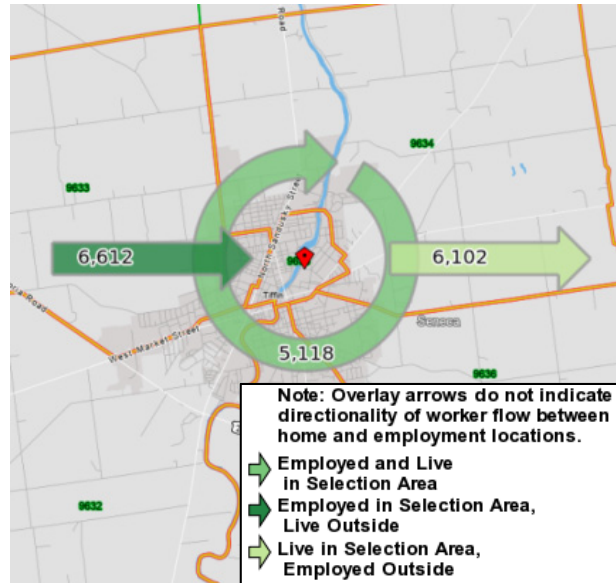
Note: The data is derived from HUD's Economic and Market Analysis Division, 2017 ACS county data and has been adjusted accordingly by DDA to reflect 2018 household estimates for the PMA.

B. Employment

According to the 2015 Longitudinal Census data, more than 12,500 employees commute within and out of the PMA.

The 6,612 employees who live outside the area and commute into the PMA for work represent a potential source of support for the subject property. Another 6,102 people live inside the PMA and commute to work outside the PMA.

In 2015, 5,118 or 43.6% of the 11,730 employees in the PMA also lived in the PMA. This is a high share compared to other communities in the region which are typically in the low- to mid-30 percentile of persons who live and work in their cities.



1. Labor Force Profile

The Manufacturing and Health Care industries are the top employment sectors in the PMA, with 19.4% and 18.4% of the labor force, respectively. Retail Trade (12.6%) and Accommodation & Food Services (7.3%) and Educational Services (8.9%) represent the next largest industries. Employment in the PMA, as of 2018, was distributed as follows:

NAICS Group	Establishments	Employees	Percent
Manufacturing	41	2,718	19.4%
Health Care & Social Assistance	108	2,584	18.4%
Retail Trade	145	1,765	12.6%
Public Administration	76	1,429	10.2%
Educational Services	30	1,243	8.9%
Accommodation & Food Services	67	1,136	8.1%
Other Services (except Public Administration)	134	611	4.4%
Real Estate, Rental & Leasing	53	412	2.9%
Professional, Scientific & Tech Services	54	407	2.9%
Construction	65	366	2.6%
Finance & Insurance	54	304	2.2%
Transportation & Warehousing	21	230	1.6%
Wholesale Trade	28	223	1.6%
Administrative & Support & Waste Management & Unclassified Establishments	28	187	1.3%
Information	14	126	0.9%
Arts, Entertainment & Recreation	20	120	0.9%
Agriculture, Forestry, Fishing & Hunting	7	34	0.2%
Mining	1	5	0.0%
Total	978	14,030	100.0%

Sources: ESRI Incorporated and Infogroup

2. Major Employers

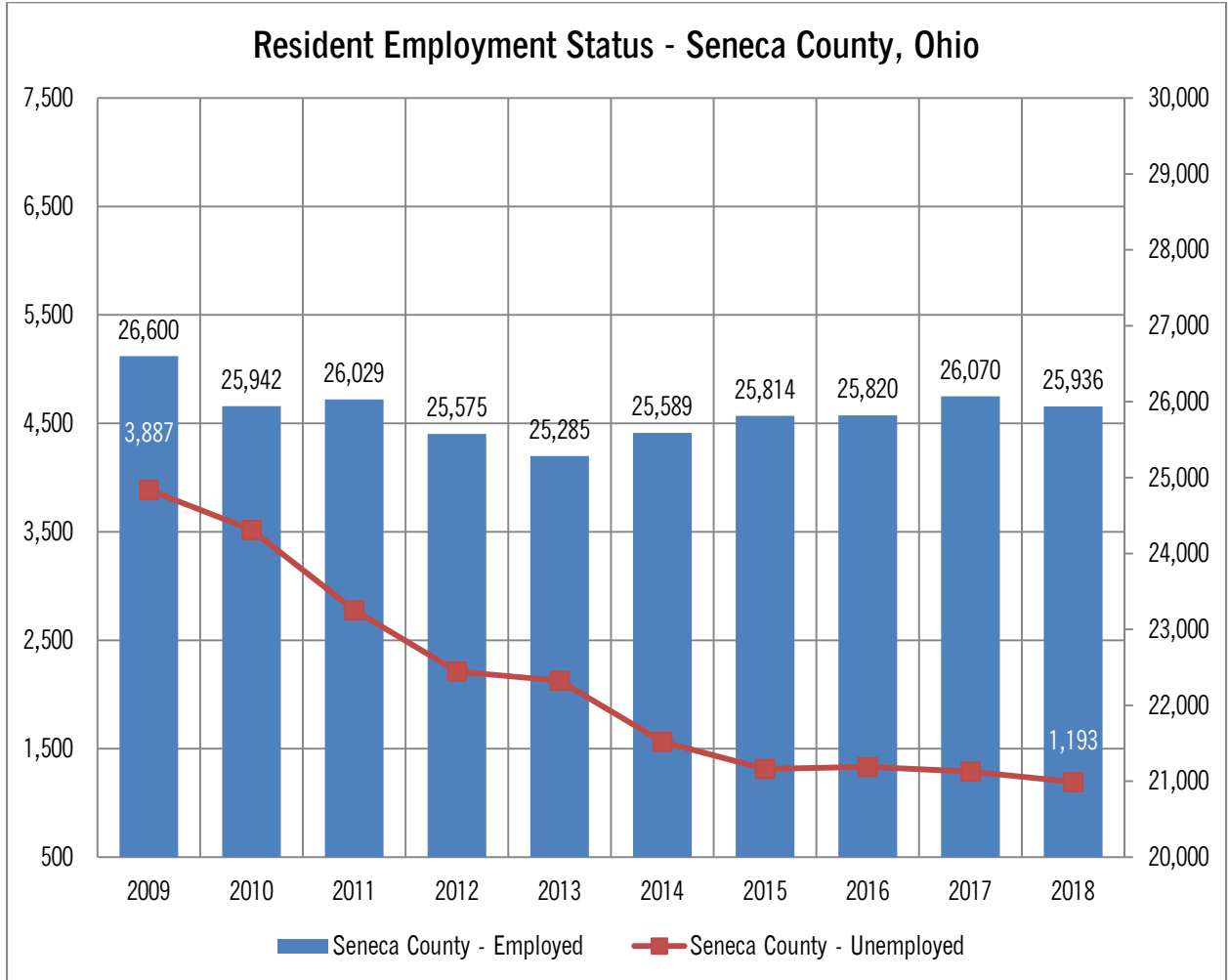
There are 18 employers in Seneca County employing more than 200 persons. The county has a diverse employment base with the ten largest employers among four industry types. A list of employers of 100 or more employees is summarized as follows:

Business Name	Number of Employees	Major Industry	
American Fine Sinter Co LTD	300 to 500	Manufacturing	
Heidelberg University		Educational Services	
Mercy Health - Tiffin Hospital		Health Care & Social Assistance	
National Machinery		Manufacturing	
North Central Ohio Educational Service Center		Educational Services	
PT Services		Health Care & Social Assistance	
Seneca County		Public Administration	
Tiffin City School District		Educational Services	
Ameriwood Industries Inc		200 to 299	Manufacturing
Concordance Healthcare Solutions			Health Care & Social Assistance
Good Shepherd Home	Health Care & Social Assistance		
St. Francis Home	Health Care & Social Assistance		
Taiho Corp of America	Manufacturing		
Tiffin Developmental Center	Health Care & Social Assistance		
Tiffin University	Educational Services		
Toledo Molding & Die Inc	Manufacturing		
WalMart Supercenter	Retail Trade		
Webster Industries	Manufacturing		
Arnold Vending	100 to 200	Manufacturing/Distribution	
Autumnwood Care Center		Health Care & Social Assistance	
Bowling Transportation		Transportation	
Callies Performance Products		Manufacturing	
Charter Steel		Manufacturing	
Church & Dwight		Manufacturing	
City of Fostoria		Public Administration	
City of Tiffin		Public Administration	
Flat Rock Care Center		Health Care & Social Assistance	
Institutional Care Pharmacy		Health Care & Social Assistance	
Kroger		Retail Trade	
Lowe's Home Improvement		Retail Trade	
Maple Grove Companies		Manufacturing	
Mennel Milling Company		Manufacturing	
Morgan Advanced Materials		Manufacturing	
NOX US		Manufacturing	
NSI Crankshaft		Manufacturing	
St. Catherine's Care Center (HCF)		Health Care & Social Assistance	
Tiffin Metal Products		Manufacturing	
Tiffin YMCA		Arts, Entertainment & Recreation	
Trilogy Healthcare		Health Care & Social Assistance	

Sources: Tiffin-Seneca Economic Partnership

3. Employment Trends

The following chart was generated from the U.S. Department of Labor's, Bureau of Labor Statistics. It reflects employment and unemployment trends for Seneca County, Ohio. Unemployment rates are at a ten-year low. The total of resident employees in Seneca County has remained relatively stable since 2009.



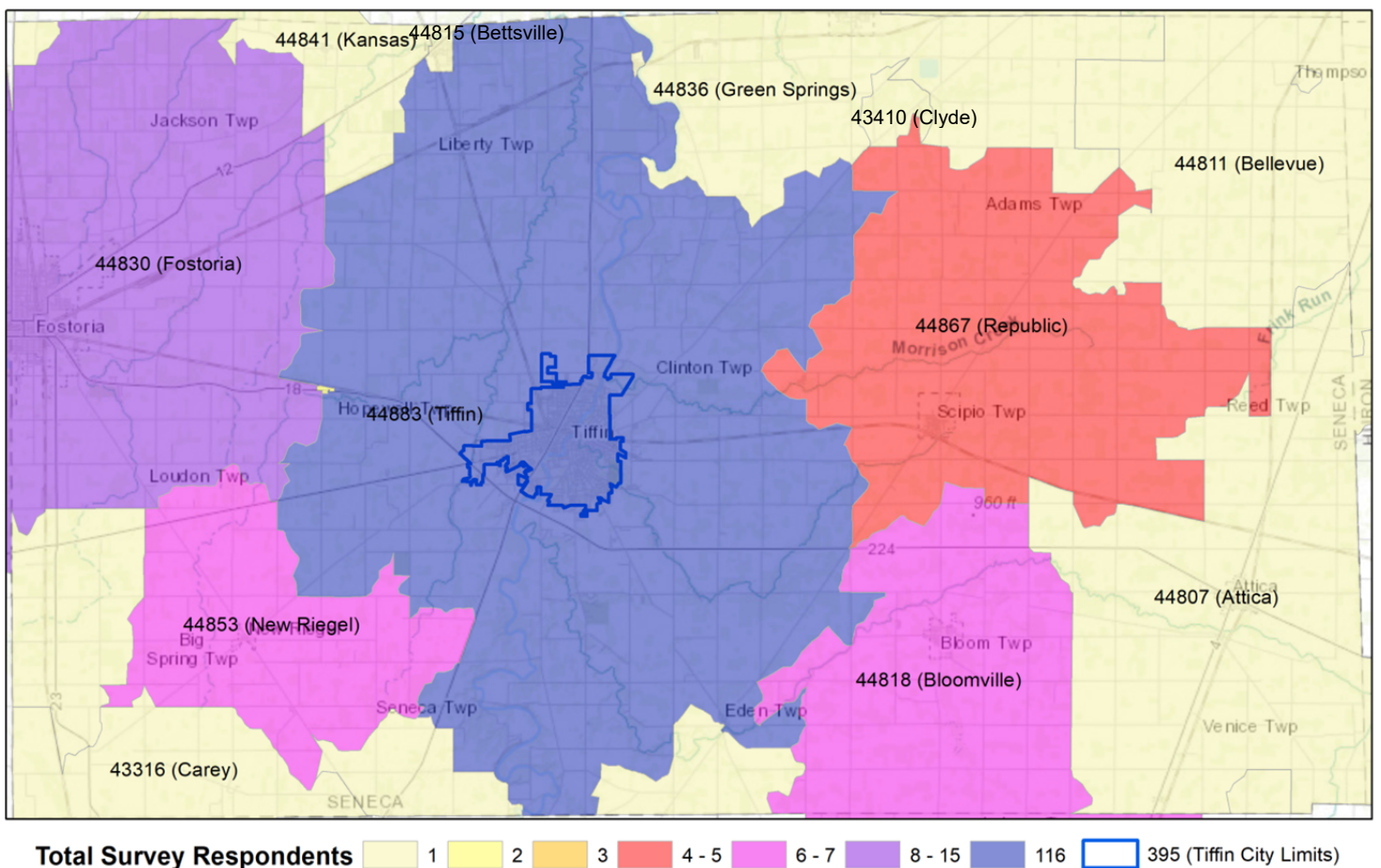
V. Online Housing Survey

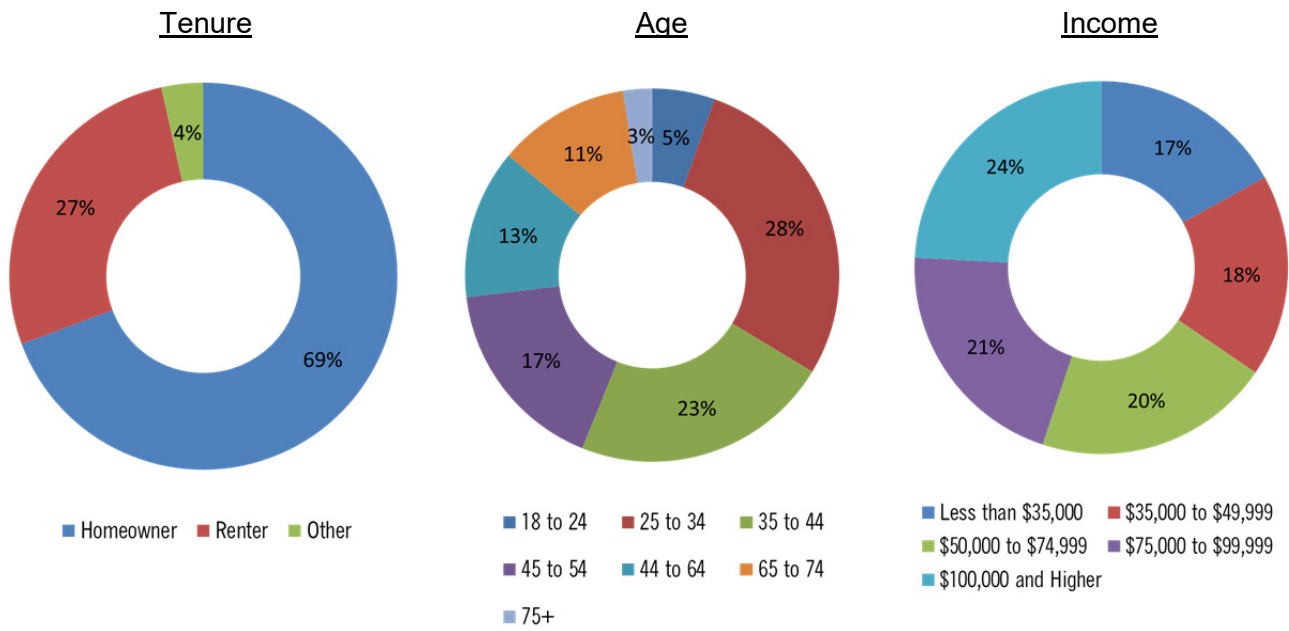
An online housing survey was responded to by 600 persons in March and April 2019. Of the 600 respondents, 496 (82.7%) indicated that they or a family member work in Tiffin and 104 do not work in Tiffin. A summary of the respondent's profiles and answers to housing-related questions follows.

1. Respondent Profile

Place of Residence	Work in Tiffin	Work Outside Tiffin	Total
Tiffin City Limits	333	62	395
Seneca County Zip Code 44883 (outside city limits)	135	29	164
Outside Seneca County	104	17	121
Outside Seneca County	28	13	41
Total	496	104	600

- Two-thirds of the survey respondents lived within the Tiffin city limits
- One of five respondents have a Tiffin address, but live outside the city limits





Respondents' ages by household size, tenure and children

Age	Total	Household Size By Age					Tenure By Age		
		1	2	3	4	5+	Own	Rent	Other
18-24	28	5	15	3	5	-	4	20	4
25-34	146	18	45	31	35	17	85	54	7
35-44	116	8	18	17	35	38	81	32	3
45-54	88	5	25	22	26	10	69	18	-
55-64	67	13	38	10	4	2	58	7	2
65-74	59	15	40	1	3	-	51	7	1
75+	13	8	5	-	-	-	10	3	-
All	517	72	186	84	108	67	358	141	17
HHs With Children	237	-	13	59	100	65	170	64	4

Respondents' household incomes by age and tenure

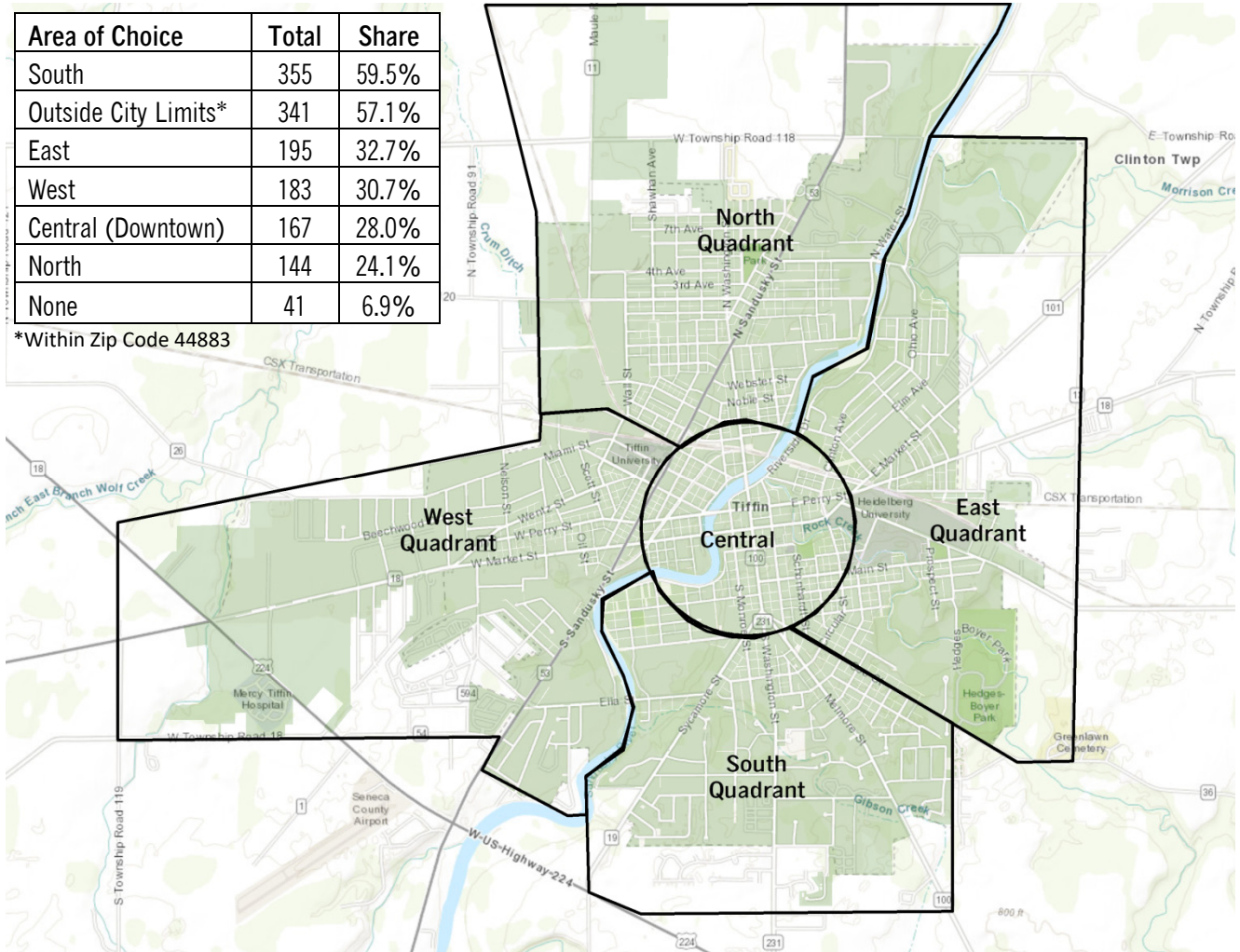
Income	Household Age By Income							Tenure By Income		
	18-24	25-34	35-44	45-54	55-64	65-74	75+	Own	Rent	Other
< \$35,000	13	20	14	6	8	16	8	26	51	8
\$35,000-\$49,999	7	29	22	8	9	12	1	43	41	4
\$50,000-\$74,999	6	34	21	17	14	9	2	73	27	2
\$75,000-\$99,999	2	37	27	22	12	3	1	84	18	2
\$100,000+	-	24	30	34	21	11	1	117	4	-
Total	28	144	114	87	64	51	13	343	141	16

2. Preferred Relocation Areas

The south quadrant and areas outside the city limits (area in green), but with a Tiffin address, were identified as the most preferred areas to relocate to new housing.

Area of Choice	Total	Share
South	355	59.5%
Outside City Limits*	341	57.1%
East	195	32.7%
West	183	30.7%
Central (Downtown)	167	28.0%
North	144	24.1%
None	41	6.9%

*Within Zip Code 44883



Renters are less territorial than owners choosing to live in all areas of the city. In fact, unlike homeowners, renters preferred the west area of Tiffin to areas outside the city limits.

Area of Choice	Response By Area of Current Residence						Response By Tenure			
	City Limits	Share	Seneca County	Share	Out of County	Share	Renter	Share	Owner	Share
South	252	63.8%	79	48.2%	24	58.5%	104	65.8%	241	61.2%
Outside City Limits	213	53.9%	103	62.8%	25	61.0%	81	51.3%	247	62.7%
East	145	36.7%	38	23.2%	12	29.3%	77	48.7%	113	28.7%
West	133	33.7%	37	22.6%	13	31.7%	82	51.9%	95	24.1%
Central (Downtown)	125	31.6%	29	17.7%	13	31.7%	78	49.4%	83	21.1%
North	111	28.1%	23	14.0%	10	24.4%	74	46.8%	66	16.8%
None	17	4.3%	18	11.0%	6	14.6%	4	2.5%	33	8.4%

Other locational factors

Respondents were asked about the importance of ease of walkability from their homes to a variety of amenities. Eight out of ten respondents indicated parkland was the most important amenity proximate to a residence for both owners and renters. Proximity to retail and workplace were the second and third most important amenities. Primary and secondary schools were viewed as moderately important proximity amenities to owners and to a lesser degree, renters. Walkability to either of the universities was considered important in varying degrees by slightly less than one-third of the respondents.

Level of Importance	Downtown		Park		University		Retail		Workplace		School	
	Own	Rent	Own	Rent	Own	Rent	Own	Rent	Own	Rent	Own	Rent
Very	43	19	81	26	20	12	47	19	62	32	58	14
Important	82	26	121	42	25	14	79	35	80	38	66	22
Somewhat	132	57	127	57	71	20	136	60	101	39	92	27
Subtotal	257	102	329	125	116	46	262	114	243	109	216	63
%	65.9	65.4	83.9	80.1	29.8	30.1	67.0	73.5	62.5	70.3	55.4	40.6
Not At All	112	43	48	26	222	90	113	32	121	35	144	76
No Opinion	21	11	15	5	51	17	16	9	25	11	30	16
Subtotal	133	54	63	31	273	107	129	41	146	46	174	92
%	34.1	34.6	16.1	19.9	70.2	69.9	33.0	26.5	37.5	29.7	44.6	59.4

3. Rental Housing Price and Product Preferences

Seven of ten respondents indicated that they would not be willing to pay more than \$750 per month in rent if housing met their preferences.

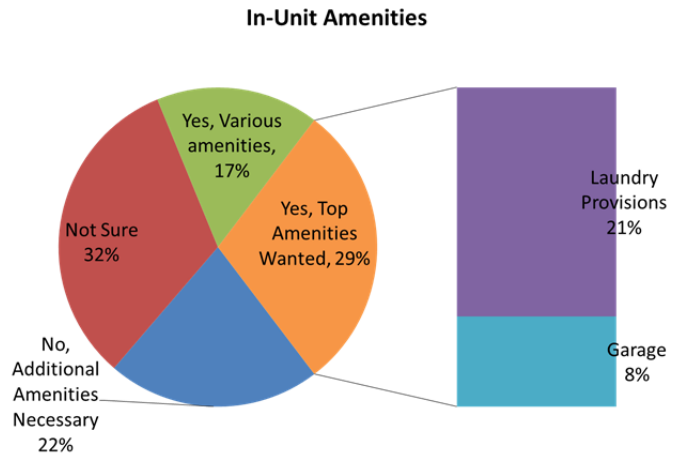
Bed/ Bath	Monthly Collected Rent Willing to Pay By Bedroom/Bath Type										Total
	<\$750	\$750- \$799	\$800- \$849	\$850- \$899	\$900- \$949	\$950- \$999	\$1,000- \$1,049	\$1,050- \$1,099	\$1,100- \$1,149	\$1,150+	
1/1	18	1	-	-	-	-	-	-	-	-	1
1/1.5	2	-	-	-	-	-	1	-	-	-	3
2/1	24	1	-	-	1	-	-	-	-	-	26
2/1.5	26	1	2	-	1	-	-	-	-	-	30
2/2	9	1	2	1	1	1	2	-	1	1	19
3/1	3	-	-	-	-	-	-	-	-	-	3
3/1.5	15	-	2	1	1	-	-	-	-	1	20
3/2	10	7	1	-	-	-	1	-	-	1	20
3/2.5+	1	1	1	1	-	-	-	-	-	-	4
4/1	-	-	-	1	-	-	-	-	-	-	1
4/1.5	1	-	1	-	-	-	-	-	-	-	2
4/2	5	2	-	-	-	-	-	-	-	-	7
4/2.5+	1	-	1	1	-	-	-	-	-	-	3
Total	97	14	10	5	4	1	4		1	3	139
%	69.8%	10.1%	7.2%	3.6%	2.9%	0.7%	2.9%	0.0%	0.7%	2.2%	100.0%

Other renter amenities

“Other than a fully-furnished kitchen and air conditioning, are there other amenities you would expect from a new and modern rental?”

Slightly more than half required no additional amenities or were not sure if there were other amenities that they would expect with a new and modern rental.

The majority of those who wanted additional amenities indicated laundry facilities provided (washer/dryer units, hookups and/or laundry rooms).



The remaining 17% of those who indicated they wanted more amenities, often listed standard amenities, such as a clean unit, additional storage space and adequate surface parking.

Rental housing affordability

Based on the income levels of the respondents, there are many renters who can afford to pay rent in excess of \$750 per month. In fact, according to HUD’s affordability ratio of 30% of income to gross rent, renters with incomes of \$35,000 or more can generally afford monthly housing costs of \$750 and higher. However, slightly more than half (58.2%) of these households indicated that they would pay the higher rental rates.

Renter Household Income	Monthly Rent Willing to Pay		Total
	Less than \$750	More than \$750	
Less than \$35,000	48	9	57
\$35,000-\$49,999	36	5	41
\$50,000-\$74,999	16	12	28
\$75,000-\$99,999	3	10	13
\$100,000 or more	0	5	5
Total	103	41	144

4. For-Sale Housing Price and Product Preferences

Two-thirds of respondents who provided preferred sale price and number of bedrooms and baths indicated that they would pay in excess of \$140,000 for new for-sale housing.

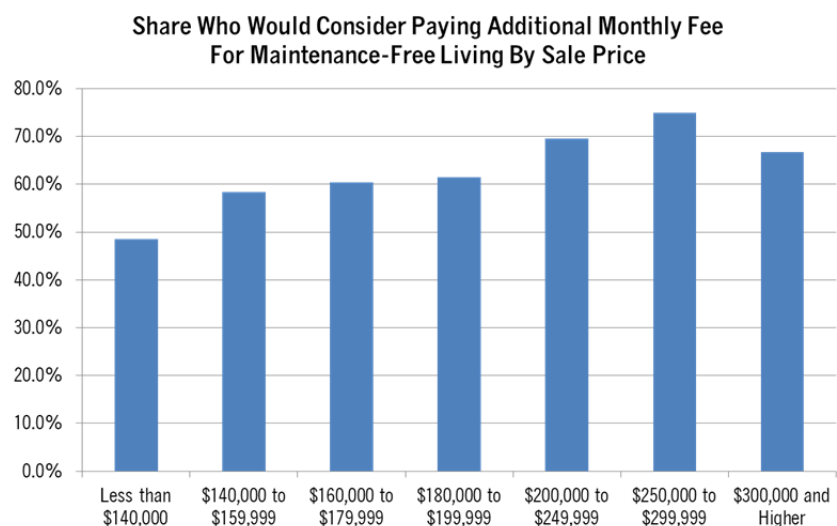
Bed/ Bath	Sale Price Willing to Pay By Bedroom/Bath Type							Total
	Less than \$140,000	\$140,000- \$159,999	\$160,000- \$179,999	\$180,000- \$199,999	\$200,000- \$249,999	\$250,000- \$299,999	\$300,000 or More	
1/1	1	-	-	-	-	-	-	1
1/1.5	-	1	-	-	-	-	-	1
2/1	4	-	-	-	-	-	-	4
2/1.5	18	7	3	2	1	1	-	32
2/2	12	6	9	6	1	-	-	34
3/1	-	1	-	-	-	-	-	1
3/1.5	31	16	6	2	2	-	1	58
3/2	44	37	18	16	10	5	3	133
3/2.5+	-	4	4	6	15	9	6	44
4/1	1	-	-	-	-	-	-	1
4/1.5	4	4	-	-	-	-	-	8
4/2	14	7	6	2	4	4	-	37
4/2.5+	1	1	2	5	13	5	8	35
Total	130	84	48	39	46	24	18	389
%	33.4%	21.6%	12.3%	10.0%	11.8%	6.2%	4.6%	100.0%

Maintenance-Free Living

“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?”

Overall, more than half the homeowner respondents indicated they would consider paying an additional monthly fee for maintenance-free living.

We recognize that “consider” is much different from actually paying an additional monthly fee and likely inflates the response. In well-developed markets, DDA has seen maintenance-free housing constitute as much as 25% of the for-sale housing stock.



5. Downtown Environment

The value of living downtown is largely predicated on the strength of the surrounding commercial environment. A vibrant downtown with a variety of commercial offerings can provide an attractive and unique lifestyle.

“How familiar are you with the businesses in Downtown Tiffin (e.g. coffee shop, restaurants/diners, boutique shops, pubs, etc.)?”

Eight of every ten respondents indicated that they were very or extremely familiar with the business offerings in the downtown area. DDA considers this a high familiarity rate reflective of strong downtown events and/or marketing program.

Business Types Wanted in Downtown

Respondents were asked to choose their top three businesses/venues they would like to see in Downtown Tiffin.

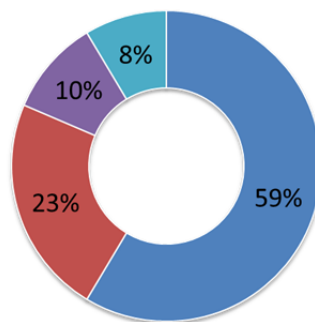
The top three choices were a bakery, indoor farmer’s market and a family recreation venue (e.g. arcade, bowling, movies, etc.).

It is important to note that the desire by the respondents for certain business types in the downtown does not indicate that the market will support such businesses. However, most of the uses are often found in well-established vibrant downtowns. The exceptions are the indoor farmer’s market, family recreation and grocery store. These uses can be found in other downtowns, but are not commonplace.

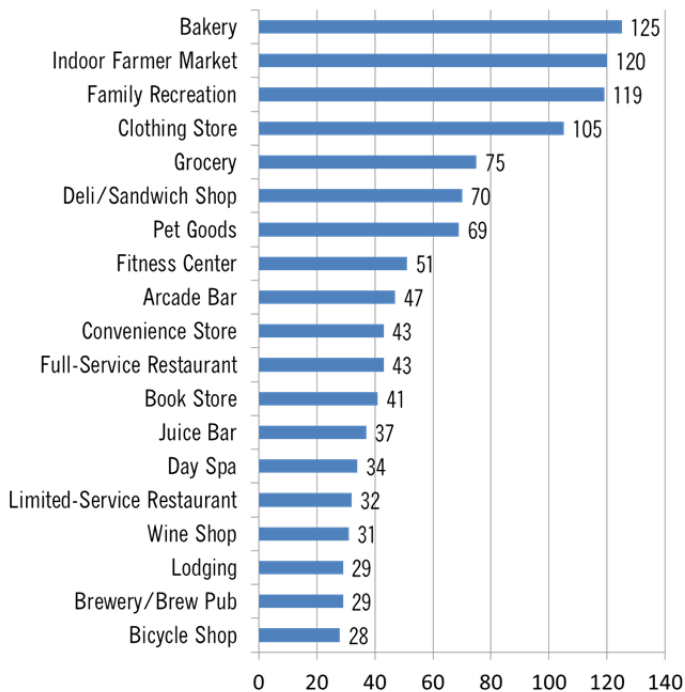
Of the respondents who indicated that they would consider living downtown, and would be willing to spend more than \$750 rent per month and/or more than \$140,000 to own, a bakery, indoor farmer’s market, grocery and deli/sandwich shop were their most popular choices.

Familiarity With Downtown Business Offerings

■ Extremely ■ Very ■ Somewhat ■ Not so ■ Not at all



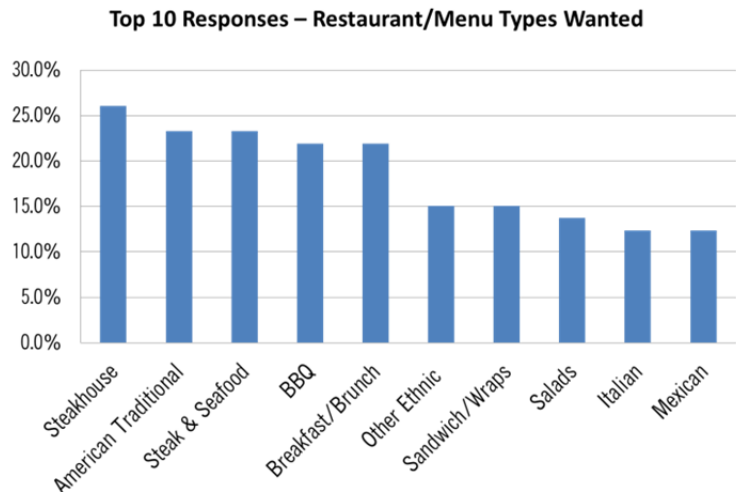
Top Responses – Business Types Wanted



Restaurant/Menu Types

The respondents who chose restaurants as one of the businesses wanted in the downtown were asked, **“What restaurants or menu types would you like to see in the downtown?”**

Steakhouse was a top choice, followed by American Traditional menu and Steak & Seafood restaurant. Notably, seafood and fish restaurants ranked 11th among the choices (not shown in bar chart).



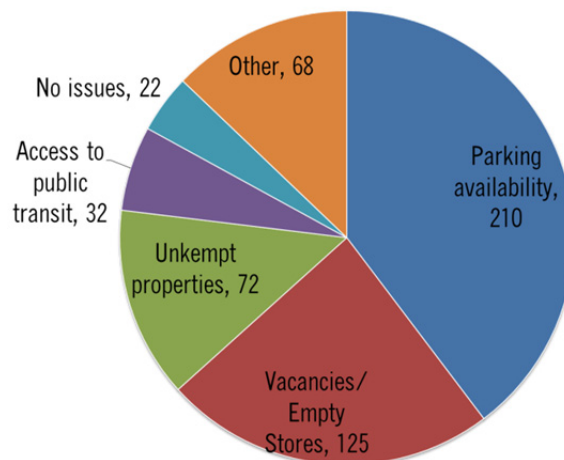
Other Issues

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

The top five issues chosen were:

1. Parking availability – 40%
2. Vacancies/empty stores – 24%
3. Unkempt properties – 14%
4. Access to public transit – 6%
5. No issues – 4%

A high share of those who chose “Other” indicated street-related issues including removing one-ways, better maintenance and traffic congestion.



6. Likelihood of Relocating

Seven of ten respondents indicated that they were somewhat likely, likely and very likely to consider moving into new modern housing in the City of Tiffin if it were available and met their housing preferences.



7 out of 10 persons are somewhat likely, likely or very likely to consider relocating to new modern housing in Tiffin, Ohio

Renters are more likely than homeowners to consider relocating to new housing. This is typical as renters are considered more transient than homeowners.

Level of Likelihood	Homeowners		Renters		Total	
	#	%	#	%	#	%
Very Likely	64	16.5%	71	45.2%	135	24.8%
Likely	76	19.6%	38	24.2%	114	20.9%
Somewhat Likely	98	25.3%	32	20.4%	130	23.9%
<i>Subtotal</i>	<i>238</i>	<i>61.3%</i>	<i>141</i>	<i>89.8%</i>	<i>379</i>	<i>69.5%</i>
Neither Likely or Unlikely	61	15.7%	7	4.5%	68	12.5%
Somewhat Unlikely	24	6.2%	4	2.5%	28	5.1%
Unlikely	30	7.7%	2	1.3%	32	5.9%
Very Unlikely	35	9.0%	3	1.9%	38	7.0%

Factors to Improve Likelihood of Relocating

a. Homeowners

Respondents who preferred to own, but were neither likely or unlikely, somewhat unlikely, unlikely or very unlikely to relocate to new housing in Tiffin were asked, **“How likely would you be to reconsider moving into Tiffin if you didn't have to pay property taxes for 10 or more years (i.e. property tax abatement)?”**

If property taxes were abated for 10 or more years, half the homeowners in the survey, who were not likely to relocate to new housing in Tiffin, would reconsider.

b. Downtown

The addition of desired new business types in the downtown was a much more important factor to persons reconsidering relocating to downtown than addressing the issues of parking availability and vacant storefronts.

“If you did not indicate the downtown as a preferred area to live, would you reconsider living in Downtown Tiffin if the businesses/amenities you wanted were added?”

Nearly 1 of every 5 respondents would reconsider downtown as a preferred place to live if they businesses/amenities they wanted were added to downtown (same priorities as indicated by overall survey group).

“Would you reconsider living in Downtown Tiffin if the top issue you indicated was adequately addressed?”

Of the 297 responses, just 23 or 7.7% indicated that addressing their top issue (nearly all related to parking and vacant storefronts) would make them reconsider moving to downtown.

VI. Demand Analysis

The results of our online housing survey show demand for a variety of new modern housing types throughout the city. The survey, however, is not a statistically valid representation of the resident population or local workforce nor any indication that a person would actually move into new modern housing into the city. Therefore, to more accurately assess the number of market-supported housing units in the City of Tiffin, a more detailed analysis of the target market and applicable capture rates follows.

1. Rental Units

The market is constrained by lack of product and price points. With an occupancy rate of 99.5% and the existence of waiting lists, it's clear an increase in rental product is needed to provide more rental alternatives for locals and out-of-town households looking to move into the city. To provide balance to the market, we have calculated demand based on three factors:

- 4.7% vacancy factor to bring market to 95.0% occupancy
- 25.0% to 35.0% of market support to originate from persons currently living outside the area. As much as 50% external support is anticipated for upscale downtown living.

A total of 198 to 226 market-supported rental housing units are projected for the City of Tiffin. The results of the online survey showed 9 out of 10 renters would be likely to consider relocating to new modern housing in the area.

Household Income	Market-Supported Rental Units – Tiffin Primary Market Area		
	Vacancy Factor (4.7%)	External Support (20% - 30% - 50%)	Total
Less than \$25,000	72	18 - 31	90 – 103
\$25,000 - \$34,999	24	6 – 11	31 – 35
\$35,000 - \$49,999	19	5 – 19	24 – 38
\$50,000 - \$74,999	29	7 – 29	36 – 58
\$75,000 - \$99,999	9	2 – 9	11 – 18
\$100,000 - \$149,999	3	1 – 3	4 – 6
\$150,000 or more	2	1 – 2	2 – 4
Total	158	40 – 104	198 – 262

Renter household growth alone supports the projected additional housing demand. Since 2010, an estimated 299 renter households have been added to the Tiffin area. During this same period, 87 housing units were constructed, yielding a rental housing deficit of 212 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 towards gross rent. In Tiffin, however, the reality is higher incomes typically have lower income-to-gross rent ratios. In fact, 40% of renter households with incomes in excess of \$50,000 indicated that they would not be willing to pay a rent above \$750 per month for new modern housing that met their preferences, a 20% income-to-gross rent ratio.

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 \$550	Less than \$535	Less than \$515
\$25,000 - \$34,999	30%	\$625 - \$874	\$550 - \$799	\$536 - \$784	\$516 - \$764
\$35,000 - \$49,999	25% - 30%	\$875 - \$1,041	\$800 - \$966	\$785 - \$951	\$765 - \$931
\$50,000 - \$74,999	20% - 25%	\$1,042 - \$1,249	\$967 - \$1,174	\$952 - \$1,159	\$932 - \$1,139
\$75,000 - \$99,999	20%	\$1,250 - \$1,666	\$1,175 - \$1,591	\$1,160 - \$1,576	\$1,140 - \$1,556
\$100,000 - \$149,999	20%	\$1,667 - \$2,499	\$1,592 - \$2,424	\$1,577 - \$2,409	\$1,557 - \$2,389
\$150,000 or more	20%	\$2,500+	\$2,425+	\$2,410+	\$2,390+

The highlighted cells in the table above indicate the prevailing rental rates in the marketplace among all rental types. Notably, all, or nearly all, of the renter households with income above \$50,000 pay less than 30% of their income towards rent. According to HUD, countywide, less than 5% of these higher income households pay 30% or more in rent.

2. For-Sale Housing

The results of the online survey were blended with current demographic data to assess the market demand for for-sale housing units in the City of Tiffin. Older households (age 65+) who do not have the income to afford new home prices, instead can afford the home based on their current equity, were considered in the following analysis.

Household Income	Household Income						
	Less than \$140,000	\$140,000 to \$159,999	\$160,000 to \$179,999	\$180,000 to \$199,999	\$200,000 to \$249,999	\$250,000 to \$299,999	\$300,000 and Higher
\$25,000 to \$35,000*	208	69	57	35	31	0	0
\$35,000 to \$49,999	706	187	83	0	0	0	0
\$50,000 to \$74,999	676	356	89	107	107	0	0
\$75,000 to \$99,999	239	291	187	93	73	42	21
\$100,000 and Higher	90	232	193	245	322	219	193
Total	1,920	1,135	610	480	532	261	214

*Income cohort of \$25,000 to \$35,000 includes only households age 65 and older

Homes priced below \$140,000 have the largest target households in the marketplace. However, homes priced below \$140,000 were not considered in this analysis because the rising cost of new construction generally exceeds these levels.

According to the National Association of Home Builders (NAHB), the average homeowner moves every 15 years indicating that 6.66% of homeowners are moving each year. At more conservative turnover rates of 4% to 5% there needs to be 128 to 163 homes in the market priced above \$140,000. In 2018, a total of 97 homes were sold, yielding an annual deficit of approximately 44 to 66 homes. The shortage of homes in the market do not provide homeowners enough housing alternatives as their family dynamics change, including income, age and number of households.

As the table on the following page shows, half of the housing deficit is among homes priced between \$140,000 and \$160,000.

Home Sale Price	Homes Sold (2018)	Target Households	Current Capture Rate	Market Potential Based on 4% - 5% Turnover	Annual Deficit
\$140,000 to \$159,999	22	1,135	1.9%	45 – 57	23 - 35
\$160,000 to \$179,999	24	610	3.9%	24 – 31	7
\$180,000 to \$199,999	14	480	2.9%	19 – 24	5 – 10
\$200,000 to \$249,000	23	532	4.3%	21 – 27	4
\$250,000 to \$299,999	7	261	2.7%	10 – 13	3 – 6
\$300,000 and Higher	7	214	3.3%	9 – 11	2 – 4
Total	97	3,232	3.0%	128 – 163	44 - 66

The ability of the market to support additional newly constructed for-sale housing units in the market is largely predicated on several factors:

1. *Homeowner being able to sell their current home to another household*

In DDA’s opinion, sufficient support exists to support these new homes. There are an estimated 6,600 workers commuting into the Tiffin area for work and half of those households indicated they are willing to consider moving into the city.

2. *Variety in product*

Six out of ten survey respondents indicated a preference for maintenance-free living. There are no condominiums listed for sale in the Tiffin area.

3. *Variety in price point*

The projections assume the delivery of housing among all price points. The greatest for-sale housing demand is among modest-priced homes, \$140,000 to \$160,000. As of the date of this report, there were only two homes listed for sale in this price point, one of which was pending a sale.

4. *Variety of locations*

While the southern quadrant of Tiffin is the most popular location for housing, all other areas of Tiffin received ample responses in the survey as a place to live. Eight out of ten survey respondents indicated a preference to reside within walking distance of a park.

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 site identified herein, and only for the potential uses for that site as described to us by our client.

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.