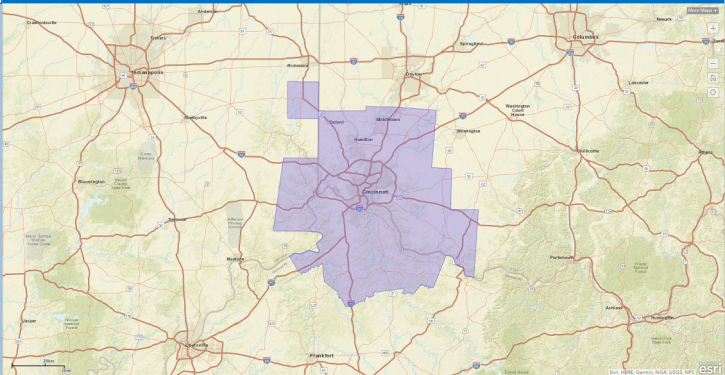


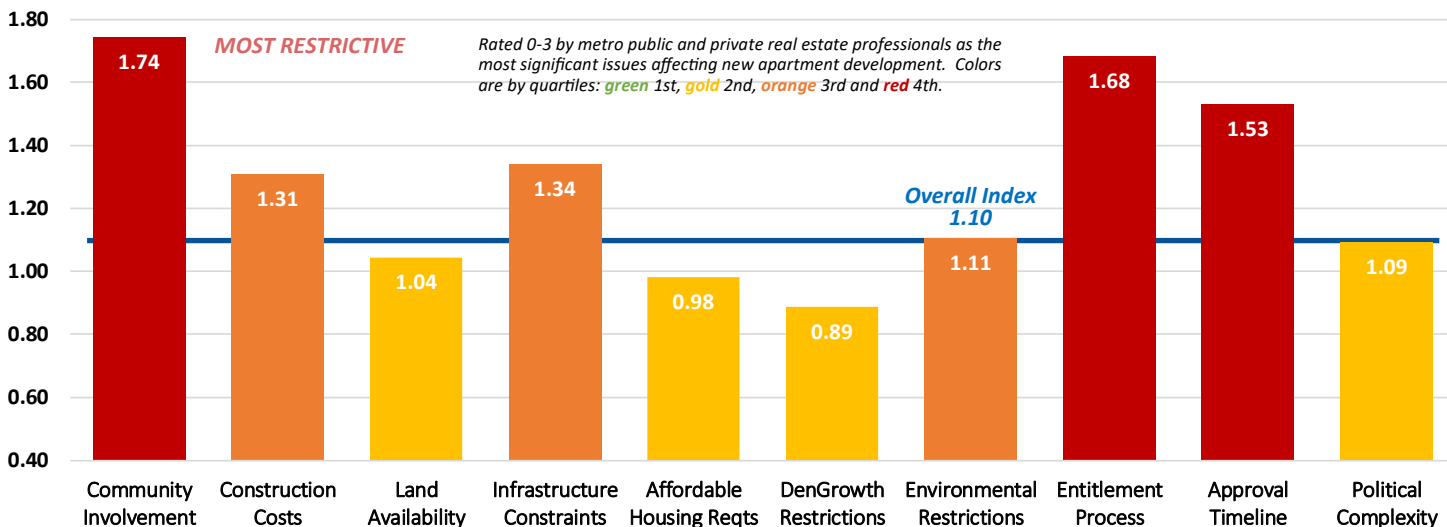
BARRIERS to APARTMENT CONSTRUCTION				CINCINNATI
BARRIERS RANKING <sup>1</sup>	NEW MF DEMAND <sup>2</sup>	HIGH RENT BURDEN <sup>2</sup>	STAR SHARE <sup>4</sup>	
40	11.9k	39%	48%	
MEDIAN RENTAL HOUSEHOLD INCOME			\$34,230	
INCOME REQUIRED FOR AVERAGE RENT <sup>5</sup>			\$35,240	

**MOST RESTRICTIVE APARTMENT CATEGORIES:**

- COMMUNITY INVOLVEMENT
- ENTITLEMENT PROCESS
- APPROVAL TIMELINE

The older and fragmented Cincinnati metro ranks more restrictive than most major markets with an overall supply index of 1.10. Survey respondents cite community involvement as most restrictive, tied to strong public opposition and the number of public meetings. The metro counts well over 400 distinct jurisdictions overseeing new apartment development. The entitlement process is restrictive, led by land use restrictions, reliance on public subsidies and the need for third-party advocates. Approval timelines are considered long, tied to rezoning, discretionary use and permitting. Expectedly, construction costs are high and include tax district impacts. Infrastructure constraints include availability, fees and growing traffic concerns. These barriers restrict the opportunities for workforce and affordable housing critical to replace aging housing stock near the Cincinnati urban core. Rents and rent burdens are seen increasing. A significant 48% share of existing rental stock is seen as STAR units located in these more distressed neighborhoods.

### Barriers to Apartment Construction Subindices



#### BARRIERS INDEX METHODOLOGY:

These NAA HAS Barriers to Apartment Construction indices were created from over 90 apartment development, process and timing questions in ten categories and sourced digitally from real estate professionals in both the public and private realms. An initial overall metro **Barriers to Apartment Construction Index** is also plotted above.

#### DEFINITIONS and NOTES:

- <sup>1</sup>**BARRIERS RANKING** is the relative ranking among 58 major metro apartment markets based upon the average index of each metro from the least restricted to the most; ranges from 1 (Albuquerque) to 58 (San Jose). Rankings consider expert responses from throughout the extended metro that includes but not isolates the urban core.
- <sup>2</sup>**NEW MF DEMAND** is the updated total demand for new multifamily units (in thousands) through 2030 based upon the forecasted total rental housing demand 2017-2030 from the NAA-NMHC demand study by HAS: *U.S. Apartment Demand—A Forward Look (2017)*; ranges from 3,890 (Sioux Falls) to 222,589 (New York).
- <sup>3</sup>**HIGH RENT BURDEN** refers to that share of 2017 households spending over 35% of combined household income on rent; major metro ranges from 56% and rents of \$1,370 (Miami) to 38% and rents of \$865 (Sioux Falls) with a major metro average of 43%.
- <sup>4</sup>**STAR SHARE** is that share of metro rental housing stock with five or more units HAS qualified as *\*Second-Tier Affordable Rentals* or those non-institutional sites of typically lower unit count, lower quality and greater age, often overlooked as crucial affordable housing already in place. Using CoStar® ratings of 1-5 for sites of five units or more, STAR is the lower ratings of 1-2. This share ranges from 61% (Los Angeles) to 17% (Austin) with a major metro average of 36%.
- <sup>5</sup>**INCOME REQUIRED FOR AVERAGE RENT** assumes a more conservative 30% of rental household income needed for the average metro contract rent.

