



To: Members of the House Ways and Means Committee

From: Vince Squillace, Executive Vice President

Re: Proponent Testimony HB 371

Chairman Schaffer, Vice Chair Scherer, Ranking Member Rogers, and members of the House Ways and Means Committee. The Ohio Home Builders Association urges your support of HB 371. As graphically pointed out to the committee during sponsor testimony, Ohio's new home construction is in a state of economic depression. As shown, new housing starts have declined over 66% over a twenty year period. New construction starts in Ohio are near the lowest in activity of all the states; Ohio ranks 48th in this important category. Clearly, the state and its residents need relief from escalating home prices and loss of availability of suitable housing choices.

HB 371 provides some incentives for private land developers to bring new lots for housing construction on line. The numerous regulations attendant to such activity poses increased risk to making such housing available. The investment risk is highest in areas where demographics have limited economic opportunity and household formation has been low. The incentive proposed in HB 371 serves low activity areas as opposed to the few growing communities benefiting from positive demographics supporting housing demand. Many areas of the state have had little or no new lot development for more than 10 years. It is time for the state to provide reasonable tools to increase housing choice in those areas.

HB 371 has little impact on the provision of local services as an empty lot requires little or no service. Further, the bill would have little impact in growing areas of the state as an already existing lot shortage, in conjunction with the demand for availability, finds lots being sold in less than one year. HB 371 is a necessary incentive for areas striving to improve their regions to attract prospective employers with a wide variety of housing opportunities which are lacking today.

While the statistics cited by Representative Merrin are stark, I am inclined add another. Looking back to the early 1970's, housing starts were much higher than 20 years ago. Ohio's housing economy is down 85 to 90% in comparison. Clearly it's time to provide reasonable incentives to get Ohio moving again.