

## **Testimony in support of sb 212**

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**Ohio homebuilder's association**

**We are pleased to provide testimony in support of SB 212.**

**When budget director Kim Murneiks presented the state budget to the Senate budget, she proclaimed;**

**“a further increase in housing starts is necessary to accommodate annual household formations as a fundamental component of a sound economy”.**

**In our view, absolutely correct.**

**We could have presented current news stories proclaiming the lack of housing necessary to sustain current need; however, time would not permit as the shortage is widespread in Ohio and across the nation. This shortage creates the upward effect on housing prices with the heaviest burden on those who wish to purchase a home for the first time. The biggest negative impact is on the most affordable housing. Costs continue to sky rocket. There is no end in sight. Just a one-thousand-dollar increase eliminates thousands from affording a home.**

**I have attached two documents showing starts in Ohio. The most recent data from 2019 shows a DROP in expected starts from the earlier projections.**

**If you look at the data ranging starts from 2000 to 2017, you will note a sizeable drop from 2007 to 2017. That projection has since been reduced to 18,400 from 25,000 expected starts.**

**Unfortunately, this has been the Ohio experience. In terms of a longer-term view, starts in the mid 70's was just under 90,000 starts.**

**Its clear, Ohio needs a jump start in housing construction.**

**As many realize, most of the housing starts have been in central Ohio. However, existing housing elsewhere is aging. There is a dire need to replace our aging housing stock as many of our current residents (that includes me) needs less stairs to climb and an attached garage.**

**A recent study from central Ohio estimated a shortage of 50,000 affordable housing units are needed. In other areas of ohio, old housing needs to be replaced.**

**As is clear from starts data, we need help just o try to keep up.**

**SB 212 IS A MODEST ATTEMPT TO LEAD US in THE RIGHT AND NEEDED DIRECTION.**

OHIO HOUSING STARTS UPDATE -1-1-2019

Starts

'17	25,700 (proj.)
'16	20,700 (proj.)
'15	16,800
'14	19,000
'13	18,500
'12	16,100
'11	13,400
'10	13,300
'09	12,600
'08	17,200
'07	26,000
'06	35,700
'05	48,200
'04	49,100
'03	52,000
'02	49,000
'01	48,500
'00	47,700

### National Association of Home Builders Total Housing Starts Forecast, June 2019

All data in thousands

	2017	2018	2019	2020	2021
<b>OHIO</b>	<b>22.4</b>	<b>22.4</b>	<b>18.3</b>	<b>17.8</b>	<b>18.4</b>
Cincinnati-Middletown OH-KY-IN	6.2	5.9	5.3	5.1	6.1
Cleveland-Elyria-Mentor OH	3.3	3.0	3.0	2.9	3.4
Columbus OH	7.6	7.2	6.1	5.8	6.7
Dayton OH	1.2	1.4	1.0	0.9	1.1

### National Association of Home Builders Single Family Housing Starts Forecast, June 2019

All data in thousands

	2017	2018	2019	2020	2021
<b>OHIO</b>	<b>17.4</b>	<b>16.9</b>	<b>13.6</b>	<b>13.3</b>	<b>13.6</b>
Cincinnati-Middletown OH-KY-IN	4.7	4.4	4.1	3.9	4.8
Cleveland-Elyria-Mentor OH	3.0	2.8	2.8	2.6	3.2
Columbus OH	4.6	4.6	4.2	4.0	4.8
Dayton OH	1.2	1.1	0.8	0.8	1.0

### National Association of Home Builders Multifamily Housing Starts Forecast, June 2019

All data in thousands

	2017	2018	2019	2020	2021
<b>OHIO</b>	<b>5.1</b>	<b>5.5</b>	<b>4.8</b>	<b>4.5</b>	<b>4.8</b>
Cincinnati-Middletown OH-KY-IN	1.4	1.5	1.2	1.2	1.3
Cleveland-Elyria-Mentor OH	0.3	0.2	0.2	0.2	0.2
Columbus OH	3.0	2.6	1.9	1.8	1.9
Dayton OH	0.1	0.3	0.1	0.1	0.1

**NOTES:**

Metro area definitions follow latest Office of Management and Budget (OMB) system.

Source: Bureau of Census, Moody's Economy.com, National Association of Home Builders (NAHB)

Available at [www.HousingEconomics.com](http://www.HousingEconomics.com).