



Ohio REALTORS® Proponent Testimony for Senate Bill 24
Ohio Senate Ways & Means Committee
February 2, 2021

Chair Blessing, Vice Chair Roegner, Ranking Member Williams and members of the Senate Ways and Means Committee, my name is Michelle Billings, and I am a REALTOR® at Coldwell Banker in Cincinnati. I also served as the 2019 president of the Cincinnati Area Board of REALTORS®. I'm here to speak on behalf of the Ohio REALTORS because the more than 35,000 members of our organization have made Senate Bill 24 a priority bill in an effort to help first-time homebuyers. This bill is important to us and the many Ohioans who dream of owning their first home. We appreciate the work Senators Peterson and Gavarone, Chair Blessing and the committee members have done on this important bill.

I wanted to discuss some important real estate market information that may be helpful in understanding what future and current homebuyers are facing and why Senate Bill 24 is so important to Ohioans. From our December and Year-End 2020 Home Sales report, the Ohio housing market was undoubtedly remarkably resilient. The sector surpassed the prior year's levels in sales activity, average sales price and total dollar volume despite the uncertainty and challenges posed by the COVID-19 pandemic. In 2020, Ohio's home sales activity rose 4.3% from the levels of the prior year. The state's average sales price rose to \$212,517 representing a 9.9% increase from 2019.

In December alone, home sales were up 18.4% from the same month in 2019. And the average home price in December 2020 was \$218,000, marking a 14.3 increase from the same time last year. These are extraordinary results for a month that is relatively quiet during the holiday season.

Many parts of the state have homes listed for only a handful of days before going under contract with multiple competing offers – and this is not a new phenomenon, it has been the case for a while before the COVID pandemic erupted. Now with even lower inventory, and high demand, prices will continue to rise for a while.

Needless to say the Ohio market is extremely robust, and with the historic low interest rates we expect it to continue. While this is excellent news for current homeowners and investors, it's important to understand that this is problematic for many first-time buyers. Buyers must come ready to sign a purchase agreement on the spot when visiting a home for sale. Additionally, with many homes with multiple offers, the more prepared buyer, likely not a first-time homebuyer, is winning the offer. With the multiple offers, come higher contract prices and the more financially prepared buyer is best situated to "win" the home. This applies across the



market to the \$75,000 condos to the \$500,000 homes. Also, the number of first-time homebuyers has declined both nationally and in Ohio to lowest levels in decades.

Senate Bill 24 offers a long-term savings program which will work very well with expanding housing inventory that we hope to experience over the next few years. With inventory shortages at record lows, Ohioans can open up an account and start saving now. On January 21, the National Association of Realtors Chief Economist, Dr. Lawrence Yun said home construction in the U.S. “finished the year with the biggest bang since 2006 with 1.7 million units started for construction in December.” This is the direction our nation, and our state need to continue to go to keep prices affordable. As these homes are built, our first-time savings account holders will be better prepared to buy.

We need the First-Time Homebuyer Savings program in Ohio. We need to help all Ohioans be as prepared as possible to make the biggest, and arguably best financial decision of their lives. When I help my clients find that special place to call home and they close on their new home, many of them turn around and spend money to upgrade appliances, hire painters to change the color scheme of their new home, or hire plumbers and electricians to repair something. Buying a home creates many more jobs than just the people helping with the transaction. Real estate keeps Ohio moving forward in a very big way and as a REALTOR® I’m proud to play a role in this process and contribute to Ohio’s economy.

I believe Ohio is a fantastic place to live, work, and call home. And Ohio REALTORS® believes the creation of a First-Time Homebuyer Savings account will build off the good policies the Ohio Legislature has already worked on to continue to make Ohio an attractive place to live and conduct business.

On behalf of more than 35,000 of my Ohio REALTOR® colleagues, I appreciate your time and the opportunity to speak as a proponent of Senate Bill 24 and we respectfully ask for your support of this legislation.