

Housing Opportunities Analysis

Fremont, Ohio



Prepared For:

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I. Executive Summary

The purpose of this report is the identification of housing opportunities within the City of Fremont 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 230 to 300 new housing units in Fremont. A distribution of housing support by product type and area is included in the following table:

Market-Supported New Housing Development Three-Year Total Fremont, Ohio

Housing Type & Price Range	Total Units
Rental Housing	170 – 210
Less than \$750	94 – 108
\$750 to \$949	50 – 66
\$950 and Higher	26 – 36
For-Sale Single-Family	60 – 90
\$150,000 to \$174,999	24 – 38
\$175,000 to \$199,999	18 – 28
\$200,000 and Higher	18 – 24
3-Year Total	230 – 300

The market-supported housing totals are based on current and near-term market conditions. An increase in local employment can expand the projected market potential. Based on current worker mobility, we estimate additional demand for at least one new housing unit for every three jobs created. Multiple locations and a variety of product offerings are necessary to achieve optimal development.

The City of Fremont has the oldest housing stock in Northwest, Ohio and is among the lowest in housing production for more than a decade. In fact, with the median home built in 1948, the City of Fremont has the 12th oldest housing stock among cities in Ohio (source: American Community Survey 2014-2019). Market demand is clearly limited by supply (i.e. housing alternatives), preventing prospective homeowners and renters from moving into housing within the city limits.

The lack of modern housing is a quality of life and an economic issue. Growth in the labor pool and spending power for local businesses is constrained without available housing. The lack of housing production is attributed, in large part, to the following issues:

- Few local homebuilders, buyers often dependent on finding a lot and custom home builder
- Most new housing offerings limited to east side
- Lack of development sites, especially in the southwest area of Fremont (Rutherford B. Hayes area), which as indicated in the online survey as the most popular place for homeowners' relocation

There is a shortage among all housing types, but more lacking for rental housing. Just seven units were vacant, among 25 rental properties surveyed in the larger Primary Market Area (PMA). Only three vacant units were found within the city limits. At the time of this writing, there were just 13

homes listed for sale above \$140,000 that were not pending and no condominiums were listed for sale.

Housing Development Strategies

To achieve absorption of 230 to 300 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

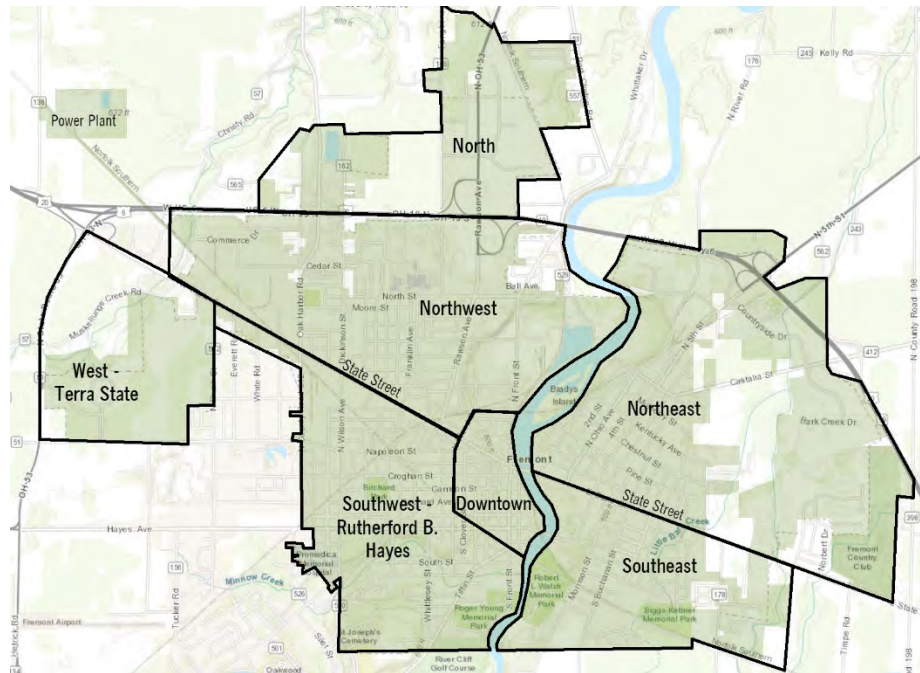
The following key market considerations are based on the results of our online survey of 583 persons, site characteristics and prevailing market conditions:

Rental housing

- Preferred relocation areas are proximate parks and retail
- One of five renters would consider living in the downtown area
- Most renters would consider new housing with fully furnished kitchens, air conditioning and laundry provisions. A portion of renters willing to pay high rents also noted the desire to have attached garages.

For-sale housing

- Southwest Fremont was identified as the most preferred area to relocate to new housing for homeowners. Fremont residents showed interest in across multiple areas of Fremont, while out-of-town respondents showed limited interest beyond the West and North areas of the city.
- Eight of ten preferred a park within walking distance of their residence (same for renters)
- Overall, half the homeowner respondents indicated they would consider paying an additional monthly fee for maintenance-free living. In well-developed markets, DDA has seen maintenance-free housing constitute as much as 25% of the for-sale housing stock.
- If property taxes were abated for 10 or more years, one third of the homeowners surveyed, who were not likely to relocate to new housing in Fremont, would reconsider. Since the entire city is within a Community Reinvestment Act (CRA) area, a property tax abatement currently exists citywide. We recommend city staff and developers/home builders further market this program.



Potential Housing Types and Areas – Rental & For-Sale Housing

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. Specific site examples shown are either city-owned or recently listed as available for purchase. The inclusion of their properties in the list is for example purposes only.

Rental Housing

1. Adaptive Reuse Rental Housing Sites – (Downtown)

Demand exists for additional market-rate lofts and apartments 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.

- Housing Type: Lofts, \$750 and Higher
- Elevator not required, but preferred to achieve high rent levels
- Dedicated parking space for each unit

DDA identified the South Front Street corridor as the top candidate for housing redevelopment in the downtown. Buildings with larger footprints of 4,000 to 5,000 square represent attractive redevelopment opportunities for developers.



Jackson Building, 206 S. Front Street

2. Condominium/Villa Rentals – All Areas

Attached ranch-style rental housing with attached garages, often referred to as villas, have had strong market response throughout Northwest Ohio. Examples of these types of housing exist in Meadow Creek, but a market exists for additional units.

- Housing Type: Two- and three-bedroom villas; \$950 and higher
- One- and two-car attached garages
- Proximity retail centers

DDA is aware of current plans for 40 villas for senior independent living housing along Fangboner Road. Should these plans come to fruition, other areas of the city should be considered for this type of development in the short-term.



Meadow Creek condominium rental

3. Low-Rise Apartment Development – All Areas

Similar to the condominium/villa rentals concept, a grouping of multiple rentals with and without attached garages would also receive a positive market response. Under this concept, one-bedroom units could be accommodated, as demonstrated by Mid-Ohio Development, in a project located outside of Lima, Ohio containing six units per building (see example below of Shawnee Lakes Apartments).



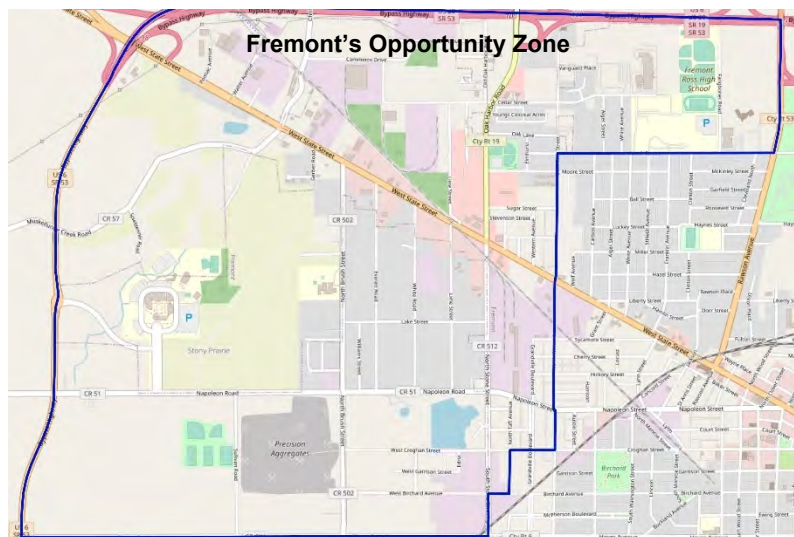
4. Workforce Housing - West

The demand for modern rental housing is highest for units priced less than \$750 per month. Without subsidies, however, it is unlikely a developer would consider building new or substantially renovating housing and renting below \$750 per month.

Funding from Ohio Housing Finance Agency's (OHFA) tax credit program is based on a competitive scoring process with other sites throughout Ohio. Developers are most attracted to communities where development sites can garner high scores based on OHFA's criteria. Based on our review of OHFA's 2020-2021 Qualified Allocation Plan, it is important for sites to be proximate amenities, employment centers and significant community investments. OHFA also has scoring based on census tract indices and Opportunity Zones. The City of Fremont has one Opportunity Zone on the west side of Fremont, Census Tract 391439616 (see map below). The best opportunity to develop Low-Income housing in Fremont is likely within this opportunity zone.

Based on DDA's discussion with tax credit housing developers and OHFA thresholds, a minimum development of at least 40 units is required.

OHFA's criteria, within the past several years, have resulted in low scores for many of the smaller communities in Northwest Ohio effectively dissuading developers from these communities. DDA recommends that the city partner with Great Lakes Community Action Partnership (GLCAP) to advocate to OHFA the need for affordable housing in communities similar to Fremont that are manufacturing-based and lack recent housing production.



For-Sale Housing

1. Hayes Site (former elementary school site) – Southwest

In DDA's opinion, for-sale housing represents the highest and best reuse of the Hayes Elementary School site for the following reasons.

- Area identified as most popular area to live
- For-sale housing is a compatible use to surrounding residential
- Site is large enough to attract many urban infill home builders
- Within easy walking distance of multiple parks and across the street from a corner convenience store



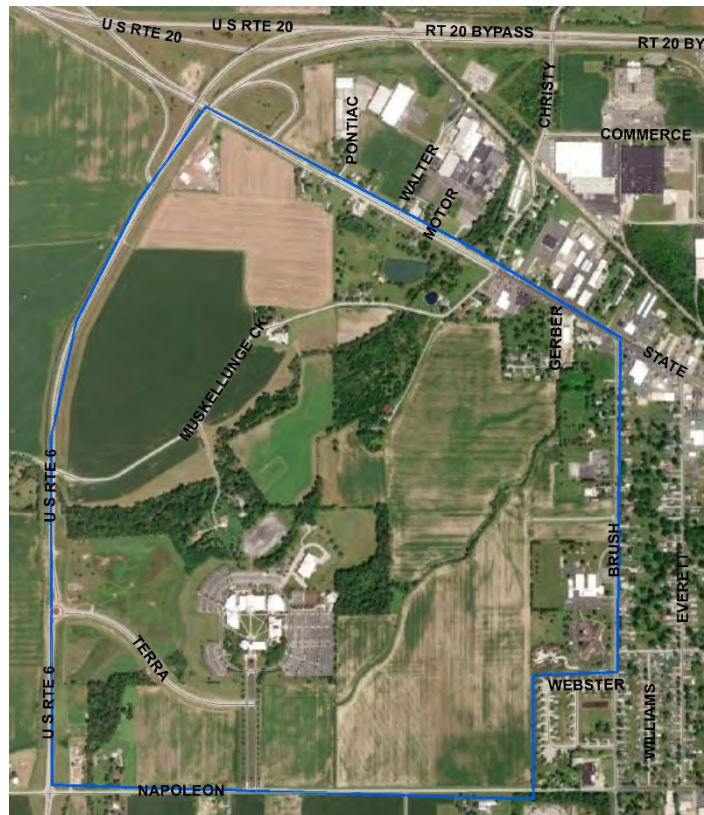
Former Hayes Elementary School Site

2. Terra State Community College Area - West

The West area of Fremont was identified as one of the most preferred areas for homeowner relocation. With large tracts of vacant land surrounding the Terra State Community College campus, there is an opportunity to develop both single-family and maintenance-free housing.

Future planning efforts should consider placement of parkland along Muskegon Creek which is largely flood plain. The addition of a park will further enhance marketability of the area for residential use.

Consideration should be given to the city partnering with Terra State Community College to allow Fremont senior residents the opportunity to audit classes at Terra State Community College. Oberlin College has an arrangement that City of Oberlin residents, age 60 and older, can attend classes free in a non-credit format (aka class auditing). This has proven to be a successful marketing strategy to attract seniors to nearby housing facilities.



West - Terra State Community College area

3. Meadow Creek & Fairway Estates

In DDA's opinion, there are an adequate number and variety of for-sale housing options on the East side of Fremont to accommodate the market support in this area in the next three years.

Summary

A market clearly exists for all types of housing throughout the City of Fremont. The challenge remains the lack of available developable land in some of the most popular areas of the city, a limited local builder base and enough recent housing experience to provide builders with market confidence. The relatively stagnant housing situation in Fremont must be jump started for the community to grow its household base and realize the economic benefit of an increased labor pool including the growth in income taxes and additional resident spending that will support local businesses.

We believe the buildout of the former Hayes Elementary School and the start of housing development near Terra State Community College will serve to reinvigorate the housing market. The development will provide the beginning of a pattern of successful development to give builders confidence and provide some development momentum. Until this occurs, DDA envisions the City of Fremont playing an active role in housing (re)development by extending infrastructure when possible if possible and incorporating community parks as part of larger developments. The citywide tax abatement from the established Community Reinvestment Act combined with the deferred capital gains tax benefits afforded from the Opportunity Zone should provide additional incentive for investment in the community.

Next Steps – Action Plan

To fully realize the stated development opportunities and facilitate development, we recommend the City of Fremont employ the following actionable steps:

- Communicate results of the housing report locally and regionally, via social media, city newsletters, newspapers and radio, if appropriate
- Provide developers with a clear, concise and rapid entitlement/development process by streamlining zoning and building permit steps
- When creating future community plans, consider the results of the online survey. The desire to live in a community is more than housing. Improvement in area amenities increases marketability of housing for residents, thereby attracting more interest from builders.
 - Addition of strategically placed parkland/walking trails
 - Continuation of improvements in the downtown area
 - Strategically placed neighborhood-oriented retail
- Work with Terra State Community College to establish a larger mixed-use master-planned area around the campus.

The housing report provides the foundational research necessary for the community to move forward and address the lack of housing options. The report quantifies market-supported opportunities through detailed market analyses and survey of nearly 600 residents and local workers.

II. Introduction

A. Objective

The objective of this report is to identify market-supported rental and for-sale housing opportunities in the City of Fremont.

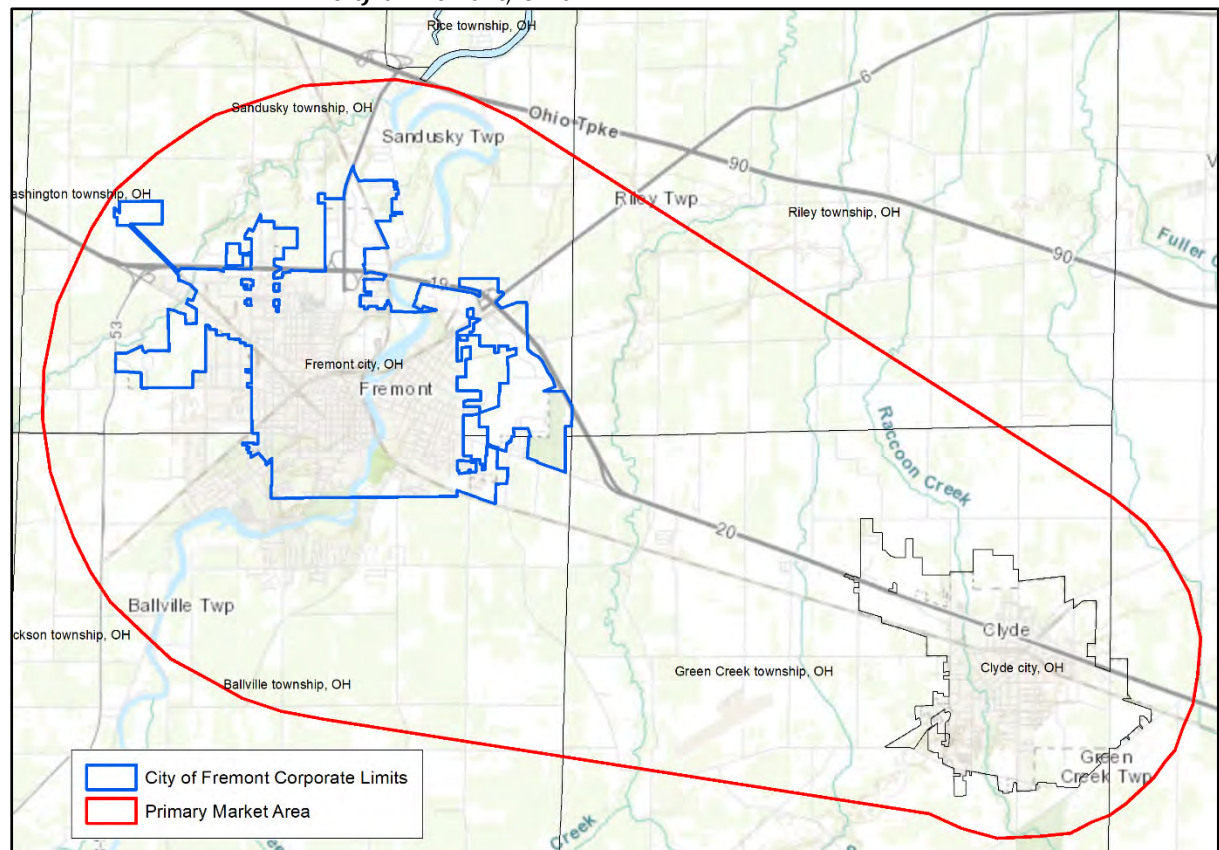
B. Methodology

DDA's conclusions related to market-supported opportunities for housing in Fremont are based on analyses of the housing market within the Primary Market Area (PMA), demographics and the attractiveness of the surrounding environment. To ascertain the best opportunities, DDA has made several field trips to the Fremont 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 Fremont. A PMA is the smallest geographic area which represents 60% to 70% of anticipated support for housing in the City of Fremont. The PMA includes the City of Fremont and Clyde and portions of the surrounding townships: Ballville, Sandusky, Green Creek and Riley. Following is a map with the delineated Primary Market Area and City of Fremont corporate limits.

PRIMARY MARKET AREA – City of Fremont, Ohio



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 DDA's online worker and resident survey. The PMA is situated in the central area of Sandusky 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 Sandusky County. The PMA captures the highest concentration of areas where local workers live.

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 from the local Multiple Listing Service and Sandusky 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 2025), 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 Fremont
- External support – Demand from employees in Fremont residing outside Fremont
- 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 analyses 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. Rental Housing

DDA identified and surveyed 25 apartment properties of ten or more units within Fremont and Clyde area totaling 1,188 units. At an overall 99.4% occupancy level, the local apartment market is clearly constrained as demand is exceeding supply. DDA identified seven vacant apartment units among these properties. All but three properties were fully occupied and waiting lists were reported at 15 of the properties. 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/ Renovated	Total Units	Occupancy Rate	Project Type
Bethesda View	1995	20	100.0%	HUD Section 202, Age 62+
Casa Nueva	1978	64	100.0%	HUD Section 8; LIHTC
Colony Court Condominiums	1980	26	92.3%	Market-Rate
Commons at Little Bark Creek	2016	66	100.0%	LIHTC, Age 55+*
Day Woods	1985	48	100.0%	Public Housing
Delaware Acres	1972	68	100.0%	HUD Section 8
Eagle Manor	1997	43	100.0%	LIHTC, Families
East Green	1974	36	100.0%	Market-Rate
Fort Stephenson House	1966/1977	56	100.0%	HUD Section 8, Age 62+ and/or Disabled
Fremont Manor	1994	38	100.0%	LIHTC
Fremont Rental LTD	1976	27	100.0%	Market-Rate
Hayes Meadow	1986/2015	60	100.0%	HUD Section 8; LIHTC
Hayes Manor	1982/2015	40	100.0%	HUD Section 8; LIHTC, Age 62+ and/or Disabled
Janel Terrace	1987	50	100.0%	HUD Section 202, Age 62+
Laurel Court	1975	70	97.1%	Market-Rate
Laurel Green	2005	40	100.0%	LIHTC, 8 market-rate units
Laurel Terrace	2005	10	100.0%	Market-Rate
Laurelhurst	2003	44	100.0%	LIHTC; 8 market-rate units, Age 55+
Leewood Place	2004	40	100.0%	Single-family, LIHTC; 8 market-rate units
Park Place	1993	38	100.0%	LIHTC
Quail Creek	1999	28	n/a	Market-Rate
Ross Park	1977	120	97.5%	Market-Rate
Somerton	1972/1990	48	100.0%	RD Section 515; LIHTC
Speigel Manor	1970/2015	60	100.0%	Market-Rate
Westside Manor	1970	48	100.0%	Market-Rate
Total		1,188	99.4%	

*Six units designated for multi-generational families

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

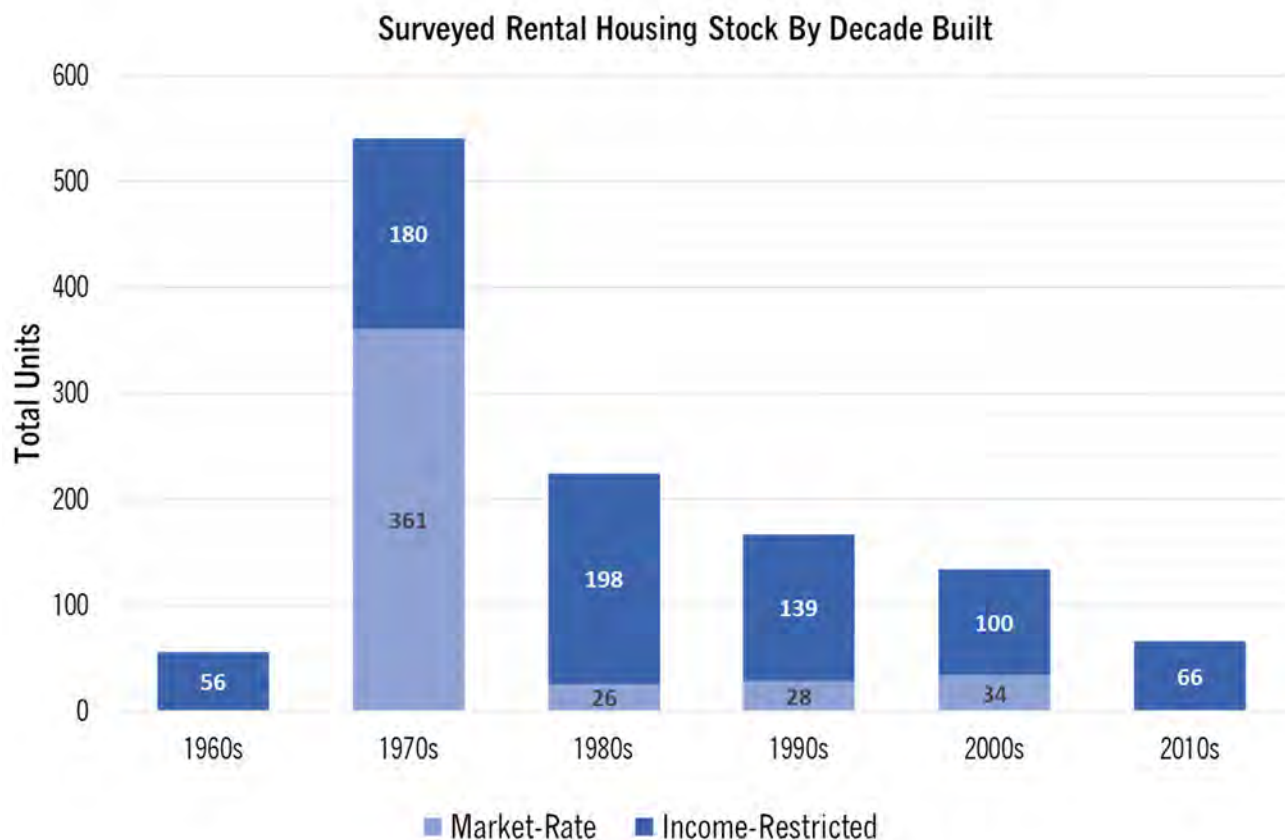
n/a – Not available

Of the 1,188 apartment units surveyed, 739 (62.2%) are within federal housing programs with rent and income limitations no higher than 60% of area median income (\$27,360 for a one-person household and \$31,260 for a two-person household). The remaining 423 units are market-rate with no income or age restrictions.

Commons at Little Bark Creek is the only apartment property built within the past decade. The 66-unit property operates under the Low-Income Housing Tax Credit Program. Of the 66 units, 60 are designated for persons age 55 and older and six units are available to multi-generational families.



Commons at Little Bark Creek



Nearly all market-rate rental housing in the PMA was built in the 1970s. The 28 market-rate units built in the 1990s are in Clyde, Ohio. The 34 market-rate units built in the 2000s are within three low-income housing developments, two of which are in Clyde and one, Colony Court, in Fremont.

Aside from 34 units that were set aside as market-rate at the new LIHTC projects, the next newest market-rate properties in Fremont were built in the 1970s. Market-rate rental housing rates in the PMA range from \$410 to \$640 among one-bedroom units and \$525 to \$825 among two-bedroom units. The three-bedroom market-rate rents range from \$675 to \$770. The average collected rents bedroom type and rent ranges follows.

Unit Type	Monthly Collected Rent		
	Average	Low	High
One-Bedroom	\$472	\$410 (Laurel Court)	\$640 (Westside Manor)
Two-Bedroom	\$625	\$525 (Laurel Court)	\$825 (Colony Court)
Three-Bedroom	\$720	\$675 (Fremont Rental LTD)	\$770 (Laurelhurst)

The low rates reflect the dated rental housing stock in the market and the minimal amenities. Standard amenities in the market, those included in at least 2/3rds of properties, include range, refrigerator, patio and common area laundry room.

Other Rentals

Downtown - There are several occupied apartment properties above ground floor commercial space, each within buildings of less than 10 units in the downtown. We did not identify any availability among those properties. The recently renovated properties at 105 South Front Street and 221 Croghan Street include 17 apartments and are achieving one-bedroom rents of \$800 to \$1,000 per month, well above the prevailing rental rates in the area. In other well-developed downtowns it is not uncommon to for newly renovated apartments to achieve rent premiums of 25% and higher than apartments outside the downtown area.



105 South Front Street, "The Italian"

Condominiums - There are several newer condominiums in the area that have been rented by the builders. In Meadow Creek condominiums (see photo below), two- and three-bedroom units are renting between \$1,000 and \$1,200 per month.



Mobile Homes - There are 18 mobile home parks in the PMA with 974 total lots. Approximately 30% of the mobile home lots are within the City of Fremont. Some of the newest mobile homes in the area are at Apollo Mobile Home Park at 1301 SR 53 in Rice Township. A two-bedroom/two-bath home rents for \$725 per month, including water/sewer and trash removal services. DDA staff was unable to identify any other available rentals in the area and found that many parks rented lots solely for approximately \$200 per month not including utilities.

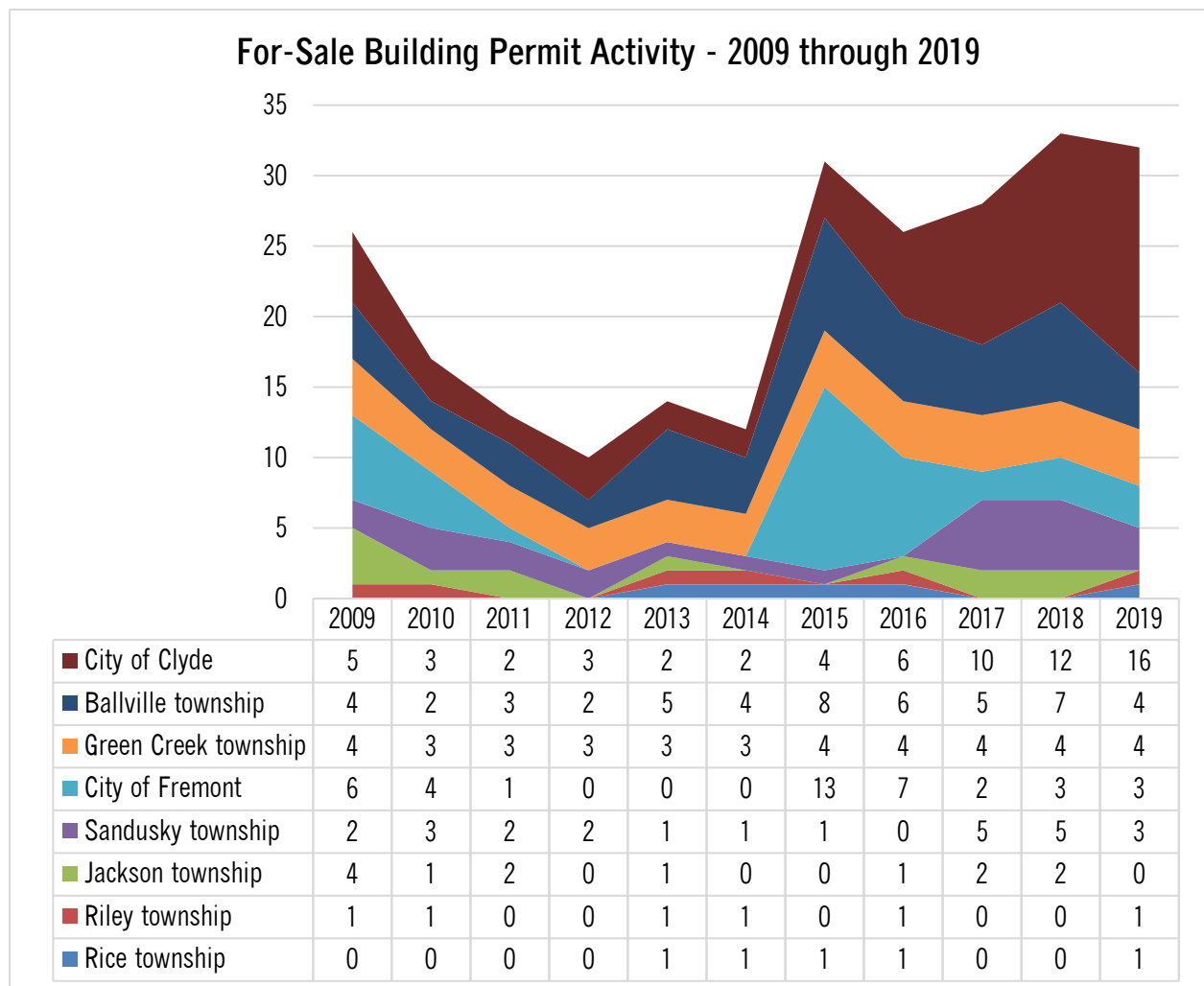
2. For-Sale Housing

As with other communities throughout Ohio, the production of for-sale housing has drastically declined since the Great Recession and the subsequent loss of many homebuilders.

a. Housing Permit Activity

In 2019, there were a total of 32 single-family and attached for-sale housing permits issued in the PMA, the most annual permits in the past decade. Permit activity in the PMA accounted for two-thirds of the countywide permits issued that year. The City of Clyde had half the PMA's permits in 2019.

Overall permit activity is low relative to the region. There is one production builder/developer in the market, KF Ventures, accounting for 29 of the 33 homes permitted in the City of Fremont since 2009. Custom home builders have added several homes each in the PMA and include, but are not limited to, Gabel Construction Company, Loew Home Builders, Wayne Homes and K Hovnanian Homes.



Source: US Census Bureau; annual permit data for 2020 is not available.

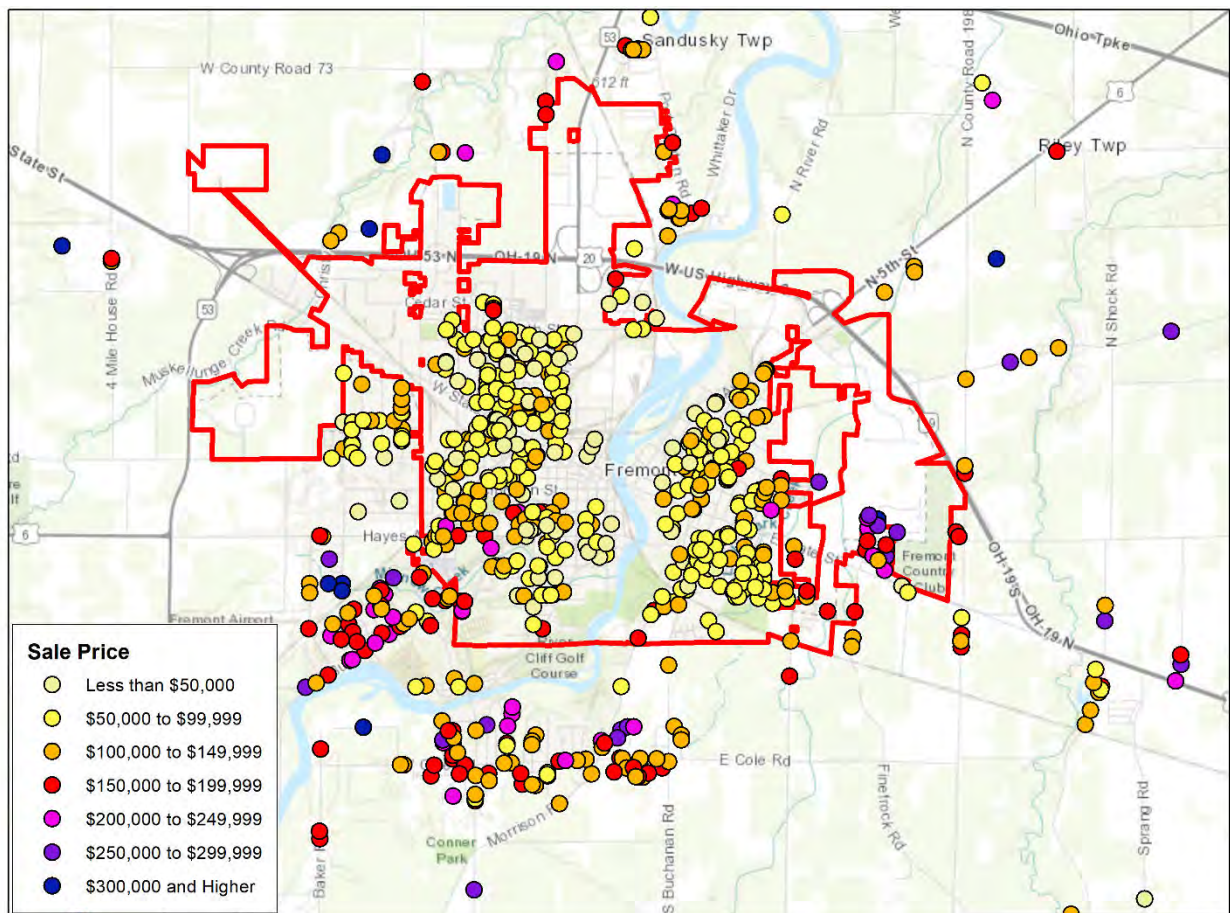
b. Home Sales Activity

Based on DDA's review of home sales data in Fremont's zip code area 43420, there are a stable number of home sales occurring each year ranging from 278 to 280 homes between November 2017 and October 2020. During this same period, total home sales have increased 15% within the City of Fremont. Distribution of home sales by price point and year of sale for the City of Fremont and the overall zip code area follows.

	Nov 2017 – Oct 2018		Nov 2018 – Oct 2019		Nov 2019 – Oct 2020	
Home Sale Price	City	Zip Code	City	Zip Code	City	Zip Code
Less than \$50,000	25	30	30	35	24	28
\$50,000 to \$99,999	81	108	84	105	66	77
\$100,000 to \$149,999	30	76	31	76	60	97
\$150,000 to \$199,999	3	36	4	33	13	40
\$200,000 to \$249,999	2	17	4	18	1	22
\$250,000 to \$299,999	2	11	1	5	0	9
\$300,000 and Higher	0	2	0	7	1	5
Total	143	280	154	279	165	278
Median	\$82,000	\$100,500	\$80,735	\$99,900	\$93,000	\$117,750

Source: Polter Real Estate

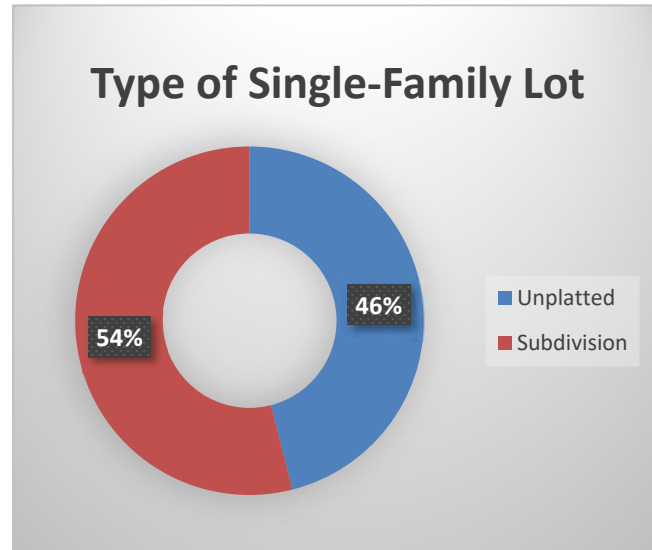
The City of Fremont offers some of the most affordable for-sale housing in the area. A map below illustrates the level of home sale prices throughout the Fremont area (city corporate limits shown with red boundary).



Single-Family Development

Slightly over half the single-family homes built in the area since 2010 are in platted single-family subdivisions (source: Sandusky County Auditor). This represents a low share of platted lots relative to the region. For example, platted lots in the Tiffin area represent 80% of their single-family parcels.

With the lack of subdivision lots, many homebuyers must find a builder and a tract of land on which to build. Conversely, most subdivisions, except St. Andrews, have lots owned by homebuilders who actively market lots and floor plans.



Area	Lots in Subdivision	Unplatted Lots	Total Lots
Clyde	57	3	60
Ballville Township	18	19	37
Green Creek Township	0	23	23
Sandusky Township	7	13	20
Fremont	16	2	18
Washington Township	3	7	10
Jackson Township	0	9	9
Riley Township	1	5	6
Rice Township	0	6	6
Total	102	87	189

KF Ventures built most of the homes on subdivision lots in Ballville Township (Southland Meadows), Clyde (Norwest Meadows) and Fremont (Meadow Creek and Vargas Estates). The home builder constructs pre-fabrication or modular-style homes at home prices in the upper \$100,000s up to \$205,000. The homebuilder has averaged approximately 0.7 to 0.8 home sales per month.



Norwest Meadows, last home for sale by builder (\$205,000)
Source: Firelands Assn of Realtors

Fairway Estates is a 45-lot subdivision, platted October 2001, on the east end of Fremont adjacent the Fremont Country Club. The developer, St. Thomas Associates LLC, has 20 lots listed for sale from \$25,000 to \$41,000. The lot prices are relatively high and resulted in home prices often above \$300,000, a price point that represents the lowest share of sales in the area. Buyers for the lots at Fairway Estates must find their own builder. K Hovnanian Homes is currently building on two lots on Greenbriar Circle in this subdivision.

Condominiums

A total of 23 condominium developments were identified in the PMA totaling 415 units. A summary of condominium development by area, year(s) built and total units follows.

Area	Development	Year(s) Built	Total Units
City of Fremont	Meadow Creek	2006 to Present	26
	Waters Edge	2004 – 2009	15
	Cottage Grove	1987 – 1993	22
Ballville Township	Red Path Circle	2006 to 2018	10
	Fox Run	2002 – 2015	22
	Sun Valley	1999 – 2002	12
	Ridgeview	1991 – 1998	77
	Briarwood	1985 – 2001	57
	Brookview	1985 – 1987	23
	Tucker Lane	1980 – 1984	11
	Golf View	1980	6
	River Run	1979 – 1981	10
	Shaker Heights	1977 – 1985	19
Sandusky Township	Prairie Meadows	1989 – 1994	10
City of Clyde	Fowler Estates	2004 – 2007	9
	Camelot	2004 – 2005	8
	Grand Woodland Estates	2003 – 2008	21
	Villas @ Camelot	2001 – 2002	4
	Church Street	2000 – 2005	9
	Orchard Grove	1991 – 1996	21
	Parkview	1990 – 1992	12
	Misty Glen	1980 – 1985	9
	Thomas Drive	1976	2
Total			415

Source: Sandusky County Auditor

Meadow Creek is the only active condominium development in the area. The development is not actively marketed on www.realtor.com but has information on the builder's website, www.kfventures.com. The development includes a mix of detached and attached housing and a low monthly maintenance fee currently below \$100, pending reevaluation. The builder is in the first phase of a three-phase plan. The most recent recorded home sale was in December 2020 for a 1,488 square feet, three-bedroom/two-bath home priced at \$193,000.

Gabel Construction developed detached condominium three-bedroom ranches in Red Path Circle and Fox Run. The last builder sales were for \$266,300 and \$276,718 in 2015 and 2019, respectively.

Currently, just two condominiums are publicly listed for resale, one at Parkview and Grand Woodland Estates in Clyde. The units include two bedrooms, a one-car attached garage and are listed below \$100,000. The monthly association fees range from \$140 to \$207 per month, respectively.

IV. Demographics & Economic Analysis

A. Area Demographics

1. Population and Household Trends

Between 2000 and 2010, modest population declines have occurred in the City of Fremont, PMA and Sandusky County. Small declines are estimated and projected to continue through 2025. From 2000 to 2010, the population decline in the City of Fremont and the PMA was twice the rate of decline of Sandusky County (-1.4%). The population and household trends for 2000, 2010, 2020 (estimated) and 2025 (projected) are summarized as follows:

	City of Fremont		PMA		Sandusky County	
	Population	Households	Population	Households	Population	Households
2000 Census	17,785	7,047	35,320	13,924	61,792	23,717
2010 Census	16,741	6,747	34,235	13,894	60,944	24,182
Change 2000-2010	-1,085	-300	-1,044	-30	-848	-465
Percent Change 2000-2010	-3.1 %	-4.3%	-3.0%	-0.2%	-1.4%	-2.0%
2020 Estimated	16,684	6,781	34,096	13,999	59,933	24,095
Change 2010-2020	-139	+34	-57	+105	-1,011	-87
Percent Change 2010-2020	-0.4%	+0.5%	-0.3%	+0.8%	-1.7%	-0.4%
2025 Projected	16,539	6,742	33,791	13,923	59,223	23,904
Change 2020-2025	-305	-39	-145	-76	-710	-191
Percent Change 2020-2025	-0.9%	-0.6%	-0.9%	-0.5%	-1.2%	-0.8%

Source: 2000, 2010 Census; ESRI, Incorporated

The City of Fremont had nearly two-thirds of Sandusky County's household loss between 2000 and 2010. Between 2010 and 2020, however, the household base in the City and PMA experienced a slight increase of households. By 2025, households are projected to incur slight declines throughout all areas of Sandusky County.

Between 2020 and 2025, the sole 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 younger than 55. Households by age are summarized as follows:

Households by Age	2020 (Estimated)		2025 (Projected)		Change 2020-2025	
	Number	Percent	Number	Percent	Number	% Points
Under 25	522	3.7%	509	3.7%	-13	-2.5%
25 to 34	1,999	14.3%	1,890	13.6%	-109	-5.5%
35 to 44	2,149	15.4%	2,128	15.3%	-21	-1.0%
45 to 54	2,339	16.7%	2,230	16.0%	-109	-4.7%
55 to 64	2,787	19.9%	2,501	18.0%	-286	-10.3%
65 to 74	2,304	16.5%	2,515	18.1%	211	+9.2%
75 & Over	1,898	13.6%	2,151	15.4%	253	+13.3%
Total	13,998	100.0%	13,924	100.0%	-74	-

Source: ESRI, Incorporated

From 2010 to 2020, there was a four-percentage point tenure shift with an estimated increase of 587 renter households and decline of 482 homeowners. By 2025, household tenure shares are projected to remain relatively the same as 2020. The share of renters in the City of Fremont is 39.5%, 4.7 points higher than the overall PMA (34.8%). Households by tenure are distributed as follows:

Tenure	2010 Census		2020 (Estimated)		2025 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	9,616	69.2%	9,134	65.2%	9,095	65.3%
Renter-Occupied	4,278	30.8%	4,865	34.8%	4,828	34.7%
Total	13,894	100.0%	13,999	100.0%	13,923	100.0%

Source: ESRI, Incorporated

3. Household Income Trends

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

Household Income	2020 (Estimated)		2025 (Projected)	
	Households	Percent	Households	Percent
Less Than \$15,000	1,715	12.3%	1,569	11.3%
\$15,000 to \$24,999	1,641	11.7%	1,520	10.9%
\$25,000 to \$34,999	1,526	10.9%	1,417	10.2%
\$35,000 to \$49,999	2,044	14.6%	1,971	14.2%
\$50,000 to \$74,999	2,947	21.1%	2,911	20.9%
\$75,000 to \$99,999	1,861	13.3%	1,964	14.1%
\$100,000 to \$149,999	1,636	11.7%	1,870	13.4%
\$150,000 to \$199,999	401	2.9%	462	3.3%
\$200,000 & Over	227	1.6%	239	1.7%
Total	13,998	100.0%	13,923	100.0%
Median Income	\$50,392		\$52,828	

Source: Esri, Incorporated

From 2020 to 2025, ESRI, Incorporated projects a slight income shift with 3.1% less households earning less than \$75,000 a year. During this same period, households earning \$75,000 or more are projected to increase by 410. In 2020, the median household income was \$50,392. By 2025, the median household income is projected to increase 4.8% to \$52,828. The 2020 median household income in Fremont is \$42,147 which is 83.6% of the PMA.

The following table shows the estimated number of owner households within the PMA by size and income for 2020.

Owner Households	1-PHH	2-PHH	3-PHH	4-PHH	5+PHH	Total, All Ages	Age 65+
Less than \$15,000	372	86	9	10	4	481	279
\$15,000 - \$24,999	528	186	28	37	13	792	513
\$25,000 - \$34,999	420	379	40	50	35	924	586
\$35,000 - \$49,999	434	583	103	110	71	1,301	661
\$50,000 - \$74,999	417	856	309	280	197	2,059	611
\$75,000 - \$99,999	94	703	292	244	141	1,474	333
\$100,000 - \$149,999	74	761	256	225	173	1,489	237
\$150,000 or more	18	366	103	55	72	614	137
Total	2,357	3,920	1,140	1,011	706	9,134	3,356
Share	25.8%	42.9%	12.5%	11.1%	7.7%	100.0%	100.0%

Note: The data is derived from HUD's Economic and Market Analysis Division, ACS county data and has been adjusted accordingly by DDA to reflect 2020 household estimates for the PMA.

The one- and two-persons owner households represent slightly more than two-thirds of the households in the PMA. This share by household size is 2.1 percentage points higher than Sandusky County. There are four times more estimated 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 2020.

Renter Households	1-PHH	2-PHH	3-PHH	4-PHH	5+PHH	Total, All Ages	Age 65+
Less than \$15,000	886	180	84	42	42	1,234	248
\$15,000 - \$24,999	488	151	95	63	52	849	294
\$25,000 - \$34,999	222	176	78	49	77	602	101
\$35,000 - \$49,999	176	208	155	83	121	743	98
\$50,000 - \$74,999	101	184	278	126	199	888	60
\$75,000 - \$99,999	13	84	148	62	80	387	19
\$100,000 - \$149,999	4	35	49	22	37	147	18
\$150,000 or more	1	4	5	1	4	15	7
Total	1,891	1,022	892	448	612	4,865	845
Share	38.9%	21.0%	18.3%	9.2%	12.6%	100.0%	100.0%

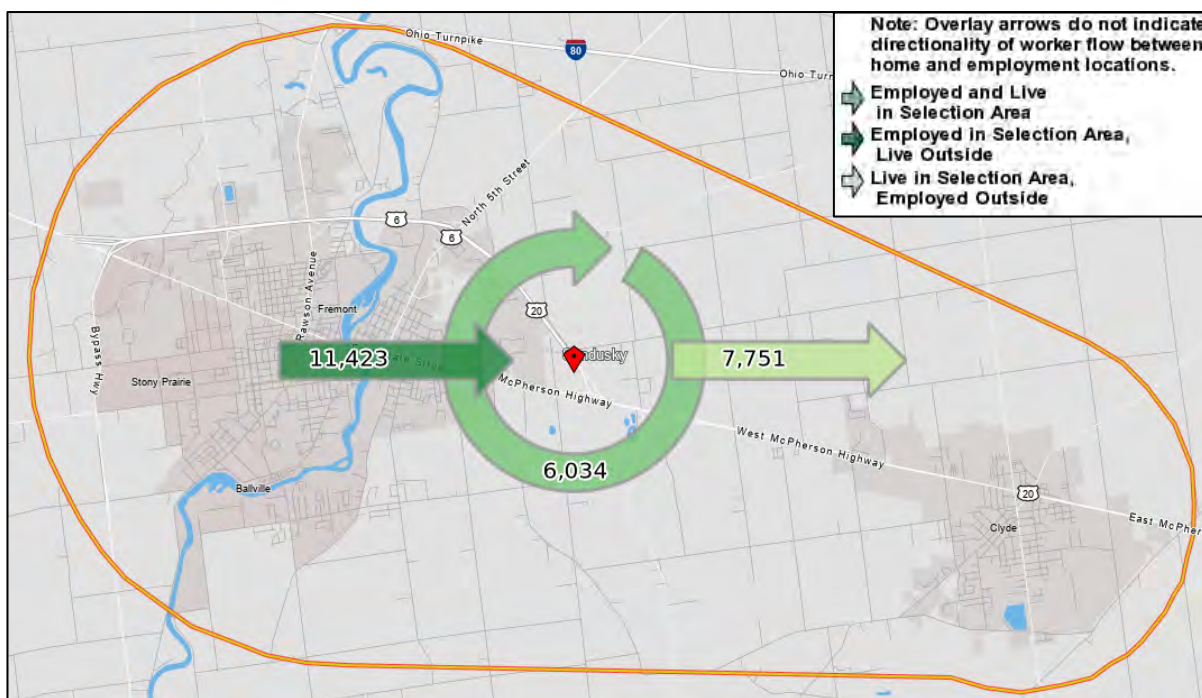
Note: The data is derived from HUD's Economic and Market Analysis Division, ACS county data and has been adjusted accordingly by DDA to reflect 2020 household estimates for the PMA.

There are high shares of large family renter households in the PMA representing more than one-fifth (21.8%) of all renters. According to 2013-2018 five-year ACS data, 15.6% of the renters in Sandusky County are in households of five or more persons.

B. Employment

1. Employee Commuting Trends

A comparison of Census' 2002 and 2018 Longitudinal Employer-Household Dynamics private employment data shows that 5% fewer residents worked within the PMA in 2018 than in 2002. In 2018 there were nearly 20,000 employees commuting in and out of the PMA. The 11,423 employees who live outside the area and commute into the PMA for work represent a potential source of support for the subject property. Another 7,751 people live inside the PMA and commute to work outside the PMA.



1. Labor Force Profile

The workforce in the Fremont PMA has a smaller share of workers under the age of 30 than all of Ohio's northwest region (22.4% to 25.8%) and a slightly higher share of workers ages 30 to 54 (52.2% locally compared to 50.1% regionally). Local workers receive higher pay than regional workers. A summary of employee profiles in the PMA by income and age is in the table below (regional data in italics).

Fremont Primary Market Area – Employee Profile (worked in PMA in 2018)

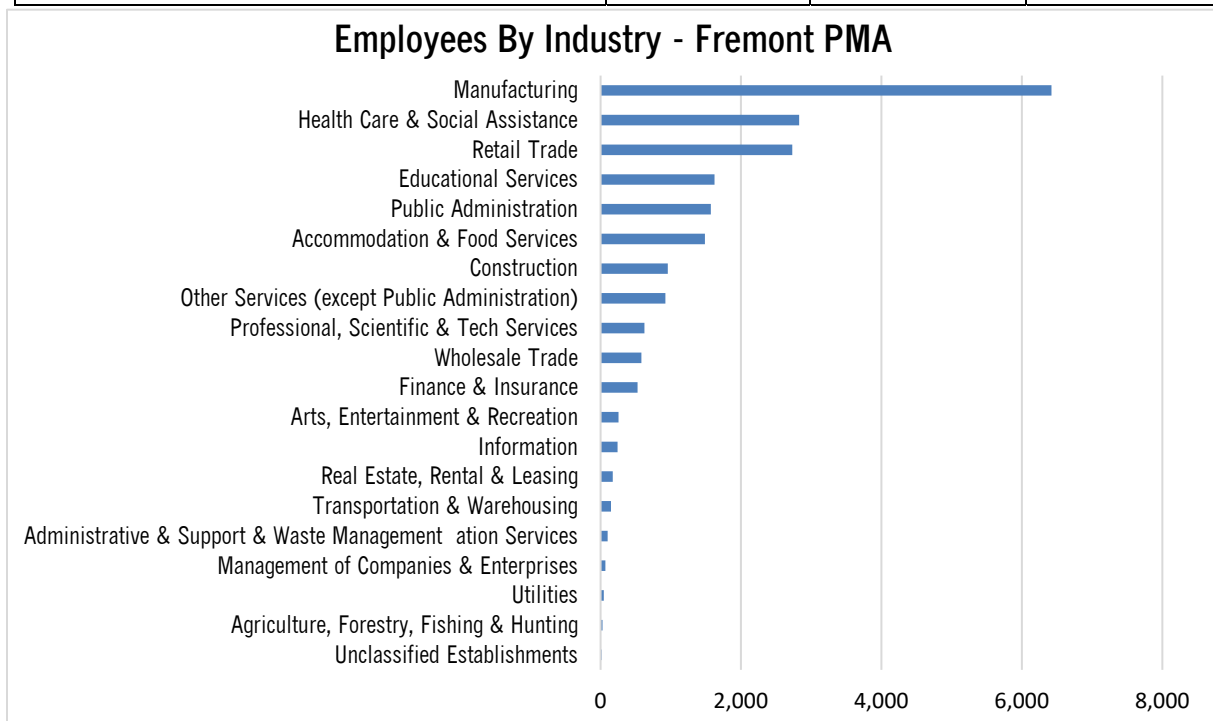
Employee Income (2018)	Workers By Age and Income				Share of Workers	
	<30	30 - 54	55+	Total	Fremont PMA	<i>Northwest OH</i>
Less than \$15,000	1,356	993	744	3,093	17.7%	<i>21.5%</i>
\$15,000 - \$39,999	1,850	3,533	1,538	6,921	39.6%	<i>36.4%</i>
\$40,000 and Higher	705	4,593	2,145	7,443	42.6%	<i>42.1%</i>
Total	3,911	9,119	4,427	17,457	100.0%	<i>100.0%</i>
Fremont PMA Share	22.4%	52.2%	25.4%	100.0%		
<i>Northwest OH Share</i>	<i>25.8%</i>	<i>50.1%</i>	<i>24.1%</i>	<i>100.0%</i>		

Source: 2018 Longitudinal Census data

PMA - Workplace Profile (worked in PMA in 2020)

The Manufacturing, Health Care and Retail Trade industries are the top employment sectors in the PMA, with 30.0% and 56% of the labor force. Educational Services (7.6%), Public Administration (7.4%) and Accommodation & Food Services (7.0%) represent the next largest industries. Employment in the PMA, as of 2020, was distributed as follows (Source: ESRI):

NAICS Group	Establishments	Employees	Percent
Manufacturing	66	6,421	30.0%
Health Care & Social Assistance	145	2,829	13.2%
Retail Trade	214	2,731	12.8%
Educational Services	37	1,625	7.6%
Public Administration	116	1,571	7.4%
Accommodation & Food Services	98	1,487	7.0%
Construction	94	958	4.5%
Other Services (except Public Administration)	182	924	4.3%
Professional, Scientific & Tech Services	70	626	2.9%
Wholesale Trade	34	584	2.7%
Finance & Insurance	91	528	2.5%
Arts, Entertainment & Recreation	24	257	1.2%
Information	21	243	1.1%
Real Estate, Rental & Leasing	60	175	0.8%
Transportation & Warehousing	16	150	0.7%
Administrative & Support & Waste Management Services	27	103	0.5%
Management of Companies & Enterprises	1	70	0.3%
Utilities	4	48	0.2%
Agriculture, Forestry, Fishing & Hunting	9	29	0.1%
Unclassified Establishments	56	15	0.1%
Mining	0	0	0.0%



2. Major Employers

There are 16 employers in Sandusky County employing more than 200 persons. Ten of the 16 major employers are within the manufacturing industry, led by Whirlpool. A list of employers of 200 or more employees is summarized as follows:

Business Name	Total Employees	Major Industry
Whirlpool	3,200	Manufacturing
Revere Plastics	623	Manufacturing
Sandusky County	594	Government/Public Administration
Crown Battery	579	Manufacturing
Fremont City Schools	486	Education
ABC INOAC	485	Manufacturing
Bellevue Hospital	450	Healthcare
Sunrise Cooperative	430*	Agriculture/Utilities
GLCAP	406*	Social Services
Promedica Memorial Hospital	390	Healthcare
Tower Automotive	379	Manufacturing
Style Crest	314	Manufacturing
Kraft Heinz	311	Manufacturing
Amcor	273	Manufacturing
Auria Solutions	261	Manufacturing
EPC	200	Manufacturing

Source: Sandusky County Economic Development Corporation

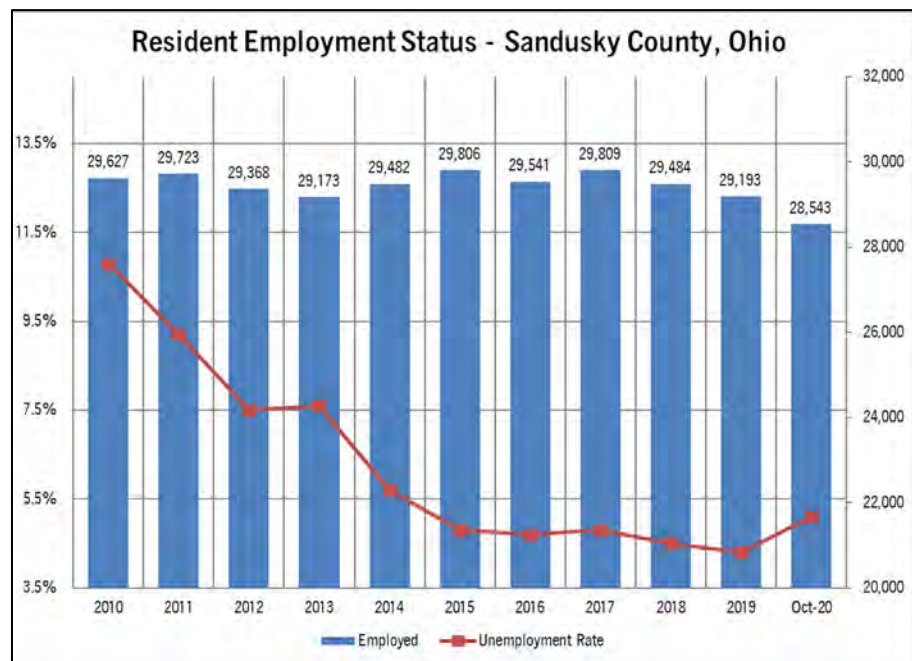
*Employee totals include multiple locations and in some circumstances include employment outside Sandusky County

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 Sandusky County, Ohio.

Unemployment rates were at an historic low in 2019.

The closures and economic upheaval brought by COVID 19 produced an historic high unemployment rate of 19.8% in April 2020. The unemployment rate lowered to 5.1% by October 2020, a quicker recovery than state of Ohio (5.7% unemployment in October 2020).

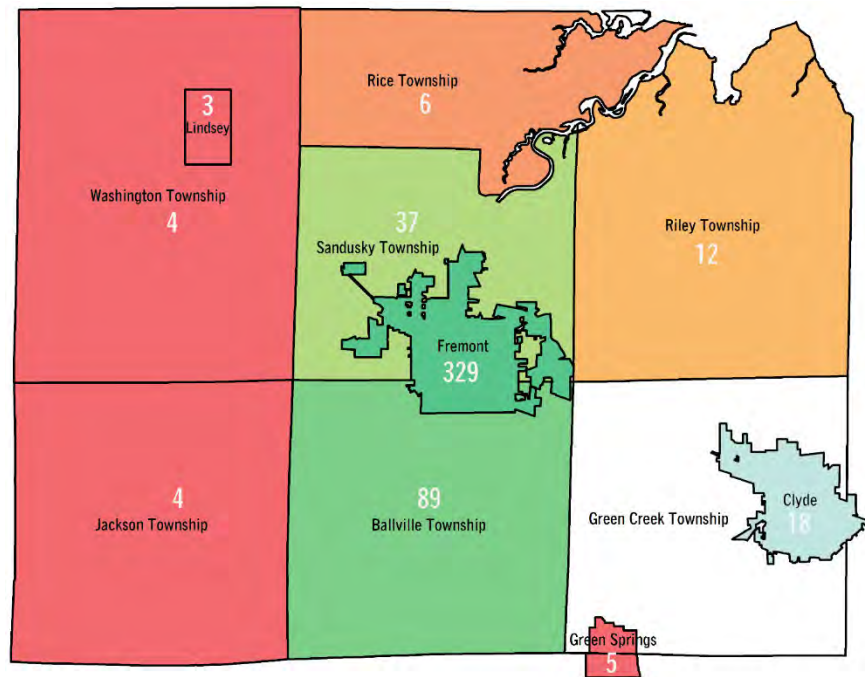


V. Online Housing Survey

In December 2020/January 2021, DDA's online housing survey was responded to by 583 persons. Three-fourths (76.6%) of the respondents indicated that they or a family member worked in Fremont and 134 did not work in Fremont. Eight of ten of the total respondents are residents from the cities of Fremont and Clyde, and Ballville and Sandusky Townships.

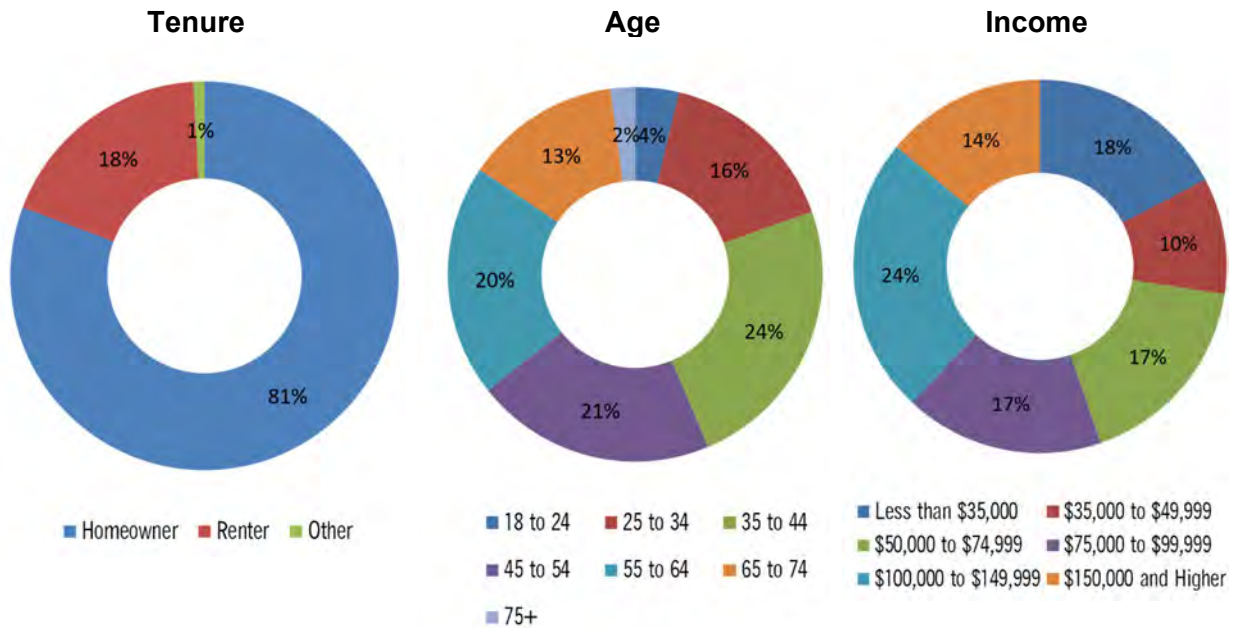
A summary of the respondent's profiles and answers to housing-related questions follows.

Number of Online Survey Respondents by Area



1. Respondent Profile

Place of Residence	Work in Fremont	Work Outside Fremont	Total
Zip Code Area 43420			
City of Fremont	249	80	329
Ballville Township	74	15	89
Sandusky Township	28	9	37
Riley Township	8	4	12
Rice Township	4	2	6
Jackson Township	4	0	4
Washington Township	2	2	4
Not Identified	7	0	7
City of Clyde	13	5	18
Remaining areas			
Tiffin	6	3	9
Gibsonburg	8	0	8
Bellevue	4	2	6
Green Springs	4	1	5
Sandusky	2	3	5
Port Clinton	4	0	4
Lindsey	2	1	3
Oak Harbor	3	0	3
Perrysburg	3	0	3
Woodville	1	2	3
Other areas (less than three counts)	13	5	18
Total	439	134	573



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	16	2	6	2	2	4	6	10	0
25-34	67	5	20	12	20	10	47	19	1
35-44	102	4	12	24	30	32	82	19	1
45-54	88	3	32	27	15	11	73	14	1
55-64	85	12	52	16	3	2	73	12	0
65-74	57	13	37	3	2	1	53	4	0
75+	9	4	3	0	0	2	9	0	1
All	424	43	162	84	72	62	343	78	4

HHs With Children	201	-	16	59	66	60	158	38	4
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Note: Rows and columns may not total due to respondents skipping questions

Respondents' household incomes by age and tenure

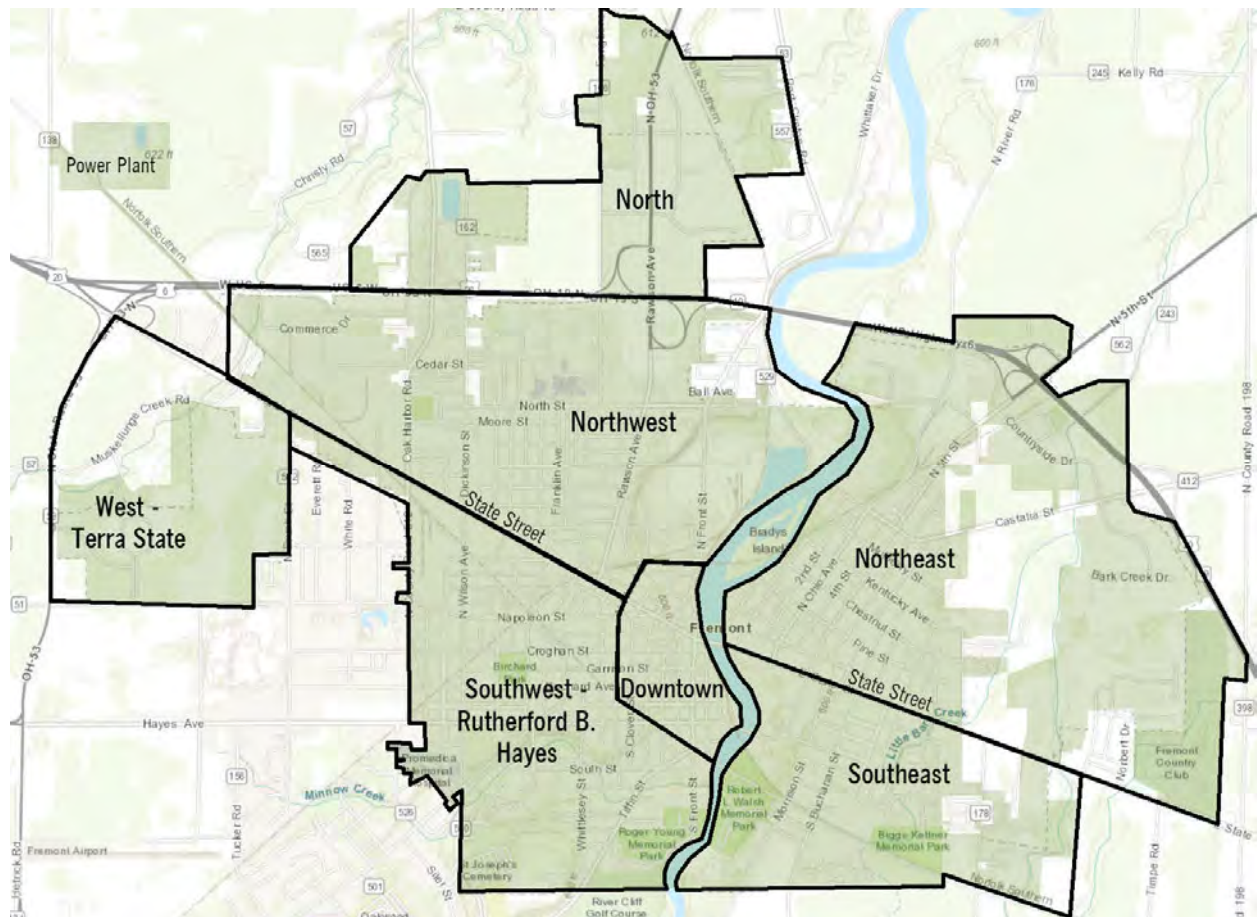
Income	Household Age By Income					Tenure By Income				
	18-24	25-34	35-44	45-54	55-64	65-74	75+	Own	Rent	Other
< \$35,000	7	13	14	8	15	13	2	36	35	1
\$35,000-\$49,999	2	5	12	9	5	7	2	25	16	1
\$50,000-\$74,999	4	17	11	13	14	12	1	56	16	0
\$75,000-\$99,999	3	12	16	13	17	10	1	67	5	0
\$100,000-\$149,999	0	16	26	27	23	7	0	93	6	1
>\$150,000	0	4	19	18	10	5	2	57	0	1
Total	16	67	98	88	84	54	8	334	78	4

2. Preferred Relocation Areas

Southwest Fremont, as delineated in the map below, was identified as the most preferred area in which to relocate new housing for renters and homeowners. Fremont residents showed interest in across multiple areas of Fremont, while out-of-town respondents showed limited interest beyond the West and North areas of the city.

Area of Choice	Response By Area of Current Residence				Response By Tenure			
	Fremont	Share	Outside Fremont	Share	Renter	Share	Owner	Share
Southwest	155	47.1%	72	29.5%	37	47.4%	143	41.7%
West	83	25.2%	47	19.3%	32	41.0%	71	20.7%
North	82	24.9%	36	14.8%	27	34.6%	72	21.0%
Northwest	78	23.7%	26	10.7%	24	30.8%	61	17.8%
Northeast	72	21.9%	28	11.5%	24	30.8%	56	16.3%
Southeast	62	18.8%	23	9.4%	21	26.9%	52	15.2%
Downtown	48	14.6%	14	5.7%	16	20.5%	32	9.3%

Renters and homeowners had a similar preferences in locations throughout the city. The 20.5% interest in the downtown is relatively low, often indicative of a downtown that is still in the process of improving the commercial and entertainment environment. The majority of respondents desiring retirement housing identified the Southwest (24) and West (15) as the top two preferred areas to reside. Below is a reference map of areas of Fremont.



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, both owners and renters, indicated parkland was the most important amenity proximate a residence. Proximity to retail, workplace and downtown were the second through fourth most important amenities to renters. Primary and secondary schools were viewed as moderately important proximity amenities to owners and to a lesser degree, renters. Proximity to workplace was not considered important to homeowners.

Level of Importance	Downtown		Park		Retail		Workplace		School	
	Own	Rent	Own	Rent	Own	Rent	Own	Rent	Own	Rent
Very	40	5	80	12	49	15	55	18	50	14
Important	61	19	95	17	64	17	53	11	66	11
Somewhat	98	18	86	21	99	16	83	14	81	16
Subtotal	199	42	261	50	212	48	191	43	197	41
Share	62.6%	70.0%	81.6%	84.7%	66.0%	81.4%	59.9%	71.7%	61.8%	69.5%
Not At All	97	13	44	5	98	8	103	13	93	12
No Opinion	22	5	15	4	11	3	25	4	29	6
Subtotal	119	18	59	9	109	11	128	17	122	18
Share	37.4%	30.0%	18.4%	15.3%	34.0%	18.6%	40.1%	28.3%	38.2%	30.5%

3. Rental Housing Price and Product Preferences

Eight of ten respondents indicated that they would not be willing to pay more than \$750 per month in rent if housing met their preferences. These rates typically cannot support the cost of new construction. Notably, the responses reflect just 1.2% of the overall renter base in the PMA and is not all-encompassing of residents actual willingness to pay.

Monthly Collected Rent Willing to Pay By Bedroom/Bath Type									
Bed/Bath	<\$650	\$650-\$699	\$700-\$749	\$750-\$799	\$800-\$849	\$850-\$899	\$900-\$999	\$1,000+	Total
1/1	2		1						3
1/1.5+	2								2
2/1	4		1						5
2/1.5	4	3	2				1		10
2/2	1		1	1				1	4
3/1	1	1	1		1				4
3/1.5	4	2	4	2					12
3/2	2	5	1	1	1				10
3/2.5+				1					1
4/1.5	1				1				2
4/2		3	1			1			5
4/2.5+	1					1			2
Total	22	14	12	5	3	2	1	1	60
%	36.7%	23.3%	20.0%	8.3%	5.0%	3.3%	1.7%	1.7%	100.0%

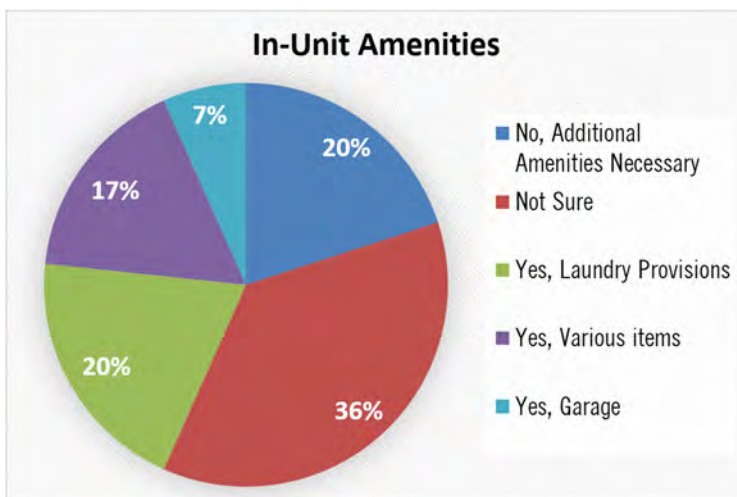
Other renter amenities

“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).

Aside from 7% of the respondents wanting a garage, the remaining 17% of those who indicated they wanted more amenities, often listed standard fixtures, such as a furnace, heat and working plumbing.



For-Sale Housing Price and Product Preferences

Residents indicated a preference among all price points for for-sale housing. The highest share of sale prices was between \$140,000 to \$160,000 (16.5%), followed by \$120,000 to \$140,000 (13.6%) and \$200,000 to \$250,000 (13.3%). Three-bedroom/two-bath homes are the most preferred housing product.

Bed/ Bath	Sale Price Willing to Pay By Bedroom/Bath Type								Total
	Less than \$100,000	\$100,000- \$119,999	\$120,000- \$139,999	\$140,000- \$159,999	\$160,000- \$179,999	\$180,000- \$199,999	\$200,000- \$249,999	\$250,000 and Higher	
1/1	1				1				2
1/1.5	1	1							2
2/1	1	2							3
2/1.5	3	5	3	5	3	1		2	22
2/2	3	3	3	1	1	3	3		17
2/2.5+				2		2		1	5
3/1		1							1
3/1.5	9	5	10	3	3	5		1	36
3/2	12	17	16	30	15	15	12	6	123
3/2.5+	2		1	3	2	1	7	9	25
4/1.5	1		1		1		2		5
4/2	4	4	9	5	2	4	12	2	42
4/2.5+	1			3	4	6	6	13	33
Total	38	38	43	52	32	37	42	34	316
%	12.0%	12.0%	13.6%	16.5%	10.1%	11.7%	13.3%	10.8%	100.0%

Maintenance-Free Living

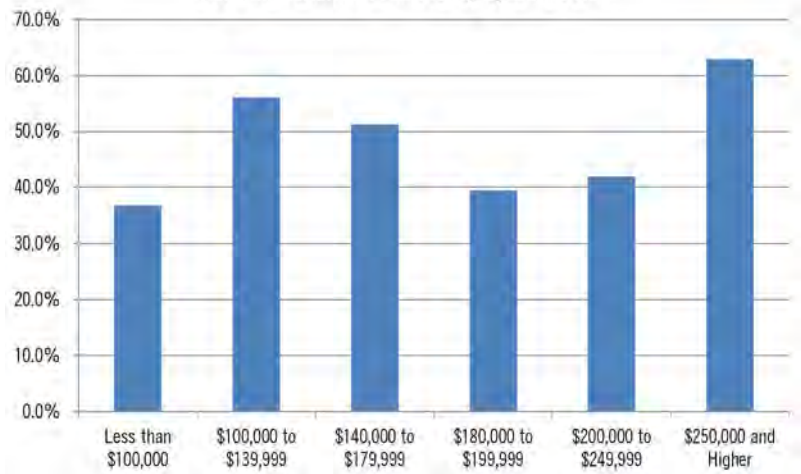
“Would you ever consider paying an additional monthly fee for maintenance-free living that included services such as mowing, landscaping, shoveling and exterior building maintenance?”

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

Attached ranch villa or duplex was the most preferred type of maintenance-free housing, followed closely by detached homes.

When asked, “How much extra would you pay each month for maintenance-free service?”, 40% indicated they would pay \$100 or more each month for the service.

Share Who Would Consider Paying Additional Monthly Fee For Maintenance-Free Living By Sale Price



In well-developed markets, DDA has seen maintenance-free housing constitute as much as 25% of the for-sale housing stock.

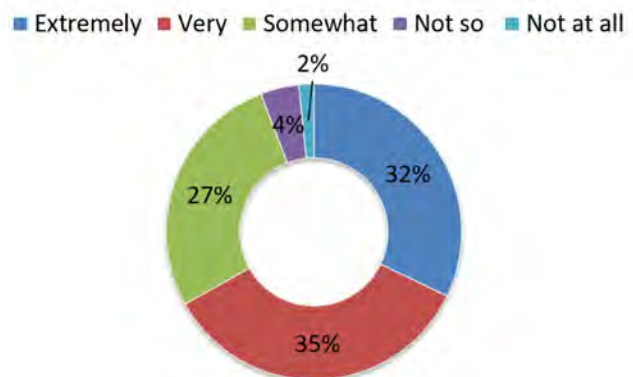
4. Downtown Environment

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 Fremont (e.g. coffee shop, restaurants/diners, boutique shops, pubs, etc.)?”

Two-thirds of respondents indicated that they were very or extremely familiar with the business offerings in the downtown area. DDA considers this a fair familiarity rate reflective of a moderately attractive downtown. Surprisingly, 38% of those who indicated they were “somewhat familiar” with businesses in Downtown Fremont are city residents.

Familiarity With Downtown Business Offerings



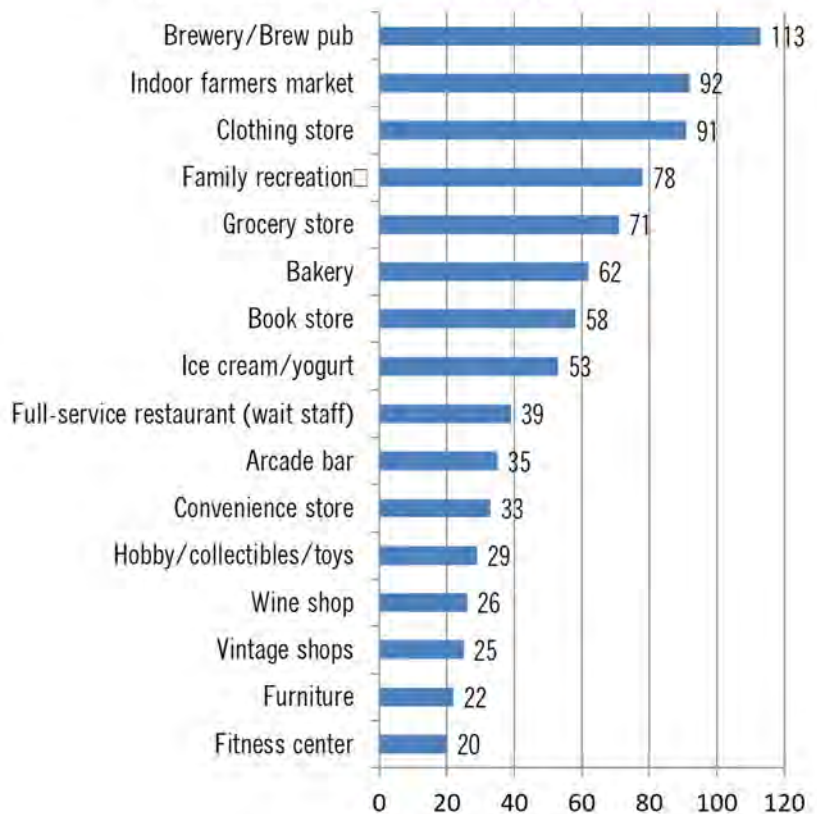
Business Types Wanted in Downtown

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

The top three choices were a brewery/brew pub, indoor farmer's market and clothing store.

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.

Top Responses – Business Types Wanted



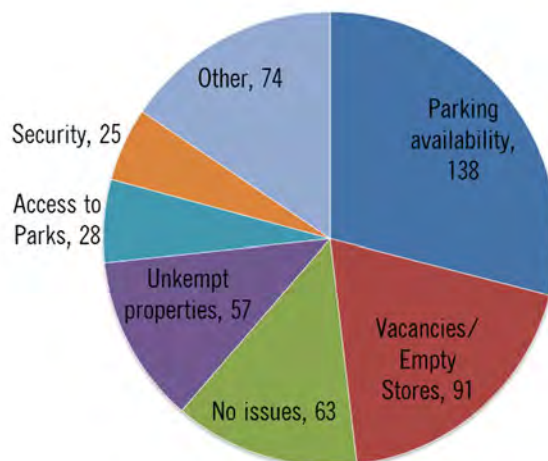
Other Issues

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

The top issues chosen were:

1. Parking availability – 29%
2. Vacancies/empty stores – 19%
3. No issues – 13%
4. Unkempt properties – 12%
5. Access to Parks – 6%
6. Security – 5%

In DDA's experience, parking availability in downtown areas is noted as the top issue in most markets. Also, it is common that there is ample parking, however, without wayfinding signage, the perception of lack of parking exists.



Issues representing less than 5% of responses are in the "Other" category

5. Likelihood of Relocating

Half the respondents indicated that they were somewhat likely, likely and very likely to consider moving into new modern housing in the City of Fremont if it were available and met their housing preferences. This is a relatively low share of acceptance of relocation in the city. However, 94 of the respondents who indicated some level of uncertainty or unlikelihood to move into Fremont are current residents of the City of Fremont. These responses often indicate that the resident is already in their preferred housing and likely do not wish to relocate.

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 Likeliness	Homeowners		Renters		Retirement/Other		Total	
	#	%	#	#	#	%	#	%
Very Likely	28	9.0%	32	53.3%	10	13.3%	70	15.7%
Likely	45	14.5%	11	18.3%	8	10.7%	64	14.3%
Somewhat Likely	67	21.5%	10	16.7%	17	22.7%	94	21.1%
<i>Subtotal</i>	<i>140</i>	<i>45.0%</i>	<i>53</i>	<i>88.3%</i>	<i>35</i>	<i>46.7%</i>	<i>228</i>	<i>51.1%</i>
Neither Likely or Unlikely	53	17.0%	3	5.0%	15	20.0%	71	15.9%
Somewhat Unlikely	22	7.1%	2	3.3%	4	5.3%	28	6.3%
Unlikely	38	12.2%	1	1.7%	9	12.0%	48	10.8%
Very Unlikely	58	18.6%	1	1.7%	12	16.0%	71	15.9%

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 Fremont were asked, **“How likely would you be to reconsider moving into Fremont 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, one third of the homeowners in the survey, who were not likely to relocate to new housing in Fremont 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 Fremont if the businesses/amenities you wanted were added?”

One of every four respondents, 110 in total, would reconsider downtown as a preferred place to live if the businesses/amenities they wanted were added 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 justifiable 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 Fremont, 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 99.4% 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, DDA has calculated demand based on three factors:

- 4.6% vacancy factor to bring market to 95.0% occupancy
- 20% to 30% of market support to originate from persons currently living outside the area. As much as 40% external support is anticipated for upscale downtown living.

A total of 172 to 211 market-supported rental housing units are projected for the City of Fremont. The results of the online survey showed nearly 9 of 10 renters likely would consider relocating to new modern housing in the area.

Household Income	Market-Supported Rental Units – Fremont Primary Market Area		
	Vacancy Factor (4.6%)	Fremont Market Share (61.6%)	Total Including External Factors
Less than \$25,000	96	59	74 – 84
\$25,000 - \$34,999	28	17	21 – 24
\$35,000 - \$49,999	34	21	26 – 35
\$50,000 - \$74,999	41	25	31 – 42
\$75,000 - \$99,999	18	11	14 – 18
\$100,000 or more	8	5	6 – 8
Total	225	138	172 – 211

Renter household growth alone supports the projected additional housing demand. Since 2010, an estimated 173 renter households have been added to the City of Fremont and an additional 414 renters in immediate surrounding areas. During this same period, 66 housing units were constructed, yielding a rental housing deficit of more than 500 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 toward gross rent. In Fremont, however, the reality is higher incomes typically have lower income-to-gross rent ratios. In fact, 62% 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 \$530	Less than \$510
\$25,000 - \$34,999	30%	\$625 - \$874	\$550 - \$799	\$531 - \$779	\$511 - \$758
\$35,000 - \$49,999	25% - 30%	\$875 - \$1,041	\$800 - \$966	\$780 - \$946	\$759 - \$925
\$50,000 - \$74,999	20% - 25%	\$1,042 - \$1,249	\$967 - \$1,174	\$947 - \$1,154	\$926 - \$1,133
\$75,000 - \$99,999	20%	\$1,250 - \$1,666	\$1,175 - \$1,591	\$1,155 - \$1,571	\$1,134 - \$1,550
\$100,000 - \$149,999	20%	\$1,667 - \$2,499	\$1,592 - \$2,424	\$1,572 - \$2,404	\$1,551 - \$2,383
\$150,000 or more	20%	\$2,500+	\$2,425+	\$2,405+	\$2,384+

The highlighted cells in the table above indicate the prevailing rental rates in the marketplace among all rental types. The modern 17 rental units in the downtown extend the markets' achievable market rent one additional level. 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 Fremont. 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	Distribution of Preferred Home Sale Price by Household Income					
	\$100,000 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 and Higher
\$25,000 to \$35,000*	251	167	84	84	0	0
\$35,000 to \$49,999	685	342	205	68	0	0
\$50,000 to \$74,999	1,079	392	294	147	98	49
\$75,000 to \$99,999	376	462	231	231	145	29
\$100,000 and Higher	289	241	273	289	546	466
Total	2,679	1,605	1,087	819	788	543

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

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 3% to 3.5% there needs to be 226 to 263 homes to provide market balance. In 2020, a total of 173 homes were sold, yielding an annual deficit of approximately 53 to 91 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, 60% of the housing deficit is among homes priced between \$140,000 and \$200,000.

Home Sale Price	Homes Sold (2020)	Target Households	Current Capture Rate	Market Potential Based on 3% - 3.5% Turnover	Annual Deficit
\$100,000 to \$139,999	76	2,679	2.8%	80 – 94	4 – 18
\$140,000 to \$159,999	29	1,605	1.8%	48 – 56	19 – 27
\$160,000 to \$179,999	21	1,087	1.9%	33 – 38	12 – 17
\$180,000 to \$199,999	11	819	1.3%	25 – 29	14 – 18
\$200,000 to \$249,000	22	788	2.8%	24 – 28	2 – 6
\$250,000 and Higher	14	543	2.6%	16 – 19	2 – 5
Total	173	7,521	2.3%	226 – 263	53 – 91

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

1. Price of New Construction

Homes priced below \$140,000 have the largest target households in the marketplace. However, the rising cost of new construction generally exceeds these levels. Therefore, the development of these units would likely require a subsidy.

2. City of Fremont Market Capture

Based on the results of the online survey, approximately 45% to 50% of residents in the area would consider buying a home in Fremont. When applying that ratio to the large PMA demand numbers yields annual overall support for 24 to 46 units a year. The support for homes priced from \$160,000 and higher is 14 to 20 units. The ability to expand market demand for additional annual housing will be reliant on development of new housing in popular residential areas of the city including Southwest – Rutherford B. Hayes, West - Terra State Community College, and other areas of the city within walking distance of parkland. The introduction of new housing in these areas is anticipated to attract an additional 20% external support yielding annual demand upward of 20 to 28 homes.

3. Homeowner being able to sell their current home to another household

In DDA's opinion, sufficient support exists to support these new homes. More than 11,000 workers are commuting into the Fremont area for work and attracting just 1% of those workers to relocate to Fremont would sustain home sales.

4. Variety in product

Half the survey respondents indicated a preference for maintenance-free living. There are no condominiums listed on www.realtors.com for sale in the Fremont area.

5. Variety in price point

The projections assume the delivery of housing among all price points. The greatest for-sale housing demand is among homes priced between \$140,000 to \$200,000.

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.

The COVID 19 pandemic is unprecedented in modern-day history of the United States, exceeding health concerns and impacting local economies. Legislative mandates for temporary closures of many businesses, to curtail the spread of the virus and protect lives, comes at an economic cost. The most economically impacted industries include hotels, restaurants, retail trade, recreation and entertainment. In one way or another, many other businesses across the employment sectors are negatively impacted by COVID 19.

The length of business closures and temporary layoffs and the response in consumer confidence and spending will ultimately dictate the level of impact that COVID 19 will have on the overall economy and real estate industry. While low-interest rate financing remains available for builders and developers, it is DDA's opinion that the uncertainty of the economic toll of COVID 19 will likely create some pause and/or delays in real estate market activity.

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 City of Fremont.

This study represents a compilation of data gathered from various sources, including the properties surveyed, local records interviews with local officials, real estate professionals and major employers and also 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.