BARRIERS to APARTMENT CONSTRUCTION

COLUMBUS

BARRIERS RANKING ² NEW MF. DEMAND ² HIGH RENT BURDEN ³ STAR SHARE ⁵

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>41</td>
<td>27.0k</td>
<td>39%</td>
<td>39%</td>
</tr>
</tbody>
</table>

MEDIAN RENTAL HOUSEHOLD INCOME

$39,080

INCOME REQUIRED FOR AVERAGE RENT ⁵

$37,480

MOST RESTRICTIVE APARTMENT CATEGORIES:

- AFFORDABLE HOUSING REQUIREMENTS
- ENVIRONMENTAL RESTRICTIONS

Columbus metro surveyed more restrictive than other Midwestern markets with an overall index of 1.13. Respondents cite the greatest restrictions of affordable housing requirements relative to density bonuses and environmental restrictions driven by general mitigation and open space requirements. Other specifics include community opposition and public meetings, general land supply, traffic constraints and heavy use of tax subsidies within project entitlements. Construction costs, growth restrictions and political complexity are below metro index, though respondents noted the heavy influence by local councils. Median rental incomes that rank lower than other markets are some 4.0% above the requirements for average market rents of $940.

MOST RESTRICTIVE APARTMENT CATEGORIES:

- AFFORDABLE HOUSING REQUIREMENTS
- ENVIRONMENTAL RESTRICTIONS

Barriers to Apartment Construction Subindices

Overall Index 1.13

RATED 0-3 by metro public and private real estate professionals as the most significant issues affecting new apartment development. Colors are by quartiles: green 1st, gold 2nd, orange 3rd and red 4th.

DEFINITIONS and NOTES:

1. 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.

2. 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).

3. 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%.

4. 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%.

5. INCOME REQUIRED FOR AVERAGE RENT assumes a more conservative 30% of rental household income needed for the average metro contract rent.