The Montrose Group, LLC

TRANSFORMING YOUR WORLD

PREBLE COUNTY, OHIO

RESIDENTIAL HOUSING MARKET ANALYSIS

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THE MONTROSE GROUP, LLC

DECEMBER 12, 2023

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ABOUT THE MONTROSE GROUP, LLC

The Montrose Group, LLC provides economic development planning, lobbying, marketing and public finance and incentive consulting services. The firm brings together some of the leading practitioners in economic development planning and strategy engaged in economic development planning at the state, local, and regional levels, and corporate site location. Together the team utilizes a Learn, Listen and Do approach to economic development planning that starts with fundamental economic development research to understand who a community or site is then listens to what the community wants the region or site to be and then develops a detailed action plan tied to local and outside funding sources centered on the business retention and attraction of high wage jobs and capital investment.

Nothing in this report should be considered legal advice as the Montrose Group LLC is not a law firm and does not provide legal advice. Competent legal counsel should be sought prior to relying on any strategy outlined in this report.

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PREBLE COUNTY, OHIO

Residential Housing Market Analysis Introduction

This study estimates the need for future residential units in Preble County, Ohio. The purpose of the study is to establish a unified vision for future housing developments in Preble County and establish a roadmap to complete this vision. The study focuses on the residential, economic, and demographic status of Preble County, and uses these findings to provide the highest and best use for the available land within the County.

The Preble County Development Partnership leadership partnered with The Montrose Group, LLC in April of 2023 to conduct a housing market analysis for the entirety of Preble County. Preble County is approximately 426 square miles, of which 424 square miles are land and the remaining two are water. The city of Eaton serves as the county seat for Preble County. The County would like to encourage new residential developments throughout the county by attracting new private sector investment to the area. The Montrose Group serves as an economic development advisor to support Preble County in promoting and attracting residential developers from across the Midwest.

Preble County, Ohio

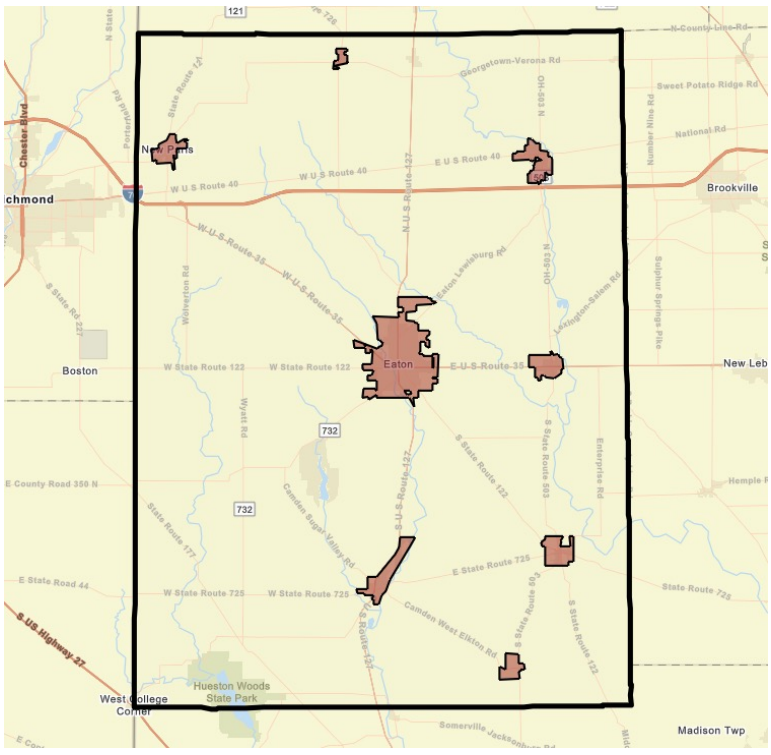
The Preble County housing analysis was developed through an extensive process involving data analysis, stakeholder engagement, and developer interviews. Development of the housing analysis took place during three phases provided by The Montrose Group, LLC known as the learn, listen, and do phases. Throughout these phases tactics such as detailed data analysis, community surveys, and stakeholder engagement sessions were used to provide the analysis in the study. The engagement between The Montrose Group, LLC and the Preble County Development Corporation leadership formed at the inception of the planning process was used to establish the goals and vision provided in the study.

Learn	Listen	Do
• Through research from primary economic and demographic data sources Montrose built out a profile of Preble County. • Phases 1-2 Learn Elements - Macroeconomic Analysis - Demographic Analysis - Development Site(s) Analysis	• Montrose listened to community, political and business leaders to understand what housing inventory and price points are most desirable to potential buyers. • Phase 3 Listen Elements - One-on-one key stakeholder briefing - Public Survey	• Utilizing the learn and listen phases, Montrose delivered a final Housing Market Analysis that recommends how Preble County should implement a residential housing development strategy. • Phase 4 Do Elements - Recommend Housing Inventory Needs. - Recommend Housing Inventory Types. - Recommend Housing Inventory Price Points.

EXECUTIVE SUMMARY

Housing is an essential sector of the economy and makes up the largest component of an individual's wealth at almost a third of the total assets. Quality housing must not only be reflected in the structural aspects of a home, but also in average prices. For individuals, the lower the price, the better. For communities, the higher the price the better as property values translate into tax base. However, adequate housing can also facilitate labor mobility within an economy and as communities grow, corresponding growth of residential housing options must also keep pace. When looking at quality of life strengths of a community, housing affordability and availability is key to ensuring that mobile talent considers your community as a viable place to live.

Preble County Municipalities, Ohio



Source: ESRI Demographics

Demographic Analysis

Preble County is situated in the southwest region of Ohio, along the Ohio-Indiana border. Preble County is renowned for its rural landscapes, idyllic small towns, and rich agricultural heritage, making it a coveted location for Ohio residents. Within this county, the city of Eaton stands as the county seat alongside nine local villages. Preble County is served by five local school districts, ensuring educational opportunities for its residents. One of the county's significant advantages is its strategic position, thanks to Interstate 70, a major east-west thoroughfare that traverses its expanse. This highway plays a pivotal role in fostering economic growth and business development within the region. In terms of economic indicators, the county maintains a moderate household income, a similarly moderate rate of persons living in poverty, and a notably high rate of owner-occupied housing.

Preble County Demographic Benchmark					
Area	2022 Population	Persons 65 years and over	Median Household Income	Persons In Poverty	Owner Occupied Housing Rate
Ohio	11,756,058	18.4%	$61,938	15.9%	66.6%
Preble	40,694	20.3%	$62,196	11.0%	78.0%
Warren	249,778	15.8%	$95,709	5.9%	78.6%
Butler	388,420	16.2%	$72,281	11.6%	69.6%
Montgomery	533,892	18.8%	$56,543	15.2%	62.0%
Darke	51,529	20.6%	$57,443	10.4%	71.9%
Wayne (IN)	66,273	19.6%	$49,952	15.9%	68.0%
Miami	110,247	19.5%	$66,284	8.2%	73.0%

Source: ESRI Demographics, U.S. Census Bureau

Economic Analysis

Preble County Workforce Analysis			
Industry	Employed	Percent	Location Quotient
Total	19,852	100.0%	
Agriculture/Forestry/Fishing	511	2.6%	2.36
Mining/Quarrying/Oil & Gas	7	0.0%	0.00
Construction	1,717	8.6%	1.23
Manufacturing	4,563	23.0%	2.30
Wholesale Trade	356	1.8%	0.95
Retail Trade	1,591	8.0%	0.77
Transportation/Warehousing	1,170	5.9%	1.07
Utilities	254	1.3%	1.62
Information	193	1.0%	0.53
Finance/Insurance	547	2.8%	0.56
Real Estate/Rental/Leasing	186	0.9%	0.50
Professional/Scientific/Tech	418	2.1%	0.24
Management of Companies	21	0.1%	1.00
Admin/Support/Waste Management	735	3.7%	0.84
Educational Services	1,548	7.8%	0.85
Health Care/Social Assistance	2,699	13.6%	1.00
Arts/Entertainment/Recreation	395	2.0%	0.91
Accommodation/Food Services	1,090	5.5%	0.82
Other Services (Excluding Public)	983	5.0%	1.06
Public Administration	868	4.4%	0.94

Source: ESRI Demographics

Preble County has a diverse mix of businesses and industries located within the county. Another major economic benefit is having the interstate 70 corridor running throughout the northern part of the county. This benefits Preble County by having one of the busiest transportation highways in the country that pass directly through the County. Preble County has a total civilian labor force of 19,852 spread out through numerous different industry sectors. The largest industry sector in terms of employment in Preble County is manufacturing with 4,563 employees or 23.0% of the total labor force. The second highest industry sector is health care/social assistance with 2,699 or 13.6%. The third largest industry sector in Preble County is construction, with 1,717 employees or 8.6% of the labor force. The fourth largest industry sector is educational services with 1,548 employees or 7.8% of the labor force. Overall, these four industries make up 53% of the total labor force in Preble County.

Housing Analysis

Preble County has a housing stock that is primarily single-family homes that are older in age. The owner-occupied housing rate in Preble County is 78%, which is higher than many of the surrounding counties. There are approximately 18,192 total housing units in Preble County, of which 90% or 16,366 are occupied. The median value of a home in Preble County is $141,600. Over the previous 13 years there has been limited residential development in Preble County. On average from 2010 to 2023 there have been 33 building permits per year, with a large majority of these being single family homes.

The median list price of a home has increased significantly, going from $115,181 in 2017 to $229,450 in 2023, which is an increase of 99.2%. Meanwhile, the median household incomes in Preble County have only increased by 28.6% over this same time frame. These factors have caused a significant affordability issue throughout Preble County.

Preble County Residential Sale Data				
Year	Median List Price	Average Active Listings Per Month	Median Days on Market	Median Listing Price Per Square Foot
2023	$229,450	41	55	133
2022	$209,900	50	43	133
2021	$164,600	39	40	106
2020	$150,925	58	54	96
2019	$143,521	115	66	90
2018	$125,819	103	65	87
2017	$115,181	122	78	74

Source: Realtor.com

Recommendations.

The Montrose Group provides a set of guidance and strategies aimed at igniting the growth of residential development in Preble County and its municipalities. These recommendations are founded by The Montrose Group's extensive policy expertise, comprehensive analysis of demographic and economic data, as well as insights gathered through interviews with developers and key stakeholders. It is crucial to emphasize that a significant portion of these recommendations necessitates active involvement from various sectors, including the public, nonprofit, and private sectors. This collaborative effort encompasses the county, the city of Eaton, local villages, the Greater Preble County Chamber of Commerce, economic development officials, local educational institutions, businesses, and financial establishments. The effective coordination and integration of these diverse stakeholders will play a pivotal role in successfully fortifying the housing market in Preble County.

Housing Study Conclusion.

Preble County faces challenges in attracting new housing due to its stagnating population, age of housing stock, and its rate of individuals that are over 65. Over the next decade Preble County should look to replace the 3,400 housing units that were built before 1949 representing roughly 19.2% of the total housing units of

Preble County. In order to retain and attract all incomes and ages, there should be a mix of single-family homes and multi-family homes built. According to the National Association of Realtors, the current trend of multi-family homes to single family homes built throughout the US is 50/50. Preble County should strive to have 1,700 single family homes and 1,700 multi-family units built over the next decade. To keep pace with incomes in the County, the price points for new homes should be between $250,000 and $350,000 while the monthly rents on multi-family units should be between $875 and $2,500 so that people living in Preble County do not spend more than 30% of their income on housing.

Preble County Housing Study Goal
• Preble County will attract new residential development above the levels experienced since 2010.
Preble County Housing Study Strategies
• Preble County should focus on attracting residential developers through the use of marketing and incentive packages.
• Preble County should focus on redeveloping the current housing stock to avoid further housing unit loss.
Preble County Housing Study Recomendations
• Recruit Residential Developers to Preble County
• Use Tax Increment Financing to Spur Development When Necessary
• Create Community Reinvestment Areas Throughout Preble County Municipalities
• Create a Marketing Campaign to Attract Residential Developers to Preble County
• Incentivize Residential Development

DEMOGRAPHIC ANALYSIS

A region's workforce is a critical measure of its economic success. The retirement of the Baby Boom generation and a lack of alignment between industry and both K-12 and higher education are creating widespread shortages in qualified workforce even in times of high unemployment. Regions that are successful with the retention of a high-quality workforce start with a strategy of targeting good jobs using initial upfront training and job-matching services and create support structures for workers such as childcare and transportation networks plus financial incentives for companies that take such an approach.[i] An examination of a community's workforce includes a review of its size, unemployment rate, education level, occupations, and earnings levels. Demographic information is used to better understand the population of a region and to analyze the social, economic, and cultural trends that affect that population.

Preble County Residential Housing Benchmark					
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Wayne (IN)	66,273	19.6%	$52,381	15.9%	68.0%
Miami	110,247	19.5%	$65,923	8.2%	73.0%

Source: ESRI Demographics, U.S. Census Bureau

Preble County is located north of Cincinnati and west of Dayton on the border of Ohio and Indiana. With just over 40,000 residents living in Preble County, this area is considered a rural Ohio county with small-town charm. The percentage of residents over the age of 65 living within Preble County is 20.3%, which is higher than the rates seen in many of the surrounding counties like Warren, Butler, Montgomery, Miami, and Wayne,

Indiana. Preble County is a moderately wealthy community with a median household income of $62,196. While this median household income in Preble County is lower than the state of Ohio, it is higher than nearby counties like Montgomery, Darke, and Wayne, Indiana. Preble County has a high owner-occupied housing rate of 78.0%.

Preble County Population by Detailed Age						
	Census 2010		2022		2027	
Total Population by Detailed Age	Number	Percent	Number	Percent	Number	Percent
Total	42,270	100.0%	40,694	100.0%	40,349	100.0%
0 - 4	2,608	6.3%	2,228	5.5%	2,158	5.3%
5 - 9	2,797	6.6%	2,455	6.0%	2,414	5.9%
10 - 14	3,039	7.2%	2,556	6.3%	2,676	6.7%
15 - 19	2,816	6.7%	2,285	5.7%	2,347	5.9%
20 - 24	2,187	5.2%	2,005	4.9%	1,767	4.4%
25 - 29	2,276	5.4%	2,391	5.9%	1,926	4.8%
30 - 34	2,277	5.4%	2,527	6.2%	2,395	5.9%
35 - 39	2,644	6.3%	2,503	6.2%	2,693	6.7%
40 - 44	2,821	6.7%	2,359	5.8%	2,515	6.2%
45 - 49	3,225	7.6%	2,499	6.1%	2,406	6.0%
50 - 54	3,337	7.9%	2,610	6.4%	2,436	6.0%
55 - 59	3,085	7.3%	2,919	7.2%	2,603	6.5%
60 - 64	2,730	6.5%	2,969	7.3%	2,745	6.8%
65 - 69	1,995	4.7%	2,801	6.9%	2,842	7.0%
70 - 74	1,632	3.9%	2,287	5.6%	2,483	6.2%
75 - 79	1,148	2.7%	1,459	3.6%	1,869	4.6%
80 - 84	846	2.0%	969	2.4%	1,132	2.8%
85+	807	1.9%	872	2.1%	942	2.3%
<18	10,238	24.2%	8,657	21.3%	8,721	21.6%
18+	32,032	75.8%	32,037	78.7%	31,628	78.4%
21+	30,537	72.2%	30,760	75.6%	30,367	75.3%
Median Age	40.9		43.0		43.6	

Source: ESRI Demographics

The population in Preble County has decreased by 3.7% from 2010 to 2022. Preble County's population is projected to remain stable from 2022 to 2027. Many rural areas in the Midwest are dealing with the issue of an aging population. Recently, younger individuals are more likely to migrate to urban centers in search of education and job prospects. As the older generation ages, retires, and eventually passes away, these communities struggle to replace their dwindling population. Preble County has a significant portion of their current population, 53.1%, that are considered to be in their prime working age of 25-64. This percentage of working age individuals is projected to decrease over the years as Preble County youth exit the county for opportunities elsewhere.

Crime Index	
Area	Total Crime Index
Ohio	97
Preble County	69
Eaton City	99
Camden Village	68
Eldorado Village	58
Gratis Village	82
Lake Lakengren (CDP)	41
Lewisburg Village	75
New Paris Village	80
Verona Village	34
West Alexandria Village	60
West Elkton Village	34
West Manchester Village	75

Source: ESRI Demographics

A *Crime Index* provides a view of the relative risk of crime in a community as compared to the rest of the nation using data from resources such as the Federal Bureau of Investigation's Uniform Crime Reporting system. According to economic theory, crime should decrease as economic growth and opportunity improve. Communities with lower crime indexes suggest higher labor force participation rates, stable wage rates, and lower risk for business operations. The Crime Index is an indication of the relative risk of a crime occurring and is measured against the overall risk at a national level. Values above 100 indicate the area has an above average risk of occurring compared to the US. Values below 100 indicate the area has a below average risk of occurring compared to the US.

Crime risk is intended to provide an assessment of the relative risk of seven major crime types and their summarization to the block group scale. Relative crime rates are especially important in real estate applications, insurance underwriting, shopping center and stand-alone retail facilities. Crime risk is a block group and higher-level geographic database consisting of a series of standardized indexes for a range of serious crimes against both persons and property. It is derived from an extensive analysis of several years of crime reports from the vast majority of law enforcement jurisdictions nationwide. The crimes included in the database are the "Part 1" crimes and include murder, rape, robbery, assault, burglary, theft, and motor vehicle theft. These categories are the primary reporting categories used by the FBI in its Uniform Crime Report (UCR), with the exception of Arson, for which data is very inconsistently reported at the jurisdictional level.

Crime Indexes provide a view of the relative risk of specific crime types. It is not a database of actual crimes, but rather the relative risk in an area compared to the United States in its entirety. Updated semiannually, the database includes indexes for several categories of personal and property crime. Preble County has a total crime index score of 69, which registers as a very low crime index rating and demonstrates the low relative risk of crime and the overall safety and well-being of the community. A low crime index score will be important to the health and wealth of the County, maintaining strong property values, and the attraction of new residents into Preble County. This score is significantly lower than the state of Ohio's total crime index score of 97. Eaton City, the largest municipality in Preble County, has the highest crime score of 99. This score places Eaton City right in line with the state of Ohio and national averages. The municipality with the lowest overall crime score is Verona and West Elkton Village which have crime scores of 34. Overall, Preble County has significantly lower rates of crime in every single measured category in comparison to the state of Ohio averages and the national average.

The strategy for communities looking to attract talent and grow population should include an analysis of *Education*. Educational attainment has long been a cornerstone for business retention, expansion, new business attractions, and entrepreneurship. The level of education and occupational skills found in communities

traditionally correlates to demonstrated economic growth and stability. Approximately half (51.4%) of all entrepreneurs hold at least a bachelor's degree. From an individual's perspective, higher educational attainment is generally linked to better employment prospects, higher income, and a better quality of life. As well as from a Placemaking and QLI standpoint, communities should maximize opportunities to attract a skilled workforce that will not only fill existing jobs but will attract new employers and generate entrepreneurial activity that will draw in new entrepreneurs and business start-ups.

Education Index			
Area	PI Ranking	Graduation Rate	Per Pupil Expenditure
Ohio	85	93.8%	$11,306
National Trail	82.8	95.1%	$14,289
Tri-County North	84.1	100.0%	$13,527
Eaton Community Schools	88.7	92.2%	$12,287
Twin Valley Community	79.8	95.6%	$12,573
Preble Shawnee	75.0	97.3%	$10,467

Source: Ohio Department of Education

The Performance Index is a calculation that measures student performance on the Ohio Achievement Assessments/Ohio Graduate Tests at the 3rd, 4th, 5th, 6th, 7th and 8th grade levels and English I, English II, Algebra I, Geometry, Integrated Math I, and Integrated Math II. The average performance index school score for Ohio schools in 2022 was 85. When attracting prospective residents, the quality of education provided by local school districts is becoming an increasingly important factor. Preble County has a total of five public school districts within its borders. These five public school districts are National Trail Local School District, Tri-County North School District, Eaton Community Schools, Twin Valley Community Local Schools, and Preble Shawnee Local Schools. Of these five school districts only Eaton Community Schools was awarded a higher performance index score than the state average with a score of 88.7. The school district with the lowest performance index score in Preble County is Preble Shawnee Local Schools. Four out of the five school districts in Preble County have a higher graduation rate than the state of Ohio average which is 93.8%. Per pupil expenditure is an important measure when analyzing the quality of local schools due to all of the impacts it has on the students and education provided. Per pupil expenditure can impact the teacher quality, class sizes, programs and services provided, facility upkeep and more within a local school district. In Preble County, four of the five school districts have a higher per pupil expenditure compared to the state average. Only Preble Shawnee Local Schools fell below the state average.

Overall, the school districts in Preble County all score well in the level of education provided. Having good high schools is essential for a multitude of reasons, as they play a crucial role in shaping the future of students and communities. There are several key reasons why it is beneficial to have high-quality high schools. Good high schools provide students with a high standard of education, equipping them with the knowledge and skills necessary to succeed in their future endeavors. High-performing high schools tend to have rigorous academic programs, advanced placement (AP) courses, and a culture that promotes academic achievement. Beyond academics, good high schools understand the importance of holistic development. They offer a wide range of extracurricular activities such as sports, arts, clubs, and community service opportunities. These activities allow students to explore their interests, develop leadership skills, and foster teamwork and social interaction. All of these benefits from having strong local school districts provide a positive impact to the local communities that are surrounding them.

ECONOMIC ANALYSIS

Preble County Households by Income				
Area of Study	2023		2028	
Households by Income	Number	Percent	Number	Percent
<$15,000	1,527	9.3%	1,429	8.6%
$15,000 - $24,999	1,196	7.3%	1,040	6.3%
$25,000 - $34,999	1,325	8.0%	1,237	7.5%
$35,000 - $49,999	2,208	13.4%	2,091	12.6%
$50,000 - $74,999	3,375	20.5%	3,309	19.9%
$75,000 - $99,999	2,337	14.2%	2,291	13.8%
$100,000 - $149,999	2,852	17.3%	3,066	18.5%
$150,000 - $199,999	961	5.8%	1,307	7.9%
$200,000+	698	4.2%	832	5.0%
Median Household Income	$62,196		$66,978	
Average Household Income	$84,030		$93,762	
Per Capita Income	$33,937		$38,371	

Source: ESRI Demographics

As previously mentioned, Preble County is a moderately wealthy community. High median household incomes provide the County with higher tax revenues, a higher quality of life for the residents, and support for the local housing market. A high median household income indicates that residents have greater purchasing power, which stimulates local economies. When households have more disposable income, they can spend it on goods and services, supporting local businesses and fueling economic growth. With a median household income of $62,196, Preble County has a similar median household income compared to the state average and is higher than many of the surrounding communities. Approximately 41.5% of households within Preble County make over $75,000 per year. 27.3% of households in Preble County are making over $100,000 per year. From 2023 to 2028 the median household income levels within the Preble County are projected to increase to $66,978 or by 7.7%. The percentage of households making a median income of $100,000-$149,999 is estimated to increase by 7.5% from 2023 to 2028.

Preble County Workforce Analysis			
Industry	Employed	Percent	Location Quotient
Total	19,852	100.0%	
Agriculture/Forestry/Fishing	511	2.6%	2.36
Mining/Quarrying/Oil & Gas	7	0.0%	0.00
Construction	1,717	8.6%	1.23
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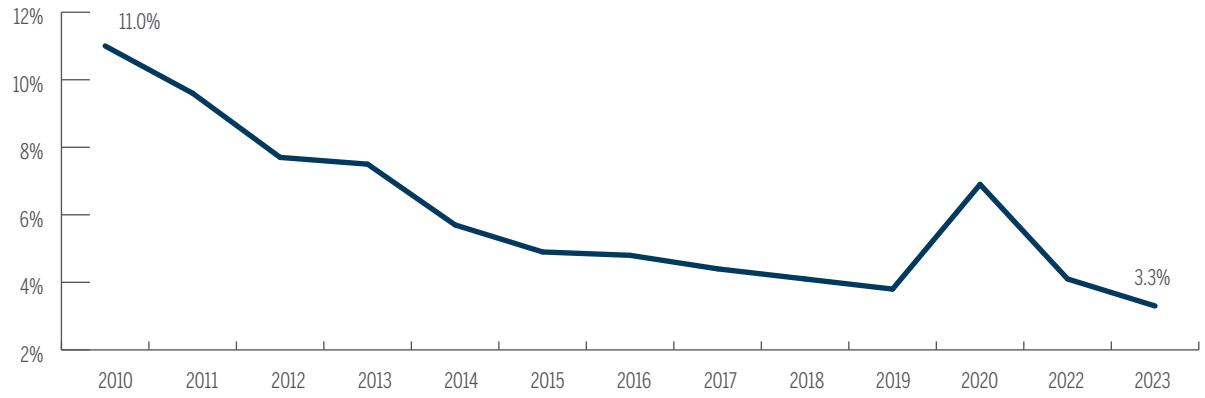
Preble County has a total civilian labor force of 19,852 spread out through numerous different industry sectors. The largest industry sector in terms of employment in Preble County is manufacturing with 4,563 employees or 23.0% of the total labor force. Some of Preble County's largest employers include Henny Penny, Silfex, Bullen Ultrasonics, Pratt Industries, and Timken Steel. The second highest industry sector is health care/social assistance with 2,699 or 13.6%. The third largest industry sector in Preble County is construction, with 1,717 employees or 8.6% of the labor force. The fourth largest industry sector is educational services with 1,548 employees or 7.8% of the labor force. Overall, these four industries make up 53% of the total labor force in Preble County.

A location quotient is a method of using Federal industry cluster data to identify the economic concentration of a certain industry in a state, region, county, or metropolitan statistical area compared to a base economy, such as a state or nation. The Bureau of Labor Statistics does not provide data at the individual city level, therefore, for the purposes of this analysis, location quotients for Preble County, Ohio were analyzed. A location quotient greater than 1 indicates that a locality, in this case Preble County, has a higher concentration of companies in a specific industry sector than does the rest of the nation. The industry sector with the highest location quotient score in Preble County is agriculture/forestry/fishing with a score of 2.36. This means that there is 2.36 times more agriculture/forestry/fishing in Preble County compared to the rest of the nation. Although, this industry only has approximately 511 employees or 2.6% of the labor force. The industry sector with the second highest location quotient score in Preble County is manufacturing with a score of 2.3. The third highest location quotient score in Preble County is utilities with a score of 1.62. The Utilities sector comprises establishments engaged in the provision of the following utility services: electric power, natural gas, steam supply, water supply, and sewage removal. Within this sector, the specific activities associated with the utility services provided vary by utility: electric power includes generation, transmission, and distribution; natural gas includes distribution; steam supply includes provision and/or distribution; water supply includes treatment and distribution; and sewage removal includes collection, treatment, and disposal of waste through sewer systems and sewage treatment facilities.[ii]

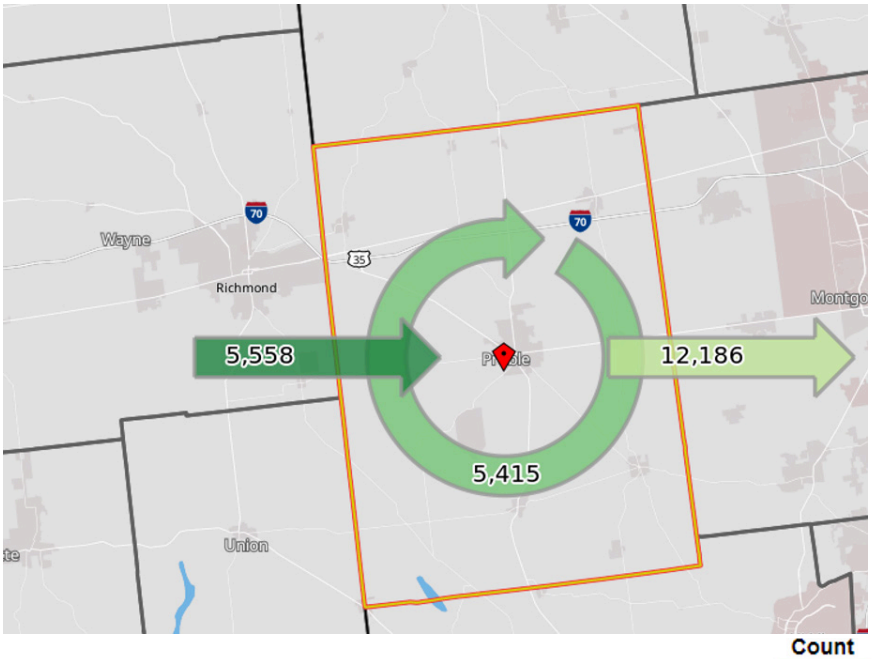
The unemployment rate in Preble County has steadily decreased over the previous 12 years to one of the lowest unemployment rates in eastern Ohio. Low unemployment rates often indicate a strong and thriving economy. When more people are employed, there is increased consumer spending, which stimulates economic growth. This, in turn, can lead to higher living standards and increased prosperity for the population.

Preble County Unemplyment Rate



Source: U.S. Census Bureau

Preble County Employment Inflow and Outflow



	Count
Employed in the Selection Area	10,973
Employed in the Selection Area but Living Outside	5,558
Employed and Living in the Selection Area	5,415
Living in the Selection Area	17,601
Living in the Selection Area but Employed Outside	12,186
Living and Employed in the Selection Area	5,415

HOUSING ANALYSIS

Preble County Housing Analysis						
Area of Study	2010		2022		2027	
Housing Units by Occupancy Status and Tenure	Number	Percent	Number	Percent	Number	Percent
Total Housing Units	17,888	100%	18,192	100%	18,258	100%
Occupied Units	16,341	91.4%	16,366	90.0%	16,346	89.5%
Owner Occupied	12,561	70.2%	12,844	70.6%	12,903	70.7%
Renter Occupied	3,780	21.1%	3,522	19.4%	3,443	18.9%
Vacant Units	1,547	8.6%	1,826	10.0%	1,912	10.5%

Source: ESRI Demographics, U.S. Census Bureau

Preble County currently has approximately 18,192 total housing units, with 16,366 or 90% of these housing units being occupied. Of these 16,366 total occupied housing units approximately 12,844 or 70.6% are owner occupied housing units, 3,522 or 19.4% are renter occupied units and 1,826 or 10.0% are currently vacant. From 2022 to 2027, it is estimated that the total housing stock within the Preble County will slightly increase by 66 total housing units. Preble County has experienced very little new housing stock since 2010. The rates of owner occupied, and renter occupied units have remained similar from 2010 to 2022 and are projected to remain relatively similar through 2027. Although, the number of vacant units in Preble County increased by 279 units from 2010 to 2022. This trend is projected to continue through 2027 when the percentage of vacant units will increase by another 86 units.

Owner Occupied Housing Units by Value		
Housing Unit Value	2022	
	Number	Percent
Total	12,844	100.0%
<$50,000	691	5.3%
$50,000-$99,999	2,948	23.0%
$100,000-$149,999	3,329	25.9%
$150,000-$199,999	2,578	20.1%
$200,000-$249,999	1,203	9.5%
$250,000-$299,999	757	5.8%
$300,000-$399,999	656	5.1%
$400,000-$499,999	359	2.8%
$500,000-$749,999	208	1.6%
$750,000-$999,999	43	0.3%
$1,000,000-$1,499,999	67	0.5%
$1,500,000-$1,999,999	4	0.1%
Median Value	$141,600	
Average Value	$164,081	

Source: ESRI Demographics

Approximately 74.3% of the 12,844 owner occupied housing units in Preble County are priced at under $200,000. 25.9% of homes in Preble County are priced in between $100,000 to $149,000. 23.0% of homes in Preble County are priced in between $50,000 to $99,999. 20.1% of homes in Preble County are priced at between $150,000 and $199,999. There are approximately 71 homes in Preble County that are priced in between $1,000,000 and $1,999,999.

Preble County Age of Housing Stock	
Year Structure Built	Percentage of Housing Stock
2020 or later	0.1%
2010 to 2019	2.3%
2000 to 2009	8.6%
1990 to 1999	14.3%
1980 to 1989	9.1%
1970 to 1979	16.3%
1960 to 1969	9.0%
1950 to 1959	9.0%
1940 to 1949	4.8%
1939 or earlier	26.5%

Source: U.S. Census Bureau

26.5% of the total housing stock in Preble County was built in 1939 or earlier meaning that over one quarter of the housing stock in Preble County is approaching 90 to 100 years old or older. Approximately 40.3% of the homes in Preble County were constructed prior to 1959, making them at least 63 years old. Aged housing may be more likely to require major repairs in order to comply with local building codes and meet safety standards that include having a potable water supply, a sanitary wastewater drainage system, and energy available for cooking, heating, and lighting. Preble County has struggled to develop new housing stock within the County, with only 11.0% of the housing stock being constructed since 2000. The 2010 – 2019 time frame provided the smallest number of homes built in Preble County in their recorded history with only 2.3% of their total housing stock being built in this time.

Preble County Municipalities Housing Data					
	Total Housing Units			Change in Housing Stock	
Name	2010	2022	2027	Unit Change (2010-2022)	% Change (2010-2022)
City					
Eaton City	3,914	4,005	4,041	91	2.32%
Villages					
Camden Village	913	872	913	-41	-4.49%
Eldorado Village	227	228	228	1	0.44%
Gratis Village	366	364	368	-2	-0.55%
Lake Lakengren (CDP)	1,370	1,426	1,440	56	4.09%
Lewisburg Village	771	750	750	-21	-2.72%
New Paris Village	767	746	746	-21	-2.74%
Verona Village	191	184	184	-7	-3.66%
West Alexandria Village	620	614	612	-6	-0.97%
West Elkton Village	76	76	76	0	0.00%
West Manchester Village	177	179	183	2	1.13%
Townships (Housing Units Includes Local Villages)					
Dixon Township	232	223	223	-9	-3.88%
Gasper Township	1,568	1,625	1,639	57	3.64%
Gratis Township	1,743	1,742	1,750	-1	-0.06%
Harrison Township	1,921	1,863	1,863	-58	-3.02%
Israel Township	517	497	497	-20	-3.87%
Jackson Township	497	487	487	-10	-2.01%
Jefferson Township	1,490	1,458	1,461	-32	-2.15%
Lanier Township	1,572	1,534	1,527	-38	-2.42%
Monroe Township	919	926	936	7	0.76%
Somers Township	1,695	1,974	1,974	279	16.46%
Twin Township	1,103	1,117	1,119	14	1.27%
Washington Township	717	741	741	24	3.35%
Preble County Total	17,888	18,192	18,258	265	0.92%

Source: ESRI Demographics

The total number of housing units in Preble County has increased from 2010 – 2022. In 2010, Preble County had 17,888 total housing units. The number of housing units has increased by 1.7% to 18,192 in 2022. In 2027, the total number of housing units in Preble County is projected to increase by another 0.4%. The most evident conclusion from the graph above is that many areas of Preble County have decreased in the total number of housing units. The growth in the housing stock of Preble County has been concentrated in a select few areas. Only four municipalities, Eaton, Eldorado, Lake Lakengren (CDP), and West Manchester increased in total housing units. The remaining seven municipalities either lost housing units or did not change from 2010 to 2022. An area can lose housing units for a variety of different reasons including demolition for other uses, natural disasters, population decline, zoning and land use changes, age, and deterioration of homes, and more. In Preble County's case there is a significant portion of the housing stock that is aged and deteriorated, as well as population decline throughout the county. Pairing these factors with an overall lack in investment from housing developers explains why Preble County has struggled to gain more housing stock.

Preble County Building Permits			
Year	Total	Single-family	Multifamily
2023	4	4	0
2022	46	46	0
2021	48	48	0
2020	48	48	0
2019	36	36	0
2018	45	43	2
2017	35	35	0
2016	34	30	4
2015	32	32	0
2014	27	27	0
2013	34	34	0
2012	22	22	0
2011	25	25	0
2010	27	25	2
Total	463	455	8

Source: U.S. Department of Housing and Urban Development

The U.S. Department of Housing and Urban Development (HUD) is responsible for overseeing various housing-related programs and policies at the federal level. One of the ways HUD tracks and monitors housing development is by collecting and analyzing building permit data. Building permits are legal documents issued by local government authorities that grant permission for construction or renovation projects. These permits are essential for ensuring that construction activities comply with building codes and regulations. The HUD collects building permit data from local municipalities and government agencies across the United States. This data includes information about the location of the construction project, the type of structure being built or renovated (e.g., single-family home, multi-family apartment building, commercial building), the estimated cost of construction, and the expected start and completion dates. Preble County has only had 463 total building permits from 2010 to 2023, with 455 of these permits being for single-family units. The most important issue to note is the overall lack of multifamily construction throughout Preble County. Multifamily residences provide numerous benefits to an area including:

- **Housing Diversity:** Multifamily units offer a diversity of housing options in an area. Not everyone can or wants to live in a single-family home, so multifamily housing provides alternatives for individuals, families, and households with varying needs, preferences, and budgets.
- **Affordable Housing:** Multifamily units can contribute to housing affordability. In many areas, they tend to be more cost-effective than single-family homes, making them accessible to a broader range of income levels. This can help address housing shortages and affordability challenges, particularly in urban centers.
- **Urban Density and Efficiency:** Multifamily housing promotes urban density, which can be more efficient in terms of land use, infrastructure, and transportation. Concentrating housing in a smaller footprint reduces the need for extensive suburban sprawl and can lead to more sustainable urban development.
- **Housing for Diverse Populations:** Multifamily housing can cater to a variety of demographics, including young professionals, families, seniors, students, and people with disabilities. This flexibility in housing options allows communities to accommodate a wide range of residents and their specific needs. This is especially important for Preble County when considering the issues previously identified. The lack of youth being retained in the county can partially be attributed to the lack of multifamily housing. Many young citizens do not have the savings to purchase a single-family home, especially with the recent rise in home prices. If there is not a stable stock of housing for the youth in Preble County, then this demographic will be forced to seek housing elsewhere.
- **Housing Stability:** Multifamily housing often provides greater housing stability for renters. Landlords in multifamily units are often more equipped to address maintenance issues promptly, and rental regulations may offer additional tenant protections.

Preble County Residential Affordability			
Year	Median List Price	Median Household Income	Price to Income Ratio
2023	$229,450	$62,196	$3.69
2022	$209,900	$61,613	$3.41
2021	$164,600	$60,527	$2.72
2020	$150,925	$61,339	$2.46
2019	$143,521	$58,957	$2.43
2018	$125,819	$55,374	$2.27
2017	$115,181	$52,661	$2.19
% Change	99.2%	18.1%	68.7%

Source: Realtor.com

When analyzing the residential sales data in Preble County over the last seven years, it becomes evident that there has been a notable rise in housing unaffordability. This issue is not specific to Preble County, almost every area of the United States is experiencing this issue. The median list price of a home in Preble County has increased from $115,181 in 2017 to $229,450 in 2023, or an increase of 99.2%. The median household income in Preble County has increased from $52,661 to $62,196 or 18.1% over this same period. Overall, the cost of a home in Preble County has increased significantly while incomes have not. This issue is creating a challenge across the county for citizens who are looking to buy a home. Many individuals and couples may choose to delay having children until they feel financially secure and have stable housing. High home prices can delay home ownership, which in turn may lead to delayed family formation. Some may postpone having children until they can afford a larger home to accommodate a growing family. The costs associated with purchasing and maintaining a home, coupled with high mortgage payments, property taxes, and insurance, can lead to increased financial stress. This can make it more challenging to afford the costs associated with raising children, including education, healthcare, and childcare.

Preble County Residential Housing Benchmark			
County	Total Housing Units (2022)	Average Annual Building Permits (2020-2022)	Ratio of Building Permits to Housing Units
Preble	18,192	47	387
Warren	96,540	1,311	74
Butler	155,081	993	156
Montgomery	251,506	1,099	229
Darke	22,558	60	374
Wayne (IN)	30,636	48	643
Miami	47,411	326	145

Source: ESRI Demographics, U.S. Department of Housing and Urban Development

Benchmarking Preble County against neighboring counties further shows the significant lack of residential investment into the County. Looking at the ratio of building permits to housing units shows how much residential a county is building in comparison to their current housing stock. Out of all six of the benchmarked counties only one, Wayne, Indiana, has a higher ratio of building permits to housing units. The remaining five counties all have more housing units and have built more homes than Preble County.

Preble County Residential Sale Data				
Year	Median List Price	Average Active Listings Per Month	Median Days on Market	Median Listing Price Per Square Foot
2023	$229,450	41	55	133
2022	$209,900	50	43	133
2021	$164,600	39	40	106
2020	$150,925	58	54	96
2019	$143,521	115	66	90
2018	$125,819	103	65	87
2017	$115,181	122	78	74

Source: Realtor.com

Similar to a large portion of the United States of America, the housing market within Preble County has experienced significant changes in recent years. From 2017 to 2023 year to date the median listing price within the residential market in Preble County has doubled going from just $115,181 in 2017 to $229,450 so far in 2023. In 2017, there was an average of 122 residential listings per month in Preble County. Through the first six months of 2023 there have only been an average of 41 listings per month. This equates to a 66.4% decrease in the average number of residential listings on a monthly basis in Preble County. The median days a home spends on the market in Preble County has also decreased by 29.5% from 2017 to 2023. All of these factors together have created strains in the housing market in Preble County and throughout the United States. With little new housing construction in Preble County the supply of available homes has dwindled year over year. Due to the low supply in the residential market, the prices of homes in the area have increased exponentially. Homes are selling at record times making it difficult for buyers to adjust and evaluate future home purchases.

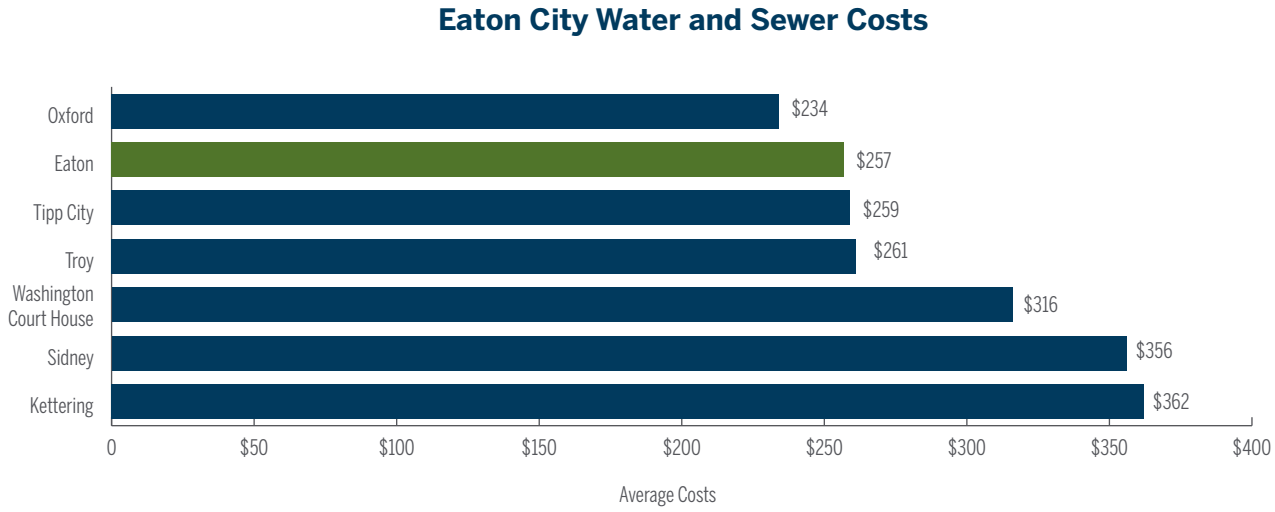
Preble County Residential Sale History		
Area of Study	5-Year History	1-Year History
Average Sale Price	$126,742	$147,276
Median Year Built	1965	1962
Average Bedrooms	2.92	2.93
Average Square Footage	1,511.0	1,492.7

Source: Preble County Auditor

There have been 3,528 total residential sales within Preble County from 2018 to 2023 year to date. The price of the homes sold within Preble County over the previous five years ranges from $500 to $1,000,000, with an average sale price of $126,742. The average square footage of homes sold within Preble County is 1,511.0. The price of homes sold within Preble County has increased over the previous year compared to the previous five years. Compared to the average sale price over the previous five years, the average sale price over the previous year is 16.2% higher. Another important aspect to note is that the homes that are being sold over the past five years in Preble County have a median year built of 1965. The homes being sold in Preble County are often older and could be in need of repairs and upgrades due to their age and deterioration.

According to a 2022 annual water rate survey conducted by the City of Piqua Utilities Department the City of Eaton provides water and sewer to residents at competitive rates. The study measured 64 jurisdictions with both water and sewer to analyze the average costs, increases, and decreases of water and sewer rates throughout Eastern Ohio. The rates are based on 22,500 gallons or 3,000 cubic feet of water over a three-month period. The rates are those that are in effect as of March 1, 2022. The City of Eaton provides considerably lower water and sewer rates compared to a number of comparable cities in the survey. Lower utility rates provide a number of benefits to both residents and developers. Lower utility rates mean that developers will incur lower ongoing operating costs for water and sewer services. This can make a development project more financially viable and attractive, especially for long-term property owners and landlords who may pass these savings on to tenants. While lower utility rates directly reduce the cost of living for residents. This means that

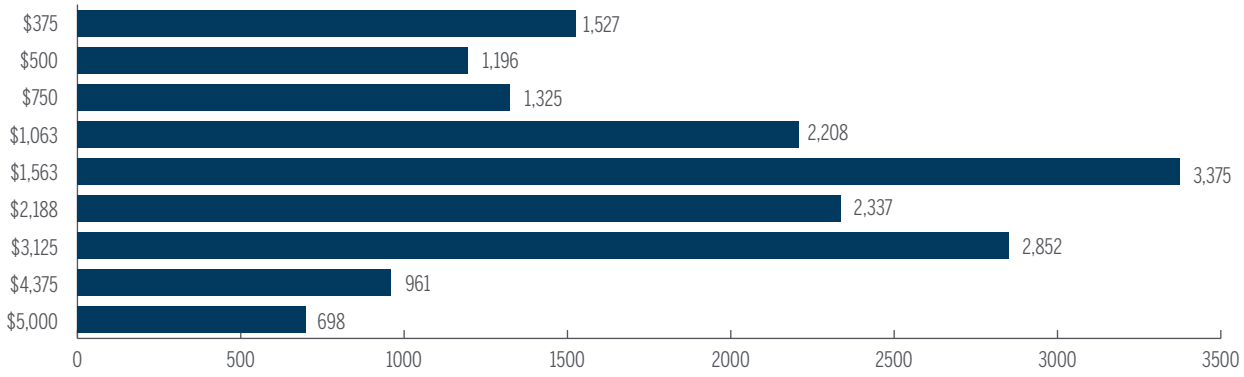
households can allocate more of their income to other essential expenses or discretionary spending, improving their overall financial well-being. Overall, lower water and sewer rates directly benefit developers and residents by reducing living costs, enhancing financial stability, and improving overall well-being. They contribute to housing affordability, encourage environmental responsibility, and promote social equity within communities.



Source: City of Piqua

In order to understand the housing demand in Preble County the number of potential buyers and their affordability in the market needs to be determined. When a person or household is housing burdened it is typically assessed in terms of the percentage of income dedicated to housing costs. Common thresholds are 30% to 50% of household income. If a household allocates more than that recommended percentage to housing, they are considered housing burdened, or significantly housing burdened. Another important aspect to this rule is that lenders often consider your debt-to-income ratio, which includes your housing costs, when determining your eligibility for a mortgage. Staying within the 30% guideline can make it easier to qualify for a mortgage. It's important to understand that while the 30% guideline can be helpful, it's not a one-size-fits-all rule. Due to the rising interest rates and low supply of homes, households may be more inclined to spend a larger portion of their income towards housing costs. With that being said, the basis for the analysis in the graph below uses a 30% of household income allocated to housing costs for Preble County residents. Using this basis, it is projected that there are currently 1,527 households that can spend $375 or less on their housing and 1,196 households that can spend a maximum of $500. It is important to note that a majority of these households are older residents that do not work full-time jobs, retired, or have their mortgages paid off and do not have housing costs. Another way to view the data below is if the monthly mortgage payment on a housing unit is $1,563 or below, there will be 10,223 households that could afford that monthly mortgage payment. The graph below details the maximum monthly mortgage payment that the households in Preble County can afford.

Preble County Residential Spending Limit



Source: U.S. Census Bureau, ESRI Demographics

The percentage of Preble County households than can afford a mortgage was calculated using the following assumptions: a 7% interest rate, 20% down payment made at purchase, 30-year loan term, no primary mortgage insurance, no homeowners association fees, and property tax is included in the cost. The median listing price for a home in Preble County so far in 2023 is $229,450. Using the previous assumptions this equals a monthly mortgage payment of $1,731. Using the previous calculations of the amount that households in Preble County can spend on their mortgage, only 58.5% of households in Preble County can afford a mortgage at the current median listing price. This figure further heightens the affordability issue that is occurring across Preble County and the United States as essentially half of the county is currently priced out of the market. The cost of construction on new homes has increased significantly over the previous years, making new homes more expensive to build. If the price of a new construction single family home in Preble County is listed at $300,000 the monthly mortgage payments would be $2,242. There are 6,698 households or 40.6% that would be able to afford the monthly mortgage payments without being housing burdened in Preble County. If a home was listed at $250,000, 9,157 or 55.6% of Preble County households would be able to afford the monthly mortgage payments. The graph below details the demand and supply of purchasers in Preble County across multiple price points.

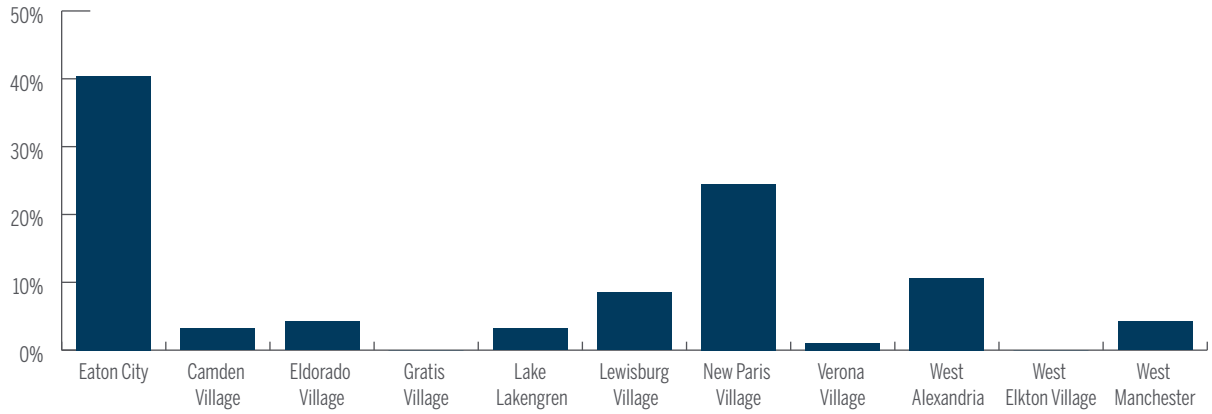
Preble County Mortgage Affordability		
Home Cost	Monthly Price of Mortgage	% of Households That Can Afford the Mortgage
$150,000	$1,154	67.3%
$200,000	$1,517	62.0%
$250,000	$1,879	51.6%
$300,000	$2,242	40.6%
$350,000	$2,605	35.0%
$400,000	$2,967	31.0%
$450,000	$3,331	17.7%
$500,000	$3,694	13.5%
$600,000	$4,419	8.6%
$750,000	$5,507	2.0%
Median Year Built	1965	1962

Source: U.S. Census Bureau, Bankrate

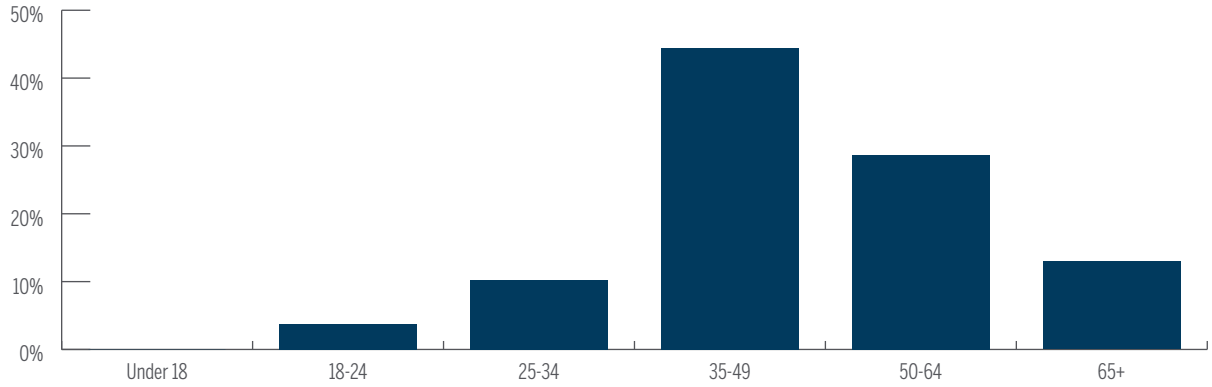
COMMUNITY SURVEY

Preble County Development Partnership published an online survey to solicit input from the broader community around residential development throughout the County. The survey was promoted via social media, community websites, announced at city council meetings, and through community mailings. The survey included 14 questions regarding if the County wants new residential development, what types of development are needed, the size and scope of the development and other amenities at the site. 108 unique respondents submitted a survey that included individuals currently living in the County and in the surrounding areas. A summary of the online survey responses includes:

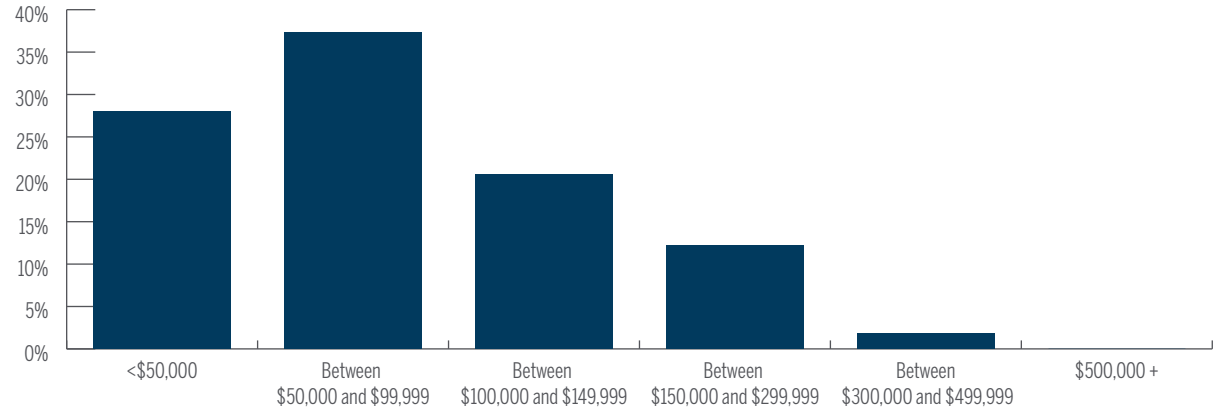
Q1. Where in Preble County do you live?



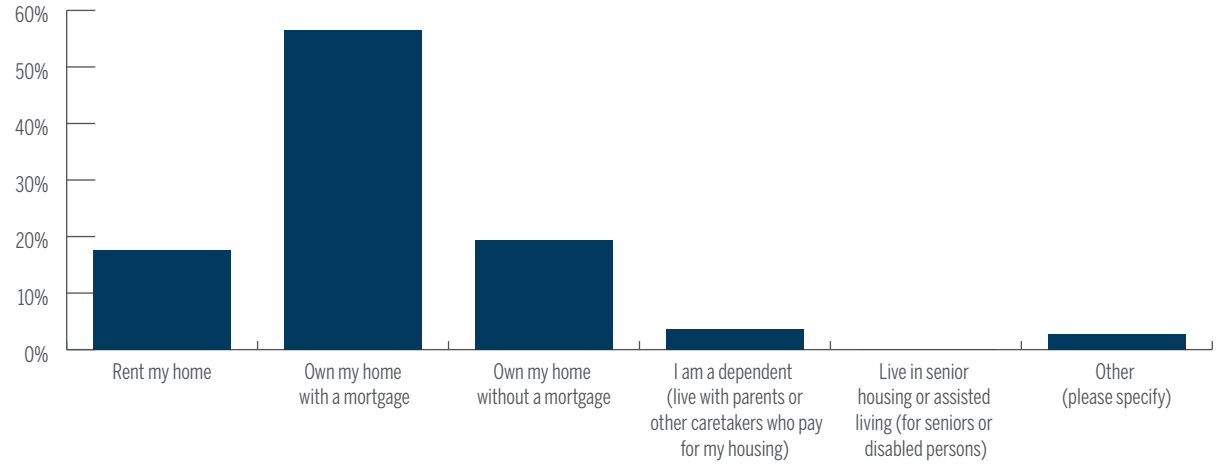
Q2. What is your age range?



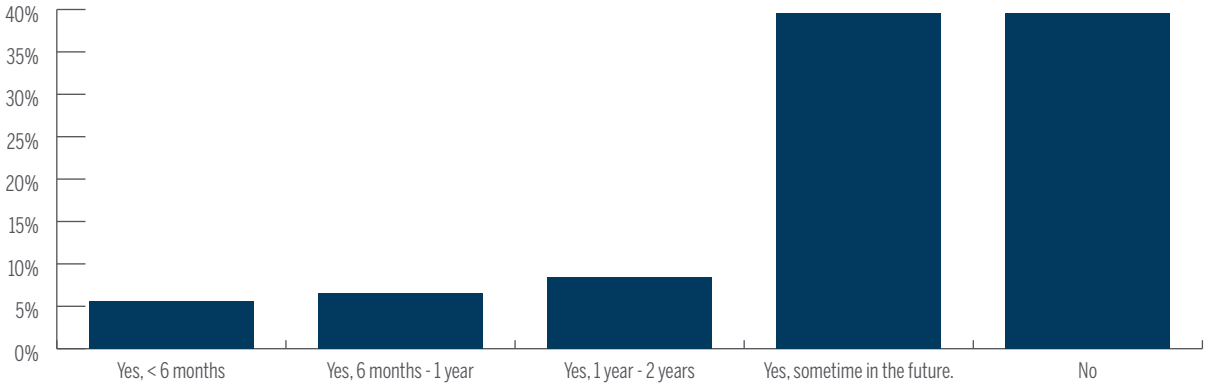
Q3. What is your annual Household income?



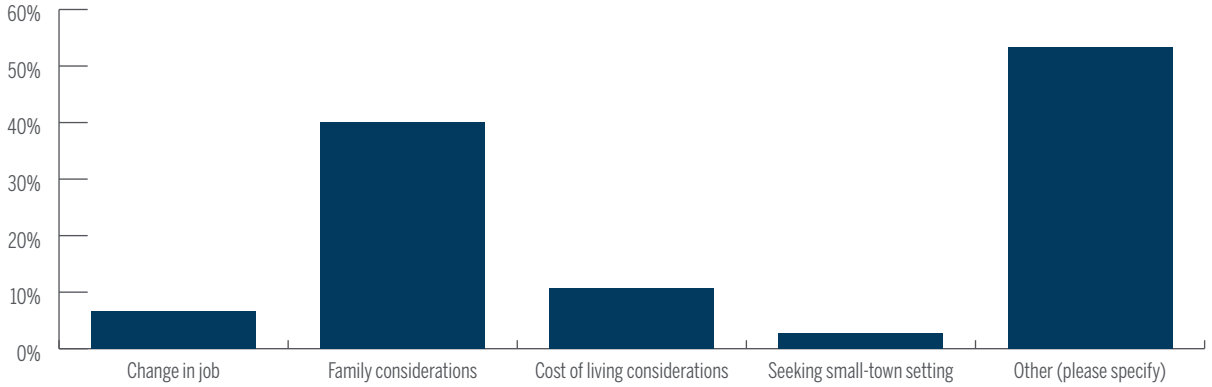
Q4. Do you currently rent or own your home?



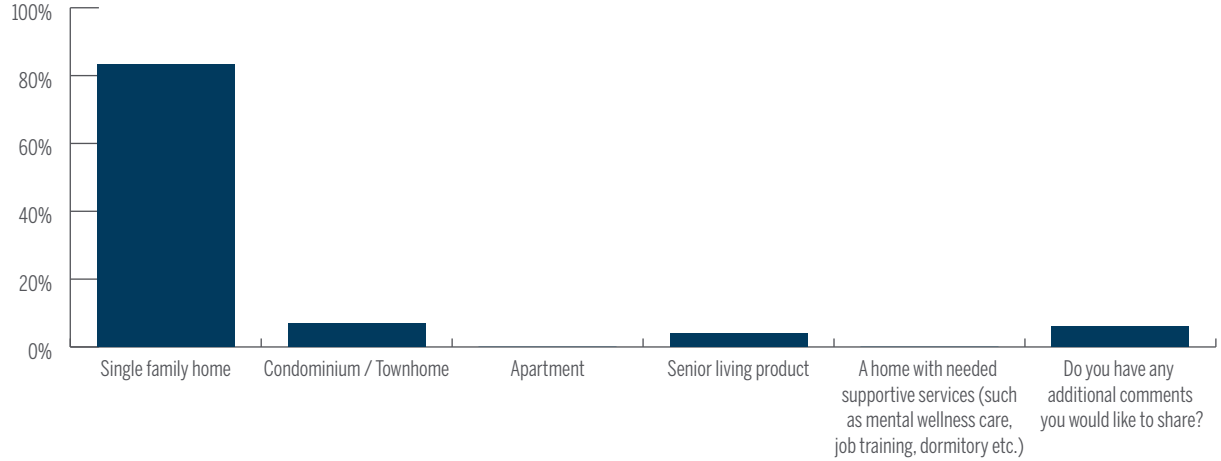
Q5. Are you considering moving in the future? If yes, when are you considering moving?



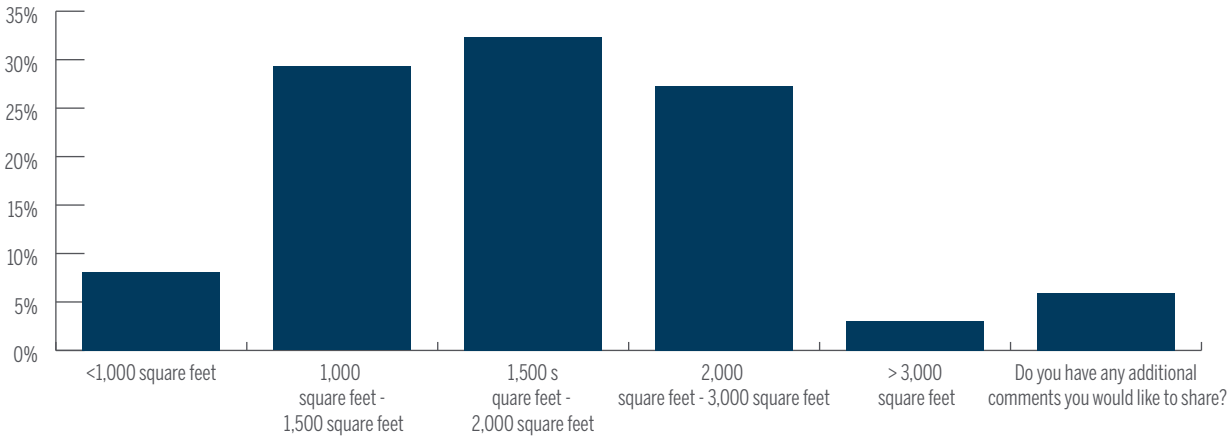
Q6. Why are you considering purchasing a new home in the future? (Check all that apply)



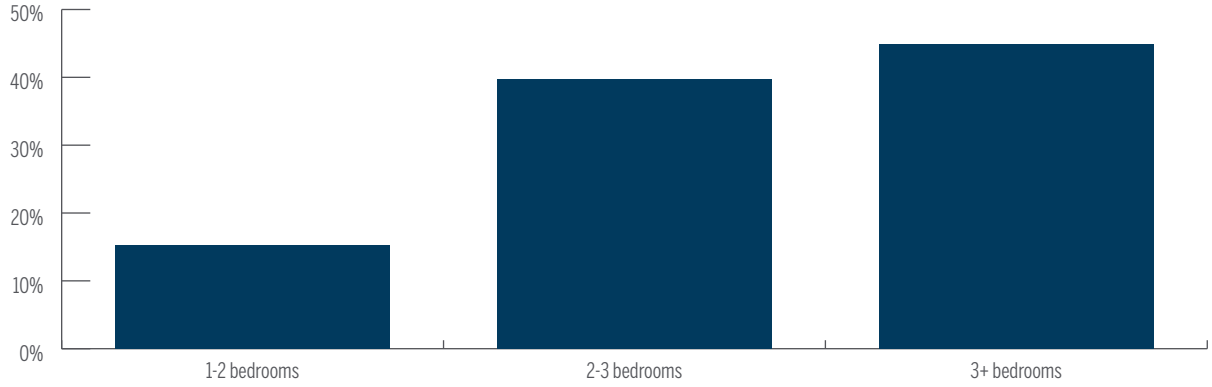
Q7. Ideally what type of housing would you prefer to be living in today (regardless of affordability)?



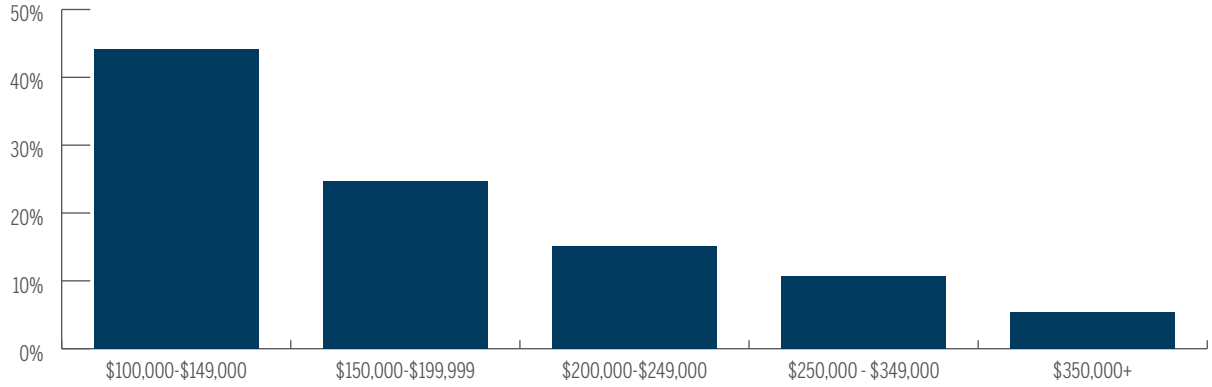
Q8. What size of home do you need or you are interested in?



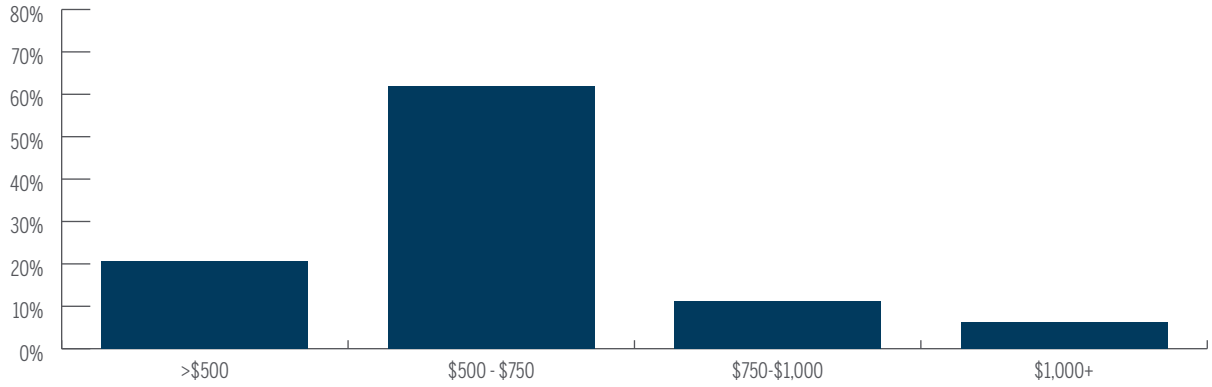
Q9. How many bedrooms are you looking for?



Q10. Which price point are you looking for?



Q11. How much are you looking to pay in rent?



Q12. Indicate your level of priority of the following characteristics when choosing a neighborhood to live in.					
Answer Choices	Very Low	Low	Neutral	High	Very High
Close to family and friends	4.9%	2.9%	38.2%	30.4%	23.5%
Proximity to work	7.9%	4.0%	31.7%	40.6%	15.8%
Proximity to amenities such as shopping, health care, downtown center, etc, etc	3.0%	8.9%	43.6%	32.7%	11.9%
The quality of the local school system	8.9%	0.0%	22.8%	28.7%	39.6%
Affordability of the home or area	1.0%	3.0%	12.9%	47.5%	35.6%
Safety of the area	0.0%	1.0%	5.8%	42.7%	50.5%
Presence of established village, downtown centers, and events	5.1%	10.1%	44.4%	30.3%	10.1%

Q14. When thinking about housing in Preble County, please indicate how much you think each housing type is needed.					
Answer Choices	Very Low	Low	Neutral	High	Very High
Rental Housing	4.9%	8.8%	19.6%	31.4%	35.3%
Condominiums / Townhomes	11.2%	15.3%	33.7%	25.5%	14.3%
Senior Housing	2.0%	7.1%	41.8%	30.6%	18.4%
Housing with supportive services such as mental wellness care, job training, etc, etc	2.0%	15.2%	47.5%	21.2%	14.1%
Low-Income Housing	16.0%	13.0%	17.0%	31.0%	23.0%
Moderate-Income Housing	1.0%	1.0%	20.4%	50.0%	27.6%
High-Income Housing	22.0%	17.0%	31.0%	25.0%	5.0%

STAKEHOLDER LISTENING SESSIONS

During the listen phase of the Preble County Housing Study the Montrose Group, LLC and the Preble County Development Partnership organized stakeholder listening sessions with key members of Preble County in order to gain insight into the residential housing market that is not available through traditional data sources. In total, five listening sessions were held on August 29th that contained over 20 Preble County stakeholders. The five listening sessions targeted specific members of the community in business, government, realtors, community organizations and education sectors. Overall, the listening sessions provided insightful information into the successes and challenges surrounding Preble County's residential status. An overview of the strengths, weaknesses, opportunities, and challenges in Preble County are presented below.

Strengths	Weaknesses
• There is a plethora of undeveloped land throughout all of Preble County. • Homes in Preble County do not stay on the market for long, showcasing a significant demand. • Taxes in Preble County are lower than surrounding areas. • The land bank has been spearheading the effort to clean up dilapidated properties. • The interstate 70 corridor is a major advantage for Preble County.	• There is a need for all types of housing in Preble County. • There is no full-time building inspector in Preble County. • The youth have been priced out of Preble County as well as having limited multi-family housing stock. • Property maintenance codes need to be enforced better. • There is a lack of amenities in Preble County making it difficult to attract and retain residents.
Opportunities	**Threats**
• The current local governments do not use TIFs or other economic development tools to assist development. • The county owns a few parcels of land that can be developed. • The senior center is preparing for a large expansion. • Many local municipalities like Lewisburg have been aggressive in attracting new residential development.	• There is not enough senior housing for Preble County residents. • There are several people who are elderly that are moving out of the county due to lack of good housing for the elderly. • Many homes are dilapidated and have not experienced reinvestment. • The stigma around low-income housing in Preble County makes development difficult.

RECOMMENDATIONS

The Montrose Group provides a set of guidance and strategies aimed at igniting the growth of residential development in Preble County and its municipalities. These recommendations are founded by The Montrose Group's extensive policy expertise, comprehensive analysis of demographic and economic data, as well as insights gathered through interviews with developers and key stakeholders. It is crucial to emphasize that a significant portion of these recommendations necessitates active involvement from various sectors, including the public, nonprofit, and private sectors. This collaborative effort encompasses the county, the city of Eaton, local villages, the Preble County Chamber of Commerce, economic development officials, local educational institutions, businesses, and financial establishments. The effective coordination and integration of these diverse stakeholders will play a pivotal role in successfully fortifying the housing market in Preble County.

Preble County Housing Study Goal
• Preble County will attract new residential development above the levels experienced since 2010.
Preble County Housing Study Strategies
• Preble County should focus on attracting residential developers through the use of marketing and incentive packages.
• Preble County should focus on redeveloping the current housing stock to avoid further housing unit loss.
Preble County Housing Study Recomendations
• Recruit Residential Developers to Preble County
• Use Tax Increment Financing to Spur Development When Necessary
• Create Community Reinvestment Areas Throughout Preble County Municipalities
• Create a Marketing Campaign to Attract Residential Developers to Preble County
• Incentivize Residential Development

HOUSING STUDY CONCLUSION.

Preble County faces challenges in attracting new housing due to its stagnating population, age of housing stock, and its rate of individuals that are over 65. Preble County has a big opportunity in the amount of people that come into the County to work on a daily basis versus the people that leave the County to work daily. According to the US Census, 5,558 people come into the County for work every day, 12,186 leave the County for work daily, and 5,415 both live and work in the County. The County is an attractive place to live based on the number of people that live in the County but don't work there. The County's largest employers have trouble attracting new talent. It is not reasonable to believe that all 5,558 people that travel to Preble County each day for work would be willing to relocate there but it is logical that if better housing options existed in the County some of those people would relocate to Preble County.

The amount of new single-family homes and multi-family built in Preble County over the last decade has not kept pace with replacement of older homes in the County. Only 463 building permits have been issued in Preble County since 2010 with 455 of those permits for single-family housing and 8 for multi-family units. In that same time that amount of vacant homes in the County has increased to 1,826 in 2022 up from 1,547 in 2010. The height of housing was in the 1970s when 16.2% of houses were built followed by the 1990s when 14.3% of the houses were built. There has been a precipitous drop in new housing units from 2000 to 2022 with only 11% of the housing units being built during that two-decade period and only 2.4% of the units built in the 2010s. This trend is not unique to Preble County as the rest of the Country has only seen 16% of the housing stock replaced annually over the last 2 decades according to the National Association of Home Builders.

Over the next decade Preble County should look to replace the 3,400 housing units that were built before 1949 representing roughly 19.2% of the total housing units of Preble County. In order to retain and attract all incomes and ages, there should be a mix of single-family homes and multi-family homes built. According to the National Association of Realtors, the current trend of multi-family homes to single family homes built throughout the US is 50/50. Preble County should strive to have 1,700 single family homes and 1,700 multi-

family units built over the next decade. To keep pace with incomes in the County, the price points for new homes should be between $250,000 and $350,000 while the monthly rents on multi-family units should be between $875 and $2,500 so that people living in Preble County do not spend more than 30% of their income on housing.

Action Item #1. Prepare land for residential development, and recruit residential developers to Preble County through a marketing partnership with its largest employers.

Preble County needs to engage its largest employers, Henny Penny, Silfex, Neaton Automotive, Bullen Ultrasonics, Pratt Industries, and Timken Steel in the attraction of residential housing developers. The Preble County Development Partnership should engage the leadership of these institutions to dedicate resources for their foundations, as well as their marketing departments to launch a "GROW Preble County" campaign aimed at residential developers in West Central Ohio and Southwest Ohio to Preble County.

In order to have success in providing new housing units a local government or economic development organization cannot go it alone; they must work with developers to ensure that residential projects align with the community's needs and vision. Balancing development between the character of the community and feasibility for developers is crucial to achieving sustainable, long-term success. While this partnership has been a necessity for many years now recent market conditions have amplified the necessity for collaboration. Rising construction costs, higher interest rates, and a lag in construction due to the onset of the COVID-19 pandemic have made residential construction considerably more difficult. For these reasons it is recommended that Preble County be proactive and aggressive in recruiting residential and mixed-use developers to the area.

Residential developers, like any developer, are risk-averse in nature. In today's data driven economy the feasibility or projects are able to be priced and mapped out with high accuracy. Due to these factors developers now look for multiple aspects in an area before even considering beginning construction there. These factors typically include a completed housing study, available land, a simplified zoning process and low impact fees. Preble County conducting this housing study is a great first step to attracting residential developers, but there are other steps that can be taken to further improve Preble County's condition. To take the next step in the right direction, Preble County should seek out available land they deem possible for residential development, negotiate a purchase agreement, and take control of the site through the following steps.

The Preble County Development Partnership should work with its largest employers to develop residential site. The implementation steps for the Preble County Residential Development include the following:

- Identify potential sites. The Preble County Development Partnership should identify potential sites that are available for residential development.

- Identify the availability of utilities located at potential sites. These potential residential sites need to be reviewed to determine the availability, capacity, and cost of service for utility services as well as the timing for these services.

- Understand the site's geotechnical and environmental challenges. Potential sites for the Preble County residential development need to be reviewed for potential geotechnical and environmental challenges which will require reviews by engineering consultants with expertise in these areas.

- Negotiate site ownership interest. Preble County should get control of the potential residential sites through options or marketing agreements with landowners. The Preble County Development Partnership should engage major employers to negotiate contracts with landowners that will allow it to gain entitlements and economic development incentives for the site, and market the site to residential developers.

- Advocate land use entitlements such as zoning and annexation. Preble County must enact the required land use entitlements such as annexation, if needed, and zoning as required for local residential projects.

- Advocate for local and state economic development incentives. As the last step prior to marketing the site, Preble County needs to gain local economic development incentives.

- Market the Preble County Residential Sites. Finally, when the Preble County Development Partnership has completed the steps above and is completely prepared for residential development, the residential developer attraction campaign should begin with the steps below. The Preble County Development Partnership must transfer its options on the land to a third-party developer to allow it to enter into a Purchase Service Agreement (PSA) to purchase the land where Preble County residential development will be located.

The Preble County Development Partnership should consider these sites for residential development.

Site One:

Preble County, Ohio - Property Record Card, Page 1
Parcel: K37001805000003000
Map Number: K37-050

GENERAL PARCEL INFORMATION

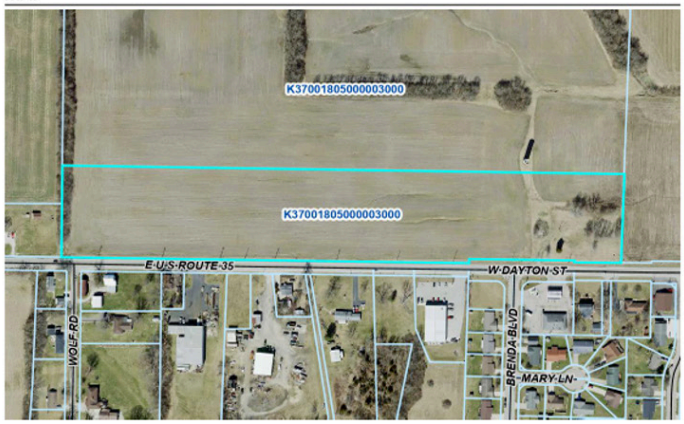
Owner	VOGEL THOMAS L TRUSTEE
Property Address	5113 E 35 US OH
Mailing Address	VOGEL THOMAS L 318 W SIEBENTHALER AVE DAYTON OH 45405
Land Use	110 AGRICULTURAL VACANT LAND "QUALIFIED FOR CURRENT
Legal Description	AGRICULTURAL USE VALUE" OUTLOT 35
School District	
Tax District	TWIN VALLEY SD K37 West Alexandria Village - Twin Valley School District

VALUATION

	Appraised	Assessed
Land Value	$323,050.00	$113,070.00
Improvements Value	$0.00	$0.00
Total Value	$323,050.00	$113,070.00

Taxable Value	$113,070.00
Net Annual Tax:	$2,416.18
Tot Amt Collected:	($2,473.72)

MAP



AGRICULTURAL

Code	Soil	Acres	Rate	Appraised	Assessed	CAUV Rate	CAUV Value	Taxable
WO -	CeA	4.116	5310	$21,860	$7,650	1720	$7,080	$2,480
CR -	MfB2	8.473	7400	$62,700	$21,950	2230	$18,890	$6,610
RD -		0.882	0	$0	$0	0	$0	$0
WO -	CeB	8.832	5010	$44,250	$15,490	1430	$12,630	$4,420
CR -	CeA	15.768	7900	$124,570	$43,600	2720	$42,890	$15,010
CR -	CtA	8.708	8100	$70,530	$24,690	2720	$23,690	$8,290
HS -		1	21800	$21,800	$7,630	21800	$21,800	$7,630
Totals:		118.205		$883,720			$323,050	

Site Two:

Preble County, Ohio - Property Record Card, Page 1
Parcel: M43000611600001000
Map Number: M43-116

GENERAL PARCEL INFORMATION

Owner	ROCKY RUNS FARMS OHIO PARTNERSHIP
Property Address	0 EATON LEWISBURG RD
Mailing Address	ROCKY RUNS FARMS 1425 WYNNBURNE DR CINCINNATI OH 45238
Land Use	110 AGRICULTURAL VACANT LAND "QUALIFIED FOR CURRENT
Legal Description	AGRICULTURAL USE VALUE" PT OUTLOT 202
School District Tax District	EATON SD M43 Eaton City - Eaton City School District

VALUATION

	Appraised	Assessed
Land Value	$134,510.00	$47,080.00
Improvements Value	$0.00	$0.00
Total Value	$134,510.00	$47,080.00

Taxable Value	$47,080.00
Net Annual Tax:	$991.90
Tot Amt Collected:	($991.90)

MAP

AGRICULTURAL

Code	Soil	Acres	Rate	Appraised	Assessed	CAUV Rate	CAUV Value	Taxable
CR -	CeB	18.279	7600	$138,920	$48,620	2430	$44,420	$15,550
CR -	KoA	2.501	8700	$21,760	$7,620	3780	$9,450	$3,310
CR -	MfB	1.199	7600	$9,110	$3,190	2370	$2,840	$990
CR -	KnA	2.549	8800	$22,430	$7,850	3780	$9,640	$3,370
CR -	SnA	4.483	8000	$35,860	$12,550	2760	$12,370	$4,330
PP -	SnA	4.034	8000	$32,270	$11,290	2760	$11,130	$3,900
RD -		1.115	0	$0	$0	0	$0	$0
Totals:		53.943		$407,280			$134,510	

Site Three

Preble County, Ohio - Property Record Card, Page 1
Parcel: D13001202800029000
Map Number: D13-028

GENERAL PARCEL INFORMATION

Owner	WEBSTER MATTHEW T @3, WEBSTER MICHAEL T & ROSEMARY
Property Address	TRUSTEES
Mailing Address	0 LEWISBURG WESTERN RD WEBSTER MATTHEW T 3994 SONORA RD
Land Use	LEWISBURG OH 45338
Legal Description	110 AGRICULTURAL VACANT LAND "QUALIFIED FOR CURRENT AGRICULTURAL USE VALUE" NKA OL56
School District Tax District	TRI COUNTY NORTH SD ~~D13 Lewisburg Village - Tri County North School District~~

VALUATION

	Appraised	Assessed
Land Value	$339,920.00	$118,970.00
Improvements Value	$0.00	$0.00
Total Value	$339,920.00	$118,970.00

Taxable Value	$118,970.00
Net Annual Tax:	$0.00
Tot Amt Collected:	$0.00

MAP

AGRICULTURAL

Code	Soil	Acres	Rate	Appraised	Assessed	CAUV Rate	CAUV Value	Taxable
CR -	CtA	23.77	8100	$192,540	$67,390	2720	$64,650	$22,630
CR -	CeB	39.418	7600	$299,580	$104,850	2430	$95,790	$33,530
CR -	KnA	35.327	8800	$310,880	$108,810	3780	$133,540	$46,740
CR -	RaB	4.408	7300	$32,180	$11,260	2350	$10,360	$3,630
CR -	RaA	10.523	7500	$78,920	$27,620	2560	$26,940	$9,430
CR -	CeA	3.175	7900	$25,080	$8,780	2720	$8,640	$3,020
Totals:		116.621		$939,180			$339,920	

Site Four

Preble County, Ohio - Property Record Card, Page 1
Parcel: L39720440000001000
Map Number: L39-04-400

GENERAL PARCEL INFORMATION

Owner	BOARD OF PREBLE COUNTY COMMISSIONERS
Property Address	0 CAMDEN RD
Mailing Address	PREBLE COUNTY COMMISSIONERS 101 E MAIN ST EATON OH 45320
Land Use	110 AGRICULTURAL VACANT LAND "QUALIFIED FOR CURRENT
Legal Description	AGRICULTURAL USE VALUE" N PT SE
School District	
Tax District	EATON SD L39 Washington Twp. - Eaton City School District

VALUATION

	Appraised	Assessed
Land Value	$174,990.00	$61,250.00
Improvements Value	$0.00	$0.00
Total Value	$174,990.00	$61,250.00

Taxable Value	$61,250.00
Net Annual Tax:	$1,272.50
Tot Amt Collected:	($1,379.46)

MAP

AGRICULTURAL

Code	Soil	Acres	Rate	Appraised	Assessed	CAUV Rate	CAUV Value	Taxable
WO -	CeA	0.109	5310	$580	$200	1720	$190	$70
RD -		0.508	0	$0	$0	0	$0	$0
WO -	MeC2	1.661	4290	$7,130	$2,500	880	$1,460	$510
WO -	CeB	1.363	5010	$6,830	$2,390	1430	$1,950	$680
CR -	MfB2	0.235	7400	$1,740	$610	2230	$520	$180
CR -	CtA	18.816	8100	$152,410	$53,340	2720	$51,180	$17,910
CR -	MeC2	7.934	7000	$55,540	$19,440	1880	$14,920	$5,220
Totals:		66.542		$501,850			$174,990	

Action Item #2. Preble County Should Utilize Tax Increment Financing Districts, Community Reinvestment Areas and Downtown Redevelopment Districts to reduce the overall cost of residential development and make them more competitive.

Use Tax Increment Financing to Spur Development When Necessary. Ohio has two different types of Tax districts that can be created; a parcel TIF and incentive district TIF. A parcel TIF can be done for commercial and industrial development projects. While an incentive district TIF can be done for commercial, industrial, and residential projects. For the future residential developments in Preble County an Incentive District TIF can be used to help bring infrastructure to sites and reduce the burden on residential developers. Here are the requirements to establish an incentive District TIF per the Ohio Revised Code Section 5709.40(5)a-g.

1. "Incentive district" means an area not more than three hundred acres in size enclosed by a continuous boundary in which a project is being, or will be, undertaken and having one or more of the following distress characteristics:
   a. At least fifty-one per cent of the residents of the district have incomes of less than eighty per cent of the median income of residents of the political subdivision in which the district is located, as determined in the same manner specified under section 119(b) of the "Housing and Community Development Act of 1974," 88 Stat. 633, 42 U.S.C. 5318, as amended;
   b. The average rate of unemployment in the district during the most recent twelve-month period for which data are available is equal to at least one hundred fifty per cent of the average rate of unemployment for this state for the same period.
   c. At least twenty per cent of the people residing in the district live at or below the poverty level as defined in the federal Housing and Community Development Act of 1974, 42 U.S.C. 5301, as amended, and regulations adopted pursuant to that act.
   d. The district is a blighted area.
   e. The district is in a situational distress area as designated by the director of development under division (F) of section 122.23 of the Revised Code.
   f. As certified by the engineer for the political subdivision, the public infrastructure serving the district is inadequate to meet the development needs of the district as evidenced by a written economic development plan or urban renewal plan for the district that has been adopted by the legislative authority of the subdivision.

g. The district is comprised entirely of unimproved land that is located in a distressed area as defined in section 122.23 of the Revised Code.

Create Community Reinvestment Areas Throughout Preble County Municipalities. Community Reinvestment Areas (CRAs) can serve as a catalyst for kickstarting residential development projects. CRAs, with the backing of school districts, offer property tax abatements over a period ranging from 15 to 30 years for new development or substantial property renovations within a designated area. The primary role of CRAs in residential development is to alleviate some of the financial burdens associated with construction costs for developers. This factor is especially important due to the rising costs of construction over recent years. CBRE's new Construction Cost Index forecasted a 14.1% year-over-year increase in construction costs from 2021 to year-end 2022. These abatements can also benefit homeowners looking to make significant property improvements or attract new buyers by offering reduced property taxes during the initial years of ownership.

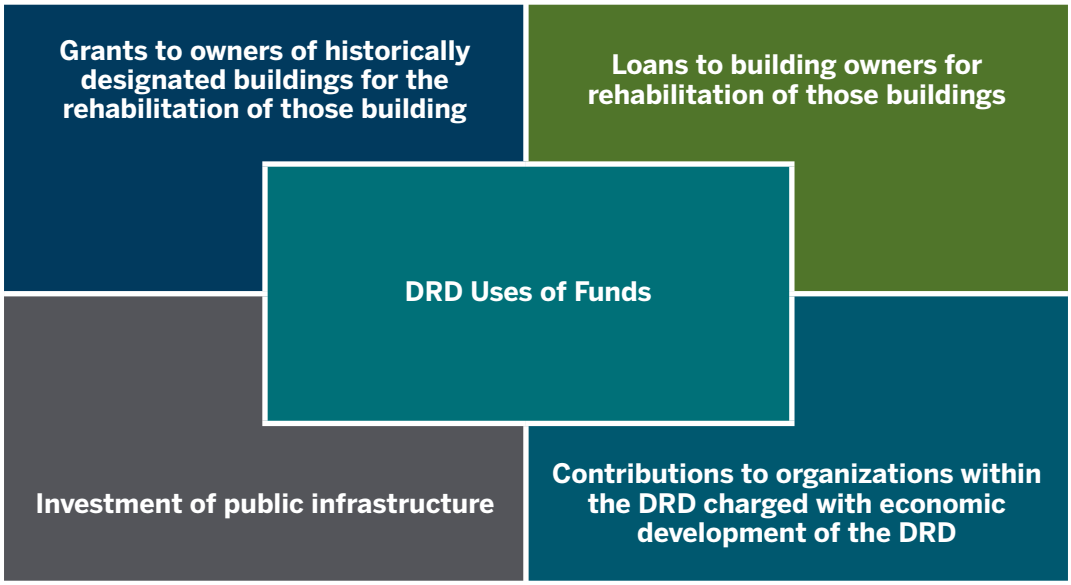
There are currently two CRAs in Preble County, CRA #624 located in Eaton and CRA #135-02185-01 located in Lewisburg. Considering the information provided in the data of this report, all major municipalities in Preble County should consider the establishment of new CRAs or the expansion of existing districts to facilitate new development. Furthermore, it may be prudent to establish new residential CRAs in a non-competitive manner among these areas, promoting development within the existing boundaries of municipalities and villages without engendering abatement rivalry between these sites. It is important to note that CRAs provide advantages to both developers and homeowners by reducing property tax obligations.

It is crucial to acknowledge that CRAs do diminish the property tax revenue that the county and school districts rely on the most. The extent of tax reduction and the duration for which property tax on improvements is reduced is determined by the municipality. In view of the impact of CRAs on local taxing authorities, abatements should be established through collaborative consultation involving all affected political jurisdictions.

Create Downtown Redevelopment Districts throughout Preble County. Preble County needs to utilize historic preservation economic development tools to spur investment but also to preserve the character of the community that redeveloped historic structures provide. Ohio's Downtown Redevelopment (DRD) program is an important historic preservation redevelopment tool.

Ohio Downtown Redevelopment District Process

Ohio's DRD law permits municipalities to redirect up to 70% of future property tax growth in a 10-acre continuous district that includes a certified historic structure or buildings in a historic district. DRDs do not raise property taxes but redirect a portion of future growth. DRDs encourage the preservation of historic properties and spur new capital investment and job growth in Ohio municipalities. DRDs redirect property tax revenue for one of four uses: grants to historic properties, loans to non-historic properties, public infrastructure, and operations of economic development organizations. DRDs can be used for the redevelopment of property for a range of uses including commercial, office, mixed-use, retail, and industrial, and for residential that is in a mixed-use area.



Preble County Downtown Redevelopment District Potential Sites			
Property Name	Reference #	Address	City
Camden City Hall and Opera House	98000100	54 W. Central Ave.	Camden
Camden Public School	98000041	110 W. Central Ave.	Camden
Acton House	85001944	115 W. Main St.	Eaton
Eaton High School	14001052	307 Cherry St.	Eaton
Bunker Hill House	01001062	7919 OH 177	Fairhaven
Lange Hotel	90002213	1 W. Dayton St.	West Alexandria
Unger, George B., House	78002176	29 E. Dayton St.	West Alexandria
West Alexandria Depot	06000696	71 E. Dayton St.	West Alexandria

Source: National Park Service

Action Item #3. Incentivize Residential Development through fee waivers/reductions and enhancing zoning.

Fee waivers are one increasingly popular idea that is circulating through local governments across the United States in order to encourage residential development. The thought process behind this idea is that by reducing the amount of fees and streamlining the number of different fees paid by residential developers throughout the construction process will encourage builders to develop homes where it was previously deemed undesirable. Cities, towns, and counties have several avenues for granting fee waivers and reductions to developers with eligible projects. Typically, developers must initiate the process by submitting an application to the planning or housing and community development department. This application should include the necessary documentation to demonstrate their compliance with eligibility criteria. Once the application receives approval for a qualifying project, the fee waiver or reduction is granted.

Enhancing the Permitting and Zoning Process

Permitting is required for all proposed developments, whether new construction or renovation or rehab of existing buildings to ensure compliance with building code, land use laws, and other regulations. Obtaining the necessary permits and approvals can be a time-consuming process, often leading to project delays that inflate costs and shrink profit margins, especially when working with tight budgets. This serves the dual purpose of

reducing overall project development expenses and ensuring the timely completion of new housing. When bundled with a comprehensive package of incentives, though, it becomes a valuable enticement, particularly in regions where the permitting process tends to be protracted. Cities, towns, and counties interested in providing expedited permitting for qualifying developments can customize their approach to align with their local circumstances. By tailoring coverage and eligibility criteria, they can effectively achieve their community goals.

Ensure that zoning regulations are adaptable to the needs of contemporary developers. In light of rising land, labor, and supply costs, as indicated by the developers interviewed, it is essential to consider a minimum requirement of 4 to 5 units per acre for new developments in the county to remain financially viable. Local city and village zoning codes should be designed with flexibility to accommodate varying residential densities, whether in single-family or multi-family housing.

Expanding the permissible density levels in specific districts does not imply that all new developments must adhere to higher standards uniformly. However, by zoning more areas for denser development, communities in Preble County can welcome developers interested in introducing new products like townhomes to the market. Also, encourage mixed-use zoning that allows residential, commercial, and recreational spaces to coexist in the same areas. This approach promotes walkability, reduces the need for long commutes, and fosters vibrant communities. Adjusting zoning codes sends a clear signal to external developers that the county's communities are prepared for innovation and are willing to collaborate to ensure that projects are not only financially feasible and sustainable but also aligned with the community's growth vision. It is important to note that Preble County should plan for implementation of zoning changes in phases to allow communities and developers time to adjust.

METHODOLOGY

The U.S. Census Bureau is a federal agency responsible for collecting, analyzing, and disseminating a wide range of demographic, economic, and social data about the United States and its population. The Census Bureau conducts various surveys and censuses to gather this information, and its data collection methods are designed to be accurate, comprehensive, and confidential. Here's an overview of how the U.S. Census Bureau collects data:

1. **Decennial Census:** Every ten years, the Census Bureau conducts the decennial census, which is a complete count of every person living in the United States. Households receive a questionnaire that includes questions about the number of people living in the household, their ages, genders, races, and relationships to each other. Respondents are required by law to participate, and the Census Bureau employs various strategies to ensure a complete and accurate count, including extensive outreach and follow-up efforts.
2. **American Community Survey (ACS):** The ACS is an ongoing survey that collects detailed demographic, economic, and social information from a sample of households annually. It replaces the long-form questionnaire that was once part of the decennial census. The ACS provides timely data on various topics, such as income, education, employment, and housing, and it helps policymakers and researchers understand trends and make informed decisions.
3. **Economic Surveys:** The Census Bureau conducts a range of economic surveys to collect data on businesses, industries, and trade. These surveys provide critical information on economic activity, employment, and market trends. Examples include the Economic Census, the Monthly Retail Trade Report, and the Annual Business Survey.
4. **Housing Surveys:** The Census Bureau collects housing-related data through various surveys, including the Housing Vacancy Survey and the American Housing Survey. These surveys provide insights into housing conditions, occupancy rates, and housing costs.
5. **Population Estimates:** Between decennial censuses, the Census Bureau estimates the population for states, counties, cities, and other geographic areas. These estimates are based on data from the decennial census, administrative records, and other sources.

In summary, the U.S. Census Bureau employs a variety of methods to collect data about the U.S. population and its characteristics. These methods range from the decennial census to ongoing surveys, economic and housing surveys, administrative records, partnerships with communities, and the use of technology. The data collected by the Census Bureau are vital for government decision-making, policy development, resource allocation, and research across a wide range of fields.

ESRI (Environmental Systems Research Institute) Demographics is a comprehensive suite of data and tools used for geographic information system (GIS) analysis and spatial demographic research. ESRI Demographics provides demographic, economic, and lifestyle data at various geographic levels, from national

down to neighborhood or block group scales. This data is invaluable for businesses, government agencies, researchers, and organizations seeking to make informed decisions based on geographic and demographic insights. ESRI Demographics aggregates data from a wide range of reputable sources, including government agencies, public records, commercial datasets, and surveys. These sources encompass various aspects of demographic and socioeconomic information, such as population counts, income, housing, education, employment, and consumer behavior. ESRI Demographics often integrates data from the U.S. Census Bureau, which conducts the decennial census and the American Community Survey (ACS). These official government sources provide comprehensive demographic and housing data for the United States.

The U.S. Department of Housing and Urban Development (HUD) is responsible for overseeing various housing-related programs and policies at the federal level. One of the ways HUD tracks and monitors housing development is by collecting and analyzing building permit data. Building permits are legal documents issued by local government authorities that grant permission for construction or renovation projects. These permits are essential for ensuring that construction activities comply with building codes and regulations. HUD compiles and aggregates this data into a comprehensive national database. This database contains information on building permits issued throughout the country, which is regularly updated as new permits are issued and existing permits are closed out. Building permit data is a valuable resource for researchers, policymakers, and economists studying housing market dynamics. It provides a wealth of information about the health and trends of the housing market, which can be used to assess economic conditions, housing affordability, and the demand for housing.

The Federal Reserve of Economic Data (FRED) collects economic data from a variety of sources to monitor the health of the U.S. economy and make informed monetary policy decisions. The Federal Reserve relies on data collected by various government agencies, including the Bureau of Economic Analysis, the Bureau of Labor Statistics, the U.S. Census Bureau, the Treasury Department and more. Also, The Federal Reserve conducts its own research and analysis, often in collaboration with economists and experts in both the public and the private sector. This research can involve data analysis, economic modeling, and the development of economic indicators.

ENDNOTES

[i] Robert P. Giloth, "Learning from the Field: Economic Growth and Workforce Development in the 1990's," Economic Development Quarterly, 14, 4 (November 2000) 340–359, 345.

[ii] https://www.bls.gov/iag/tgs/iag22.htm