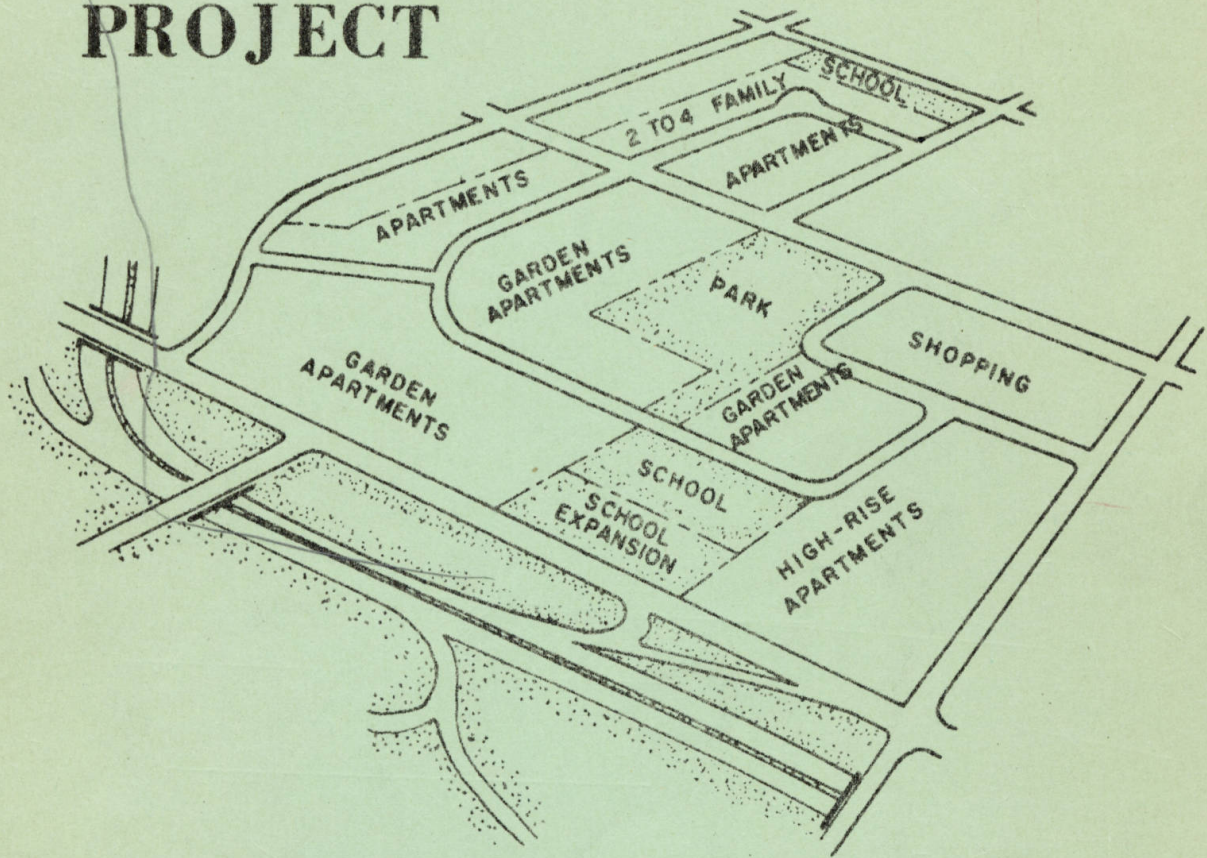


DEVELOPMENT DEPT.

BHT
71

GOODALE

REDEVELOPMENT PROJECT



47 ACRES

OF URBAN RENEWAL OPPORTUNITY

IN COLUMBUS, OHIO

Ohio
307.3
G646

PUBLIC LIBRARY
OF COLUMBUS AND
FRANKLIN COUNTY.



192 565 8831

BHT
71

0410
307.3
G-646

OHIO
STATE
UNIVERSITY

OHIO STATE
FAIR GROUNDS

DENNISON - HUNTER - HUBBARD
REHABILITATION PROJECT
PLANNING STAGE

GOODALE RENEWAL PROJECT
DISPOSITION STAGE

FORT HAYES

MARKET - MOHAWK
RENEWAL PROJECT
EXECUTION STAGE

CHILDREN'S HOSPITAL
RENEWAL PROJECT
PRELIMINARY PLANNING

COLUMBUS EXPRESSWAYS AND URBAN RENEWAL PROJECTS

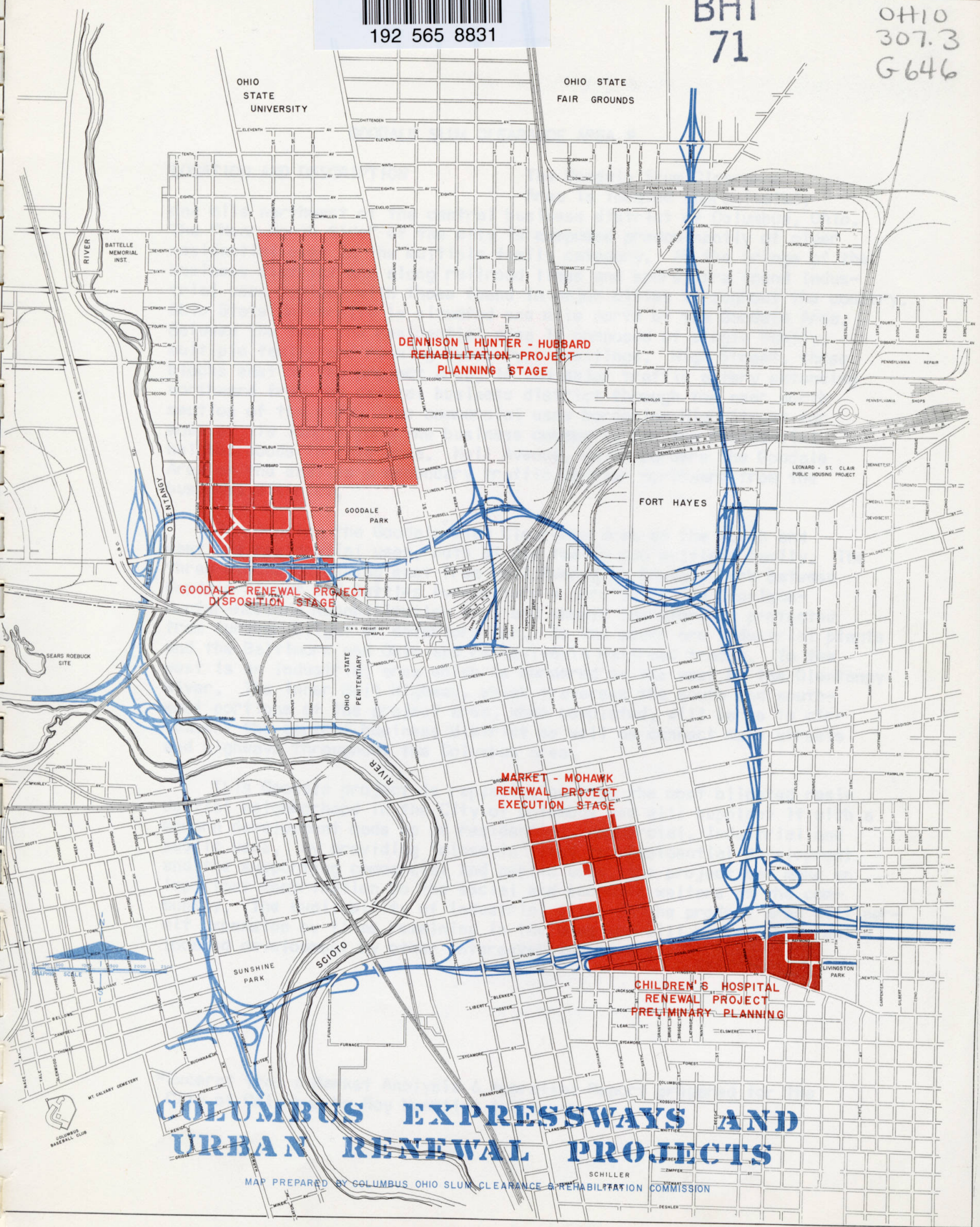
MAP PREPARED BY COLUMBUS OHIO SLUM CLEARANCE & REHABILITATION COMMISSION

SCHILLER

ZIMPKER

STEINWAY

DESLER



GODDALE SLUM CLEARANCE AREA *

LOCATION AND DESCRIPTION

The Goodale Slum Clearance Area is located approximately one mile northwest of the central business district of Columbus, Ohio. The "Near North Side" of the city is composed predominantly of older residential uses in the multiple family category. At the fringe of the business district and along railroad lines and spurs, are found industrial uses typical with those found in major cities throughout the country. Ohio State University is situated one mile north of the Goodale Area. Between the two, the residential area is composed of single family, multiple family and rooming house type dwellings. High Street, three blocks east of the project area, is the major traffic artery extending northward from the central business district through the near north section of the city. The commercial uses bordering High Street for most of its length form the business community for the residential neighborhoods in this area. Neil Avenue, which borders the Goodale Area on the east, is a secondary traffic carrier northward from the business district.

Surrounding the Goodale Slum Clearance Area on the north and east are residential uses, both single family and multiple family. The three blocks extending east from Neil Avenue to Goodale Park between Goodale Street and Buttles Avenue form a portion of the Dennison-Hunter-Hubbard Rehabilitation Area and should therefore be protected from further blight or deterioration. To the south are industrial plants and the Baltimore and Ohio and Pennsylvania Railroad tracks. To the west is an industrial area which is bordered on the west by the Olentangy River. The Inner Belt Highway, which traverses the south and southwest portions of the project area, when completed, will serve to circumvent the central business district as well as connect main streets and highways throughout the Columbus area.

This Goodale project is replacing perhaps the most blighted residential neighborhood in the City of Columbus and will supplant it with a modern development made up of residential, commercial, industrial and public uses. By providing "close-in" land for residential development and the supporting commercial and public uses, the project can make an important contribution to the social and economic welfare of the community. The availability of industrial sites in the project area will permit expansion by firms remaining in the area and will allow conveniently located development by other interested industries.

*Excerpt from a Market Analysis & Appraisal Report prepared for the City of Columbus by Roy Wenzlick & Company.

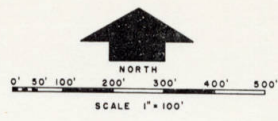
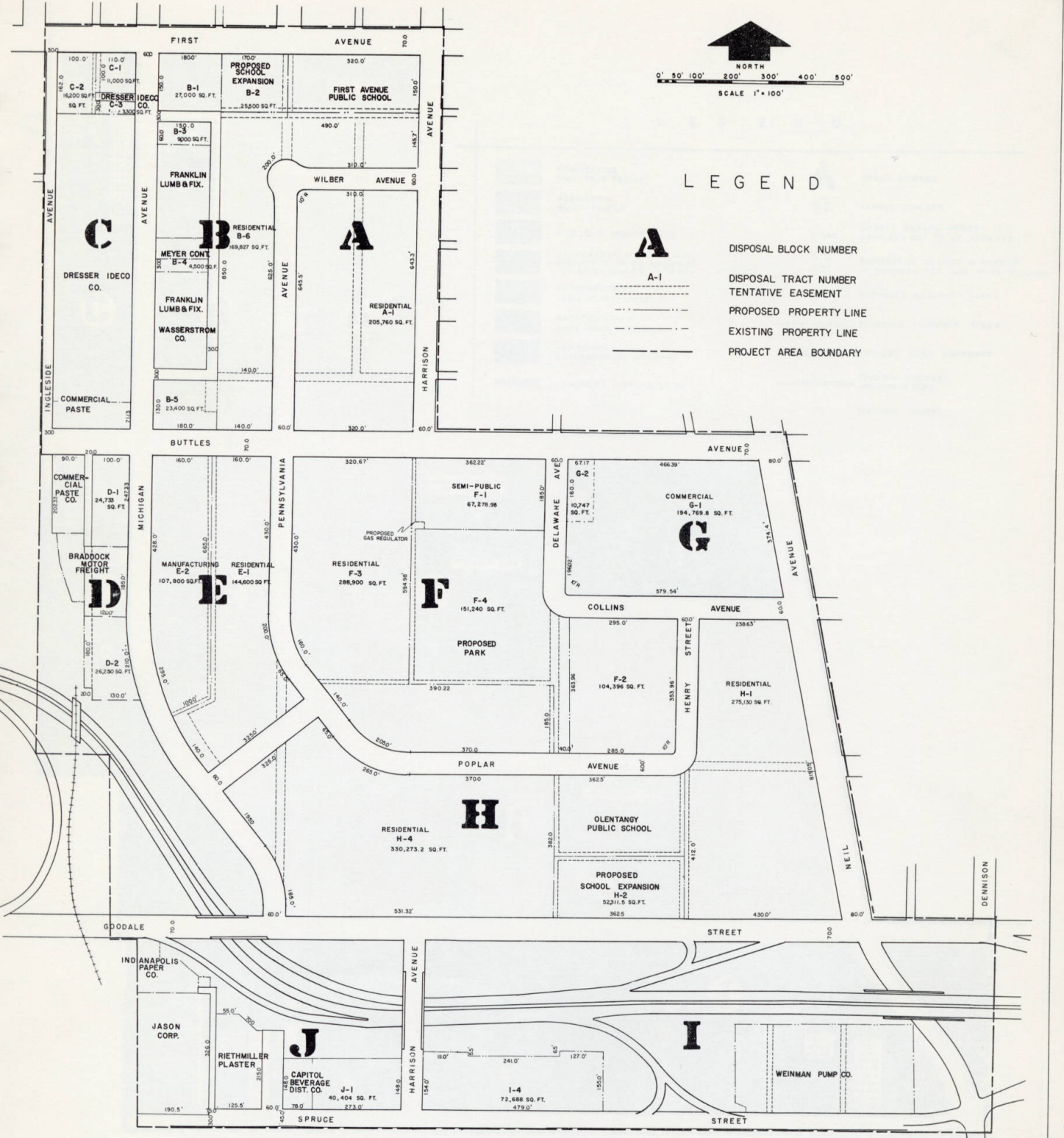
REDEVELOPMENT PLAN

.....shows the proposed future land use plan for the Goodale Slum Clearance Area prepared by the Slum Clearance and Rehabilitation Commission of Columbus. Future use has been divided into four major classifications: residential, commercial, manufacturing, and public and semi-public. The residential classification is divided into three sub-classifications: two and four family, multiple family (30 families per acre) and multiple family (50 families per acre). The manufacturing uses have been divided into two classifications: less objectionable and more objectionable.

The area to be cleared and made available for redevelopment is listed by classification in the following table.

<u>Use Classification</u>	<u>AREA</u>	
	<u>Square Feet</u>	<u>Acres</u>
Residential		
Two and four family	375,587.0	8.6
Multiple family (30/acre)	831,896.0	19.1
Multiple family (50/acre)	275,130.0	6.3
Commercial	205,517.0	4.7
Industrial (less objectionable)	364,895.0	8.4
Public and Semi-public	334,574.5	7.7
Total	2,387,599.5	54.8

The proposed two and four family area is located in the far north section of the project area, the proposed multiple family walk-up area forms the central portions and the proposed elevator apartment area is situated in the southeast section. Commercial uses are planned for one large tract to permit development of a modern integrated shopping center. Industrial uses are confined to the west and south edges of the Goodale area where remaining and adjoining uses are also industrial. Public uses have been proposed to permit expansion of the First Avenue and Olentangy public schools and the Macedonia Church and to provide for a community center and public park.



LEGEND

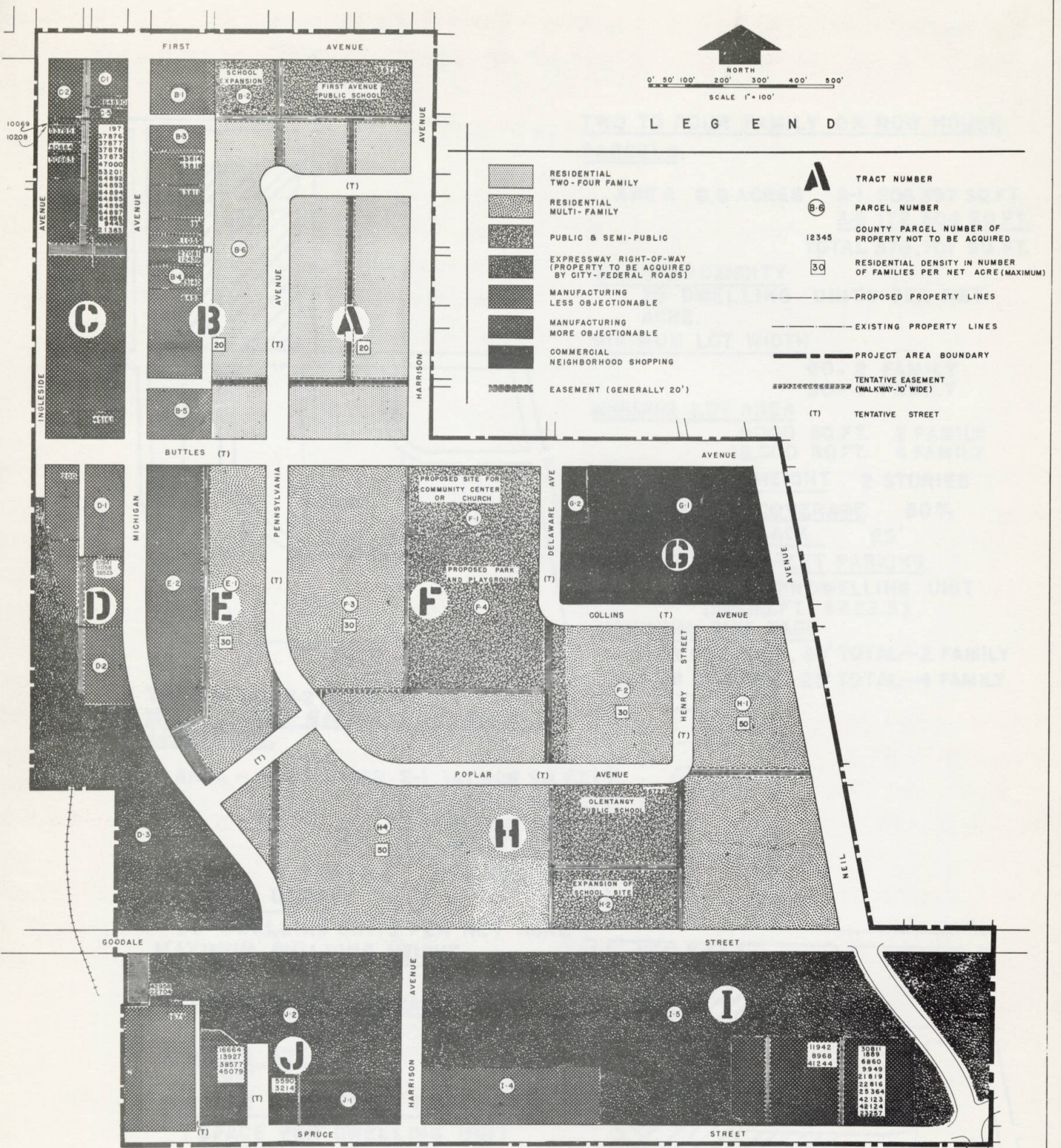
- A** DISPOSAL BLOCK NUMBER
- A-1 DISPOSAL TRACT NUMBER
- - - - - TENTATIVE EASEMENT
- - - - - PROPOSED PROPERTY LINE
- — — — — EXISTING PROPERTY LINE
- — — — — PROJECT AREA BOUNDARY

LAND DISPOSITION MAP

GOODALE PROJECT AREA

UR OHIO 4-1 • COLUMBUS, OHIO • SLUM CLEARANCE & REHABILITATION COMMISSION

SHEET	310 - 1
REVISION NO.	DATE
LAND DISPOSITION MAP	



REDEVELOPMENT PLAN
PROJECT AREA PLAN

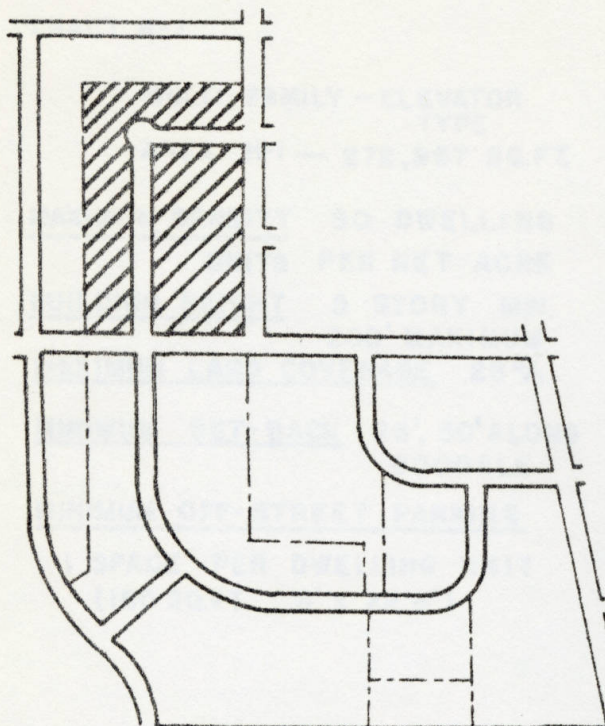
GOODALE PROJECT AREA

UR OHIO 4-1 • COLUMBUS, OHIO • SLUM CLEARANCE & REHABILITATION COMMISSION

PROJECT AREA PLAN

2

REVISED MAR. 1960
REVISED JAN. 1960



TWO TO FOUR FAMILY OR ROW HOUSE PARCELS.

AREA 8.8 ACRES A-1 206,397 SQ.FT.
 B-6 172,304 SQ.FT.
 TOTAL 378,701 SQ.FT.

MAXIMUM DENSITY
 20 DWELLING UNITS PER NET
 ACRE.

MINIMUM LOT WIDTH

60- 2 FAMILY
 90- 4 FAMILY

MINIMUM LOT AREA

9000 SQ.FT. 2 FAMILY
 13,500 SQ.FT. 4 FAMILY

MAXIMUM BLDG. HEIGHT 2 STORIES

MAXIMUM LAND COVERAGE 30%

MINIMUM SET-BACK 25'

MINIMUM OFF STREET PARKING

1 SPACE PER DWELLING UNIT
 (180 SQ.FT. 8'X 22.5')

MAXIMUM SIDE YARD

5' ON ONE SIDE, 20' TOTAL—2 FAMILY
 10' ON ONE SIDE, 25' TOTAL—4 FAMILY

TRACTS E-1, F-2, F-3 & H-4
MULTI-FAMILY GARDEN TYPE WALK-UP
APARTMENT.

AREA - 18.63 ACRES E-1 147,926 SQ.FT.
 F-2 107,081 SQ.FT.
 F-3 292,040 SQ.FT.
 H-4 327,873 SQ.FT.
 TOTAL 574,920 SQ.FT.

MAXIMUM DENSITY

30 DWELLING UNITS PER NET ACRE
MAXIMUM BUILDING HEIGHT

3 STORIES

MAXIMUM LAND COVERAGE

30%

MINIMUM SET-BACK

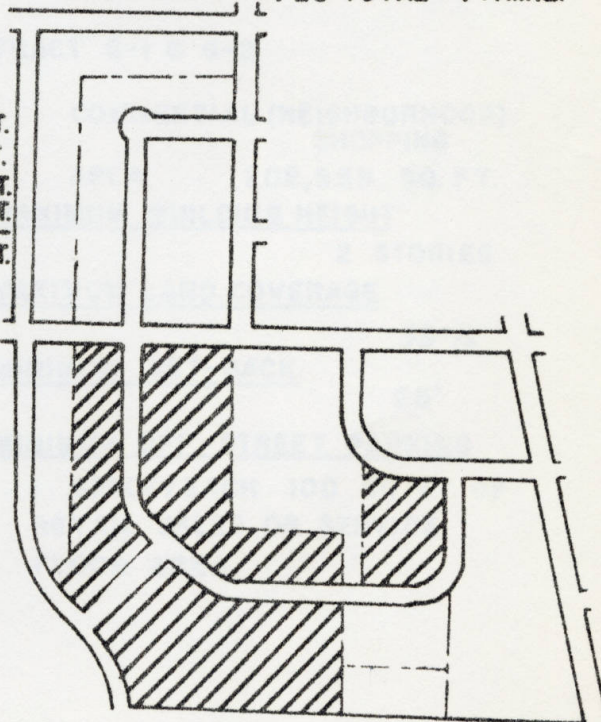
25'

MINIMUM OFF-STREET PARKING

1 SPACE PER DWELLING UNIT
 (180' SQ.FT. 8'X 22.5')

MINIMUM SIDE-YARD

15' ON ONE SIDE TOTAL 40'



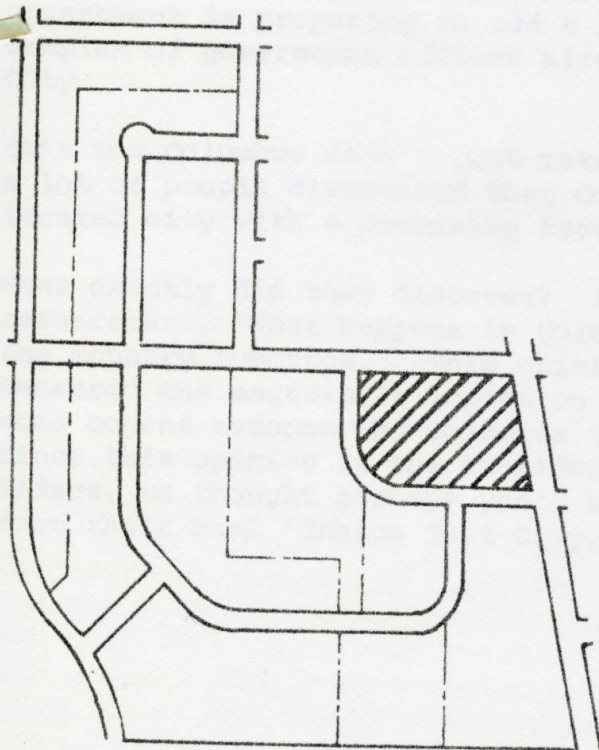
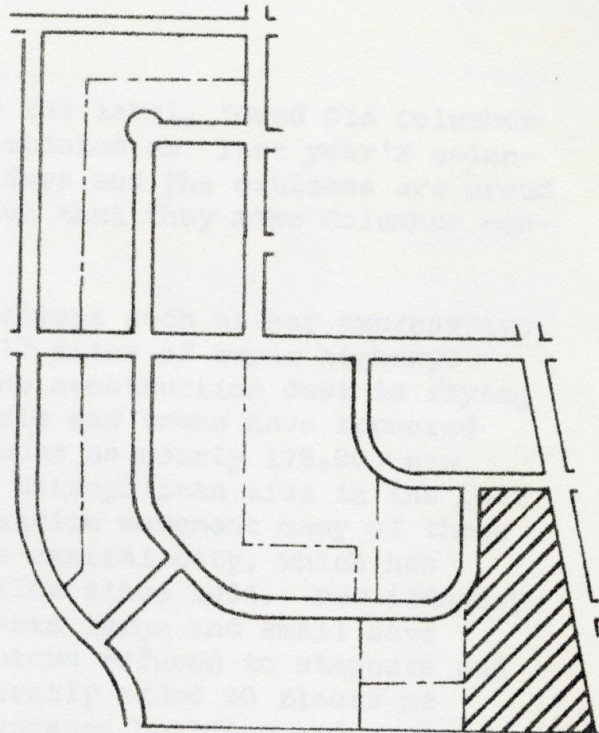
TRACT H-1

**MULTI-FAMILY - ELEVATOR
TYPE**
AREA H-1 — 272,997 SQ.FT.

**MAXIMUM DENSITY 50 DWELLING
UNITS PER NET ACRE**
**BUILDING HEIGHT 5 STORY MIN.
200' MAXIMUM**
MAXIMUM LAND COVERAGE 25%

**MINIMUM SET-BACK 25', 50' ALONG
GOODALE**

**MINIMUM OFF-STREET PARKING
1 SPACE PER DWELLING UNIT
(180 SQ.FT. 8' X 22.5')**



TRACT G-1 & G-2

**COMMERCIAL (NEIGHBORHOOD)
SHOPPING**

AREA 202,559 SQ. FT.

**MAXIMUM BUILDING HEIGHT
2 STORIES**

**MAXIMUM LAND COVERAGE
33%**

**MINIMUM SET-BACK
25'**

**MINIMUM OFF-STREET PARKING
1 SPACE/EACH 100 SQ. FT. OF
RETAIL SALES OR SERVICE
FLOOR AREA.**

INSIDE

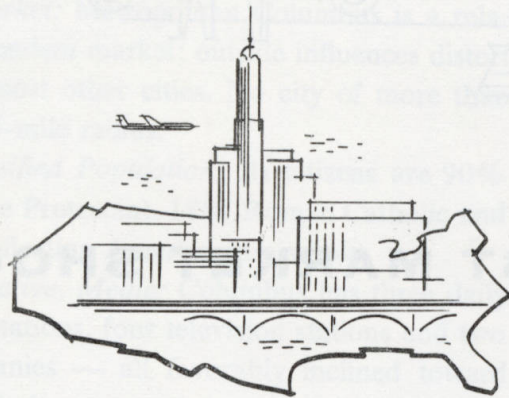
Columbus used to be characterized by the label, "Good Old Columbus Town," but today that truism is as outdated as last year's calendar. Much of Columbus is new these days and the citizens are proud enough of the new additions to believe that they make Columbus considerably better than merely "Good."

Helping make Columbus better are additions such as her expressways. Thousands of cars cruise daily over 17 miles of super highways which cost over \$62,400,000.00 and the construction dust is flying on another \$27,000,000.00 worth. Whole new towns have appeared almost overnight around the old Columbus as nearly 175,000 new residents elbowed their way into the metropolitan area in the past 10 years. Thanks to a vigorous annexation movement many of these new citizens have been taken into the central city, which has doubled its area to over 90 square miles since 1954. New industry has found Columbus attractive and plants large and small have provided thousands of jobs. The downtown refused to stagnate and the City's major department store recently added 10 floors of selling space to join a six story insurance building and a nine story electric utility building on the City's skyline. The State Government is preparing to add a 13 story office building to the complex of government offices already growing in Ohio's Capitol City.

This new Columbus didn't just materialize. It came about because a lot of people discovered that Columbus is a solid, centrally located city with a promising future.

What exactly did they discover? In the words of Reader's Digest researchers, "What happens in Columbus today will happen all over the country tomorrow." This opinion, expressed in 1959 after they measured the magazine's impact on a typical American city, provides some cogent reasons why Columbus is an ideal place for new building. Since this opinion is the considered opinion of knowledgeable outsiders, we thought perhaps you'd be interested in reading this excerpt from their book "Inside Test City, U.S.A."

INSIDE TEST CITY U.S.A.

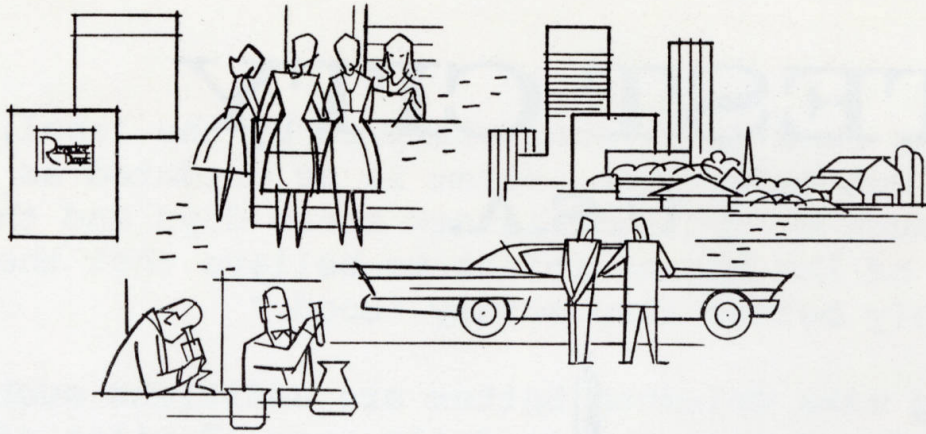


A new perspective on the sales impact
and influence of a magazine
on the heart of America,
and what it means to business

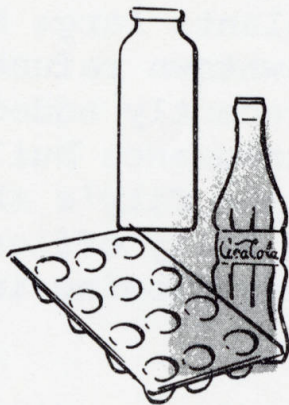
REPORT OF A STUDY IN COLUMBUS, OHIO, SPONSORED BY READER'S DIGEST

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WHAT A TEST MARKET SHOULD BE



Is your milk bottle square? Columbus, Ohio, women first tried the non-skid, compact bottle in 1944. They liked it. Today, 90% of the nation's milk bottles are square.

Ever buy a family-size Coke? Coca-Cola chose Columbus as one city to test this new size in 1956, before offering it for sale nationally.

Is there a plastic egg tray in your refrigerator? Columbus housewives bought 50,000 such trays during a test period. The nation followed with the purchase of 2,000,000 the first year.

During the past two decades, American business has tested more of its products in Columbus than in any other American city its size. For industry has discovered that what happens in Columbus today will happen all over the country tomorrow.

Compare Columbus with the following requirements for an ideal test city, and you'll see why that happens. At the same time, you can determine for yourself whether the conclusions in this book are in fact applicable to the rest of America — and whether you can logically apply them to your national selling problems.

Ten characteristics of a test city

What an ideal test market should be depends on what you are testing, and on what kind of market you want to test. Some large companies prefer the "Big City" test market, with an enormous central metropolis and miles of contiguous and varied suburban areas. More popular for testing new products are the "Average City" test markets. And when such a city displays all ten of the following characteristics, it is likely to become Test City, U.S.A. — which is precisely what Columbus calls itself.

1) *Self-Contained Market:* Metropolitan Columbus is a relatively isolated and independent market; outside influences distort tests there less than in most other cities. No city of more than 35,000 exists within a 35-mile radius.

2) *Typical and Diversified Population:* Its citizens are 90% native born, and 74% are Protestant, 18% Roman Catholic and 2% Jewish — closely reflecting America as a whole.

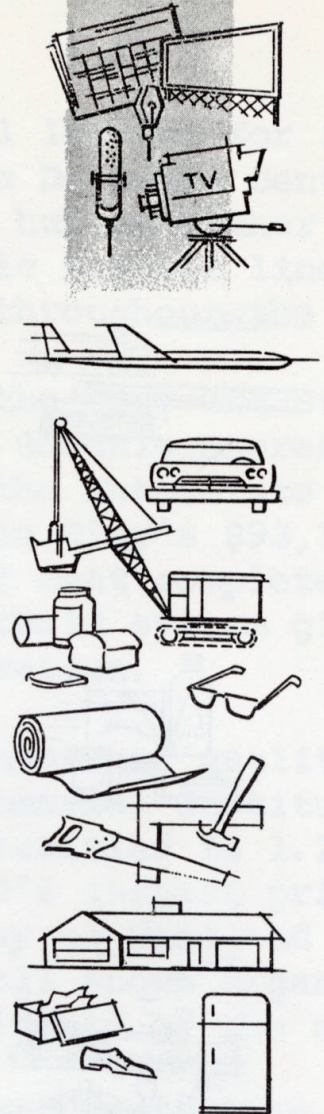
3) *Good, and Cooperative, Media:* Columbus has three daily newspapers, eight radio stations, four television stations and two outdoor billboard companies — all favorably inclined toward testing, and experienced in it.

4) *Diversified Business and Industry:* In Columbus, you'll find industry making airplanes and parts, auto parts, caskets, conveyors, construction equipment, electric controls, food products, hardware, hydraulic and mining equipment, oilcloth, optical goods, pre-fab homes, plastics, refrigerators, roller bearings, shoes, steel casings and uniforms.

Downtown, you'll find insurance companies, and professional men, railroad executives, retailers and wholesalers; also federal, state, county and city government workers; and professors, scientists and students from three universities, four colleges, and the world's largest private industrial research organization, Battelle Memorial Institute.

5) *Close to Average Income Level:* Columbus departs a bit from the ideal here, but on the favorable side — with an average family income of \$7,251 compared with the national average of \$5,921.

6) *Stable Market:* Because no one industry or business predominates, Columbus feels depressions and recessions less than most cities. Manufacturing plants employ 79,400, government



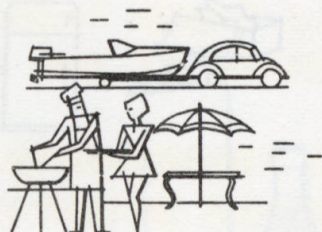
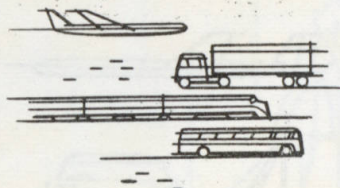
32,800, farms another 4,000, colleges 8,000 — and thousands more work in stores and offices of all kinds.

7) *Good Distribution Facilities:* Columbus counts 5,280 retailers selling everything from apparel to zippers; and 842 wholesalers handling food, drugs, tobacco and just about any commodity you can name.

8) *Good Transportation:* A transportation hub, Columbus boasts that it is "Half-a-day away from half the U.S.A." It has five major railroads, seven inter-city bus lines, 100 motor freight lines, seven airlines, a new jet-size airport and access to four state super-highways.

9) *Experience as a Test City:* You need local help for most tests—and Columbus knows testing from experience. Procter & Gamble, Lever Brothers, General Foods, Johnson & Johnson, Kraft, Campbell Soup, Colgate Palmolive, Scott, Armour, all have used the city to launch successful new lines.

10) *Good Record as an Indicator:* The national success of such products as Nescafé Instant Coffee, Lipton's Instant Tea, Comet Cleanser indicate that if you sell it in Columbus, you can sell it to America.



Add the "new market" to the test market

Today, a test market must have still another characteristic — one that you can recognize but cannot define in a word. It's a flavor more than a fact. It's the lively, prosperous — and sometimes contradictory — quality of what everyone calls the Postwar Market.

This is the market that seems to be calling for smaller, more economical cars — but which will buy two, and hook an expensive boat and trailer behind one of them. It's the market of homebodies — in Bermuda shorts on flagstone patios. It's the market of families that go every Saturday to the shopping center the way their parents went to the fair.

Unless a city reflects this quality, it probably cannot offer a good test for most products today. But Columbus does reflect it, brilliantly. And that, in the last analysis, may be the most important requirement. For it adds reasonable assurance that what is happening in Columbus is not only happening elsewhere in America, but especially in the areas of your greatest sales and greatest promise.

The Goodale Project is extremely well located for inner city living, being situated one mile from Columbus Downtown Center. Residents will have quick access to the City's hub on either Neil Avenue, Front Street or High Street and public transit lines on Neil Avenue will give convenient service points throughout the City.

Rapid connections to other parts of the City and State will be afforded residents on the 14,000,000 Goodale Expressway immediately south of the project. As a part of the Interstate Highway System, the expressway with other parts of the City's \$93,325,000 innerbelt expressway system which is now 54 per cent complete. The north and south freeways leading from the innerbelt system give quick access to distant sections of Ohio and the Nation.

Goodale dwellers will also have neighbors of quality in the renowned Ohio State University and Battelle Memorial Institute. Ohio State, one of the Nation's ten largest universities is 1.2 miles north along Neil Avenue and Battelle, world's largest private research institution, is the same distance away on Neil and King Avenues. The faculty and staff of these two well known organizations provide a discriminating association for residents of the new Goodale.

To protect the project fully, the area immediately east and north is included in the Dennison-Hunter-Hubbard Neighborhood Conservation Area, where a once fine neighborhood is being upgraded through a planned rehabilitation program administered in cooperation with the Federal Urban Renewal Administration.

The new Goodale is a unique opportunity for both profitable redevelopment and outstanding civic service. We invite your inspection of the area, your study of the formal disposition documents and your submission of a proposal for the new Goodale.

Maximum flexibility is the desire of the City of Columbus in offering this project for sale. In conformance with this policy the City of Columbus will accept for study proposals which do not fully meet the restrictions set forth in the plan so long as these exceptions are fully explained in writing with the proposal. A proposal can be made conditional on specified changes being made in the plan, in which case the City will not award the contract to that bidder until such changes have been made in the plan. A proposal can also be made with changes in the plan recommended by the bidder but not set forth as conditions of the submission of the bid in which case the City will be free to award a contract before detailed study of the redevelopers recommendations. These proposals will be accepted since it is the aim of the City to accomplish certain objectives in the carrying out of this project and to attain the best redevelopment even though the final redevelopment varies somewhat from the City's original plans.

MARKET ANALYSIS

GENERAL BACKGROUND

The stability of real estate prices in the Columbus Area depends not only upon the local supply and demand picture with regard to each land use classification, but also upon the general overall economic picture of the Columbus metropolitan area and of the nation as it affects the real estate market. The Research and Business Statistics Department of the Columbus Area Chamber of Commerce publishes a wealth of information concerning business activity, population, income and employment trends, industrial trends and wholesale and retail trade. This data has been carefully studied and considered in the formulation of this report, but it would be impossible to reproduce this formidable array of statistics which may have only an indirect bearing on marketability. Instead, this discussion is limited to those factors which have a direct influence on the problem at hand.

A convenient yardstick by which to measure the economic status of a city or an area, is the recorded trend in population. A strong economic base and favorable employment picture will attract people into a city and conversely, high unemployment or a lack of available employment will cause people to leave from that city to another in which the opportunities are greater.

Population trends of the recent past and expected future growth have a great influence upon the real estate market, especially in the residential sector. The population of Columbus and Franklin County has experienced impressive increases, especially over the last decade. Population increases in the metropolitan area compare favorably with the increase in total U.S. population. Since 1950, Columbus' population has risen from 275,000 to 400,000, an increase of 129,000, or 47.3% per year. This includes an increase of about 37,000 people living in areas annexed to the city, resulting in an increase of 92,000 in the area encompassed by Columbus in 1950. However, Franklin County's population exhibited an impressive increase during this period. The present estimate of 704,000 represents an increase of 200,000 since 1950, or an average of 20,000 per year.

MARKET ANALYSIS

MARKET ANALYSIS

GENERAL BACKGROUND

The marketability of reuse sites in the Goodale Slum

Clearance Area depends not only upon the specific supply and demand picture with regard to each land use classification, but also upon the general overall economic picture of the Columbus metropolitan area and of the nation as it affects the real estate market. The Research and Business Statistics Department of the Columbus Area Chamber of Commerce publishes a wealth of information concerning business activity, population, income and employment trends, industrial trends and wholesale and retail trade. This data has been carefully studied and considered in the formulation of this report, but it would be repetitious to reproduce this formidable array of statistics which may have only an indirect bearing on marketability. Instead, this discussion is limited to those factors which have a direct influence on the problem at hand.

A convenient yardstick by which to measure the economic status of a city or an area, is the resulting trend in population. A strong economic base and favorable employment picture will attract people into a city and conversely, high unemployment or a lack of available employment will cause people to move from that city to another in which the opportunities are greater.

Population trends of the recent past and expected future growth have a great influence upon the real estate market, especially in the residential sector. The population of Columbus and Franklin County has experienced impressive increases, especially over the last decade.population increase in the metropolitan area compares favorably with the increase in total U.S. urban population. Since 1950, Columbus' population has risen from 375,901 to 505,409 (estimated), an increase of 129,508, or 12,951 per year. This includes an increase of about 57,000 people living in areas annexed to the city, resulting in an increase of 72,500 in the area encompassed by Columbus in 1950. However, Franklin County's population exhibited an impressive increase during this period. The present estimate of 704,365 represents an increase of 200,955 since 1950, or an average of 20,096 per year.

The key factor in population analysis as an indicator of economic growth is the increase due to in-migration, i.e., the increases over and above net natural increases (births minus deaths). The latest figures available (1959) show that, in Franklin County, the net natural increase between April 1, 1950, and January 1, 1959, was 88,015. During the same period, total population increased an estimated 162,145, which indicates a residual increase of 74,130 attributable to in-migration. This migration into the Columbus metropolitan area reflects the economic strength of the city.

By all indications, similar growth is expected to continue into the future. In 1957, the Chamber of Commerce made the following estimates of Columbus metropolitan area population:

<u>Year</u>	<u>Estimated</u>
1960	687,161
1965	814,773
1970	942,386
1975	1,070,336

The Chamber's current 1960 estimate has surpassed that shown in the above table by over 17,000. Without regard to relative validity of these population projections, it is agreed that the Columbus area will experience further favorable increases in population.

Employment levels have also shown steady gains over the years, excepting the brief lulls due to the general recession in 1958 and the recent steel strike. Total Franklin County employment increased from 202,675 to an estimated 258,788 between 1950 and 1958. During the same period, manufacturing employment rose from 52,743 to 67,441 and government employment, a dominant factor in Columbus' economy, increased from 22,266 to 32,798. Signs point to further gains in employment levels and a bright employment picture in the future.

REAL ESTATE TRENDS

Even though the reuse sites in the Goodale Slum Clearance Area will be placed on the market in the very near future, it is fitting that we mention the general real estate trends and their effect on the present real estate picture in Columbus. Changes in general

economic conditions would have a direct bearing on the marketability of the subject sites, but their resultant effects are difficult, if not impossible, to measure or forecast. We can only speak in general terms when evaluating and estimating future prospects. Economic conditions appear generally favorable at the present, and considering the government's watchful policy there should be little chance for a sharp downward change during the next few years.

Pertinent indicators of marketability of the proposed sites are real estate activity and mortgage activity. As long as properties move with a reasonable degree of freedom in the market, it is safe to assume that minimum difficulty should be experienced in disposing of the reuse sites if the restrictions are reasonable.

[The market analysis contains charts of 7.....both real estate activity (number of voluntary transfers per 10,000 families) and mortgage activity (number of real estate mortgages per 10,000 families) for the Columbus metropolitan area (Franklin County) compared with the national average from 1939 through 1959. During the World War II years, Columbus stayed well below the national figure. Both reacted similarly to the great demand for housing created by returning servicemen. After its peak, the national average fell, but Columbus' activity stabilized near its peak level. The two indices remained quite close together until 1951 when the national average fell off. Since that time, real estate activity in Columbus has fluctuated around the level of 110 transfers per 10,000 families, while the national average slid below 70, and has since picked up to the present rate of 79.5.

Mortgage activity in Columbus through the years has remained higher than the national average, for the most part undergoing quite similar fluctuations. The drop in mortgage activity (as well as in real estate activity) during 1959 has been due to the recent tightening money market influenced by the gradual rise in mortgage interest rates.

In summary, the present real estate market can be termed as fair. Rising population, increasing family formations and advancing income levels will result in higher real estate activity and mortgage activity. A favorable outlook is anticipated for the national real estate market. The fact that the minor recession of 1958 did not depress rents or selling prices indicates that nationally the demand for real estate is still relatively strong.

Excerpt from a Market Analysis & Appraisal Report prepared for the City of Columbus by Roy Wenzlick & Company:

MARKET FOR RESIDENTIAL SITES

In determining the marketability of the residential sites in the Goodale area, the major factor is the secondary demand. In other words, the primary market, consisting of potential redevelopers, depends upon the rental housing situation in Columbus at present and in the near future. If a developer feels that planned apartments will experience a reasonably high rate of occupancy within a reasonable length of time, he will be inclined to purchase Goodale sites for development. If, however, demand for rental units is slight and appears unlikely to increase, he will most assuredly not purchase sites for apartment development. It is, therefore, the objective of this section of the report to present and analyze pertinent facts and trends which affect the rental housing market in the Columbus area and, specifically, the Goodale sites. The resulting conclusions will serve to confirm or deny residential uses as proposed in the project area plan.

SUPPLY OF RENTAL HOUSING

At present (February 1960) there is an oversupply of both rental and sale housing in the Columbus metropolitan area. The situation becomes apparent after only a quick scanning of the classified ad columns of the daily newspapers. Apartment owners are offering a month or more free rent. Builders of single family homes are seeking renters to defray continuing financing costs. These are the most evident signs of overbuilding. Other signs include: the postponement of a large apartment development which already has a loan commitment and FHA approval, the reticence on the part of mortgage lenders to finance additional apartments at this time, and the increasing vacancy in some of the larger and older developments.

The oversupply of rental housing is not completely without justification. Columbus' population has increased sharply since 1950, and this increase and the corollary good economic health has influenced the home building industry to construct increasing numbers of dwelling units to take care of the population growth. Due to the fact that the home building industry consists of a very large number of both large and small builders supplying an almost identical commodity within a single community and an almost indeterminable and fickle demand, it becomes quite possible for supply to outstrip demand at a given moment in time.

Classified Ad Trends
Columns 10-11

Excepting the past few months, this oversupply situation has not been greatly significant. This fact is borne out by an examination of the graph entitled "Classified Ad Trends" which appears on the following page. One of the most sensitive indicators of the rental housing market is the classified ad section of a newspaper. In each year since 1940, we have made detailed counts of "For Rent" and "Wanted to Rent" ads appearing in the Columbus Dispatch (and many other metropolitan newspapers) on the second Sunday in May and have charted them for publication in the "Real Estate Analyst". We have added the count taken from the January 10, 1960, Dispatch. In the accompanying exhibit, the trend has been adjusted for Columbus' rising population.

The chart readily points out the sharp fall in housing supply from the pre-war years to the acute housing shortage during World War II. Since the war, the supply of available rental housing has climbed almost steadily. However, as late as last May, the number of ads (based on population) had not reached the level of the pre-war years. The January 1960 count clearly reflects the result of supply exceeding demand and indicates a higher than average rate of vacancy.

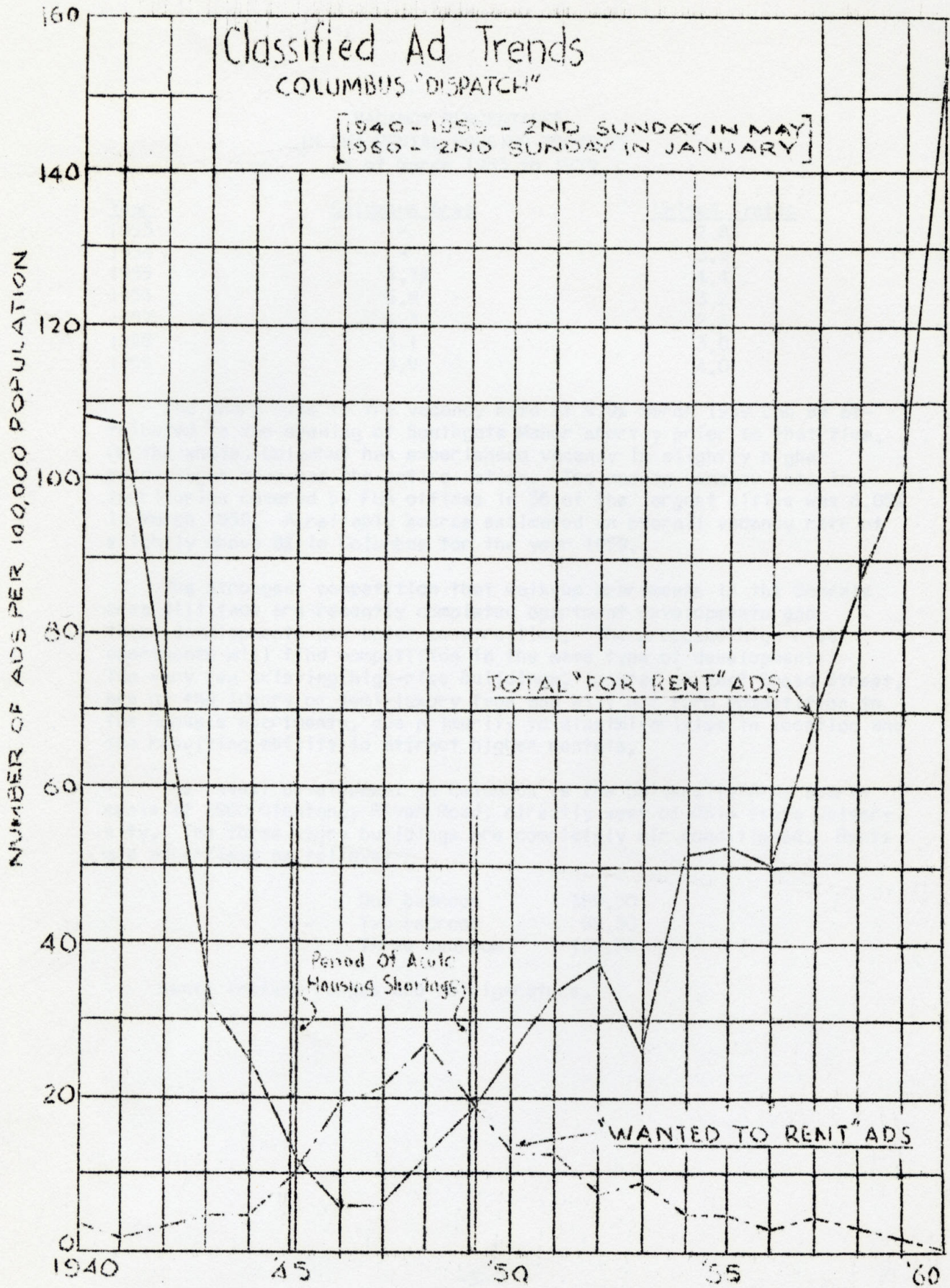
The amount of vacancy in rental units, in a particular metropolitan area such as Columbus, is quite difficult to measure without undertaking a time-consuming and costly field survey. Owners of rental units are understandably reticent to discuss vacancies or, if the subject is discussed, there is a strong tendency to minimize. Also, since the rental market is composed of a great variety of types of units, the use of overall averages tends to be misleading. A major factor affecting vacancy is the level of monthly rents. If rents in one apartment are higher than those in comparable properties, a higher turnover and vacancy rate will be experienced.

In general terms, the following table offers a comparison of vacancy rates in Federal Housing Administration insured rental housing in the Columbus office area (a belt extending east and west through central Ohio) with that in the United States. It must be borne in mind that vacancies in just-completed projects have a far greater effect upon an individual city's rate than upon the United States rate.

Classified Ad Trends

COLUMBUS "DISPATCH"

[1940 - 1955 - 2ND SUNDAY IN MAY]
[1950 - 2ND SUNDAY IN JANUARY]



VACANCY PERCENTAGES
IN FHA RENTAL HOUSING PROJECTS
As of March 1953 to 1959

<u>Year</u>	<u>Columbus Area</u>	<u>United States</u>
1953	-	2.8%
1954	-	3.5
1955	4.7%	4.4
1956	6.9	3.2
1957	4.3	2.4
1958	5.1	3.0
1959	9.9	4.0

The sharp rise to the vacancy rate of 9.9% March 1959 can be attributed to the opening of Southgate Manor shortly prior to that time. On the whole, Columbus has experienced vacancy in slightly higher percentages than has the entire nation. The median vacancy rate in territories covered by FHA offices in 36 of the largest cities was 6.05% in March 1959. A reliable source estimated an overall vacancy rate of slightly above 8% in Columbus for the year 1959.

The strongest competition that walk-up apartments in the Goodale area will face are recently completed apartment developments and those developments now under construction. The proposed high-rise apartments will find competition in the same type of developments. The very few existing high-rise buildings, located on East Broad Street, are of the luxury or semi-luxury type and will not form competition to the Goodale apartments, due primarily to dissimilarities in location and the resulting ability to attract higher rentals.

The newest development in Columbus is the University Arms apartments at 2900 Olentangy River Road, directly west of Ohio State University. The three story buildings are completely air conditioned. Rents are advertised as follows:

One bedroom	\$89.50
Two bedroom	99.50
Three bedroom	109.50

Rents include ranges and refrigerators.

On the west side of the city, Westgate Manor offered a month's free rent on apartments at the following rates:

One bedroom	\$69.75
Two bedroom	77.75
Three bedroom	87.50

Stoves and refrigerators are included.

Southgate Manor, on Alum Creek Road, on January 10, 1960, offered apartments rent free until February 1. These apartments are renting as follows:

One bedroom	\$67.50
Two bedroom	77.50
Three bedroom	87.50

Rental includes garbage disposal, hot water and free transportation to bus line.

A survey of rentals from the classified ads revealed that median rents asked for apartments and duplexes where neither utilities nor appliances are furnished, are as follows:

	<u>Apartments</u>	<u>Duplexes</u>
One bedroom	\$50 - 59	\$70 - 79
Two bedroom	70 - 79	80 - 89
Three bedroom	70 - 79	80 - 89

It should be kept in mind that rental units included in the survey were only those which were vacant and quoted the number of rooms and the desired rental. Location, age, and condition were not taken into account. It is, therefore, evident that strong influence was exerted by older apartments in less desirable locations. The influence of the lower rentals becomes more pronounced because large apartment developments can be only counted as one unit when, in actuality, there may be as many as 50 apartments available at the quoted price.

A better insight into the rental situation may be gained by a listing of the range of rentals, i.e., the highest and lowest rentals in each classification. The table on the following page lists these total rental ranges.

	<u>Apartments</u>	<u>Duplexes</u>
One bedroom	\$37.50 - 85	\$55 - 90
Two bedroom	40 - 125	50 - 125
Three bedroom	50 - 135	55 - 150

The above table shows that, even though the median rentals appear somewhat low, there is a wide variation between high and low rentals in each classification. It also shows that, among the two and three bedroom apartments, there are a number of units attracting rentals above the \$100 level.

The present situation is not as unfavorable as it sounds. After supply has lagged behind demand, in practically any commodity, attempts to catch up are typically over zealous, resulting in an over production. As mentioned before, the homebuilding industry is more susceptible to such a situation, due to the vast number of suppliers and inadequate knowledge of the market or lack of communication between suppliers. At present, builders are well aware of the situation and are decreasing production or suspending operations to permit demand to catch up with supply. Similar situations have existed in the past. A review of the "Real Estate Analyst" bulletins revealed that, in late 1954 and early 1955, apartment owners in several cities were offering added inducements such as free rent, free services, or payment of moving expenses to attract tenants. The rental picture appeared none too bright. However, the situation righted itself in the cities involved, either by population increases taking up the slack or by a slow-down in home building.

DEMAND FOR RENTAL HOUSING

A change in demand for rental units, generally speaking, is the result of population changes, both natural and migratory. In specific, demand is affected by changes in certain sections of the population. Typically, the primary market for rental units is composed of young married people and retired or older people who do not want the responsibilities involved in home-owning. A less formidable market exists among people who, due to business reasons, will remain in the city for a few years and prefer to rent. In north Columbus, this second group is augmented due to the presence of Ohio State University.

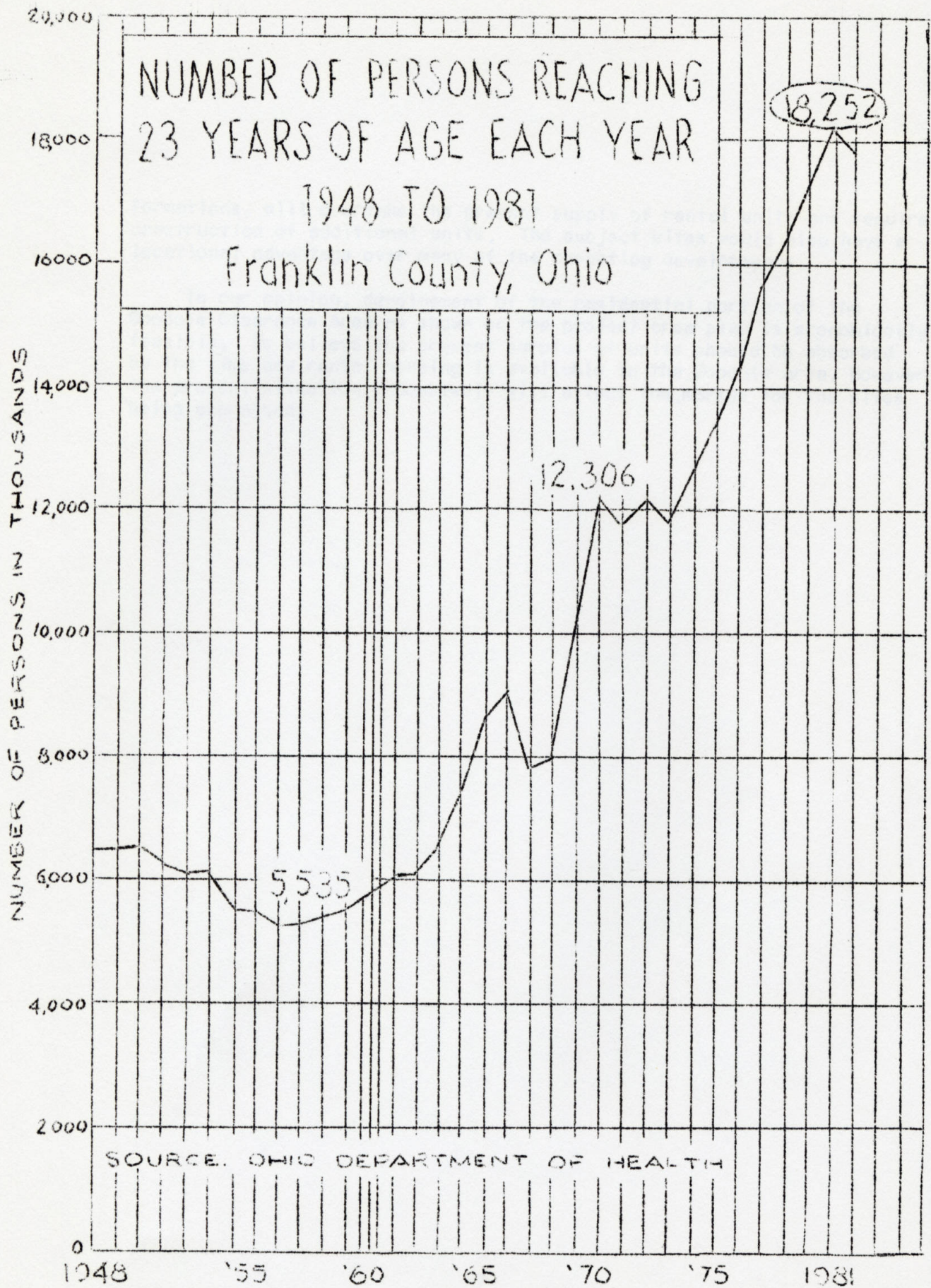
In the past decade, there was an increase in demand for rental units, due primarily to the substantial gain in population, totalling about 125,000 due to net natural increase and about 75,000 due to in-migration. The result of this growth was the spurt in apartment construction which now has overtaken demand.

During the next few years, we believe that demand will strengthen, based primarily on an increase in family formations. On the next page we have charted the number of persons reaching 23 years of age each year between 1948 and 1981. The chart does not take into account mortality during these years (which we feel to be insignificant) and it assumes that all persons born in Franklin County remain there until age 23. We do not intend to prove a rental market based upon the specific numbers, but merely to show a trend. In their 1956 Annual Report, the National Office of Vital Statistics showed the approximate average age at marriage to be 23. Since the approximate average age at which people buy homes is 35, the younger married couples form the primary market for rental units. The accompanying chart indicates the rising trend over the next few years of persons reaching marriageable age. We feel that there will be an increasing number of family formations in Franklin County for the next five to eight years. After a short leveling-off period, a substantial rise will occur, reflecting the high birth rates of the World War II years. The mid-1970s will see further gains in family formations.

A second source of demand will be continuing in-migration. As mentioned in a previous section, Columbus' healthy economic base will attract additional people into the area. In connection with this source, a very important sidelight concerns Ohio State University enrollment. Present day enrollment is in the neighborhood of 23,000. University officials see a total enrollment of about 60,000 students by 1970. This increase will also result in increases in faculty and administrative personnel, who typically form a strong rental market.

A third source of demand is made up of families who will be displaced by highway construction. The construction of Columbus' inner belt highway system and other highways through the city will cause a substantial number of families to be in the market for new dwelling units.

In conclusion, we feel that, within a short time, the steadily increasing demand caused primarily by the indicated rise in family



formations, will overtake the present supply of rental units and require construction of additional units. The subject sites would also have a locational advantage over many of the competing developments.

In our opinion, development of the residential portion of the Goodale Clearance Area as shown on the project area plan is economically feasible. We believe the present surplus of units should be absorbed by the time new rental housing is available in the Goodale area. However, the present situation undoubtedly will affect the market for the sites being appraised.

Excerpt from a Market Analysis & Appraisal Report prepared for the City of Columbus by Roy Wenzlick & Company:

MARKET FOR COMMERCIAL SITE

An integral part of the Goodale plan is the commercial use proposed for the site at the intersection of Neil and Buttles Avenues. A commercial development at this location will serve not only the residents in the project area, but also the residents of the older surrounding neighborhoods. Due to the proximity of downtown Columbus which furnishes all types of retail goods, the subject commercial area, developed as a shopping center, will provide only convenience type goods and services, i.e., food, drugs, hardware, variety, barber, beautician, shoe repair, and cleaners.

The trade area of a shopping center is considered to be that area from which the center can attract a reasonable percentage of the retail volume. It is limited by distance or driving time and by existence of similar competing stores and developments in the surrounding neighborhoods. We have delineated the trade area for the proposed shopping center in the Goodale project to be that area bounded as follows: on the north by Fourth Avenue, on the east by the Pennsylvania Railroad tracks on the south by the New York Central Railroad tracks, and on the west by the Olentangy River.

We have divided the trade area into two sections, primary and secondary. The primary trade area is bounded on the north by First Street, on the east by High Street, on the south by the New York Central Railroad tracks, and on the west by the Olentangy River. The secondary section comprises the remainder of the trade area.

In a convenience or neighborhood shopping center, the major occupant is typically a food supermarket. In analysis of competition, we are, therefore, limiting discussion to the existing food stores in the trade area. Commercial development in this near north side area is centered in the strip development along North High Street. The most formidable competition consists of the Kroger and Big Bear supermarkets on High Street between Third Avenue and Fourth Avenue. These stores are relatively small compared to the food stores built today, the Kroger store containing an area of 10,500 square feet and the Big Bear store about 12,000 square feet. Neither store appears to have sufficient parking area for peak periods. Also, additional con-

venience type retail outlets are not concentrated at this location, thus preventing the convenient "one-stop" shopping desired today.

In addition to the two supermarkets, there are several small grocery stores scattered throughout the trade area. These are all of the "corner grocery" or confectionery type. Some of these stores attract a reasonable amount of trade due to their longevity in the neighborhood and to the shopping habits which characterize this type of neighborhood where walk-in trade is a dominant factor. From a casual field survey, the most successful of these appear to be the stores located at First and Michigan and at Fifth and Perry. The owner of the former Harrison Market which was displaced by the Goodale project has purchased a lot at the northwest corner of Third Avenue and Harrison Street, on which he is expected to erect a food store. This store may furnish a fair amount of competition to a food store in the Goodale area, as the owner is apparently well acquainted in the neighborhood and has attracted a satisfactory amount of trade. His site is only 9,900 square feet in area and unless he plans on acquiring more land, he would not have adequate off-street parking space.

All in all, existing competition to a proposed shopping center development in the Goodale area does not appear formidable. The nearest shopping district offering a wide variety of convenience goods and services is located near the Ohio State University campus, about 1-1/2 miles north of the subject site. This district as well as the entire High Street commercial development is obsolete by modern standards and suffers from heavy traffic and lack of off-street parking facilities.

In estimating the number of families within the trade area, we have relied upon dwelling unit statistics in the 1950 Census of Housing adjusted for changes based on current census tract estimates made by the Columbus Area Chamber of Commerce. We have estimated the number of families within the trade area as follows:

Primary Section	
Goodale Area	1,000 families
Remainder	<u>1,790</u>
Total Primary	2,790
Secondary Section	<u>4,658</u>
Total Trade Area	7,448 families

Because the trade area (excepting the Goodale Slum Clearance Area) comprises older, almost completely built-up residential neighborhoods, we do not anticipate a significant change in population over the next few years. An active rehabilitation program in the Dennison-Hunter-Hubbard area will serve to retain, if not improve, the present character of this section of the city, thus preventing a large influx of families with low purchasing power.

The 1958 Census of Retail Trade preliminary report shows that food store sales in Franklin County average \$875 per family. Since the income level in the secondary section of the trade area is quite similar to average income in the county, we have based family food store expenditures on the average computed from the Census Bureau's statistics. In the primary section, we have estimated higher family food expenditures since we anticipate families of a higher income strata as occupants of the Goodale area apartments. There, family food expenditures are expected to total \$1,000 annually.

In estimating expenditures for other major items found in convenience shopping centers we have relied on the preliminary reports of the Census of Business. Drug store expenditures are estimated to average \$145 per family per year, and personal service (cleaning, laundry, barber, beauty, shoe repair, etc.) expenditures \$115 annually per family.

The following table shows our computation of expenditures for food, drugs and personal services by families in the trade area.

<u>Section</u>	<u>Number of Families</u>	<u>Expenditures Per Family</u>	<u>Total Expenditures</u>
Primary			
Food	2,790	\$1,000	\$2,790,000
Drug	2,790	145	404,550
Services	2,790	115	320,850
Secondary			
Food	4,658	875	4,075,750
Drug	4,658	145	675,410
Services	4,658	115	535,670

In summary, we estimate that total expenditures in the trade area for the above items is as follows: food - \$6,865,750; drugs - \$1,079,960; personal services - \$856,520.

Of these expenditures, it is our opinion that a shopping center in the Goodale area can capture 60 percent from families within the primary section. There is an absence of retail facilities in the immediate area and no point in this section will be more than three blocks distant from the proposed center. From the secondary section, we believe that the subject center can attract an average of 25 percent of the expenditures for these items. It may attract as much as 40 to 50 percent from closer locations but only 5 to 15 percent from the area north of First Street and east of High Street.

The following table shows our estimates of the expenditures that the proposed Goodale shopping center can attract.

<u>Section</u>	<u>Total Expenditures</u>	<u>% to Subject</u>	<u>Sales Expectancy</u>
Primary			
Food	\$2,790,000	60%	\$1,674,000
Drug	404,550	45	182,050
Services	320,850	45	144,380
Secondary			
Food	\$4,075,750	25%	\$1,018,940
Drug	675,410	15	101,310
Services	535,670	15	80,350

We believe that a food store in the subject center would attain an annual volume of \$2,692,940, a drug store an annual volume of \$283,360, and personal service outlets a combined annual volume of \$224,730.

In determining the amount of gross floor area to provide for the expected sales volume, we have based our computations upon reliable and proven unit sales figures. That is, a supermarket should attain a unit volume of \$130 per square foot of gross floor area per year, a drug store \$60 per square foot per year, and service outlets \$50 per square foot per year. Based upon these standards, we suggest the following breakdown of floor areas.

<u>Type</u>	<u>Sales Expectancy</u>	<u>Sales per Square Foot</u>	<u>Gross Floor Area Needed</u>
Food	\$2,692,940	\$130	20,700 sq.ft.
Drug	283,360	60	4,720
Services	<u>224,730</u>	50	<u>4,490</u>
Total	\$3,201,030		29,910 sq.ft.

We recommend the construction of about 30,000 square feet of retail store space, in approximately the proportions listed above. Although not mentioned in the preceding analysis, we also suggest that other types of retail establishments be considered. Likely compatible uses include a small variety store (about 3,000 to 4,000 square feet), a hardware store or paint and wallpaper store of similar size, a small restaurant or delicatessen, and perhaps one or two shops in the ready-to-wear apparel line. A bank or savings and loan association might be interested in a drive-up facility at this location. If properly placed on the site, a filling station would be a suitable addition to this development. In planning this shopping center, it should be kept in mind that it will serve as a commercial facility for only the neighborhood and will not attract a large amount of expenditures from outside the trade area.

Based on the preceding analysis, it is our opinion that a shopping center containing 21,000 square feet of food store space, 4,700 square feet of drug store space and 4,500 square feet of service shop space, plus another 5,000 to 10,000 square feet of retail or business space would be an economically feasible development for Block G. We suggest that space for expansion should be held in reserve. Unforeseen popularity or changes in buying habits could very likely warrant construction of additional retail outlets.

It is also recommended that the developer provide parking area equivalent to at least 2.5 square feet for each square foot of building. Although a substantial amount of walk-in trade is anticipated, the supermarket, as the dominant factor, will require peak loads at certain hours. The 35,000 to 40,000 square foot center would require parking area of 87,500 to 100,000 square feet, resulting in a total land area requirement of between 122,500 and 140,000 square feet. Keeping in mind space requirements for filling station or drive-in operations and for future expansion, it is our opinion that the development of the entire Block K would be economically feasible.

Excerpt from a Market Analysis & Appraisal Report prepared for the City of Columbus by Roy Wenzlick & Company:

MARKET FOR INDUSTRIAL SITES

The project area plan for the Goodale Slum Clearance Area includes twelve parcels of land proposed for light industrial use. Of these twelve, at least eight sites are desired by adjoining property owners (Dresser Ideco Company, Franklin Lumber and Fixture Company, and Braddock Motor Freight Company) whose buildings will remain in the area. As a result, in discussing marketability, we are concerned with only four parcels, ranging in size from slightly less than one-half acre to 2.47 acres.

All signs indicate that marketability of the Goodale sites will not be difficult. In general, the present outlook for commerce and industry appears bright. The expanding economy of the post World War II period is continuing. Except for a few short-lived dips, the economic trend has been steadily upward. Expansion is a dominant factor in the thinking of industries, large and small alike. Expansion of production capacity generally means plant expansion, which in turn means greater land requirements. In this way, land becomes a primary consideration in the steadily increasing industrial expansion.

In analyzing the supply of industrial land which would offer competition to the Goodale reuse sites, we are faced with a situation that is typical of almost all metropolitan areas. There are very few sites available in the central portion of the city. Those that are vacant are second or third rate due to poor access or unfavorable size or shape. Industry's trend is now to the outskirts where possible high development costs are partially offset by the relatively cheap land acquisition costs. However, outlying industrial developments are now able to command higher land values. So when we speak of availability or supply of industrial land, we discount the large quantities of outlying farm land that might be available for industrial use and concentrate on the supply of close-in sites which are available to prospective purchasers.

Good industrial sites are in short supply, especially in the inner belt area and the industrialized area west of the Olentangy River. This fact was supported by several real estate men specializing in industrial property. It is also borne out by sales experience in the Kinnear Road industrial district. In 1954, a 4.4 acre site sold for

\$9,660 per acre. As the sites were sold off, the prices increased. The last transaction involved a 6.2 acre site which sold for \$16,880 per acre and at present \$17,000 per acre is being asked for a 2 acre site without frontage. Land cost, as well as the price of any commodity in a free market, increases as the supply decreases.

Together with the short supply, the consensus of opinion among realtors is that there is a sustained demand for industrial sites. In the past ten years, 127 new manufacturing concerns have located in Franklin County. Of these, ten which employ 100 or more persons account for present employment of over 18,000 people. Also, 14 established industries moved from the vicinity of the inner belt district to outlying areas, due to the necessity to expand or to the obsolescence of the space they formerly occupied.

This desire to locate in the Columbus area or to expand present facilities, with the resultant demand for building sites, is expected to continue into the future. Several companies are presently in the market for industrial sites of varying sizes. As has happened in the past, industries impressed with the wide diversification of industry and the availability of skilled employees in a variety of trades will continue to establish operations in the Columbus area.

There is little doubt that the Goodale industrial sites will compete favorably with almost all industrial sites available in Columbus. The combination of a close-in central location, access to the Goodale Expressway, the inner belt system and connecting traffic arteries and the renewal of the surrounding residential area will serve to create definite interest among industries and increase marketability. In conclusion, the relatively short supply of industrial sites and the sustained demand for sites in favorable locations leads us to the conclusion that there exists a favorable market for the Goodale industrial sites.