

# Toledo Board of REALTORS®

## 2013 Housing Report



# Notes for Reading the Report

The data we use is publicly available and statistically valid. Our interpretation of the data in some cases may lead to judgments that we believe are sound, but you may disagree with. If so we invite your comments (email: [megan@toledorealtors.com](mailto:megan@toledorealtors.com)) – that way we can continue to improve this annual report.

Unless otherwise noted, data presented in the text and figures are for Lucas and Upper Wood County, which includes the cities of Rossford, Perrysburg and Perrysburg Township.

All data is the most recent available at the time we compiled the report.

“Median” is a term used often in this report and is an important term to understand. A median is the amount at which exactly half of the values or numbers being reported are lower and half are higher. A median can be more or less than an “average,” which is the amount derived by adding the total of all values being reported and dividing by the number of individual values. So a median home price, for example, is the price of the one home, among all prices being considered, that has half of the other homes that are less in price and half that are more in price. In many instances, including reports of home prices, a median can be a more accurate representation than an average, because the sale prices of a few extraordinary houses will significantly raise the average, but have little effect on the median.

Data from the American Community Survey has a margin of error associated with it. This margin of error reflects the fact that there is always uncertainty involved in the process of creating estimates from a representative sample of the population. In other words, although estimates from the survey data may appear to be different, the difference sometimes falls within the margin of error for the estimates and therefore cannot be considered to be statistically significant. The charts with American Community Survey data portray the data in ranges with a lower and upper bound. The mean is the midpoint of the range. Statistical differences are visually apparent when the ranges do not overlap.

Research for this report was conducted principally by the Toledo Board of Realtors® (TBR). MLS refers to the Multiple Listing Service. It is a member-based service – administered, operated, and paid for by the Realtor® members of a local real estate board – that indicates the cooperation among Realtors® to share information about homes and real estate for sale or rent.

The following is a research tool provided by the Toledo Board of Realtors® and is based on residential real estate data only. This representation is based in whole or in part on data supplied by the Toledo Board of Realtors® and the Northwest Ohio Real Estate Information Systems' (NORIS) Multiple Listing Service. TBR and NORIS do not guarantee and are not responsible in any way for its accuracy. Data maintained by TBR and NORIS may not reflect all real estate activity in the market.



# Table of Contents

Message from TBR's President .....	4
Executive Summary .....	5
The Year 2013 At A Glance .....	6
Local Housing Sales & Prices.....	7
Condominiums .....	9
Local Neighborhoods.....	10
National Housing Sales & Prices .....	12
Pace of Homes Sales .....	13
Demographics and Statistical Information.....	14
2014 Housing Forecast .....	15



# Message from TBR's President



After several years of slow recovery, the housing market began to show signs of improvement in 2013. Some homeowners saw their home equity grow as home prices rose and single-family home sales increased. However, the market still has its challenges and Realtors® remain committed to helping build a responsible, sustainable housing market in 2014.

According to the National Association of Realtors®, Chief Economist Lawrence Yun, 2013 was a recovery year, as annual existing-home sales are expected to increase 10 percent over a year ago, totaling just above 5.1 million, and national median existing-home prices are projected to be 11 percent above last year. The 2013 market also experienced a shortage of housing inventory. NAR data showed inventory levels swung from a record high of 11.9 months in July 2010 to a recent low of 4.3 months in January 2013. Recently however, inventories have started to increase – current unsold inventory shows a 5.1-month supply of homes.

Tight inventory typically means rising home prices. Prices have gained 20 percent over the past two years. An increase in prices has helped lift many homeowners into positive equity again and foreclosures and short sales have declined. When homeowners benefit from price appreciation and housing equity increases, this helps the economy through greater consumer confidence and spending.

Unfortunately tight credit restrictions are preventing qualified buyers from becoming homeowners, and that is also making it more difficult for some homeowners to sell their homes. It is likely that mortgage availability will only be worsened by regulatory reforms stemming from the Dodd-Frank Act Wall Street Reform and Consumer Protection Act that go into effect in January 2014.

While these new rules reduce risky loan products and establish critical lending protections for consumers, they could also preclude many potential home buyers from entering the housing market. Qualified buyers with good jobs and strong credit histories cannot continue to be turned down for loans. Lenders need to return to sensible lending standards this year.

Realtors® remain actively involved with lawmakers to ensure housing and homeownership issues are first on the nation's public policy agenda this year. Several critical issues affecting housing will continue to take precedence this year. As debates surrounding federal tax reform likely heat up again this year, Realtors® will continue to urge the preservation of property and homeownership tax policies. Realtors® also support legislation and regulations to create healthier housing and mortgage markets.

Despite the challenges we face in the coming year, I believe Realtors® are feeling confident and optimistic about the future of our nation's housing market. Homeownership is an investment in our future, and I believe 2014 will present tremendous opportunities for buyers, sellers and investors.

John Mangas  
President, Toledo Board of Realtors®

# Executive Summary

## **Housing Supply: Development and Occupancy**

Approximately 61 percent of Lucas County residents live in homes they own, and about 39 percent are renters. The percentage of renters increased slightly over last year. The City of Toledo continues to have a lower rental vacancy rate, at 6.4 percent, than the national average which was at 8.3 percent in 2013. This trend is not uncommon in metro areas.

## **Housing Demand: Population and Income**

The population of Lucas County decreased a total of one percent between 2010 and 2012. The median age of a Lucas County resident is 37 years old and the median household income is \$41,436. Per capita income is a generally recognized measure of economic well-being. It is derived by dividing total personal income by total population. Per capita income in Lucas County is approximately \$23,827 per person, which is below the Ohio per capita of \$25,857.

## **Housing Sales and Prices**

The number of homes sold in Lucas and Upper Wood County increased by 8% percent in 2013, with 5,243 sales compared in 4,847 in 2012. The median home price increased by 16% percent, to \$90,000, in 2013, following a 3% percent increase last year. Only seven neighborhoods out of the 23 tracked, had fewer sales in 2013 than in 2012. Sales of condominiums and townhouses in 2013 increased slightly compared with 2012. However, the median sales price of these properties remained unchanged. Lucas and Upper Wood County's absorption rate fell to 8.9 months in the fourth quarter of 2013. The market absorption rate has gradually been decreasing, suggesting a return closer to a desired equilibrium and potentially a shortage of inventory.

## **Housing Finance**

Mortgage interest rates in 2013 turned upward, ending the year at 3.98% for a conventional loan. The down payment requirements for most loan types remained unchanged in 2013. 2013 saw an 18 percent decrease in the number of net foreclosure filing in the Toledo Metro Area.

## **2014 Forecast**

Existing-homes sales are expected to hold fairly even at about 2.12 million in 2014, while prices will stay on an uptrend . Inventory shortages are expected to be felt until Spring of 2014 and housing starts are forecasted to hit 1.13 million in 2014. Mortgage rates are expected to trend upward and reach 5.4% by the end of 2014.



# The Year 2013 At A Glance

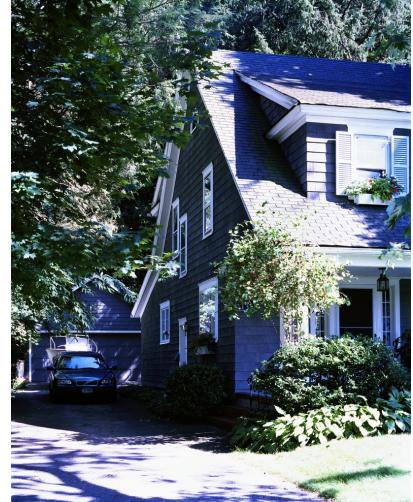
2013 sales of single-family homes in Lucas and Upper Wood County reported by the Toledo Board of Realtors® totaled 5,243. This was an increase of eight percent compared to 2012. Sales volume generated by 2013 activity totaled \$613 million, which was up 11 percent from 2012.

New listings for the year totaled 8,487 which is down 1% from the 8,540 submitted during 2012. The average days on market fell three percent to 115 days.

**Table 1: Other than new listings, all indicators are trending in a positive direction.**

Lucas and Upper Wood County			
	2012	2013	+/-
<b>Closed Sales</b>	4,847	<b>5,243</b>	8%
<b>Median Sales Price</b>	\$77,500	<b>\$90,000</b>	16%
<b>Average Sales Price</b>	\$107,859	<b>\$117,394</b>	9%
<b>Average Price Per Square Foot</b>	\$55	<b>\$60</b>	9%
<b>% of Original List Price Received</b>	94%	<b>95%</b>	1%
<b>Average Days On Market</b>	119	<b>115</b>	-3%
<b>New Listings</b>	8,540	<b>8,487</b>	-1%
<b>Volume (in 1000's)</b>	\$552,349	<b>\$612,523</b>	11%

Source: NORIS Multiple Listing Service



**Table 2: Other than the lowest range, all price ranges saw an increase in sales.**

Lucas & Upper Wood County							
Status	\$0— \$49,999	\$50,000— \$99,999	\$100,000— \$199,999	\$200,000— \$299,999	\$300,000— \$399,999	\$400,000— \$499,999	\$500,000+ +
<b>Sold</b>	1,603	1,229	1,552	604	165	64	56
<b>% Change from 2012</b>	-10%	12%	23%	25%	15%	10%	22%

Source: NORIS Multiple Listing Service

# Local Housing Sales and Prices

Table 3: 2013 showed increases in both sales and median sales prices.

Median Price of Sales in Lucas and Upper Wood County, 2002-2013

Year	Annual Number of Sales	Median Price	% Change in Median Price
2003	5,976	\$115,000	2%
2004	6,223	\$116,500	1%
2005	6,445	\$120,000	3%
2006	5,887	\$116,000	-3%
2007	5,188	\$110,000	-5%
2008	4,668	\$92,000	-16%
2009	4,788	\$80,069	-13%
2010	4,372	\$80,000	—
2011	4,570	\$75,000	-6%
2012	4,846	\$77,500	3%
2013	5,243	\$90,000	16%

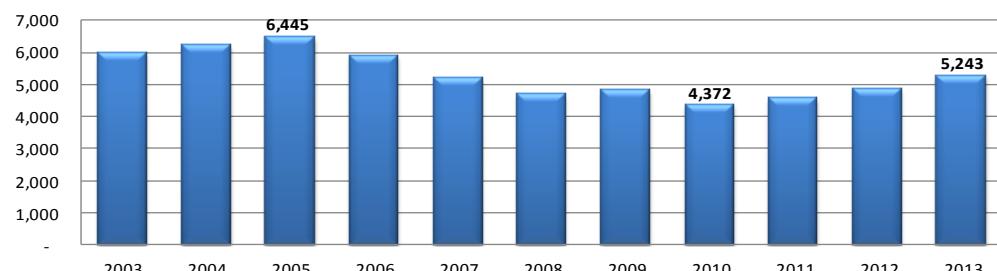
Source: NORIS Multiple Listing Service

The number of homes sold in Lucas and Upper Wood County increased by eight percent in 2013. A total of 5,243 homes were sold, up from 4,846 in 2012. (Table 3). The median prices of homes sold increased by 16 percent to \$90,000. Home sales were strongest in the \$0—\$49,999 price range. This makes sense given the median price of homes in Northwest Ohio. The greatest increase in number of homes sold, however, came in the \$200,000-\$299,999 price range (Figure 19).

Both of these measures reflect national trends. The National Association of Realtors® reports that nationally, the median home price increased 11% and rose to \$197,100, up from \$176,800 in 2012. The number of sales of existing homes was at 5,090,000, up from 4,660,000 in 2012, an increase of nine percent.

Figure 1: 2013 marked the 4th straight year of increased sales.

Number of Homes Sold in Lucas and Upper Wood County, 2003—2013

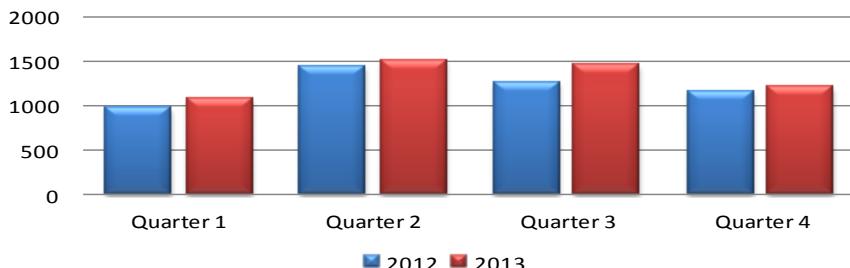


Source: NORIS Multiple Listing Service

# Local Housing Sales and Prices

**Figure 2: Sales were higher in each quarter of 2013 compared to 2012.**

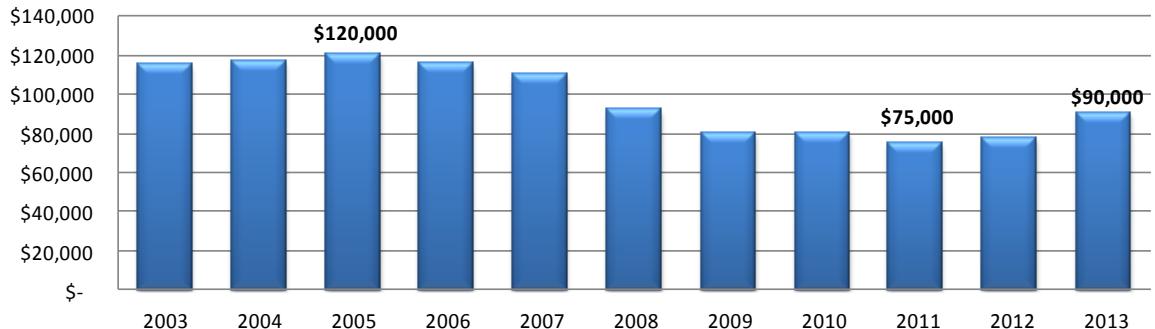
## Lucas and Upper Wood County Number of Sales, 2012—2013



Source: NORIS Multiple Listing Service

**Figure 3: Three years in a row of median price increases represents an encouraging trend. Lucas and Upper Wood County's 2013 median price is approximately 75% of its 2005 price, compared to the national average which is at 90% of its 2005 price.**

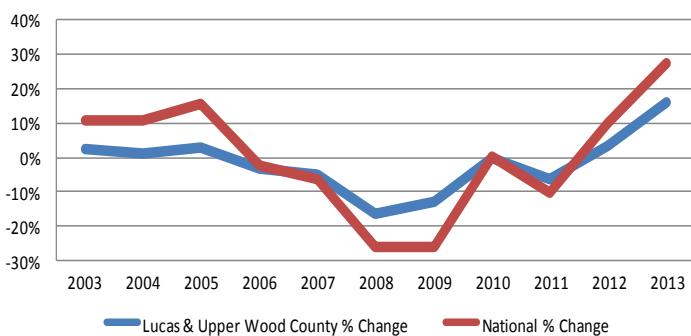
## Median Sales Price of Homes Sold in Lucas and Upper Wood County, 2003—2013



Source: NORIS Multiple Listing Service

**Figure 4: Changes in Lucas and Upper Wood County's median home price has mirrored the national level, although much less extreme.**

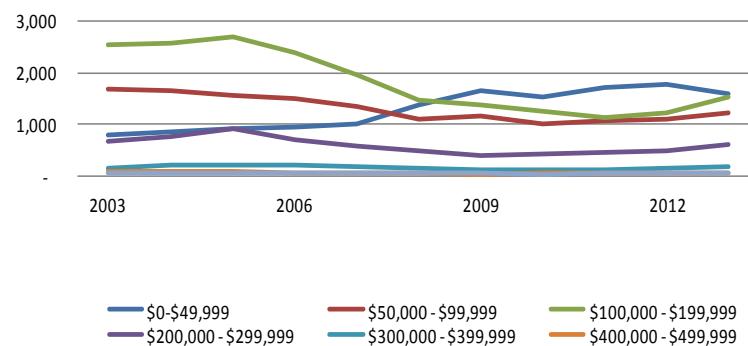
## Percent change in median Sales Price, 2003—2013



Source: NORIS Multiple Listing Service

**Figure 5: 2013 saw a general upswing in all but the lowest price range.**

## Number of Sales, Price Range Breakout, Lucas County, 2003—2013



Source: NORIS Multiple Listing Service

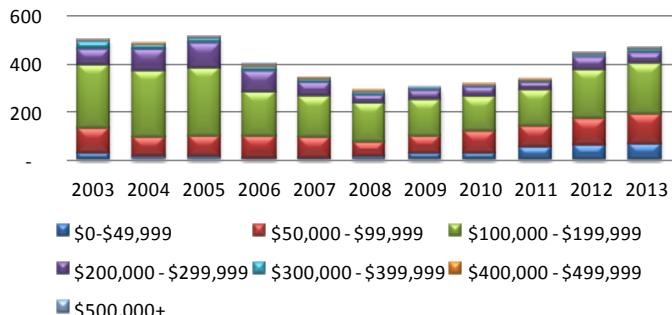
# Condominiums

Sales of condominiums and townhouses in 2013 increased 5% compared with 2012, yet still down considerably from its peak year of 2006. Sales were even in the \$500,000+ price range and increased in all other price ranges except for the \$200,000-\$299,999 price range (Figure 6).



**Figure 6: Sales of condominiums increased in the majority of price ranges.**

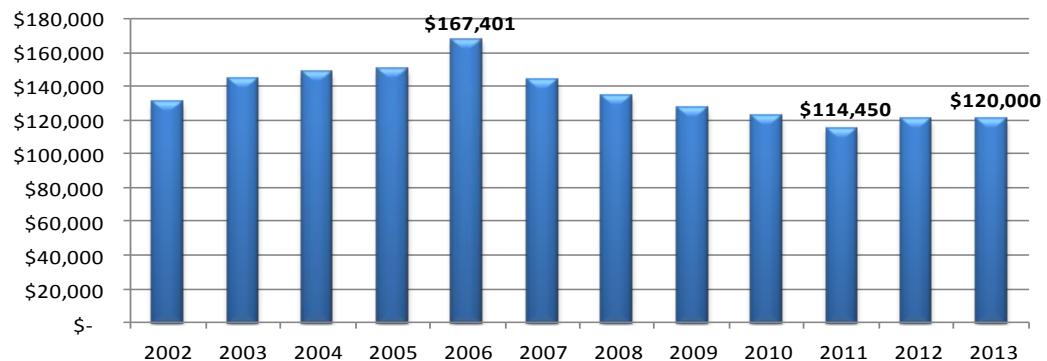
**Condominium Sales in Lucas County, 2003—2013**



Source: NORIS Multiple Listing Service

**Figure 7: Median sales price of condominiums increased for the third year in a row.**

**Condominium Median Sales Prices in Lucas County, 2003—2013**



Source: NORIS Multiple Listing Service

# Local Neighborhoods

The majority of areas in Lucas and Upper Wood County experienced an increase in number of homes sold in 2013 (Table 4). The exceptions were the Airport/Swanton area, the Wildwood/Reynolds Corners area, Ottawa Hills, the Old West End, the Old North End/Town Centre, the Old South End, and the East River neighborhoods.

**Table 4: Seven areas experienced decreased sales in 2013.**

Area & Zip Codes	2013 New Listings	% Change (2012)	Sold	% Change (2012)	Days on Market	% Change (2012)
<b>Sylvania (2 &amp;3) [43560, 43617]</b>	763	6%	490	12%	121	-4%
<b>Airport/Swanton (4) [43558]</b>	174	-18%	124	-2%	124	-9%
<b>Spring Meadows (5) [43528]</b>	343	-4%	210	2%	124	8%
<b>Monclova (6) [43542]</b>	79	-6%	57	21%	134	—
<b>Maumee (7) [43537]</b>	519	7%	350	11%	112	-7%
<b>Whitehouse (8) [43571]</b>	141	14%	94	29%	117	2%
<b>Waterville (10) [43566]</b>	135	6%	96	32%	110	-7%
<b>Franklin Park/Trilby (11 &amp; 15) [43623 &amp; 43615]</b>	882	3%	252	26%	115	-16%
<b>Tremainsville (12 ) [43613]</b>	800	-4%	483	5%	112	-3%
<b>Five Points/North Towne (13) [43612]</b>	624	-6%	377	6%	110	-2%
<b>Point Place (14) [43611]</b>	320	2%	206	8%	115	-7%
<b>Wildwood/Reynolds Corners (15)</b>	525	4%	272	-12%	114	-7%
<b>Ottawa Hills (16) [43615 &amp; 43606]</b>	144	3%	76	-3%	128	-10%
<b>Ottawa Park/Westgate (17) [43606]</b>	375	8%	200	18%	111	-12%
<b>Old West End (18)</b>	85	-9%	35	-17%	112	6%
<b>Old North End &amp; Town Centre (19&amp; 20)</b>	241	-5%	107	-24%	88	-9%
<b>Scott Park (21)</b>	244	-7%	140	5%	126	35%
<b>Old South End (22)</b>	348	-12%	189	-5%	102	13%
<b>Heatherdowns/River Road (23) [43614]</b>	568	-2%	361	18%	129	-5%
<b>East River (24) [43605]</b>	310	-18%	182	-2%	86	-1%
<b>Oregon (25 ) [43616]</b>	312	12%	191	4%	122	0%
<b>Perrysburg &amp; Perrysburg Twp. (53) [43351 &amp; 43552]</b>	658	-1%	492	20%	112	-16%
<b>Northwood, Rossford &amp; Lake Twp (54) [43460]</b>	345	11%	221	23%	114	-8%

Source: NORIS Multiple Listing Service

# Local Neighborhoods

All but five areas in Lucas and Upper Wood County experienced an increase in median home price in 2013 (Table 5). The exceptions were Whitehouse, Waterville, the Five Points/North Towne area, the Wildwood/Reynolds Corner area, and the East River neighborhoods.

**Table 5: Only five neighborhoods experienced decreased sales in 2013.**

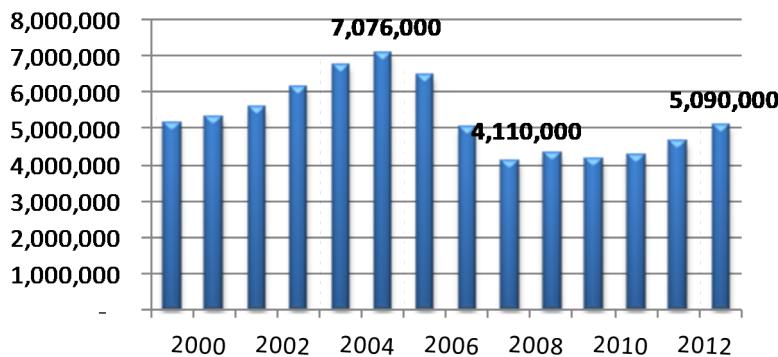
Area & Zip Codes	Average Sales \$	% Change (2012)	Median Sales \$	% Change (2012)
<b>Sylvania (2 &amp;3) [43560, 43617]</b>	\$189,913	8%	\$173,000	9%
<b>Airport/Swanton (4) [43558]</b>	\$119,331	—	\$133,227	—
<b>Spring Meadows (5) [43528]</b>	\$177,318	9%	\$170,750	11%
<b>Monclova (6) [43542]</b>	\$288,972	21%	\$279,850	20%
<b>Maumee (7) [43537]</b>	\$179,786	-4%	\$154,950	11%
<b>Whitehouse (8) [43571]</b>	\$186,826	-2%	\$167,000	-12%
<b>Waterville (10) [43566]</b>	\$180,500	-1%	\$165,500	-11%
<b>Franklin Park/Trilby (11 &amp; 15) [43623 &amp; 43615]</b>	\$120,747	15%	\$92,000	7%
<b>Tremainsville (12 ) [43613]</b>	\$60,847	11%	\$59,9000	20%
<b>Five Points/North Towne (13) [43612]</b>	\$36,758	1%	\$28,000	-2%
<b>Point Place (14) [43611]</b>	\$64,805	30%	\$60,000	39%
<b>Wildwood/Reynolds Corners (15)</b>	\$73,181	3%	\$59,000	-1%
<b>Ottawa Hills (16) [43615 &amp; 43606]</b>	\$316,925	10%	\$247,700	5%
<b>Ottawa Park/Westgate (17) [43606]</b>	\$95,244	7%	\$96,000	9%
<b>Old West End (18)</b>	\$28,602	9%	\$17,725	36%
<b>Old North End &amp; Town Centre (19&amp; 20)</b>	\$11,793	-1%	\$8,500	—
<b>Scott Park (21)</b>	\$26,640	6%	\$21,500	19%
<b>Old South End (22)</b>	\$19,653	9%	\$16,250	6%
<b>Heatherdowns/River Road (23) [43614]</b>	\$94,932	8%	\$93,500	20%
<b>East River (24) [43605]</b>	\$15,285	-5%	\$11,501	-11%
<b>Oregon (25 ) [43616]</b>	\$120,222	14%	\$105,900	11%
<b>Perrysburg &amp; Perrysburg Twp. (53) [43351 &amp; 43552]</b>	\$218,238	-2%	\$195,250	0%
<b>Northwood, Rossford &amp; Lake Twp (54) [43460]</b>	\$106,296	7%	\$99,000	10%

Source: NORIS Multiple Listing Service

# National Housing Sales and Prices

Figure 8: 2013 marked the 4th straight year of increased sales.

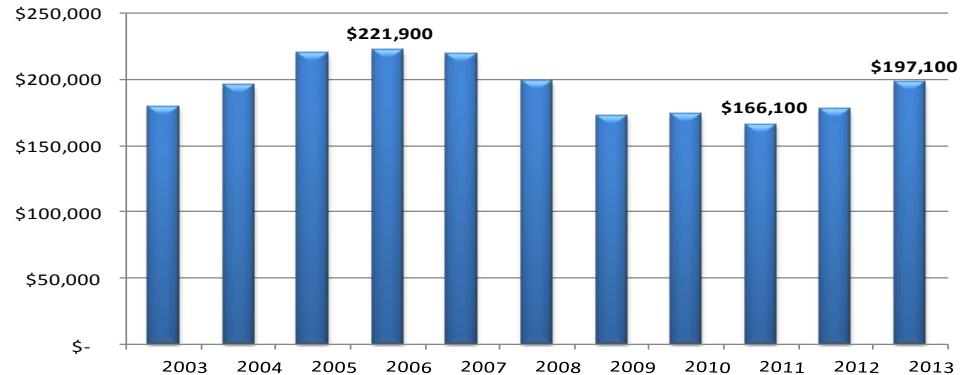
Number of Homes Sold Nationally, 2003—2013



Source: National Association of Realtors®

Figure 9: 2013 marked the 3rd straight year of increased median sales prices.

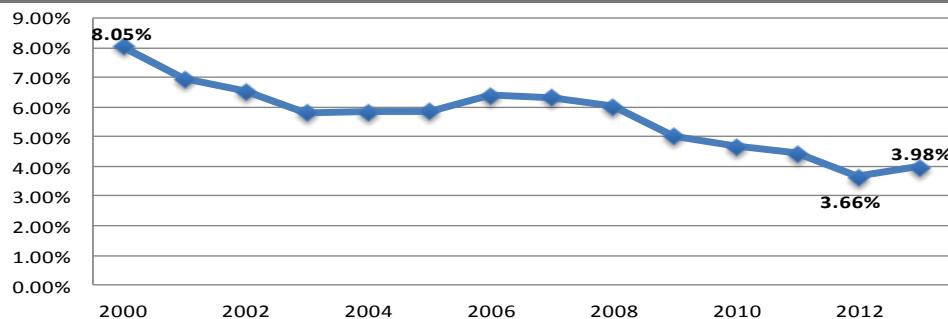
National Median Sales Price, 2003—2013



Source: National Association of Realtors®

Figure 10: Interest rates started edging back up in 2013.

Monthly Average Commitment Rate on a 30-Year Fixed Rate Mortgage



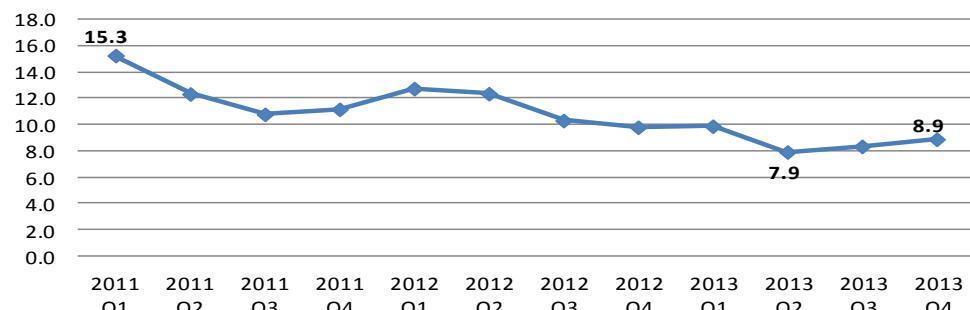
Source: Freddie Mac

# Pace Of Home Sales

One measure of a healthy real estate market is absorption rate. The absorption rate represents the total housing supply of the market at a given time. Unlike the reporting of "days on market" this rate takes active listing information into account as well. The "days on market" numbers reflect the average time on market for only sold properties, but that is only half of the story. The absorption rate digs deeper and looks at the amount of sold inventory compared to the amount of active inventory at the time. To calculate this rate we take the total number of active listings and divide that by the number of sales over a one-month period. The resulting number represents how many months' worth of inventory is currently listed for sale. For example, if an area had 20 listings and five sales in the last 30 days, the absorption rate would be 4, meaning that based on the prior market's activity it would take four months for the remaining current inventory to sell. A general rule of thumb is anything under three months is a seller's market, between three to nine months is a normal market, nine to 12 months is over-supply and the further you get over 12 months the more the market is over-loaded and a buyer's market.

**Figure 11: Lucas and Upper Wood County's market absorption rate is finally back within the normal range of 3-9 months.**

**Total Market Absorption Rate, Lucas & Upper Wood County 2010—2013**



Source: NORIS Multiple Listing Service

After a high of over 15 months in 2011 (Figure 11) the market absorption rate has gradually been decreasing, suggesting a return closer to a desired equilibrium.

**Figure 12: Lucas County foreclosures have decreased four months in a row**

**Lucas County Foreclosures**



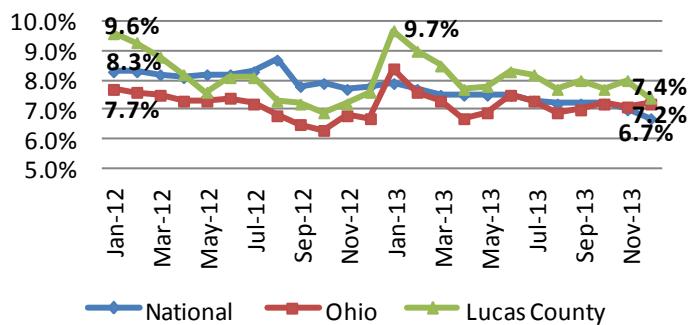
Source: RealtyTrac



# Demographics and Statistical Information

**Figure 13: Lucas County's unemployment rate continues to be above the National and State average.**

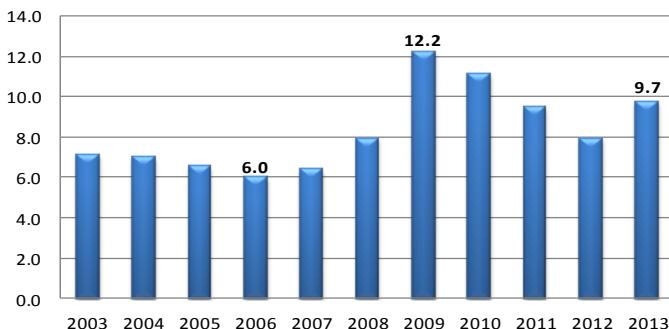
## National State & Local Unemployment Rates



Source: Bureau of Labor Statistics

**Figure 14: After 4 straight years of decreases Toledo's (MSA) unemployment rate grew to 9.7% in 2013.**

## Toledo MSA Unemployment Rate



Source: Bureau of Labor Statistics

**Table 6: Lucas County Demographics**

Lucas County	
Population, 2013 estimate	441,815
Population, 2012 estimate	437,998
Population, 2010	441,815
Mean travel time to work (minutes)	19.7
Housing units, 2012	202,046
Number of occupied homes	180,267
Homeownership rate, 2012	63.0%
Housing units in multi-unit structures, percent, 2008-2012	25.9%
Median household income, 2012	\$41,436
Persons below poverty level, 2012	20.5%



# 2014 Housing Forecast

Table 7: 2014 National Economic Outlook

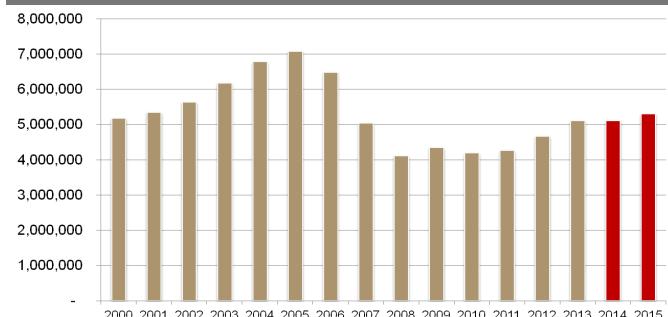
	2012	2013	2014
<b>US Economy Annual Growth Rate</b>			
Real GDP	2.1	1.8	2.5
Consumer Prices	2.1	1.4	2.6
Consumer Confidence	67	73	83
Unemployment	8.1%	7.4%	6.6%
30 - Year Fixed Rate	3.7%	4.0%	5.0%
<b>Housing Indicators (Thousands)</b>			
Existing Home Sales*	4,660	5,090	5,073
New Single - Family Sales	369	427	551
Housing Starts	781	924	1,156
Single - Family Units	536	618	790
Multifamily Units	245	306	366
<b>Percent Change — Year Ago</b>			
Existing Home Sales	9.4	9.2	-0.3
New Single - Family Sales	21.0	15.7	29.0
Housing Starts	28.2	18.3	25.1
Single - Family Units	24.3	15.3	27.8
Multifamily Units	37.6	24.9	19.7
<b>Median Home Prices (Thousands of Dollars)</b>			
Existing Home Prices	176.8	197.1	207.7
New Home Prices	245.2	263.0	275.0
Housing Affordability Index	196	177	136

\*Billion Dollars

Source: National Association of REALTORS

Figure 15: Home Sales Expected to Flatten in 2014.

National Home Sales



Source: National Association of Realtors®

Figure 16: Outlook is for upturn in mortgage rates leading to more pressure on affordability.



Source: National Association of Realtors®

## 2014 Real Estate in Ohio

- **Fewer Underwater Homeowners**—open up market for discretionary sellers
- **Pent-Up Demand**—if builders can get financing the demand is there
- **Rising Mortgage Rates**—most costly credit
- **Moderate Price Gains**—a little softer in 2013
- **Affordability Deteriorates**—somewhat higher prices and higher mortgage rates in 2014
- **Home Sales Flat**—inventory shortage will ease, but look for sales levels of 2012

Source: National Association of Realtors®