

LEASE PURCHASE HOME SALES

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Since the inception of the federal Low-Income Housing Tax Credit program (LIHTC) in 1987, OHFA has collaborated with private industry and nonprofit organizations to develop single-family rental homes to provide homeownership options for Ohio's low-income population. The Lease Purchase (LP) program pairs homeowner education and economic support to renters, allowing them to purchase their home after a 15-year compliance period has ended. The number of LP homes built each year has increased since the 1990s and resulted in the development of over 8,600 homes across the state. Currently, roughly half the homes have reached the end of their compliance period and are ready to be sold to residents or other income-qualified tenants. So, what has happened to the homes that have sold?

Who is purchasing?

The LP program provides housing options for a different population than the multi-family LIHTC program. LP homes often have larger household sizes (3.1 people vs. 1.9 people), more female heads of household (86.2% vs. 70%), and are majority Black households (61.5% versus 36.6%). Of the 1,707 homes sold, 59.4% sold to the existing tenant of that unit (Figure 1).

Where are they buying?

Although LP homes exist in 35 of Ohio's 88 counties, the sale of LP homes has only occurred in 11 of these counties. Almost 80% of all sales have occurred in Cuyahoga County, followed by Franklin County (Table 1). Cuyahoga County is home to CHN Housing Partners, one of the few LP companies that provides loan opportunities for low-income households that may not qualify for traditional financing through a private lender.

How much are these homes selling for?

On average, LP homes have sold for \$23,449. However, the average sale price varies by county (Table 1) with Stark County at the lower end of the scale (\$18,330) and Portage County at the upper end (\$103,400).

Figure 1. Percentage of Sales to:

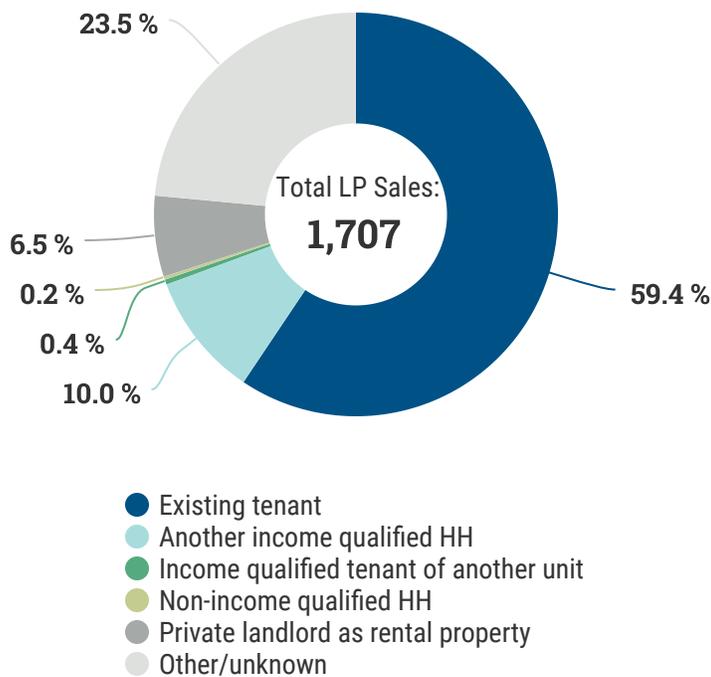


Table 1. Geography of LP Sales

County	Avg Sale Price	# Sold	% of Sold Units	Total Units Built	% of Total Units that have Sold
Columbiana	NA	1	0.10%	16	6%
Cuyahoga	\$20,540	1,357	79.50%	2,963	46%
Franklin	\$41,090	153	9.00%	905	17%
Lorain	\$51,914	7	0.40%	126	6%
Lucas	\$81,000	25	1.50%	841	3%
Mahoning	\$20,989	99	5.80%	585	17%
Montgomery	\$55,200	3	0.20%	754	0%
Portage	\$103,400	5	0.30%	85	6%
Richland	\$58,000	9	0.50%	204	4%
Stark	\$18,330	8	0.50%	428	2%
Summit	\$44,861	40	2.30%	391	10%
Grand Total	\$23,449	1,707	100.00%	7,298	23.38%