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# VineBrook Homes Impact, Greater Cincinnati

## Impact Study Executive Summary - January 2023

### HR&A Advisors conducted analysis on VineBrook's impact in Hamilton County in four areas:

(1) affordable rents, (2) access to homeownership, (3) housing quality, and (4) investment in the community. Below are key findings from the study.

The full text can be found [here](#).

### While housing affordability is a growing issue in Hamilton County, VineBrook is not driving the growing affordability challenges in the county.

Larger housing market dynamics and state and local policies have contributed to – and continue to contribute to – declining homeownership rates and rising rents in Hamilton County. Since 2008, the homeownership rate has fallen overall by 5% and by 10% among low- and moderate-income households. The share of severely rent-burdened households, those paying more than 50% of their income in housing costs, has increased 15.8%. Since 2010, new household formation has outpaced housing starts leading to low inventory and rising prices for homebuyers and renters alike in Hamilton County. In the last decade, Hamilton County lost nearly 6,000 homes to demolition and abandonment and only added 70 new housing units for every 100 new households formed; it needed to be adding around 120 homes to keep pace with growth based on the standard established by the Joint Center for Housing Studies at Harvard University.

### The underproduction of homes has pushed up prices and rents.

From 2019-21, the median single-family home price in Cincinnati increased 25% by \$44,000, from \$172,000 to \$216,000. This trend was exacerbated during the pandemic – from 2020-22, the median single-family home price in Cincinnati increased nearly 50% from \$183,000 to \$272,000. Over the same period, the median rent in Cincinnati increased 20%, from \$1,214 to \$1,455.

Higher home prices have led to a drastic increase in the income required to buy a median priced home, raising the barrier to homeownership. In 2022, the income required to buy a median priced home is \$57,000 higher than the median renter household income.

### VineBrook's homes are more affordable than the average single-family rental home in the county and the rents have risen at a slower rate.

Over the last seven years, VineBrook rents and rent increases have been below-market and have therefore consistently been more affordable than MSA (Metropolitan Statistical Area) rents.

Specifically:

- Cincinnati MSA single-family median rents are \$330 higher per month than VineBrook median rents
- Since the start of COVID-19, the average Cincinnati MSA single-family rent increased by \$283, whereas VineBrook rent increased by only \$165

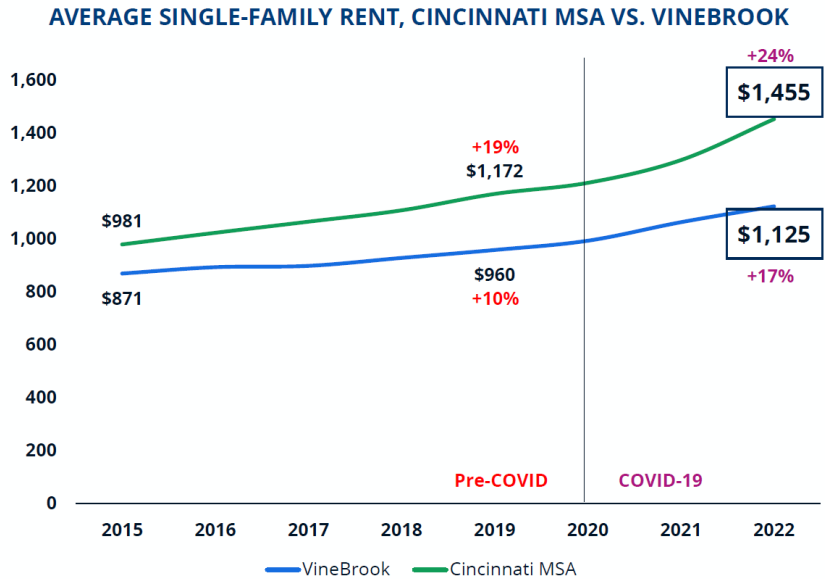
**17.3%**

MSA-wide annual  
rent increase,  
2021-22 YTD

**6.6%**

VineBrook annual  
rent increase,  
2021-22 YTD

- From 2021 to 2022 year-to-date, VineBrook rents have increased 6.6% compared to a 17.3% increase across the Cincinnati MSA.
- The average VineBrook household earns \$68,000 (80% of the area's median income), spends 26% of their income on housing costs, and is not rent burdened.
- VineBrook provides financial assistance to help residents weather short term hardships. During the pandemic VineBrook established the Hardship Program to help families find alternatives to eviction. 796 families have received assistance to weather hardships, \$3.57 million in rental assistance has been sourced and currently 184 families are receiving assistance.
- VineBrook provides free access to financial literacy training through partnership with Operation Hope and has assisted over 800 families in the past year.



### High mortgage denial rates in Hamilton County driven by outdated housing stock and racial inequity are a significant structural barrier to homeownership.

The age and low property values, which indicate homes have been reinvested in as they aged, render homes more likely to be denied a mortgage. Higher denial rates for Black households, even when controlling for income, reduce the number of homeowners in the county and depress property values. In fact, white applicants were an average of 6% more likely to be denied due to collateral and income insufficiencies and debt burdens, while Black applicants were 15% more likely to be denied due to insufficient credit scores, a less predictive measure of a household's ability-to-pay their mortgage (Forbes).

### VineBrook is not pushing down homeownership rates in Hamilton County.

Over the last five years, VineBrook's purchases and portfolio have consistently constituted a small percentage of total housing transactions and stock in the County, insufficient to shift the homeownership rate.

Specifically:

- From 2016-22, VineBrook's acquisitions made up 1.7% of all single-family transactions.
- VineBrook's portfolio represents less than 1% of the total housing stock in Hamilton County.
- 87% of VineBrook's purchases from 2018-2021 were renter occupied at the time of purchase. These purchases represent a change in ownership, but not a decrease in the housing stock available to owner-occupants.

Homeownership rates have declined in the County since 2010, in line with trends seen in Ohio and the US overall, because of larger market forces. Counter to these trends, between 2014 and 2019, VineBrook tracts saw a 0.7% increase in homeownership compared to a 1.1% decrease in Hamilton County overall.

### VineBrook purchases older homes and invests significantly in updating them and maintaining them.

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# \$21.1M

In 2021-2022, VineBrook invested \$21.1 million on rehabilitation, repairs, and maintenance locally.

VineBrook purchases older homes, the majority of which are purchased from other investors, which often require extensive renovation. The median year built for homes owned by VineBrook is 1957. From 2019-2022, VineBrook spent \$27,000 on average to renovate systems, structure, and interiors on its homes. In 2021-22, VineBrook invested \$21.1 million on rehabilitation, repairs, and maintenance locally. Since inception VineBrook has invested over \$62.5 million in rehabilitation, repairs, and

maintenance on their local housing stock. From 2017-2022 VineBrook has averaged 0.2 code violations per property per year, 99.6% of which are labeled as minor.

## **VineBrook contributes to the local economy, creates jobs, and invests in the community creating economic growth.**

VineBrook's long term presence and ongoing property rehabilitations and maintenance have a positive impact on neighborhood stability. VineBrook has rehabilitated and brought back 1,742 previously vacant homes into the housing market in Hamilton County. Since inception VineBrook has invested over \$400 million in the local market.

VineBrook has owned nearly one-third of its local portfolio for more than 6 years, indicating the company's commitment to being a long-term participant in the market. VineBrook began operations in Cincinnati in 2007 and continues to grow its local team of over 100 dedicated property management, development, and support staff. VineBrook contributes to the local economy with \$6.55M in wages paid annually to local employees, and over \$25 million directly spent among 413 trusted vendors as of June 2022.

Between 2015 and 2022, home value appreciation in VineBrook Cincinnati neighborhoods outpaced that in non-VineBrook Cincinnati neighborhoods by 50%.

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### **About HR&A**

HR&A Advisors, Inc. (HR&A) is an employee-owned company advising public, private, non-profit, and philanthropic clients on how to increase opportunity and advance the quality of life in cities. HR&A's Housing Practice works on housing affordability across scales – from the adoption of regional and city housing plans, through the creation of housing policies and programs to advance those plans, to the execution of specific housing development and preservation projects that are the products of those policies.

# \$400M

Since inception VineBrook has invested over \$400 million in the local market.