

News from the Vault

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MCR Medical Supply

In 2008, Charlie and Karen Morrison launched MCR Medical out of their spare bedroom. This two-person e-commerce operation selling CPR and first aid training equipment quickly outgrew their house and their hands, and by 2013 they were in desperate need of a warehouse where they could stock inventory and bring on additional staff. After finding the perfect location in Grove City, First City Bank's Travis McIntyre stepped in to arrange the financing needed to purchase, renovate, and equip MCR's new warehouse. The bank came through for us at a vital point in our growth, and our sales growth in the time since has earned us a spot on the Columbus Business First "Fast 50" list for 4 consecutive years (2016-2019).

Community is very important to MCR's corporate culture, and we've expanded our workforce to be inclusive, including individuals with physical and developmental

disabilities. We also sponsor several charitable initiatives around Columbus, including monthly lunch preparation for an area homeless organization, and financial and in-kind support to other local non-profits.

This commitment to community is something we share with First City Bank and highlights what we see as a special relationship with Ed, Travis and the team at FCB. During 2016-18, while co-founder Karen Morrison was battling cancer, we were particularly touched that First City chose to feature Karen as their Relay for Life person of honor in two consecutive years. Their thoughts and prayers during Karen's final days were another indication of a professional and personal closeness, and we greatly appreciate being connected to a bank that cares about its customers on both levels.



Carol – Retiring from First City Bank

Carol Sheets is retiring at the end of 2019. We congratulate her on her retirement and wish her all the best. Carol has been with the bank over four years as a Customer Service Representative. Our staff and our customers are going to be sad to see her go.

Carol would like to thank Sue Skrei for hiring her and Doug Simson for her time here at First City Bank. During her retirement Carol plans to do volunteer work at her church and at school. She also plans on taking some well-deserved time to herself.



Lender's Corner

With Bob Slaven.

Why Choose Columbus as a Real Estate Investment Choice?

I work with many investors from all over the country that are considering purchasing income producing properties in the Columbus community. Apart from the individual property statistics (income, expenses, vacancy, maintenance, etc.), one of the primary factors that should be considered is upward rental trends meaning increasing demand for apartment space.

When you consider some of the recent trends in our city, population growth is the most obvious with Columbus and surrounding areas growing at a rapid pace while already being the highest population in Ohio. Along with that, the stability of the job market, income growth, median age stability and so many other factors make this area one of the most attractive communities to live in anywhere in the country. Columbus was just recently ranked the #1 city in the country with a host of awards that should be considered by anyone considering rental property. (See attachment for recognition and awards).

<https://www.linkedin.com/pulse/columbus-ohio-ranks-best-city-world-daniel-white/>

So, when you factor in demand, income growth and stability, it is no wonder that rents and housing values are growing at a similar pace in Columbus and surrounding areas.

The latest statistics show that rental units make up 47% of the available housing in Columbus with availability only at 3%. With housing prices still affordable at \$157k average median household price, that would lead us to believe that a vast number of potential buyers would prefer to rent. Although still affordable, rental rates continue to rise but are lower than the national average and vacancy factors remain consistently low.

Having said all that, when we look at these factors through an investor's eyes, it is clear to many looking at Columbus for the first time from around the country, the income potential and value growth potential are both on a rapid upward trend.

For those that want to learn more about the opportunity to become a real estate investor in our great city, please give me a call and we can come up with a financing plan that fits your current situation and financial goals. Let us try and help you take advantage of opportunities in our own backyard.

Cyber Corner



Danielle Chatfield-Beres.

Tis the Season

Tis the Season to do some end-of-year cyber housekeeping before ringing in the new year. Take these

steps to help safeguard your information:

Make a backup of your files. Even if you weren't doing regular backups of your personal files throughout the year, take some time now to make an end-of-year backup. Having periodic backups ensures you don't lose your photos or sensitive files if you pick up malware on your machine or if the machine gives up the ghost one day.

Change your online passwords and turn on Multifactor Authentication (MFA) You should change your passwords for your Amazon, Gmail, bank, and other online accounts if they haven't already prompted you to change them recently. Do not reuse the same password between accounts. Turn on Multifactor Authentication (MFA) whenever available so it texts you a one-time passcode to use whenever you log in. Never have your phone or PC or web browser set to "remember" your passwords.

Consider giving yourself the gift of a password manager. At last count I had 140 work-related logins and over 100 personal logins for everything from my online newspaper subscription to my dog's pet insurance. My case may be extreme, but any of us who have more than a handful of logins quickly resort to writing them down or reusing the same password over and over again without a way to manage them. I moved to a password manager long ago and recommend others consider the same. It becomes an easy way to securely store your login name, passwords (unique for every single site) and the genuine address for a service so you don't have to click on links in emails that may be suspect. If you are not sure where to start, read up on a few of the reputable options here -

<https://www.cnet.com/news/the-best-password-managers-of-2019/> .

Stay cyber safe out there!



From the Desk of Travis McIntyre.

Is Columbus Ohio a Good Place to Invest in Real Estate rental property in 2020?

10 REASONS TO INVEST

Many real estate investors have asked me if buying a rental property in Columbus is good investment? Knowing local trends and keeping up on key issues is necessary if you want to know what the market holds for the year ahead.

In previous newsletters I've discussed the local economics concerning the Columbus market. This article is to provide an individual or group of investors some insight, and statistics to help consider a commercial or residential real estate transaction in Columbus in the coming year. Residential growth always compliments commercial activity.

I've collected ten evidence based positive things to consider when investing in the Columbus Ohio rental market in 2020.

Investing in Columbus rentals will provide good returns in the long term as the home prices in Columbus have been trending up year-over-year. Looking at the number of positive things going on in specific areas in the Columbus

real estate market can help investors who are interested to buy an investment property in this city.

1. Columbus Ohio real estate is appreciating, and for multiple reasons. A city that's losing people is typically going to see property values decline. The Columbus housing market is seeing steady population growth. Between 2013 and 2019, property values have increased. In 2017, they increased a whopping 9.2%.

Housing prices in the Columbus Ohio real estate market are expected to increase another 4% in 2020. This is partially due to the demand for older, renovated homes in established, walkable neighborhoods. The limited supply of family-friendly homes in these areas is driving up prices.

2. Real estate investor friendly policies are making a difference. Columbus city tax abatements in downtown neighborhoods are helping distressed housing. The city is encouraging people to buy properties and renovate them, whether to rent or live in themselves. This is still a cheaper approach than new construction.

Another point in favor of Columbus is they haven't made it cumbersome for private rentals like AirBnB and VRBO. For example, they decided in 2018 not to limit the number of days people could rent their homes out on AirBnB and similar sites from a policy standpoint. We did see some specifically identified areas in Columbus and mainly condo associations beginning to set some limits in 2019, but overall, we are still a very open market to this type of innovative short- and long-term tenancy.

3. We are landlord friendly. Ohio is rather landlord friendly, making it much more landlord friendly than neighboring Midwestern states and far better than Pennsylvania. There are no state laws regarding pets, payment grace periods or re-keying.

Rental agreements are recommended, but not required for short leases. There's no statutory limit on late fees, but they must be "reasonable".

4. The local economy is healthy Previously in my economic article I mentioned Columbus, Ohio is considered a "Rust Belt" city that's unique because it hasn't participated in a lot of the hedge fund and REIT commercial developments which larger cities tend to use. Columbus enjoys unemployment rates around 4%, but this is excellent compared to the surrounding areas. The US saw incomes grow 22% between 2010 and 2016.

Columbus metro area incomes grew roughly 25%. The city's economy is healthy enough to retain many young people and attract some coming here to work, but it isn't so hot that a bubble should burst.

Most of the Columbus housing market growth has been younger people moving there from other areas within Ohio. This includes but isn't limited to those who came for school but decided to stay.

5. The sizable student market is a boon to investors. Columbus is the state capital. This means there are several universities in the city. Franklin University hosts nearly five thousand students. Capital University has about three thousand students. Ohio Dominican University is home to nearly two thousand students.

There are nearly 40 colleges within fifty miles of Columbus. And the sheer variety of colleges in the area means that investors can rent to the large population of students in the Columbus Ohio real estate market without worrying about their property values rising and falling based solely on the Ohio State University.

6. Demographic momentum. With young people attracted to the Columbus Ohio housing market for school and work and choosing to stay to start their own families, the Columbus market enjoys a median resident age of 32.3.

This is seven years less than the median age for the state. We can expect the next generation growing up here to stay, as well, fueling demand for the housing market.

7. The tax climate is good. Ohio's effective property tax rate is 1.56%. That's higher than the national average. However, Ohio is better than other several surrounding Midwestern states.

Property tax rates do vary between counties, so you may pay lower property taxes for investment property in the suburbs than in downtown Columbus.

8. The low cost of living attracts and keeps residents. Columbus competes with many other surrounding cities in the Midwest. However, one point in its favor is the lower cost of living. That attracts residents who earn just as much here as in Chicago but don't have to pay as much for things.

The annual salary is a little less here than the national average, but rents and housing are lower in Columbus than most other competing markets.

9. Redevelopment is going on Everywhere There are at least ten major redevelopment projects planned around Columbus. These projects total to an estimated billion dollars. Each of the

redevelopment projects will increase demand for homes in the area. In neighborhoods with new luxury condos, shopping and employers, everyone's property surrounding these improvements will be worth more. This allows real estate investors to invest in the Columbus real estate market in one or multiple locations, depending on their budgets and preferences.

10. Having a local community banking partner is key to short and long-term success. At First City Bank we specialize in our local real estate and business environment. Our experienced staff has been making lending decisions and lending to investors in Columbus since the early 1990's and specific to the needs of each individual. We are a small business and we understand small businesses. We are specifically tailored to lending and banking commercial business's like yours.

For more information contact Travis at tmcintyre@myfirstcitybank.com or 614-485-2437