



NEWS RELEASE

From Mayor Dean DePiero

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PARMA GRANTS SET RECORD IN 2008 AND 2009

(PARMA) – The City of Parma reports its real estate market is looking healthy and promising, despite the community and the nation battling a serious economic recession. In fact, there are no signs of a slow down when it comes to City of Parma Community Development programs and grant money.

Parma Mayor Dean DePiero said he was astounded at the vitality of Parma's real estate market as it pertains to first time homebuyers and residents seeking grant money for home improvement.

"In 2008, we attracted 56 first time home buyers through our two economic development housing programs," said Mayor DePiero. "And we spent over \$75,000 assisting residents with the costs of home improvement. No other community in Cuyahoga County that offers similar programs came close to Parma's numbers."

In 2009, the local housing market ramped up to the point where all 2009 monies were gone in a matter of a month. No one in the city's Economic Development Department can recall a time when demand was this high. Parma allocated \$245,000 for first time home buyers in 2009 along with \$80,000 for home improvement.

Parma's first time home buyer program offers a 10% of the purchase price grant of up to \$10,000 for a single-family home. For home improvement, the program is a 50% matching grant of up to \$2,000 for qualified repairs to owner-occupied homes. Both programs are funded by the Department of Housing & Urban Development and are not General Fund budget based. Home buyers must live in the dwelling for 5 years in order for the grant to be completely forgiven.

"Our staff was a bit shocked by the demand," said Parma Community Services and Economic Development Director Erik Tollerup. "We expected that rising unemployment in the region along with tighter requirements on mortgage qualification would shrink the pool of buyers. That didn't happen. And this year, we went through 150 home improvement applications in one week alone."

(more)

Tollerup also reported that 51% of the 77 total first time buyers in Parma were renters in Parma, North Royalton and Parma Heights.

“I was surprised that only 5 buyers total came from Cleveland,” said Erik Tollerup. “What I hear most frequently from new buyers is that they want to return and start their families in Parma just like their parents did. Many times, the parents want to return, too.”

Mayor DePiero said there are several factors that make Parma an ideal destination for first time homebuyers.

“We offer a great deal during these troubling economic times,” Mayor DePiero said. “The key factors in choosing Parma – the down payment, good schools and safe neighborhoods. It’s that simple.”

The average sales price of a Parma home purchased by a first time home buyer in 2008 was \$105,555.

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