



25th Annual Spring Planning & Zoning Conference

The Role of Housing in Your Community





NEW HAMPSHIRE
HOUSING

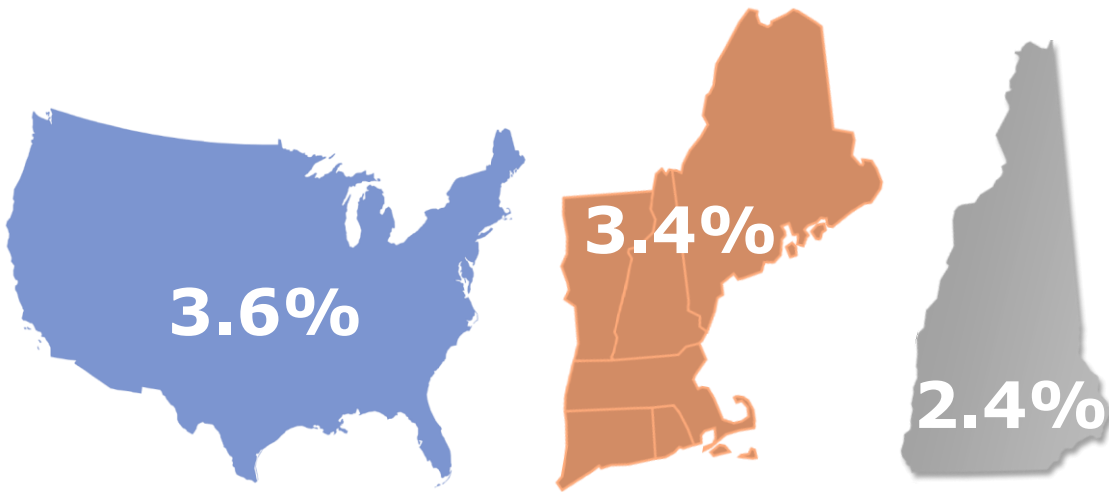


The Role of Housing in Your Community

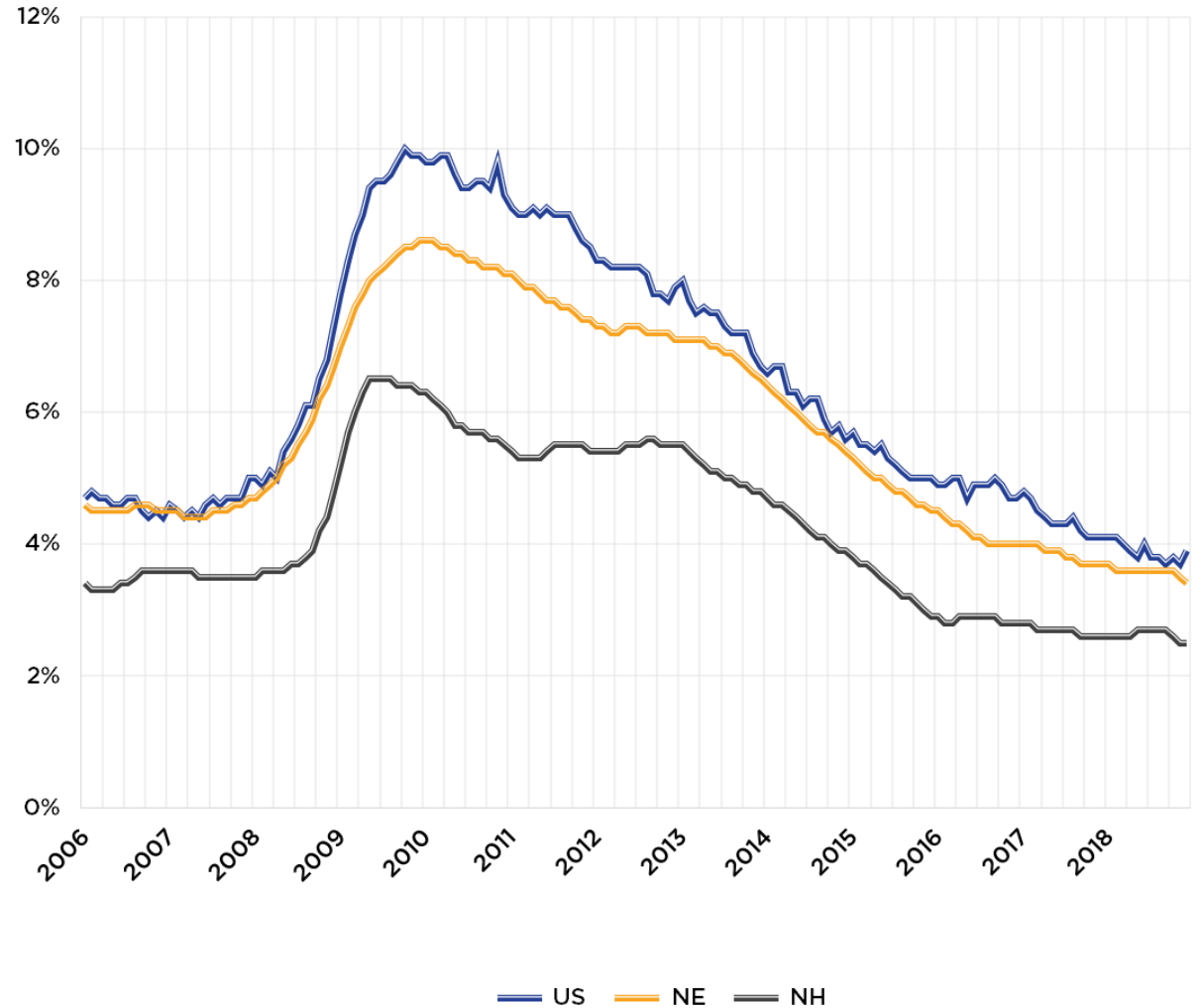
June 1, 2019
NHHFA.org



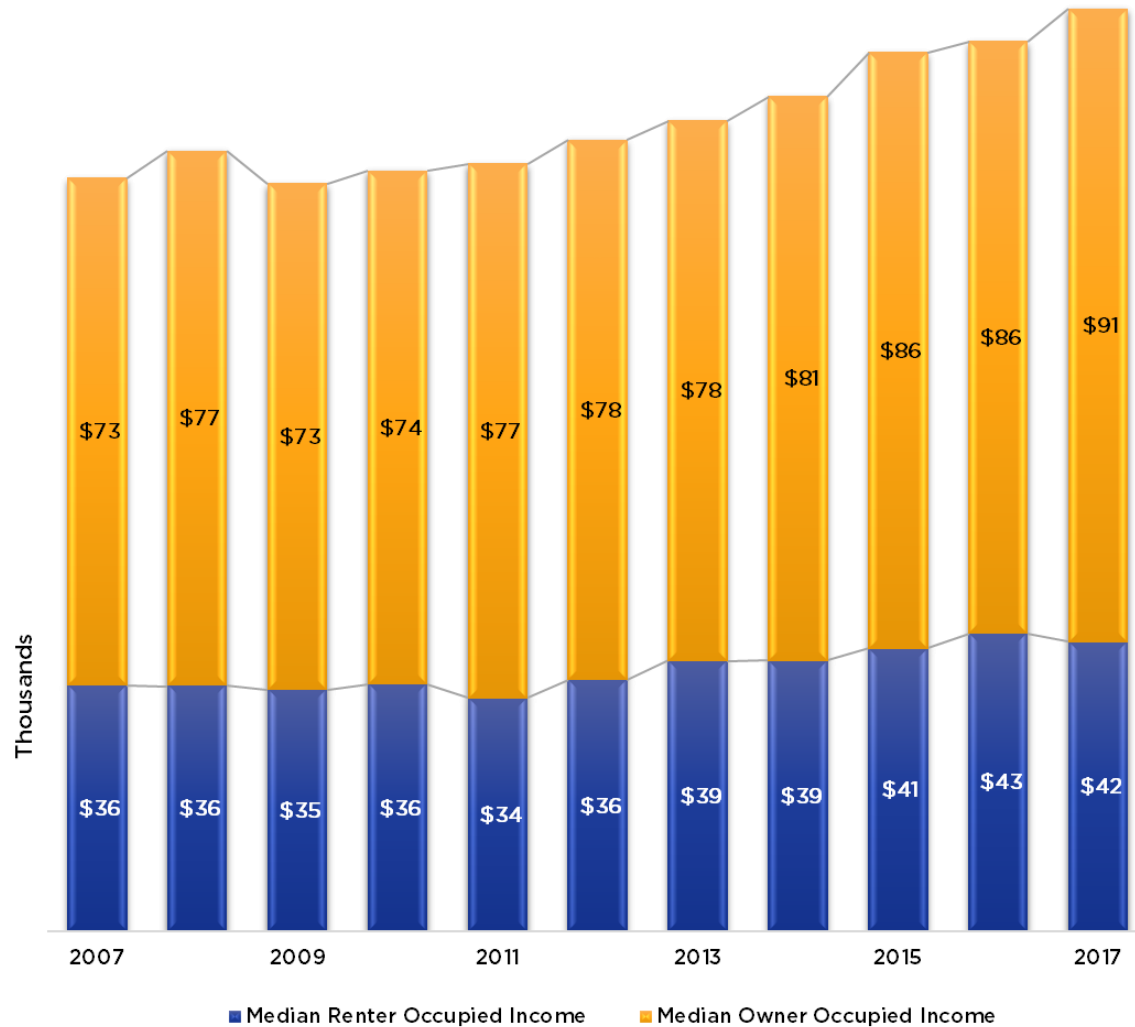
Lowest in the Country Unemployment



An unemployment rate of 3% or less is typically considered full employment. New Hampshire's unemployment rate has been below 3% for 38 straight months.



Household Income Increasing



Household income has been increasing since 2009. The median renter occupied income has increased more slowly, when adjusted for inflation, since 2012.

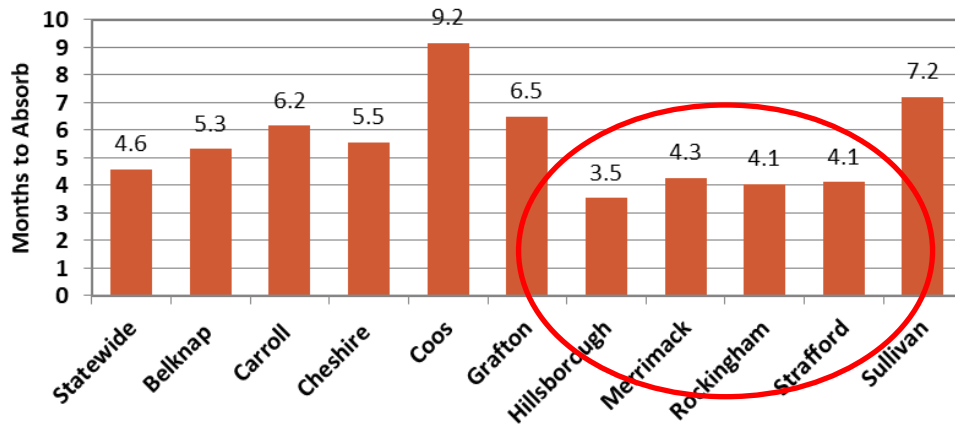
Reasons for renter income increase:

- Good economy with full employment
- Higher income households remaining renters
 - Potential buyers are staying in rentals
 - Short supply of for-sale homes
 - Student debt
 - Inability to save for a down payment.
- Some older wealthier households are downsizing

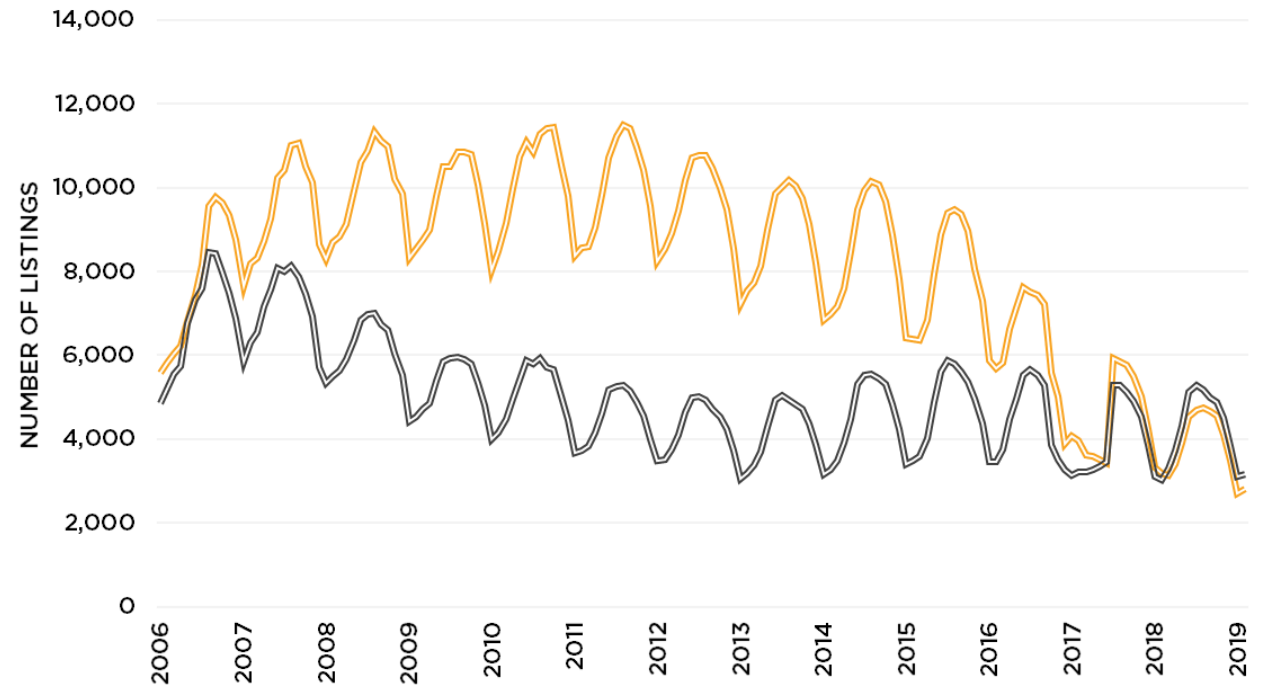
For-Sale Inventory has Dropped

MLS Housing Inventory By County

Months to Absorb Current Listings at Prior 12 months Sales Pace



Between 2010 and 2018 the listings for homes less than \$300,000 have dropped over 63% while homes above \$300,000 have decreased by less than 13%.



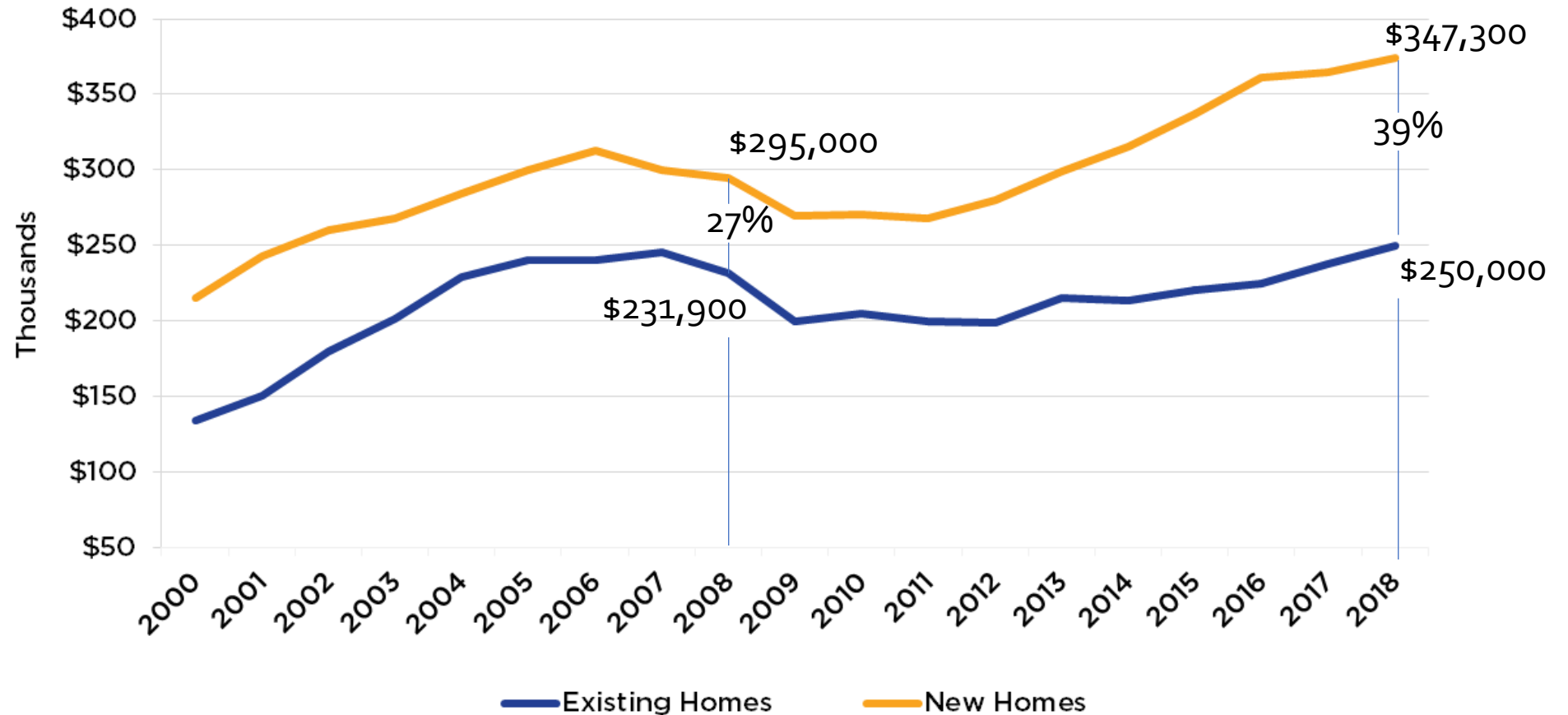
— Listings <\$300K — Listings >\$300K

Home Values Are Appreciating

The median purchase price of a home in 2018 was \$254,000.

The volume of sales was 22,483 units.

Source: The Warren Group



New homes only accounted for 3% home all home sales, down from 13% in 2008.

Starter Home Blues

	Median Renter Income	Starter Home Price	Percent of Renter Income Needed to Afford Starter Home	Percent of Homes Currently Listed at Starter Home Pricing
Belknap County	\$ 35,838	\$ 180,800	123%	17%
Carroll County	\$ 36,345	\$ 205,000	128%	24%
Cheshire County	\$ 33,453	\$ 130,400	111%	12%
Coos County	\$ 25,633	\$ 70,900	74%	8%
Grafton County	\$ 35,642	\$ 120,000	85%	9%
Hillsborough County	\$44,730	\$ 221,000	127%	22%
Merrimack County	\$ 38,726	\$ 211,560	145%	23%
Rockingham County	\$48,704	\$ 287,950	145%	18%
Strafford County	\$ 40,973	\$ 210,000	137%	22%
Sullivan County	\$ 35,343	\$ 155,300	118%	24%

Vacancy Rates Low

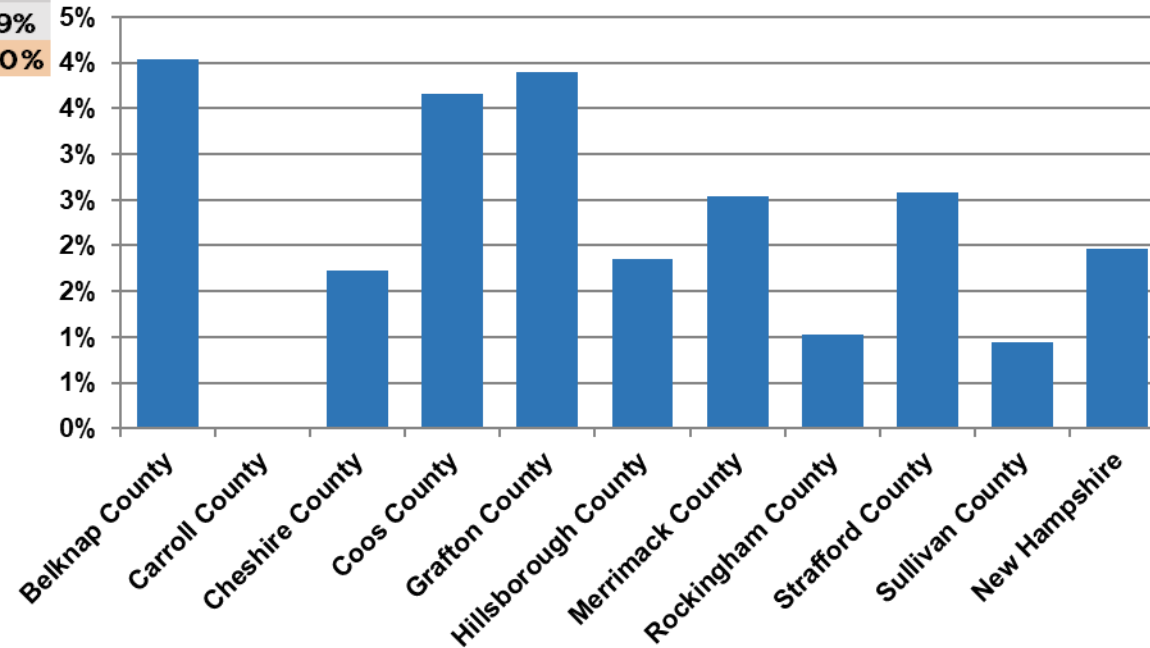
Vacancy Rate for 2-Bedroom Units

Area	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Belknap County	3.5%	6.8%	6.4%	8.9%	3.3%	7.5%	5.3%	1.2%	4.9%	4.6%	4.0%
Carroll County	11.0%	7.8%	9.7%	11.3%	5.1%	3.1%	3.6%	3.9%	1.4%	0.0%	*N/A
Cheshire County	3.5%	4.3%	7.4%	6.4%	7.1%	2.5%	3.7%	3.2%	4.5%	1.0%	1.7%
Coos County	7.7%	6.3%	10.6%	15.2%	12.6%	9.5%	7.9%	9.2%	6.9%	10.7%	3.7%
Grafton County	2.0%	6.8%	7.0%	7.6%	7.5%	3.0%	3.9%	2.7%	3.0%	3.0%	3.9%
Hillsborough County	4.6%	4.9%	3.8%	2.2%	2.2%	2.6%	2.1%	2.3%	0.9%	1.2%	1.8%
Merrimack County	3.0%	5.6%	4.9%	4.8%	2.7%	3.3%	2.5%	1.7%	1.2%	1.1%	2.5%
Rockingham County	3.1%	3.2%	3.0%	2.7%	3.2%	3.4%	2.1%	1.9%	1.0%	1.1%	1.0%
Strafford County	2.4%	4.5%	5.7%	3.3%	3.6%	4.9%	2.1%	2.3%	1.4%	1.2%	2.6%
Sullivan County	3.4%	5.9%	6.4%	5.7%	7.4%	7.3%	5.8%	2.7%	6.4%	2.2%	0.9%
New Hampshire	3.7%	4.7%	4.4%	3.5%	3.2%	3.3%	2.5%	2.2%	1.5%	1.4%	2.0%

*SAMPLE TOO SMALL

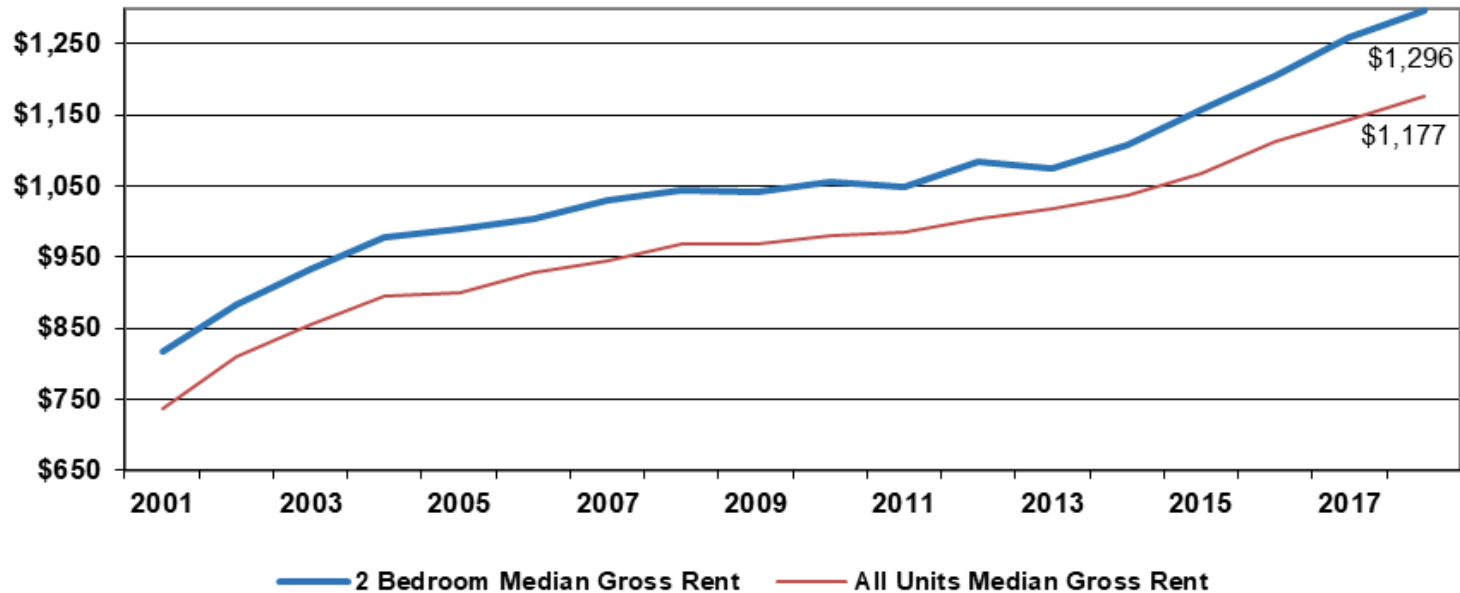
North Country Council

2018 Vacancy Rate By County



Rents Increased Overall

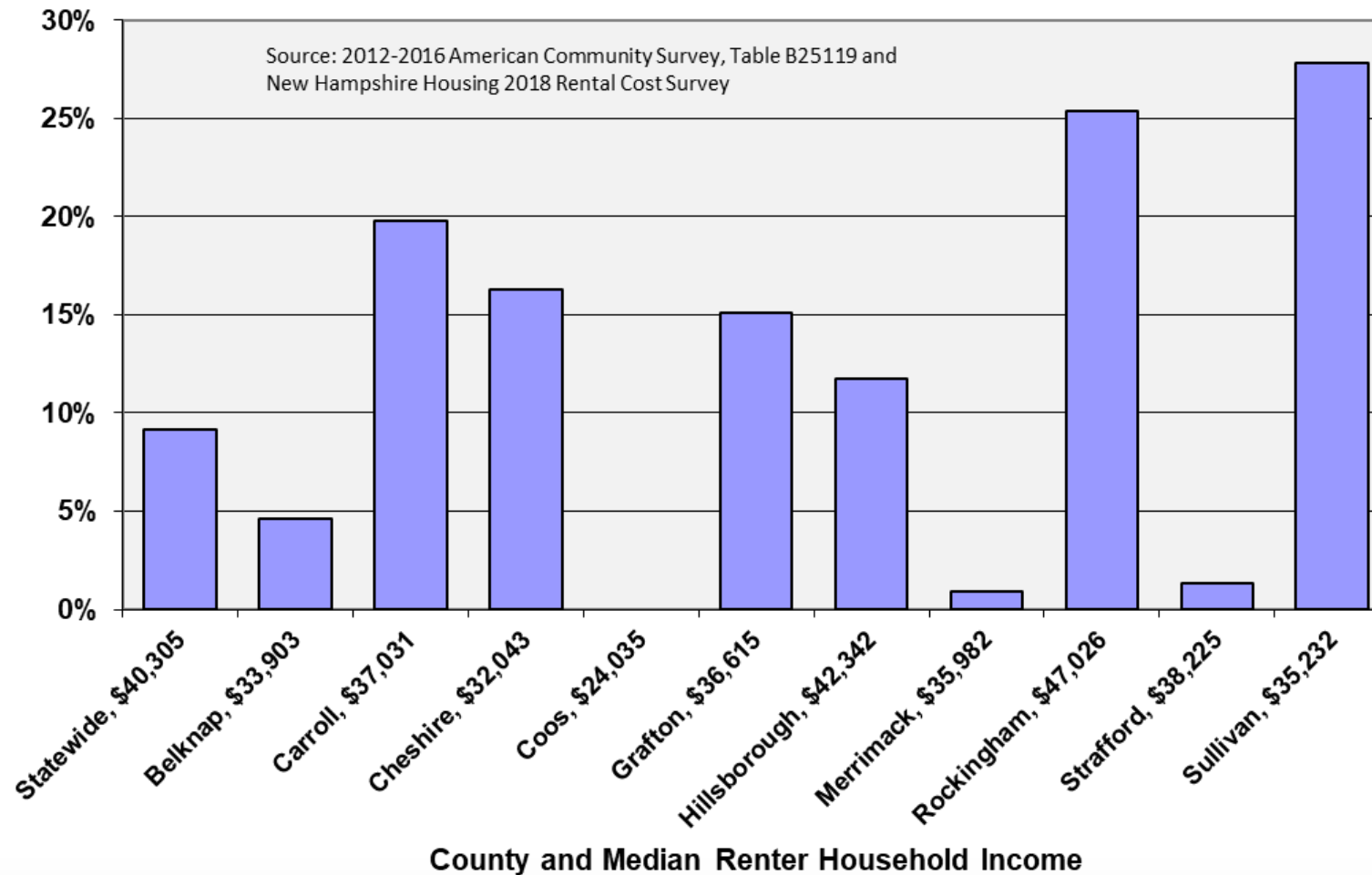
Median Gross Rent



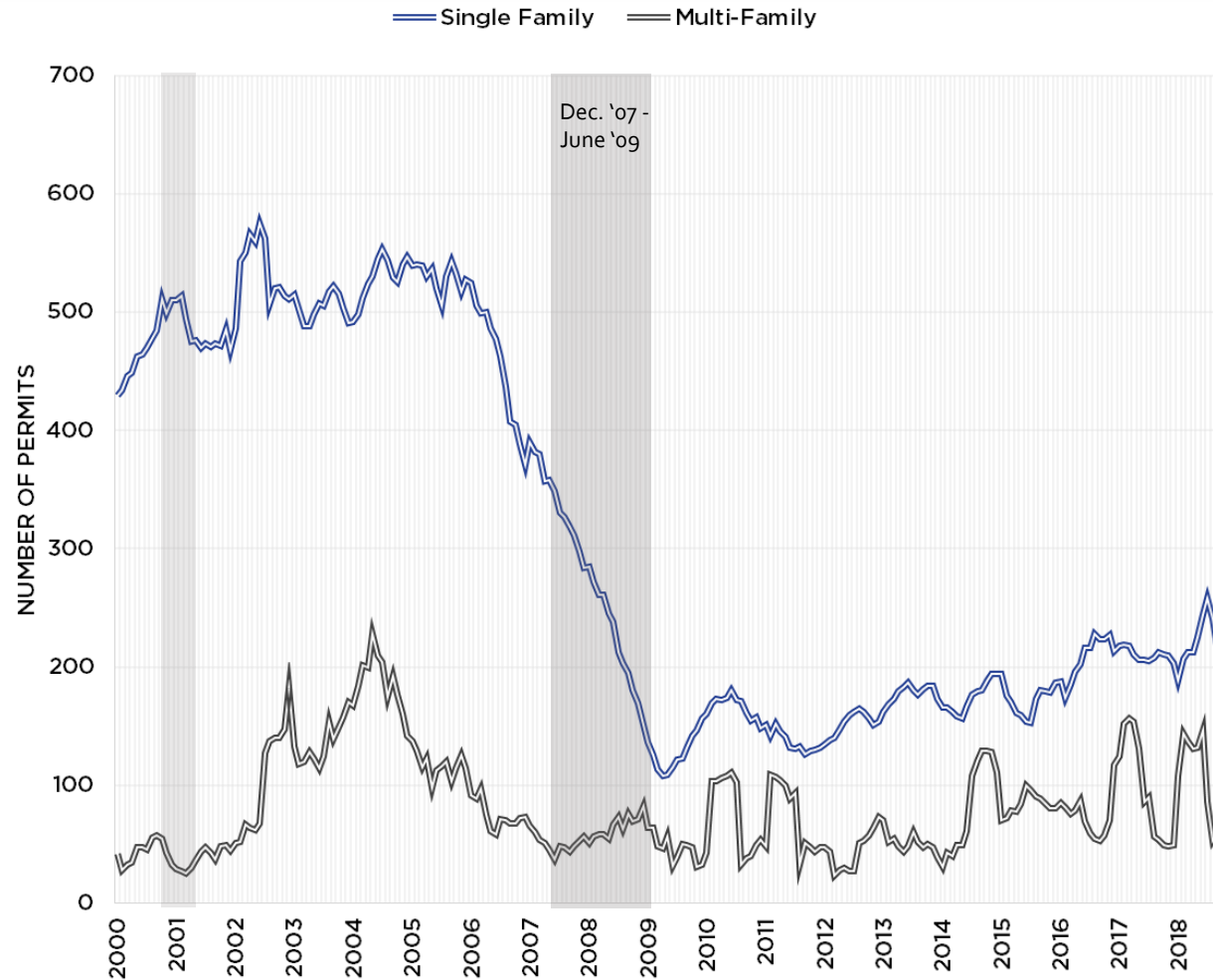
	Sample Size	Rent Range	Median
2018 GROSS RENT			
0-Bed room	339	\$350 - \$2,217	\$751
1-Bed room	2,864	\$390 - \$3,139	\$978
2-Bed room	4,645	\$300 - \$3,288	\$1,296
3-Bed room	907	\$265 - \$4,375	\$1,424
4+Bed rooms	207	\$700 - \$3,985	\$1,579
AllBed rooms	8,962	\$265 - \$4,375	\$1,177

Affordable Units Scarce

Percent of 2-Bedroom Units In Rental Cost Survey
Affordable to Median Income Renter Household



Permits are Down from Pre-Recession



Average Annual SF Permits

- 1990 to 2007 = 4,718
- 2008 to 2018 = 2,080

Average Annual MF Permits

- 1990 to 2007 = 791
- 2008 to 2018 = 827



Many experts expect Millennials to decamp for the suburbs after marriage and kids arrive. // Shannon Stapleton/Reuters

Do Millennials Prefer Cities or Suburbs? Maybe Both.

KRISTON CAPPS JUL 30, 2018

Heavy Student Loan Debt Forces Many Millennials To Delay Buying Homes

February 1, 2019 · 1:33 PM ET
Heard on All Things Considered



Jon Marchione for NPR

Student loan debt in the United States has more than doubled over the past decade to about \$1.5 trillion, and the Federal Reserve now estimates that it is cutting into millennials' ability to buy homes.

Student Debt High

New England Student Loan Debt

	Percent Graduates with Debt	National Rank	Average Debt	National Rank
NH	74%	1	\$ 34,415	4
RI	64%	6	\$ 32,250	3
VT	60%	15	\$ 30,065	16
MA	59%	17	\$ 32,005	7
CT	57%	24	\$ 38,510	1
ME	56%	28	\$ 31,364	10

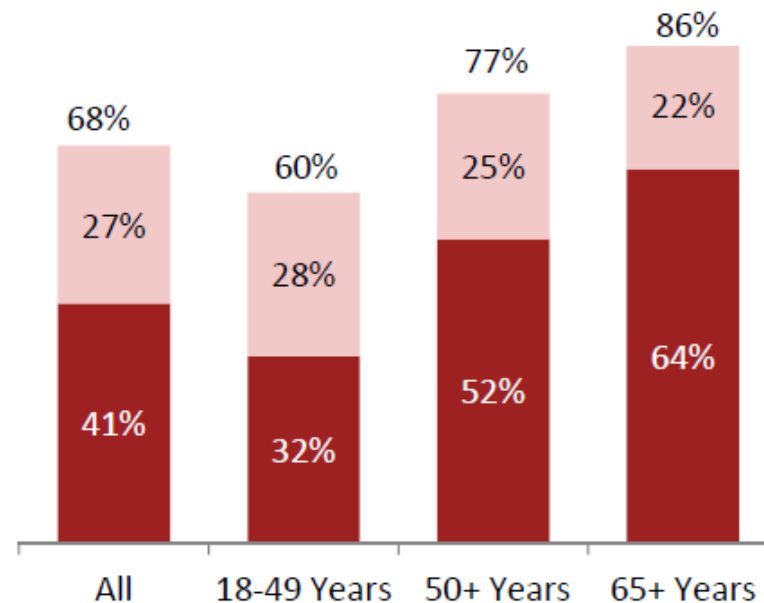
Inhibits home purchases, holds some in rentals and encourages migration to urban centers where wages are higher.



Preference to remain in their community or current residence is stronger in older age groups.

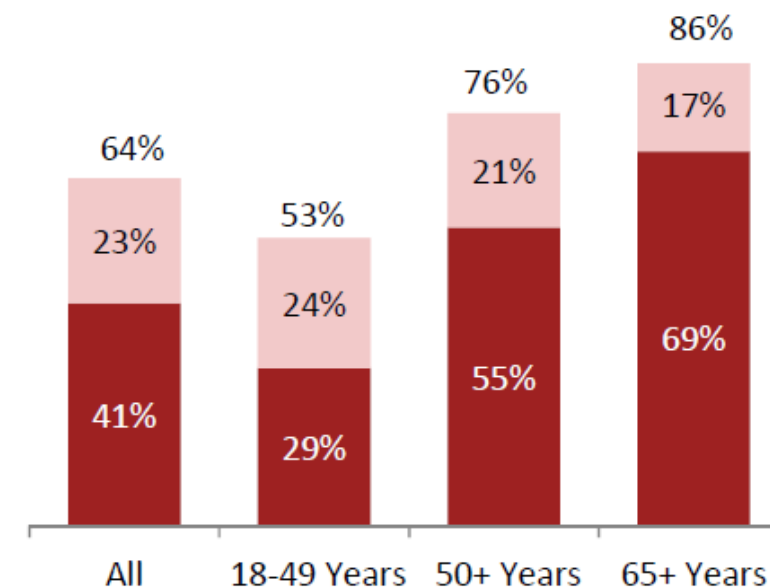
“What I’d really like to do is remain in my community for as long as possible”

■ Strongly agree ■ Somewhat agree



“What I’d really like to do is stay in my current residence for as long as possible”

■ Strongly agree ■ Somewhat agree



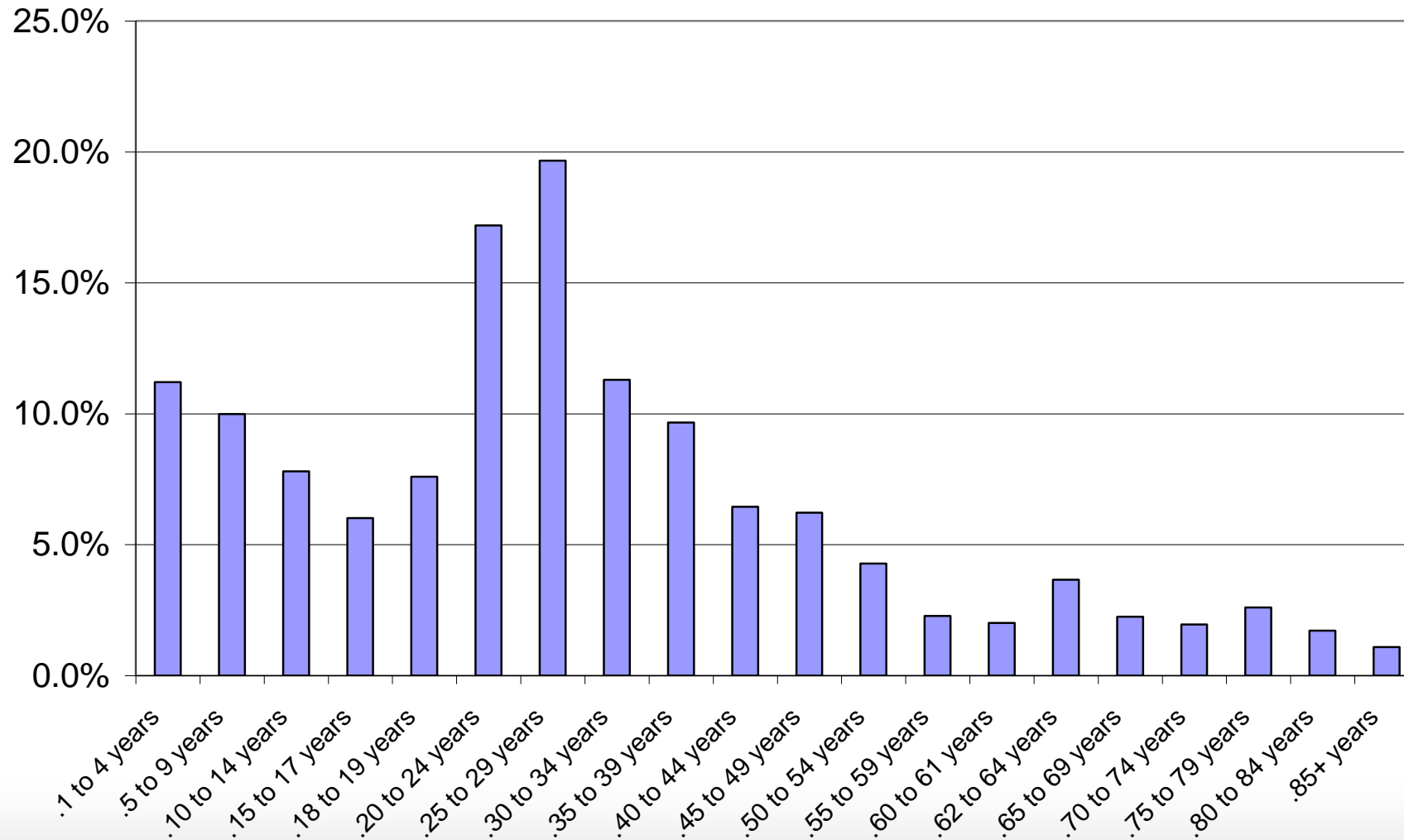
Q1: How strongly do you agree or disagree with the statement: What I’d really like to do is remain in my community for as long as possible?

Q2: How strongly do you agree or disagree with the statement: What I’d really like to do is stay in my current residence for as long as possible?

Source: 2018 Home and Community Preferences Survey: A National Survey of Adults Age 18-Plus

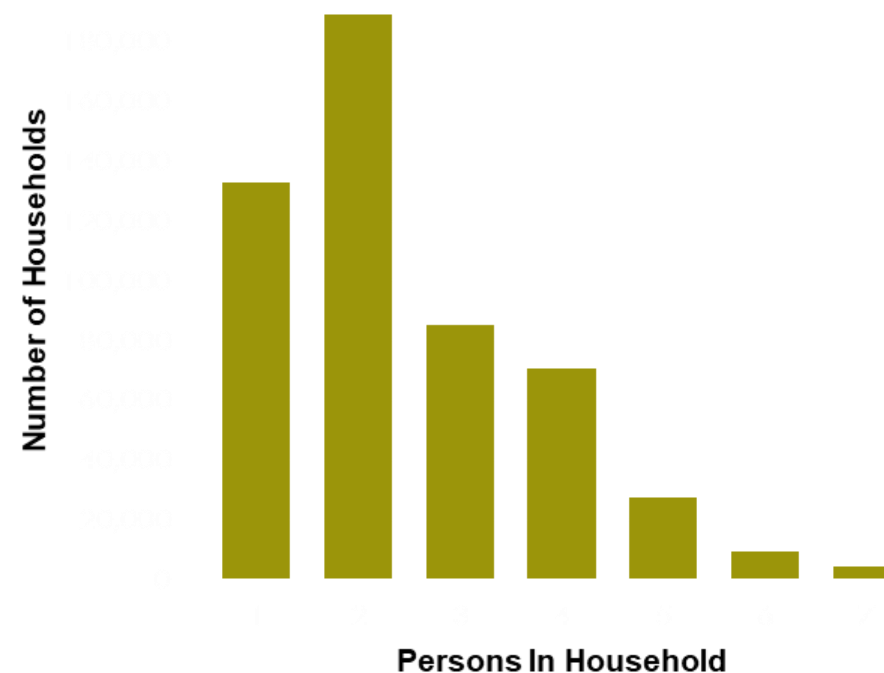
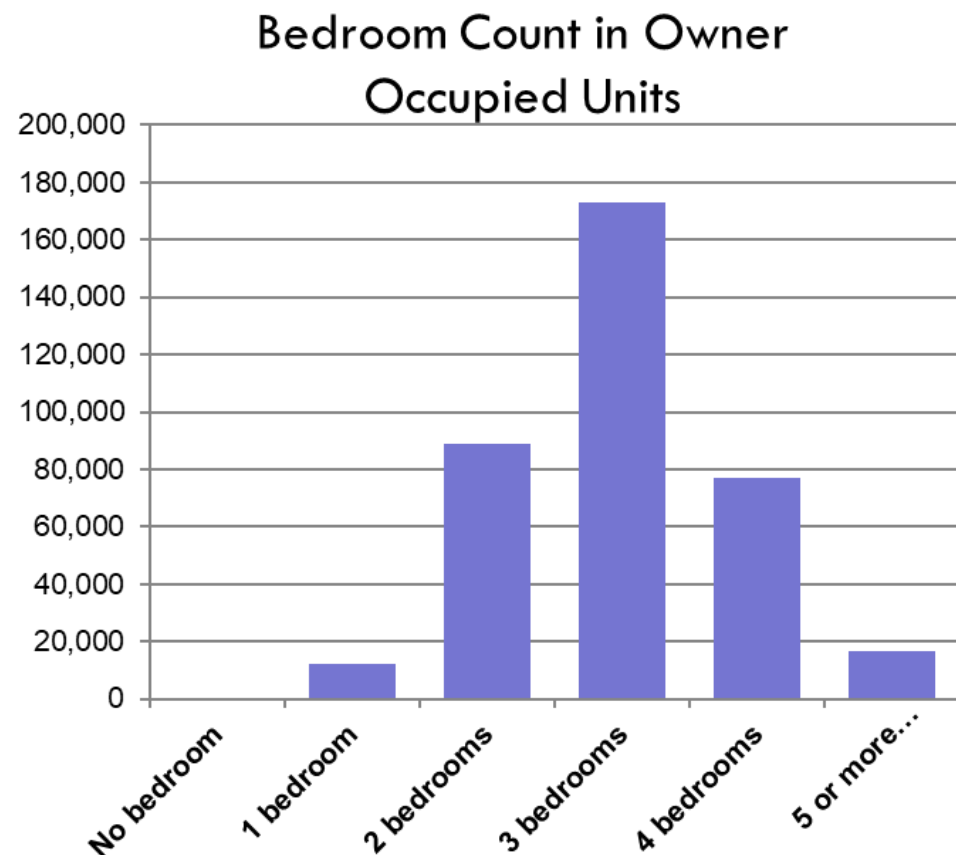
Most Seniors Do Age In Place

Northeast US Annual Mobility by Age, 2012 to 2013



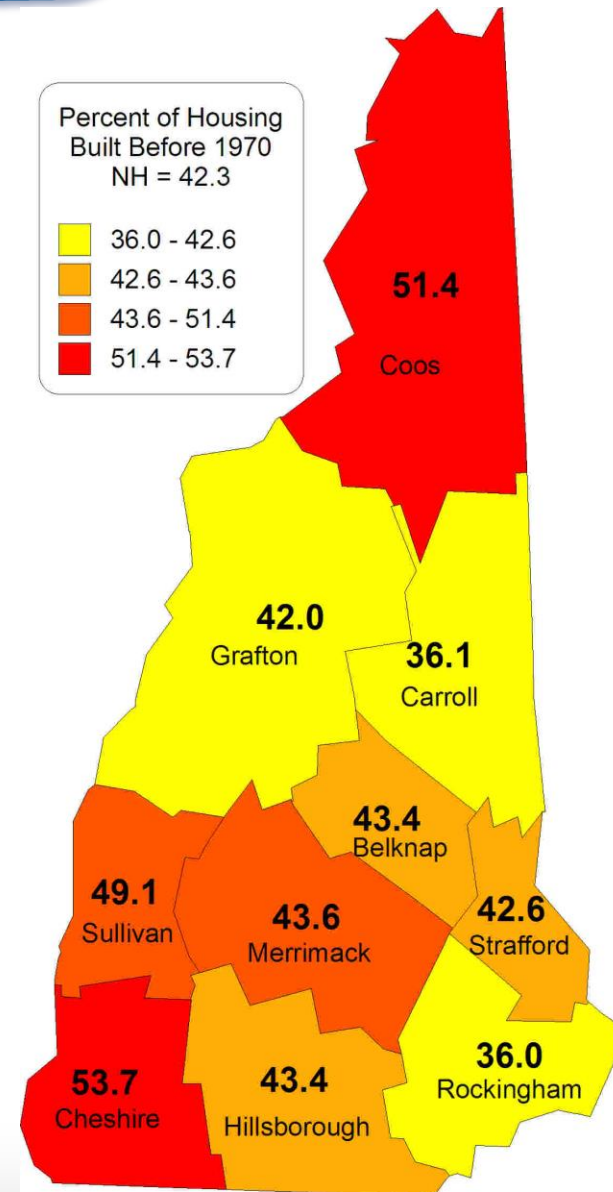
Mismatch With the Inventory

Small Households, Large Units—Downsizing to What?



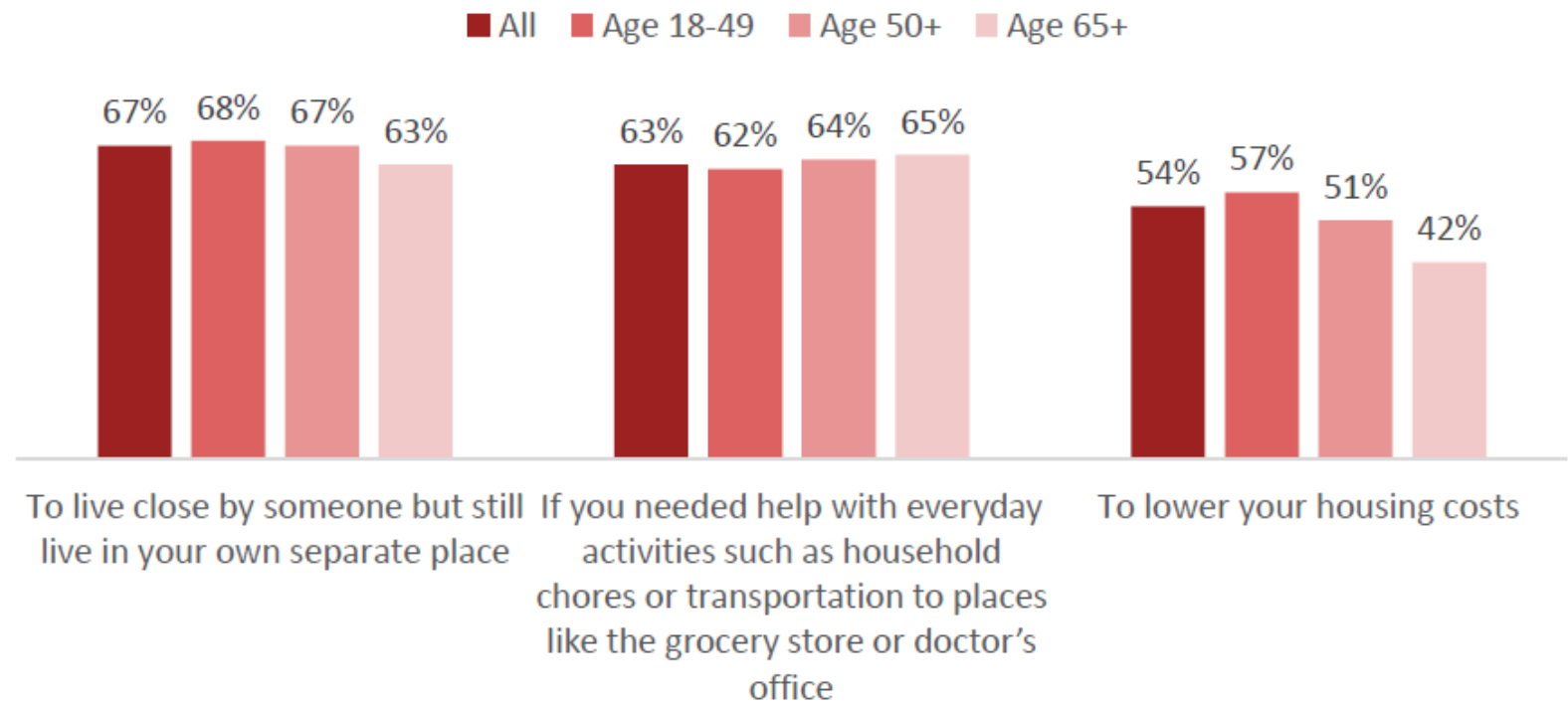
Dichotomy in NH

- 2 out of 5 housing units in NH are more than 40 years old.
- Half of the housing units in the West and North Country are more than 40 years old.



Source: American Community Survey; 2009-2011

Adults age 18-49 are more likely to consider living in an ADU for economic reasons than adults age 65 and older; regardless of age, the most compelling reason adults would consider living in an ADU is to live near others but still have their own space.



Q13: Would you consider living in an ADU...?

Source: 2018 Home and Community Preferences Survey: A National Survey of Adults Age 18-Plus

What are your housing needs?

NH's Workforce Housing & ADU Laws

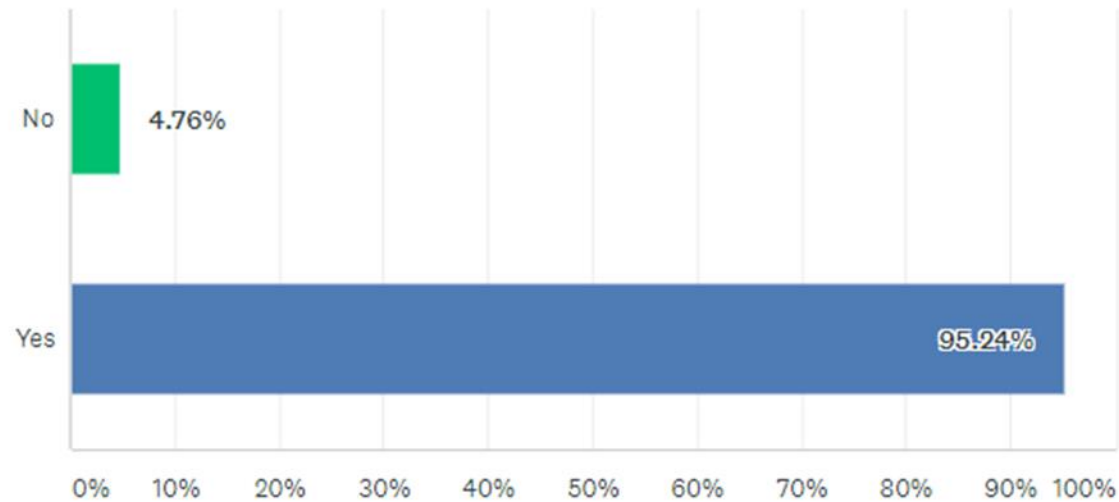
Attracting Housing Development

Attracting Housing Development

- Convened a round table with builders, realtors, engineers/architects, bankers and lawyers.
- Conducted a Pre-conference Survey with 294 responses.

Do you believe there is a shortage of moderately priced homes (\$180,000 to \$300,000) in New Hampshire?

Answered: 294 Skipped: 0

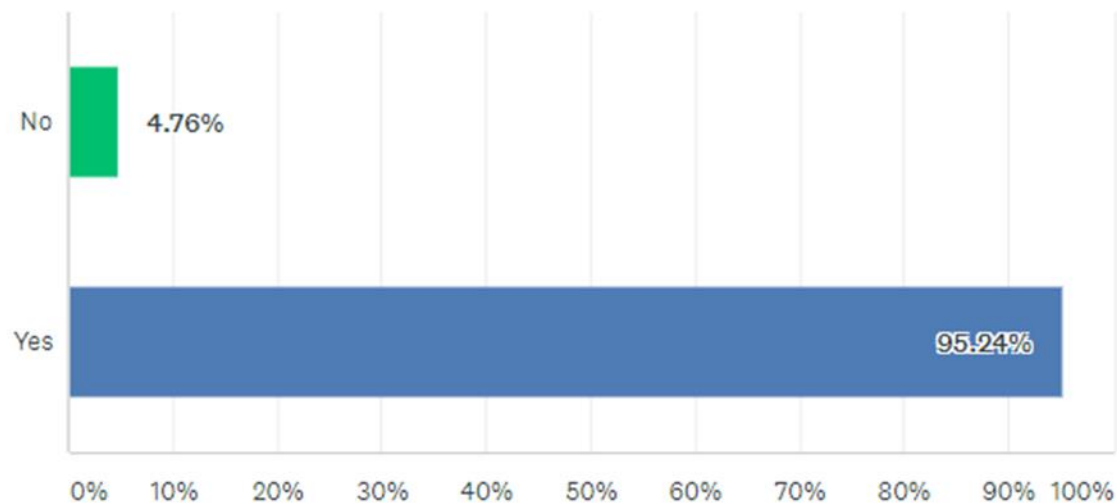


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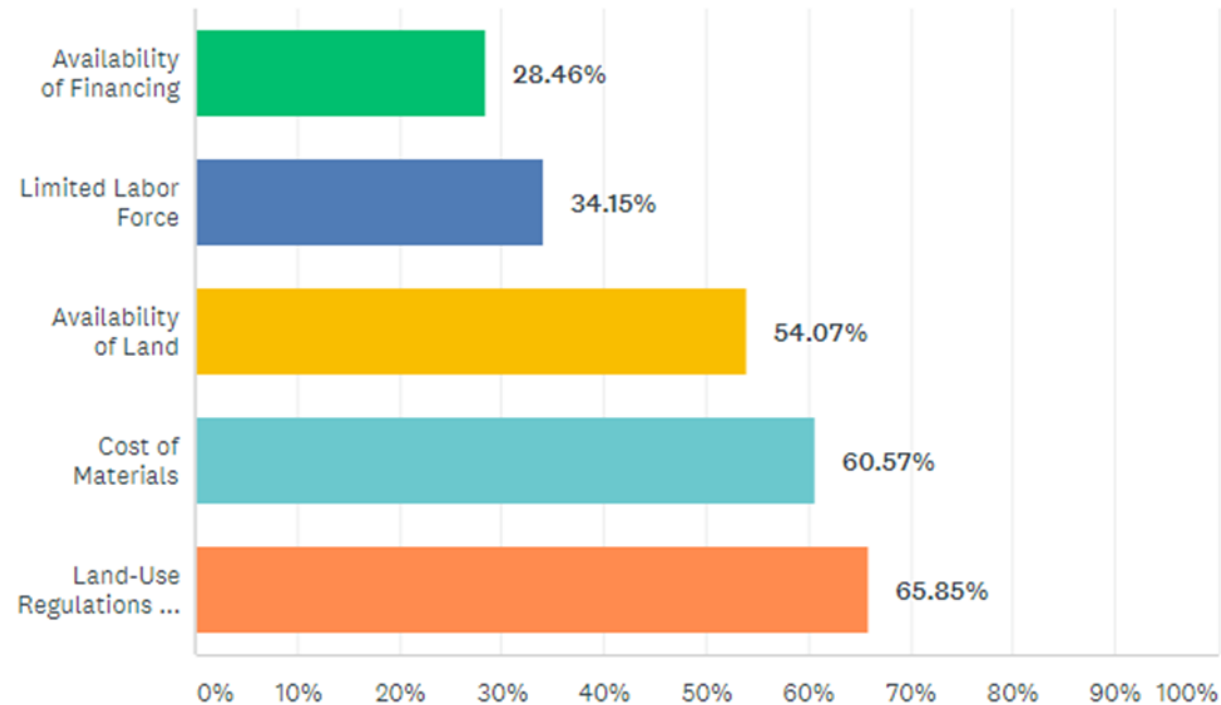
Answered: 294 Skipped: 0



Homeownership Development

What do you see as impediments to the creation of moderately priced (\$180,000 to \$300,000), ownership housing? Check all that apply.

Answered: 246 Skipped: 48



Homeownership Development

If you believe financing is an impediment, which part of financing is most problematic? Check all that apply.

Answered: 181 Skipped: 113

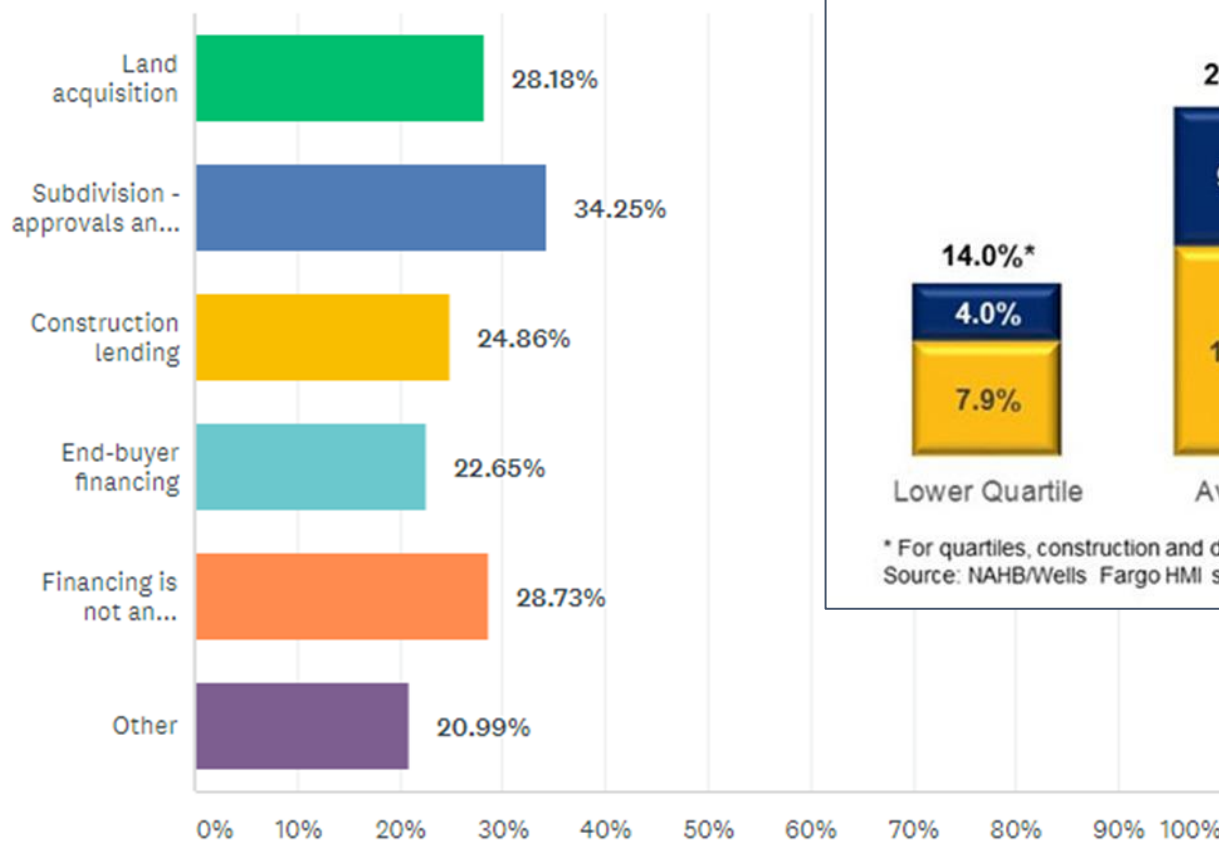
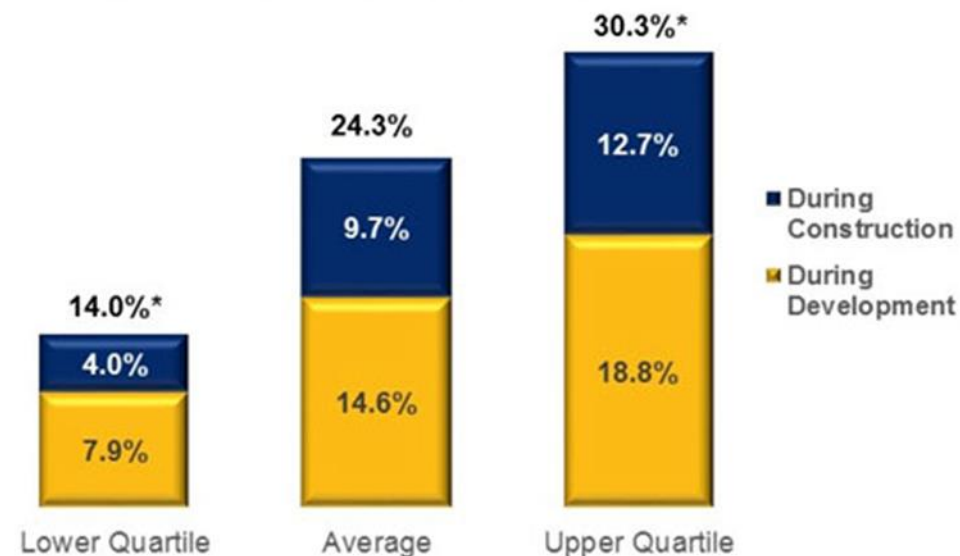


Figure 1. Regulatory Costs as a Share of Home Price

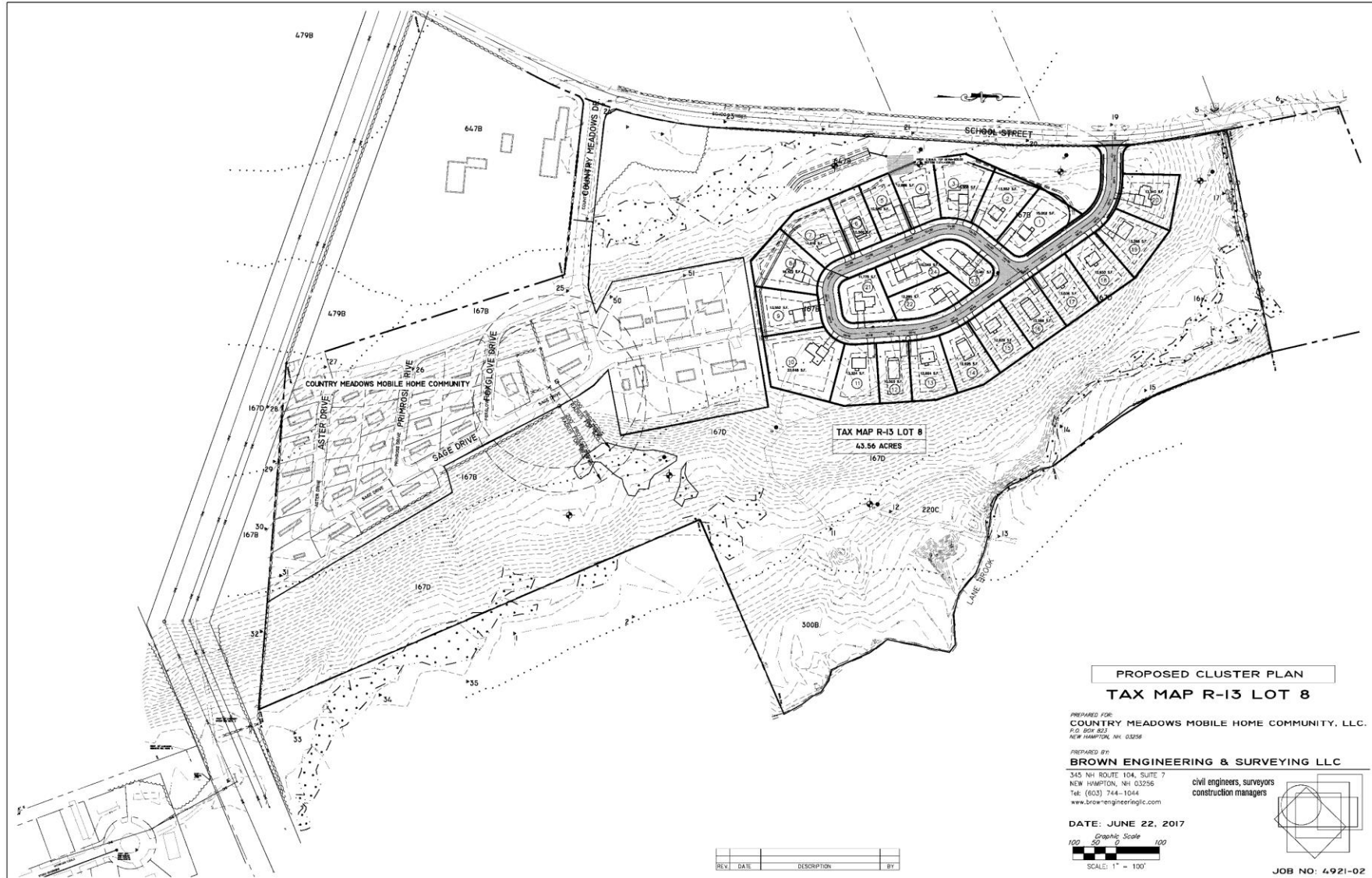


* For quartiles, construction and development costs do not sum to the total.
Source: NAHB/Wells Fargo HMI survey, assumptions described in the Appendix.

Impediments to Adequate Housing Development

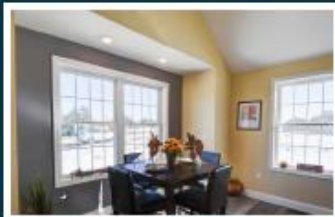
- Development costs (Lumber)
- Workforce availability (Labor)
- Land
- Regulatory practices that discourage or slow housing development (Laws)
- Financing (Loans)

Cluster Development





5 ROLLING HILLS DRIVE, TILTON NH
Brand new Ranch home at Highland Ridge
The Lakes Region newest residential community!



1921 Parade Road, Laconia NH 03246
 Telephone: (603) 528-0088 or
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"We Sell the Lakes Region!"
www.RocheRealty.com



Residential / Single Family
 4729136
 Active

5 Rolling Hills Drive
 Tilton NH 03276

Unit/Lot #:

Price - List
 Price - Closed

\$299,999



Year Built 2018
 Style Ranch
 Color
 Total Stories 1
 Zoning 07
 Taxes TBD U
 Gross Taxes/Year / :
 Lot Acres/SqFt 0.230000 / 10,019

Rooms - Total 6
 Bedrooms - Total 3
 Baths - Total 2
 Baths - Full 2
 Baths - 3/4 0
 Baths - 1/2 0
 Baths - 1/4 0
 SqFt-Tot Finished 1,377
 DOM 101

Directions From down-town Tilton take School Street past beautiful Tilton School approx. 1 mile. Subdivision sign on right. Rolling Hills Drive.

Highland Ridge, the Lake's Region's newest residential development proudly offers this ENERGY STAR CERTIFIED ranch-style home. 3 bedrooms, 2 full baths, spacious kitchen, laundry just steps from the bedrooms, 2 car garage with direct entry into the home, open concept living space with high ceilings...these are just a few of the standard features that make this house, your home. This home has been upgraded in a variety of ways, from an upgraded lighting package to upgraded flooring, a lovely deck overlooking the neighboring farmland, and a dual vanity in the master bath. All new, all fresh, clean and efficient. This is YOUR HOUSE! Imagine, a brand new home with clean and efficient propane heating, modern electrical and plumbing, attractive vinyl siding, and community water and septic. Imagine a house to call your own, with views of the mountains, farms and forests, minutes to RT 93. Imagine life in a new community amid the 4-season enjoyment of the Lakes Region. Enjoy Gunstock Mt, The Weirs, and the Lakes. Shop at The Outlets, dine at the restaurants. Imagine the comforts, security, easy care, maintenance and efficiency of new construction... in a quiet and peaceful setting in easy commuting range of NH's job centers. Don't imagine it, live it at Highland Ridge. This turn-key home, complete with numerous upgrades, is now offered for a limited time at the base ranch price. Available immediately, but not for long.

Virtual Tours:

STRUCTURE			
Construction Status	Existing	Footprint	
Construction	Green Features -See Rmrks, Insulation-FiberglassBlw...	SqFt-Apx Fin AG/Source	1,377 / Builder
Foundation	Poured Concrete	SqFt-Apx Fin BG/Source	0 /
Exterior	Vinyl	SqFt-Apx Unfn AG/Source	0 /
Roof	Shingle - Architectural	SqFt-Apx Unfn BG/Source	1,334 / Builder
Basement/Access Type	Yes /Interior	SqFt-Apx Tot Below Grade	
Basement Description	Concrete, Unfinished	SqFt-Apx Total Finished	1,377
		SqFt-Apx Total	2,711
Garage/Capacity	Yes /2		
Garage Type	Attached		
Garage Description	Direct Entry		

ROOM TYPE	DIMENSIONS	LEVEL
Kitchen/Dining		1
Living Room		1
MBR Suite		1
Bedroom		1
Bedroom		1
Kitchen/Living		1
Bath - Full		1



1921 Parade Road
 Laconia, NH 03246
 Telephone: (603) 528-0088
WWW.ROCHEREALTY.COM

Carol Ogilvie



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The Role of Housing in Your Community: A Case Study

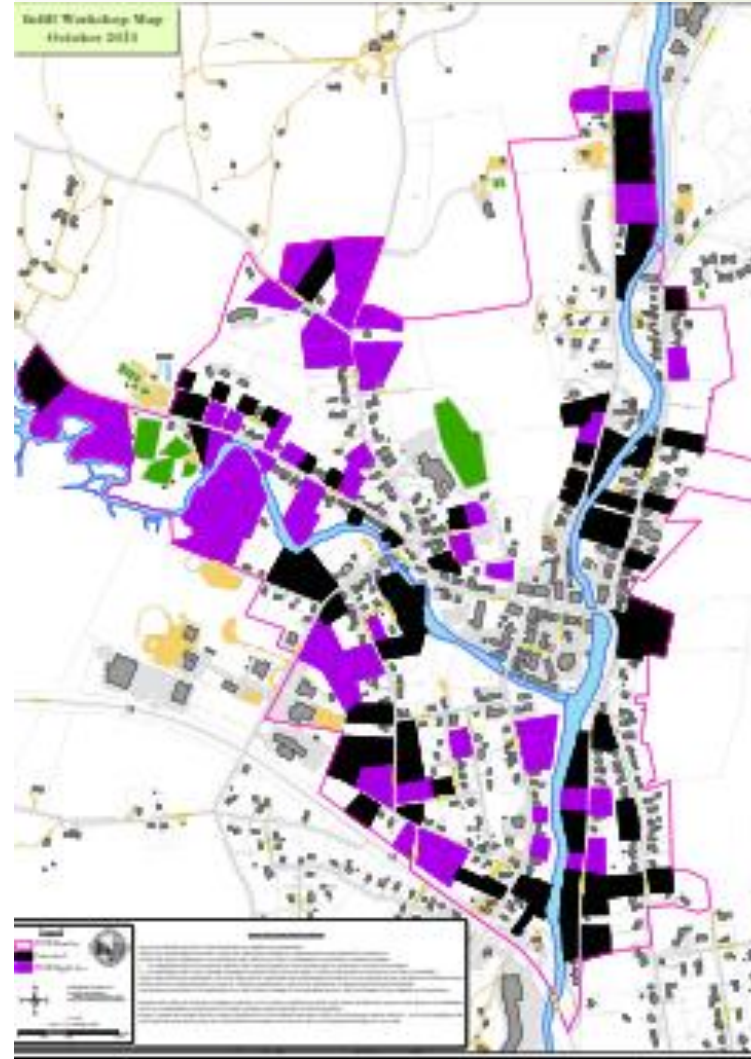
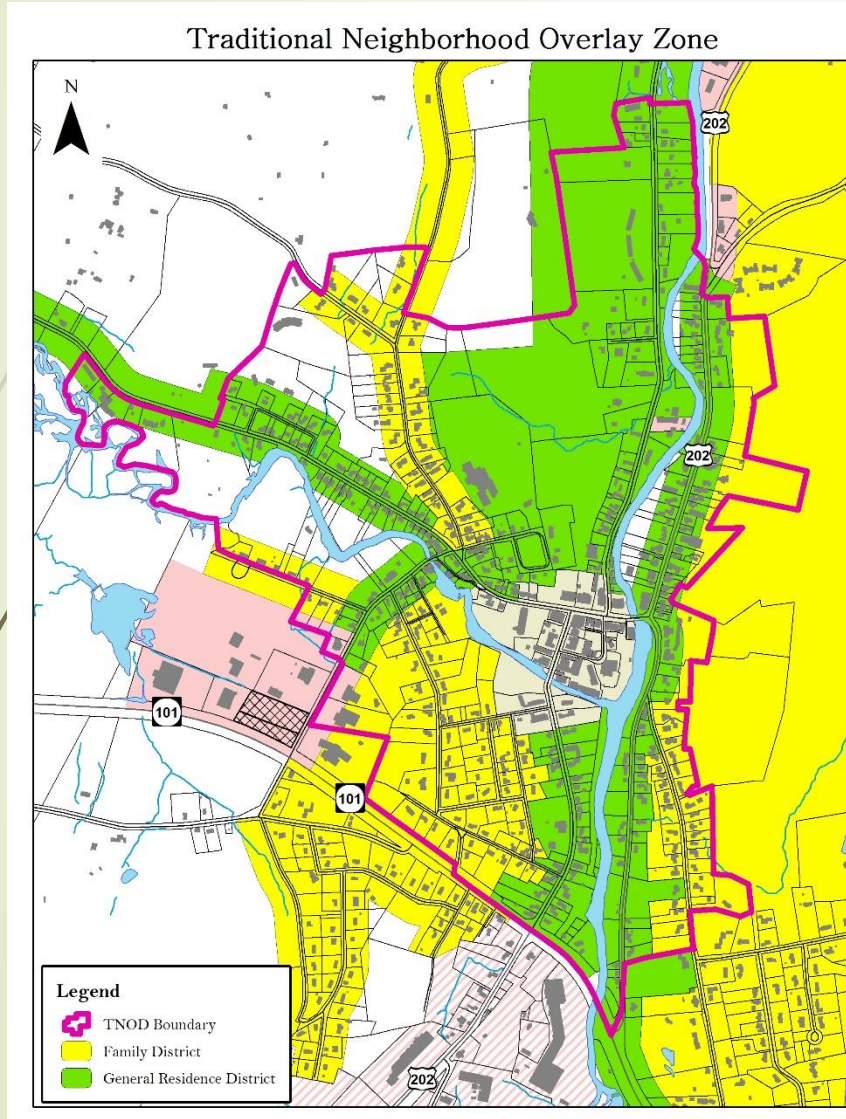




The Towns of Peterborough and Candia (MTAG Grant Recipients)

- Both Town Master Plans spoke to the need for expanded housing options to meet changing preferences.
- In both cases, the predominant housing type was single-family.
- The Zoning Ordinances in both towns also permitted a preponderance of single-family housing.
- Peterborough did allow some multi-family where there was water and sewer.
- For Candia, an additional factor was an expressed desire to create a mixed-use village around the Four Corners.

Goal of the Planning Project - Peterborough



- Identify lots within the core that are large enough to subdivide while maintaining the historic development pattern.
- Allow new lots and dwellings ONLY where there is EXISTING Town or State road AND Town water AND sewer.

Goal of the Planning Project - Candia

Master Plan Excerpt

Future Land Use –

- Mixed Moderate Density Residential and Small Scale Commercial Compatible with a Village Setting

Master Plan identified several Important Planning Areas
Focus of this project is on the Four Corners Area






Outcomes of the Planning Projects

- ▶ For both towns, zoning amendments were drafted and taken through public hearings.
- ▶ In Peterborough the amendment passed at Town Meeting in 2014. A second planning exercise two years later created another overlay district outside of the core area. This passed at Town Meeting in 2017.
- ▶ In Candia the Planning Board tabled the zoning amendment following two public hearings in order to continue public outreach and education.



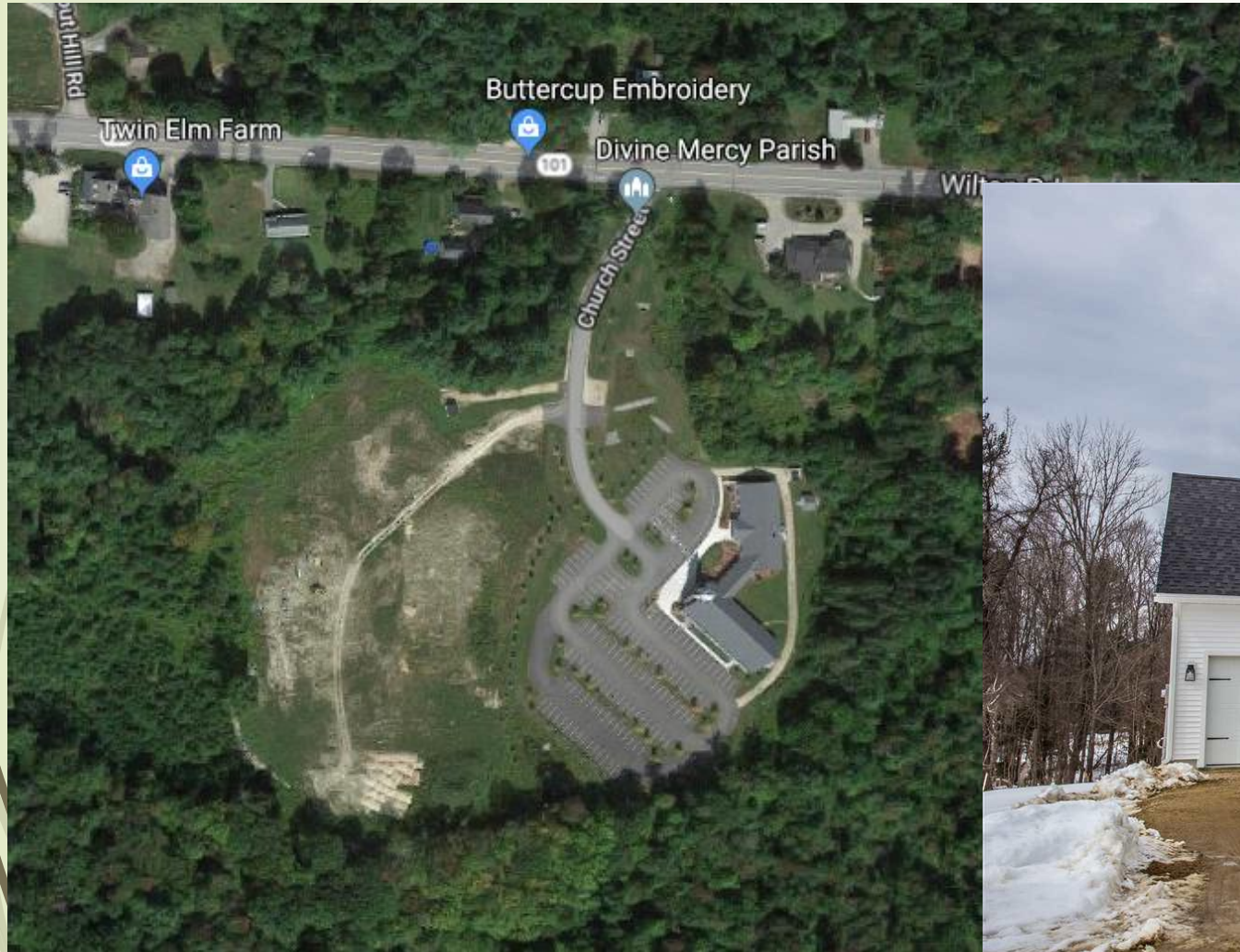
Lessons Learned

- Don't take anything for granted.
 - Make use of every known and available means of public outreach.
 - Don't assume that you can change minds with the facts.
 - If possible, visit developments/sites that have accomplished what you are trying.
 - If possible, hold meetings away from the Seat of Government. Have food.
- 

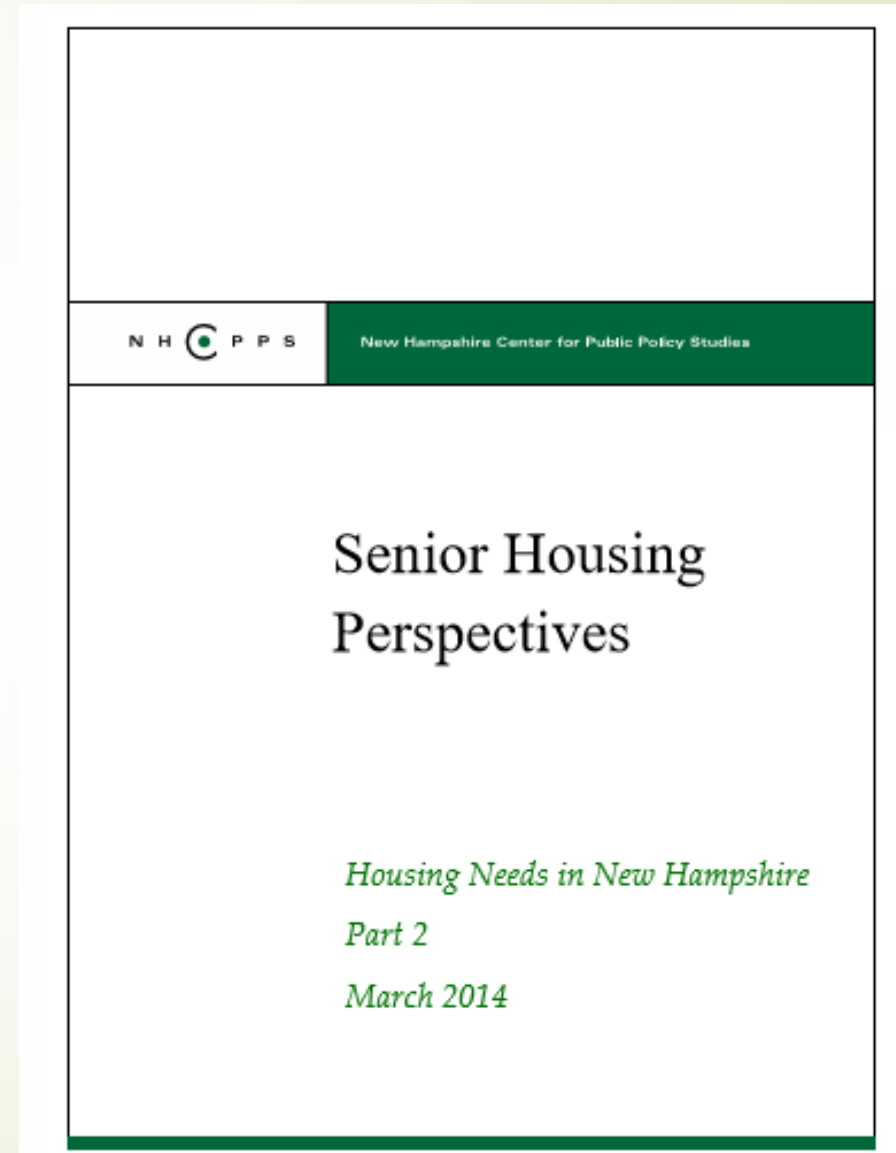
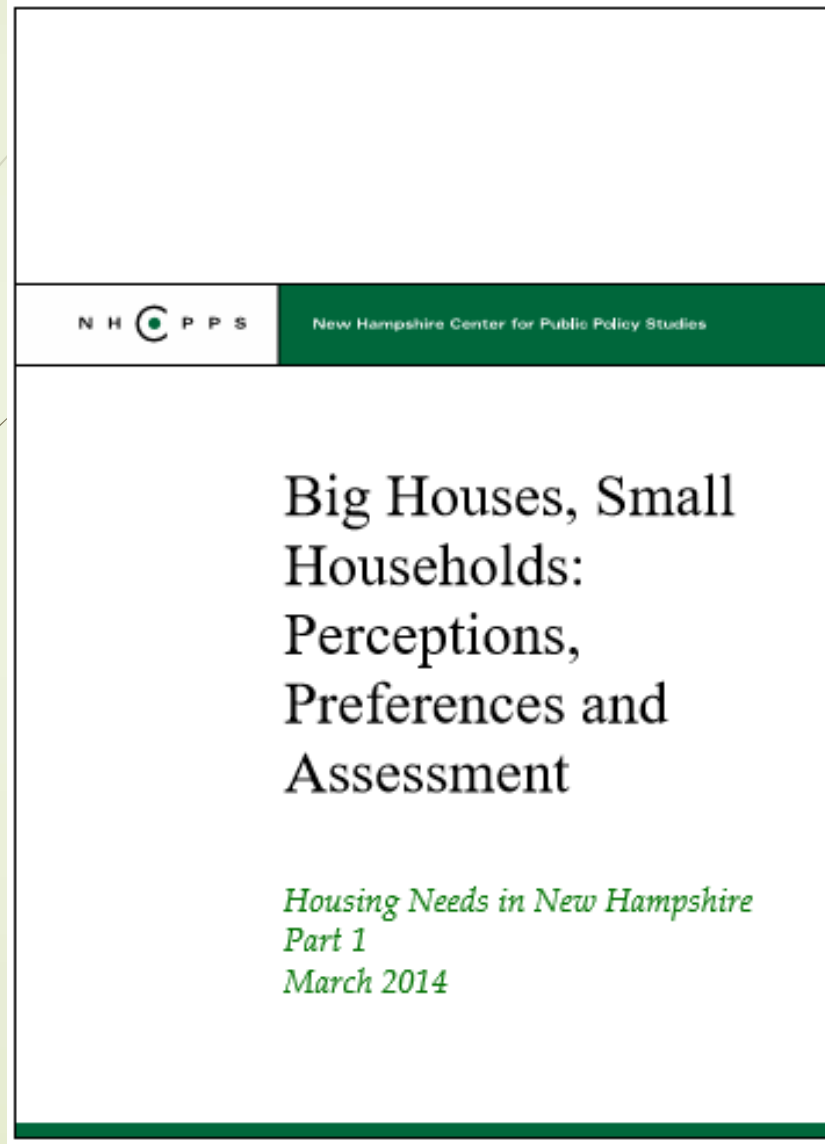
New Development Under TND I



New Development Under TND II



Housing Studies



Findings:

- Overall homeownership demand in New Hampshire is declining
- New construction will likely be limited in a projected era of slower population growth
- Seniors Will Occupy a Growing Proportion of the State's Housing Units
 - Percentage of people over 65 expected to double by 2025
- Seniors Prefer to Age in Place

Findings:

- There is a Housing Mismatch. New Hampshire's current housing supply is poorly aligned with evolving preferences among different age groups (In other words – both the older and the younger generations want the same kind of housing: smaller homes close(r) to services, walkable.
- New construction has not met evolving preferences.
 - Will zoning allow rehabilitation/reuse of existing homes?
 - Will zoning allow smaller lots to accommodate smaller homes?

Related NH News Headlines

NH employers are urged to address region's housing shortage

By KIMBERLY HOUGHTON Union Leader Correspondent – August 3, 2016

The changing face of NH: What it means to have the 2nd oldest population in the nation

By GRETCHEN M. GROSKY New Hampshire Union Leader – August 13, 2016

In New Hampshire: When did the state get old?

By GRETCHEN M. GROSKY New Hampshire Union Leader – August 13, 2016

Where are NH's seniors going to live?

By GRETCHEN M. GROSKY New Hampshire Union Leader – August 14, 2016

And Beyond...

In Recovering Housing Market, the Starter Home Remains Elusive - Reuters

As Demographics Change, McMansions don't look so appealing - the Washington Post

- Master Plan update: Housing Chapter
- Accessory Dwelling Units (attached and detached)
- SF conversion to Duplex
- Smaller lot zoning/smaller houses
- Inclusionary Zoning
- Allow incremental development BY RIGHT
- Consider impact of permitting processes/Road standards & frontage

Salisbury, NH



Population: 1,400
"Distinctly Rural"

Single family residences
and small business

PROJECT GOALS:

- More housing choice
 - Accessory Dwelling Units
 - Multi-family zoning
- The "Cross Roads"
 - Expanded Mixed-Use Village District



Salisbury, NH





Single Family Conversion to Multi-Family Rental

Accessory Dwelling Units



Salisbury, NH



ADU over detached garage

Photos: Courtesy of Tom Perry, Town of Barnstable



- Housing Solutions Handbook
- ADU Guide
- Workforce Housing Guidebook
- Regional Planning Commissions
- Municipal Technical Assistance Grants (Plan NH)
- Housing Coalitions
- UNH Cooperative Extension (Community Engagement)



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