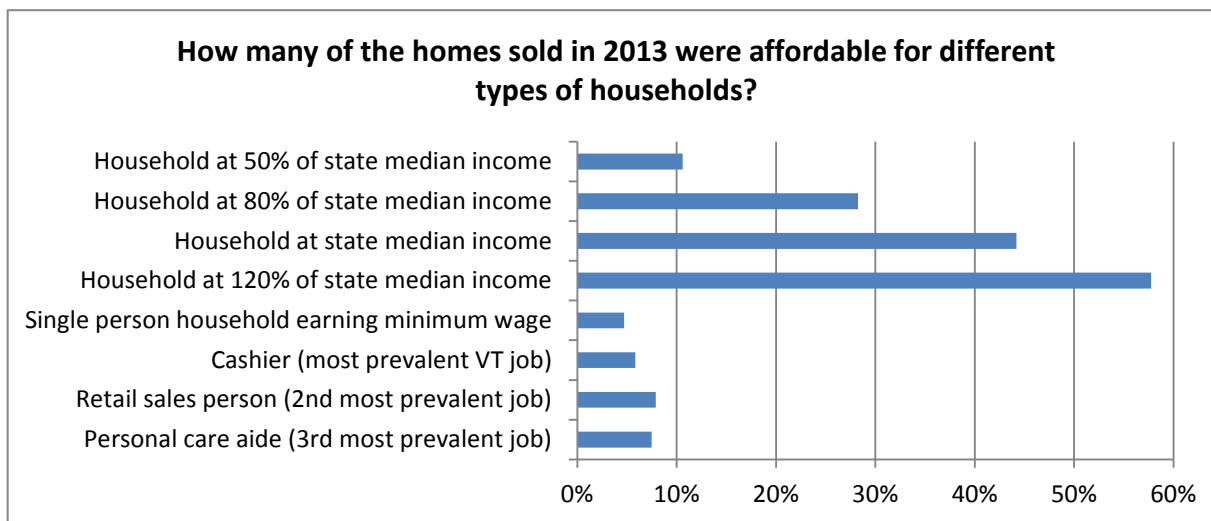


Housing Affordability in Vermont

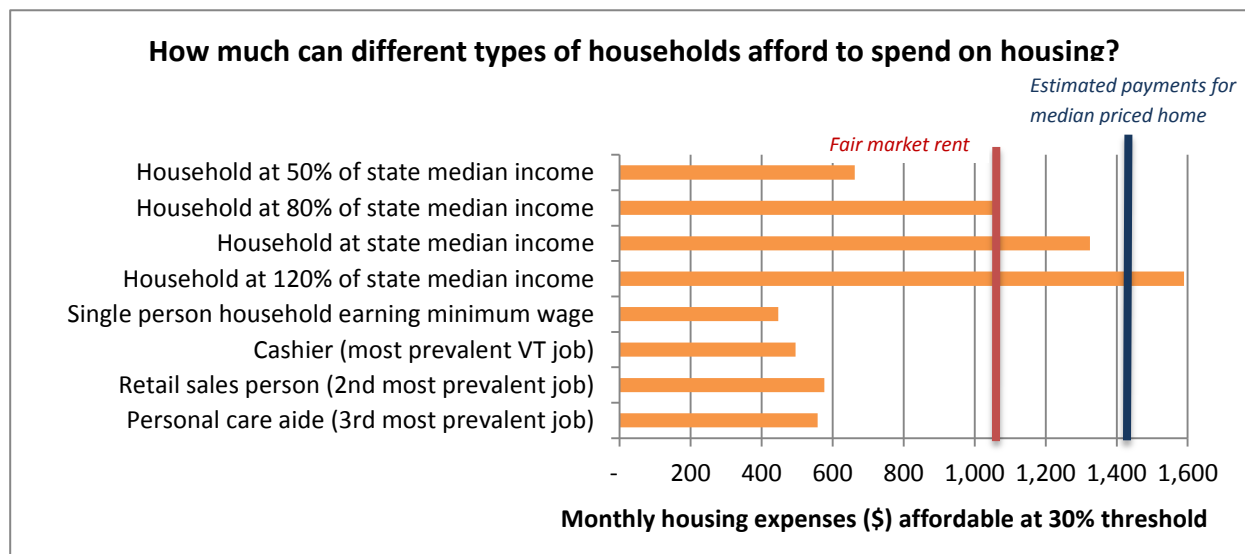
- The price of homes sold and rents charged in Vermont continues to increase. With a rental vacancy rate of 4.2%, Vermont had the lowest rate in the country in 2012 (the most recent year available). Low vacancy rates put upward pressure on rents.



- Less than half of the homes sold in Vermont in 2013 were likely to be affordable to the households making the Vermont median income of \$53,000. Households making less than this face even fewer options. Only 6 percent of the homes sold statewide in 2013 would likely be affordable to a cashier earning the median wage for that occupation. There are more cashiers in the state than any other single occupation. An estimated 58% of the homes sold in Vermont each year are affordable to households earning 120% of the state median.

Although each household's situation is unique, these affordability estimates assume that spending 30% of a household's income for housing (including property taxes, closing costs, and insurance) is affordable.

- The fair market rent for a 2-bedroom unit in Vermont was \$1,054 in 2013. This was out of reach of households earning less than 80% of the median.
- The \$1,415 in monthly payments needed to purchase a median priced home of \$200,000 would likely be affordable to families making 120% of the state median income, but not for households at lower income points.
- It is no surprise that MLS data typically shows an undersupply of homes priced at less than \$250,000, based on the number of average monthly sales and current for sale homes.



Data sources: 2013 VT Property Transfer Tax data for non-vacation homes, 2013 estimated fair market rent, 2012 American Community Survey estimates, and VT Dept. of Labor occupational wage estimates for 2012. Prepared by Leslie Black-Plumeau, Vermont Housing Finance Agency (VHFA) Jan. 21, 2014.

To: House Committee on Commerce and Economic Development

From: Sarah Carpenter, Executive Director, VHFA