

Statewide Housing Needs Assessment

A LOOK AT VERMONT'S HOUSING NEEDS FROM 2015-2020

DATA AND ANALYSIS FROM BOWEN NATIONAL RESEARCH

PRESENTED BY THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT — JANUARY 14, 2015

Housing Needs Assessment

- Conducted as part of the 2015-2019 Consolidated Plan; prioritizes CDBG, HOME & ESG funds
- Contract awarded to **Bowen National Research** of Columbus, Ohio
 - Bowen has extensive, national experience undertaking housing needs assessments and market studies
- Assessed demographics, economic indicators and existing housing stock to determine:
 - **Housing Gap**: the type and quantity of units that are anticipated to be needed due to household growth & currently unsheltered
 - **Housing Need**: Housing Gap, PLUS the need for households currently in 'unaffordable' housing
- Assessment was conducted on a statewide basis, as well as for each county
 - **Level of detail not pursued since 2005**

Bowen National Research

Primary Work elements

- Analyzed more than 100 demographic & economic metrics
- Conducted 90 community stakeholder interviews
- Surveyed 403 multifamily *rental* properties (12,012 units)
- Surveyed 284 non-conventional rentals
- Evaluated 243 mobile home parks with 7,162 Lots
- Analyzed *for-sale* data on 30,252 units (8,691 listed/21,561 sold)
- Surveyed 73 Senior Care Facilities (Residential Care, Nursing Home, & Assisted Living)
- Completed a housing needs/gap analysis by tenure & affordability
- Made more than 400 contacts with individuals & organizations
- Over 600 housing properties were visited and rated
- Provided recommendations to address housing needs

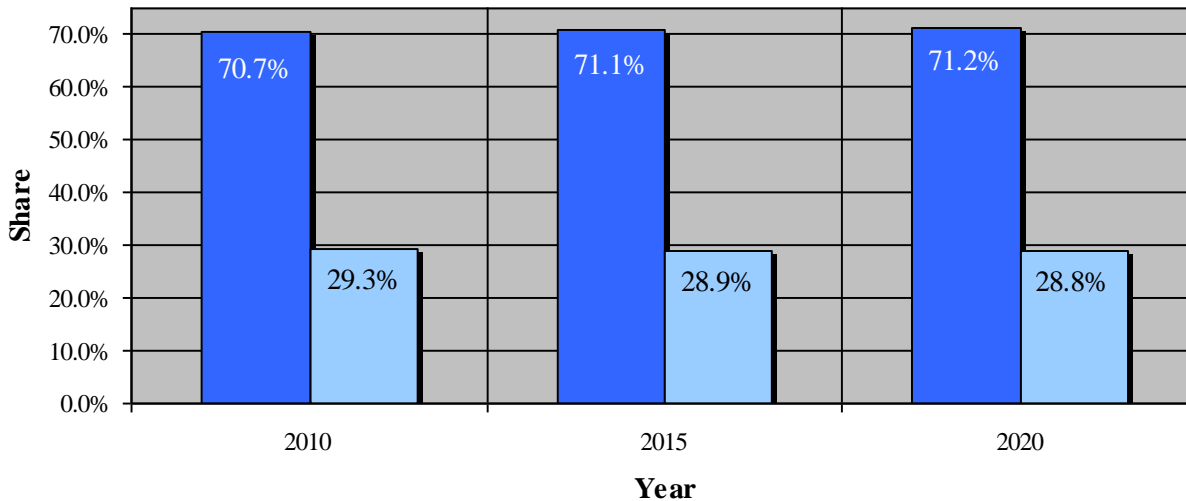
Households by Tenure

Vermont renter households are projected to grow 1.7%, while owner households will grow 1.9%. These are slower than U.S. averages of 4.4% and 3.5%.

	Renter Households	Owner Households
2015	75,784	186,718
2020	77,051	190,219
Change	1,267	3,501
% Change	1.7%	1.9%

Vermont Households by Tenure (2010-2020)

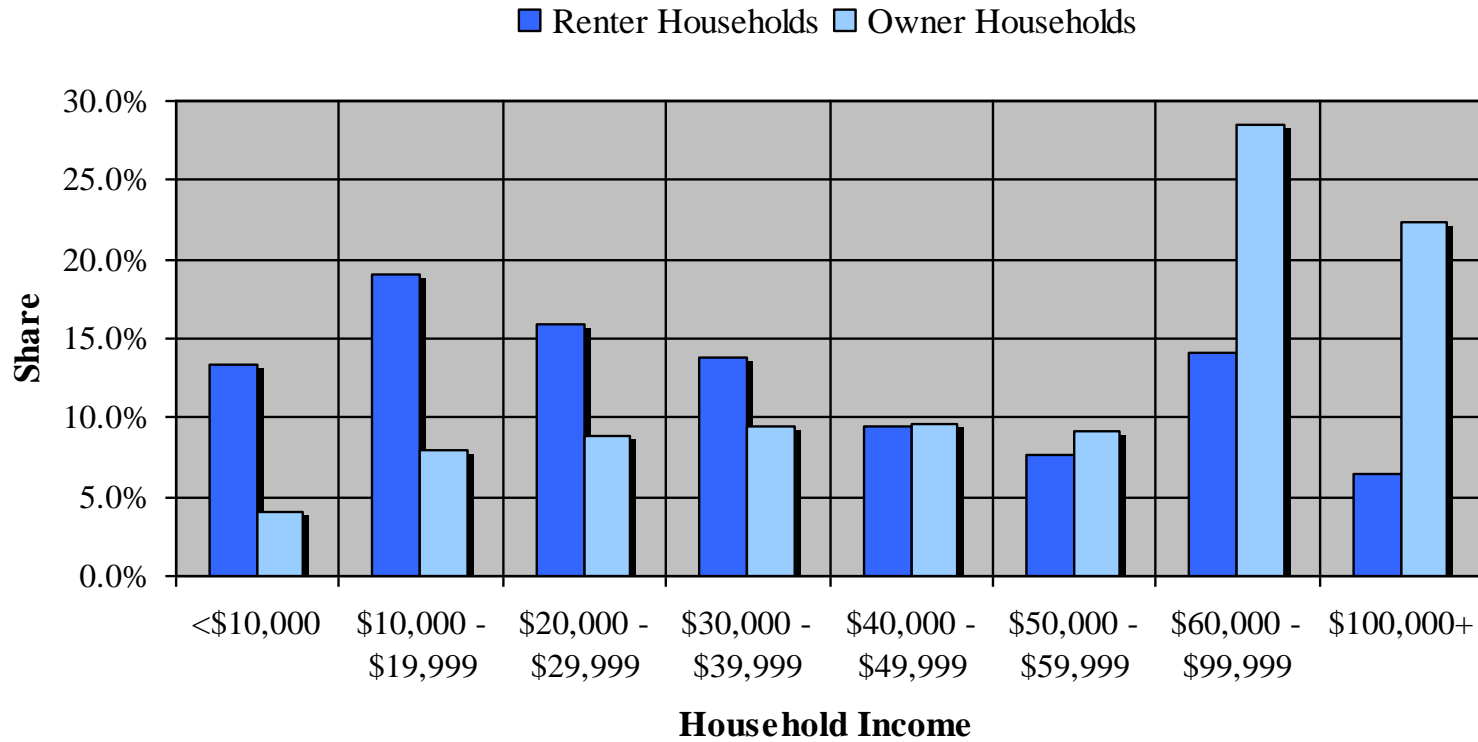
■ Owner-Occupied ■ Renter-Occupied



Share of homeowners will remain above 70% in 2015 and 2020. This is above the U.S. average of 63%. The owner share in Vermont is projected to remain the same during this time.

Household Incomes

Vermont Household Income by Tenure (2015)



Largest share (19.1%) of **renter** households have incomes between \$10-\$20,000

Largest share (27.9%) of **owner** households have incomes between \$60-\$100,000

Highest median incomes are found in northwest Vermont

Household Income Growth by Tenure (2015-2020)

	Renter Households by Income – Vermont								
	<\$10,000	\$10,000 – \$19,999	\$20,000 – \$29,999	\$30,000 – \$39,999	\$40,000 – \$49,999	\$50,000 – \$59,999	\$60,000 – \$99,999	\$100,000+	Total
Change	-17	-71	-214	-121	196	-7	627	877	1,267
% Change	-0.2%	-0.5%	-1.8%	-1.2%	2.7%	-0.1%	5.8%	17.8%	1.7%

Specific #s and %s are less important than trends.

	Owner Households by Income – Vermont								
	<\$10,000	\$10,000 – \$19,999	\$20,000 – \$29,999	\$30,000 – \$39,999	\$40,000 – \$49,999	\$50,000 – \$59,999	\$60,000 – \$99,999	\$100,000+	Total
Change	106	-91	213	156	-32	-340	-132	3,622	3,501
% Change	1.4%	-0.6%	1.3%	0.9%	-0.2%	-2.0%	-0.2%	8.7%	1.9%

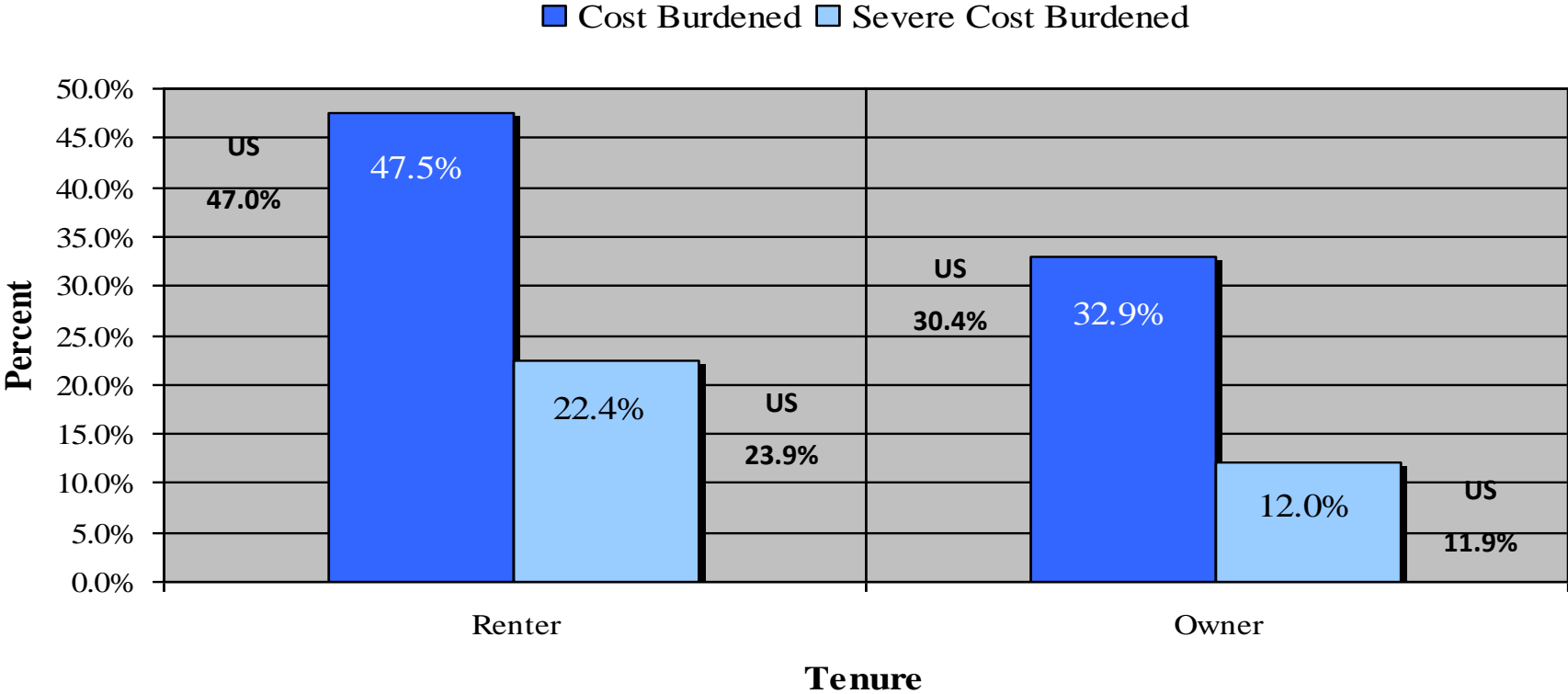
Trends are most useful as basis for determining priorities.

Housing Cost Burden

Cost Burdened – Households paying **over 30%** of income towards housing costs

Severe Cost Burdened – Households paying **over 50%** of income towards housing costs

Vermont Cost Burdened Households by Tenure



Distribution of Surveyed Housing Stock

Surveyed Vermont Housing Supply					
Product Type	Projects Surveyed	Total Units	Vacant Units	Vacancy Rate	Price/Rent Range
Multifamily Apartments	403	12,012	118	1.0%/3.0%	\$460-\$3,300
Non-Conventional Rentals	284	284	-	6.2%*	\$400-\$5,075
Mobile Home Parks	243	7,162	352	4.9%	\$285**
Owner For-Sale Housing	30,252	30,252	8,691	1.9%*	-
<i>Homes Sold</i>	<i>21,561</i>	<i>21,561</i>	-	-	<i>\$2,000-\$4,500,000</i>
<i>Homes Available</i>	<i>8,691</i>	<i>8,691</i>	<i>8,691</i>	-	<i>\$7,900-\$12,500,000</i>
Senior Care Housing	73	2,965	191	6.4%	-
<i>Residential Care</i>	<i>49</i>	<i>1,248</i>	<i>67</i>	<i>5.4%</i>	<i>\$635-\$7,036</i>
<i>Assisted-Living</i>	<i>7</i>	<i>379</i>	<i>24</i>	<i>6.3%</i>	<i>\$675-\$9,000</i>
<i>Nursing Care</i>	<i>17</i>	<i>1,338</i>	<i>100</i>	<i>7.5%</i>	<i>\$6,996-\$14,752</i>
Total	31,255	52,675	9,352		

Bowen performed extensive surveys of housing types throughout the state to determine accurate vacancy estimates and housing price.

Vacancy rates determine housing availability.

* Based on calculation from Census/ACS data

** Lot rental rates only

NOTE: 1.0% Multifamily vacancy rate based on “physical” vacancy (ready to rent), 3.0% vacancy rate includes “economic” vacancy

Rental Vacancies by County: Units Surveyed by Bowen

Multifamily Rental Housing Supply

County	Market-Rate		Tax Credit		Subsidized		Total	
	Units	Vacancy	Units	Vacancy	Units	Vacancy	Units	Vacancy
Addison	56	0.0%	129	0.0%	272	0.4%	457	0.2%
Bennington	48	0.0%	276	0.4%	435	0.5%	759	0.4%
Caledonia	54	1.9%	84	1.2%	317	1.0%	455	1.1%
Chittenden	1,756	1.7%	1,516	1.6%	1,014	0.0%	4,286	1.3%
Essex	-	-	-	-	-	-	-	-
Franklin	74	0.0%	62	0.0%	436	0.9%	572	0.7%
Grand Isle	-	-	16	0.0%	53	0.0%	69	0.0%
Lamoille	7	0.0%	116	2.6%	179	0.0%	302	1.0%
Orange	83	2.4%	74	0.0%	219	0.5%	376	0.8%
Orleans	45	6.7%	9	0.0%	278	0.4%	332	1.2%
Rutland	163	1.2%	183	0.0%	716	1.0%	1,062	0.8%
Washington	97	2.1%	121	0.8%	927	1.0%	1,145	1.0%
Windham	71	0.0%	290	0.0%	636	0.8%	997	0.5%
Windsor	122	1.6%	282	1.4%	719	1.3%	1,123	1.3%
State of Vermont	2,576	1.6%	3,158	1.1%	6,278	0.7%	12,012	1.0%

Bowen's survey indicated that there are even lower vacancy rates than those estimated using American Community Survey Data.

A Housing market is considered balanced and healthy when vacancy remains between 4% and 6%

347 of **403** surveyed properties reported 100% occupancy; **268** maintain waiting lists

Expiring Contracts: Affordable Multifamily Housing

- 141 multifamily projects with a combined total of 3,257 units are scheduled to have expiring Tax Credits and/or subsidies from now to 2020.
- While most of these projects are expected to retain/renew affordability provisions, they are “at risk” of being removed from the affordability sector.
- The loss of more than 3,000 affordable units, will exacerbate the lack of available affordable housing in Vermont.
- Preservation of “affordable” housing is critical to Vermont’s housing needs

Affordable Housing with Expiring Subsidies/Tax Credits 2015 to 2020		
Program Type	Number of Projects	Total Units
Tax Credit	99	1,969
Government-Subsidized	42	1,288
Total Units	141	3,257

Non-conventional Rentals

- Industry term for 1-2 unit structures with rental component
- i.e. Single Family Home, Duplex & units over storefronts
- “Non-conventional” rentals comprise an estimated 40% of VT rental market

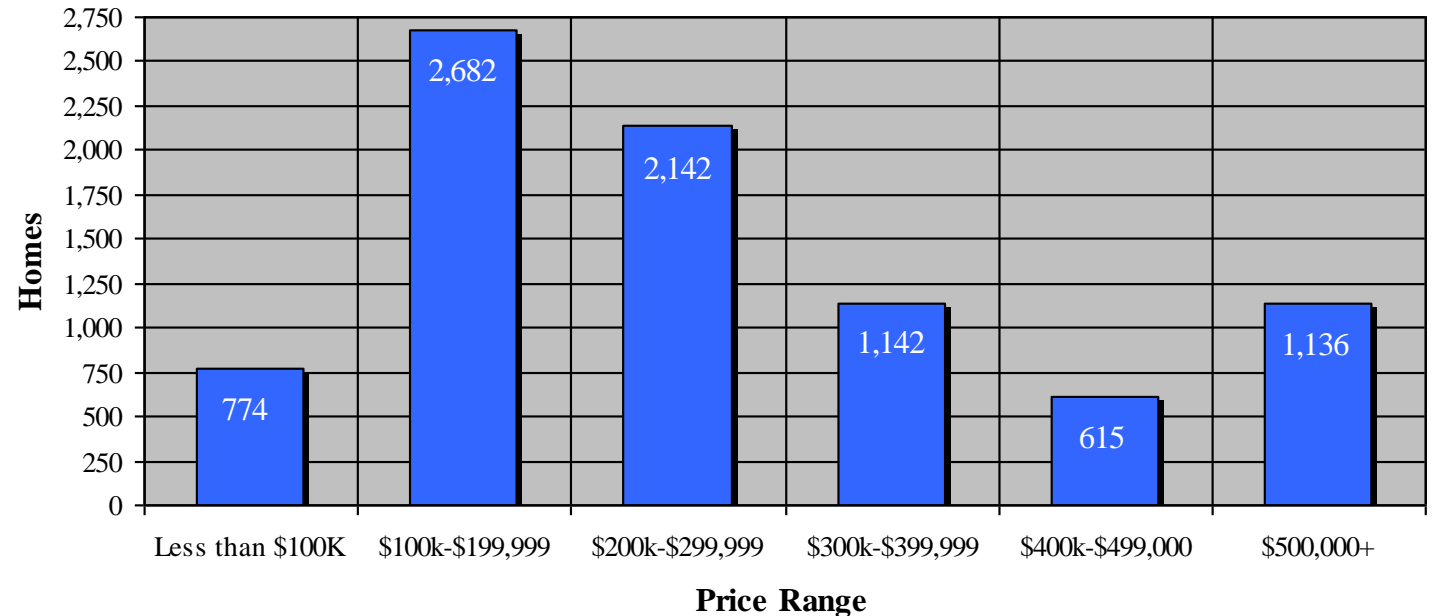
Bowen National Researched surveyed 284 non-conventional rentals in the state, representing a sample survey of available/vacant rentals.

Surveyed Non-Conventional Rentals - Median Rents by Bedroom Type				
County	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom+
Addison County	\$750	\$1,038	\$1,500	-
Bennington County	-	\$875	\$1,200	\$1,900
Caledonia County	\$488	\$800	\$900	\$1,325
Chittenden County	\$1,050	\$1,550	\$2,400	\$3,200
Essex County	\$450	-	-	-
Franklin County	\$700	\$875	\$1,400	\$1,000
Grand Isle County	\$990	\$975	\$1,950	\$1,575
Lamoille County	-	\$1,200	\$1,450	\$2,025
Orange County	\$1,000	\$850	\$1,100	\$1,800
Orleans County	\$438	\$995	\$800	\$1,100
Rutland County	\$725	\$1,200	\$1,100	\$1,600
Washington County	\$835	\$995	\$1,200	\$1,450
Windham County	\$718	\$1,500	\$1,500	\$1,600
Windsor County	\$1,200	\$1,250	\$1,750	\$1,625
State of Vermont	\$750	\$1,087	\$1,400	\$2,300

Owner For-Sale Housing – Available Inventory

- 8,961 homes were listed as for-sale housing as of October 2014
- Nearly one-third of listed homes are priced between \$100,000 & \$199,999, & nearly one-fourth are priced between \$200,000 & \$299,999.
- Less than 10% of for-sale homes are priced under \$100,000
- Windsor (1,269), Rutland (1,022) and Chittenden (812) counties have the most available for-sale product

Vermont Available For-Sale Housing by Price



For-Sale Housing – Housing Sales Trends

Vermont

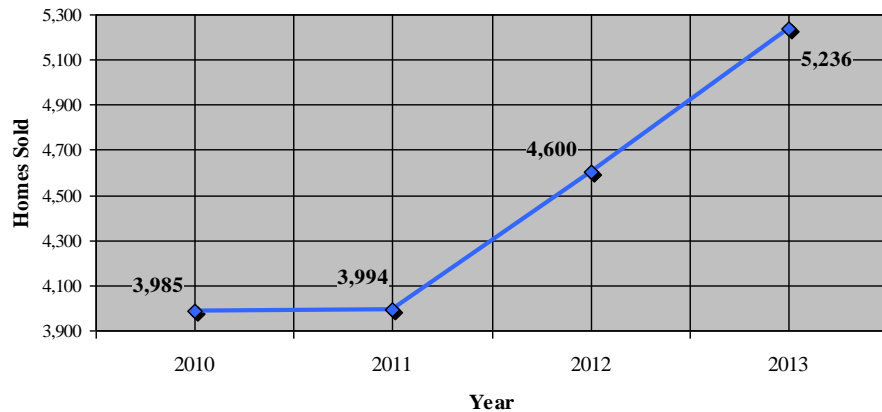
Owner For-Sale Housing by Year Sold

Year	Units Sold		Median Price Sold	
	Number	Change	Price	Change
2010	3,985	-	\$201,000	-
2011	3,994	0.3%	\$208,000	3.5%
2012	4,600	15.2%	\$205,000	-1.4%
2013	5,236	13.8%	\$211,000	2.9%
2014*	3,746	-	\$208,000	-

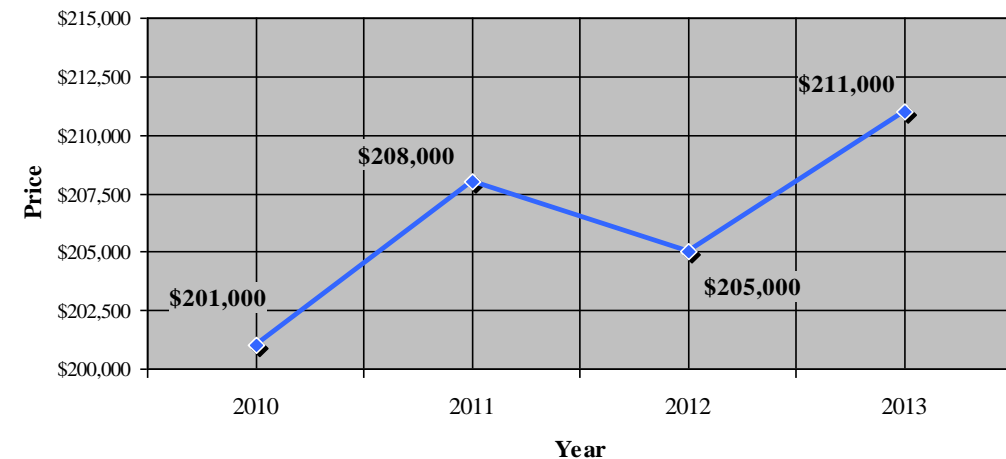
Source: Multiple Listing Service-NNEREN and Bowen National Research, LLC

*Through October

Vermont Annual Home Sales (2010-2013)



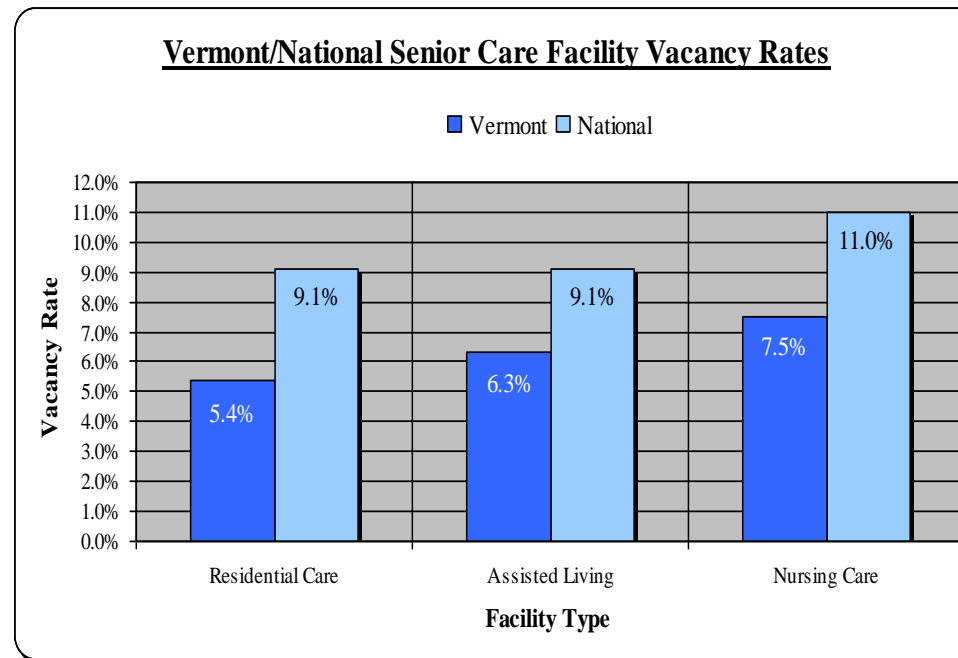
Vermont Annual Median Sales Price (2010-2013)



Senior Care Facilities

Facility Type	Facilities Surveyed	Total Units/Beds	Vacant Units/Beds	Vacancy Rate	National Vacancy Rate*
Residential Care	49	1,248	67	5.4%	9.1%
Assisted Living	7	379	24	6.3%	9.1%
Nursing Care	17	1,338	100	7.5%	11.0%
Total	73	2,965	191	6.4%	

- 73 (44.8%) of the state's 163 licensed senior care facilities were surveyed
- Overall vacancy rate is 6.4%
- The surveyed Vermont senior care facilities are performing at lower vacancy rates by product type than national averages



Senior Care Housing Need

Senior Care Housing Need Estimates

Senior Care Housing Demand Component	Demand Estimates
Elderly Population Age 62 and Older by 2020	152,743
Times Share* of Elderly Population Requiring ADL Assistance	X 7.4%
Equals Elderly Population Requiring ADL Assistance	11,303
Divided by Average Household Size	/1.46
Total Elderly Households with Person Requiring ADL Assistance	7,742
Less Existing Supply	- 6,537
Less Development Pipeline	-40
Potential Senior Care Beds Needed by 2020	1,165

Housing Need and Housing Gap

The **housing needs** estimates are considered a **broad evaluation** of the needs of the state. Representative of all housing needs.

The **housing gap** analysis estimates are considered a more conservative representation of the housing shortage in the state and indicative of the more **immediate housing shortages** of the state.

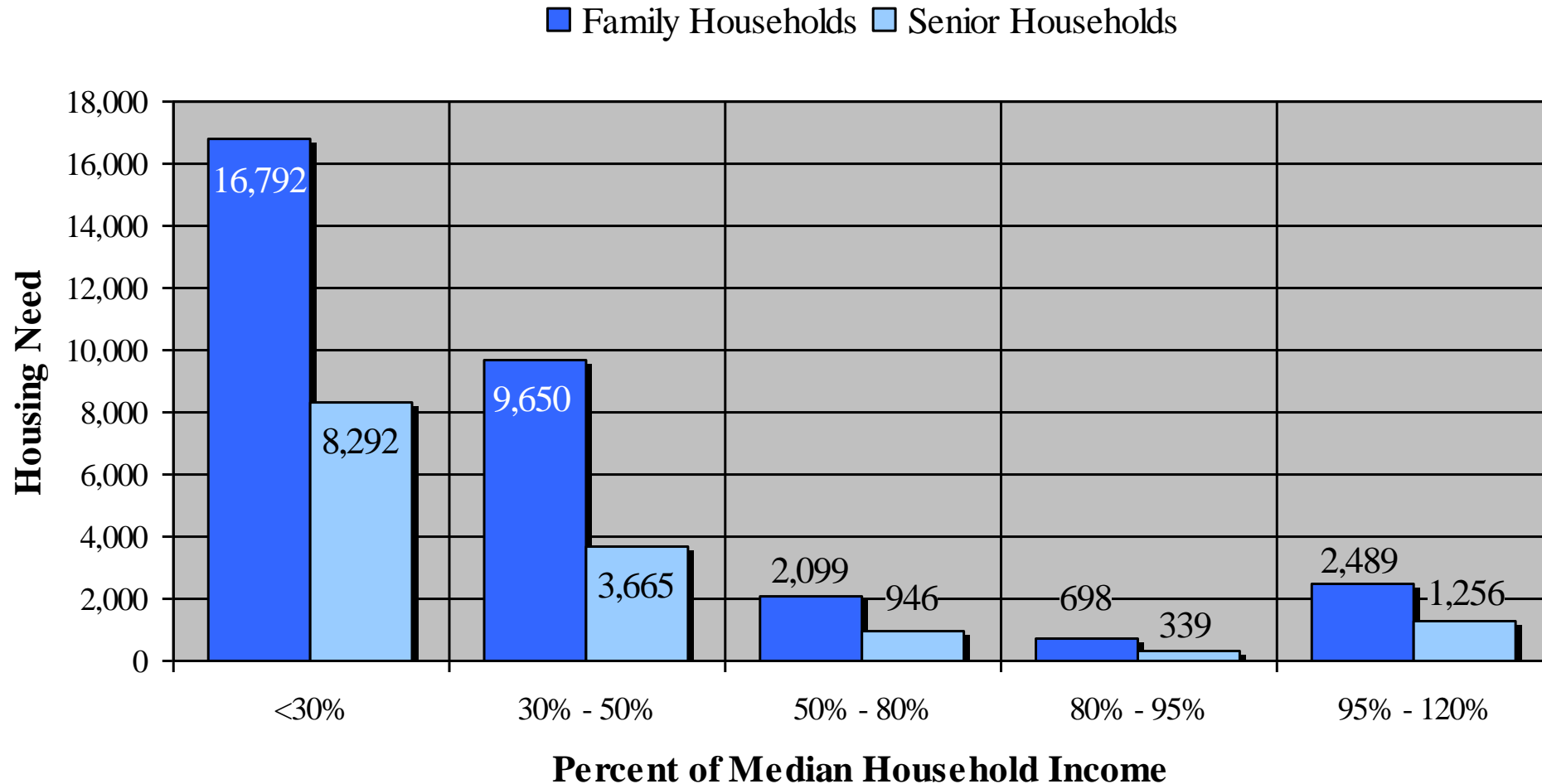
Both are based on projected change and household income and growth over the next five years. Do not include baseline or “today’s” need and gap.

Housing Gap/Needs Analysis Components	
Housing Need	Housing Gap
Household Growth	Household Growth
Overcrowded Housing	Overcrowded Housing
Housing Lacking Complete Indoor Plumbing	Housing Lacking Complete Indoor Plumbing
Cost Burdened Households	<i>less</i> Pipeline Development*
<i>less</i> Pipeline Development*	

* Units under construction, permitted, planned or proposed

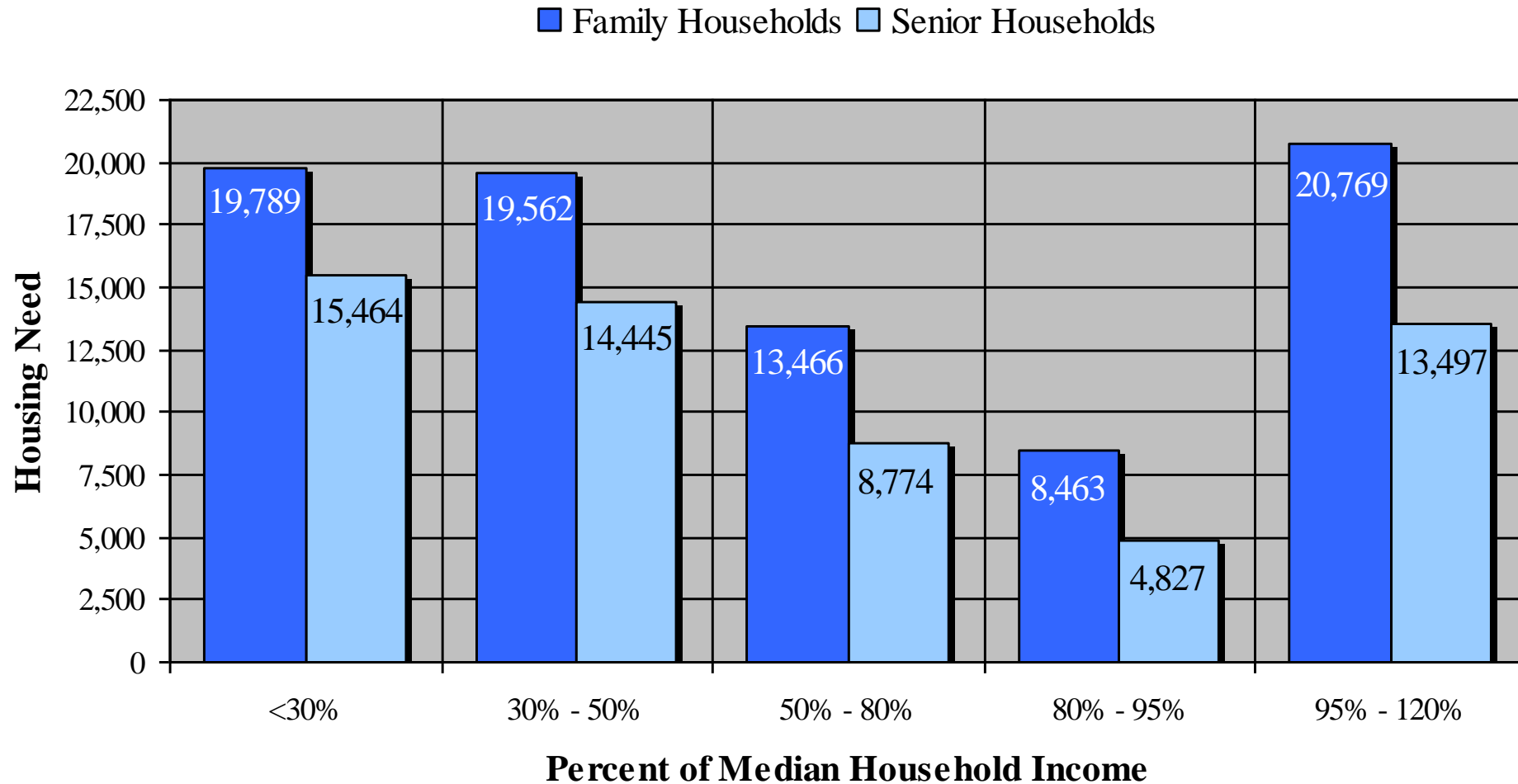
Housing Needs Estimates - Renters

Vermont Rental Housing Need by Income



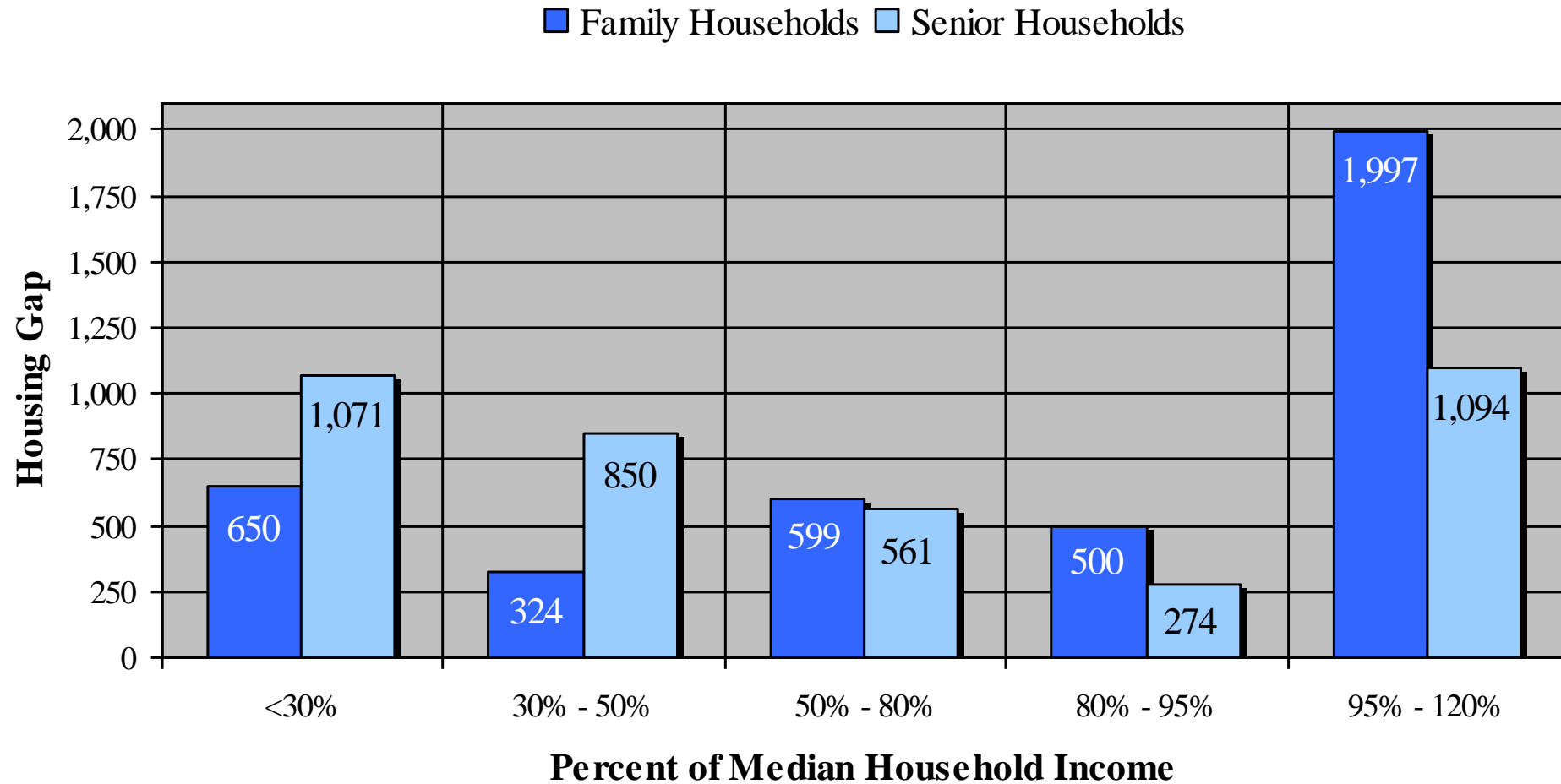
Housing Needs Estimates - Owner

Vermont Owner Housing Need by Income



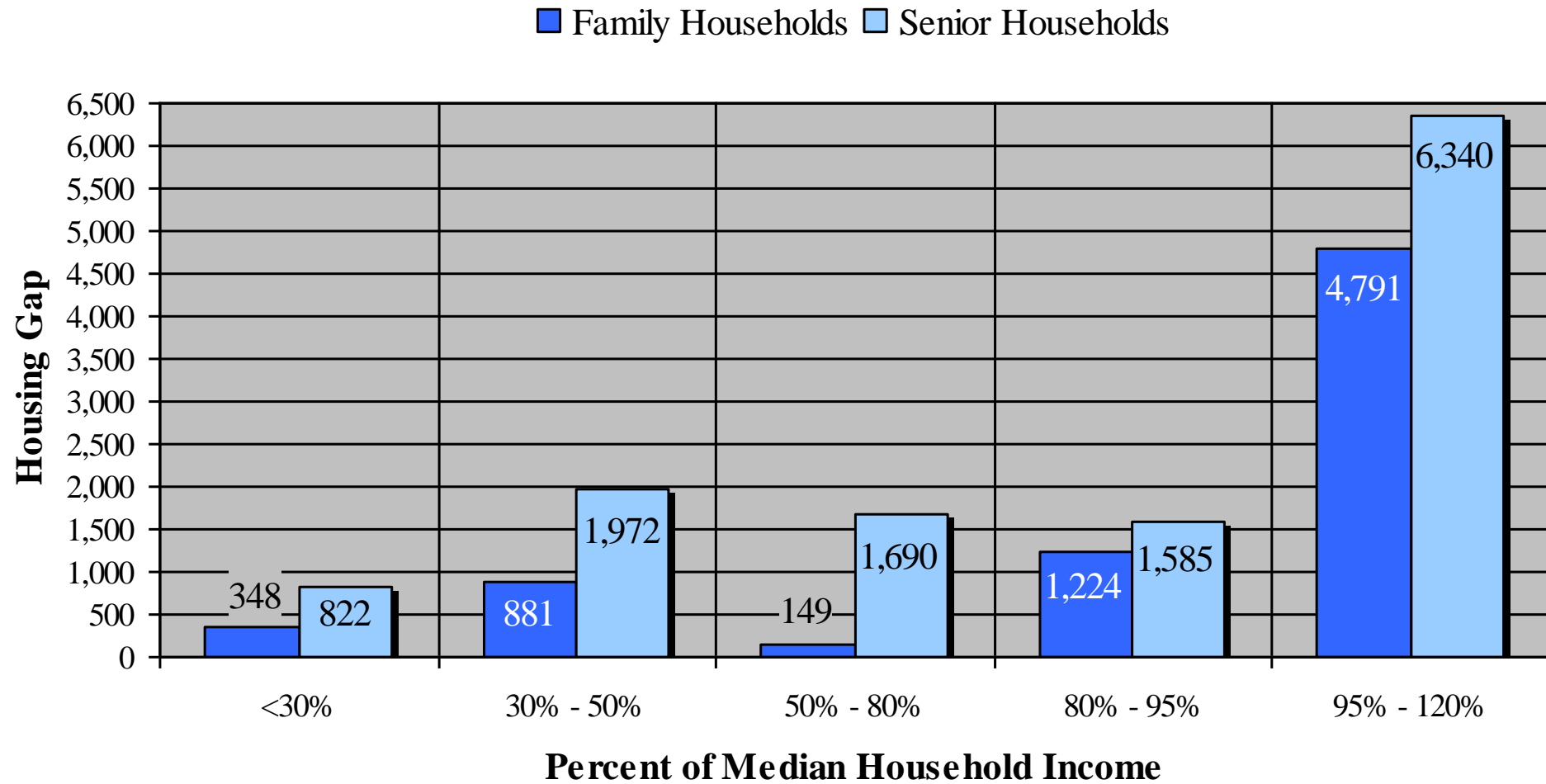
Housing Gap - Rental

Vermont Rental Housing Gap by Income



Housing Gap - Owner

Vermont Owner Housing Gap by Income



Stakeholder Interviews

Bowen performed over 90 interviews/surveys with stakeholders (public and private sector, representation from all counties)

Additionally, an online survey with 27 questions was widely disseminated

Greatest Needs:

- Rentals, Homeless, Senior (Indep.), Special Needs, & Small Family
- Apartments are the product type most needed
- Renovation/revitalization should be priority over new construction
- Households with incomes less than \$25k have greatest need, followed by households with incomes of \$25k to \$50k

Biggest Issues:

- Rent Burdened/Affordability
- Limited Availability
- Substandard Housing

Funding Types Needed:

- Vouchers
- Project-Based Subsidies

Important Factors Affecting Housing Development:

- Proximity to Community Services
- Proximity to Employment
- Walkability

Barriers/Obstacles to Development:

- Lack of or Limited Access to Transportation
- Securing Sufficient Financing
- High Cost of Land

Bowen's Assessment

Very few available rental alternatives within the state. Low and moderate income renters have limited options.

Greatest household growth in the next five years is projected to occur among seniors age 65 to 74.

Estimates show greatest among for-sale housing supply appears to be among units affordable to households between 95% and 120% AMI.

Statewide rental gap for homes affordable below 80%, low vacancies and long waiting lists demonstrate pent up demand.

Much of rental stock is more than 30 years old and for-sale supply is more than 40. Exterior evaluations throughout the state suggest strong need for repairs and modernization.

Bowen's Recommendations

Support the Development of **Rental Housing (Multifamily)**

Support the Development of **Senior Housing** and Efforts to Enable Seniors to Age in Place

Support **Home Repair/Maintenance Programs** (with Emphasis on Senior Housing)

Support First-Time **Homebuyer Programs** for Low/Moderate/Middle Income Households

Support **Affordable Housing Programs**

Encourage Local Government Entities to Provide **Predevelopment Activities**

Expand the Directory of Affordable Rental Housing (**DoARH**)

Next Steps

County Level Reports

Continue to review Bowen data and recommendations and determine next lines of inquiry.

Use HNA Data along with Public and Stakeholder Input to Develop Consolidated Plan

Make Assessment available to policy-makers, state and local housing, planning, economic development organizations, municipalities, realtors, developers, public and private property owners and builders.

Encourage use of assessment and recommendations to inform policy, program and state and federal funding priorities.

More Information

Full Statewide Housing Needs Assessment Available on ACCD Website

http://accd.vermont.gov/strong_communities/housing/planning/needs_assessment

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