



# Housing Development in Vermont

Seth Leonard, 1/19/2021

# Resources

Vermont Housing Needs Assessment:

<https://accd.vermont.gov/housing/plans-data-rules/needs-assessment>

Affordable Housing: Barriers and Incentives in Vermont Towns:

[https://vhfa.org/sites/default/files/publications/Affordable\\_housing\\_VT\\_towns\\_1.pdf](https://vhfa.org/sites/default/files/publications/Affordable_housing_VT_towns_1.pdf)

The State of Residential Development in Vermont in 2021:

<https://vhfa.org/sites/default/files/publications/State-Residential-Development-2021.pdf>

Analysis of Vermont Affordable Rental Housing Development Cost Factors:

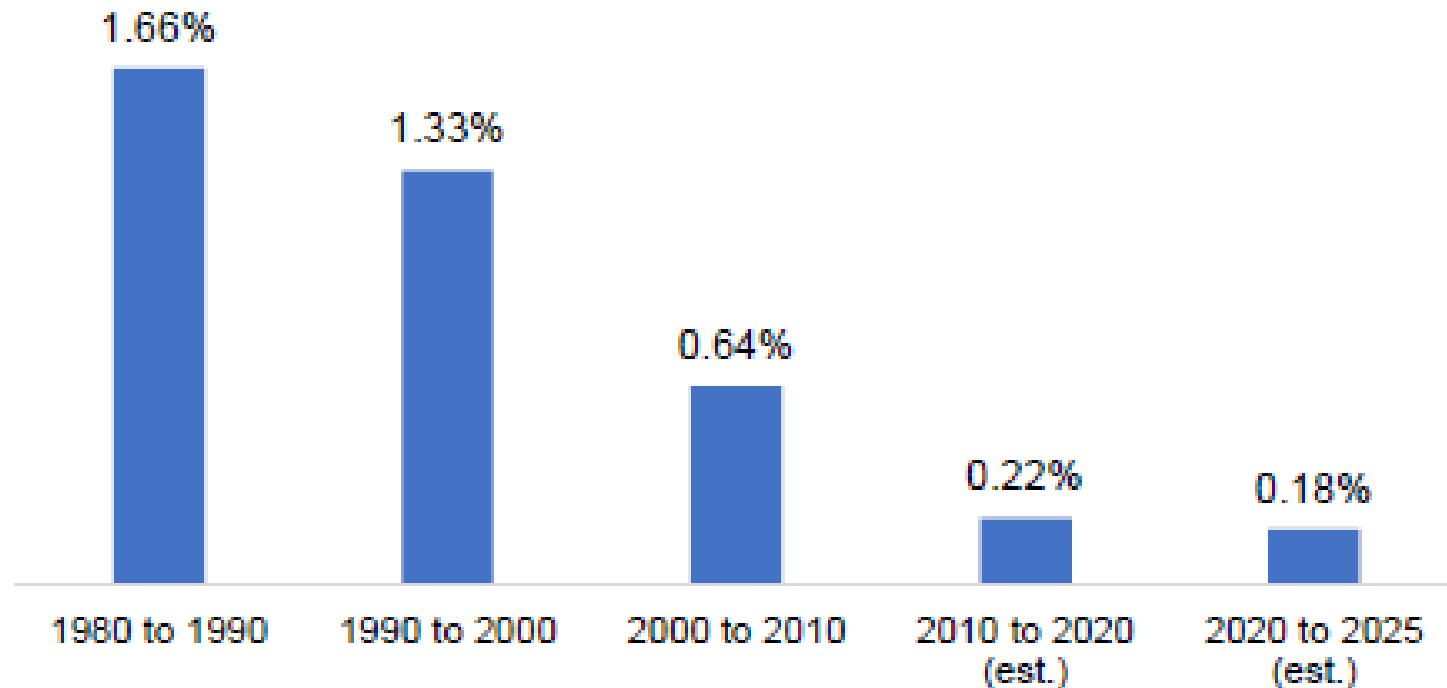
[https://www.vhfa.org/sites/default/files/publications/final\\_analysis-vt\\_affordable\\_rental\\_housing\\_dvt\\_cost\\_factors\\_-\\_01.15.2020.pdf](https://www.vhfa.org/sites/default/files/publications/final_analysis-vt_affordable_rental_housing_dvt_cost_factors_-_01.15.2020.pdf)

HousingData.org: <https://www.housingdata.org/profile/housing-stock>



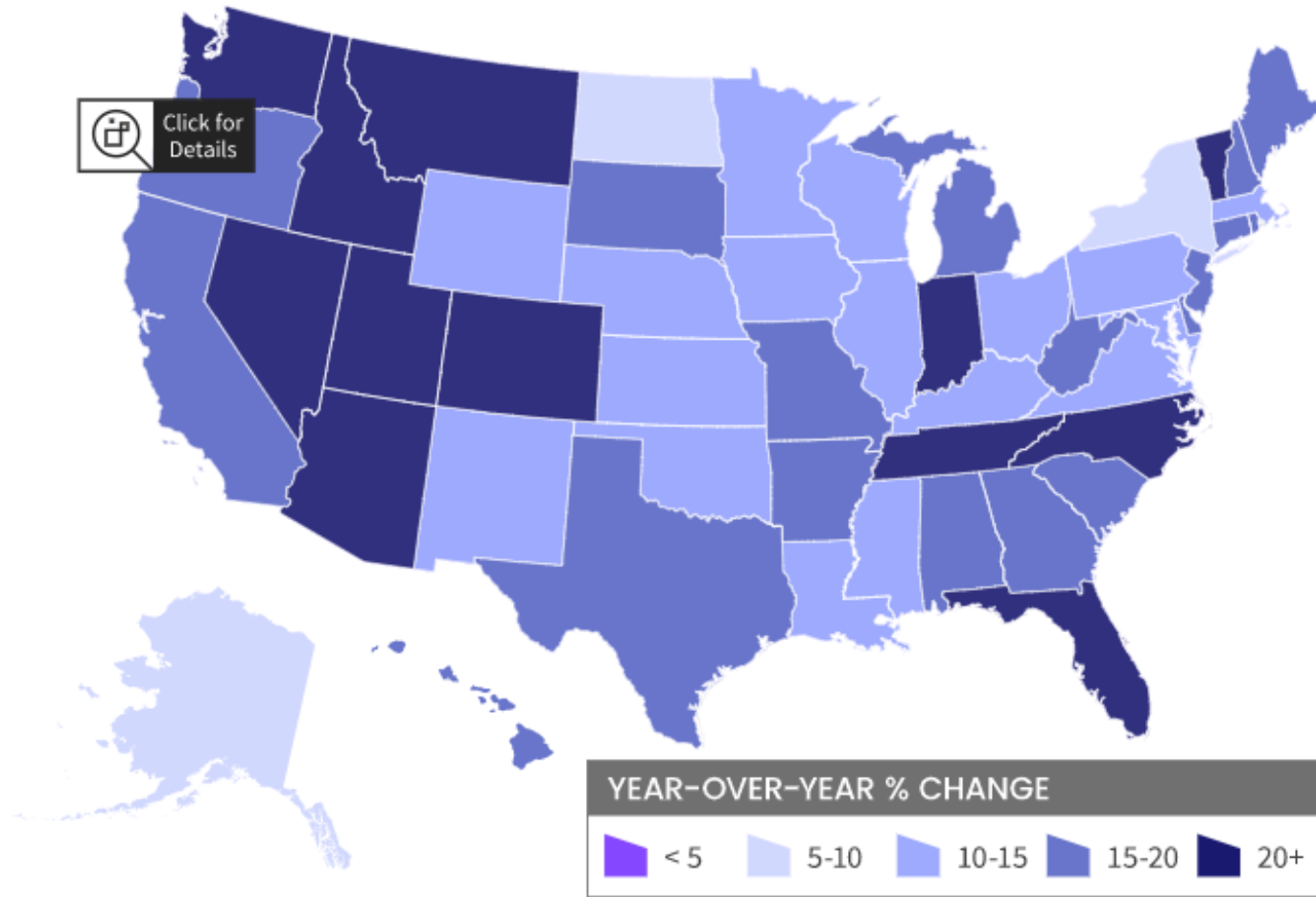
# Is growth keeping up with needs?

**Figure 1-1: Average annual growth of Vermont's year-round housing stock decreases**



Source: U.S. Census Bureau from [housingdata.org](https://www.housingdata.org) and Claritas.

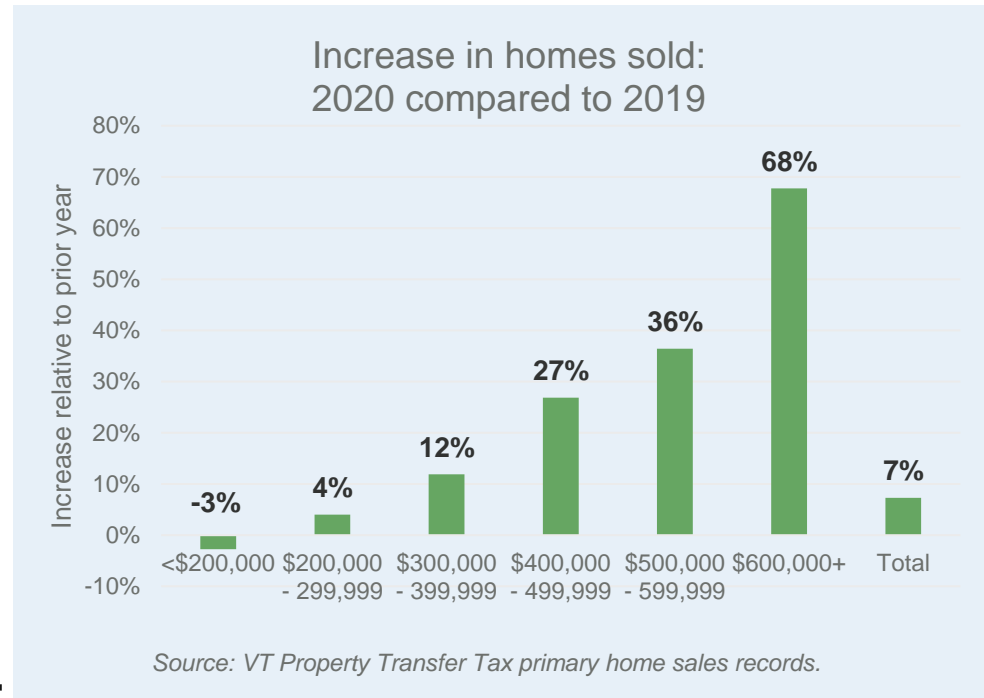
# VT shares top ranking for home price increases with 10 other states



Source: Corelogic, U.S. Home Price Insights, 11/2/2021

# What's happening?

- Hot prices: Long-standing upward trend but uptick in high-end sales.
- Geography twist: Fastest price increases recently are outside Chittenden County.
- The uncertain visitor effect: “Vacation” homes and short-term rentals



# Permits show a level of confidence

	Multifamily buildings (5+ units)			Single family units		
	2019	2020	2021 (through September)	2019	2020	2021 (through September)
<b>Vermont</b>	47	48	56	987	1,154	1,034
<b>Northern New England (ME, NH, VT)</b>	170	145	172	7,207	8,367	8,011
<b>National</b>	15,961	15,383	14,859	862,084	979,360	864,184

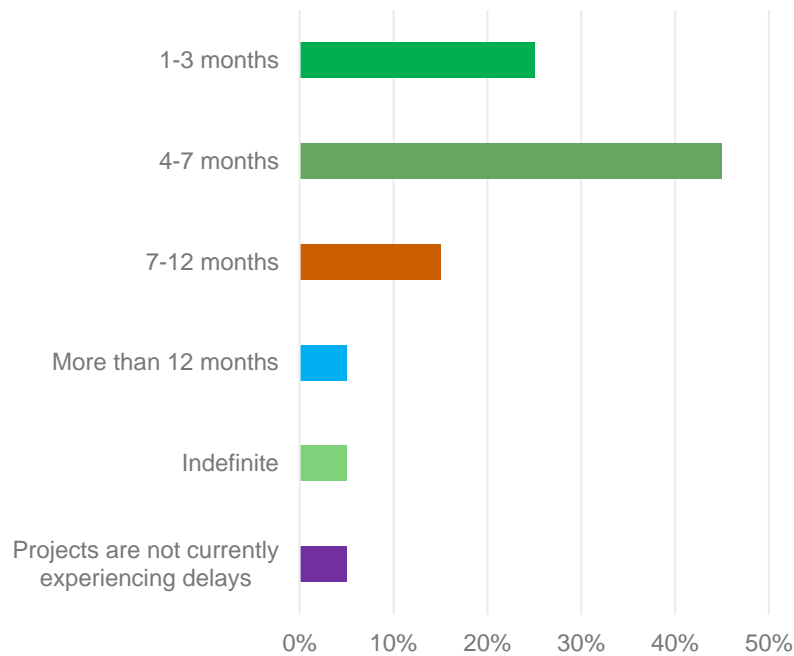
# Cost of Development: Using 9% LIHTC Applicants as a barometer

Year	Average Cost Per Unit
2018	\$285,705
2019	\$309,740
2020	\$305,188
2021	\$333,774
2022 (early indication)	\$347,793

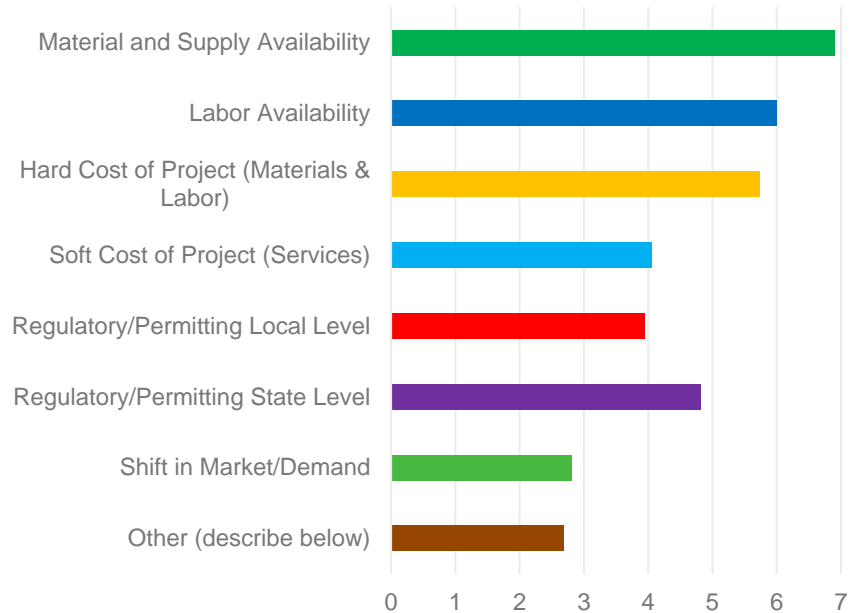
- Between 2021 and 2020, the proposed average cost of development for a Vermont apartment funded through the Low-Income Housing Tax Credit Program rose 9% to \$333,774, and another 4.1% for 2022 pre-applications.
- Nationwide multifamily construction costs in the third quarter of 2021 were 8% higher than a year earlier, according to the Fisher Price Index.
- During that same period, the baseline federal Low-Income Housing Tax Credit small state minimum allocation has generally increased between 1-2% each year.

# The degree of delays and their cause

Average range of delays experienced across work portfolio



Most significant reasons for project delays

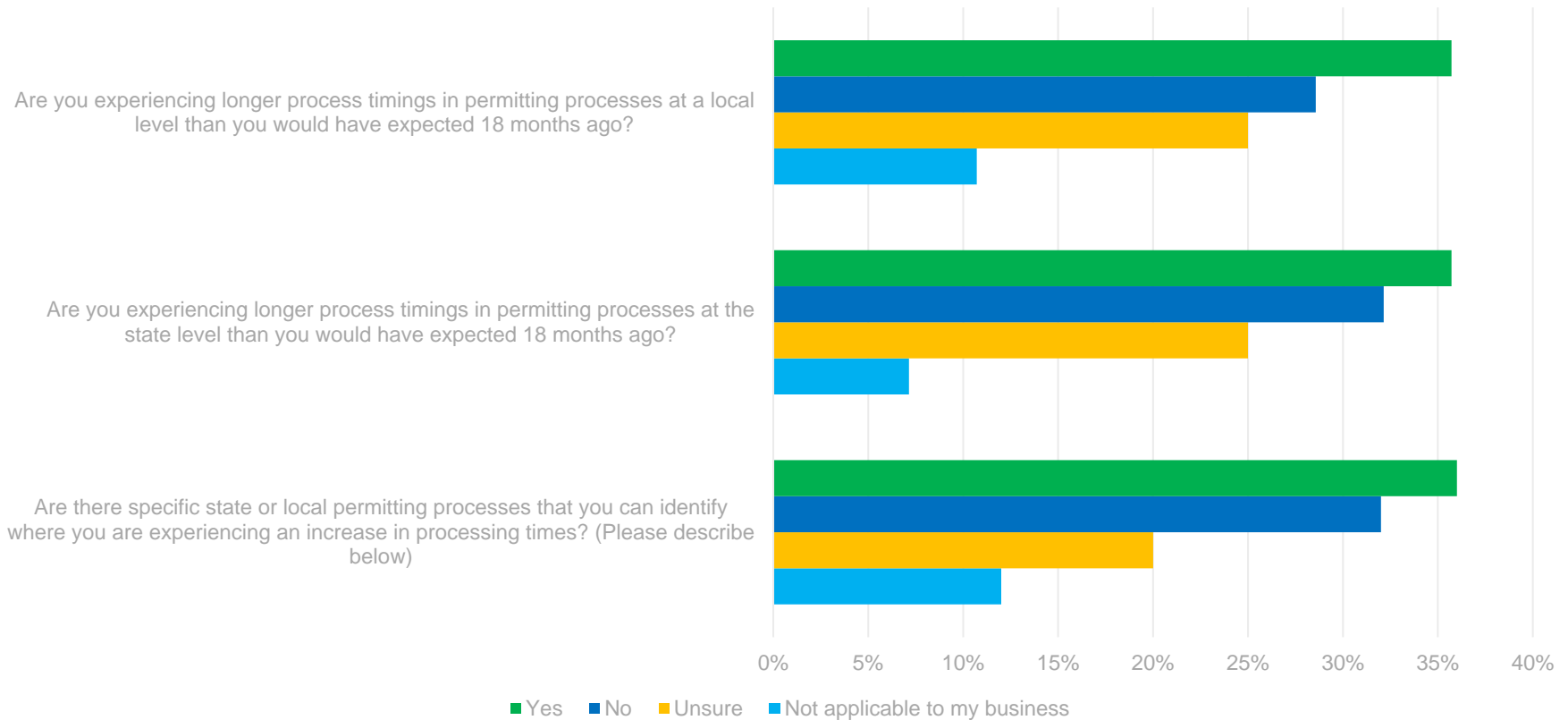


Respondents were asked to rank the reasons from most to least impactful. Displayed is the ranked choice value of the 8 options.



# Permitting & the Pandemic

% of survey respondents with permitting process challenges



# Options from survey and research paper:

22 of the 69 towns don't have any zoning less than 1/2 acre lots anywhere in their community.

Establish 'by right' development

Tax vacant land

Streamline the permitting process and reduce fees

Increase residential parking flexibility

Update zoning bylaws to allow and encourage higher-density development