

# Housing in Vermont's Economy

Senate Economic Development Committee

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DM #366321



**JFO**

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# Outline of talk

Part 1: Housing impacts on many aspects of the economy

Part 2: Demographics in Vermont

Part 3: Characteristics of the housing market

Part 4: Considerations



# Part 1: Housing Impacts on Many Aspects of the Economy



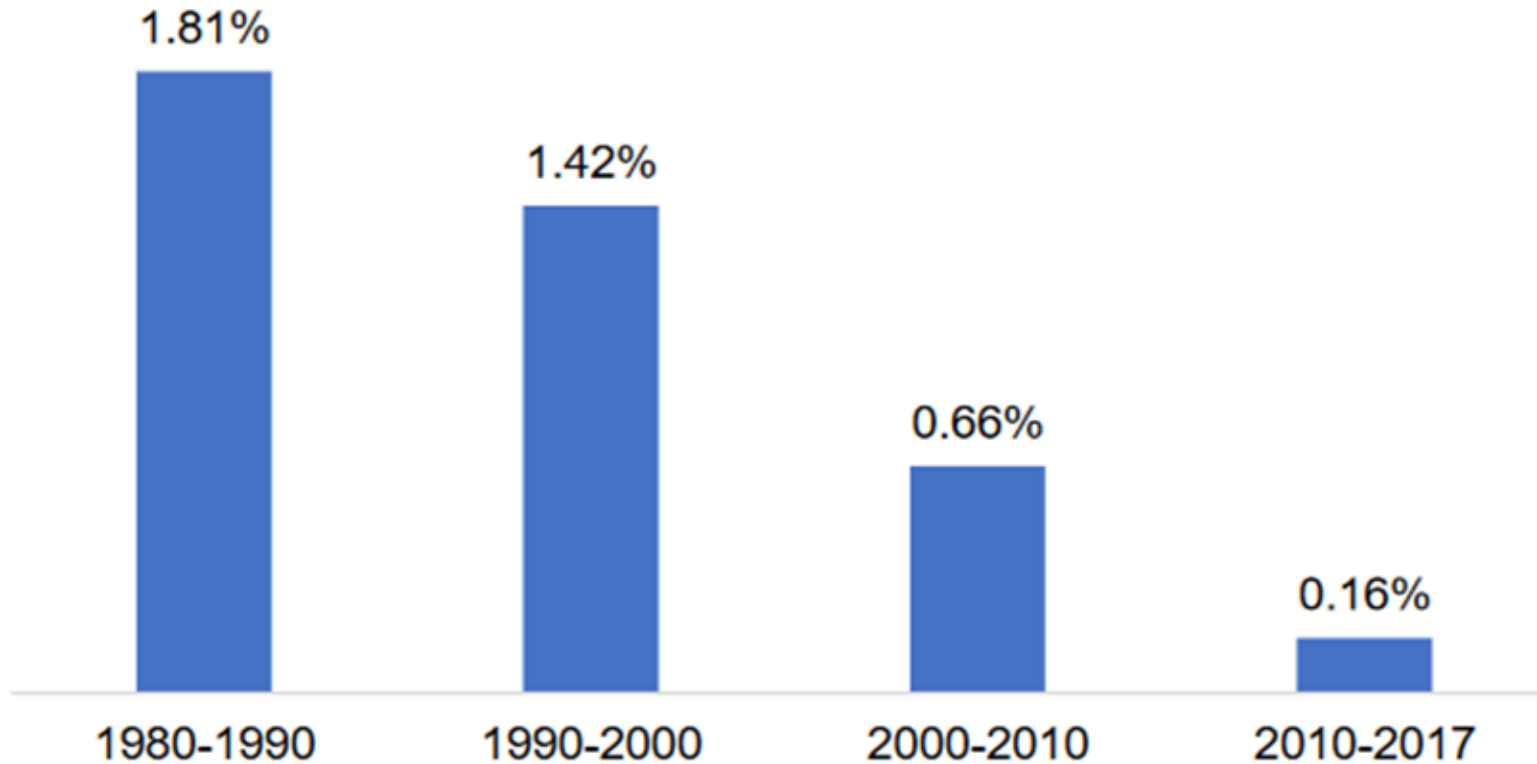
# Housing Impacts Many Aspects of the Economy

- Workforce
  - Direct housing workforce, and availability of other workers
- Construction/services for housing
- Transportation/accessibility
  - Dense town centers vs. spacious lot sizes in rural areas
- Heating and cooling
  - Age of housing stock
- Wastewater treatment
  - Ability to develop denser housing
- Education/child care



# Home building has declined statewide

**Estimated average annual increase in occupied Vermont housing stock**



Source: U.S. Census Bureau: American Community Survey 5-year estimates, US Decennial Census (for years prior to 2010) from [housingdata.org](https://housingdata.org)



# Part 2: Demographics in Vermont

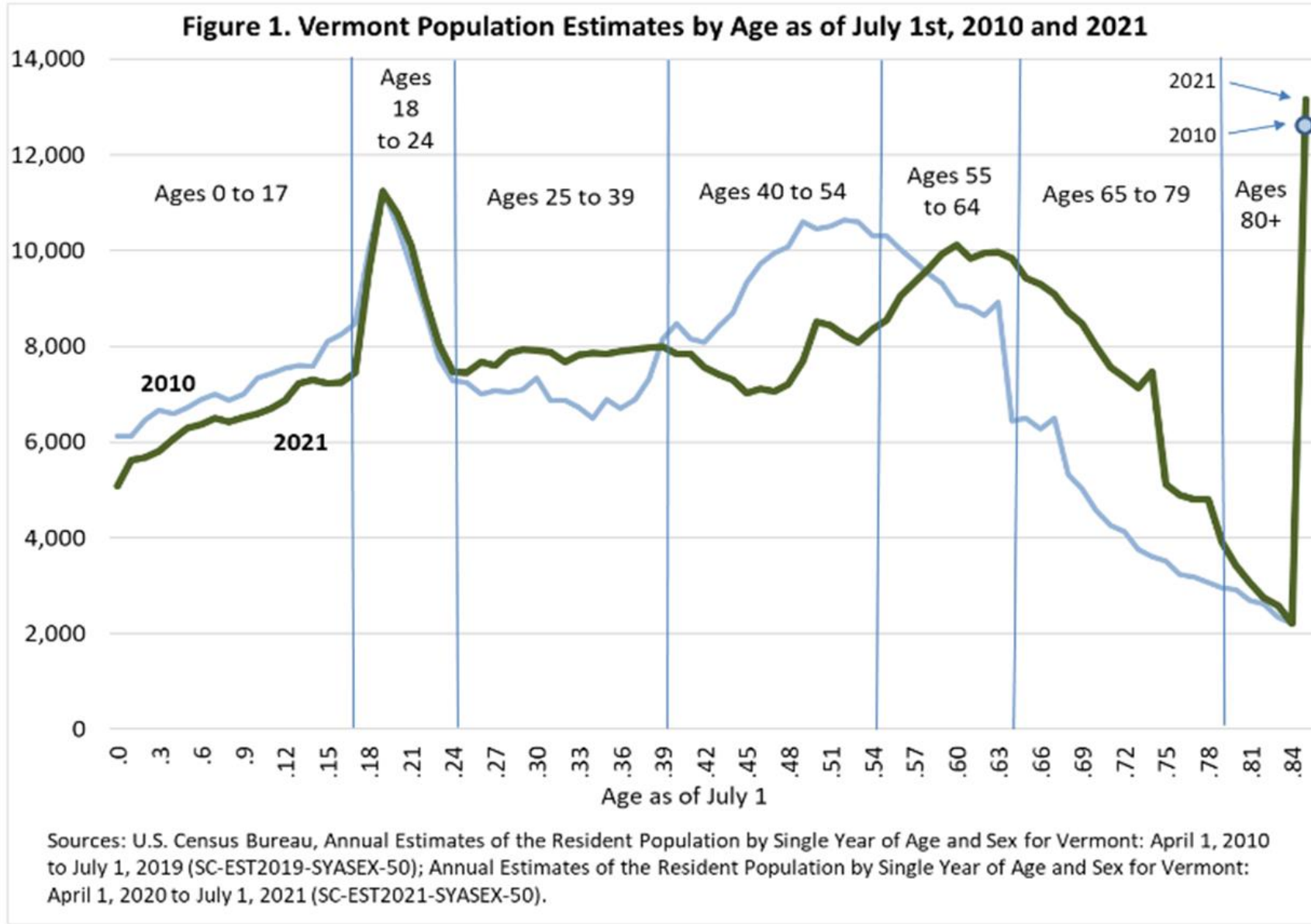
New JFO Issue Brief

“Vermont’s Population Estimates by Age Group: 2021 compared with 2010”

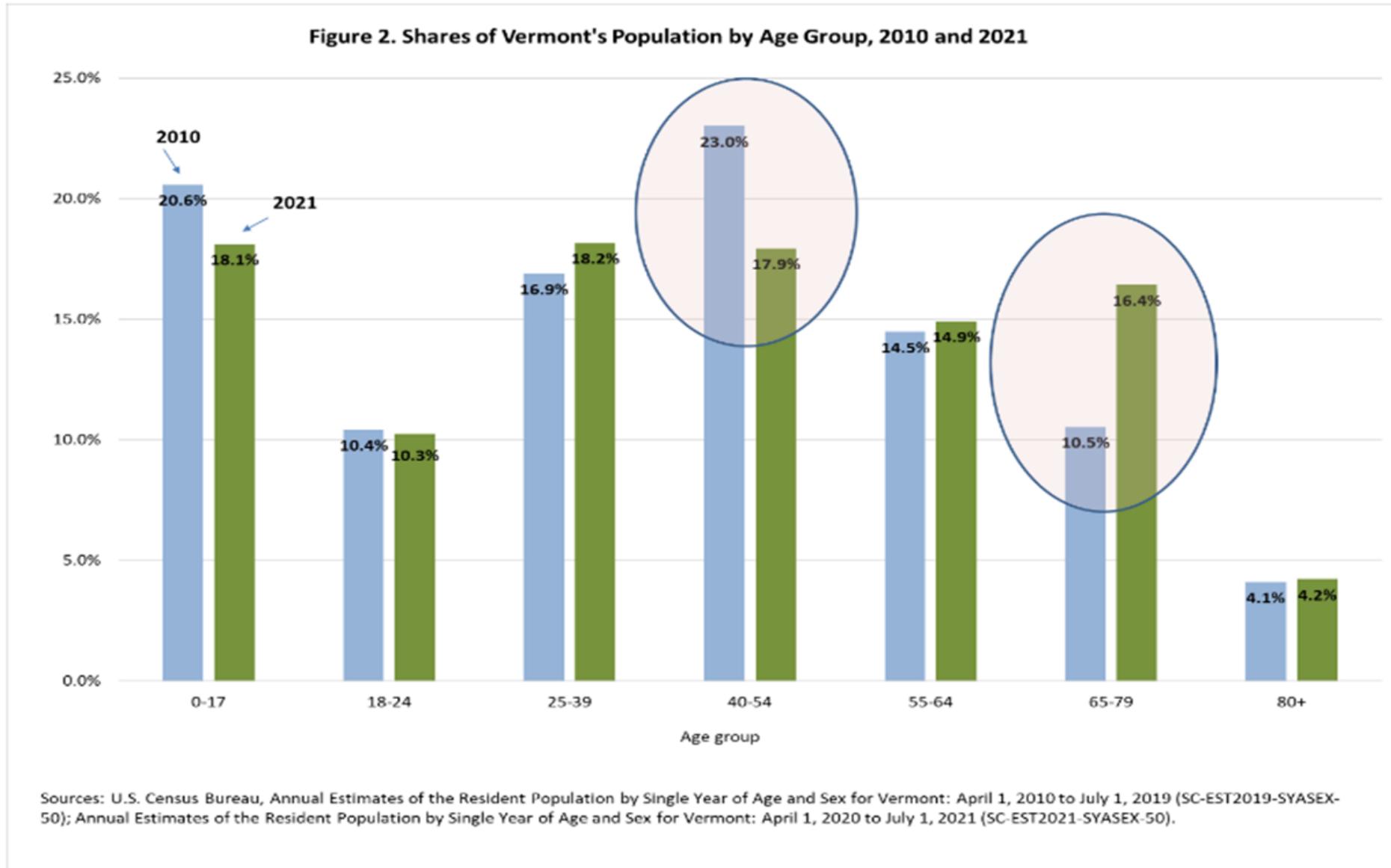
[https://ljfo.vermont.gov/assets/Subjects/Demographics/a9239392f8/VT\\_population\\_2021\\_vs\\_2010.pdf](https://ljfo.vermont.gov/assets/Subjects/Demographics/a9239392f8/VT_population_2021_vs_2010.pdf)



# Vermont's Population is Aging



# Over One-Fifth of Vermont's Population is age 65 or older





# As of 2017, 69% of all Vermont households had 2 or fewer people

<https://ljfo.vermont.gov/assets/Subjects/Commission-Resources/05a742b874/Population-Changes-and-Vermont-State-Revenue-FULL-REPORT.pdf>

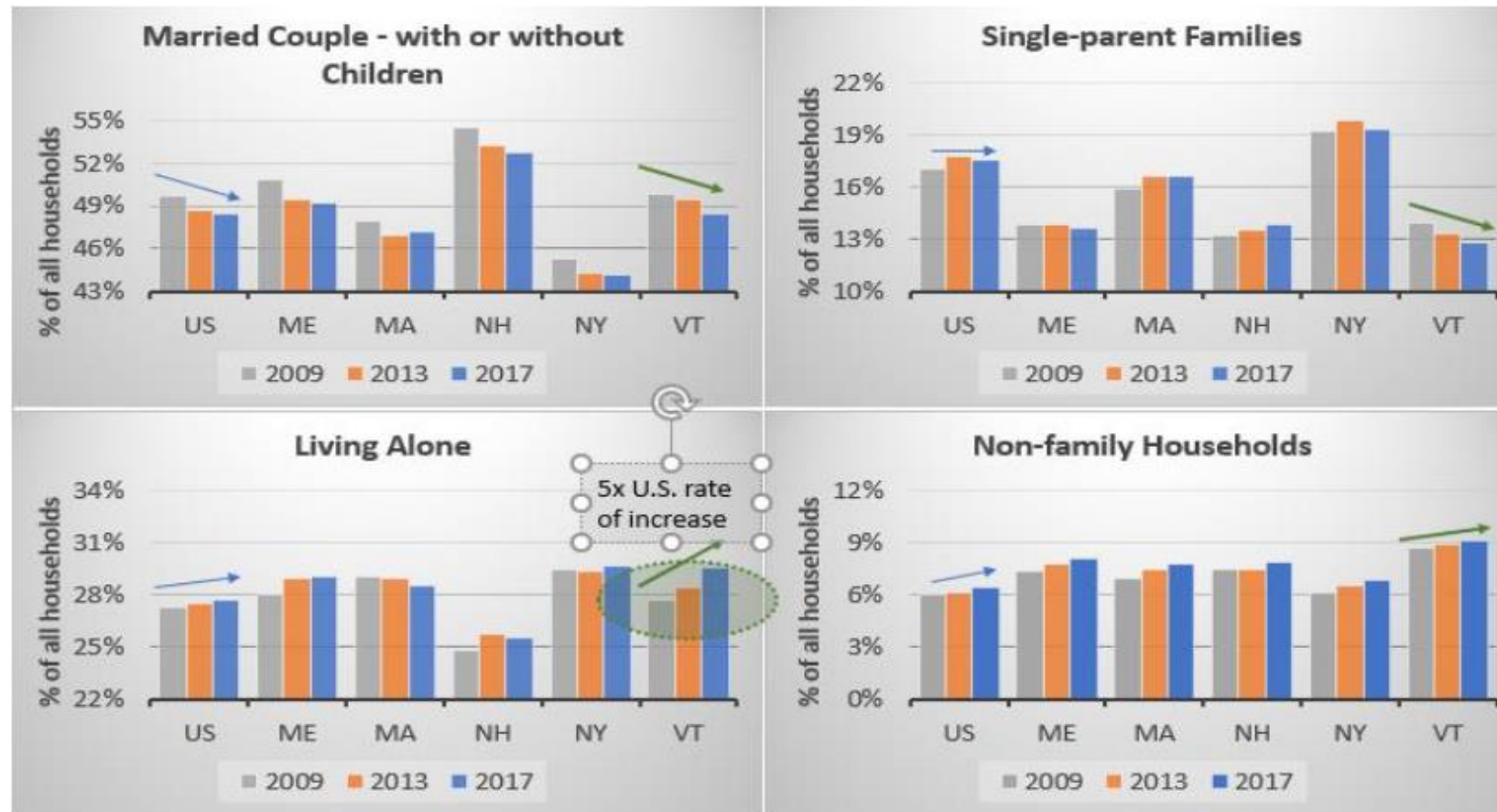
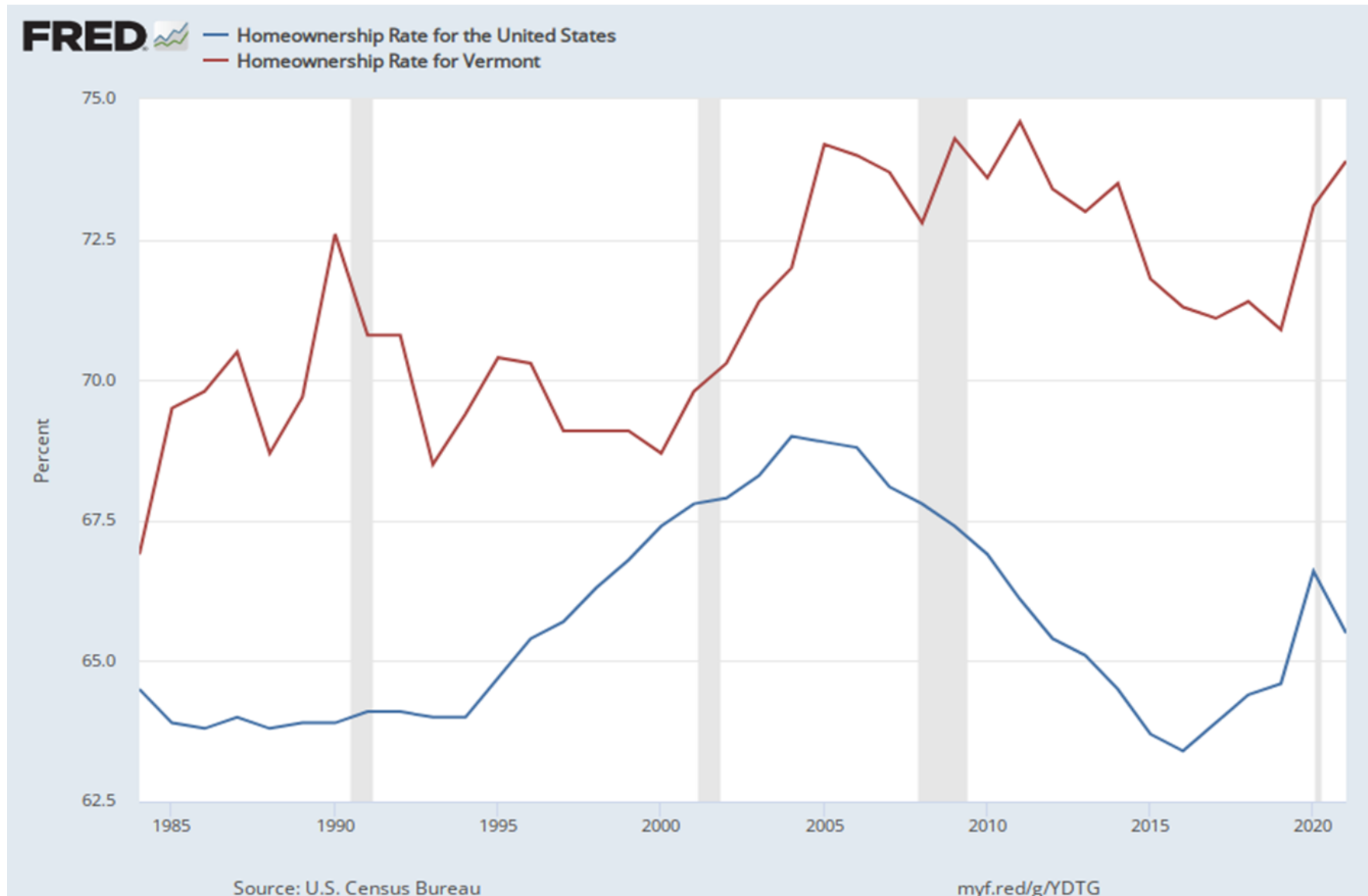


Figure 16. Proportion of four types of households in U.S., Vermont, and surrounding states. Five-year data from U.S. Census 2009, 2013, and 2017 American Community Survey (data from 2005-2009, 2009-2013, and 2013-2017).



# Homeownership rate in Vermont and the U.S., 1984-2021



# Average Size of Owner and Renter Households, 2017

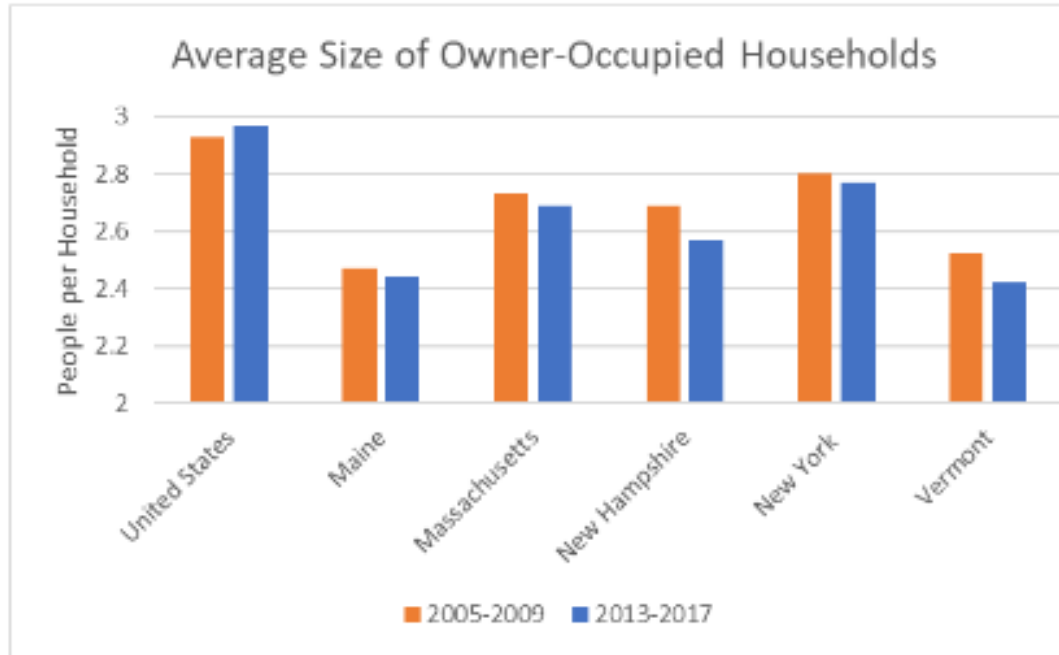


Figure 17. Size of average owner-occupied household in U.S., Vermont, and neighboring states. Data from U.S. Census Five-year American Community Survey, 2009 and 2017.

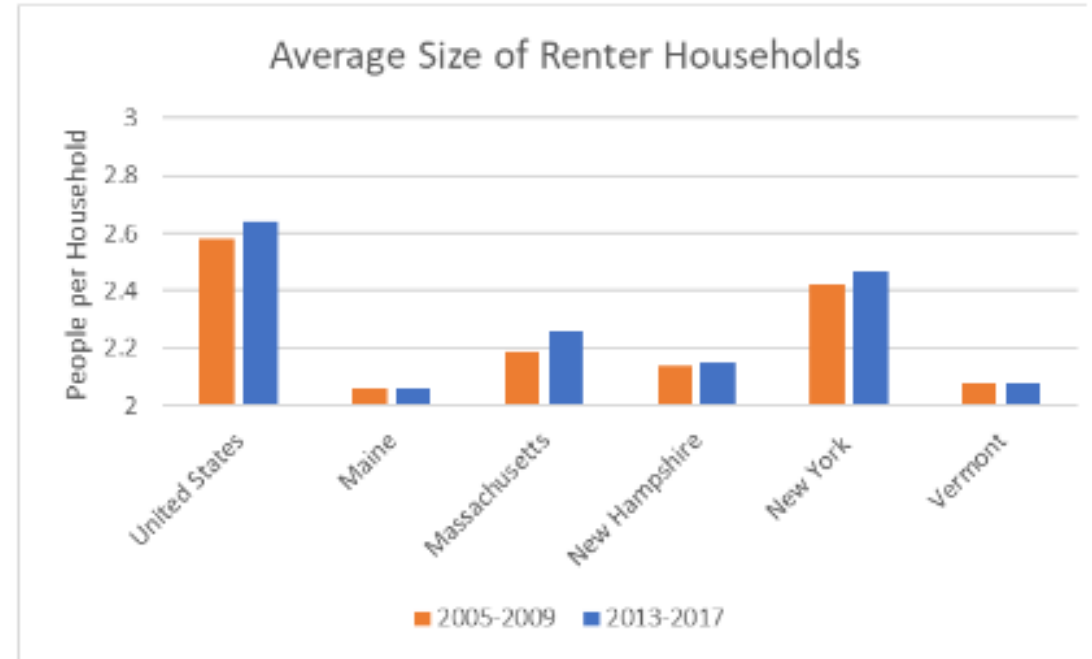


Figure 18. Size of average renter household in U.S., Vermont, and neighboring states. Data from U.S. Census Five-year American Community Survey, 2009 and 2017.

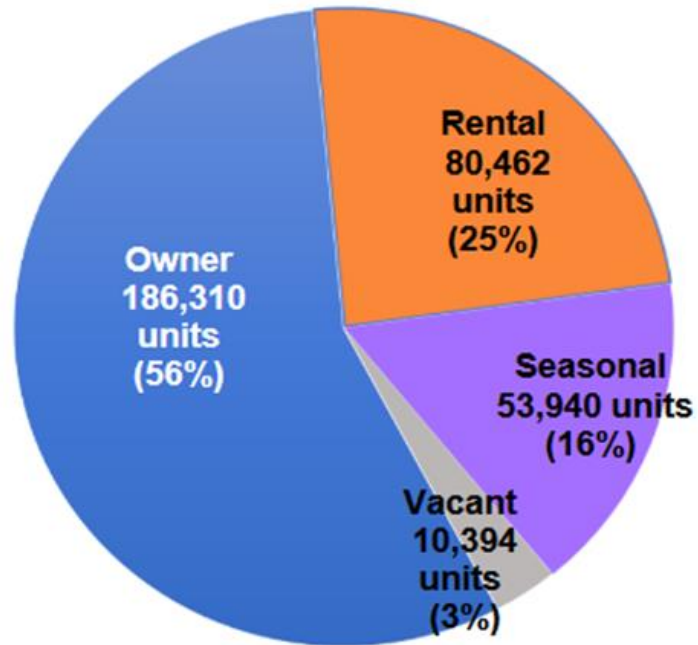


# Part 3: Characteristics of the Housing Market



# Estimated housing units by type, 2017

Estimated housing units by type



Source: U.S. Census Bureau: American Community Survey 5-year estimates, 2013-2017 (Table B25003, B25004) from [housingdata.org](https://housingdata.org).

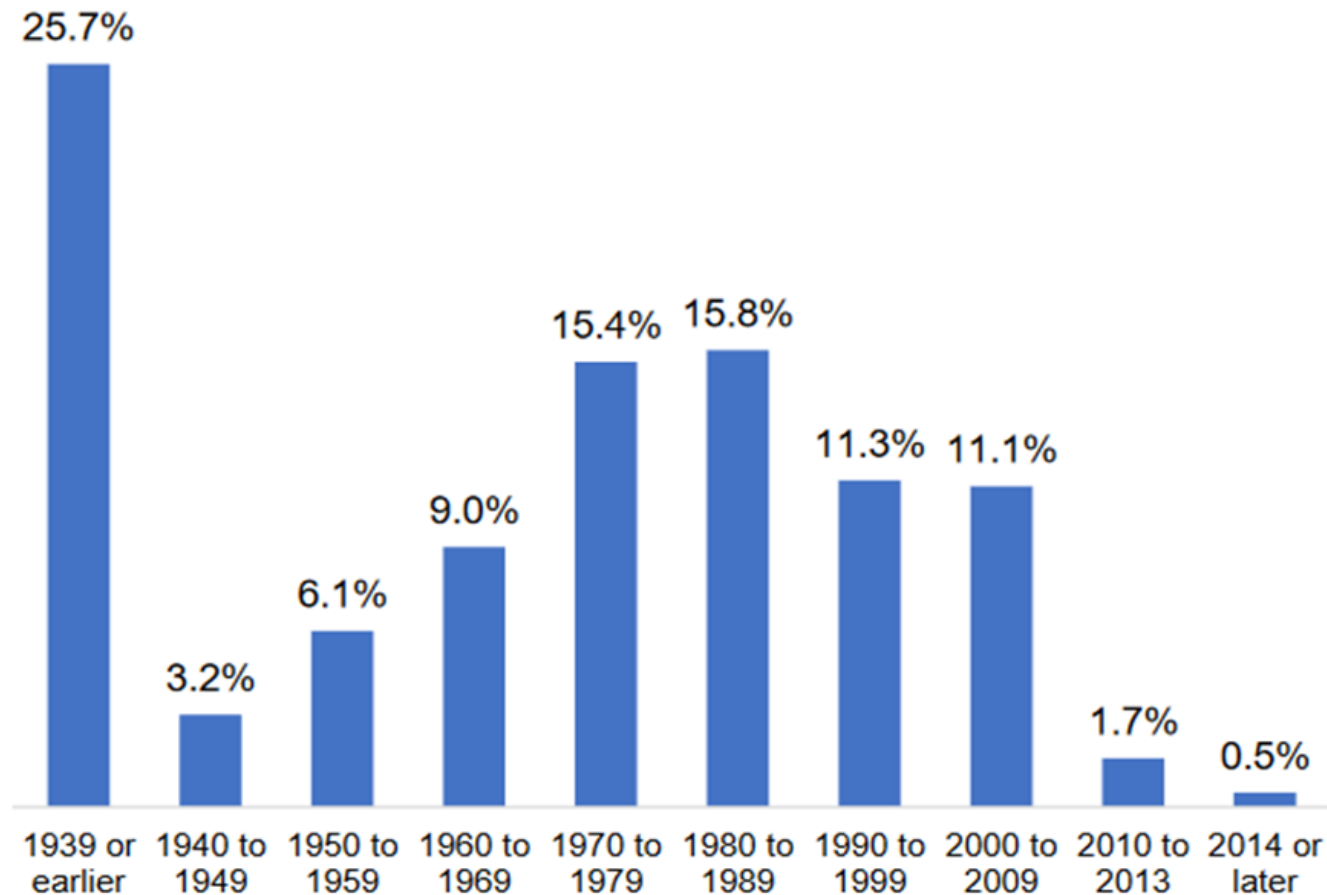
Graham Campbell, JFO, March 2022:

- Tough to distinguish second homes from commercial property in grand list
- Numbers on the left came from the American Community Survey and self-reported property use



# As of 2017, more than ¼ of housing units was built prior to 1940

Housing units by year structure built

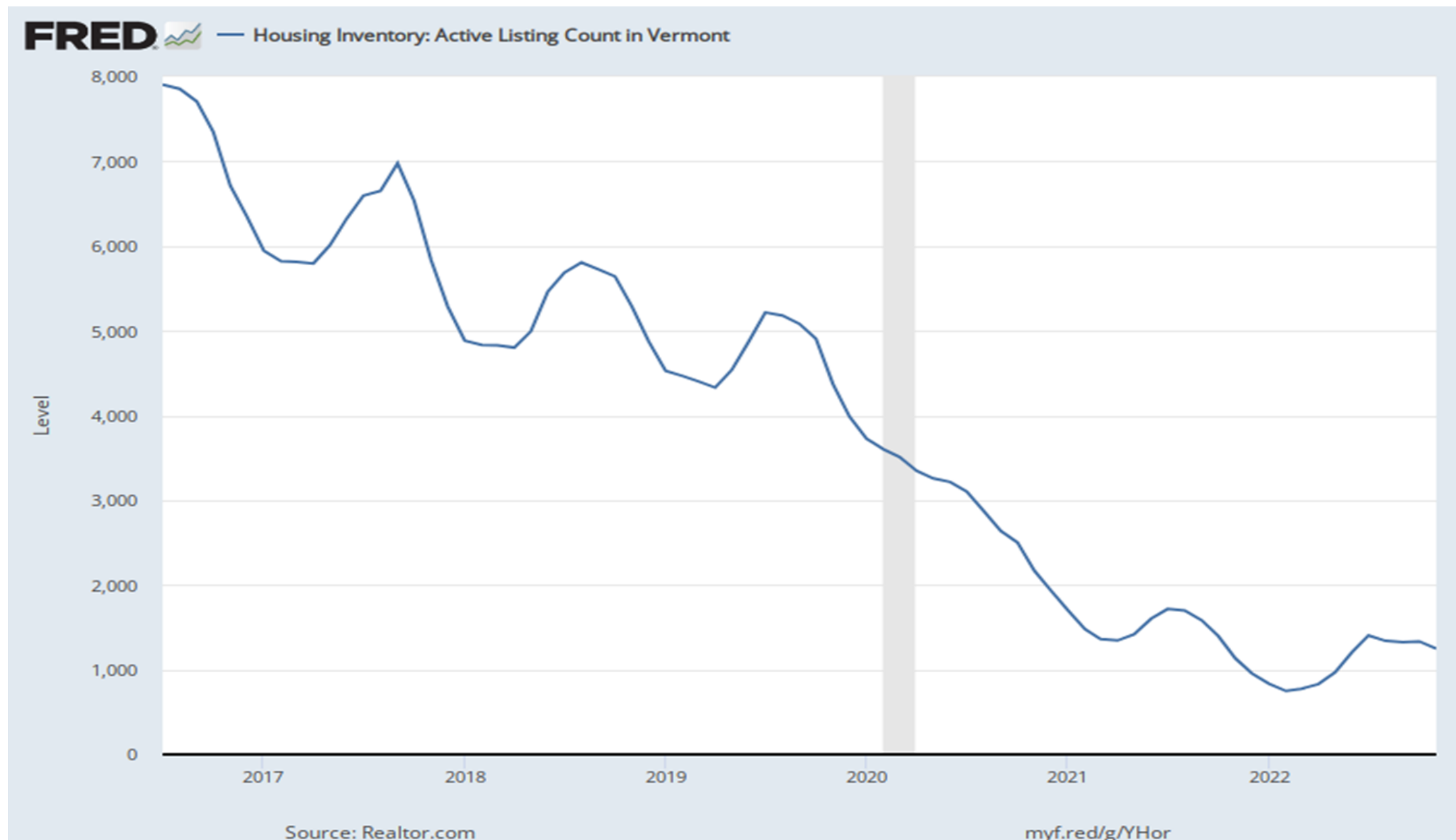


Source: U.S. Census Bureau: American Community Survey 5-year estimates, 2013-2017 from [housingdata.org](https://housingdata.org).



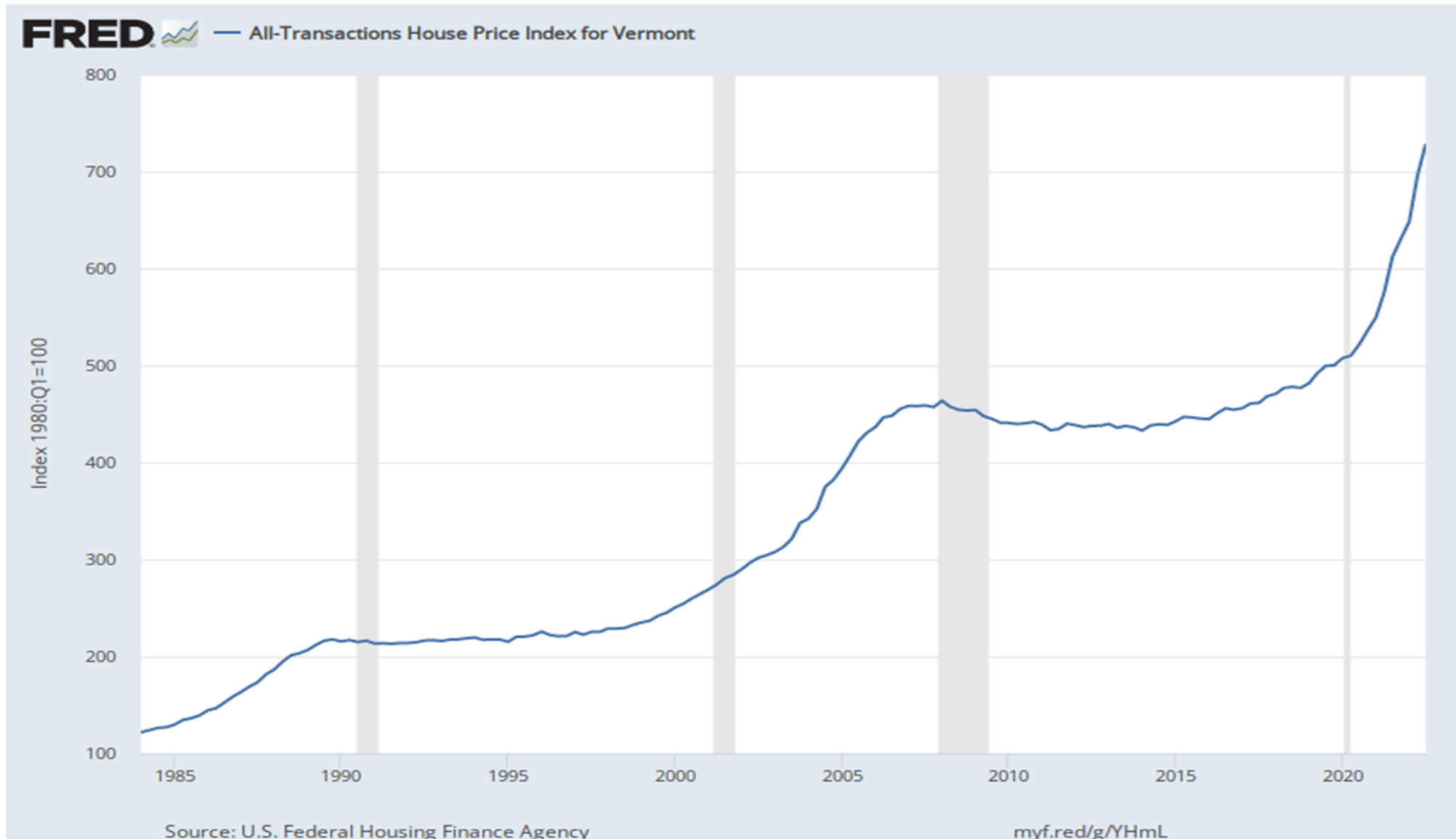
# Housing Inventory: Active Listing Count in Vermont, 2016:July to 2022:Nov

Active single-family and condo/townhome listings



# All Transactions House Price Index for Vermont, 1984:Q1 to 2022:Q3

## Single-Family Home Sales and Refinancing Appraisals

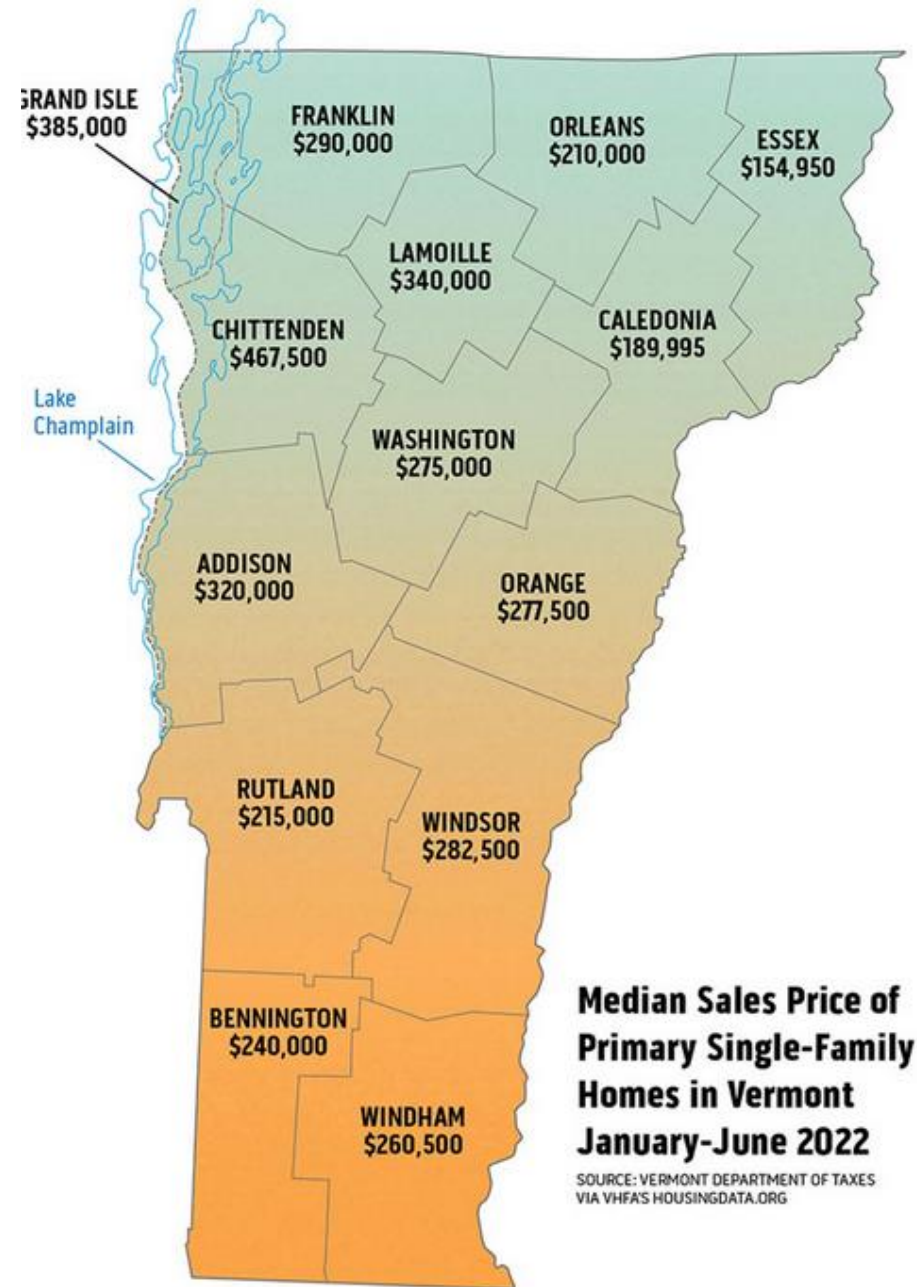




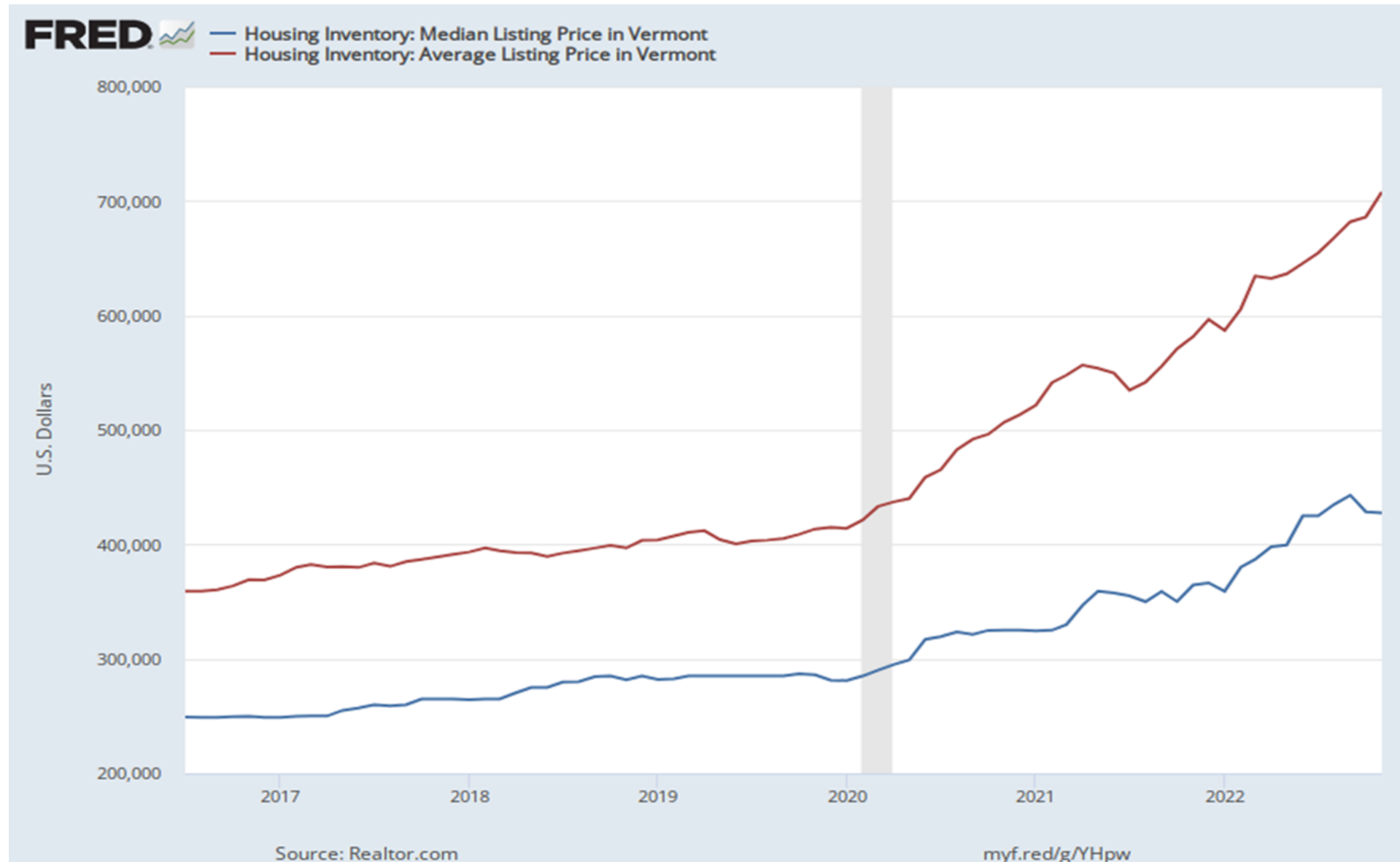
# Regional variation in house prices, Median Sales Price of Primary Single- Family Homes in Vermont; January- June 2022

from the recent Seven Days article,  
“Expensive Housing...,” Dec. 7, 2022

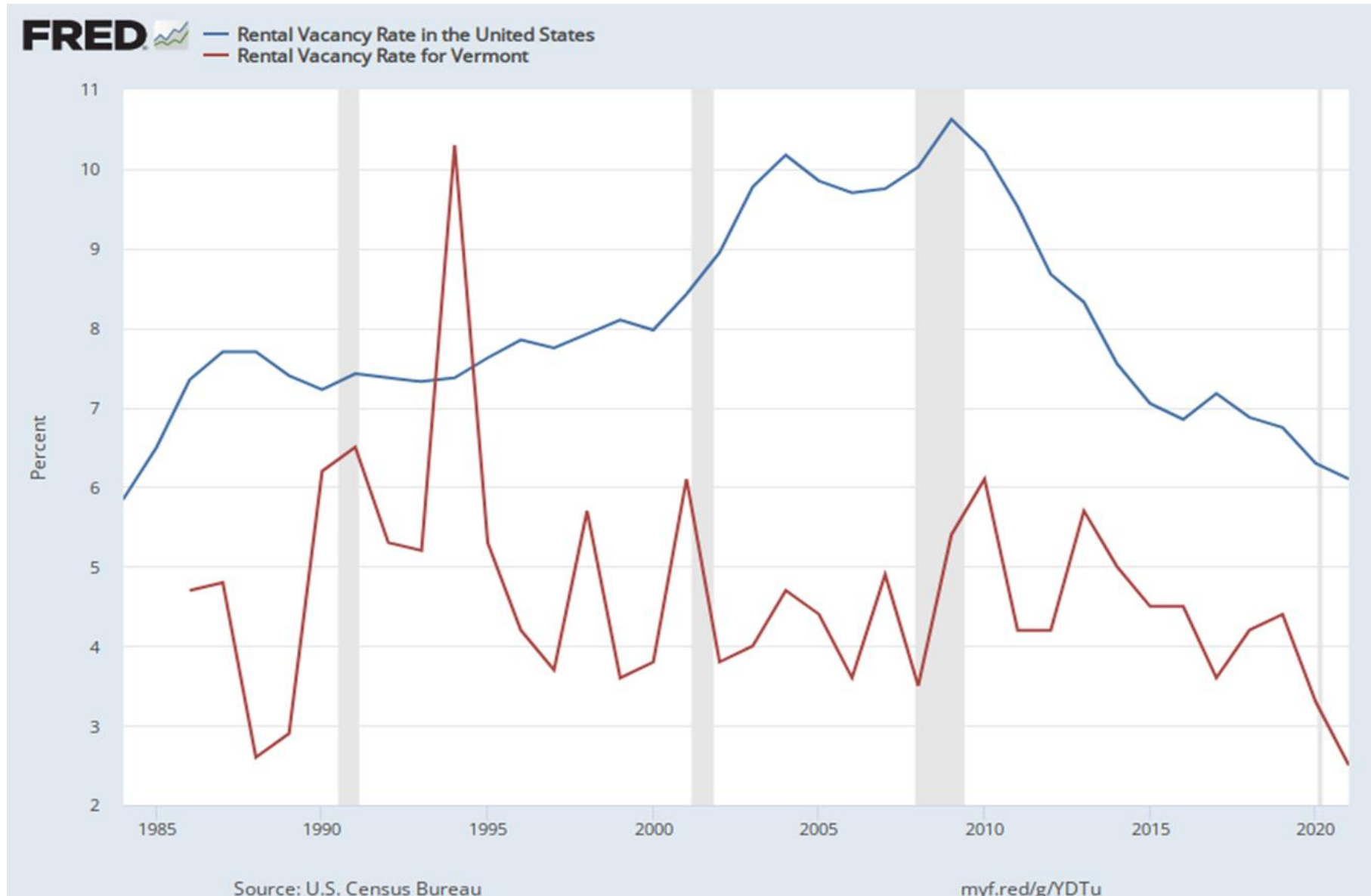
For example,  
Chittenden County: \$467,500  
Washington County: \$275,000  
Essex County: \$154,950



# Housing Inventory: Average and Median Listing Price, Vermont: 2016:July to 2022:Nov



# Rental Vacancy Rate in the United States and Vermont, 1984-2021



# Are investors buying up Vermont's housing?

Based on VT Digger article, Sept. 5, 2022; <https://vtdigger.org/2022/09/05/percentage-of-vermont-homes-bought-by-investors-surged-in-2021/>

- CoreLogic data defines investors as buyers who have owned three or more homes simultaneously over the past 10 years
  - Homes defined as single-family detached homes, townhouses or condominiums
  - Unknown if properties generate income through rentals or for personal use
- In Vermont until 2021, investors had the lowest presence in any state
  - Until 2016, investors were about 2 percent of home buyers
  - In 2017, 3%; then 5% in 2018, 7% in 2019 and 2020
  - Pre-pandemic share nationwide was 15%
- In 2021, investors' share in VT jumped to 17% of the 13,999 homes sold
  - For homes that sold for more than 125% of the median price, the share was 25%
  - Bennington County showed 25% purchased by investors
  - Investors responded to low interest rates and high rents, including short-term rentals
  - Nationwide, the share was 26%
- In the summer of 2022, investors were again 7% of buyers

# Part 4: Considerations



# Some things to think about

- Statewide land use and development (Act 250)
- Local zoning rules
  - Minimum lot sizes, prohibitions on second or third dwellings or accessory dwelling units, setbacks
- Programs to help older people age at home – tax, health care
- Support for low-income and middle-income households
- Incentives for short-term rentals vs. long-term rentals
- Policies to encourage diversity at the local level
- Infrastructure to support more dense housing
- Role of investors in the housing market

Thank you!

