

Vermont's Housing Market and Demographics

House Committee on General and Housing

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Determinants of Housing Supply and Demand



Vermont's Statewide Housing Market – 2024

		Average Annual Growth Rate (2020-2024)
Housing Units	343,640	0.66%
Building Permits	2,654	6.39%
Personal Income Growth from 2023	5.12%	5.30%
Home Sales Price Index Growth from 2023	8.43%	12.66%

		Average (2020-2024)
Home Vacancy Rate	0.50%	0.52%
Rental Vacancy Rate	3.70%	3.30%
30-year Fixed Mortgage Rate	6.72%	4.99%

Note: data sources listed on the final slide.



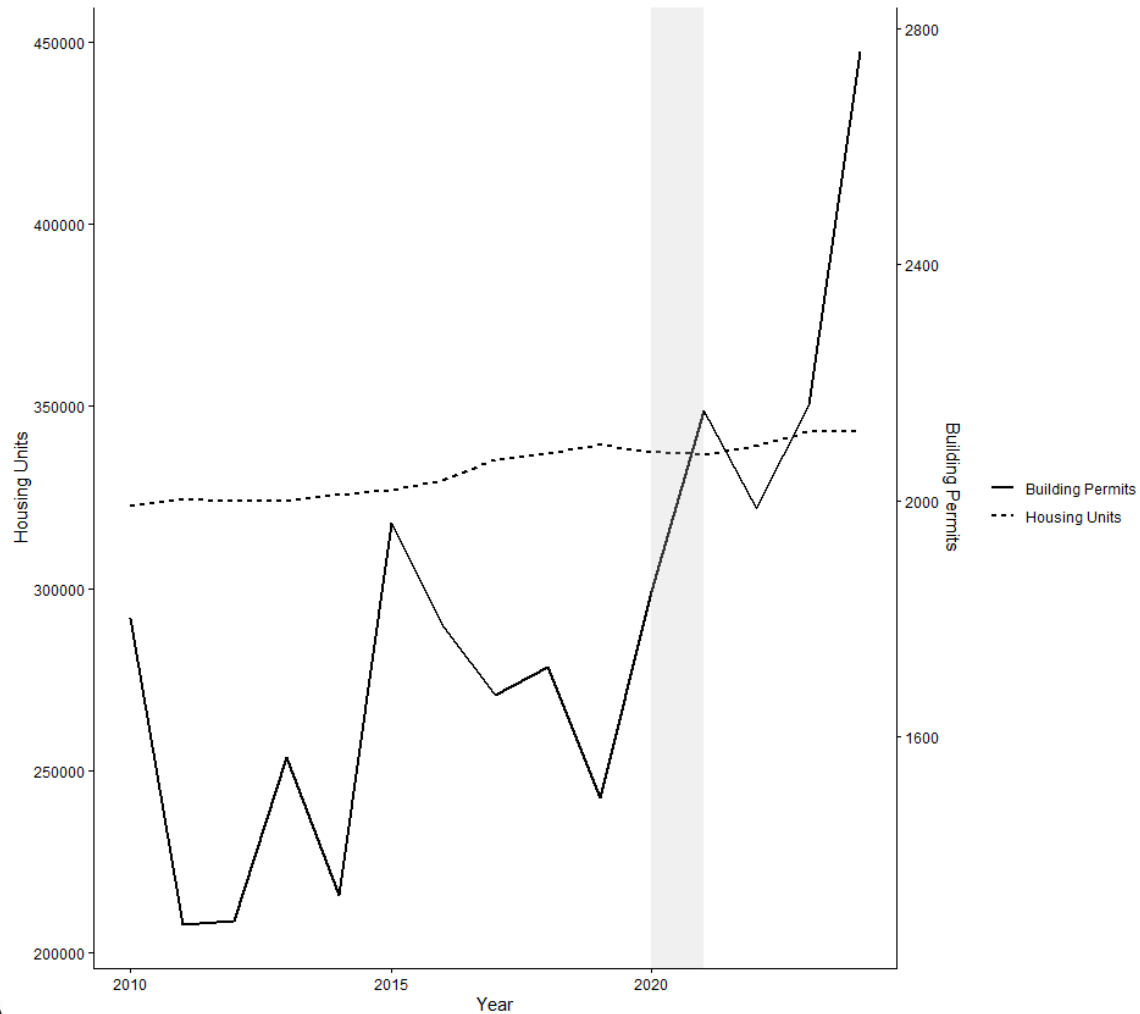
Vermont's Regional Housing Markets

- Vermont includes both urban and rural areas with different market characteristics
 - 2024 Basic Needs Budget provides data for Vermont renters
- Urban renters pay more for housing than rural renters
 - Consistent across household sizes and types

	Per-Month Housing Costs	
	Urban	Rural
Single person	\$1,476	\$1,046
Single person, shared housing	\$968	\$641
Single parent, one child	\$1,936	\$1,282
Single parent, two children	\$1,936	\$1,282
Two adults, two children	\$1,476	\$1,046



Vermont Housing Units and Annual Building Permits (2010-2024)

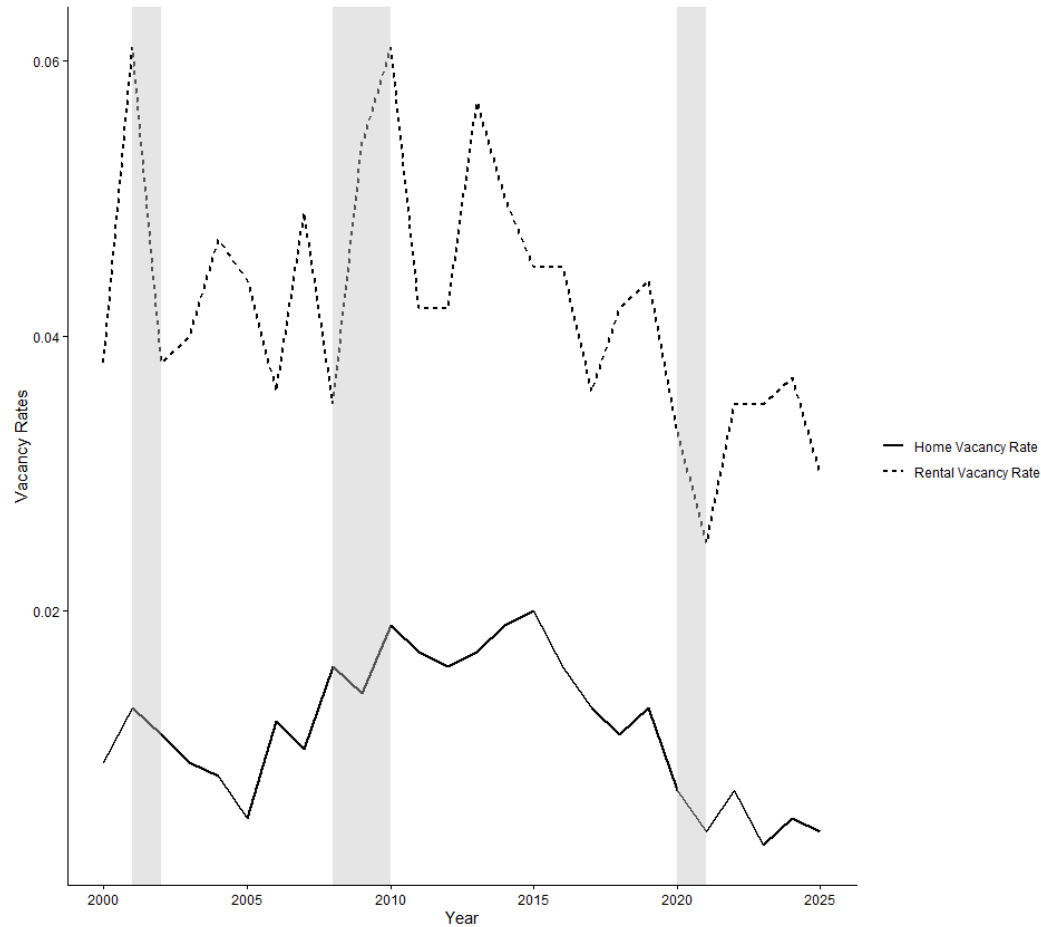


	2010	2024
Housing Units	322,698	343,166
Building Permits	1,801	2,761

- Units increased by 6.34% over this period
- Permits increased by 53.36%



Vermont Home and Rental Vacancy Rates (2000-2025)

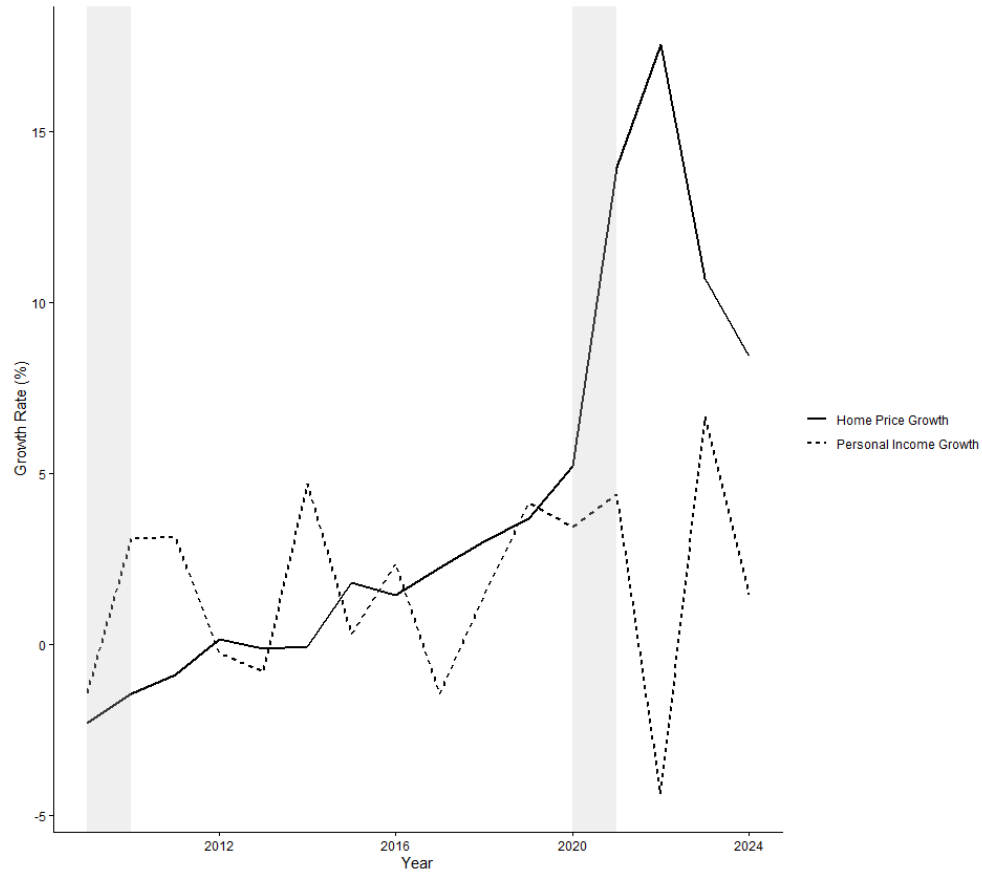


	2000	2025
Home Vacancy Rate	0.90%	0.40%
Rental Vacancy Rate	3.80%	3.00%

- The rental vacancy rate was consistently higher than the home vacancy rate
- Both rates are declining on average



Vermont Home Prices and Per Capita Income Growth (2008-2024)

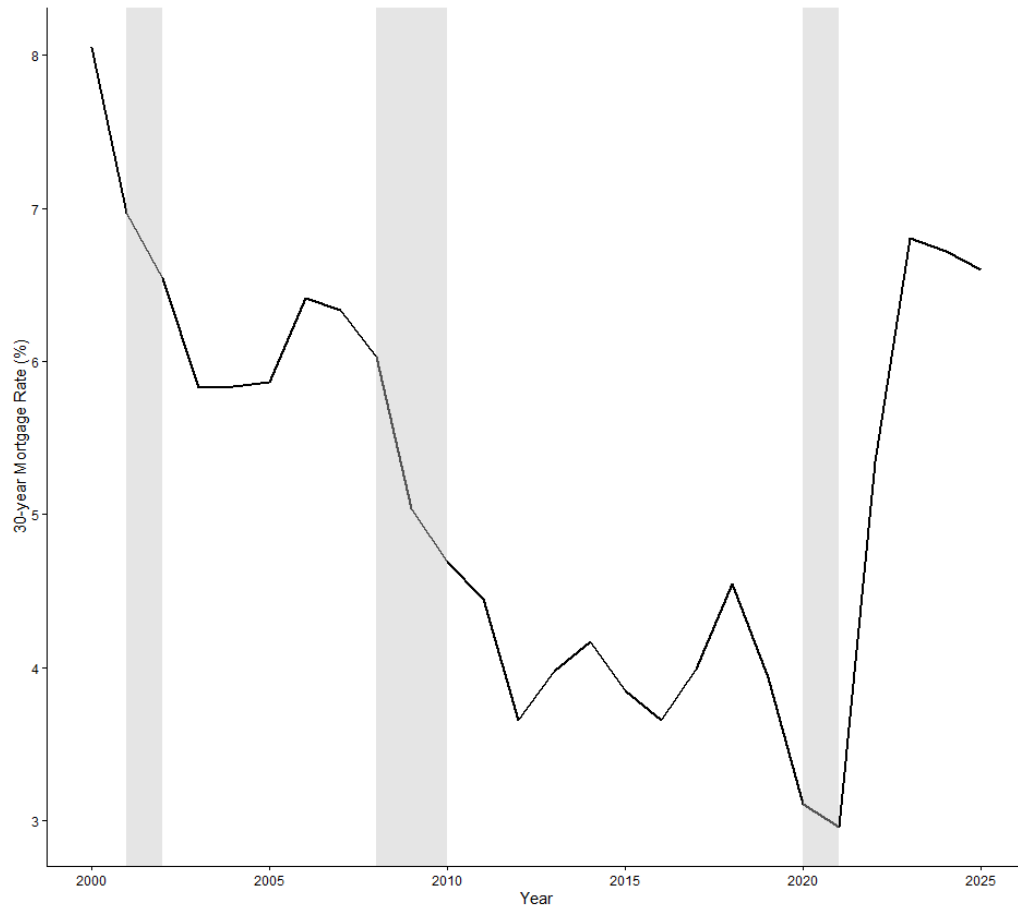


	2008-2024
Home Price Index Growth	8.42%
Personal Income Growth	1.43%

- Home prices increased faster than personal incomes



U.S. 30-year Fixed Rate Mortgage Interest Rates (2000-2025)



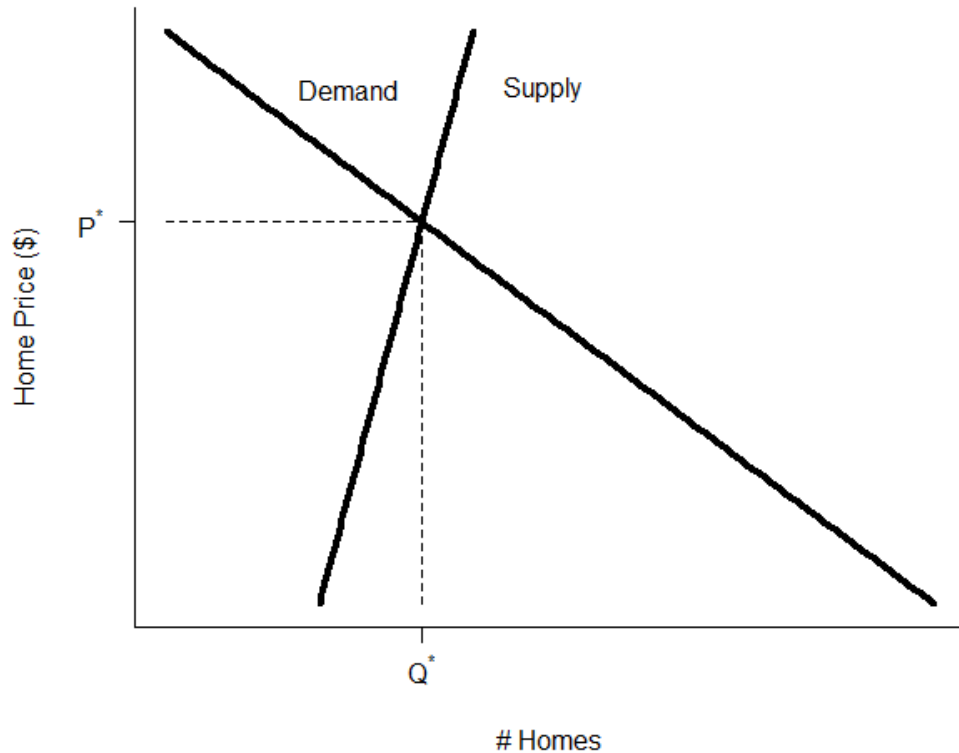
	2000	2025
30-year Fixed Mortgage Rate	8.05%	6.60%

- Influenced by monetary policy from the Federal Reserve
- Fluctuates based on economic conditions



What's In the Price of a Home?

- Price and quantity of homes sold determined in an equilibrium
- Shifts in supply or demand can change prices
- Magnitude of shifts depend on responsiveness to price changes
- More than one “shifter” of supply or demand can affect the market at once



What's In the Price of a Home?

Supply/Demand shocks:

- Events that rapidly shift supply or demand
- Can be temporary or permanent
 - Temporary: COVID-19 pandemic remote work
 - Permanent: reoccurring natural disasters, e.g., floods
- Can be difficult to determine if a shock will be permanent when it happens



Supply and Demand Shifters

Supply Shifters:

- Cost of capital
- Government policy
- Land availability
- Environmental factors
- Construction input costs
 - Labor, materials, equipment

Demand Shifters:

- Mortgage interest rates
- Population demographics
- Income
- Economic growth
- Seasonality
- Consumer preferences and expectations
- Insurance prices

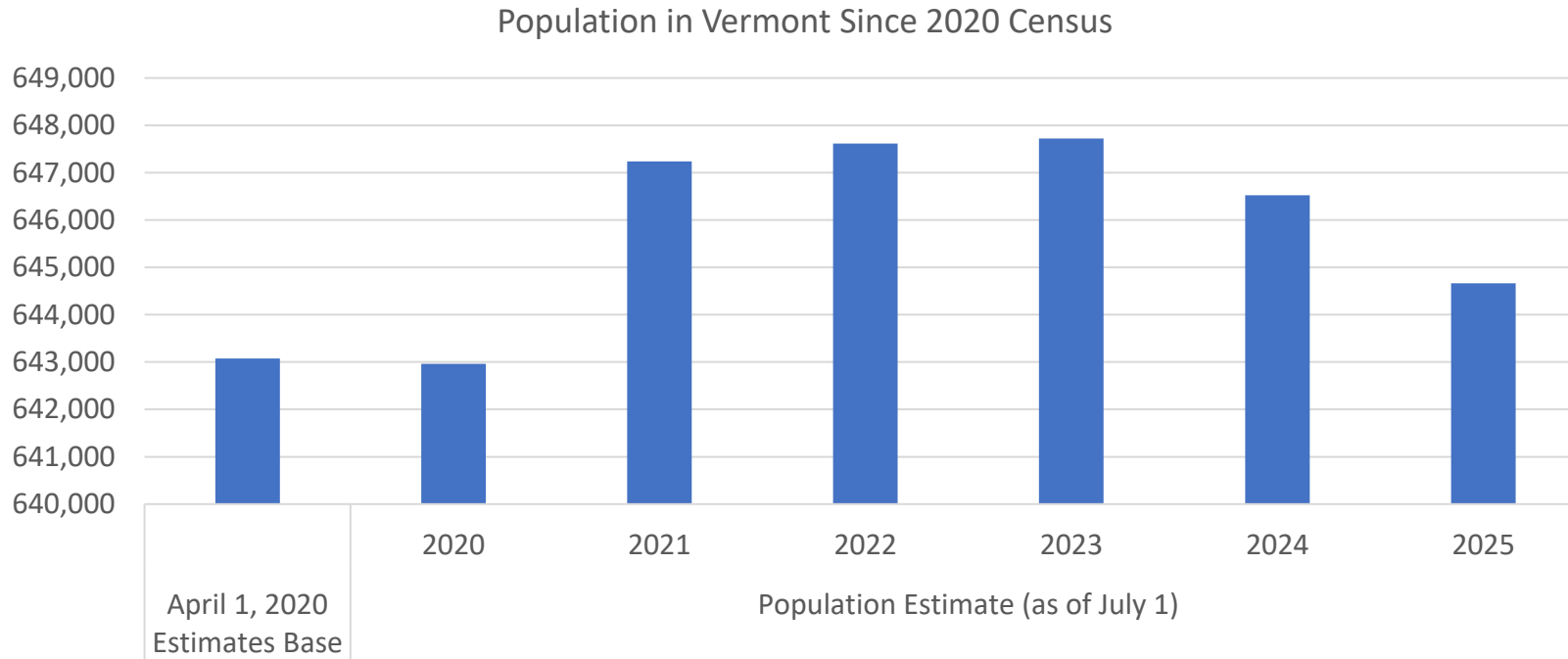


Demographics

[JFO Issue Brief: Vermont's Population Estimates for 2024](#)



Rise and Fall of Vermont's Population



- Vermont's population increased every year from 2020 to 2023, before declining in 2024 and 2025
- Since the 2020 census, Vermont's population has increased by 0.04% per year on average and by 0.2% overall
- What will happen for the rest of the decade?



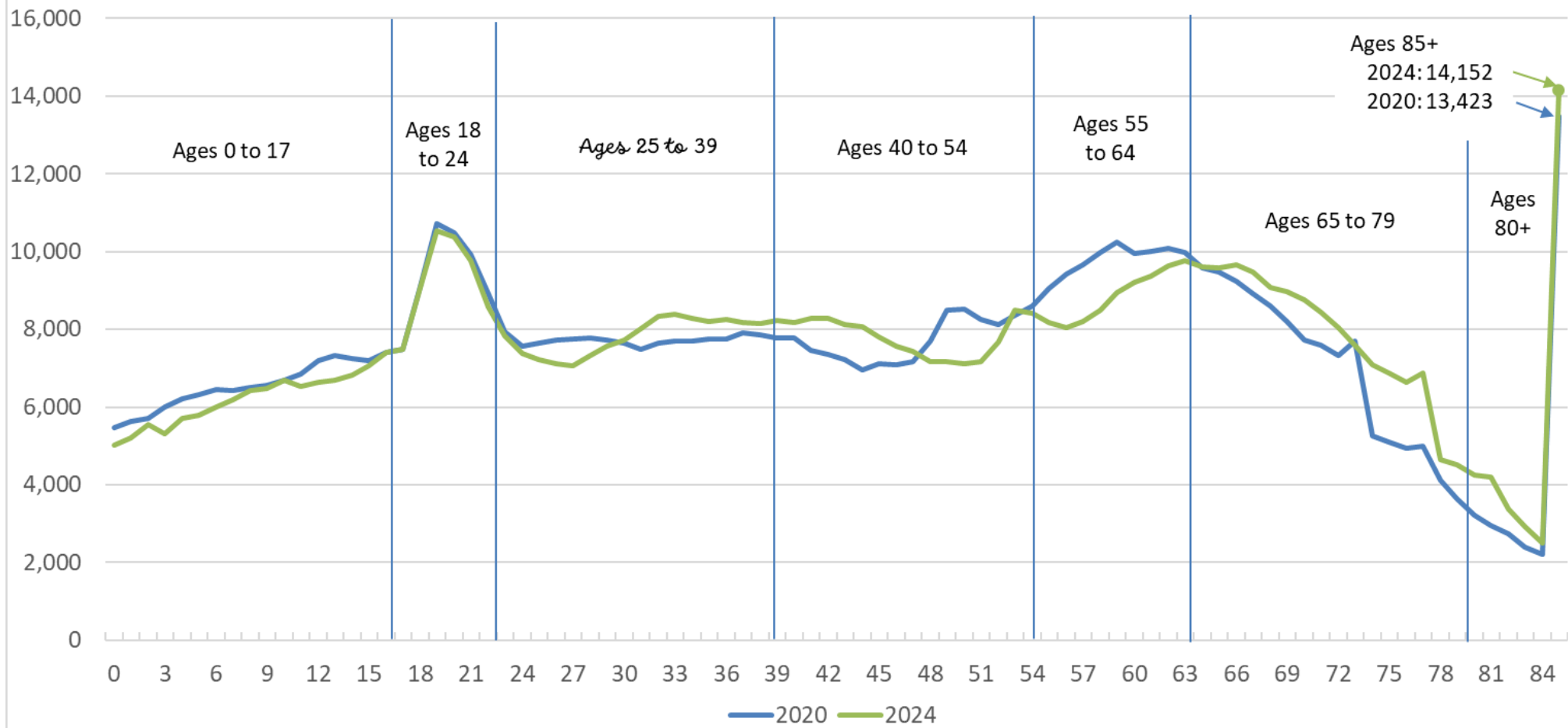
Components of Population Change

Annual and Cumulative Estimates of the Components of Resident Population Change in Vermont							
Geographic Area	Total Population Change*	Vital Events			Net Migration		
		Births	Deaths	Natural Change	International	Domestic	Total
Annual Estimates: July 1, 2024 to July 1, 2025							
Vermont	-1,858	4,979	6,748	-1,769	623	-726	-103
Annual Estimates: April 1, 2020 to July 1, 2025							
Vermont	1,568	26,975	35,644	-8,669	4,894	5,385	10,279
*Includes an unexplained residual							
Source: U.S. Census Bureau, Annual and Cumulative Estimates of the Components of Resident Population Change for the United States, Regions, States, District of Columbia, and Puerto Rico: April 1, 2020 to July 1, 2024 (NST-EST2024-COMP), December 2024							

- Since 2020, net migration has powered Vermont’s population growth
- This trend will need to continue given negative natural change
 - Without domestic or international migration, Vermont’s population would have decreased by nearly 8,700 people
- Net domestic migration was negative between 2024 and 2025 and international net migration was much lower compared to previous years



Vermont Population by Single Year of Age, 2020 and 2024

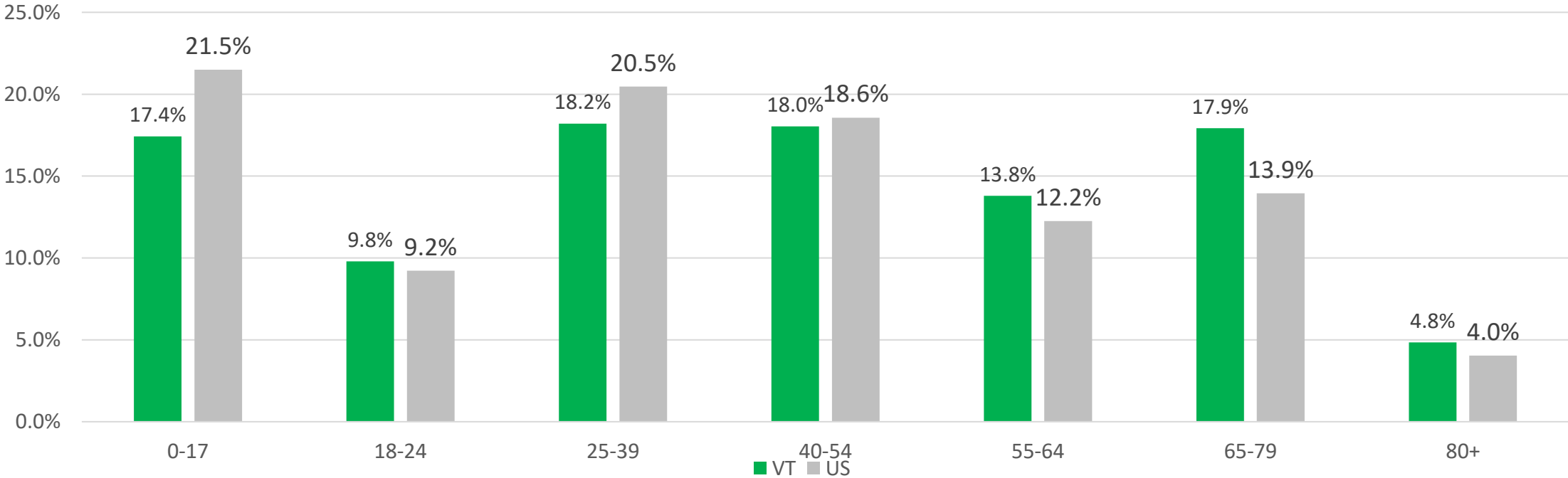


Source: Census Bureau, Annual Estimates of the Resident Population by Single Year of Age and Sex for Vermont: April 1, 2020 to July 1, 2024 (SC-EST2024-SYASEXD-50); <https://www.census.gov/data/tables/time-series/demo/popest/2020s-state-detail.html>



Vermont's Population is Older Than the U.S. Overall

Shares of the Vermont and U.S. Populations by Age Group, 2024



Source: Census Bureau, Annual Estimates of the Resident Population by Single Year of Age and Sex for Vermont: April 1, 2020 to July 1, 2024 (SC-EST-SYASEX-50); <https://www.census.gov/data/tables/time-series/demo/popest/2020s-state-detail.html>



Housing Is Not Just About Population Change

- Household formation also important – even though Vermont’s population *decreased* in 2024 and 2025, the number of households *increased*
 - Note that the margin of error for annual household estimates are approximately +/- 1%
- Vermont’s housing stock is old and we are constantly losing units to decay
- Where are homes being built? Are houses located where people want to live?



Resources

- Building Permits: <https://fred.stlouisfed.org/series/VTBPPRIVSA>
- Housing Units: <https://data.census.gov/table/ACSDT1Y2024.B25001?q=+vermont+housing+units+>
- Home Vacancy Rate: <https://fred.stlouisfed.org/series/VTHVAC>
- Personal Income: <https://fred.stlouisfed.org/series/VTPCPI>
- Rental Vacancy Rate: <https://fred.stlouisfed.org/series/VTRVAC>
- Vermont House Price Index: <https://fred.stlouisfed.org/series/VTSTHPI>
- 30-year mortgage rates: <https://fred.stlouisfed.org/series/MORTGAGE30US>
- 2024 Vermont Basic Needs Budget: https://ljfo.vermont.gov/assets/Publications/Basic-Needs-Budget/GENERAL-379098-v2-2025_Basic_Needs_Budget_Report.pdf

