



New Hampshire Housing

Housing and New Hampshire's Economy

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The Housing Environment

- Significant economic and demographic shifts
 - The state is growing much more slowly than in the past
- Younger residents - improving job prospects but...
 - high levels of student debt,
 - delaying household formation, and
 - unsure of the benefits of homeownership vs. mobility.
- Seniors will occupy a growing proportion of the State's housing
 - Not the largest, but the fastest growing, and they want to age-in-place as long as possible, but...
 - Service needs

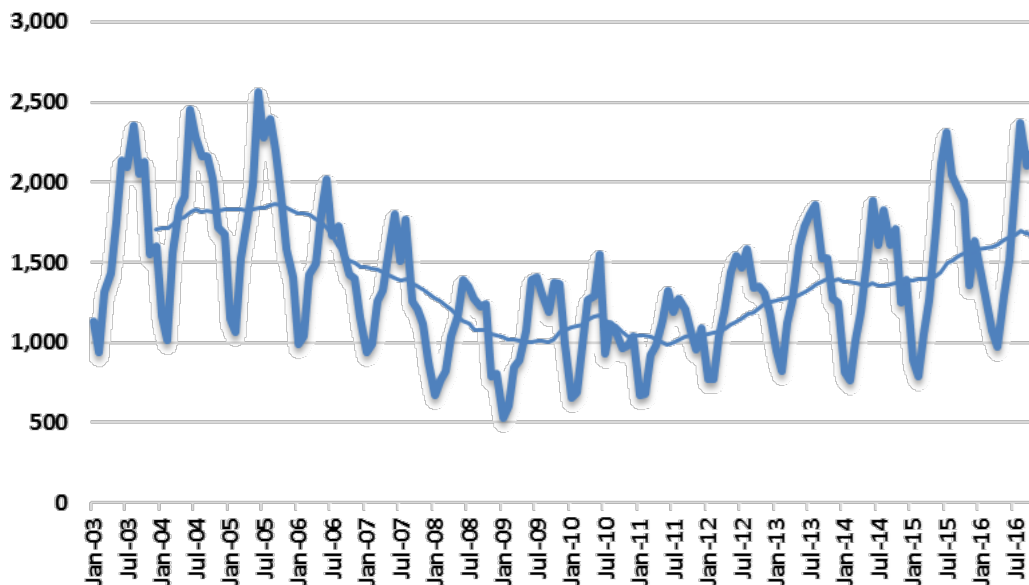


The Housing Environment

- Current housing supply is poorly aligned with preferences of both older and younger age groups
 - Mismatch between smaller household sizes and larger homes, not near urban amenities and services
 - Lack of rental units
 - Retrospective land use regulations, are not geared towards evolving market needs.
- Regional differences are more evident
 - North vs. South

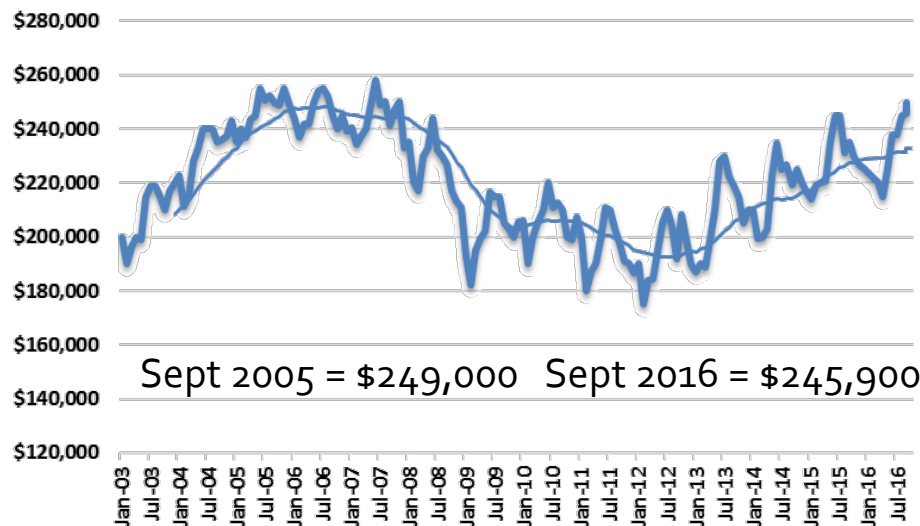


MLS Closed Sales In New Hampshire



Median Prices have reached the peak from the early 2000's

New Hampshire MLS Median Sale Price

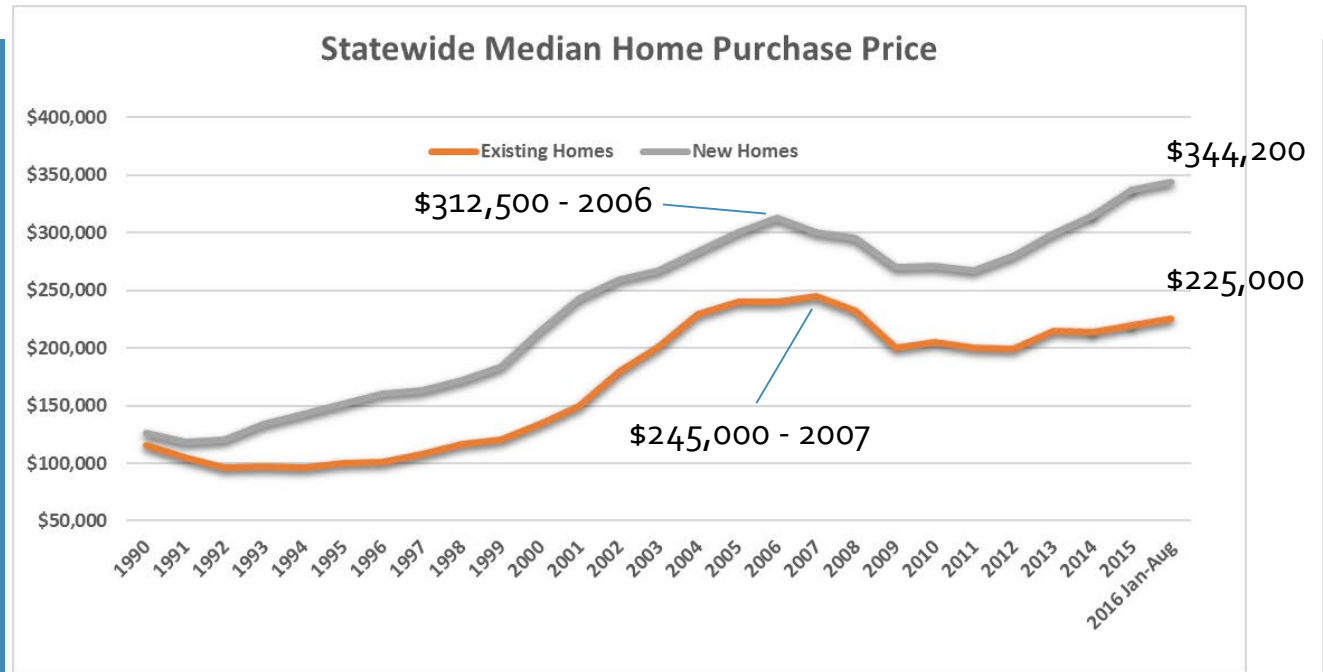


The statistics used in this analysis are based on information from NNEREN for the period January 2003 through August 2016 for all towns in the State of New Hampshire. All analysis and commentary related to the statistics is that of NHHFA and not that of NNEREN. This analysis excludes land, interval ownership, seasonal camps/cottages, multi-family property, mobile/manufactured homes and commercial/industrial property.



New vs. Existing Homes

A lack of new single family construction



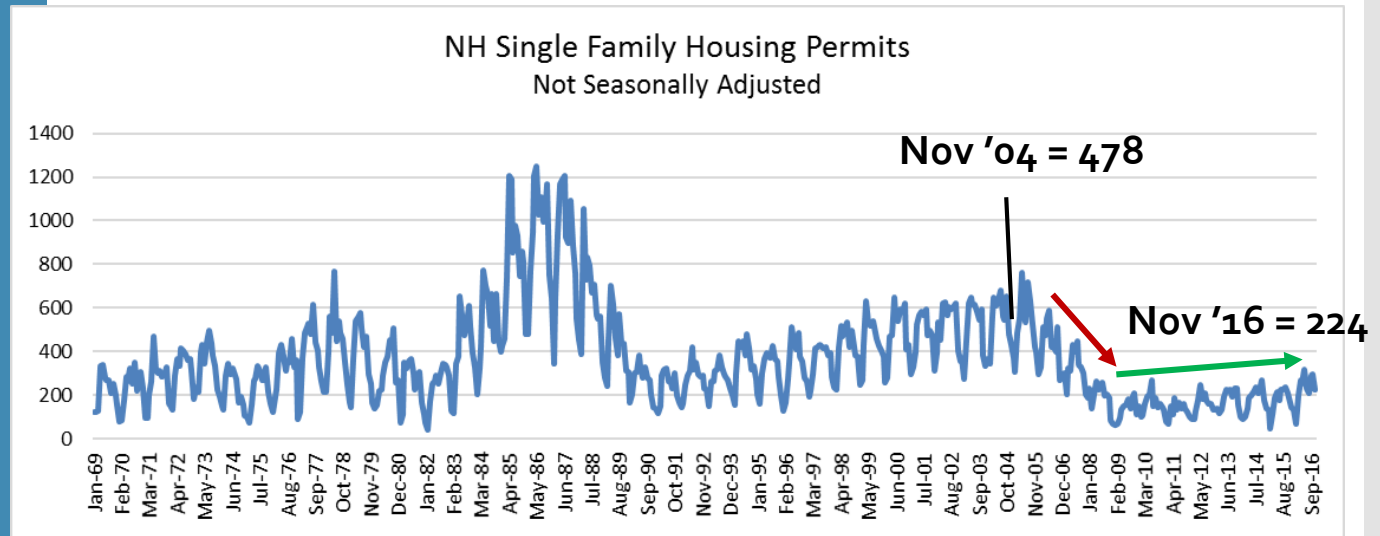
Source: 1990-2014 - NH Dept. of Revenue, PA-34 Dataset, Compiled by Real Data Corp. Filtered and analyzed by New Hampshire Housing. 2015-16 - The Warren Group. Filtered and analyzed by New Hampshire Housing.

- The gap between new and existing has grown. New is now 53% higher than existing, but...
- New home sales are only 2.5% of the market.
- New Home sales in the Northeast are down 25.8% from last year*.

*Source: Mortgage News Daily.

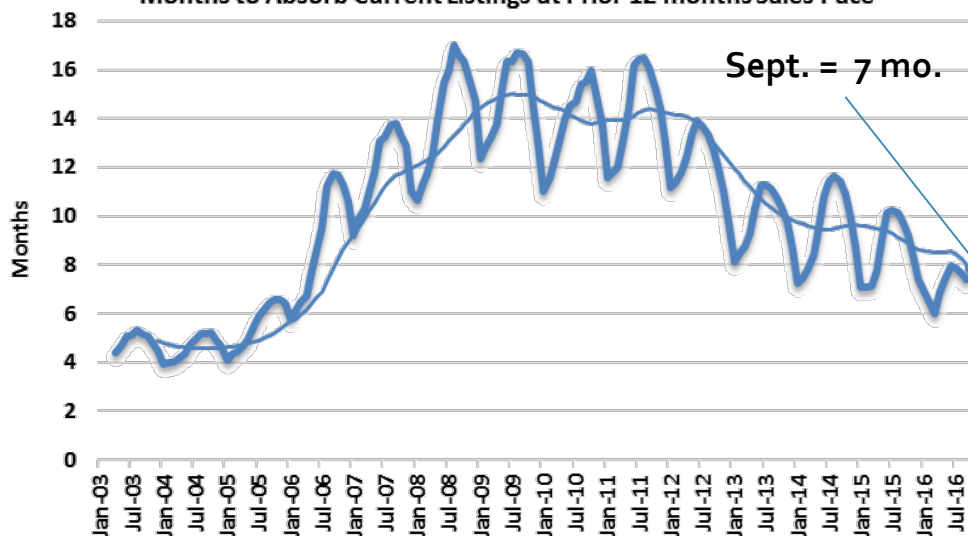


Single family building permits show improvement but remain low.



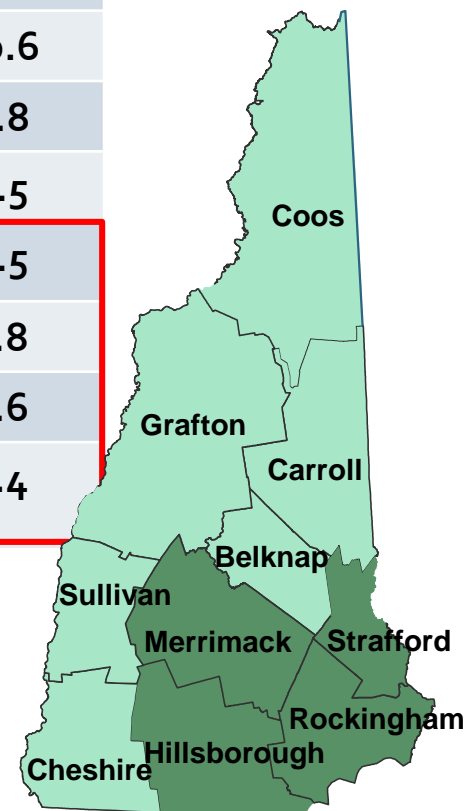
MLS Housing Inventory

Months to Absorb Current Listings at Prior 12 months Sales Pace



An inventory shortage in Southern markets, especially below \$300,000

County	Inventory (Months)
Coos	17.2
Sullivan	12.4
Grafton	11.2
Carroll	10.6
Belknap	9.8
Cheshire	8.5
Merrimack	6.5
Strafford	5.8
Rockingham	5.6
Hillsborough	5.4

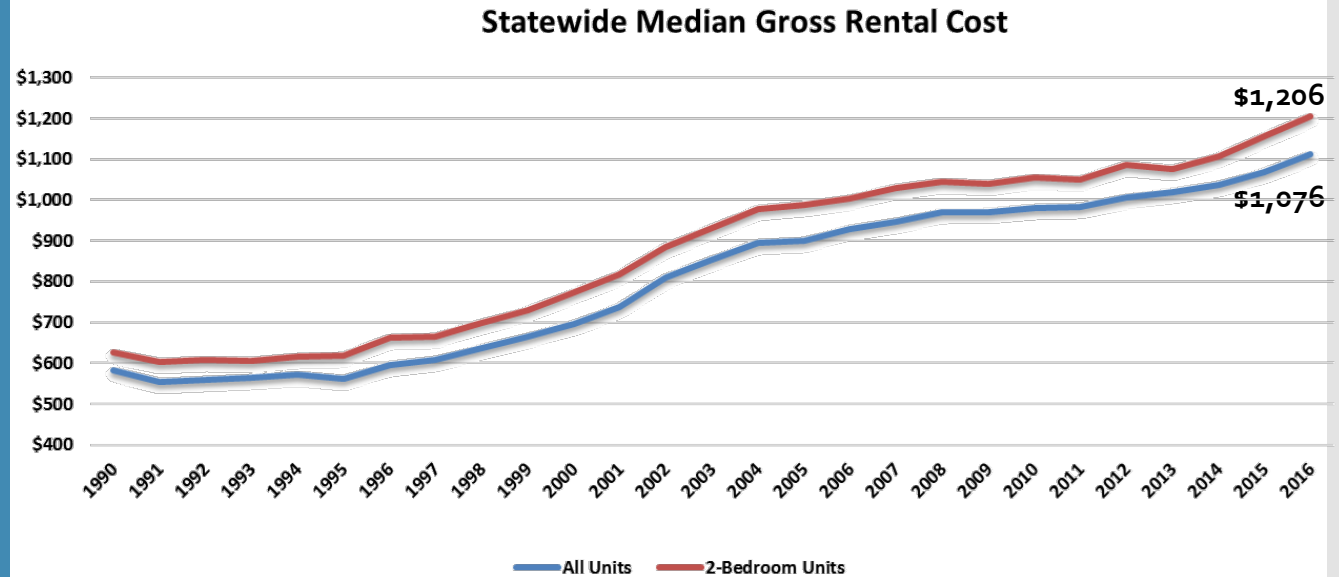


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Rental costs
continue to
climb

12% in the
last three
years



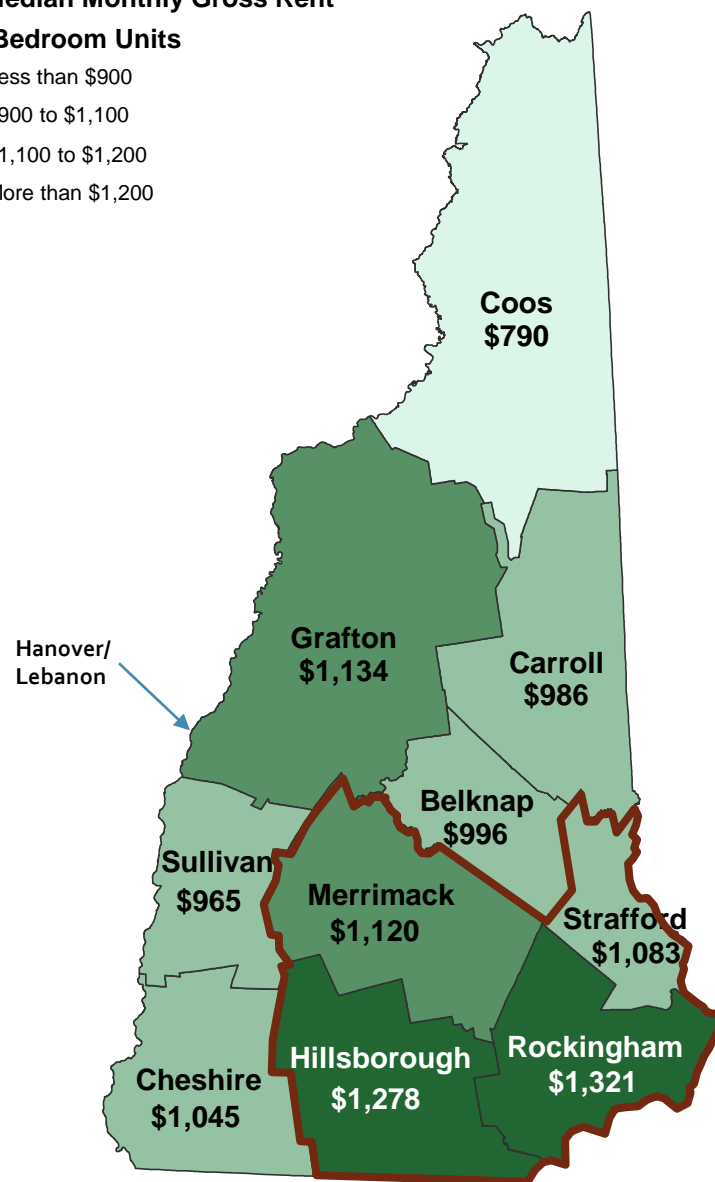
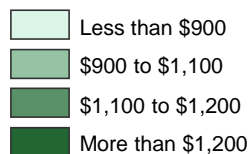
Results of New Hampshire Housing's 2016 Residential Rental Cost Survey are consistent with those found on a national level.



Monthly Median Gross Rental Cost

2016 Median Monthly Gross Rent

For 2-Bedroom Units



Highest Rents are closest to the Boston labor market

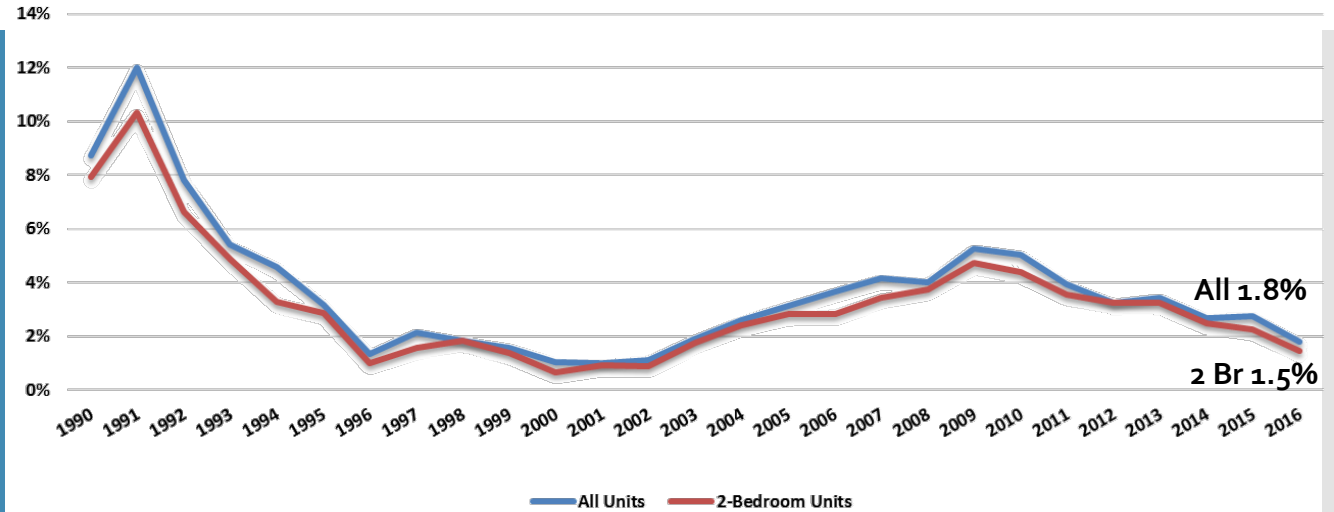
77% of all rental units are located in Hillsborough, Rockingham, Merrimack and Strafford Counties

For 2016, no rental cost increases in most rural counties (except Grafton – Hanover/Lebanon)

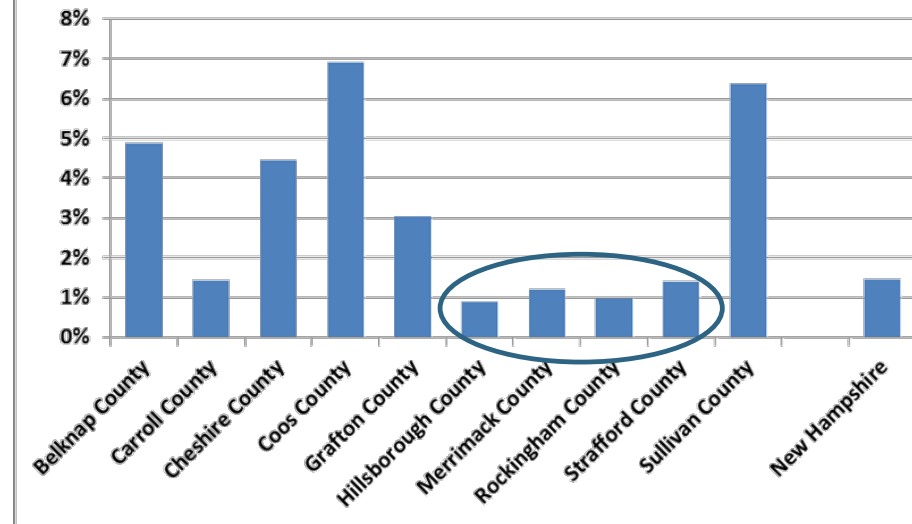


Vacancy is
the lowest
since 2002

Statewide Vacancy Rate of Rental Housing

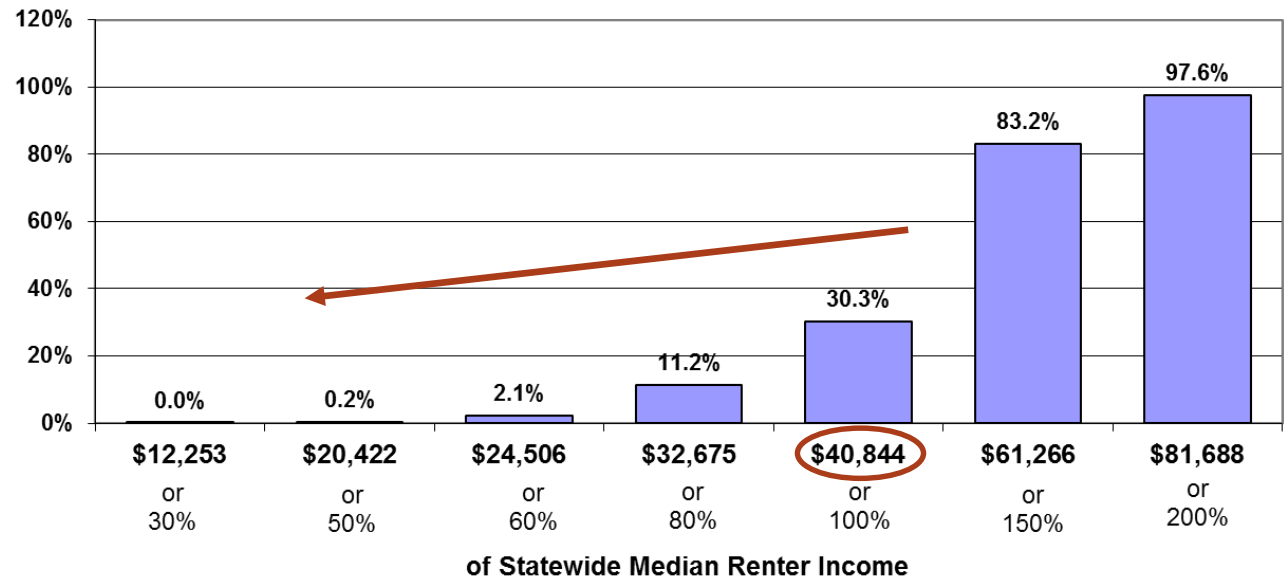


2016 Vacancy Rate By County
for 2-Bedroom Units



Affordability

**Percent of Units in 2016 Rental Cost Survey
Affordable at Selected Household Income Thresholds**



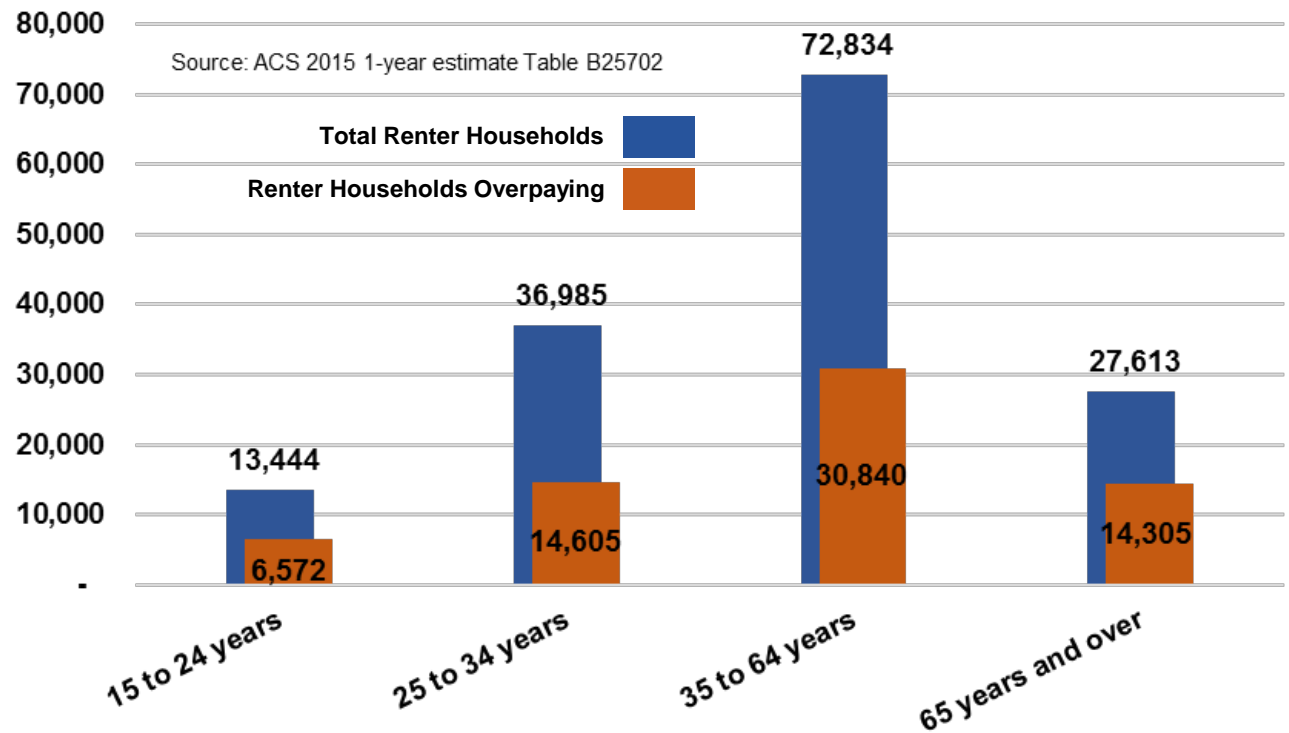
Half of all households in rental units earn less than \$40,800 per year and the percentage of market rate units that are affordable to them is low.



44% of the state's renter households are overpaying

That's 66,300 of New Hampshire's 150,900 renter households

Renter Households By Age Group and Those Paying 30% or More of Household Income for Housing



Overpayment affects all age categories.



Critical Affordable Housing Needs

- Recognition that **housing is a component of economic infrastructure**
 - Will the shortage of affordable housing constrain the State's economic growth (<3% unemployment rate, very low rental vacancy rate and decreasing purchase inventory)?
- Support for "Housing Friendly" local regulatory policies
 - Good design that is fiscally responsible – Smart Growth
 - Encourage/incent housing with a range of prices – Housing Choice
 - Continue education and a reduction in personal, community and official resistance to housing development
- Increased rental housing construction
- More new single family "Starter" homes
- Housing for Special Needs Populations
 - Recovery housing
 - Substance Use Disorder
 - Chronically homeless
 - Housing First
 - Seniors with service needs
 - Veterans with service needs

