2023 NEW HAMPSHIRE STATEWIDE HOUSING NEEDS ASSESSMENT

MARCH 2023

PREPARED BY
ROOT POLICY RESEARCH
FOR NEW HAMPSHIRE HOUSING

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NH Housing is a self-supporting public corporation whose mission is to promote, finance, and support housing solutions for the people of the New Hampshire.

P.O. Box 5087
Manchester, NH 03108
603-472-8623
info@nhhfa.org
NHHousing.org

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EXECUTIVE SUMMARY

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INTRODUCTION

For the past three decades, economists have noted that New Hampshire has a housing mismatch in what is needed and desired — and what is available. This is evidenced by the ongoing stresses on the state's rental and for-sale housing market due to insufficient supply. The pandemic also placed additional pressure on the housing market. Communities, businesses, and policymakers widely acknowledge that the state's economic well-being is inextricably linked to attracting and retaining a workforce and having a sufficient supply of housing for the workforce and all of the state's people.

As part of its statutory responsibilities, New Hampshire Housing regularly conducts an assessment of the state's housing market and housing needs. This 2023 assessment is intended to guide decisions affecting housing production and choice by providing regional and statewide data on supply and production, affordability challenges, housing needs, and projected housing demand.

The ***2023 New Hampshire Statewide Housing Needs Assessment***, which was conducted by Root Policy Research on behalf of New Hampshire Housing, found that the state needs 60,000 more housing units between 2020 and 2030, and nearly 90,000 units between 2020 and 2040. The report offers suggestions for addressing the problems that have led to the housing shortage as quantified in the report, and ways to add different types of housing to meet the needs of New Hampshire's people, regardless of their income or age or where they live in the state.

This Executive Summary presents the primary findings from the *2023 New Hampshire Statewide Housing Needs Assessment*. In addition to the rigorous data analysis detailed in Sections I - IV of the assessment, virtual focus groups were conducted with 30 stakeholders from across New Hampshire's housing sectors and industries (Section V). ***Please see the full report for details on these findings.***

KEY FINDINGS

HOW MUCH HOUSING DOES NH NEED?

Based on estimated population growth, almost 60,000 units are needed between 2020 and 2030; nearly 90,000 units are needed between 2020 and 2040.

This includes the state's current housing shortage of over 23,500 units needed to stabilize the housing supply.

HOMEOWNERSHIP CHALLENGES

From 2019 to 2022, the median home price in NH rose by 50%. As a result, middle to high income renter households are less likely to become homeowners.

RENTAL CHALLENGES

The state's extremely low vacancy rate favors higher-income renters, as demand pushes rents beyond affordability levels for others, especially lower-income renters.

HOUSING AFFORDABILITY

Rent and home price increases outpaced wage growth. Between 2000 and 2020, New Hampshire's home sales prices rose 111% and rents increased 94%, while household median income increased only 73%.

DEMOGRAPHICS

Population growth will continue to slow through 2040, and NH's population will become older, with fewer children per household. The desire to "age in place" will continue to limit the supply of homes available to purchase.

HOW MANY HOUSING UNITS DOES NH NEED IN THE NEXT TWO DECADES?

The breakdown shown in the illustration on this page provides an estimate of housing needed based on population growth and to stabilize the market:

- **Almost 60,000 units between 2020 and 2030**
- **Nearly 90,000 units between 2020 and 2040**

This includes the state's current housing shortage of over 23,500 units needed to stabilize the housing supply.

These totals do not account for the demand for seasonal residences and second homes. To plan for this demand, the state would need an additional 13,800 to 23,300 units by 2040.

ESTIMATED NUMBER OF HOUSING UNITS NEEDED

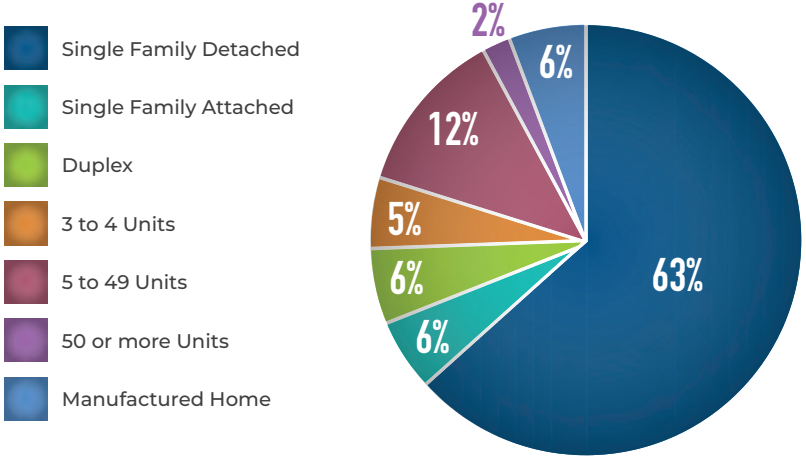
Based on Population Growth

2020–2030	BY HOUSEHOLD TYPE	
	OWNER HOUSEHOLDS ADDED	RENTER HOUSEHOLDS ADDED
TOTAL HOUSEHOLDS ADDED: 52,501	37,380	15,121
TOTAL UNITS NEEDED: 59,934	UNITS NEEDED: 40,319	UNITS NEEDED: 19,615

2020–2040	BY HOUSEHOLD TYPE	
	OWNER HOUSEHOLDS ADDED	RENTER HOUSEHOLDS ADDED
TOTAL HOUSEHOLDS ADDED: 74,437	52,998	21,440
TOTAL UNITS NEEDED: 88,395	UNITS NEEDED: 58,432	UNITS NEEDED: 29,963

Note: Assumes the statewide ownership rate of 71%, a rental vacancy rate of 5%, and an owner vacancy rate of 2%.
Source: RLS Demographics, 2020 5-year ACS estimates, NH Housing Residential Rental Cost Survey, and Root Policy Research.

HOUSING UNITS IN NH, BY STRUCTURE (2020)



Source: ACS 5-year estimates, and Root Policy Research

DEMOGRAPHIC TRENDS

Between 2010 and 2020, New Hampshire's housing market was affected by several major demographic changes.

Household incomes rose by 25% partly due to an influx of high income households, and a decline in households with incomes of $50,000 and less. This has occurred in all of New Hampshire's counties and competition with higher-wage households has made it more difficult for existing lower-income households to afford a place to live.

The number of working-age households — ages 25 to 64 — declined. This occurred while the number of jobs increased, making it more challenging for employers to find workers.

Working-age households are now increasingly likely to rent rather than own, a trend that is related to the rising costs of homeownership, which in turn is caused partly by insufficient supply.

Fewer households are made up of families with children, continuing the decline in numbers of schoolchildren in the state.

HOUSING MARKET TRENDS

There was almost no change from 2010 to 2020 in the types of housing units in the state. Lower-density housing types with 4 or fewer units in a single structure still account for 80% of the state's housing units.

An increasing share of housing units are reserved for seasonal and vacation use, and fewer are available to rent or buy. Between 2010 and 2020, units vacant for seasonal and recreational use increased by 8,400 units. Meanwhile, the number of units vacant to rent or to buy dropped by more than 2,000.

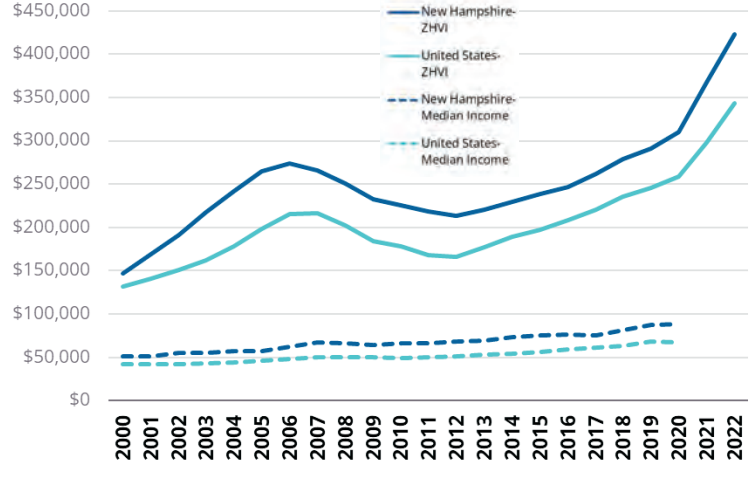
New Hampshire's housing market is costlier than that of the U.S. overall — and the difference has widened since 2000. Also, income growth has failed to keep pace with housing cost increases in both New Hampshire and the U.S.

NEW HAMPSHIRE DEMOGRAPHIC SHIFTS OWNER AND RENTER HOUSEHOLDS (2010-2020)

	OWNERS	RENTERS
Income <$50k	↓ 25,000	↓ 9,000
Income >$75k	↑ 50,000	↑ 19,000
Age 25-64	↓ 27,000	↑ 10,000
Families with children	↓ 20,000	↓ 1,000
Households without children	↑ 31,000	↑ 15,500

Source: 2010 & 2020 American Community Survey 5-year estimates, and Root Policy Research

ZILLOW HOME VALUE INDEX & MEDIAN INCOME, NEW HAMPSHIRE AND U.S. (JAN. 2000 – JULY 2022)



Note: Data for 2022 represent January - July. Nominal dollars (not adjusted for inflation). Income data are only available through 2020.
Source: Zillow, U.S. Census median household income, retrieved from FRED, & Root Policy Research.

RENTAL CHALLENGES

New Hampshire Housing's *2022 Residential Rental Cost Survey* reported an overall rental vacancy rate of 0.5% — far too low to support a functional market. This means that if 10% of the state's lower-income renters wanted to move—about 7,400 renters—they would have about 350 units from which to choose without overpaying. **These renters would have about a 5% chance of finding an affordable, vacant unit.**

Prices for the state's rental units are concentrated between $1,000 and $2,000 per month, much higher than what lower-income renters can afford. As shown by the illustration on this page, many of these units are also occupied by higher-income renters who "rent down" because higher-end rental units and homes to buy are in short supply. These households may be more competitive in the very tight rental market, further limiting lower-income renters' options.

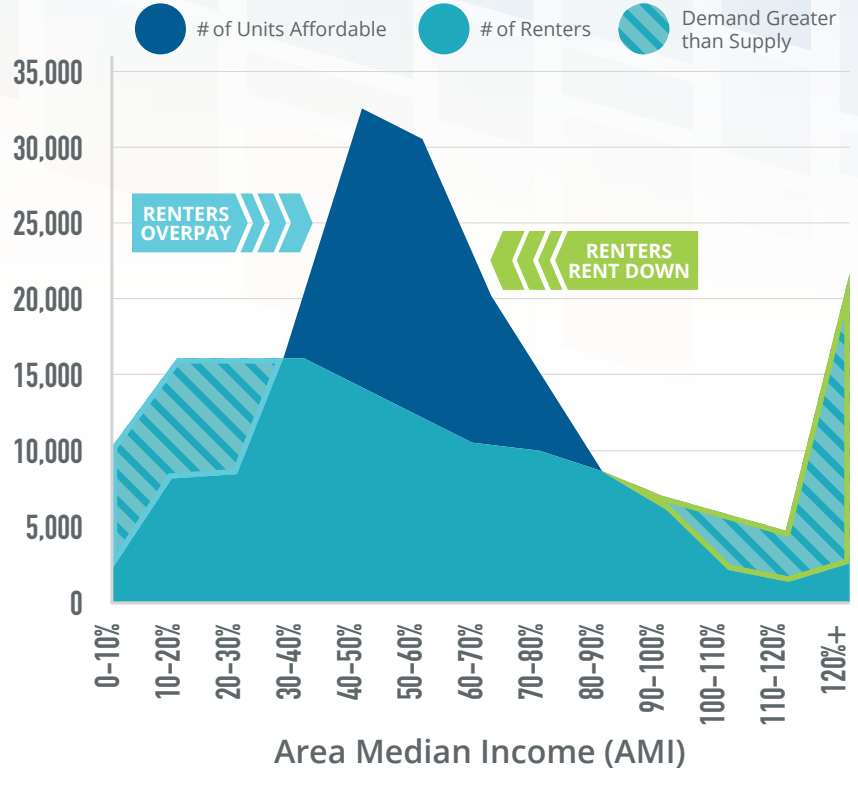
A comparison between what renters can afford and what they are paying in rent shows a mismatch of 23,000 affordable rental units. That is, **there are 23,000 renters in the state paying a higher rent than what is affordable for their income level.**

Most housing that is affordable for its occupants is subject to changes—sometimes rapid—in market conditions, particularly rental housing. A small proportion of the state's rental housing has a contract with or is managed by an entity that ensures its affordability. Among rental housing with U.S. Department of Housing and Urban Development funding, the average tenant income is under $18,000. Public resources have historically been inadequate to meet needs.

Rental assistance, such as Housing Choice Vouchers, helps address the affordability gap and constitutes a large share of housing assistance programs in the state. **Vouchers are less effective, however, in tight rental markets, when property owners can raise rents above subsidy levels, or simply choose not to rent to voucher holders.** Unlike all of the other New England states, New Hampshire does not have a law prohibiting discrimination based on source of income.

More than 4,400 people in New Hampshire experienced homelessness in FY2021, according to state data. Black and Hispanic residents are overrepresented in this population; they have less income on average, and therefore are more susceptible to housing instability.

NUMBER OF RENTERS VS. NUMBER OF UNITS AFFORDABLE PER AMI LEVEL (2020)



Note: Area Median Income (AMI) or Median Family Income (MFI) is the median income for households and varies depending on household size and geographic area. This statistical measure—literally the income of the household in the exact middle of all households when distributed from lowest to highest—is a better measure than the average, which can be skewed by very low or very high incomes. The U.S. Department of Housing and Urban Development (HUD) establishes the AMI each year.

Source: Root Policy Research

HOMEOWNERSHIP CHALLENGES

The increasingly unaffordable home purchase market keeps households renting longer and exacerbates price pressures in the rental market.

The state's for-sale inventory started to decline in 2008 and has rapidly decreased since 2019. During the peak homebuying season in 2019, around 9,000 homes were listed for sale each month, compared to about 4,500 monthly during the 2022 peak season.

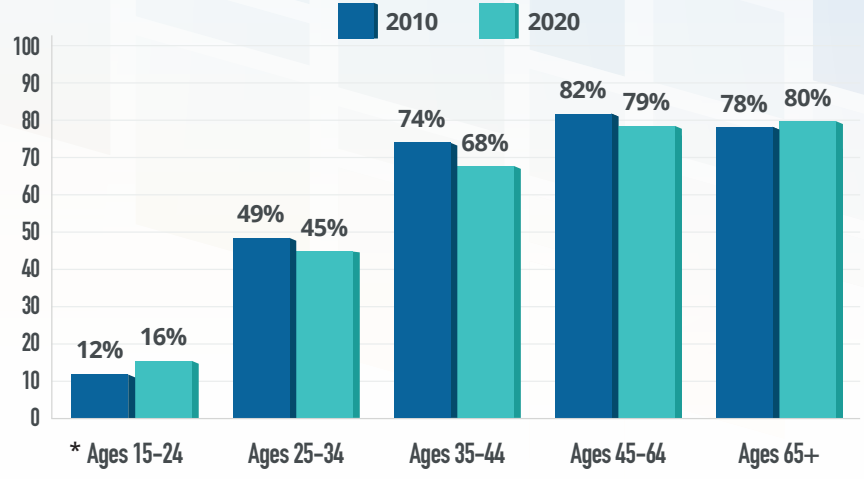
Between 2019 and 2022, the share of homes that sold for less than $350,000 dropped from 67% to 31%, while the share of homes sold for over $600,000 increased from 7% to 24%.

The statewide median price of a home sold in the first three quarters of 2022 was $430,000, up from $285,975 in 2019. **In just three years, the median price rose by 50%.**

Homeownership dropped among working-age adults, particularly for those aged 25 to 44 years, and across income ranges, with the biggest decline for households with incomes of $75,000 to $100,000, falling from 84% to 75%. The state's homeownership rate overall decreased from 73% to 71% between 2010 and 2020. **Middle to higher-income households are less likely to become homeowners.**

If 10% of the state's renters with incomes of 61 to 100% AMI were looking to buy—about 3,700 renters—they would have about 550 units from which to choose without overpaying. **They would have about a 15% chance of finding an affordable home to purchase.**

HOMEOWNERSHIP BY AGE, IN NEW HAMPSHIRE (2010 AND 2020)



Source: 2010 ACS 5-year estimates, 2020 ACS 5-year estimates, and Root Policy Research.
* Ages 15-24 have a small sample size and a large margin of error.

HOME SALES PRICE BY COUNTY JANUARY 2019 – SEPTEMBER 2022

	2019	2022	CHANGE	%CHANGE
New Hampshire	$285,975	$430,000	$144,025	50%
Belknap	$425,000	$425,000	$167,000	65%
Carroll	$258,000	$425,000	$165,000	63%
Cheshire	$216,000	$320,000	$104,000	48%
Coos	$134,000	$225,000	$91,000	68%
Grafton	$225,000	$375,000	$150,000	67%
Hillsborough	$290,000	$430,000	$140,000	48%
Merrimack	$259,900	$400,000	$140,100	54%
Rockingham	$365,000	$545,000	$280,000	49%
Strafford	$275,000	$396,500	$212,500	44%
Sullivan	$195,000	$320,000	$125,000	64%

Note: 2022 includes sales from January to September.
Source: MLS data provided by New Hampshire Housing, and Root Policy Research.

WHAT'S AHEAD?

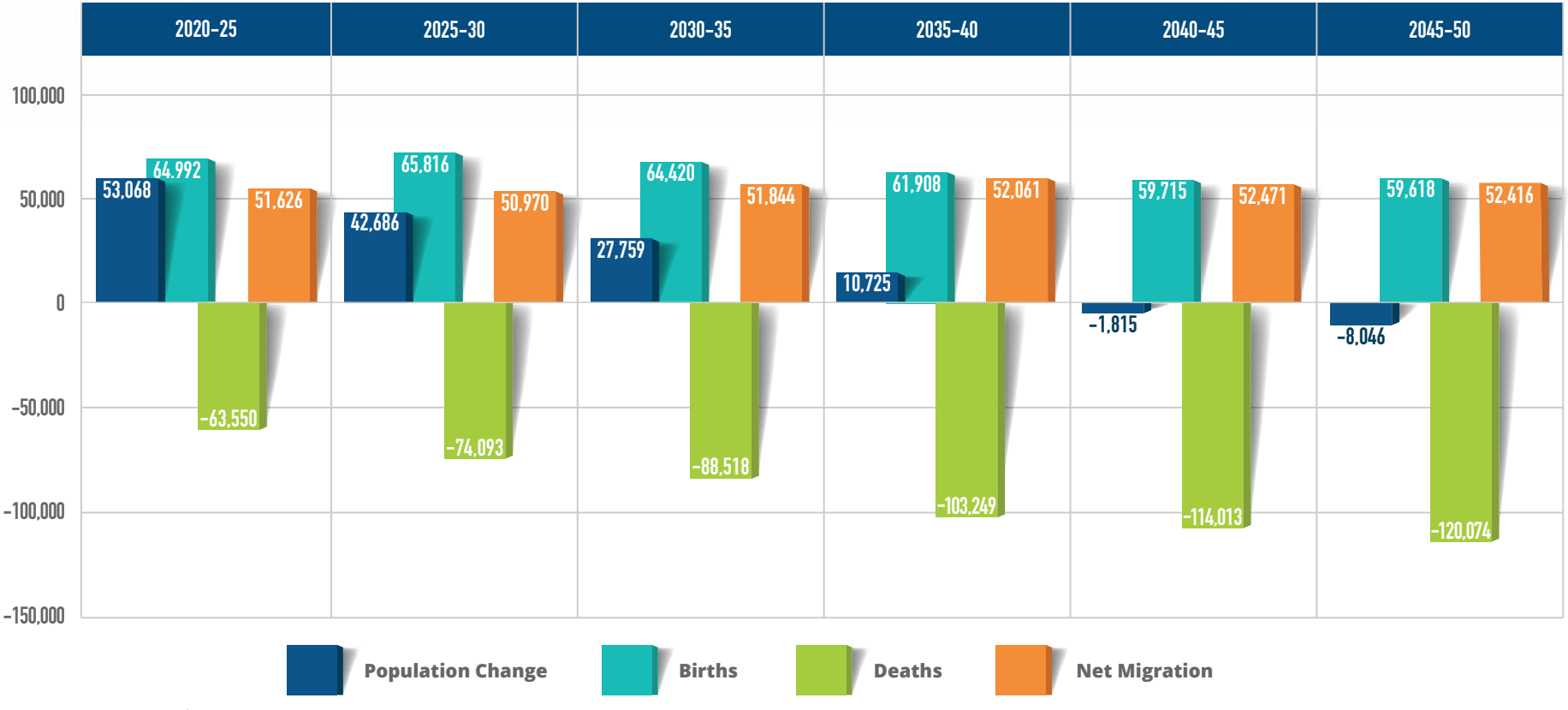
New Hampshire's population growth has been slowing since 1980. The state's growth rate was the highest between 1970 and 1980, when population rose by 25%. Between 2010 and 2020, the population grew by only 5%.

Projections show that the state's population will continue to grow, but at a slower rate, through 2040. After 2040, New Hampshire's population is projected to decline as the annual number of deaths will be larger than the combination of births and net migration.

This estimate of population growth, coupled with reduced rates of household formation across age cohorts, indicates that over 74,400 new households will be added between 2020 and 2040. Yet people are living longer and are choosing to "age in place," occupying homes that historically would have been made available sooner to younger generations.

Slower population growth is related, in part, to the lack of available housing. No county in New Hampshire has a rental vacancy rate higher than 3% (generally, 5% is considered the standard for a functional rental housing market). And the inventory of homes is at historic lows (a 2% owner vacancy rate is considered the standard for a functional housing market).

PROJECTED POPULATION CHANGE AND COMPONENTS OF CHANGE



Source: RLS Demographics

CHANGING COURSE

Low production volume and the increasing seasonal and recreational use of housing have created a housing market that is not adequately responding to people's changing needs—moving from rental to homeownership, downsizing for retirement—or job growth. **The state has little capacity to accommodate projected population and employment growth without an increase in housing production.**

The recent boost in federal funding for housing and updated regional housing needs assessments by the state's nine Regional Planning Commissions create an ideal opportunity to increase workforce housing development.

As of 2022, **to stabilize the housing market and restore it to functional vacancy rates**—5% for rental units and 2% for ownership units—10,905 additional rental units are needed and 12,764 ownership units are needed. **A total of 23,670 housing units are needed today. This is New Hampshire's current housing shortage.**

To make up for the current deficit of housing units and return the state to a healthy housing market, **88,400 new housing units will be needed by 2040.** To maintain the state's homeownership rate of 71%, **58,000 of these units should create homeownership opportunities and 30,000 should be rental units.**

The current housing shortage and the need to accommodate future population growth calls for levels of housing production similar to what the state experienced 20 years ago. From 2017 to 2021, building permits for new housing unit construction in New Hampshire averaged about 4,000 per year. **To meet production needs, building permit activity must increase by 36% statewide through 2030. The only plausible way that this could be achieved is through a combination of local and state action.**

> **In the past, housing was considered a more isolated social issue for low-income families. Now it is an economic issue. Our economy is growing but not our population. We can't keep up.**
>
> ***Regional Stakeholder***

> **Early career individuals are unable to launch into any stable housing. They are lacking a housing pathway and it's impacting their employment paths.**
>
> ***Community Development Stakeholder***

> **People are very proud of the outdoors and the rural character here, but we need to integrate values of making room for housing people can afford.**
>
> ***Regional Stakeholder***

HOW CAN WE MEET NEW HAMPSHIRE'S HOUSING NEEDS?

Knowing that the state needs about 60,000 more units of housing by 2030 — including an immediate need of 23,500 units — how do we accelerate the creation of new housing units in New Hampshire? It will take many tools and a steady collaboration between the public and private sectors. There is no one solution that will resolve the state's housing crisis, but there are two essential pieces.

Additional funding and financing tools to support the development of single-family and multifamily housing are key. In recent years, more state and federal funding sources have been allocated to support housing development, but more is needed.

While adequate and thoughtful targeted funding is key, its value will be constrained without state and local regulatory policies that unequivocally encourage housing development. **Through planning and zoning changes in our communities, we will be able to add different types of housing to meet the needs of New Hampshire's people, regardless of their income or age or where they live in the state.**

Making progress towards the resolution of the state's housing unit shortfall requires cooperation among state government, municipal leaders, the state's businesses, and perhaps most importantly — the people who live in the Granite State's communities. To accomplish this, it is important to provide accurate information that will allay concerns and misconceptions that hinder housing development needed by and suited for communities.

These local and state policies have been demonstrated to increase the amount of housing stock, including:

- Incentivize higher density development.
- Increase use of funding programs for preservation and health improvements to older housing stock in established town centers and neighborhoods.
- Develop model ordinances and technical assistance for a variety of local housing regulations that produce desirable, locally relevant, housing development and reinvestment.
- Support inclusionary zoning requirements in communities with stronger markets for new housing construction.
- Support expanded manufactured housing development and conversion of manufactured home parks to cooperative ownership to maintain their availability as an affordable housing option.
- Support local land use allowances for smaller houses, particularly those with co-op ownership models, to provide more efficient use of land and infrastructure.
- Allow development of housing without special zoning permits such as duplexes, as well as increased allowances for "missing middle" housing types such as cottage courts, triplex/quadplexes, and mixed-use development.
- Increase opportunity for detached accessory dwelling units, including the removal of permitting barriers.
- Encourage conversion of commercial and office real estate and properties to residential use through streamlined permitting and tax incentives.

> **Housing is misaligned and unguided. [Current policy] is not doing a good job at guiding the development community or removing impediments for builders.**
>
> ***Business Community Stakeholder***

Reference: North Country Housing Needs Analysis (2021), New Hampshire's Workforce Housing Law: A 10-Year Retrospective on the Law's Impact (2021), Section 4 (New Hampshire Housing).

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APPENDICES

SECTION I.
EXISTING CONDITIONS

This section sets the context for the Housing Supply and Housing Affordability and Needs analyses in later sections. This section covers the following:

- Discusses the demographic trends that drive housing demand;
- Provides a profile of renters and owners in the state;
- Examines racial and ethnic diversity and segregation;
- Examines changes in income and poverty;
- Reviews changes in employment and economic conditions and how those relate to housing provision; and
- Concludes with population and employment growth projections.

SUMMARY OF FINDINGS

Key findings from this section include:

- After peaking in the 1970s and 1980s, New Hampshire's rate of population growth has slowed. This is expected to continue. Every county in the state will grow older between 2020 and 2050, and the state's population is expected to decline between 2040 and 2050 as deaths outpace births and net in-migration.
- The median income of both owners and renters rose by 25% between 2010 and 2020. The state now has considerably more households with incomes over $100,000 than it did in 2010, offset by a decline in households with incomes of less than $50,000. All counties experienced growth in households with incomes over $100,000, as well as a decline in low to moderate income households.
- Trends in jobs relative to housing units (the "jobs to housing ratio") between 2010 and 2020 shows that jobs are increasingly filled by in-commuters in the state's counties with the largest employment base. The cities of Portsmouth and Lebanon and the towns of Hanover and Tilton have 2 to 3 times more jobs than workers. This means that people working in those communities are unlikely to be able to find housing they can afford around their employment and must commute. This has consequences for recruitment and adds extra transportation expenses for families.

- Job growth that is not met with appropriate housing supply leads to higher housing costs. Growth in jobs that strongly outpaces housing production activity is associated with an increase in rental costs.

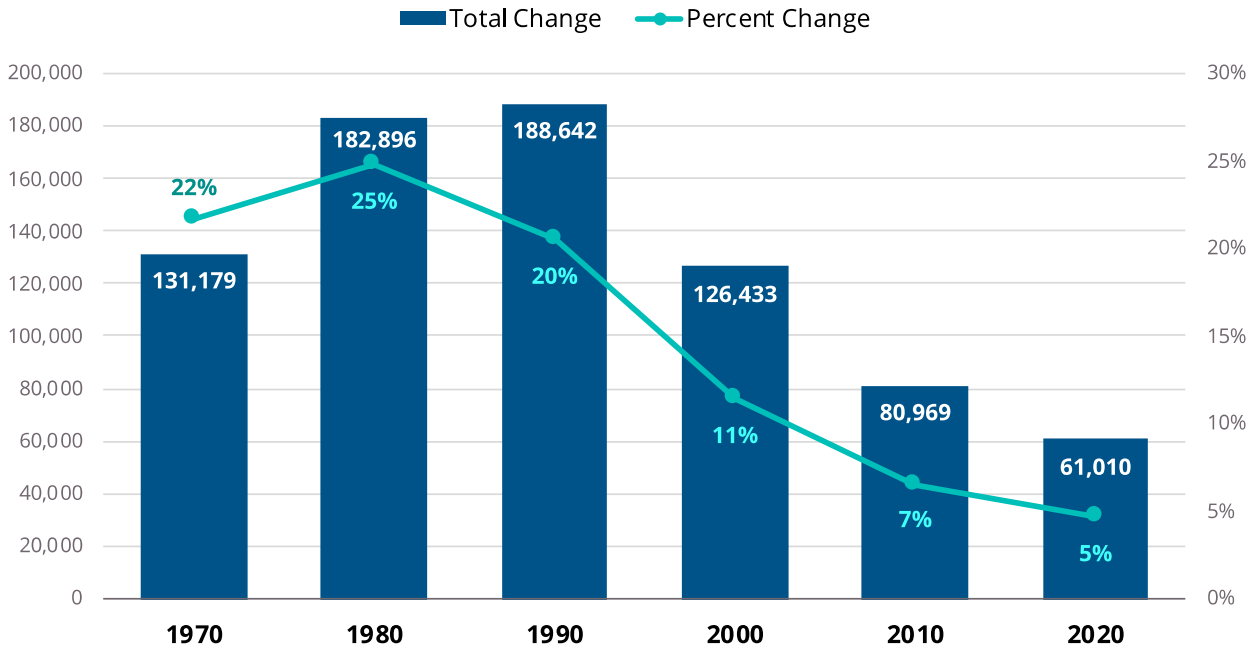
- To accommodate the needs of the state's aging population, more workers in the health care and service industries will be needed. These two industries are projected to account for 47% of total employment growth through 2030. If current wage patterns persist, workers in these industries will be unlikely to afford market rate housing due to low wages and weak wage growth; as such, the demand for housing that is more affordable and accommodates the needs of such workers will increase.

DEMOGRAPHIC TRENDS

POPULATION

New Hampshire's population growth was strongest between 1970 and 1990 when the state added more than 180,000 people each decade. The state's population increased by 25% between 1970 and 1980, and 20% between 1980 and 1990, as shown in Figure I-1, after which growth began to decline. Between 2010 and 2020, the state added 61,000 people—a 5% increase.

Figure I-1.
Population Change by Decade, New Hampshire, 1970-1980, 1980-1990, 1990-2000, 2000-2010, and 2010-2020

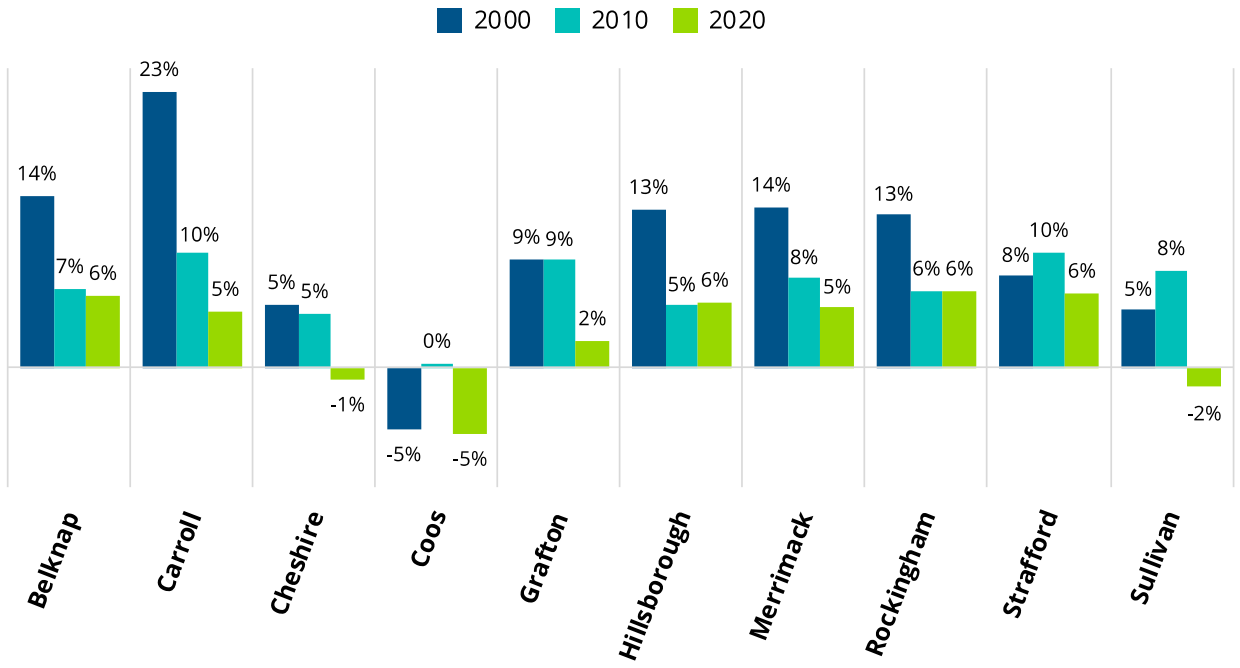


Note: Data represent change from previous decennial estimate.

Source: 2000, 2010, 2020 U.S. Census, and Root Policy Research.

By county, Carroll and Belknap counties had the largest proportional growth during the 1990s; this was a period of relatively strong growth for most counties except Coos County. Growth leveled off during the 2000s for all but Strafford and Sullivan counties, which saw higher growth during the 2000s. Population growth was moderate to weak for all counties during the 2010s, with Cheshire, Coos, and Sullivan counties reporting population losses.

Figure I-2.
Percent Change in Population by County, 1990-2000, 2000-2010, 2010-2020

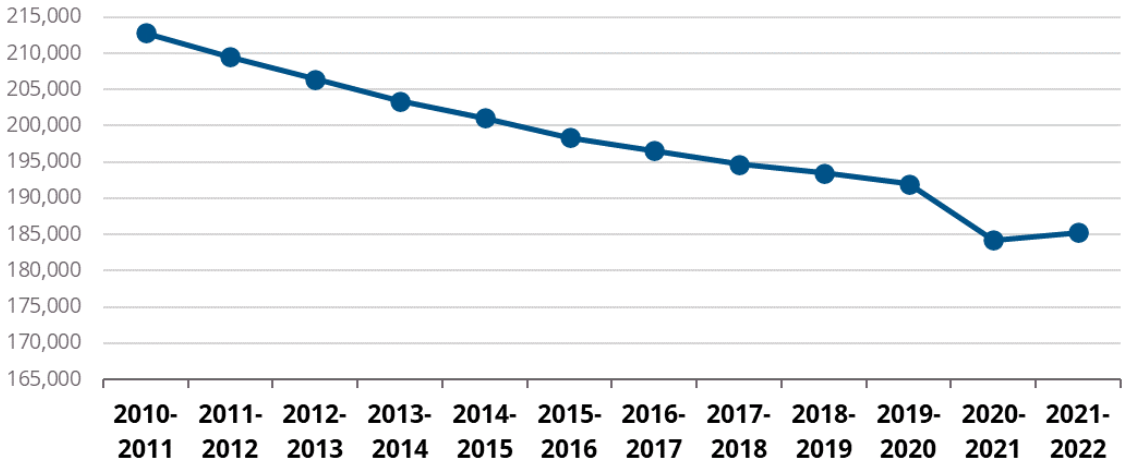


Note: Data represent change from previous decennial estimate.

Source: U.S. Census, and Root Policy Research.

The number of schoolchildren has dropped with declining overall population growth, as shown in Figure I-3. Average daily attendance in the state has dropped from 212,800 in the 2010-2011 school year to 185,300 in the 2021-2022 school year. This graphic shows students in public and private schools.

Figure I-3.
School Enrollment, New Hampshire, 2010-2011 school year to 2020-2021 school year



Note: Enrollments are reported by district and town for the fall period and for the following grade levels: elementary, middle/junior high, and high school, and include public and non-public enrollment.

Source: New Hampshire Department of Education, Division of Education Analytics and Resources, Bureau of Educational Statistics, Average Daily Membership in Attendance, and Root Policy Research. , and Root Policy Research.

HOUSEHOLD COMPOSITION

The changing composition of owners is shown in the Figures I-4 and I-5.

Figure I-4 shows the demographics of owners in 2010 and 2020. Compared to 2010, owners in the state in 2020 are:

- More likely to be higher income— the state's share of owners with incomes of less than $25,000 fell by 20%. The number of owners with incomes exceeding $100,000 increased by 55,397;
- More likely to be seniors—owners 65 years and older rose by 37,567. This increase was offset by a decline in owners between the ages of 35 and 44 of 20,926; and
- Less likely to have children in the household—owners with children declined by 20,457. In 2020, about three-quarters of owner households do not have children.
- Changes in the racial and ethnic composition of owners has been modest, with 95% of owners identifying as non-Hispanic White, compared to 96% in 2010.

Figure I-4.
Owner Household Demographics, New Hampshire, 2010 and 2020

Category	2010		2020		# Change
	Number	Percent	Number	Percent	
Total Households	373,237	100%	383,839	100%	10,602
Income Distribution					
Less than $25,000	37,697	10%	30,207	8%	-7,490
$25,000 - $50,000	70,915	19%	53,005	14%	-17,910
$50,000 - $75,000	74,647	20%	62,085	16%	-12,562
$75,000 - $100,000	63,824	17%	56,991	15%	-6,833
Over $100,000	126,154	34%	181,551	47%	55,397
Age of Householder					
Ages 15-24	2,260	1%	2,527	1%	267
All householders 25 and over	370,977	99%	381,312	99%	10,335
Ages 25-34	33,023	9%	31,385	8%	-1,638
Ages 35-44	75,700	20%	54,774	14%	-20,926
Ages 45-64	181,782	49%	177,114	46%	-4,668
Ages 65 and older	80,472	22%	118,039	31%	37,567
Household Type					
Family household without children	165,674	44%	187,308	49%	21,634
Family household with children	117,680	32%	97,223	25%	-20,457
Nonfamily household - living alone	70,647	19%	78,450	20%	7,803
Other nonfamily household	19,236	5%	20,858	5%	1,622
Race/Ethnicity of Householder					
Non-Hispanic White	359,181	96%	364,372	95%	5,191
Hispanic	4,282	1%	5,795	2%	1,513
African American	1,783	0%	1,982	1%	199
Asian	4,977	1%	6,356	2%	1,379
Native American	587	0%	620	0%	33
Other minority	2,427	1%	4,714	1%	2,287

Note: Other nonfamily households refer to households where the householder shares the home exclusively with people to whom he/she is not related.

Source: 2010 ACS 5-year estimates and 2020 ACS 5-year estimates, and Root Policy Research.

Figure I-5 shows the types of units owner households occupy by income and household size. Among owner households:

- Forty-two percent of owner households (159,210 households) consist of two persons, and around 44% of two person households (69,317 households) have incomes above $100,000.
- More than 80% of two-person owner households occupy single family detached homes. As income increases, the share of households living in single family detached units generally increases for all owner households.
- Manufactured homes provide an attainable opportunity for homeownership among lower income households and smaller households. Across all household sizes, around 20% of owner households with incomes below $35,000 occupy manufactured[1] homes, and among households with incomes between $35,000 to $50,000 this share hovers around 10%.

[1] The U.S. Census uses the term "mobile"; the term "manufactured" home is more commonly accepted.

Figure I-5.
Owner Households by Size, Housing Type, and Income, New Hampshire, 2020

	Total	Less than $35,000	$35,000-$49,999	$50,000-$74,999	$75,000-$99,999	$100,000 and over
1-person	77,460	32,199	12,960	14,509	8,151	9,641
Single Family Detached	66%	61%	65%	66%	75%	75%
Single Family Attached	8%	8%	6%	11%	7%	9%
Duplex	4%	3%	4%	4%	3%	4%
3 to 4 Units	2%	1%	4%	2%	3%	3%
5 to 49 Units	7%	6%	7%	9%	5%	7%
50 + Units	1%	0%	2%	1%	1%	1%
Manufactured Home or Other	13%	20%	12%	7%	6%	1%
2-person	159,210	16,240	15,181	31,114	27,358	69,317
Single Family Detached	83%	69%	77%	80%	86%	89%
Single Family Attached	5%	4%	5%	5%	4%	5%
Duplex	3%	4%	1%	4%	2%	2%
3 to 4 Units	1%	3%	1%	1%	1%	1%
5 to 49 Units	2%	1%	3%	2%	2%	1%
50 + Units	0%	0%	0%	0%	0%	0%
Manufactured Home or Other	6%	19%	13%	8%	6%	2%
3-person	61,906	2,992	2,212	7,251	10,543	38,908
Single Family Detached	86%	75%	79%	78%	82%	90%
Single Family Attached	5%	2%	4%	4%	5%	5%
Duplex	2%	3%	3%	3%	4%	2%
3 to 4 Units	1%	0%	1%	1%	3%	0%
5 to 49 Units	1%	2%	1%	3%	1%	1%
50 + Units	0%	0%	0%	0%	0%	0%
Manufactured Home or Other	4%	18%	12%	11%	6%	1%
4-person or more	82,748	1,810	2,346	7,771	10,522	60,299
Single Family Detached	92%	76%	79%	84%	87%	94%
Single Family Attached	3%	1%	5%	4%	3%	2%
Duplex	2%	2%	5%	2%	1%	2%
3 to 4 Units	0%	0%	0%	1%	1%	0%
5 to 49 Units	0%	0%	2%	0%	3%	0%
50 + Units	0%	0%	0%	0%	0%	0%
Manufactured Home or Other	3%	21%	9%	9%	5%	1%

Source: 2020 ACS 5-year IPUMS and Root Policy Research.

Figure I-6 shows the demographics of renters in 2010 and 2020. Compared to 2010, renters in the state in 2020 are:

- More likely to be higher income—the state's share of renters with incomes of less than $25,000 fell by 15%. The number of renters with incomes exceeding $100,000 more than doubled;
- More likely to be middle-age and seniors—the number of middle-age and older renters increased by 14,604. Among renters, no age cohort saw a substantial decline in renters. This trend differs from that of owners, where the number of 35 to 44 aged owners declined substantially; and
- Are slightly less likely to have children in the household. The decline in renters with children between 2010 and 2020—921 fewer households—is far less than that of owners—20,457 households. This may indicate that renters with children are remaining in rental units, possibly because they cannot afford to buy a home, while owners are increasingly retirees, empty nesters, and families who have not yet had children.
- Compared to owners, renters have become slightly more racially and ethnically diverse since 2010.

Figure I-6.
Renter Household Demographics, New Hampshire, 2010 and 2020

Category	2010		2020		# Change
	Number	Percent	Number	Percent	
Total Households	140,567	100%	155,277	100%	14,710
Income Distribution					
Less than $25,000	49,198	35%	41,683	27%	-7,515
$25,000 - $50,000	43,857	31%	42,293	27%	-1,564
$50,000 - $75,000	25,724	18%	29,961	19%	4,237
$75,000 - $100,000	11,948	9%	19,068	12%	7,120
Over $100,000	9,980	7%	22,272	14%	12,292
Age of Householder					
Ages 15-24	16,128	11%	13,645	9%	-2,483
All householders 25 and over	124,439	89%	141,632	91%	17,193
Ages 25-34	34,033	24%	38,087	25%	4,054
Ages 35-44	26,831	19%	25,366	16%	-1,465
Ages 45-64	40,515	29%	48,060	31%	7,545
Ages 65 and older	23,060	16%	30,119	19%	7,059
Household Type					
Family household without children	25,948	18%	31,009	20%	5,061
Family household with children	36,826	26%	35,905	23%	-921
Nonfamily household - living alone	57,798	41%	65,289	42%	7,491
Other nonfamily household	19,995	14%	23,074	15%	3,079
Race/Ethnicity of Householder					
Non-Hispanic White	126,866	90%	132,996	86%	6,130
Hispanic	5,209	4%	8,413	5%	3,204
African American	2,600	2%	4,247	3%	1,647
Asian	3,469	2%	5,619	4%	2,150
Native American	591	0%	392	0%	-199
Other minority	1,832	1%	3,610	2%	1,778

Source: 2010 ACS 5-year estimates, and 2020 ACS 5-year estimates, and Root Policy Research.

Figure I-7 shows the types of units renter households occupy by income and household size. Among renter households:

- Forty-two percent of renter households (66,774 households) consist of one person, and the majority of these (41,207 households) have incomes below $35,000. Slightly more than the majority of single person renter households—61%—occupy more dense units in buildings with 5 units or more in a structure.
- As income increases, the share of renters living in single family detached units increases for most households except for single person households.
- A little over half of single person households with incomes over $100,000 occupy units in buildings with 5 to 49 units in a structure.

Figure I-7.
Renter Households by Size, Housing Type, and Income, New Hampshire, 2020

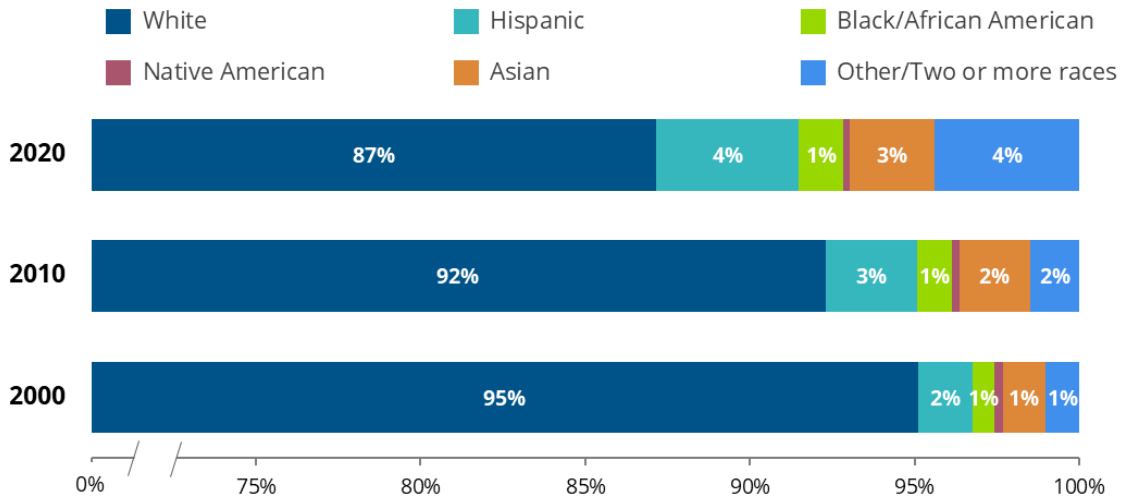
	Total	Less than $35,000	$35,000-$49,999	$50,000-$74,999	$75,000-$99,999	$100,000 and over
1-person	66,774	41,207	9,550	9,222	3,609	3,186
Single Family Detached	9%	9%	9%	12%	12%	8%
Single Family Attached	4%	3%	5%	4%	11%	8%
Duplex	9%	8%	11%	12%	11%	10%
3 to 4 Units	17%	18%	16%	18%	13%	11%
5 to 49 Units	46%	46%	48%	43%	36%	51%
50 + Units	12%	13%	6%	7%	17%	12%
Manufactured Home or Other	3%	3%	5%	2%	0%	0%
2-person	48,402	11,607	7,350	12,035	7,812	9,598
Single Family Detached	16%	15%	13%	19%	13%	20%
Single Family Attached	5%	5%	5%	3%	7%	7%
Duplex	15%	15%	20%	16%	20%	8%
3 to 4 Units	16%	19%	18%	19%	12%	12%
5 to 49 Units	37%	36%	37%	38%	37%	40%
50 + Units	6%	7%	4%	3%	7%	12%
Manufactured Home or Other	3%	4%	3%	2%	4%	1%
3-person	20,120	5,236	2,932	4,167	3,582	4,203
Single Family Detached	20%	12%	15%	22%	23%	29%
Single Family Attached	7%	5%	4%	6%	3%	14%
Duplex	14%	14%	8%	11%	20%	15%
3 to 4 Units	17%	26%	15%	17%	16%	8%
5 to 49 Units	37%	39%	51%	39%	32%	28%
50 + Units	4%	2%	4%	3%	4%	5%
Manufactured Home or Other	2%	3%	3%	1%	2%	1%
4-person or more	22,468	4,350	3,016	5,071	4,266	5,765
Single Family Detached	28%	15%	27%	27%	25%	41%
Single Family Attached	10%	11%	12%	7%	8%	14%
Duplex	15%	14%	21%	18%	16%	11%
3 to 4 Units	20%	26%	16%	23%	26%	11%
5 to 49 Units	21%	29%	20%	20%	20%	19%
50 + Units	2%	2%	1%	1%	1%	3%
Manufactured Home or Other	3%	4%	2%	4%	5%	2%

Source: 2020 ACS 5-year IPUMS and Root Policy Research.

RACE AND ETHNICITY

Since 2000, the state's population has become more racially and ethnically diverse. As shown in Figure I-8, the share of residents of Hispanic descent has doubled (2% to 4%); the share of Asian residents has tripled (1% to 3%); and the share of residents reporting their race as "Other" or "Two or more races" has increased fourfold (1% to 4%). The vast majority of residents report their race as White and ethnicity as non-Hispanic.

Figure I-8.
Race and Ethnicity Distribution , New Hampshire, 2000, 2010 and 2020



Note: Racial categories include non-Hispanic residents of one race. Native Americans include Native Hawaiians and other Pacific Islanders.
Source: 2000, 2010, and 2020 U.S. Census and Root Policy Research.

The dissimilarity index, shown in Figure I-9, is a measure of segregation and is reported at the county level. The index is measured on a numerical scale, with 0-.39 representing Low segregation; .40 to .55 representing Moderate segregation; and .55 and higher representing High levels of segregation.

The index shows that segregation is moderate to high in most counties for Black, Asian, and American Indian and Alaskan Native (AIAN) residents (also referred to as Native American). This differs for the Hispanic population, who experience low to moderate segregation. The "minority" column represents all residents who report their race and ethnicity as non-White and/or Hispanic. That index is more closely aligned with the Hispanic index, as persons of Hispanic descent are the largest single minority group.

Figure I-9.
Dissimilarity Index by County, 2020

County	Minority		Hispanic		Black		Asian		AIAN	
	Index	Rating	Index	Rating	Index	Rating	Index	Rating	Number	Percent
Belknap County	0.18	Low	0.38	Low	0.68	High	0.44	Moderate	0.74	High
Carroll County	0.36	Low	0.35	Low	N/A	N/A	0.59	High	0.97	High
Cheshire County	0.22	Low	0.35	Low	0.37	Low	0.38	Low	0.58	High
Coos County	0.44	Moderate	0.53	Moderate	0.80	High	0.28	Low	0.73	High
Grafton County	0.33	Low	0.37	Low	0.52	Moderate	0.55	High	0.62	High
Hillsborough County	0.37	Low	0.48	Moderate	0.56	High	0.47	Moderate	0.81	High
Merrimack County	0.28	Low	0.31	Low	0.51	Moderate	0.47	Moderate	0.67	High
Rockingham County	0.26	Low	0.34	Low	0.50	Moderate	0.49	Moderate	0.92	High
Strafford County	0.25	Low	0.34	Low	0.51	Moderate	0.42	Moderate	0.81	High
Sullivan County	0.19	Low	0.42	Moderate	0.55	High	0.44	Moderate	0.71	High

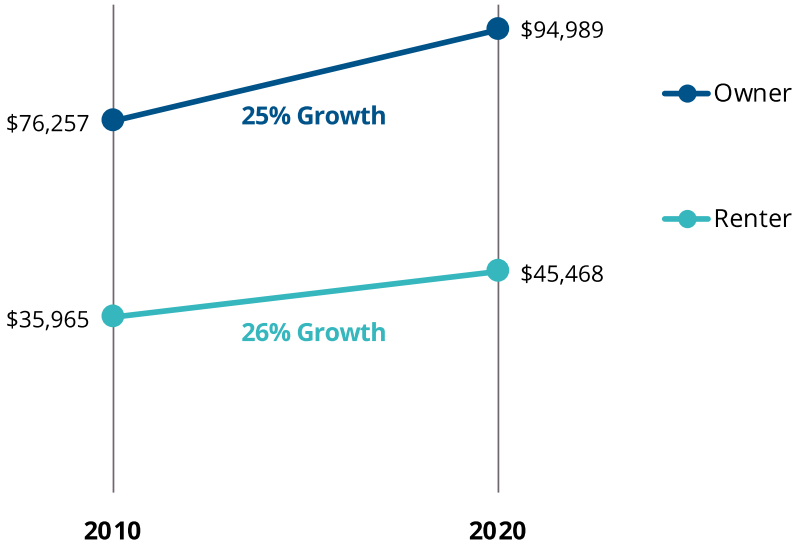
Source: 2020 U.S. Census, and Root Policy Research.

INCOME TRENDS

Owners and renters have experienced similar rate of growth in median income since 2010. Renter median income remains at about half of owner median income.

Figure I-10. Median Income by Tenure, New Hampshire, 2010 and 2020

Source:
2010 ACS 5-year estimates and 2020 ACS 5-year estimates, and Root Policy Research.



Income growth, combined with higher income households moving into the state, has shifted the state's income distribution upward. The largest shifts are found in the Over $100,000 income cohort, offset by declines in Less than $25,000 and $25,000 to $49,999 cohorts.

Figure I-11. Income Distribution, New Hampshire, 2010 and 2020

Source:
2010 ACS 5-year estimates and 2020 ACS 5-year estimates, and Root Policy Research.

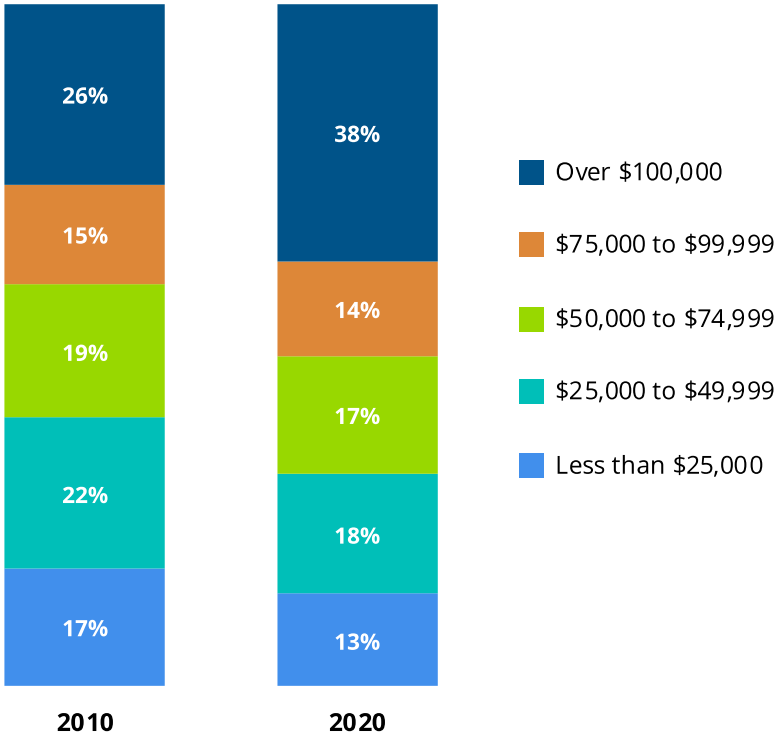
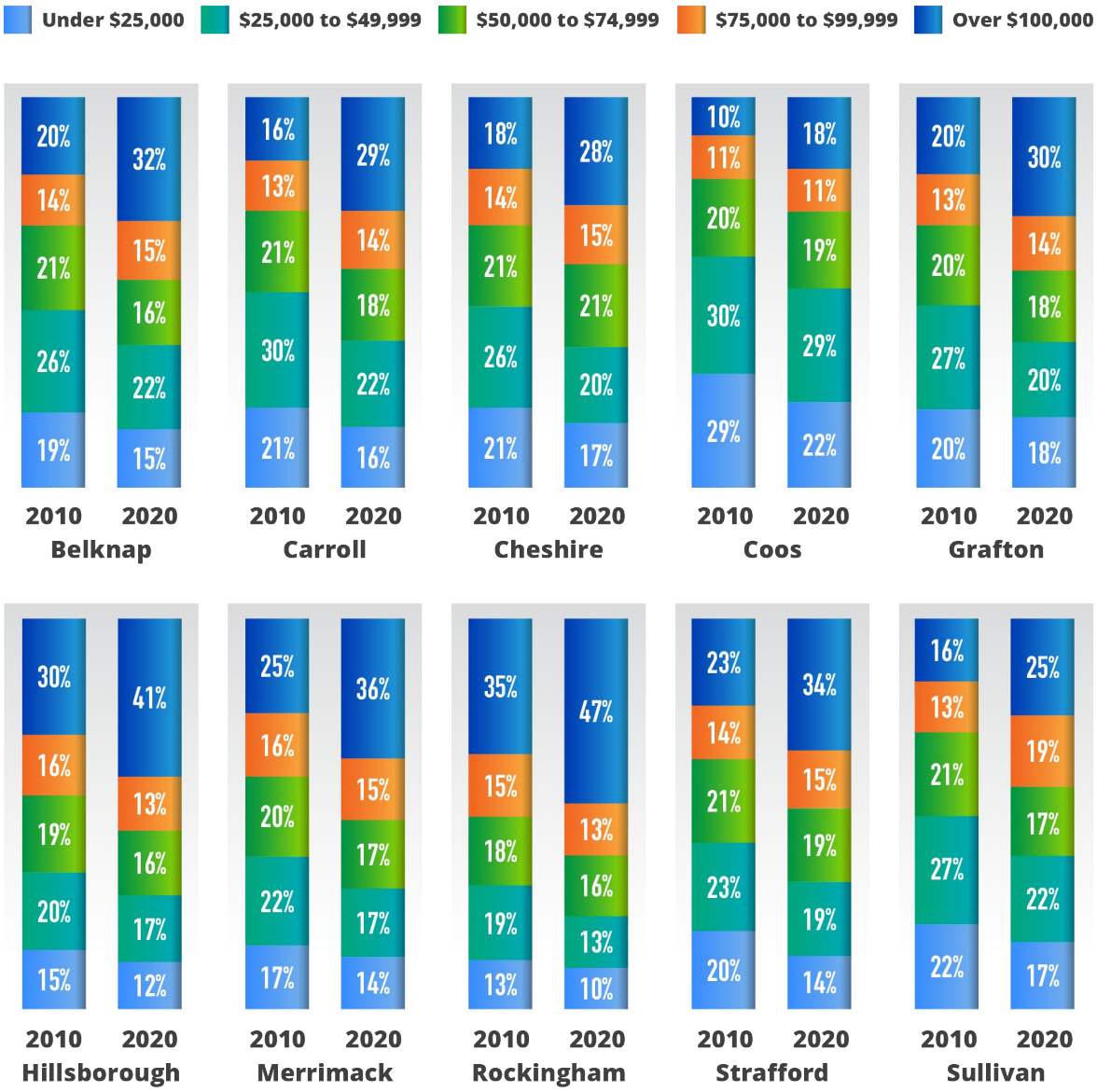


Figure I-12 shows shifts in income distribution by county. All counties experienced growth in households with incomes over $100,000, with the largest shift in Carroll County (13 percentage point increase). Every county also had a decline in households with income less than $75,000, with the largest declines in Carroll and Sullivan counties.

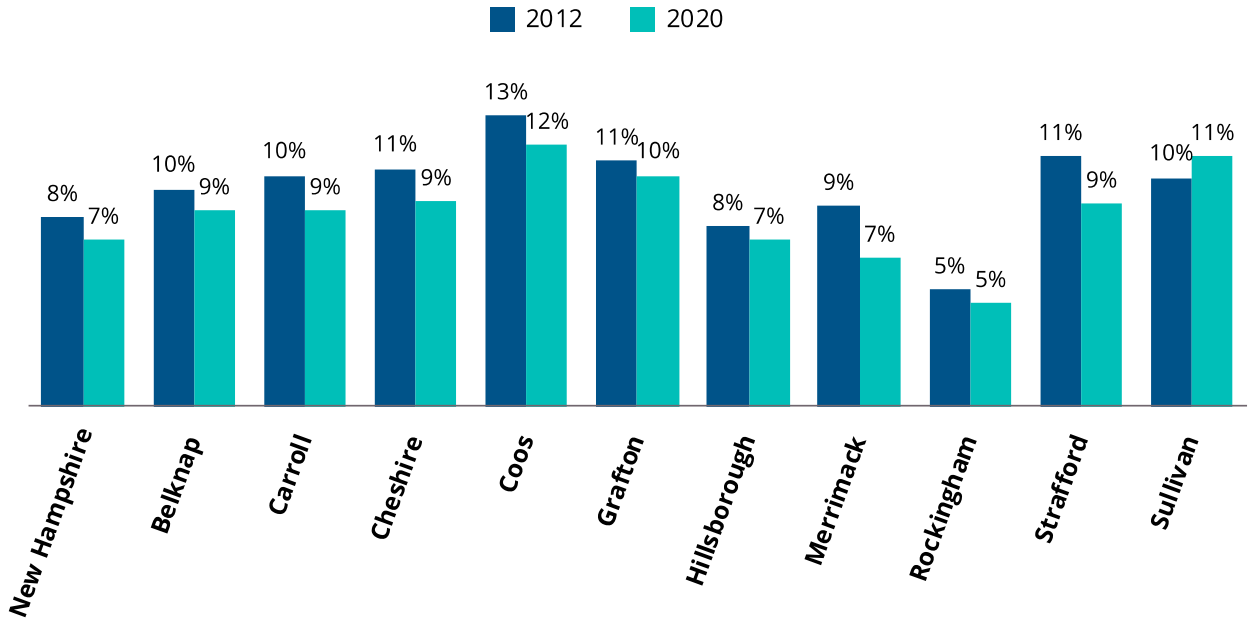
Figure I-12.
Income Distribution by County, 2010 and 2020



Source: 2010 ACS 5-year estimates and 2020 ACS 5-year estimates, and Root Policy Research.

Poverty has declined in every county except for Sullivan. Rockingham County has the lowest poverty rate at 4.6%; Coos and Sullivan have the highest at 11.7% and 11.2%, respectively. By comparison, the U.S. poverty rate was 14.9% in 2012 and 12.8% in 2020. All of New Hampshire's counties had lower poverty rates, with Coos County the closest to the rate in the U.S. overall.

Figure I-13.
Poverty Rates by County and New Hampshire, 2012 and 2020

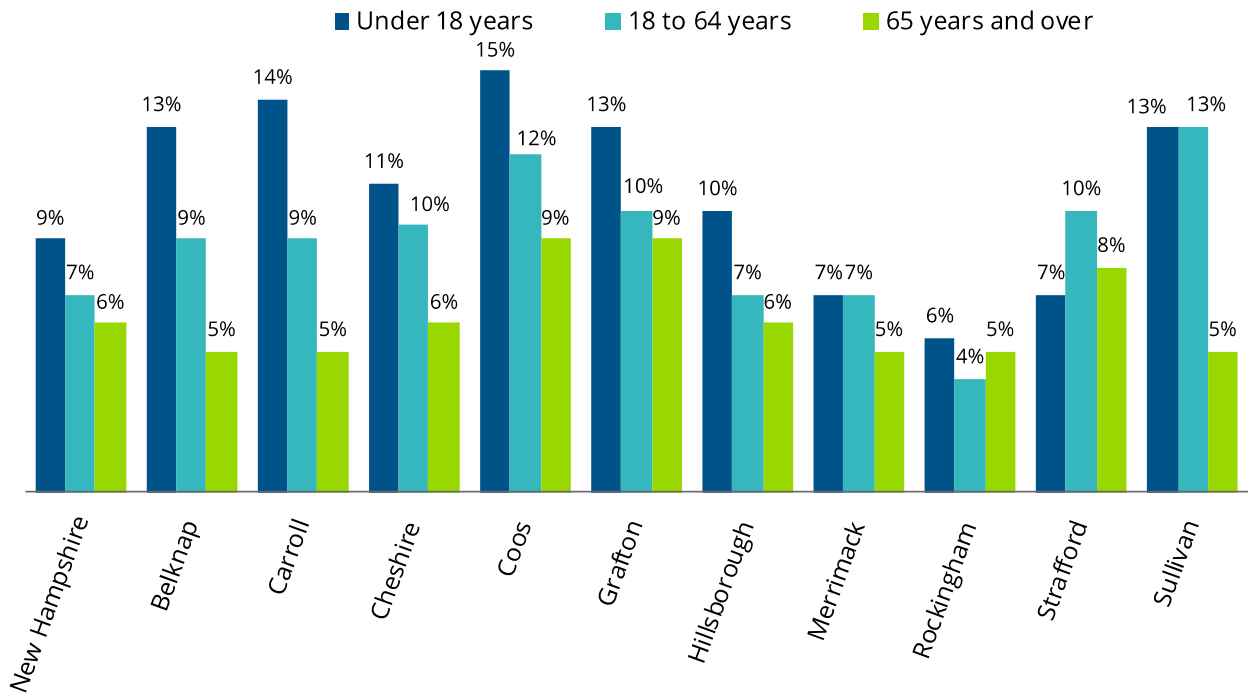


Note: Rockingham's decline was from 5% to 4.6%, which is shown by the shift in bars but not apparent in the rounding.

Source: 2012 ACS 5-year estimates and 2020 ACS 5-year estimates.

Figure I-14 shows poverty by age by county. Seniors have the lowest poverty rates across counties. Children have the highest rates of poverty in all counties except for Merrimack, Strafford, and Sullivan counties.

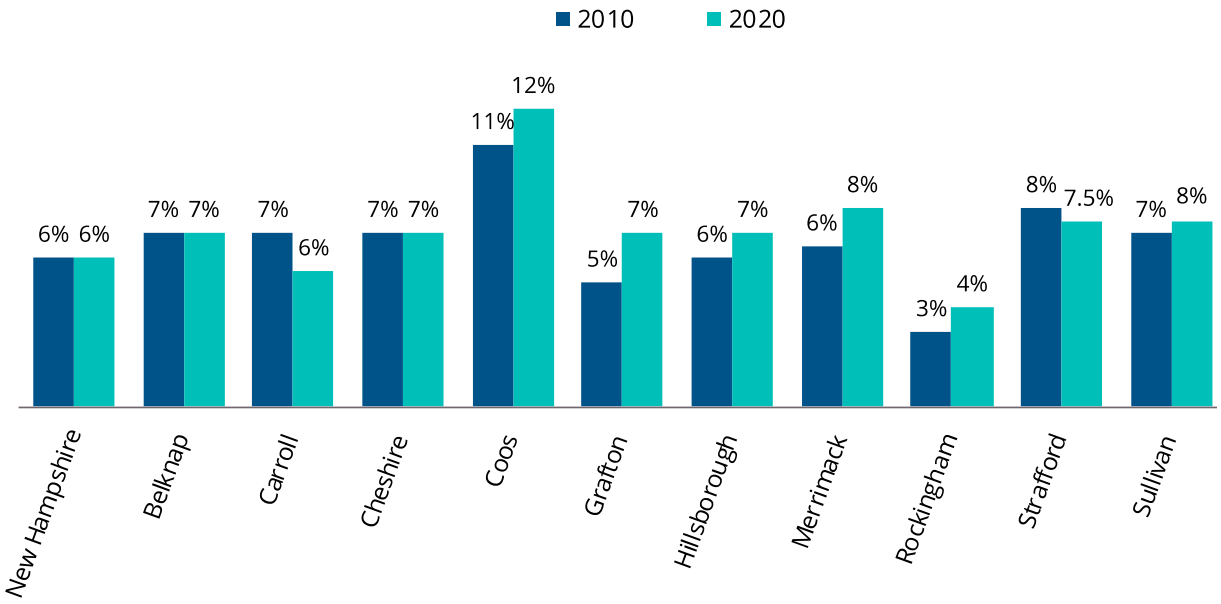
Figure I-14.
Poverty Rate by Age and County and New Hampshire, 2020



Source: 2020 ACS 5-year estimates.

Another measure of economic need is found in the share of residents who reported receiving help from food assistance programs. As shown in Figure I-15, residents receiving food assistance has changed little from 2010, despite overall increases in income. This suggests that income growth has barely kept up with, or lagged, increases in prices for household goods, particularly since 2021 when inflation in food, energy, and housing accelerated.

Figure I-15.
Percent of Households Receiving Food Stamps/SNAP by County and New Hampshire, 2010 and 2020

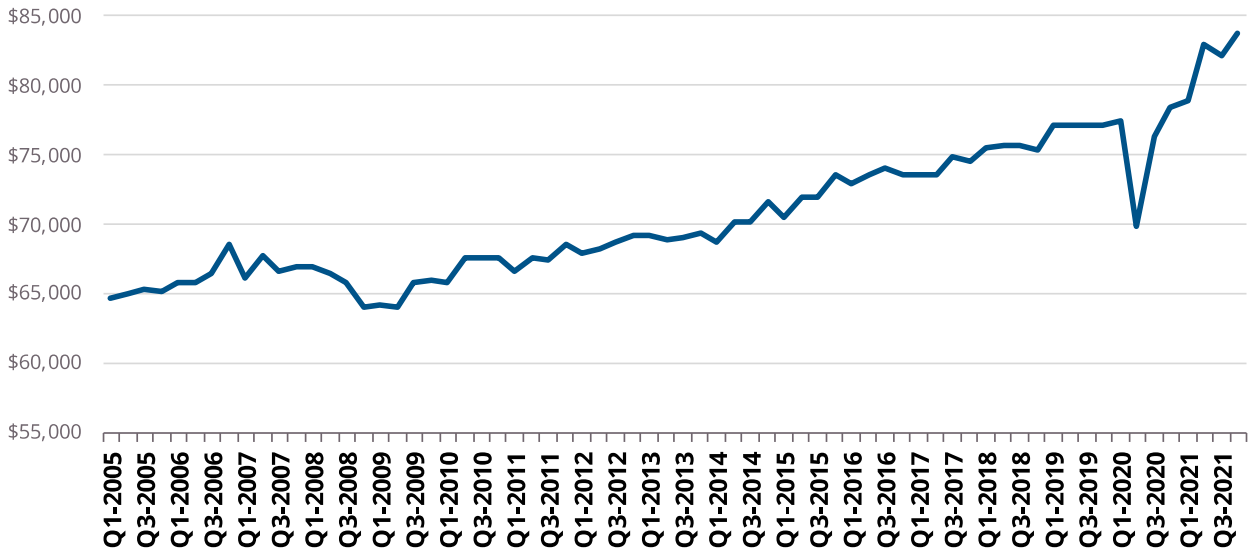


Source: 2010 ACS 5-year estimates and 2020 ACS 5-year estimates.

ECONOMY AND EMPLOYMENT

Following national trends, the state's economy contracted during the 2008-09 recession and slowly recovered. During the pandemic, the state's economy experienced a drastic contraction and quickly recovered. As shown in Figure I-16, the state's gross domestic product reached pre-pandemic levels in 2021 and continued expanding. Current global conditions and the rise in interest rates might decelerate growth in coming years.

Figure I-16.
New Hampshire Real Gross Domestic Product, 1st quarter 2005 – 3rd quarter 2021

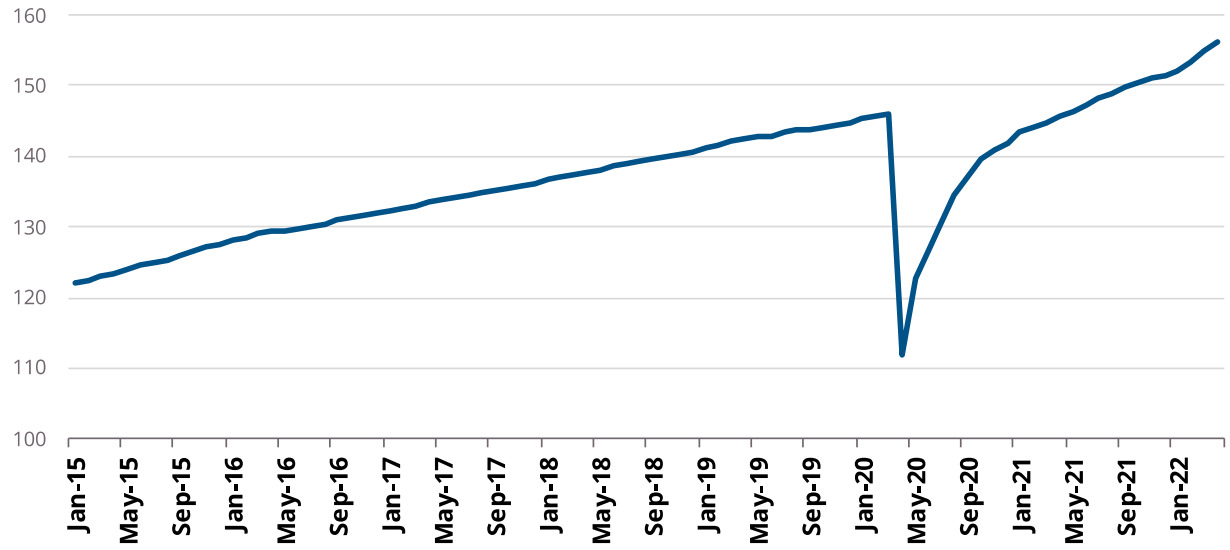


Note: All Industry Total in New Hampshire, Millions of Chained 2012 Dollars, Quarterly, Seasonally Adjusted Annual Rate.

Source: U.S. Bureau of Economic Analysis, and Root Policy Research.

Figure I-17 shows trends in the "Coincident Index" produced by the Federal Reserve Bank of Philadelphia, which combines four state-level indicators— nonfarm payroll employment, average hours worked in manufacturing by production workers, the unemployment rate, and real wage and salary disbursements—to summarize current economic conditions in a single statistic. Mirroring the trends in gross domestic product, the index shows that the state's economic activity has reached pre-pandemic levels and accelerated in late 2021 and early 2022.

Figure I-17.
New Hampshire Coincident Index, January 2015 – January 2022

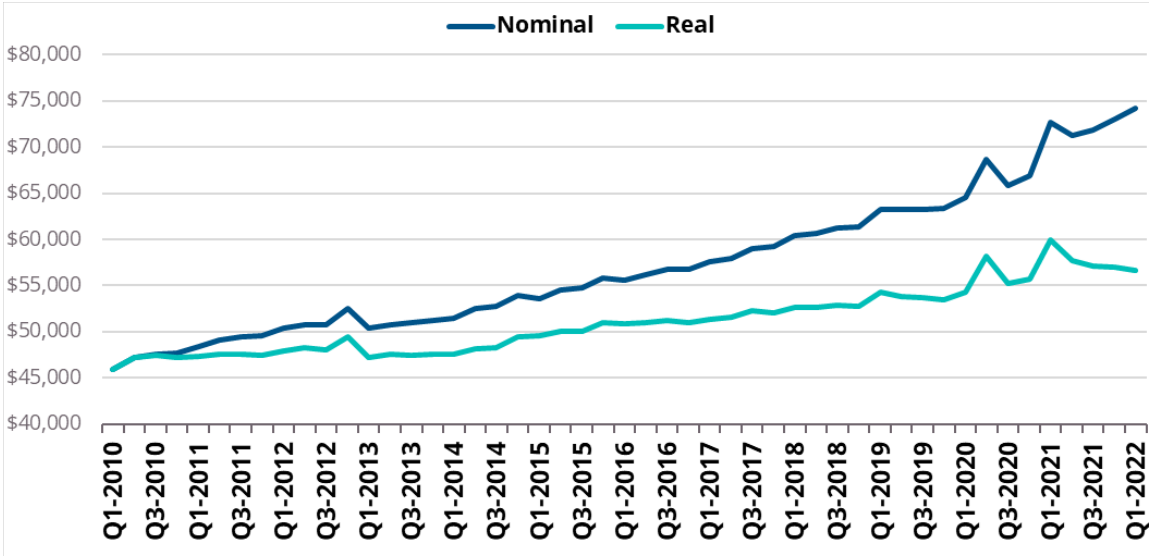


Note: Index includes four indicators: nonfarm payroll employment, the unemployment rate, average hours worked in manufacturing and real wages and salaries.

Source: Federal Reserve Bank of Philadelphia.

Per capita personal income, in nominal and real (accounting for inflation) values is shown in Figure I-18. Personal income includes income from wages and salaries and other income, plus transfer payments from government, minus employee social insurance contributions. As shown in the figure, per capita personal income did not contract as much as economic activity during the pandemic. While nominal personal income continues on an upward trend, real personal income decreased in 2021 – 2022 as prices of goods and services grew faster than income.

Figure I-18.
New Hampshire Per Capita Nominal vs. Real Personal Income, 1st quarter 2010 – 1st quarter 2022

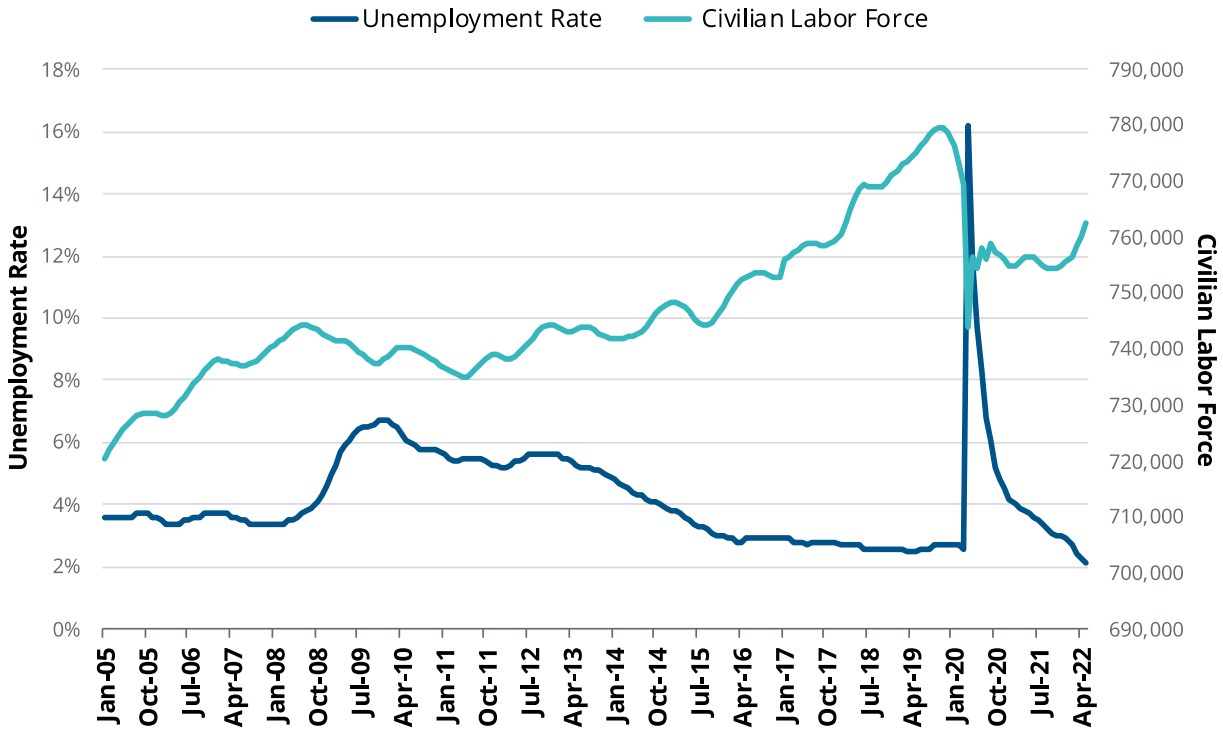


Note: Seasonally adjusted at annual rates. Real (inflation adjusted estimates) are in 2010 dollars.

Source: U.S. Bureau of Economic Analysis, Bureau of Labor Statistics, Federal Reserve Economic Data (FRED), and Root Policy Research.

Figure I-19 shows that unemployment reached record high levels during the pandemic but has dropped to pre-recession levels in 2022. However, the labor force, made up of people who are employed or unemployed but looking for a job, has not recovered to pre-pandemic levels. This has occurred for a number of reasons, including discouraged workers who have stopped looking for work, people leaving the workforce, retirements, and deaths. In May 2022, the number of workers in the labor force in New Hampshire was around 12,800 fewer compared to May 2019.

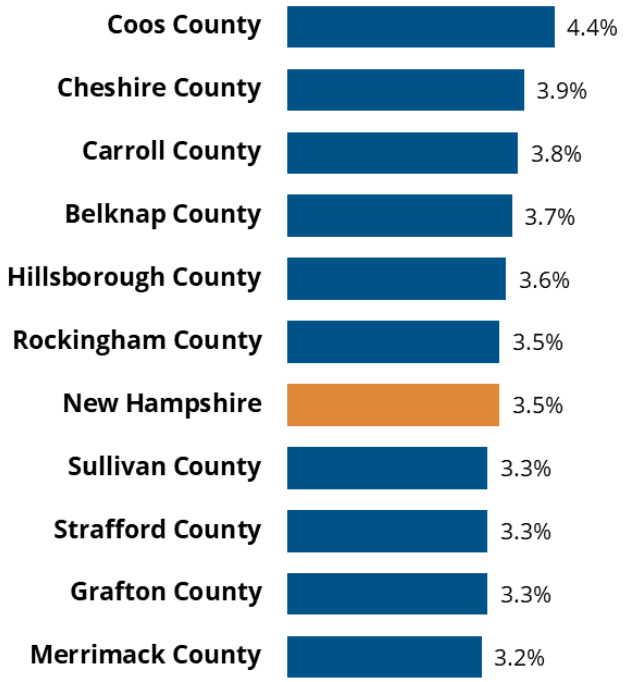
Figure I-19.
New Hampshire Unemployment Rate and Civilian Labor Force, January 2005 – April 2022



Source: Economic and Labor Market Information Bureau, NH Employment Security.

Figure I-20 shows the average unemployment rate for 2021 by county. Coos County has the highest unemployment rate, followed by Cheshire, and Carroll. Among the more populous counties, Hillsborough and Rockingham have higher unemployment rates compared to the state, while Strafford and Merrimack have lower rates.

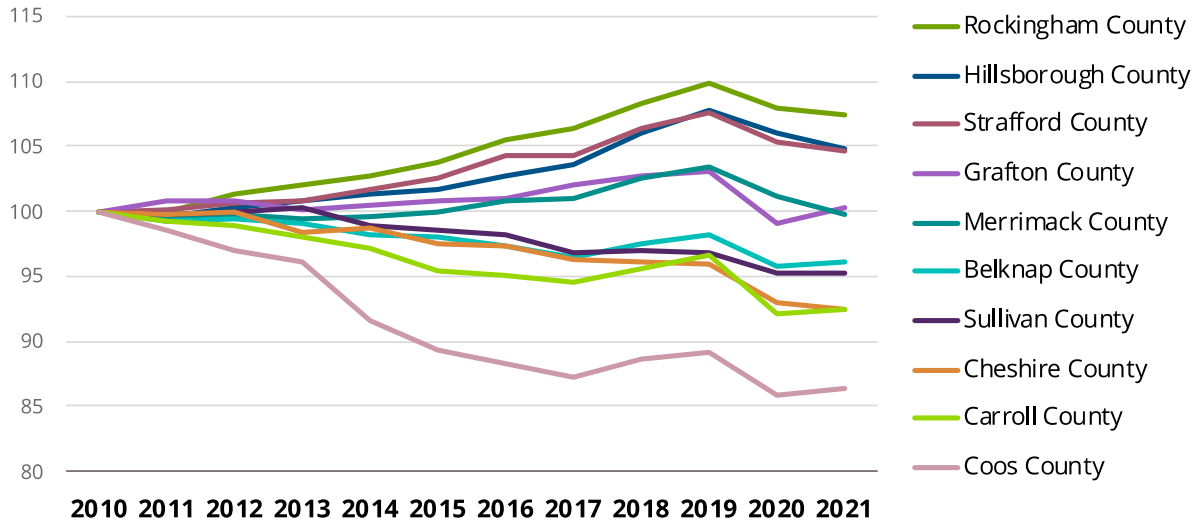
Figure I-20.
Annual Average Unemployment Rate, by County and New Hampshire, 2021



Source: Economic and Labor Market Information Bureau, NH Employment Security.

Figure I-21 shows the size of the labor force in each county compared to the size in 2010. Since 2010, the more urban counties—Strafford, Hillsborough, Rockingham, Grafton, and Merrimack— have maintained or expanded their labor force, while Belknap, Sullivan, Cheshire, Carroll, and Coos have experienced a shrinking labor force. The figure also shows the decrease in labor force in 2020 associated with the pandemic disruptions.

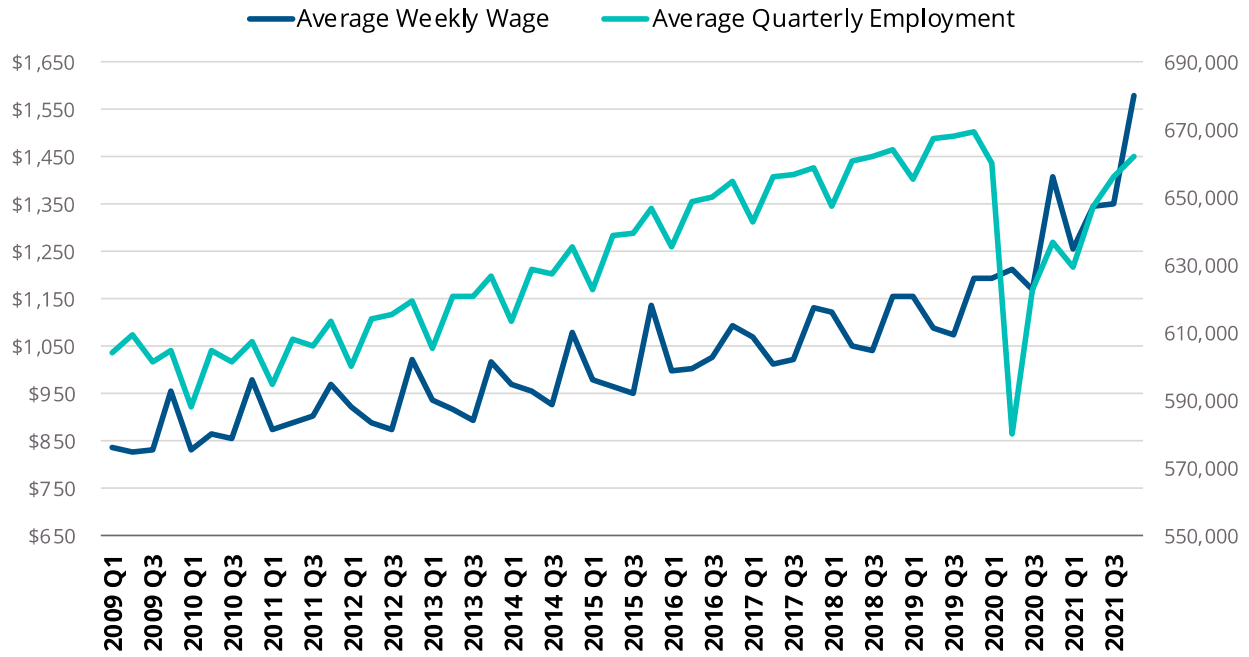
Figure I-21.
Labor Force Trends, by County, Index 2010=100



Source: Economic and Labor Market Information Bureau, NH Employment Security.

Average quarterly employment and average weekly wages are presented in Figure I-22. The smaller labor force combined with employment levels that are edging closer to pre-pandemic levels are driving up wages. However, as shown in Figure I-18 (real per capita personal income) inflation has eroded the benefits of higher wages.

Figure I-22.
Average Weekly Wages and Average Employment, New Hampshire, 1st quarter 2009 – 3rd quarter 2021



Note: For total private plus government employment. Wages are in nominal dollars (not adjusted for inflation).

Source: Economic and Labor Market Information Bureau, NH Employment Security.

Employment growth by industry is shown in Figure I-23. Between the last quarter of 2010 and the last quarter of 2021 the industries that added the largest number of jobs were the "Professional, Scientific, and Technical Services" (15,000 jobs) followed by "Administration and Support and Waste Management" (8,700 jobs) and "Healthcare and Social Assistance" (8,200 jobs). The largest industries in terms of overall employment are "Health Care and Social Assistance" followed by "Retail Trade" and "Manufacturing." Altogether these industries account for around 44% of total employment.

Figure I-23.
Employment Growth by Industry, New Hampshire, 2010 and 2021

	Annual Average Employment		Employment Growth	
	2010	2021	# Change	% Change
Goods Producing				
Agriculture, Forestry, Fishing and Hunting	1,697	2,032	335	19.8%
Mining, Quarrying, and Oil and Gas Extraction	504	600	96	19.0%
Construction	22,513	29,959	7,446	33.1%
Manufacturing	66,313	68,741	2,428	3.7%
Service Providing				
Wholesale Trade	26,086	30,353	4,266	16.4%
Retail Trade	94,759	90,880	-3,879	-4.1%
Transportation and Warehousing	12,387	16,647	4,260	34.4%
Utilities	2,491	2,094	-397	-16.0%
Information	11,289	11,789	500	4.4%
Finance and Insurance	26,593	27,431	838	3.1%
Real Estate and Rental and Leasing	6,650	6,828	178	2.7%
Professional, Scientific, and Technical Services	29,249	44,414	15,165	51.8%
Management of Companies and Enterprises	8,206	9,730	1,524	18.6%
Admin and Support and Waste Management	28,227	36,957	8,730	30.9%
Educational Services	17,314	20,539	3,225	18.6%
Health Care and Social Assistance	83,902	92,132	8,230	9.8%
Arts, Entertainment, and Recreation	9,740	10,795	1,055	10.8%
Accommodation and Food Services	49,935	54,164	4,229	8.5%
Other Services	19,213	20,099	886	4.6%
Total Employment	**517,095**	**577,404**	**60,309**	**11.7%**

Note: Average private sector fourth quarter employment.

Source: Economic and Labor Market Information Bureau, NH Employment Security, and Root Policy Research.

Figure I-24 shows average annual wage and growth in average annual wage by industry. Notably, in dollar terms wage growth in the largest industries— "Health Care and Social Assistance" ($21,892), "Retail Trade" ($19,916), and "Manufacturing" ($25,896)— was lower than average wage growth in all industries ($33,592). Of the industries that added the most employment, only the "Professional, Scientific, and Technical Services" had a wage level that increased more than average wage growth in all industries.

Figure I-24.
Average Wage Growth by Industry, New Hampshire, 2010 and 2021

	Annual Average Wage		Wage Growth	
	2010	2021	$ Change	% Change
Goods Producing				
Agriculture, Forestry, Fishing and Hunting	$36,036	$63,284	$27,248	75.6%
Mining, Quarrying, and Oil and Gas Extraction	$64,844	$86,216	$21,372	33.0%
Construction	$58,188	$88,556	$30,368	52.2%
Manufacturing	$68,692	$94,588	$25,896	37.7%
Service Providing				
Wholesale Trade	$84,084	$128,908	$44,824	53.3%
Retail Trade	$29,016	$48,932	$19,916	68.6%
Transportation and Warehousing	$39,104	$58,292	$19,188	49.1%
Utilities	$86,008	$125,268	$39,260	45.6%
Information	$76,128	$120,068	$43,940	57.7%
Finance and Insurance	$89,388	$158,652	$69,264	77.5%
Real Estate and Rental and Leasing	$47,944	$88,972	$41,028	85.6%
Professional, Scientific, and Technical Services	$91,104	$139,568	$48,464	53.2%
Management of Companies and Enterprises	$88,556	$389,792	$301,236	340.2%
Admin and Support and Waste Management	$45,292	$73,164	$27,872	61.5%
Educational Services	$48,984	$67,652	$18,668	38.1%
Health Care and Social Assistance	$51,428	$73,320	$21,892	42.6%
Arts, Entertainment, and Recreation	$21,216	$32,396	$11,180	52.7%
Accommodation and Food Services	$18,200	$29,640	$11,440	62.9%
Other Services	$33,904	$52,624	$18,720	55.2%
Total Employment	$51,740	$85,332	$33,592	64.9%

Note: Estimated using average private sector fourth quarter wages. Wages not adjusted for inflation.

Source: Economic and Labor Market Information Bureau, NH Employment Security, and Root Policy Research.

Figure I-25 presents the number of jobs, the number of workers, the ratio of jobs to housing units, and the percent of jobs filled by in-commuters for the communities that represent the largest employment centers in each county in terms of percent of county jobs and percent of county workers. The jobs to housing units ratio is the highest in Portsmouth, Lebanon, Hanover, and Tilton (2 to 3 times more jobs than workers) and lowest in small communities with few jobs. A high jobs to housing ratio means that there are more jobs than housing units for workers—meaning that those jobs must be filled by workers living outside of their place of work and commuting in to work.

Figure I-25.
Number of Jobs and Workers in Top Employment Centers by City, Town, and County, 2019

Town or City	County	Jobs	Workers	% of County Jobs	% of County Workers	Jobs/ Housing Units	% Jobs Filled by In-commuters
Laconia	Belknap	9,093	7,600	37%	28%	0.90	74%
Tilton		4,280	1,780	18%	6%	2.38	93%
Meredith		3,119	2,685	13%	10%	0.63	83%
Conway	Carroll	6,706	4,278	39%	23%	0.95	70%
Wolfeboro		2,906	2,261	17%	12%	0.60	69%
Ossipee		1,496	1,569	9%	8%	0.47	79%
Keene	Cheshire	16,014	9,904	56%	29%	1.60	70%
Jaffrey		2,833	2,508	10%	7%	1.08	75%
Swanzey		1,900	3,475	7%	10%	0.58	81%
Berlin	Coos	2,744	3,822	25%	27%	0.57	51%
Gorham		1,510	1,373	14%	10%	1.00	75%
Lancaster		1,414	1,632	13%	12%	0.88	73%
Lebanon	Grafton	18,783	7,225	38%	19%	2.85	82%
Hanover		8,889	3,450	18%	9%	2.56	84%
Littleton		4,355	2,740	9%	7%	1.24	74%
Manchester	Hillsborough	65,292	55,626	33%	27%	1.32	69%
Nashua		49,822	44,710	25%	21%	1.31	73%
Merrimack		17,317	14,160	9%	7%	1.72	86%
Concord	Merrimack	38,764	22,028	51%	30%	2.08	78%
Hooksett		10,544	7,076	14%	10%	1.99	93%
Bow		4,296	3,984	6%	5%	1.53	93%
Portsmouth	Rockingham	31,938	11,364	22%	7%	3.01	88%
Salem		20,541	15,415	14%	10%	1.71	87%
Londonderry		16,376	14,106	11%	9%	1.69	88%
Dover	Strafford	17,332	15,575	37%	27%	1.22	80%
Rochester		12,232	15,810	26%	27%	0.90	73%
Durham		5,904	3,608	13%	6%	1.55	89%
Claremont	Sullivan	5,082	6,236	39%	33%	0.83	65%
Newport		3,150	3,091	24%	16%	1.12	69%
Charlestown		1,872	2,194	15%	11%	0.80	75%

Note: Primary jobs.

Source: U.S. Census LEHD Origin-Destination Employment Statistics Data, ACS 2019 5-year estimates, and Root Policy Research.

Urban counties generally have a larger jobs to housing ratio.[2] Figure I-26 shows the relationship between the jobs to housing units ratio and the percent of jobs filled by in-commuters in each of the towns listed in the previous figure. An increase in the number of jobs to housing ratio is associated with an increase in the share of jobs filled by in-commuters.[3]

Figure I-26.
Jobs to Housing Units Ratio and Percent of Jobs Filled by In-commuters, New Hampshire, 2019

Note: Primary jobs. Correlation coefficient of 0.58 is statistically significant at the 99% level.

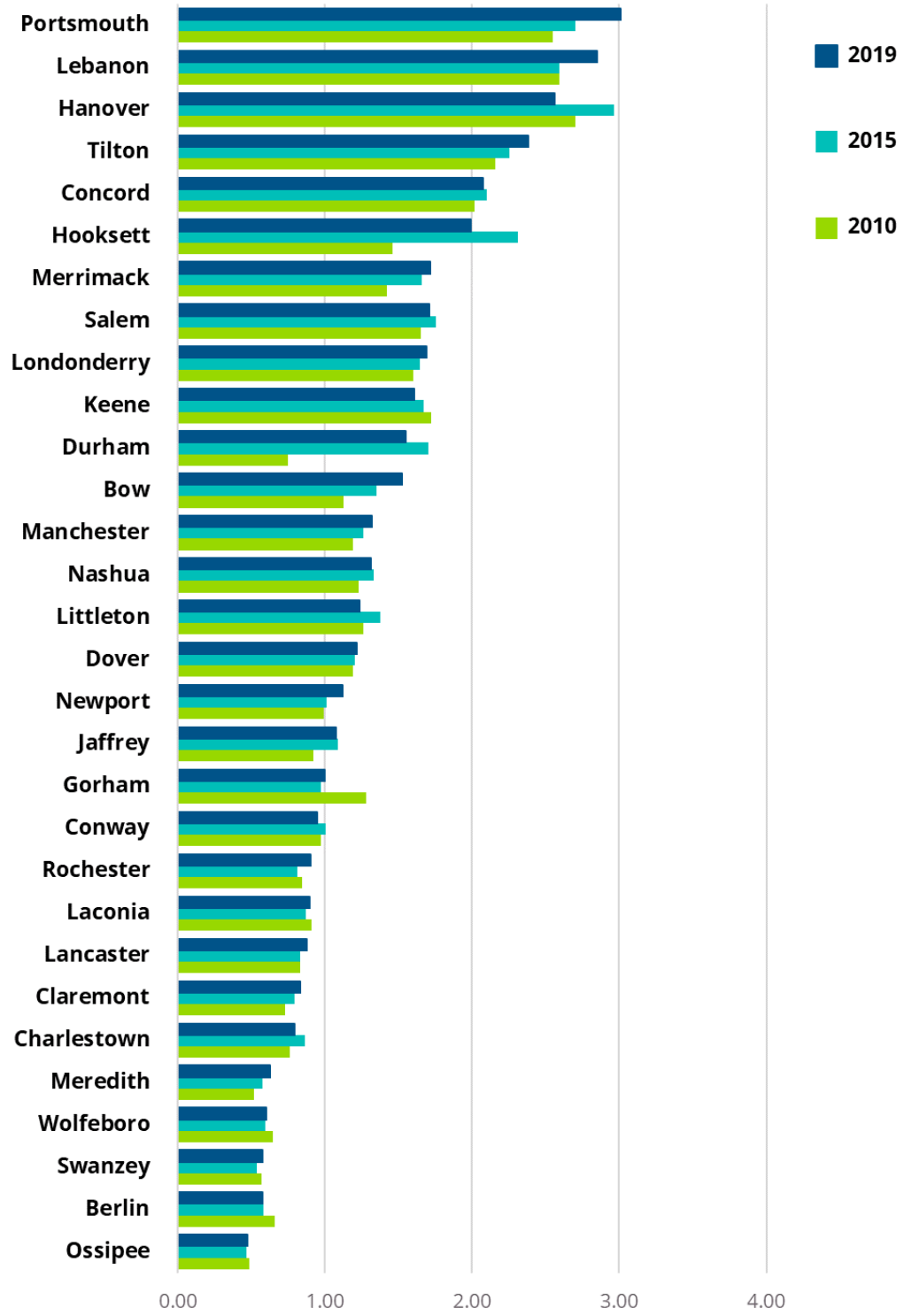
Source: U.S. Census LEHD Origin-Destination Employment Statistics Data, ACS 2019 5-year estimates, and Root Policy Research.

Figure I-27 compares the jobs to housing units ratio in top employment centers in each county in 2010, 2015, and 2019. In most of the communities the jobs to housing units ratio increased between 2010 and 2019. The towns where this ratio decreased were: Ossipee, Berlin, Wolfeboro, Laconia, Conway, Gorham, Littleton, Keene, and Hanover.

[2] This ratio does not account for housing units that are used for seasonal purposes and are not available for the permanent population. This will be explored in the next section.

[3] This relationship is for illustrative purposes and does not account for dynamics in the broader labor market areas and housing markets.

Figure I-27.
Jobs to Housing Units Ratio for Top Employment Centers, New Hampshire, 2010, 2015, and 2019

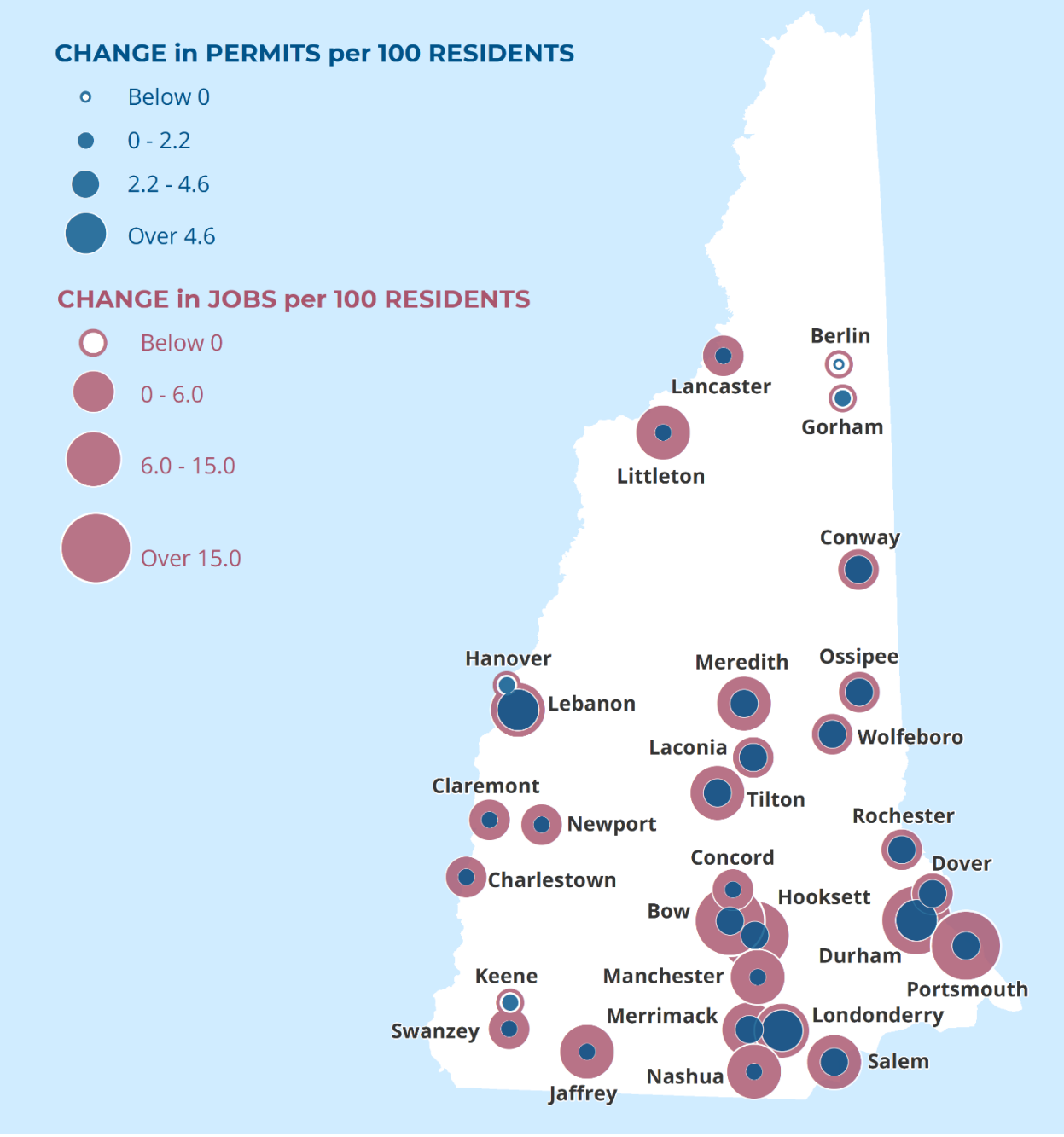


Note: Primary jobs.

Source: U.S. Census LEHD Origin-Destination Employment Statistics Data, ACS 2019 and 2015 5-year estimates, 2010 Decennial Census and Root Policy Research.

Figure I-28 provides a visual representation of the relationship between housing development and jobs in the top three largest employment centers in each county. In many of the largest employment centers job growth has outpaced growth in the number of residential permits. The jurisdictions where job growth was met with similar or larger growth in permits include: Laconia, Conway, Ossipee, Wolfeboro, Lancaster, Swanzey, Rochester, Dover, and Concord.

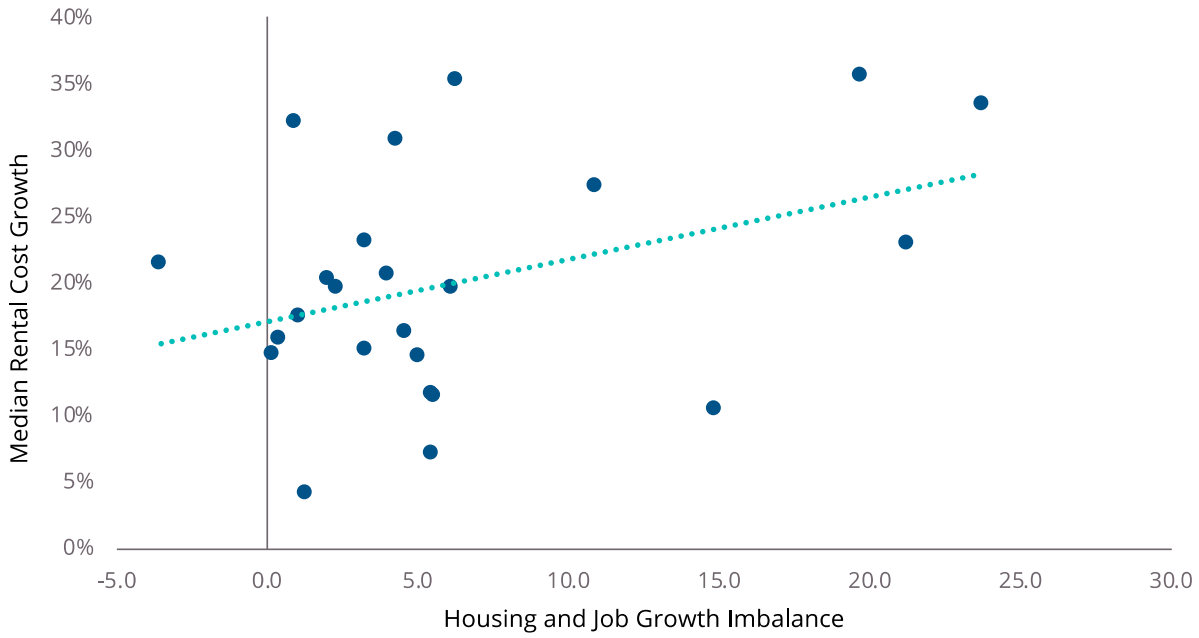
Figure I-28.
Housing vs. Job Growth, New Hampshire Jurisdictions, 2010-2019



Source: NH Office of Planning and Development, U.S. Census LEHD Origin-Destination Employment Statistics Data, and Root Policy Research.

Job growth that is not accompanied by a corresponding increase in housing supply leads to higher housing costs. Figures I-29a and I-29b shows the relationship between growth in median rents between 2010 and 2019 and the imbalance of housing and job growth—measured as the difference in the number of jobs added per 100 residents and the number of residential permits per 100 residents. In New Hampshire, growth in jobs that strongly outpaces housing production activity is associated with an increase in median rent.[4]

Figure I-29a.
Housing and Job Growth Imbalance and Rent Growth, New Hampshire, 2010 and 2019



Note: Primary Jobs. Correlation coefficient of 0.48 is statistically significant at the 90% level. Each dot represents a municipality; data for municipalities included is shown in Figure I-29b.

Source: NH Office of Planning and Development, U.S. Census LEHD Origin-Destination Employment Statistics Data, and Root Policy Research.

[4] This relationship is for illustrative purposes and does not account for dynamics in the broader labor market areas and housing markets.

Figure I-29b.
Housing and Job Growth Imbalance and Rent Growth, New Hampshire, 2010 and 2019

Note:

Primary Jobs. Correlation coefficient of 0.48 is statistically significant at the 90% level.

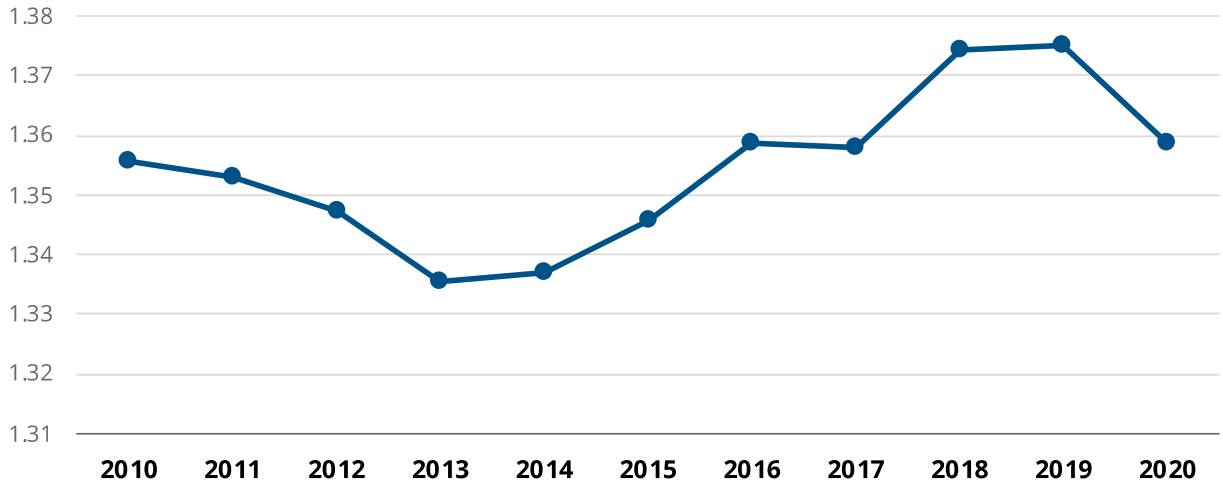
Source:

NH Office of Planning and Development, U.S. Census LEHD Origin-Destination Employment Statistics Data, and Root Policy Research.

	Median Rental Cost Growth	Housing and Job Growth Imbalance
Berlin	26%	-2.7
Bow	13%	14.1
Charlestown	50%	2.2
Claremont	31%	4.3
Concord	17%	1.1
Conway	18%	-2.8
Dover	32%	1.0
Durham	33%	23.7
Gorham	2%	-12.9
Hanover	19%	-3.2
Hooksett	36%	19.8
Jaffrey	16%	8.7
Keene	4%	-4.5
Laconia	21%	-3.5
Lancaster	25%	-1.0
Lebanon	14%	5.0
Littleton	7%	9.1
Londonderry	35%	6.3
Manchester	20%	6.2
Meredith	20%	9.1
Merrimack	27%	10.9
Nashua	21%	4.0
Newport	27%	3.1
Ossipee	-2%	-2.4
Portsmouth	23%	21.3
Rochester	15%	0.2
Salem	16%	4.6
Swanzey	16%	-0.3
Tilton	21%	5.1
Wolfeboro	11%	-2.0

Figure I-30 shows the ratio of workers to the number of households. The dip in the ratio in 2020 is driven by higher unemployment during the pandemic.

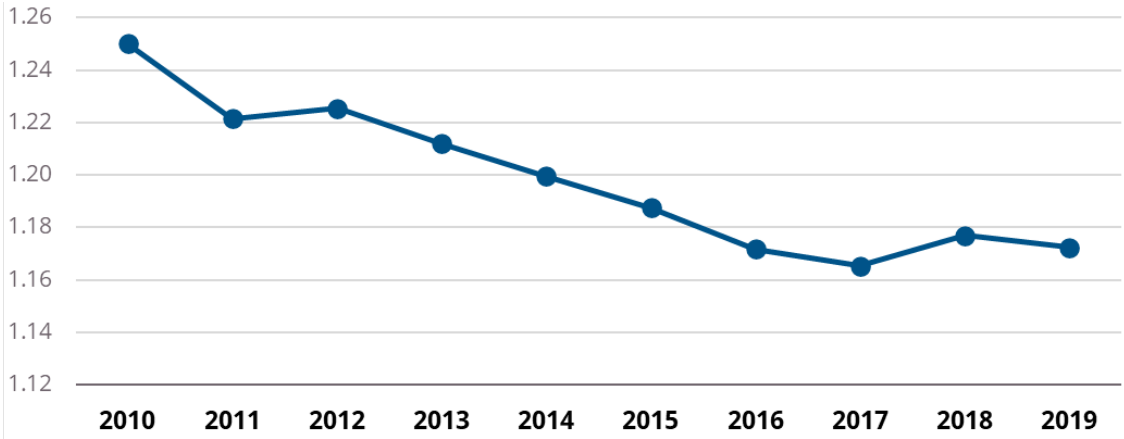
Figure I-30.
Ratio of Workers to Households, New Hampshire, 2010 - 2020



Source: ACS 5-year estimates, and Root Policy Research.

In a similar fashion, Figure I-31 shows the ratio of workers in the labor force to jobs. A declining number means that the number of jobs is increasing relative to the number of workers. This could be a result of the housing market not adding enough supply for permanent residents to support the labor market. It could also be driven by a decline in the number of working age residents or an increase in the number of jobs residents must take to manage rising cost of living.

Figure I-31.
Ratio of Workers in Labor Force to Jobs, New Hampshire, 2010 - 2019



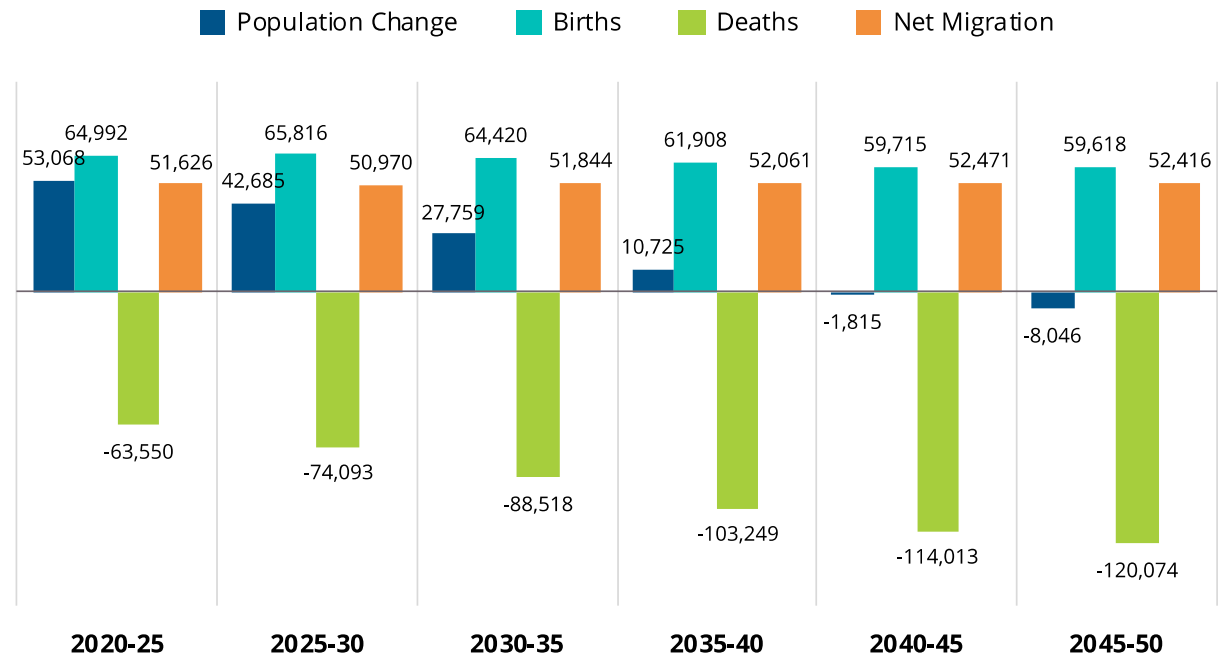
Source: ACS 5-year estimates, U.S. Census LEHD Origin-Destination Employment Statistics Data, and Root Policy Research.

POPULATION AND EMPLOYMENT PROJECTIONS

POPULATION PROJECTIONS

Population growth in New Hampshire is expected to slow between 2020 and 2040, after which a decline is expected, as births and net in-migration fail to keep up with deaths. Net migration is projected to remain stable through 2050; births are expected to fall slightly.

Figure I-32.
Projected Population Change and Components of Change, New Hampshire, 2020 - 2050



Source: RLS Demographics.

Figure I-33 shows projected population change by county. Between 2020 and 2050, Hillsborough and Rockingham are projected to add the largest number of residents (around 48,000 and 34,000 respectively) and Strafford is projected to experience the largest percentage increase (14%).

Figure I-33.
Total Projected Population, by County and New Hampshire, 2020, 2025, 2030, 2035, 2040, 2045 and 2050

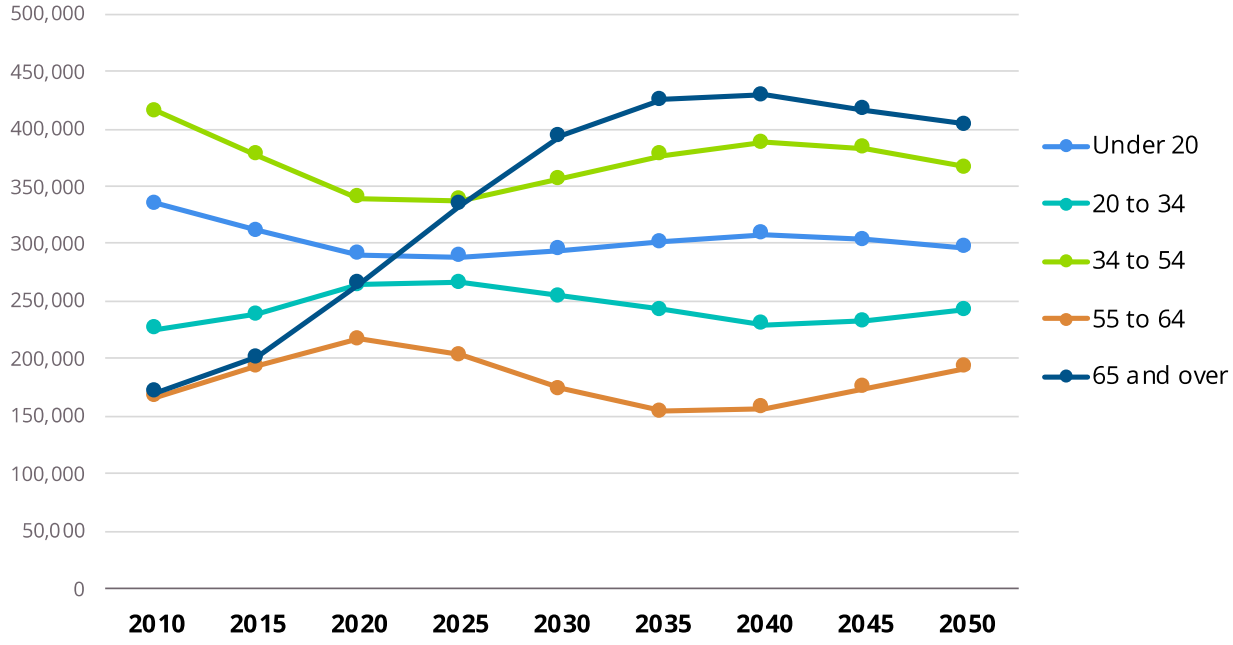
	2020	2025	2030	2035	2040	2045	2050
New Hampshire	1,377,533	1,430,601	1,473,286	1,501,045	1,511,770	1,509,955	1,501,909
Belknap	63,705	66,371	68,635	69,872	70,366	70,338	70,103
Carroll	50,111	52,293	54,023	54,939	54,935	54,273	53,293
Cheshire	76,458	77,722	78,340	78,080	77,007	75,452	73,805
Coos	31,268	31,274	31,047	30,490	29,608	28,533	27,428
Grafton	91,118	94,984	98,030	99,463	99,711	98,998	97,777
Hillsborough	422,937	440,881	454,896	464,900	470,211	471,760	471,369
Merrimack	153,808	159,385	164,072	167,214	168,609	168,770	168,475
Rockingham	314,176	327,586	339,248	347,444	350,560	350,316	348,083
Strafford	130,889	136,162	140,565	144,214	146,813	148,384	149,435
Sullivan	43,063	43,943	44,429	44,429	43,950	43,131	42,141

Source: RLS Demographics.

Figures I-34 through I-37 show the projected population increase by age group. After accelerating, the rate of growth of the state's senior population began declining in 2020. The population of seniors will increase—but at a slower rate—between 2020 and 2040, after which the population of seniors will decline.

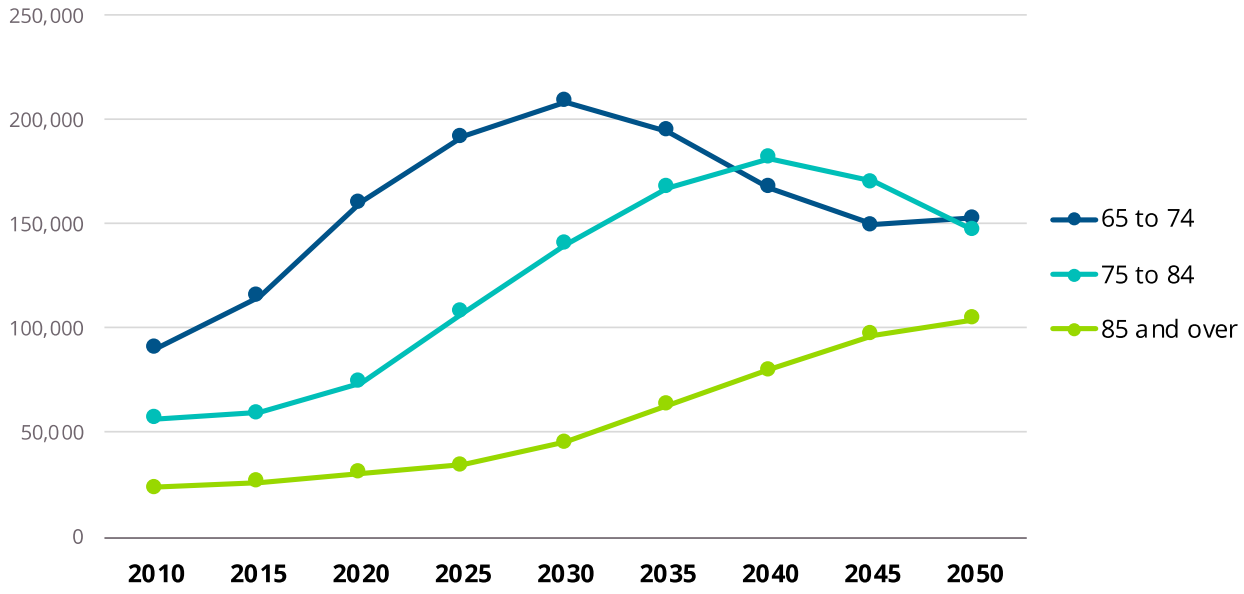
Between 2040 and 2050, modest growth is expected for young and middle aged adults.

Figure I-34.
Population by Age Group, New Hampshire, 2010 - 2050



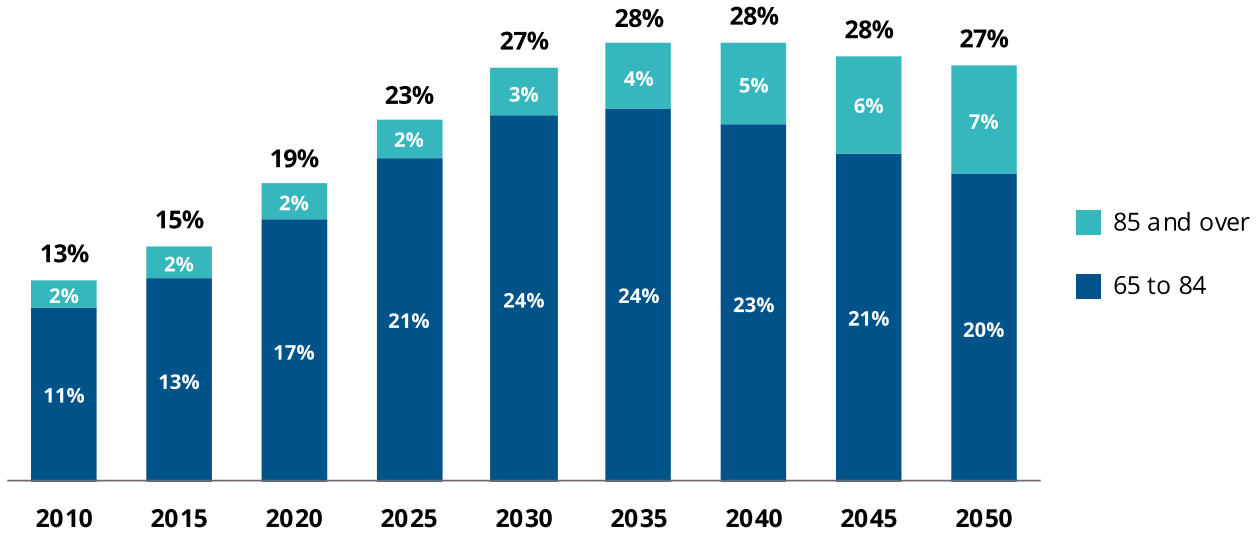
Source: 2010 5-year ACS estimates and 2015 5-year ACS estimates, and RLS Demographics.

Figure I-35.
Population Over 65 by Age Group, New Hampshire, 2010 - 2050



Source: 2010 5-year ACS estimates and 2015 5-year ACS estimates, and RLS Demographics.

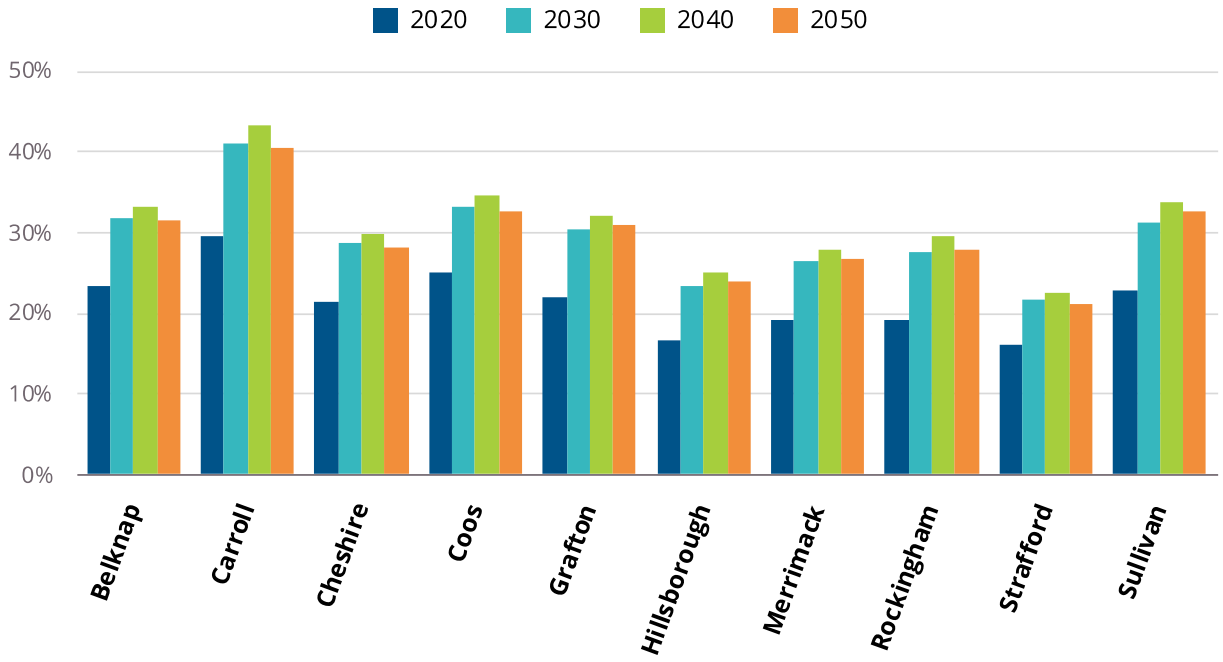
Figure I-36.
Share of Population Over 65 , New Hampshire, 2010 - 2050



Source: 2010 5-year ACS estimates and 2015 5-year ACS estimates, and RLS Demographics.

The share of the population that seniors comprise will increase considerably between 2030 in all counties, and then fluctuate modestly through 2050.

Figure I-37.
Share of Population Over 65, by County, New Hampshire, 2020 - 2050



Source: RLS Demographics.

EMPLOYMENT PROJECTIONS

Figure I-38 shows employment projections by industry through 2030. The industries that are projected to add the largest number of jobs are "Health Care and Social Assistance" and "Accommodation and Food Services." These industries are projected to account for around 47% of total employment growth. As shown previously in Figure I-24 (Average Wage Growth by Industry) these two industries have experienced weaker wage growth compared to the state overall. This will increase the demand for housing that accommodates the needs of workers in lower wage industries.

Figure I-38.
Employment Projections by Industry, New Hampshire, 2020 and 2030

	Estimated Employment		Employment Growth	
	2020	2030	# Change	% Change
Goods Producing				
Agriculture, Forestry, Fishing and Hunting	5,406	5,848	442	8.2%
Mining, Quarrying, and Oil and Gas Extraction	583	633	50	8.6%
Construction	27,887	29,903	2,016	7.2%
Manufacturing	67,284	69,113	1,829	2.7%
Service Providing				
Wholesale Trade	27,402	28,326	924	3.4%
Retail Trade	88,758	86,059	-2,699	-3.0%
Transportation and Warehousing	15,079	17,712	2,633	17.5%
Utilities	1,998	1,854	-144	-7.2%
Information	11,735	12,038	303	2.6%
Finance and Insurance	27,494	29,058	1,564	5.7%
Real Estate and Rental and Leasing	6,566	6,984	418	6.4%
Professional, Scientific, and Technical Services	39,061	44,839	5,778	14.8%
Management of Companies and Enterprises	8,986	8,863	-123	-1.4%
Admin and Support and Waste Management	33,417	35,888	2,471	7.4%
Educational Services	60,523	64,626	4,103	6.8%
Health Care and Social Assistance	89,984	102,753	12,769	14.2%
Arts, Entertainment, and Recreation	9,354	13,288	3,934	42.1%
Accommodation and Food Services	47,789	58,932	11,143	23.3%
Other Services	25,502	28,824	3,322	13.0%
Public Administration	42,604	43,180	576	1.4%
Total Employment	**675,594**	**726,549**	**50,955**	**0.7%**

Note: Total employment for all industries includes self-employed workers.

Source: Economic and Labor Market Information Bureau, NH Employment Security.

SECTION II.
HOUSING SUPPLY

This section focuses on housing supply in New Hampshire. The section:

- Begins with a brief overview of historical production trends;
- Examines how different unit types accommodate the needs of different types of households, including the types that provide the most affordability;
- Examines the housing product types that are most affordable to renters and owners;
- Reviews vacancy trends and the drivers of historically low vacancy rates;
- Analyzes recent trends in short term rentals, ownership of second homes, and investment activity,
- Analyzes trends in homeownership, delinquencies and foreclosures, and for sale product availability.

SUMMARY OF FINDINGS

Key findings from this section include:

HOUSING PRODUCTION AND VACANCY TRENDS

- Residential permits in the state peaked in the mid-1980s. Although multifamily permitting was particularly active during this period, permit volume was strong across all housing product types. Permit activity slowed considerably during the early 1990s, reached its lowest level during the 2008 recession, and has not rebounded to pre-recession levels.
- Although multifamily permit activity has increased recently, the state's housing stock remains dominated by low density housing types with 4 or fewer units—accounting for roughly 80% of the current housing stock. The distribution of the state's housing units by type has not changed since 2010.
- Low production volume and the conversion of existing housing into seasonal uses have created a housing market that cannot adequately respond to demand. No county has a vacancy rate higher than 3%, well below the 5% standard for a functional market.

PRODUCT AFFORDABILITY

- A range of housing types is important to accommodate the needs and preferences of diverse households. Low income households, households with a member with a disability, single parent households, Black/African American, Hispanic, and Asian households are much more likely than non-Hispanic White and higher income households to occupy multi-unit developments and manufactured homes.

- The affordability of rental units in larger (50+ units) multifamily developments has decreased over time. This is likely due to higher costs of new multifamily development, as well as the amenities now built into some multifamily market rate developments.

- Persistently high rents and the lack of affordable rental products may help to explain the decline in the homeownership rate among households occupying single family attached homes. These units are more commonly an option for renting rather than owning. Single family attached units saw a large change in the share occupied by homeowners between 2010 and 2021, dropping from 75% to 70%.

SECOND HOMES, SHORT TERM RENTALS, AND INVESTMENT ACTIVITY

- More than 70,000 housing units—exceeding 10% of the state's housing stock—are used for seasonal/recreational purposes. Between 2010 and 2020 the number of vacant units for seasonal, recreational, or occasional use increased by almost 8,400 units, while the number of all other vacant units decreased by more than 2,800 units, increasing the share of all vacant units that are used for seasonal/recreational purposes in the state from 66% to 71%. In Carroll, Belknap, and Grafton counties, more than 80% of vacant units are seasonal.

- The share of loans originated for second homes or investment properties increased from 13% in 2010 to 16% in 2021. Twenty-six percent of residential deeds were transferred to out of state buyers in 2019; this share rose to 32% in 2021, with Massachusetts buyers representing the largest share of deed transfers (19%). Out of state buyers are purchasing homes that cost on average $50,000 more than the types of homes in-state buyers are purchasing.

- Second home activity is prevalent in areas where housing stock is relatively newer and where racial and ethnic minority populations are lower.

- Investment activity (in contrast with owner occupancy) occurs mostly in areas with older housing and higher shares of minority populations. To the extent that concentrated investment activity results in unaffordable rent increases, racial and ethnic minority populations could be disproportionately affected by displacement.

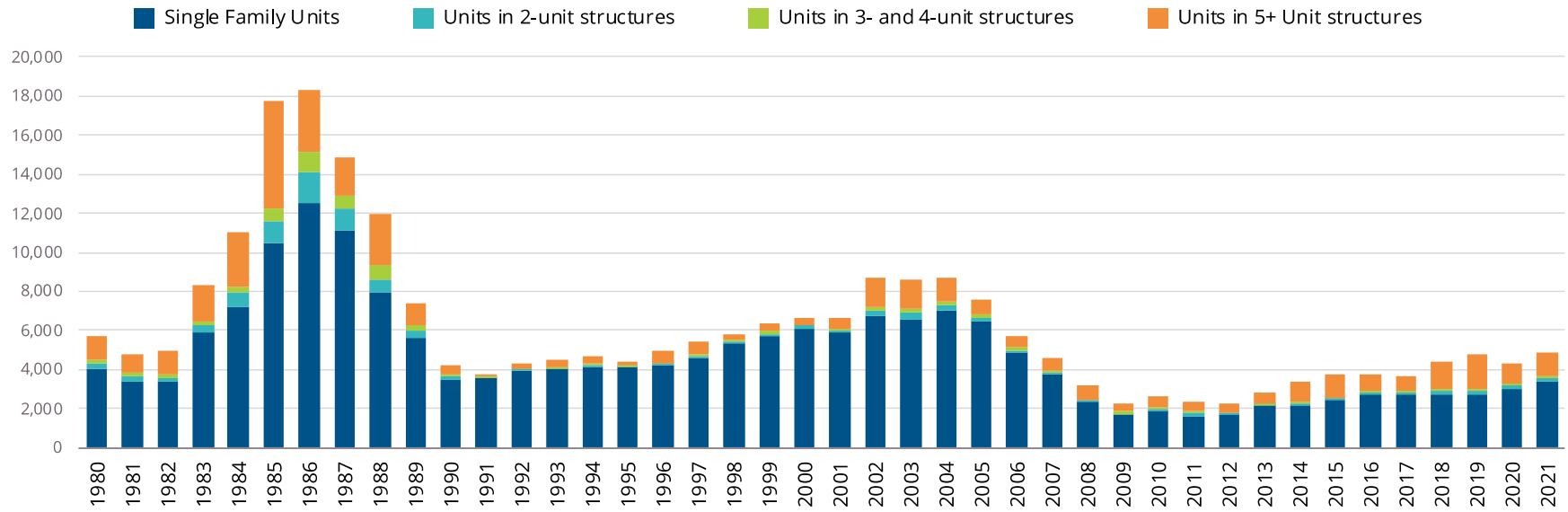
HOMEOWNERSHIP TRENDS AND HOMEBUYING ACTIVITY

- The homeownership rate in New Hampshire decreased from 73% in 2010 to 71% in 2020. Among age categories, middle aged (ages 35 to 44) adults experienced the largest decline in homeownership, from 74% to 68%.
- Middle to high income households are also increasingly less likely to be homeowners. The homeownership rate dropped the most among households with income between $75,000 and $100,000, dropping from 84% to 75%.
- The state's for sale inventory started to decline in 2008 and has rapidly decreased since 2019. During the peak homebuying season in 2019, around 9,000 homes were listed for sale each month, compared to less than 6,000 during the 2021 peak season.
- Data on sold homes indicates that between 2019 and 2022 the share of sold homes priced below $350,000 dropped from 67% to 31%, while the share of homes priced over $600,000 increased from 7% to 24%. Condominiums remain more affordable relative to single family detached homes: The share of single family sold homes priced below $300,000 in 2022 was 14% compared to 41% of condos.

HOUSING PRODUCTION TRENDS

Figure II-1 shows building trends in New Hampshire since 1980 by units in structure. Building activity peaked in the mid 1980s. Since then, multifamily permitting activity—including 2- to 4-unit structures—has been well below half of the 1980s volume. Building permits accelerated in the late 1990s and early 2000s, but was not close to what the state experienced during the 1980s. Permit activity reached its lowest level in the midst of the 2008-09 recession and has not rebounded to pre-recession levels. In 2021, permit activity was about 75% of pre-recession levels and 30% of the levels in the mid-1980s.

Figure II-1.
Building Permits, New Hampshire, 1980-2021

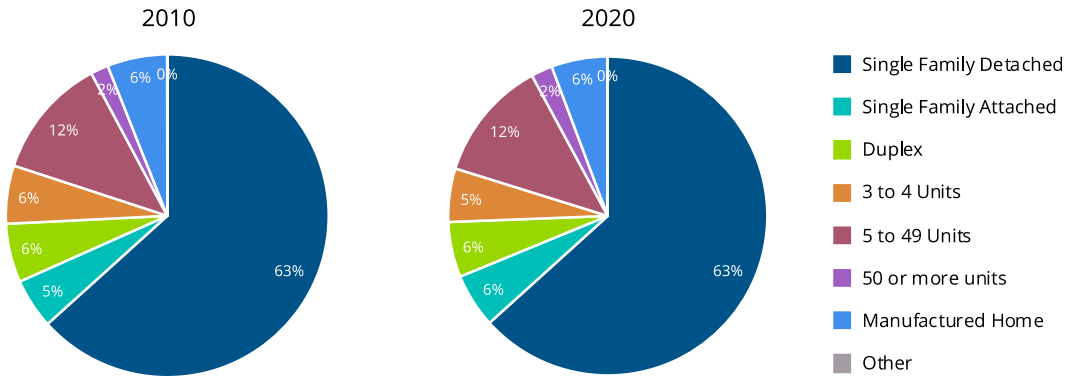


Note: The U.S. Census building permit estimates differ from the Office of Planning and Development (OPD) survey which is reported by local governments. The Census estimates were used here to capture a longer trend.

Source: U.S. Census Building Permit Survey, and Root Policy Research.

In more recent years the pace of multifamily permit activity has increased relative to single family units. However, as shown in Figure II-2 below, the distribution of housing type in the state has remained basically unchanged since 2010. Over 60% of housing units are single family detached. Single family attached and du/tri/fourplexes account for around 17% of housing units. Multifamily units in structures with 5 to 49 units account for 12% of units. High density structures with 50 units or more account for a very small share, 2% of all units.

Figure II-2.
Units in Structure, New Hampshire, 2010 and 2020

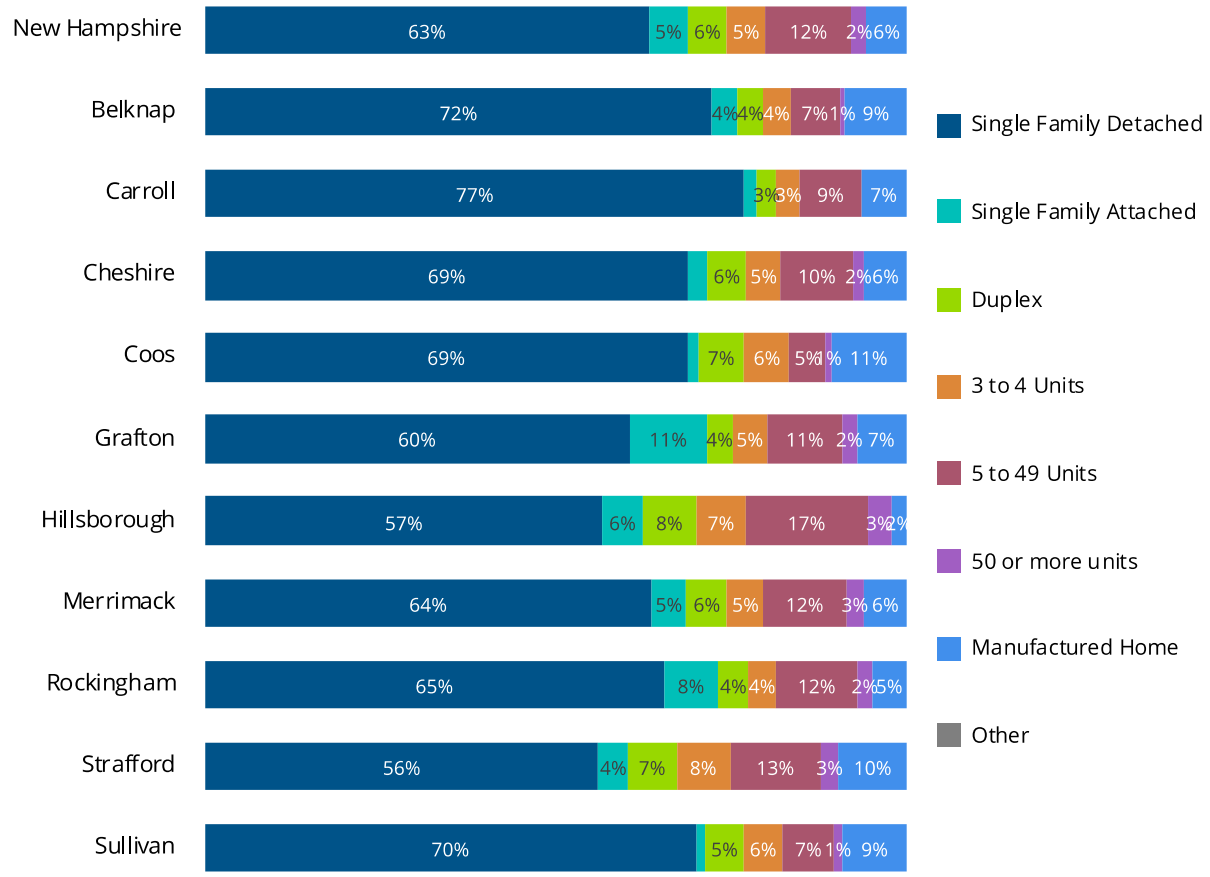


Source: 2010 ACS 5-year estimates, 2020 ACS 5-year estimates, and Root Policy Research.

Manufactured homes remain a small proportion of the state's inventory and unit production. According to the state Office of Planning and Development, 180 manufactured homes were permitted in 2020, just 4% of all permits.

Figure II-3 shows the current distribution of housing type by county. Strafford and Hillsborough counties have more diversity of housing stock and the highest share of units in buildings of 5 to 49 units, at 13% and 17%, and a relatively smaller share of single family detached units, at 56% and 57%, respectively. Conversely, the housing stock in Carroll, Belknap, and Sullivan counties, is dominated by single family detached structures, where they make up 70%, 72%, and 77% of housing units respectively. Grafton County stands out for its relatively large share of single family attached, duplex, and 3-4 unit homes, at 20% of all units, followed by Strafford County at 19%.

Figure II-3.
Units in Structure by County and New Hampshire, 2020



Note: "Other" housing types round down to 0%.

Source: 2020 ACS 5-year estimates, and Root Policy Research.

Figure II-4 shows the number of permits issued between 2010 and 2020 by housing type. Between 2010 and 2020, New Hampshire permitted over 20,000 single family housing units, almost 15,000 multifamily units, and only around 1,200 manufactured housing units.

Figure II-4. Housing Permits by Housing Type, by County and New Hampshire, 2010-2020

Note:

Negative numbers are due to data represents net permits issued.

Source:

NH Office of Planning and Development.

	Total	Single Family	Multi-family	Manufactured Home
New Hampshire	**37,046**	**20,854**	**14,925**	**1,267**
Belknap	1,853	1,249	462	142
Carroll	1,912	1,635	205	72
Cheshire	1,458	672	694	92
Coos	405	485	-122	42
Grafton	3,082	1,460	1,503	119
Hillsborough	9,789	4,956	4,810	23
Merrimack	3,233	2,048	1,014	171
Rockingham	10,603	6,031	4,304	268
Strafford	4,158	1,916	2,000	242
Sullivan	553	402	55	96

Between 2010 and 2020, the state added approximately 14,700 renter households and 15,140 rental units—not enough to keep up with demand. The upward shift in rents lowered the inventory of units affordable to the state's lowest income renters: The supply of rental units affordable to households earning less than $25,000 a year decreased by 30%—compared to a 15% decrease in the number of renters earning less than $25,000. Conversely, the supply of rental units affordable to households earning $75,000 and more per year increased by 62%, compared to 47% increase in renters.

Figure II-5 shows the change in renters between 2010, and 2020 relative to units that are affordable to them. The figure demonstrates the shift from units that were once affordable to <$50,000 income renters into prices affordable for renters with income of $50,000 to $74,999. This mismatch, discussed in more depth in Section III, results in low income renters becoming increasingly cost burdened. On the other end of the income spectrum, the state's highest income renters are spending a smaller percentage of their income on lower priced units then they can actually afford, causing lower income renters to compete for a small number of units.

Figure II-5.
Number of Renters and Affordable Units by Income, New Hampshire,2010 and 2020

	2010		2020		2010-2020 Change	
Income	Renters	Affordable Units	Renters	Affordable Units	Renters	Affordable Units
Less than $24,999	49,115	26,801	41,683	18,739	-7,432	-8,062
$25,000-$49,999	43,829	79,547	42,293	70,446	-1,536	-9,101
$50,000-$74,999	25,672	24,040	29,961	50,270	4,289	26,230
$75,000+	21,951	3,673	41,340	9,747	19,389	6,074

Note: Price breaks for units are $650, $1,250, and $2,000 and represent what a renter household could afford without being cost burdened. Excludes units with no cash rent. Units not paying cash rent are generally provided free by friends or relatives or in exchange for services, such as resident manager, caretaker, minister, or tenant farmer. Housing units on military bases also are classified in the "No cash rent" category.

Source: 2010 ACS 5-year estimates, 2020 ACS 5-year estimates and Root Policy Research.

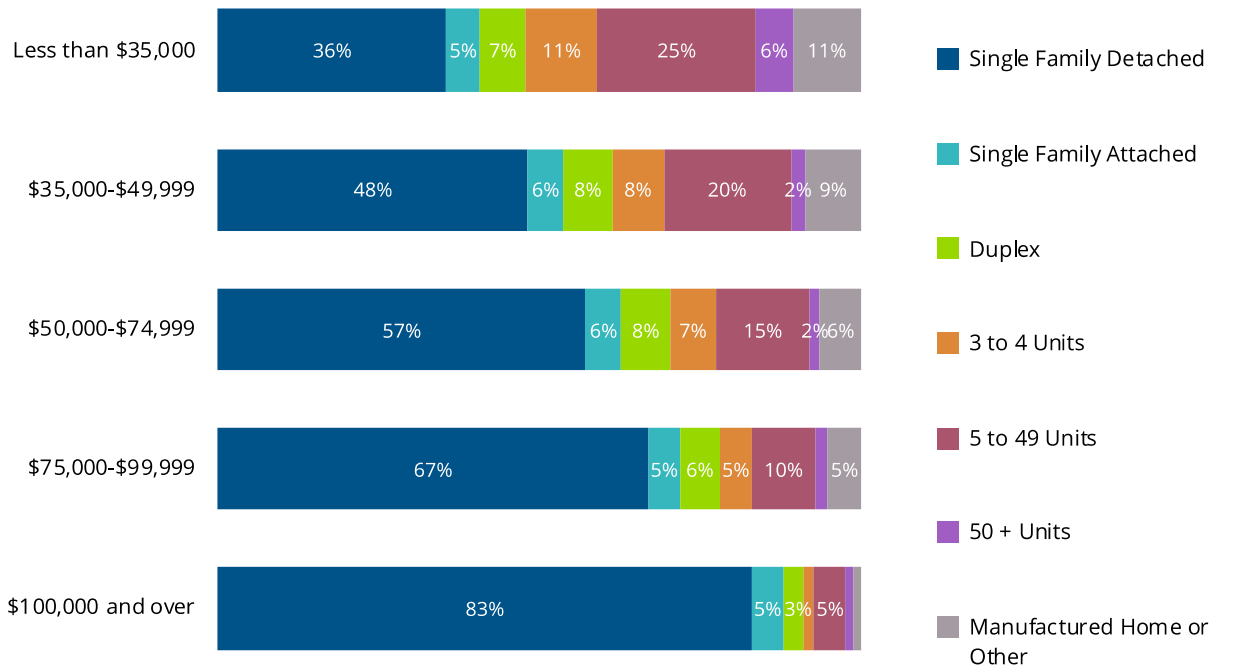
HOUSING TYPE DIVERSITY

Housing needs and preferences change over time, following fluctuations in household composition, income, employment, and age. While diversity in housing type is typically easier to achieve in faster growing, urban areas where density, volume building, and financial resources can be leveraged, diversity of housing types in all areas is important to accommodate the needs and preferences of households.

Figure II-6 below shows the distribution of occupied housing types by income category for the state. Households with lower incomes occupy a mix of different housing types, while higher income households overwhelmingly occupy single family detached units. Specifically:

- Households with incomes below $35,000 are two and a half times more likely to occupy moderate density multifamily housing (units in buildings with 5 to 49 units) as households with incomes between $75,000 and $100,000;
- Households with incomes between $35,000 and $50,000 are twice as likely to occupy moderate density multifamily housing as households with incomes between $75,000 and $100,000;
- Households with incomes below $35,000 are 2.5 times more likely to occupy units in large density multifamily housing (buildings with 50 or more units) compared to households with incomes of $75,000 and more.

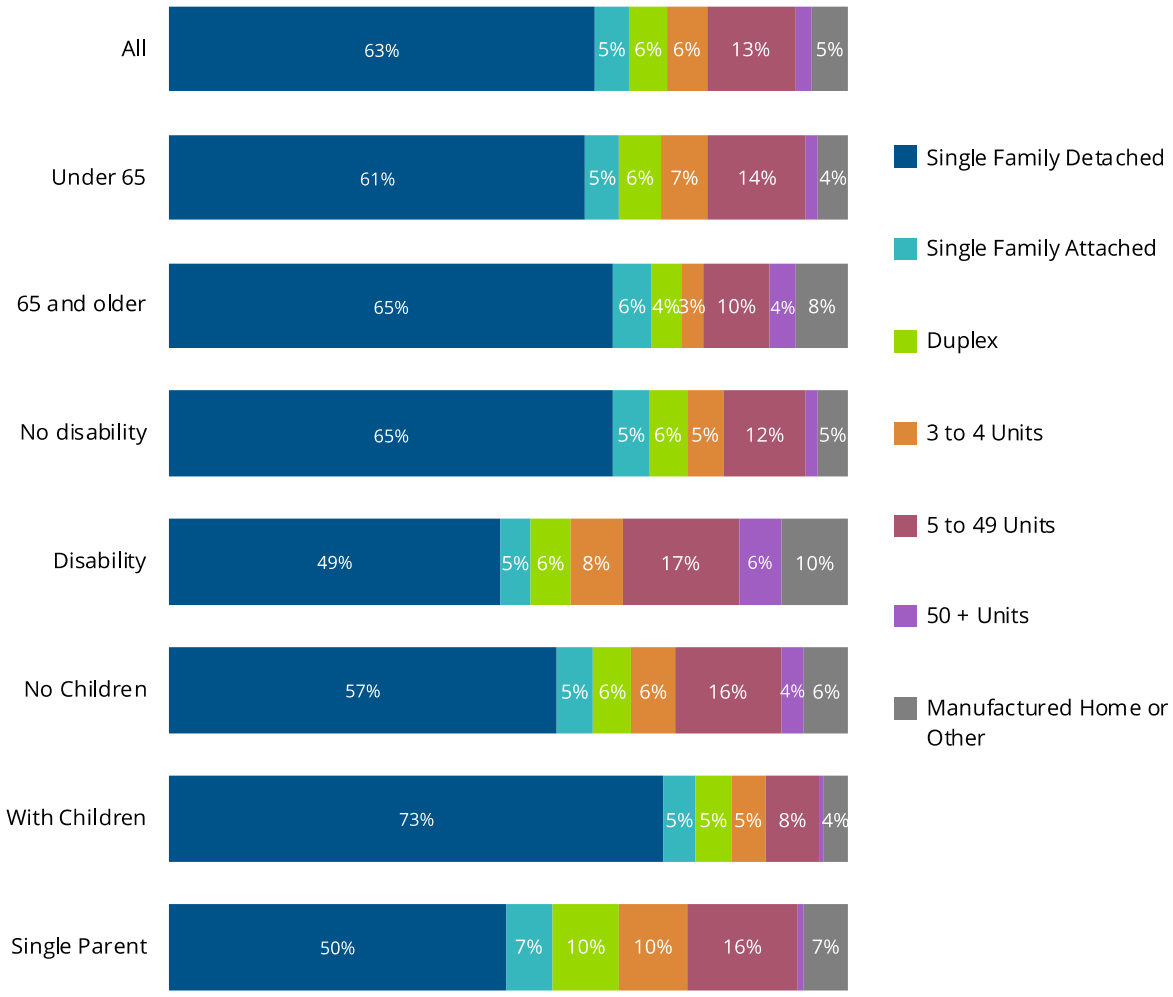
Figure II-6.
Housing Type Occupied by Income, New Hampshire, 2020



Source: 2020 ACS 5-year IPUMS and Root Policy Research.

Figure II-7 illustrates how household characteristics vary by housing type. Although 63% of all households in New Hampshire occupy single family detached units, this share is much lower among households with a member with a disability (49%), households without children (57%), and single parents (50%); these households occupy a more diverse set of housing types.

Figure II-7.
Housing Type Occupied by Household Characteristics, New Hampshire, 2020

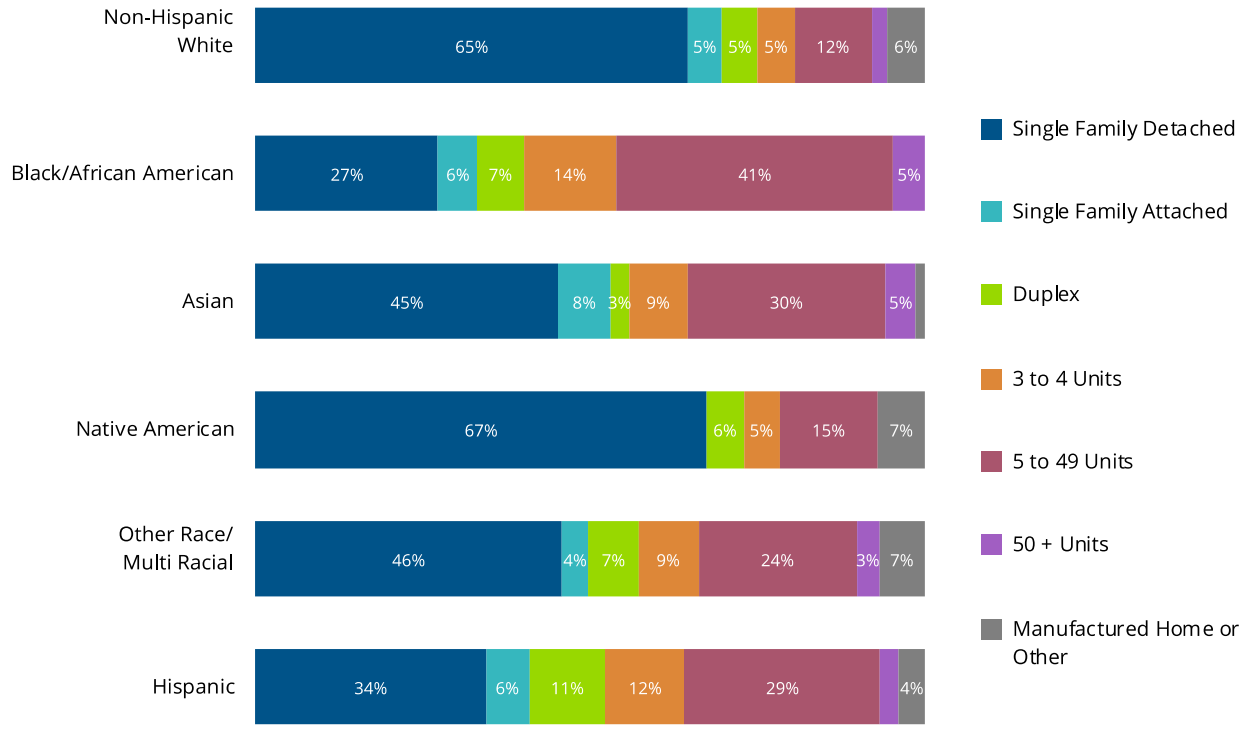


Source: 2020 ACS 5-year IPUMS and Root Policy Research.

Figure II-8 illustrates housing type by race and ethnicity. As shown in the figure:

- Non-Hispanic White and American Indian/Native American are the most likely to live in single family detached units (65% and 67% respectively);
- Black/African American households are the most likely to occupy units in buildings with 5 to 49 units (41%), followed by Asian/Pacific Islander households (30%), and Hispanic households (29%);
- Black/African American and Hispanic households are also more likely to occupy triplexes and fourplexes (14% and 12% respectively).

Figure II-8.
Housing Type Occupied by Race and Ethnicity, New Hampshire, 2020



Source: 2020 ACS 5-year IPUMS and Root Policy Research.

Differences in housing costs by housing type influences occupancy. Figures II-9 and II-10 show median gross rent and median home value for different housing types. The right portion of the table shows how much more expensive single family detached housing is compared to each of the other categories. This is called the "single family premium."[1]

In the rental market, with the exception of single family attached units, single family detached units have a higher gross rent that other housing types. Until recently, units in 50+ units multifamily developments were much more affordable than other unit types; the premium commanded by single family structures compared to multifamily units has decreased over time. This is likely due to higher costs of new multifamily development, as well as the amenities now built into some multifamily market rate developments.

Figure II-9.
Median Gross Rent by Housing Type and Single Family Rent Premium, New Hampshire, 1990, 2000, 2010, and 2020

	Median Gross Rent				Single Family Detached Rent Premium			
Housing Type	1990	2000	2010	2020	1990	2000	2010	2020
Single Family Detached	$645	$780	$1,113	$1,270	0%	0%	0%	0%
Single Family Attached	$750	$765	$1,246	$1,577	-14%	2%	-11%	-19%
Duplex	$575	$678	$999	$1,187	12%	15%	11%	7%
3 to 4 Units	$500	$610	$890	$1,033	29%	28%	25%	23%
4 to 9 Units	$487	$685	$844	$1,010	32%	14%	32%	26%
10 to 19 Units	$535	$765	$890	$1,073	21%	2%	25%	18%
20 to 49 Units	$566	$645	$920	$1,114	14%	21%	21%	14%
50 + Units	$237	$260	$709	$1,196	172%	200%	57%	6%

Note: Nominal dollars. Single family attached homes in this context refer to townhomes and rowhomes.

Source: IPUMS various years and Root Policy Research.

[1] These comparisons are for illustrative purposes only since they do not control for other housing attributes such as age and location.

Among owners, single family units continue to have a higher estimated value compared to other housing types. The value premium of single family detached units has increased for most housing types. For example, in 2020, the median home value for a single family detached unit was 27% higher than the median value for a single family attached unit and 19% higher than for a duplex (Figure II-10).

Single family attached units have median values that are lower than single family detached homes (Figure II-10) yet command higher rents (Figure II-9). This could be due to a number of factors including unit condition and acquisition of attached units by investors.

Figure II-10.
Median Home Value by Housing Type and Single Family Value Premium, New Hampshire, 1990, 2000, 2010, and 2020

	Median Value				Single Family Detached Value Premium			
Housing Type	1990	2000	2010	2020	1990	2000	2010	2020
Single Family Detached	$137,500	$137,500	$275,000	$280,000	0%	0%	0%	0%
Single Family Attached	$112,500	$112,500	$225,000	$220,000	22%	22%	22%	27%
Duplex	$137,500	$112,500	$225,000	$235,000	0%	22%	22%	19%
3 to 4 Units	$162,500	$112,500	$225,000	$220,000	-15%	22%	22%	27%
4 to 9 Units	$95,000	$95,000	$187,500	$185,000	45%	45%	47%	51%
10 to 19 Units	$77,500	$125,000	$137,500	$175,000	77%	10%	100%	60%
20 to 49 Units	$85,000	$90,000	$137,500	$150,000	62%	53%	100%	87%
50 + Units	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Nominal dollars. Single family attached homes in this context refer to townhomes and rowhomes. N/A refers to sample sizes that are too small.

Source: IPUMS various years and Root Policy Research.

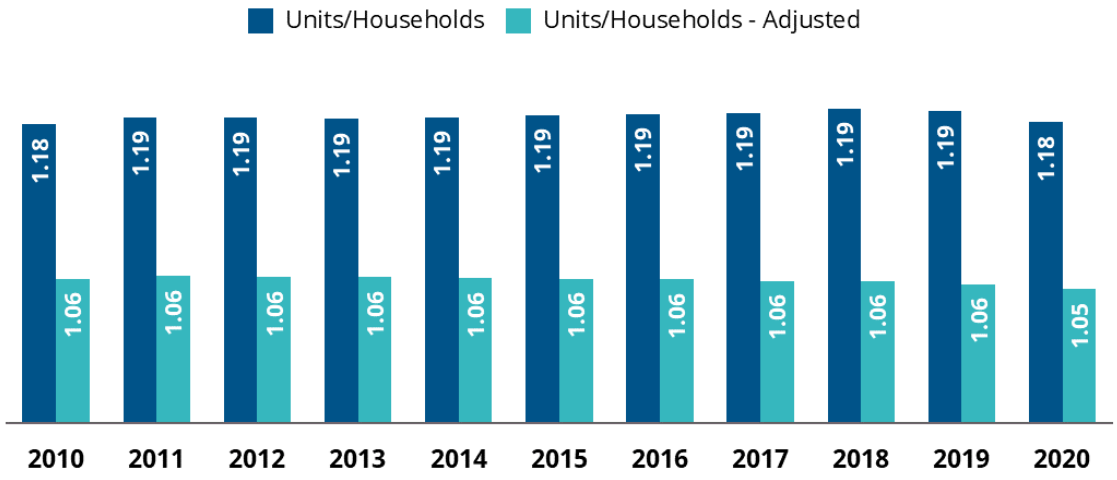
VACANCY TRENDS

Historically, a large number of homes in New Hampshire sit vacant for a portion of the year and are used for seasonal/recreational purposes. It is important to examine vacancy trends with and without these units to determine the state's true vacancy rate—those units that are available for permanent residents.

As shown in Figure II-11, the ratio of total housing units to permanent households in the state—another way of visualizing the components of vacancies—has been around 1.18—meaning that there are slightly more units than permanent resident households. However, adjusting for seasonal vacancies, this ratio is much lower at around 1.05—indicating a very low vacancy rate. For comparison, the ratio of total housing units to permanent households at the national level is 1.13, adjusting for seasonal vacancies this ratio is 1.09.

These ratios remained the same until recently, as shown in the figure below. The slight decline in 2020 is indicative of a pandemic related slowdown in production. The numbers also show the early impact of the conversion of permanent resident occupied units into seasonal use.

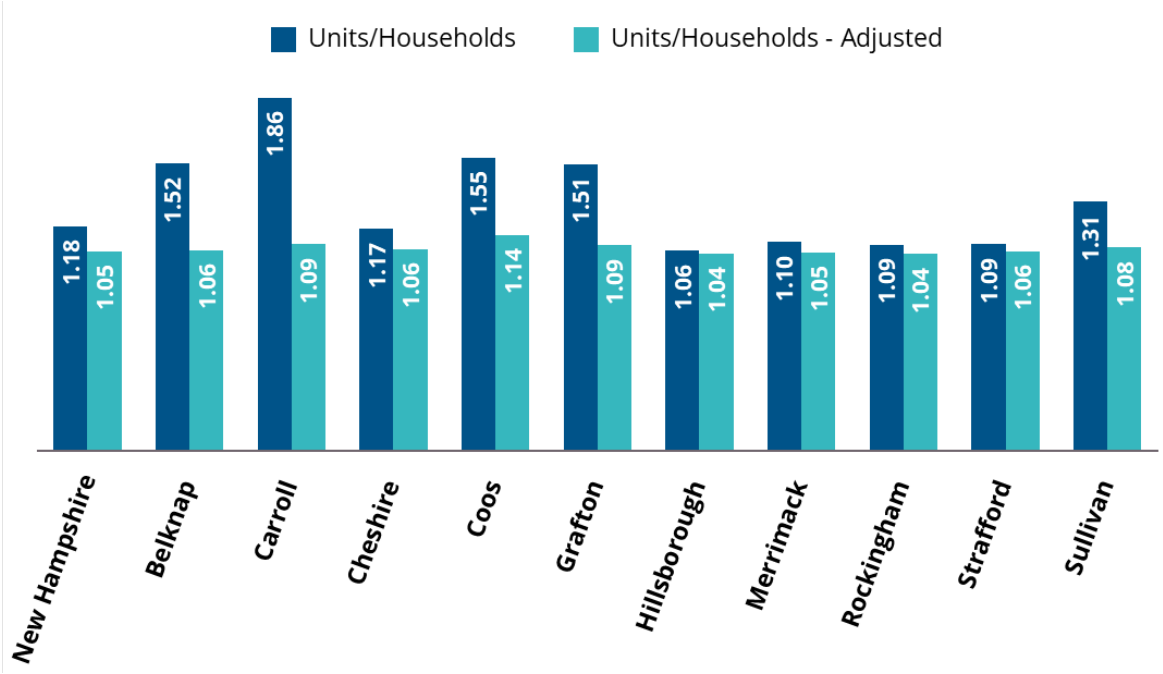
Figure II-11.
Ratio of Housing Units to Permanent Households in New Hampshire, Adjusted for Seasonal Vacancies, 2010 - 2020



Source: ACS 5-year estimates, and Root Policy Research.

Figure II-12 shows the ratio of total housing units to permanent households by county as well as the ratio adjusted for seasonal vacancies. In some counties—Carroll, Belknap, Coos, and Grafton—the adjustment results in a much lower ratio, revealing the limited housing available for permanent residents.

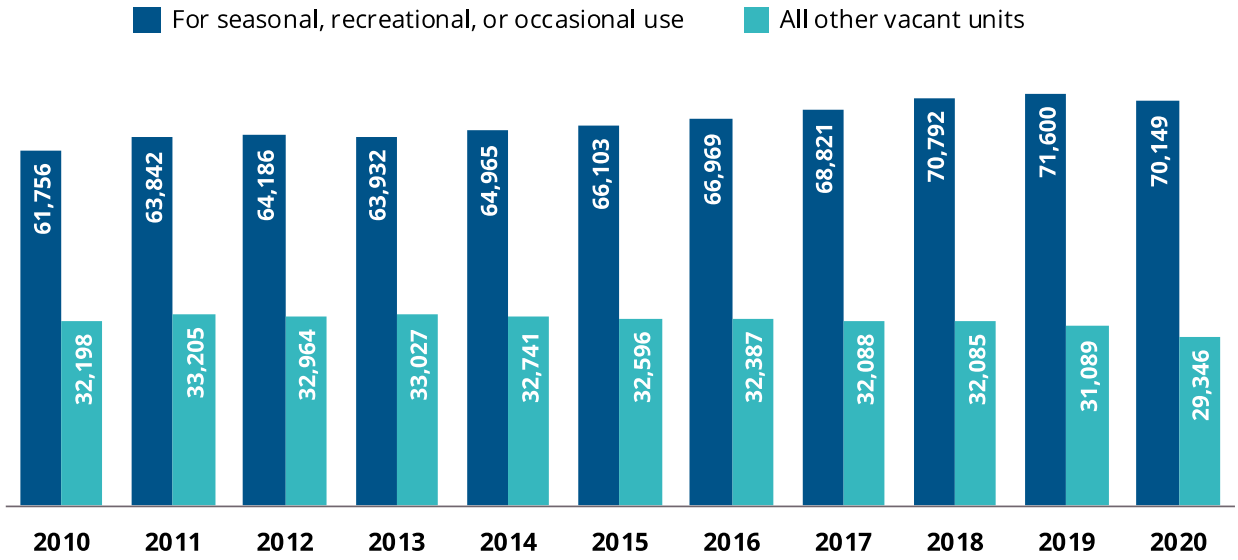
Figure II-12.
Ratio of Housing Units to Permanent Households by County, Adjusted for Seasonal Vacancies, 2020



Source: 2020 ACS 5-year estimates, and Root Policy Research.

Between 2010 and 2020, the increase in vacant units for seasonal, recreational, or occasional use far outpaced increases in all other vacant units. In fact, while the number of vacant units for seasonal, recreational, or occasional use increased by almost 8,400 units, the number of all other vacant units decreased by more than 2,800 units. This lack of inventory creates price pressure in both the rental and for sale markets: when renters who are ready to buy cannot find homes to purchase they occupy rental units longer, reducing the availability of rental units, and inducing the market to raise rents.

Figure II-13.
Estimated Vacant Housing Units, New Hampshire, 2010 - 2020



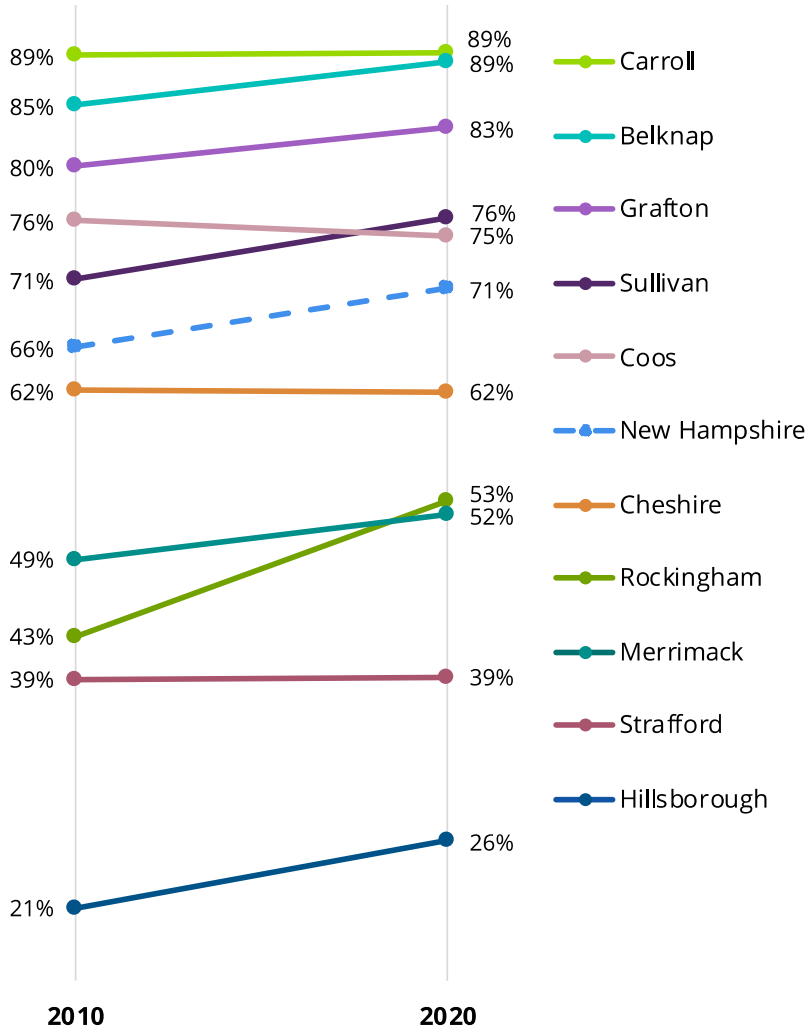
Note: All other vacant units include units for rent, for sale only, rented or sold but not occupied, for migrant workers, and other vacant for example held for settlement of an estate, held for personal reasons, or held for repairs.

Source: ACS 5-year estimates, and Root Policy Research.

As shown in Figure II-14, the share of all vacant units that are used for seasonal/recreational purposes has increased from 66% to 71%. The share of vacant units for seasonal/recreational purposes has increased the most in Rockingham County, where it increased by 10 percentage points, from 43% in 2010 to 53% in 2020.

Figure II-14.
Share of Units Vacant for Seasonal and Recreational Use, by County and New Hampshire, 2010-2020

Source:
2010 ACS 5-year estimates, 2020 ACS 5-year estimates and Root Policy Research.



The number of vacant units for seasonal/recreational purposes is concentrated in Carroll, Grafton, and Belknap counties (Figure II-15) which together account for 63% of all vacant units for seasonal/recreational purposes.

Statewide, there are around 7 times the number of vacant units for seasonal/recreational purposes as there are vacant units for rent and for sale combined. This ratio is higher in Carroll County where there are 30 times the number of vacant units for seasonal/recreational purposes as there are vacant units for rent and for sale combined, followed by Belknap (25 times), Coos (11 times), and Grafton (11 times) counties

Figure II-15.
Vacant Units by Reason, by County and New Hampshire, 2020

	For Rent	For Sale Only	Rented or Sold, not Occupied	For Seasonal/Rec. Use	For Migrant Workers	Other
New Hampshire	**6,629**	**3,481**	**4,118**	**70,149**	**128**	**14,990**
Belknap	286	188	93	11,698	53	888
Carroll	149	420	299	17,155	0	1,175
Cheshire	251	269	517	3,264	20	926
Coos	274	260	53	5,736	14	1,337
Grafton	905	506	188	15,000	0	1,409
Hillsborough	1,693	503	1,188	2,454	5	3,515
Merrimack	781	308	243	3,177	0	1,566
Rockingham	965	571	727	5,729	0	2,724
Strafford	971	352	611	1,800	36	808
Sullivan	354	104	199	4,136	0	642

Source: 2020 ACS 5-year estimates, and Root Policy Research.

The percent change in vacant units by reason is presented in Figure II-16. The state and most counties experienced a considerable drop in vacant units for rent and for sale paired with growth in vacant units for seasonal/recreational purposes and well as for other purposes.[2]

Figure II-16.
Percent Change in Vacant Units by Reason, by County and New Hampshire, 2010-2019

	For Rent	For Sale Only	Rented or Sold, not Occupied	For Seasonal/Rec. Use	For Migrant Workers	Other
New Hampshire	**-21%**	**-50%**	**6%**	**14%**	**540%**	**16%**
Belknap	-24%	-70%	-29%	16%	253%	43%
Carroll	-61%	-22%	85%	-1%	-100%	16%
Cheshire	-12%	-1%	66%	19%	-	18%
Coos	18%	-15%	-42%	23%	-	56%
Grafton	15%	-8%	-50%	19%	-	2%
Hillsborough	-41%	-68%	-10%	3%	-	6%
Merrimack	3%	-54%	-32%	10%	-	25%
Rockingham	-47%	-61%	27%	26%	-	18%
Strafford	30%	-47%	54%	2%	-	-13%
Sullivan	77%	-62%	10%	51%	-	41%

Note: Large percentage changes in vacant units for migrant workers are due to the small number of units in this category.

Source: 2010 ACS 5-year estimates, 2020 ACS 5-year estimates, and Root Policy Research.

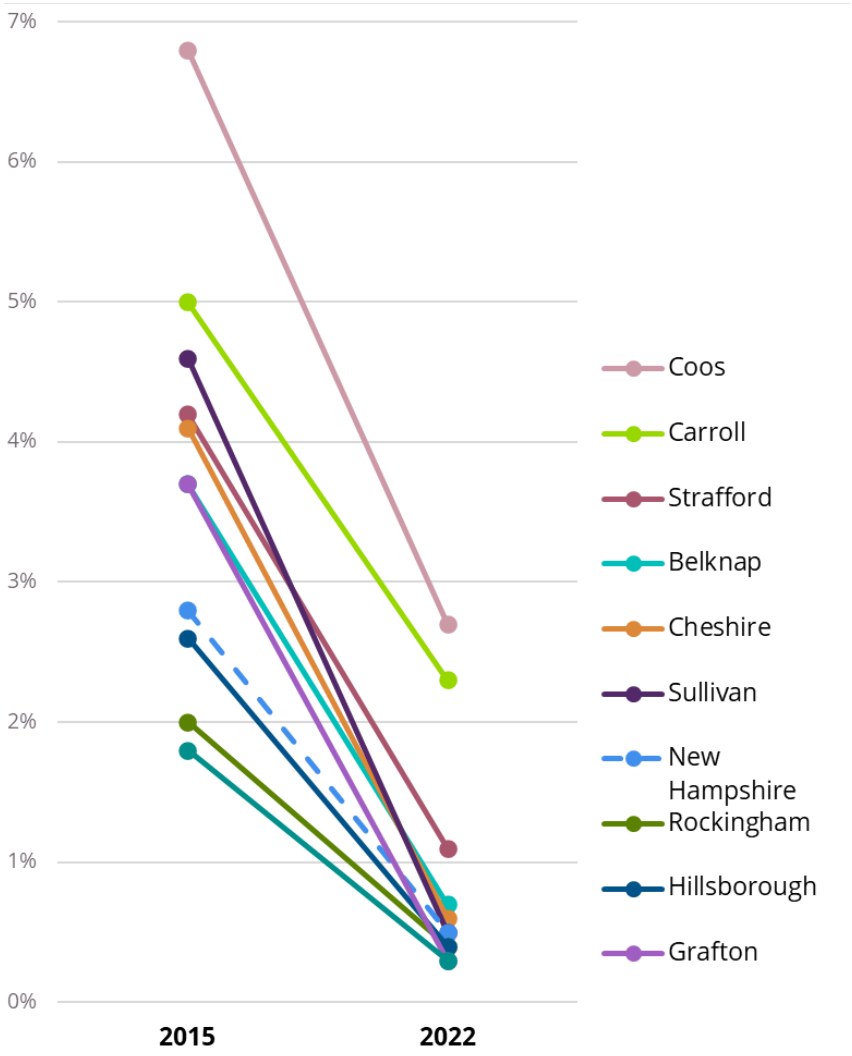
[2] Included under the "Other" category are year-round units which were vacant for reasons other than those mentioned above: For example, held for settlement of an estate, held for personal reasons, or held for repairs.

As shown in Figure II-17, the rental vacancy rate in the state was 2.8% in 2015—already below the 5% vacancy rate considered healthy for the rental market. However, Coos, Carroll, Sullivan, Cheshire, and Strafford Counties had rental vacancy rates above 4%. By 2022, the state vacancy rate dropped to 0.5%. Extremely low rental vacancy rates have spread to the entire state, with no county reaching the 3% rental vacancy rate, and several counties—Grafton, Hillsborough, Merrimack, Rockingham—having vacancy rates below 0.5%.

Figure II-17. Rental Vacancy Rates by County and New Hampshire, 2015 and 2022

Note:
Vacancy rate for all units.

Source:
New Hampshire Residential Rental Cost Survey.



SECOND HOMES, SHORT TERM RENTALS, AND INVESTMENT ACTIVITY

As discussed in the section above, low vacancy rates in the state are partly driven by increased activity among second home buyers, investment activity, and an increase in short term rentals in recent years. This section uses additional data sources to explore recent trends in home purchases for different occupancy purposes, short term rental activity, and trends in purchases from out of state residents and limited liability companies.

LOAN ACTIVITY FOR SECOND HOMES AND INVESTMENT PROPERTIES

Home Mortgage Disclosure Act (HMDA) data indicate which home mortgages were for second homes or investment properties and can be analyzed to better understand the shift in purchases of second homes or investment properties. However, HMDA data only include home purchases which made use of a mortgage; home purchases made in cash, without a mortgage, are not included in the data. Therefore, the following estimates are an undercount of how many homes were purchased as second homes and investment properties.

Figure II-18, presents a comparison of the share of home purchase loans originated that were for second homes or investment properties in 2010 and 2021. In the state, the share of loans originated for second homes or investment properties increased from 13% in 2010 to 16% in 2021. Most counties experienced an increase in the share of loans for second homes or investment properties, the largest increase was experienced by Grafton County (7 percentage points increase), followed by Coos County (4 percentage points increase). Only Carroll County—which already has the highest share of loans for second homes or investment properties—experienced a decrease in this share, dropping by 5 percentage points.

Figure II-18.
Share of Loans for Second Homes or Investment Properties, by County and New Hampshire, 2010-2021

Note:
Includes first lien loan originations only.
Source:
HMDA and Root Policy Research.

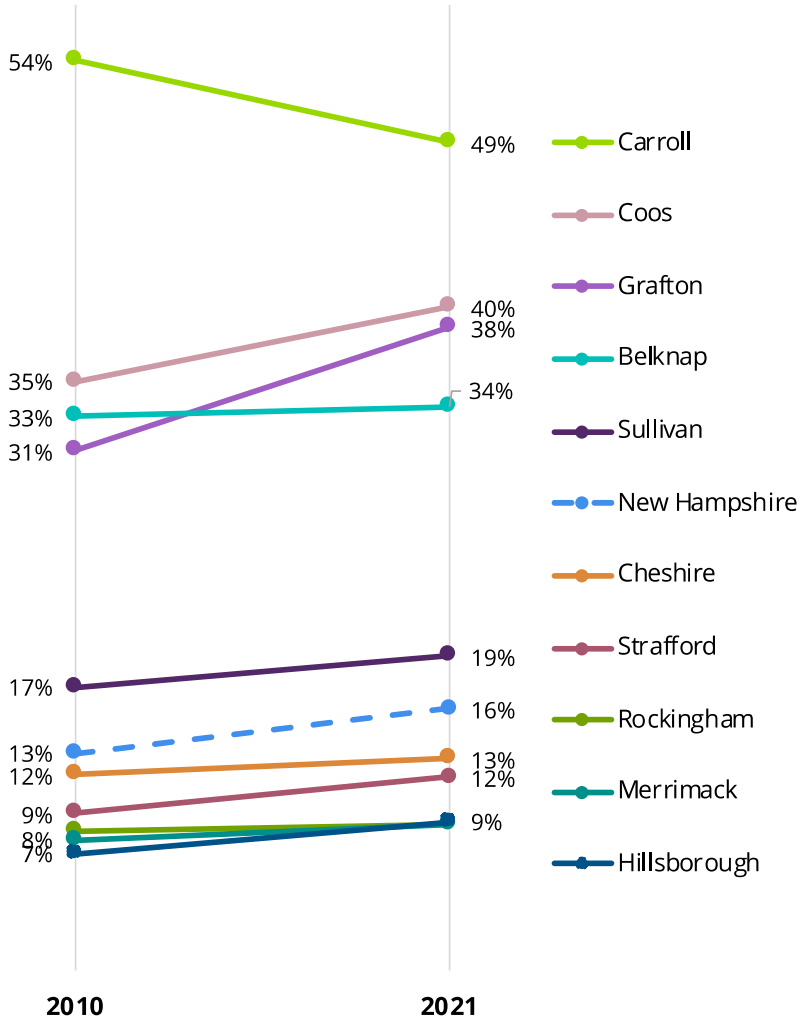


Figure II-19 shows the number of second home loan originations for the state and by county. The number of second home loan originations spiked during the pandemic in 2020—increasing from 1,688 in 2019 to 2,194 in 2020—and remained high in 2021. The number of second home loans increased by 30% between 2019 and 2020 and remained 17% higher in 2021 compared to 2019. The increase in the number of second home loan originations in 2020 was experienced by all counties in the state.

Figure II-19. Second Home Loan Originations by County and New Hampshire, 2018-2021

Note:
Includes first lien loan originations only.

Source:
HMDA and Root Policy Research.

	2018	2019	2020	2021	2018-2021 % Change
New Hampshire	**1,601**	**1,688**	**2,194**	**1,972**	**23%**
Belknap	325	307	394	328	1%
Carroll	455	484	540	517	14%
Cheshire	48	64	84	63	31%
Coos	94	102	135	144	53%
Grafton	256	339	459	392	53%
Hillsborough	78	75	89	108	38%
Merrimack	74	66	106	86	16%
Rockingham	166	152	224	204	23%
Strafford	42	52	67	65	55%
Sullivan	63	47	96	65	3%

Figure II-20 shows the number of loan originations for investment properties for the state and by county. The number of loan originations for investment properties in the state decreased slightly in 2020 and rebounded in 2021. Although the more rural counties in northern and western New Hampshire experienced the greatest percentage increase in investment loan originations between 2018 and 2021, in absolute numbers the more populated counties in the southeastern part of the state continued to have the greatest investment activity.

Figure II-20. Investment Property Loan Originations by County and New Hampshire, 2018-2021

Note:
Includes first lien loan originations only.

Source:
HMDA and Root Policy Research.

	2018	2019	2020	2021	2018-2021 % Change
New Hampshire	**979**	**1,146**	**1,042**	**1,398**	**43%**
Belknap	56	70	51	81	45%
Carroll	65	57	60	56	-14%
Cheshire	24	33	41	61	154%
Coos	21	27	36	56	167%
Grafton	54	73	75	116	115%
Hillsborough	364	430	326	461	27%
Merrimack	97	86	103	108	11%
Rockingham	185	209	192	254	37%
Strafford	105	149	132	163	55%
Sullivan	8	12	26	42	425%

Figure II-21 shows additional mortgage characteristics by occupancy type including principal residence, second homes, and investment properties. In all counties except Hillsborough County, second home mortgages have higher median property values compared to principal and investment properties. Investment properties have the lowest median property value in Belknap, Cheshire, Coos, Grafton, Rockingham, and Sullivan counties.

The median applicant income for second home and investment mortgages is much higher than for applicants purchasing a principal residence. The median income for a buyer of second homes is 110% higher than for applicants purchasing a primary residence—$206,000 compared to $98,000. The same is true for applicants for investment mortgages: the median income is 56% higher, at $153,000 compared to $98,000 for applicants purchasing a primary residence.

Among second home mortgages, this discrepancy is the largest in Merrimack County, where the median income of applicants purchasing a second home is 182% higher than the median income of applicants purchasing a primary residence. Among investment properties, this discrepancy is the largest in Belknap County, where the median income of applicants purchasing an investment property is 109% higher than the median income of applicants purchasing a primary residency.

The figure also shows the average proportion of non-Hispanic White residents and age of homes by Census tract within the state and county. Second home activity is more prevalent in areas where housing stock is relatively newer and where racial and ethnic minority populations are lower. Investment activity, in contrast, occurs more often in areas with older housing and higher shares of minority populations.

Figure II-21.
Mortgage Characteristics by Occupancy Type, by County and New Hampshire, 2021

	Number of Home Loans	% of Total Home Loans	Median Property Value	Median Loan Amount	Median Applicant Income	Avg. % Minority in Census Tract	Avg. Age of Home by Census Tract
New Hampshire							
Principal	18,215	84%	375,000	315,000	98,000	7.8%	49
Second home	1,972	9%	375,000	295,000	206,000	4.7%	38
Investment	1,398	6%	335,000	255,000	153,000	11.8%	51
Belknap							
Principal	806	66%	325,000	275,000	91,000	4.6%	44
Second home	328	27%	435,000	340,000	236,000	5.3%	38
Investment	81	7%	305,000	225,000	190,000	5.0%	48
Carroll							
Principal	586	51%	325,000	275,000	90,000	3.7%	34
Second home	517	45%	395,000	315,000	218,000	3.5%	35
Investment	56	5%	335,000	240,000	130,000	3.9%	34
Cheshire							
Principal	860	87%	265,000	235,000	80,000	5.3%	55
Second home	63	6%	335,000	265,000	180,000	4.4%	45
Investment	61	6%	235,000	175,000	132,000	5.7%	58
Coos							
Principal	305	60%	175,000	165,000	68,000	5.0%	56
Second home	144	29%	270,000	215,000	163,000	3.8%	42
Investment	56	11%	140,000	100,000	117,500	7.0%	61
Grafton							
Principal	817	62%	295,000	245,000	94,000	7.9%	41
Second home	392	30%	325,000	245,000	196,000	4.8%	35
Investment	116	9%	275,000	205,000	172,000	7.3%	39
Hillsborough							
Principal	5,820	91%	385,000	325,000	98,000	11.4%	54
Second home	108	2%	345,000	280,000	186,000	9.3%	41
Investment	461	7%	375,000	285,000	152,500	21.6%	56
Merrimack							
Principal	2,031	91%	345,000	295,000	93,000	6.3%	53
Second home	86	4%	410,000	315,000	262,500	4.8%	40
Investment	108	5%	345,000	255,000	160,500	6.9%	52
Rockingham							
Principal	4,784	91%	455,000	375,000	114,000	6.3%	41
Second home	204	4%	505,000	375,000	224,000	5.0%	41
Investment	254	5%	415,000	305,000	160,500	7.0%	43
Strafford							
Principal	1,744	88%	335,000	285,000	90,500	7.4%	55
Second home	65	3%	425,000	325,000	194,000	4.9%	40
Investment	163	8%	360,000	265,000	143,000	9.9%	53
Sullivan							
Principal	462	81%	245,000	215,000	77,000	4.3%	53
Second home	65	11%	315,000	265,000	191,000	3.3%	36
Investment	42	7%	175,000	130,000	121,000	4.0%	58

Note: Includes first lien loan originations only.

Source: HMDA and Root Policy Research.

Figure II-22 shows the trends in property values by occupancy type between 2018 and 2021. Statewide, the appreciation in values of principal residences was slightly larger than for second homes and investment properties, 36% compared to 32% and 31%. The increase in value of principal residences relative to both second homes and investment properties occurred in Belknap, Grafton, Hillsborough, and Sullivan counties.

Second homes experienced a larger percent increase in median value compared to principal residences in Cheshire, Coos, and Rockingham Counties. Investment properties experienced a larger percent increase in median value compared to principal residences in Carroll, Coos, Merrimack, and Strafford counties.

Figure II-22.
Median Property Value by Occupancy Type, by County and New Hampshire, 2018 and 2021

	Principal Residence			Second Home			Investment Property		
	2018	2021	% Change	2018	2021	% Change	2018	2021	% Change
New Hampshire	**$275,000**	**$375,000**	**36%**	**$285,000**	**$375,000**	**32%**	**$255,000**	**$335,000**	**31%**
Belknap	$225,000	$325,000	44%	$325,000	$435,000	34%	$245,000	$305,000	24%
Carroll	$225,000	$325,000	44%	$275,000	$395,000	44%	$215,000	$335,000	56%
Cheshire	$195,000	$265,000	36%	$225,000	$335,000	49%	$180,000	$235,000	31%
Coos	$135,000	$175,000	30%	$145,000	$270,000	86%	$70,000	$140,000	100%
Grafton	$210,000	$295,000	40%	$245,000	$325,000	33%	$215,000	$275,000	28%
Hillsborough	$275,000	$385,000	40%	$255,000	$345,000	35%	$275,000	$375,000	36%
Merrimack	$255,000	$345,000	35%	$320,000	$410,000	28%	$245,000	$345,000	41%
Rockingham	$345,000	$455,000	32%	$380,000	$505,000	33%	$325,000	$415,000	28%
Strafford	$255,000	$335,000	31%	$340,000	$425,000	25%	$255,000	$360,000	41%
Sullivan	$175,000	$245,000	40%	$250,000	$315,000	26%	$130,000	$175,000	35%

Note: Includes first lien loan originations only.

Source: HMDA and Root Policy Research.

SHORT TERM RENTAL TRENDS

Short term rentals (STRs) are usually defined as rental units that are rented, leased, or occupied for accommodation purposes for compensation for terms of less than 30 days. Participation in this form of sharing economy has been facilitated by online marketplaces such as Airbnb and Vacation Rental by Owner (VRBO).

Data from AirDNA (an online aggregator of STR listings) are shown in Figure II-23. The figure shows the estimated number of STRs in the state and by county, as well as the percent of all housing units that STRs make up. As of May 2022, there were over 5,500 STR listings in the state, representing slightly less than 1% of the housing stock. Over 50% of listings are located in Carroll and Grafton counties. In Carroll County, STR listings represent 3.6% of the total housing stock, and in Grafton County they represent 2.8%. The share of total housing stock used for STRs is also large in Belknap County (2.2%), Coos County (1.6%), and Sullivan County (1.2%).

Figure II-23. Estimated Number of Short Term Rentals by County and New Hampshire, May 2022

Note:
Aggregated from zip code level data.

Source:
AirDNA.

	# of STRs	STRs as a % of housing units
New Hampshire	5,582	0.9%
Belknap	854	2.2%
Carroll	1,477	3.6%
Cheshire	134	0.4%
Coos	354	1.6%
Grafton	1,482	2.8%
Hillsborough	252	0.1%
Merrimack	184	0.3%
Rockingham	481	0.4%
Strafford	81	0.1%
Sullivan	283	1.2%

Although STRs make up a very small share of housing units, their growth has been very strong in a handful of counties—largely those where tourism is an important part of the economic base.

Figure II-24 shows the estimated number of STR listings in the second quarter of 2019 compared to the second quarter of 2022 in the places with the largest concentrations of listings. These places have experienced a considerable increase in STR listing activity between 2019 and 2022. The largest percent increase was in Hampton (85%), followed by Gilford (71%), and Lincoln (65%).

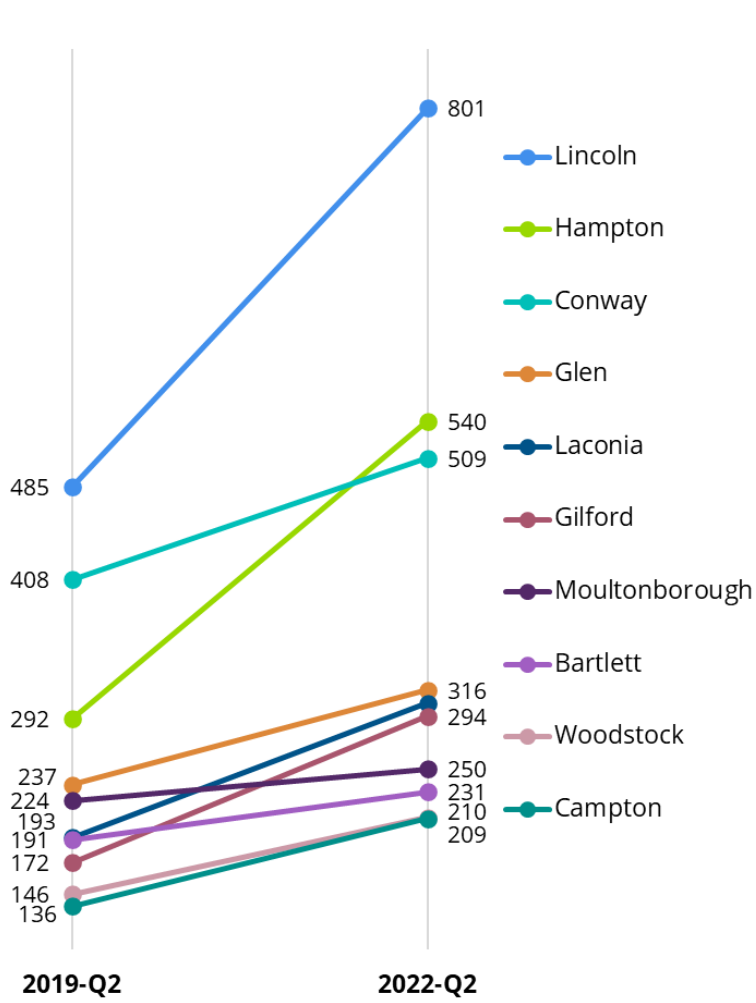
Figure II-24. Change in STRs in Top Places, 2019-Q2 and 2022-Q2

Note:

Zip codes included are 03251, 03860, 03842, 03838, 03249, 03812, 03246, 03223, 03262, 03254, 03253, and 03285.

Source:

AirDNA.

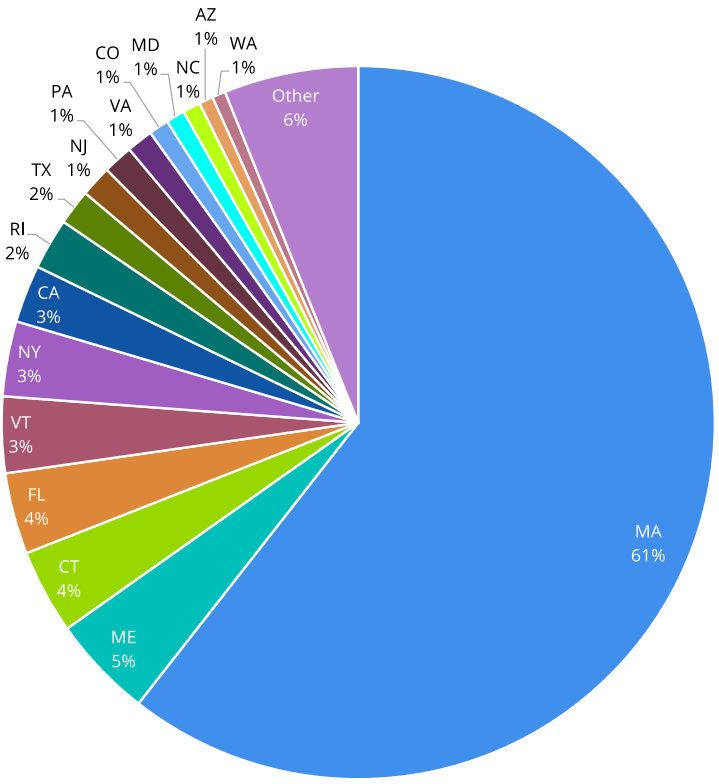


OUT OF STATE BUYERS AND LLC ACTIVITY

To analyze the impact of out of state buyers in the New Hampshire housing market, data from deed transfers were analyzed. These data indicate the location of the buyer at the time of purchase; however, whether the buyer moved to New Hampshire or retained the property as a second/investment property is not discernable from the data.

Anecdotally, New Hampshire drew out of state buyers during the pandemic when seclusion was highly desirable. The top buyers from outside of New Hampshire are from Massachusetts, California, Florida, Maine, New York, and Vermont, as shown in Figure II-25. It is important to note that New Hampshire buyers still make up 78% of deed transfers in the state. Massachusetts buyers represent the next largest share of buyers at 17% of all purchases and 61% of all out of state buyers.

Figure II-25.
Distribution of Buyer States Outside New Hampshire 2018-2022

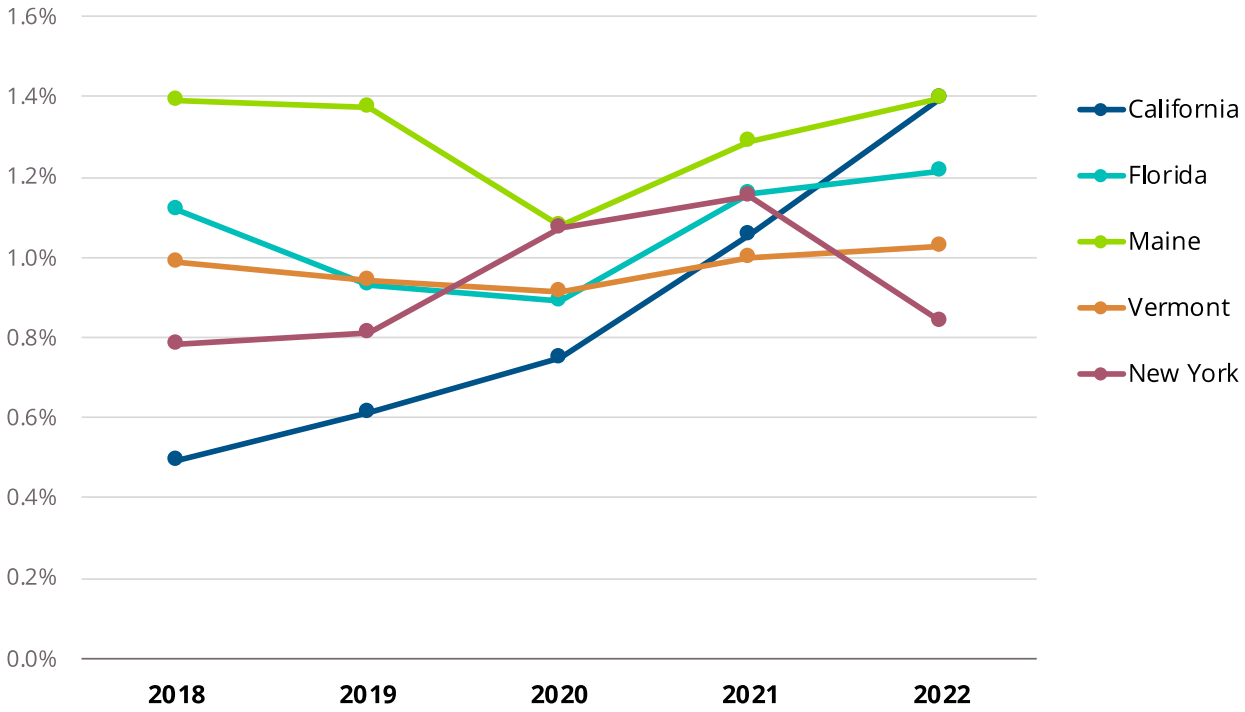


Note: Data are restricted to warranty, trustee, condominium, and release deeds that have not been transferred as a gift or to a family member. Data from 2022 include January through September 15.

Source: The Warren Group, and Root Policy Research.

The pandemic marks a period of growth of out of state investment in New Hampshire—which, for most buyers, appears to be leveling off. Figure II-26 shows this increase in California, Florida, Maine, Vermont, and New York as a proportion of the total deed transfers in New Hampshire. Although these states represent a small share of overall deed transfers (Figure II-27 shows Massachusetts), purchase activity from these out of state buyers has been consistent.

Figure II-26.
Percent of Total Home Purchases from Buyers in California, Florida, Maine, Vermont, and New York, January 2018 – September 15 2022



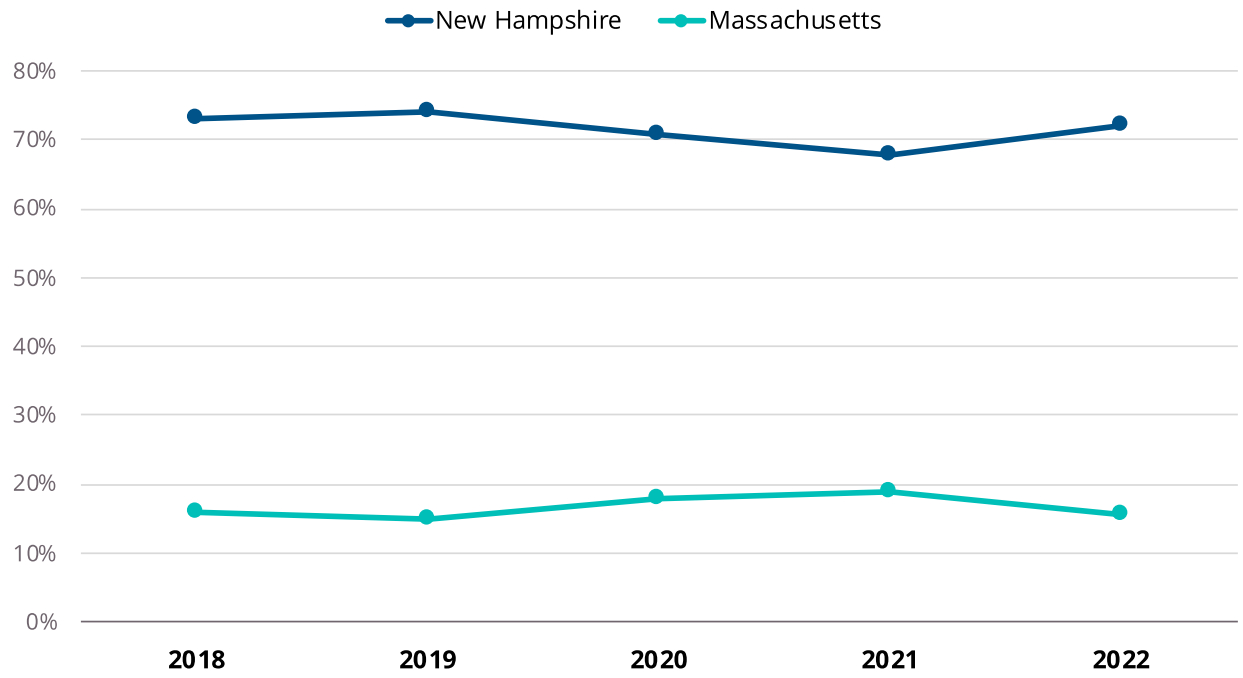
Note: Data are restricted to warranty, trustee, condominium, and release deeds that have not been transferred as a gift or to a family member. Data from 2022 include January through September 15. Massachusetts is left out because of the large scale of out of state buyers that dwarf data from other states and is shown in the figure that follows.

Source: The Warren Group and Root Policy Research.

Figure II-27 shows the trend between New Hampshire and Massachusetts buyers. The share of Massachusetts buyers increased in 2021 to 19% and has dropped closer to 2019 levels in 2022.

Figures II-26 and II-27 together show that the pandemic accelerated out of state purchasers and decreased deed transfers within the state. In terms of raw numbers, 5,551 out of state residents bought homes in New Hampshire in 2019 compared to 6,210 in 2021—an increase of 610. It should be noted that data from 2022 do not represent the full year.

Figure II-27.
Percent of Total Home Purchases from Buyers in Massachusetts and New Hampshire, January 2018 - September 15 2022



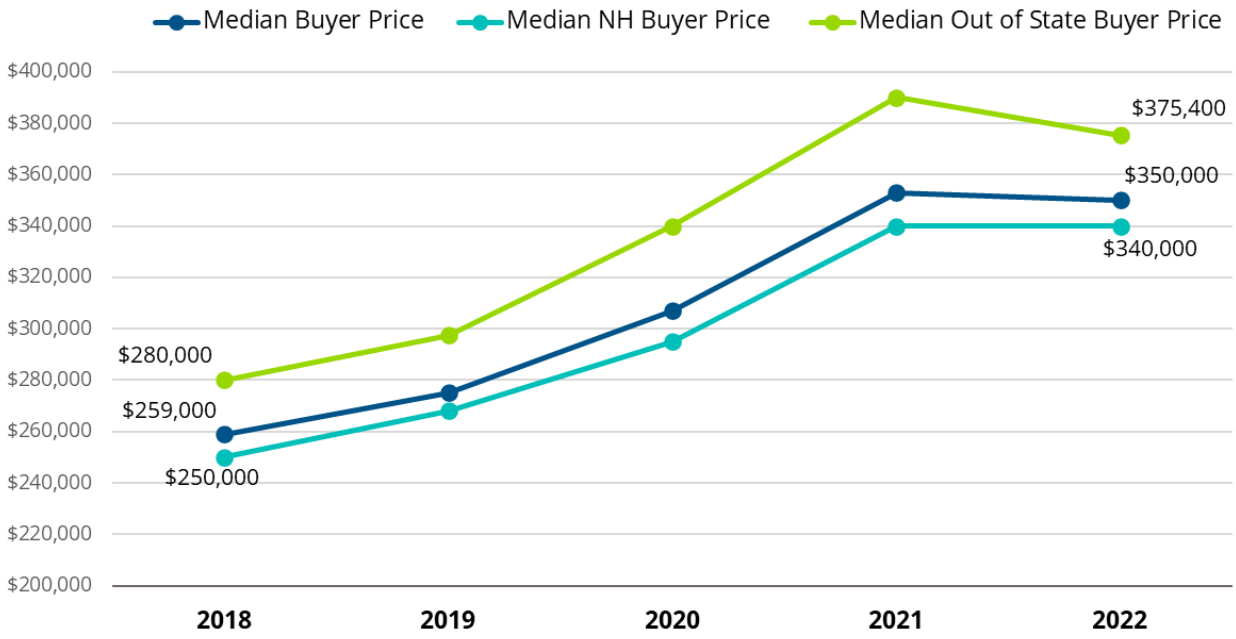
Note: Data are restricted to warranty, trustee, condominium, and release deeds that have not been transferred as a gift or to a family member. Data from 2022 include January through September 15.

Source: The Warren Group, and Root Policy Research.

Figure II-28 shows the median home price paid by out of state buyers, New Hampshire buyers, and the overall median in New Hampshire. These data are useful in determining how out of state buyer activity can affect the housing market.

The overall median buyer price rose from $259,000 in 2018 to $350,000 in 2022. The median price purchased by New Hampshire residents was slightly lower than the overall median at $250,000 in 2018 and $340,000 in 2022. Out of state buyers appear to have more purchasing power; in 2018 the median buyer price was almost $30,000 more than that of New Hampshire buyers. At the peak price in 2021, out of state purchases had a median of more than $380,000, again outpacing the overall buyer and New Hampshire resident purchases. Data from 2022 show a plateau in median prices overall and for New Hampshire buyers and a decline for out of state buyers.

Figure II-28.
Deed Transfer Listing Price in New Hampshire 2018-2022



Note: Data are restricted to warranty, trustee, condominium, and release deeds that have not been transferred as a gift or to a family member. Data from 2022 include January through September 15.

Source: The Warren Group, and Root Policy Research.

On average, out of state buyers purchase homes that cost 17% more than New Hampshire buyers. Figure II-29 summarizes the median price trends by county. The highest overall median price is in Rockingham County, where median income is greatest in the state and home to New Hampshire's only access to the Atlantic coastline. The largest gap between New Hampshire and out of state buyers is in Belknap County, with a difference of $75,000.

The lowest price paid by buyers is in Coos County. Coos County is the least populated in New Hampshire with the lowest median income in the state. Out of state buyers pay a median around $36,000 higher than New Hampshire buyers in Coos County. In every county, out of state buyers pay more than New Hampshire buyers.

Figure II-29.
Median Deed Transfer Listing Price by County, In State v. Out of State Buyer, by County and New Hampshire, 2018-2022

County	Overall Price	New Hampshire Buyer Price	Out of State Buyer Price	Difference-Out of State and New Hampshire Price
New Hampshire	**$261,500**	**$247,000**	**$297,500**	**$38,750**
Belknap	$260,000	$245,000	$320,000	$75,000
Carroll	$263,000	$249,000	$285,000	$36,000
Cheshire	$225,533	$210,000	$264,733	$54,733
Coos	$135,000	$125,000	$161,000	$36,000
Grafton	$233,766	$219,533	$256,966	$37,433
Hillsborough	$307,000	$299,933	$340,000	$40,067
Merrimack	$275,000	$265,000	$330,000	$65,000
Rockingham	$380,000	$369,900	$407,000	$37,100
Strafford	$280,000	$275,000	$310,000	$35,000
Sullivan	$200,000	$185,000	$254,533	$69,533

Note: Data are restricted to warranty, trustee, condominium, and release deeds that have not been transferred as a gift or to a family member. Data from 2022 include January through September 15.

Source: The Warren Group, and Root Policy Research.

Figure II-30 shows the volume of deed transfers to out of state buyers by county from 2018 to 2021. At the state level, the annual volume of deed transfers to out of state buyers increased by 465. Twenty-six percent of deeds were transferred to out of state buyers in 2019; this share rose to 32% in 2021. As previously established, out of state residents have more buying power, therefore the increase in deed transfers indicates an expansion of a more expensive, more desirable market for out of state residents.

By county, Rockingham had the highest number of total transfers, followed by Hillsborough. Rockingham saw the largest growth by volume from 2018 to 2021 (an increase in annual transfers by 249).

Figure II-30. Volume of Deed Transfers to Out of State Residents, by County and New Hampshire, 2018-2022

Note:

Data are restricted to warranty, trustee, condominium, and release deeds that have not been transferred as a gift or to a family member. Data from 2022 include January through September 15.

Source:

The Warren Group, and Root Policy Research.

County	2018	2019	2020	2021	Change 2018-2021
New Hampshire	**5,763**	**5,571**	**5,617**	**6,228**	**465**
Belknap	484	442	443	482	-2
Carroll	577	535	547	576	-1
Cheshire	312	330	311	392	80
Coos	196	170	158	214	18
Grafton	705	688	737	707	2
Hillsborough	1,254	1,292	1,230	1,296	42
Merrimack	363	316	345	454	91
Rockingham	1,309	1,328	1,331	1,558	249
Strafford	350	306	301	359	9
Sullivan	213	164	214	190	-23

Figure II-31 shows the share of out of state deed transfers accelerated between 2019 and 2021 in almost every county. Carroll County shows both the largest share of out of state deed transfers and the largest percentage increase. This county also has the highest share of loans for second homes in the state. Merrimack County has the least out of state buyers as a share of total transfers but experienced substantial growth in 2021, up 7 percentage points from 2019.

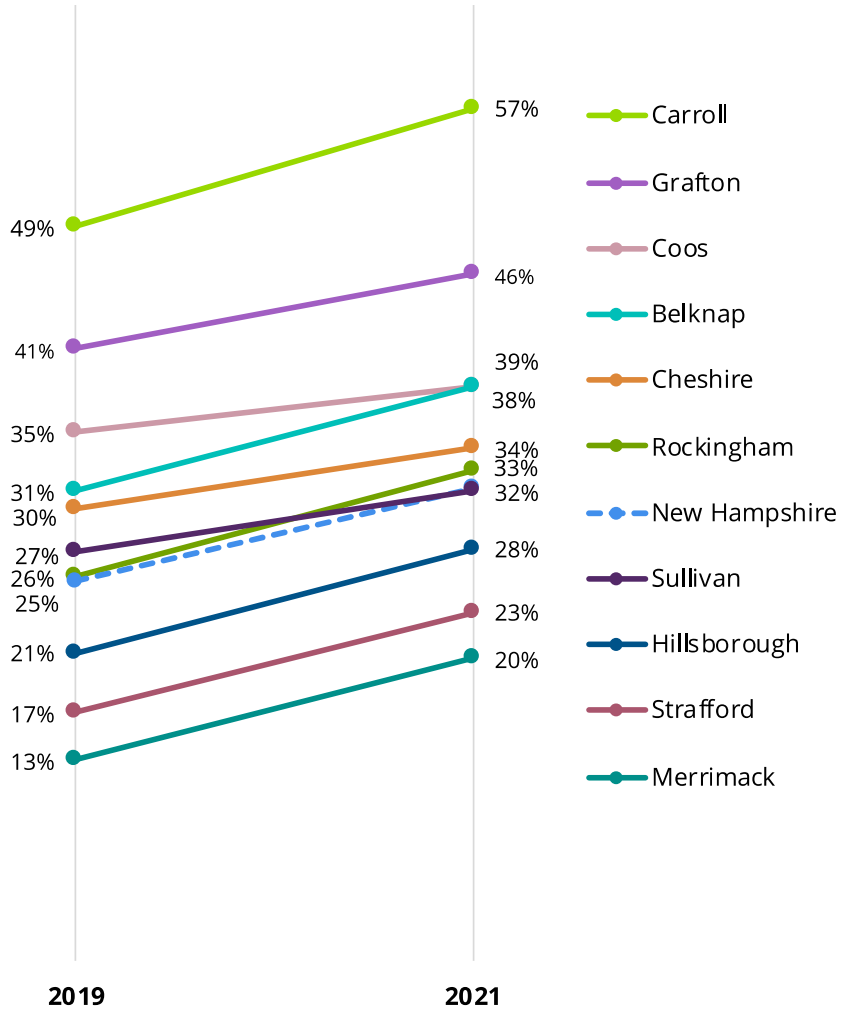
Figure II-31.
Share of Out of State Deed Transfers, by County and New Hampshire, 2019-2021

Note:

Data are restricted to warranty, trustee, condominium, and release deeds that have not been transferred as a gift or to a family member. Data from 2022 include January through September 15.

Source:

The Warren Group, and Root Policy Research.



Limited Liability Companies (LLCs) are entities that are often recipients of deed transfers in New Hampshire. Figure II-32 shows the number of transfers by county. New Hampshire saw a decline in transfers to LLCs from 2019 to 2021, descending from 4% to 3.5% of total deed transfers. LLCs can be property management or investment firms or family owned vehicles for property ownership.

At the state level, assuming that LLC deed transfers represent property management and investment activity, it's plausible that demand for property management slowed down during the pandemic, as renters remained in market or sought out different rental situations. Investors also may have slowed acquisition of properties given the economic uncertainty at the time.

The share of homes sold to LLCs varies by county. Interestingly, the county with the smallest population in the state, Coos County, has the largest share of total deed transfers by county and experienced the largest increase in LLC deed transfers between 2019 and 2021. Rockingham, Hillsborough, and Sullivan saw the largest decreases in the share of deed transfers to LLCs.

Figure II-32.
Share of Deed Transfers to LLCs by County and New Hampshire, 2019-2021

Note:

Data are restricted to warranty, trustee, condominium, and release deeds that have not been transferred as a gift or to a family member. Data from 2022 include January through September 15.

Source:

The Warren Group, and Root Policy Research.

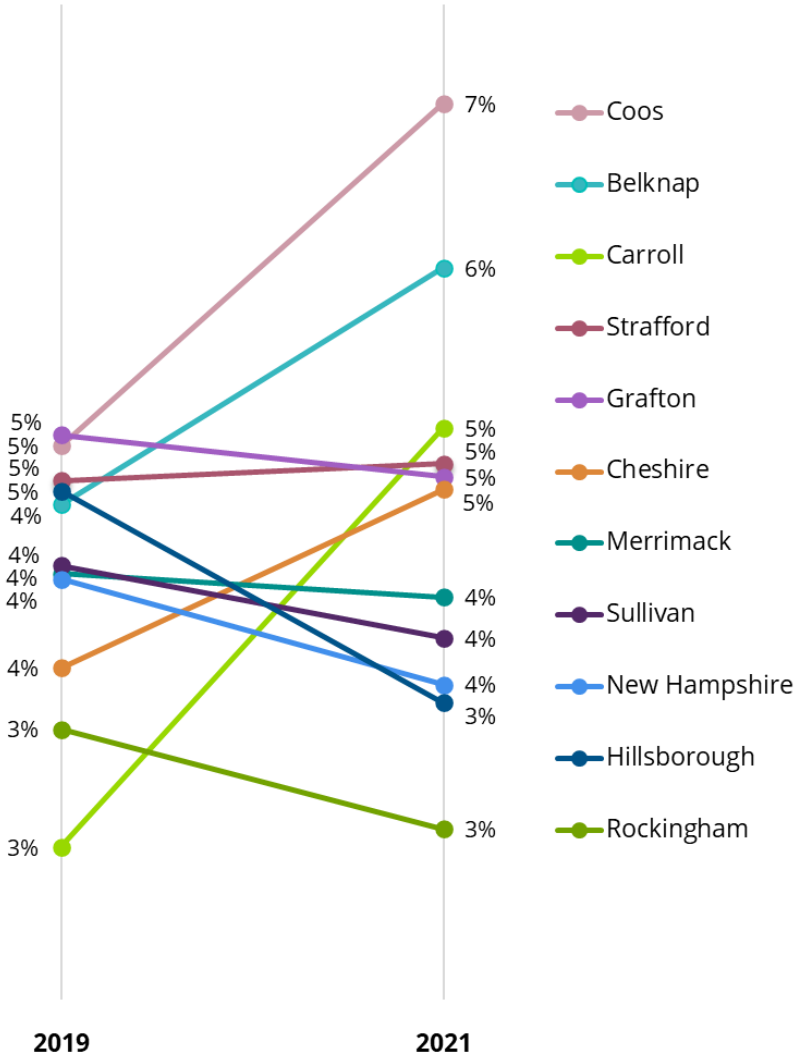
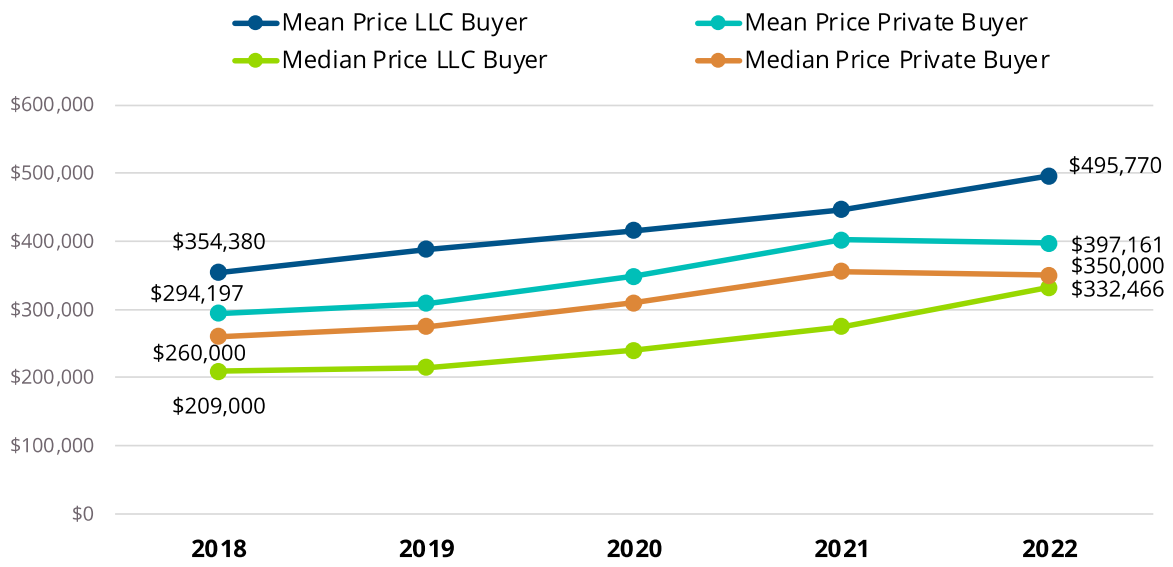


Figure II-33 displays the mean and median price for LLC purchases compared to private, individual purchases.. Prices have steadily increased for both private and LLC buyers from 2018 to 2021. However, for private buyers, the price in 2022 has plateaued while LLC buyers continue on an upward trajectory. LLC buyers appear to have a greater appetite and/or ability to absorb higher priced homes.

Figure II-33.
Average and Median Sale Price LLC Buyer and Private Buyer, New Hampshire, 2018 - 2020



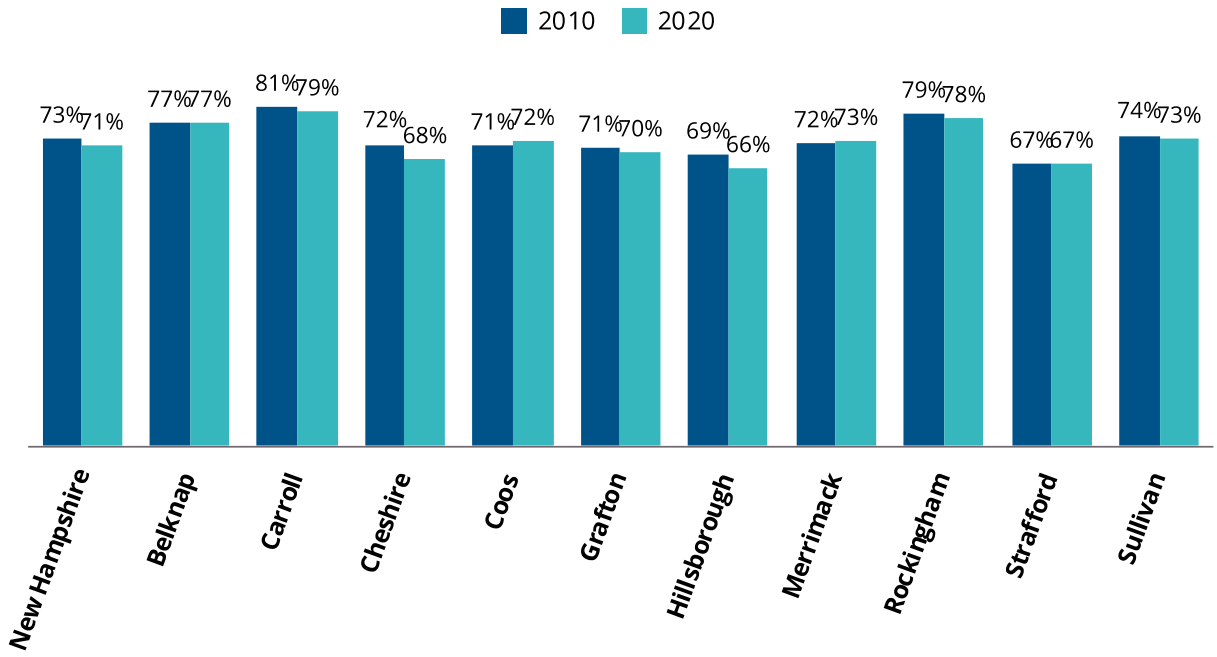
Note: Data are restricted to warranty, trustee, condominium, and release deeds that have not been transferred as a gift or to a family member. Data from 2022 include January through September 15.

Source: The Warren Group, and Root Policy Research.

HOMEOWNERSHIP TRENDS

The homeownership rate in New Hampshire decreased from 73% in 2010 to 71% in 2020. As shown in Figure II-34, the largest drops in the homeownership rate were experienced in Cheshire County, where the rate decreased from 72% to 68%, and in Hillsborough County, where the rate decreased from 69% to 66%.

Figure II-34.
Homeownership Rate by County and New Hampshire, 2010 and 2020



Source: 2010 ACS 5-year estimates, 2020 ACS 5-year estimates, and Root Policy Research.

Figures II-35 to II-38 present the homeownership rate among different age cohorts, income groups, housing types, and race/ethnicity in 2010 and 2020. Notable trends include:

- The homeownership rate declined for most age groups. Middle aged (ages 35 to 44) adults experienced the largest drop of 5 percentage, from 74% to 68%. While the youngest group (ages 15-24) experienced an increase, the comparatively small number in the group indicates that the numbers are more volatile, and hence, less reliable for the purpose of comparison.

- While the homeownership rate increases with income, middle income households are now less likely to be homeowners. The homeownership rate saw the steepest decrease of 9 percentage points among households with incomes between $75,000 and $100,000, dropping from 84% to 75%. When would-be-buyers remain as renters, this puts additional pressure on the already tight rental market.

- In terms of race/ethnicity, the largest drop (9 percentage points) in homeownership was experienced by Black/African American households, declining from 41% to 32%, followed by Asian households, whose homeownership rate dropped from 59% to 53%.
- Single family detached units continue to be mostly occupied by owners (93%). Single family attached units saw a considerable change in the share that is occupied by homeowners, dropping from 75% to 70%. Few multifamily units are occupied by owners, and these shares have dropped between 2010 and 2020.

Figure II-35. Homeownership by Age, New Hampshire, 2010 and 2020

Source:
2010 ACS 5-year estimates, 2020 ACS 5-year estimates, and Root Policy Research.

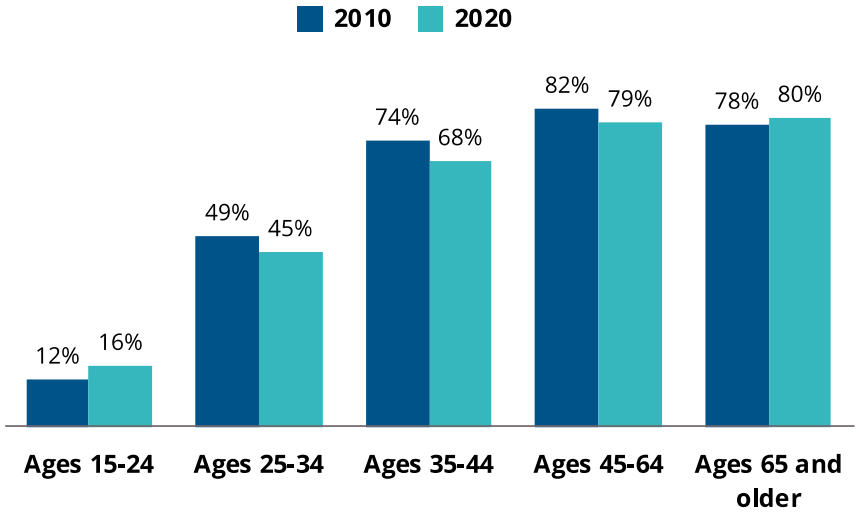


Figure II-36. Homeownership by Income, New Hampshire, 2010 and 2020

Source:
2010 ACS 5-year estimates, 2020 ACS 5-year estimates, and Root Policy Research.

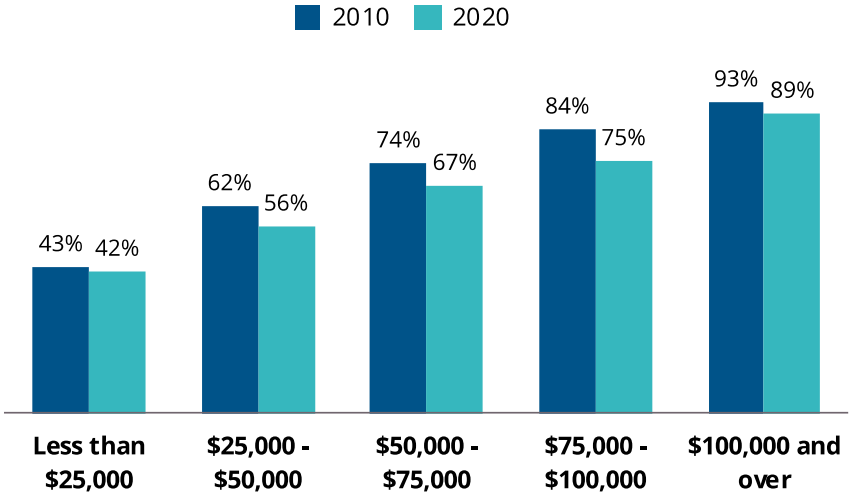


Figure II-37. Homeownership by Units in Structure, New Hampshire, 2010 and 2020

Source:
2010 ACS 5-year estimates, 2020 ACS 5-year estimates, and Root Policy Research.

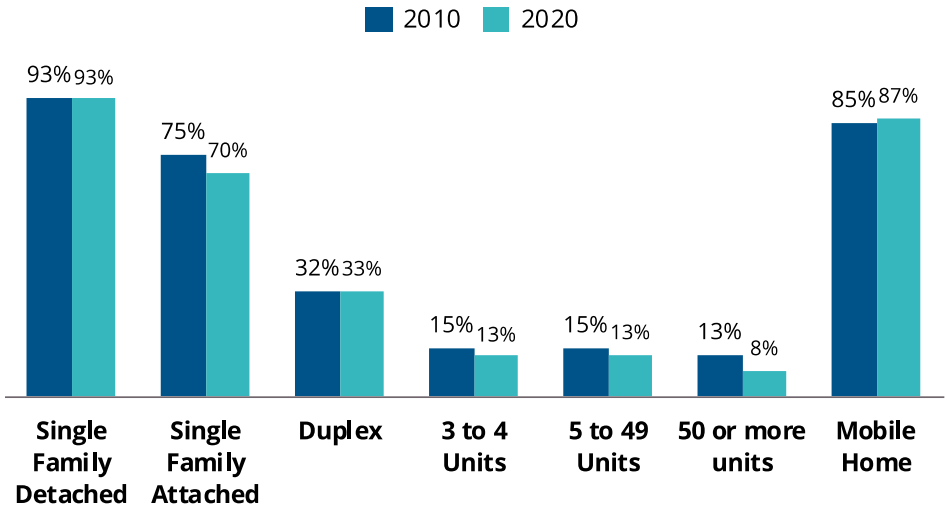
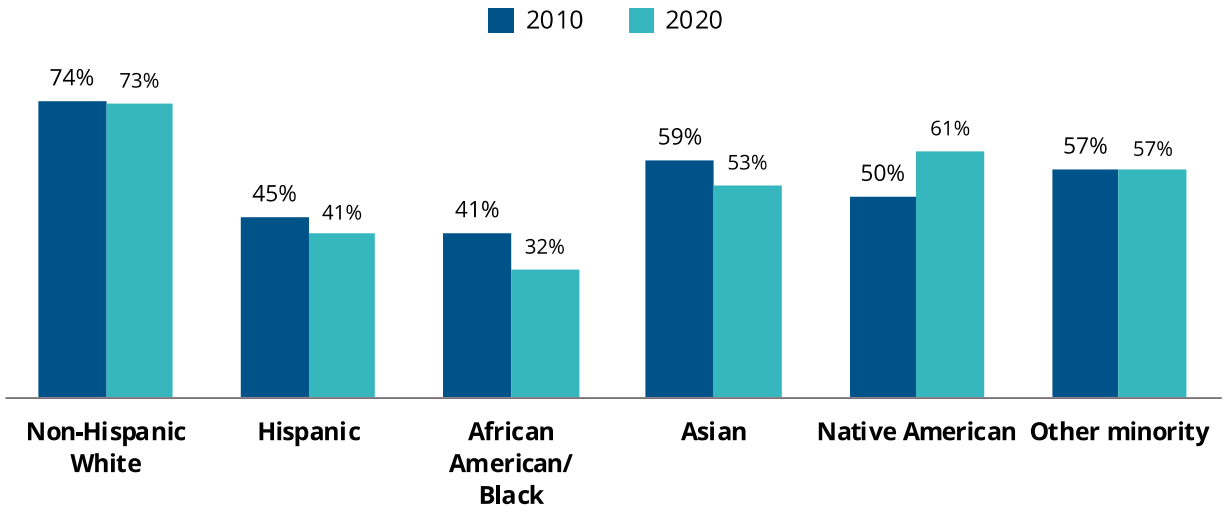


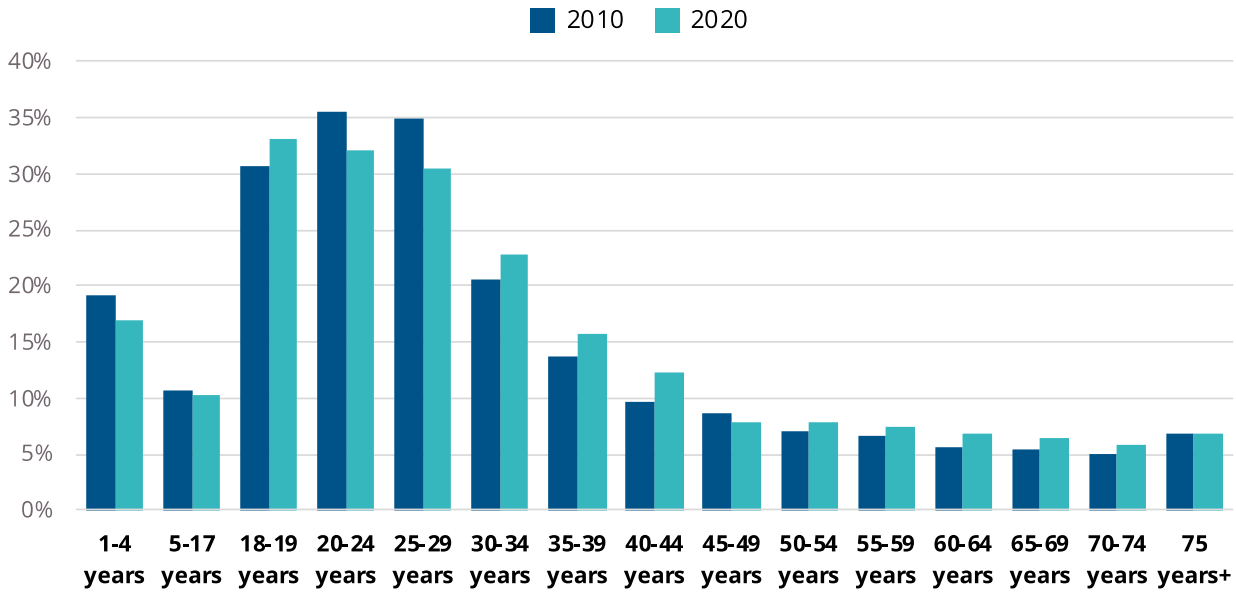
Figure II-38. Homeownership by Race/Ethnicity, New Hampshire, 2010 and 2020



Source: 2010 ACS 5-year estimates, 2020 ACS 5-year estimates, and Root Policy Research.

As shown in Figure II-39, the mobility rate—the percent of the population over 1 year old that does not live in the same house as one year ago—decreases with age. However, among middle age groups (ages 30 to 44) the mobility rate has increased between 2010 and 2020, reflecting the increase in renters, who tend to move more, among these age categories.

Figure II-39.
Mobility Rate by Age, New Hampshire, 2010 and 2020



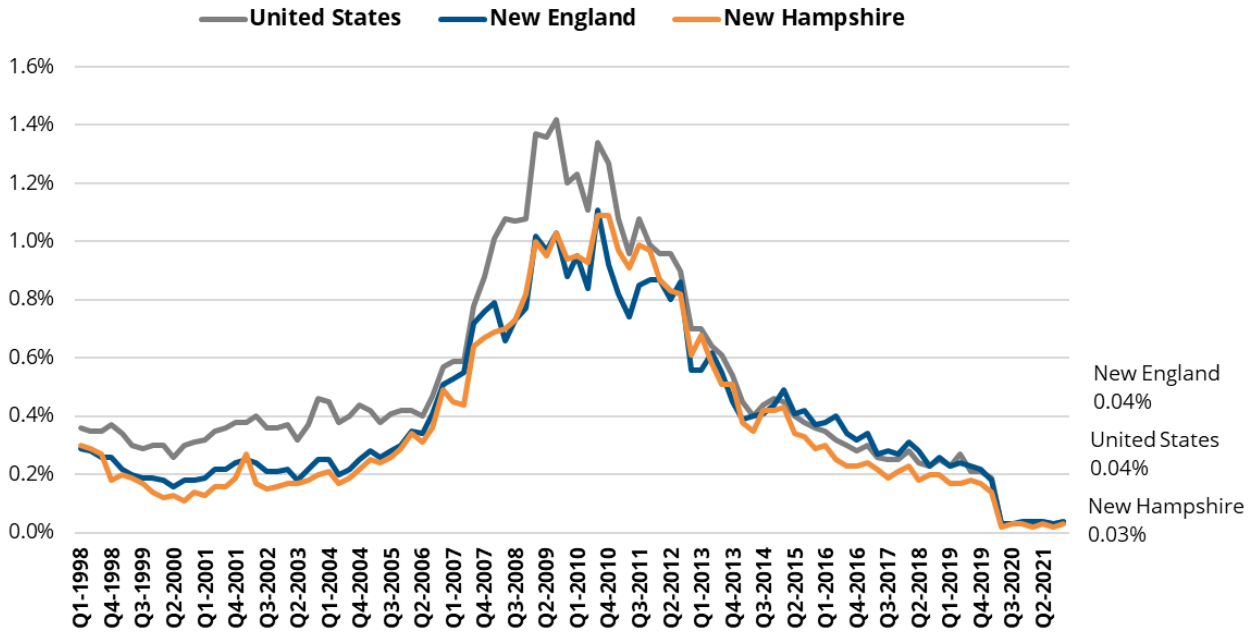
Note: Represents the percent of the population over 1 year old that does not live in the same house as one year ago.

Source: 2010 ACS 5-year estimates, 2020 ACS 5-year estimates, and Root Policy Research.

Trends in delinquencies and foreclosures. The drop in homeownership between 2010 and 2020 is not driven by trends in delinquencies and foreclosures. According to data from the Mortgage Bankers Association, as of the last quarter of 2021 the foreclosure rate in New Hampshire reached its lowest level in the past 20 years (Figure II-40). The programs in place to stabilize owners during the pandemic contributed to the low foreclosure rate.

It is also important to note that the pre-pandemic foreclosure rate was roughly the same as the 2000 to 2005 period, when homeownership rates were increasing.

Figure II-40.
Foreclosure Rates, United States, New England and New Hampshire, through Q4-2021

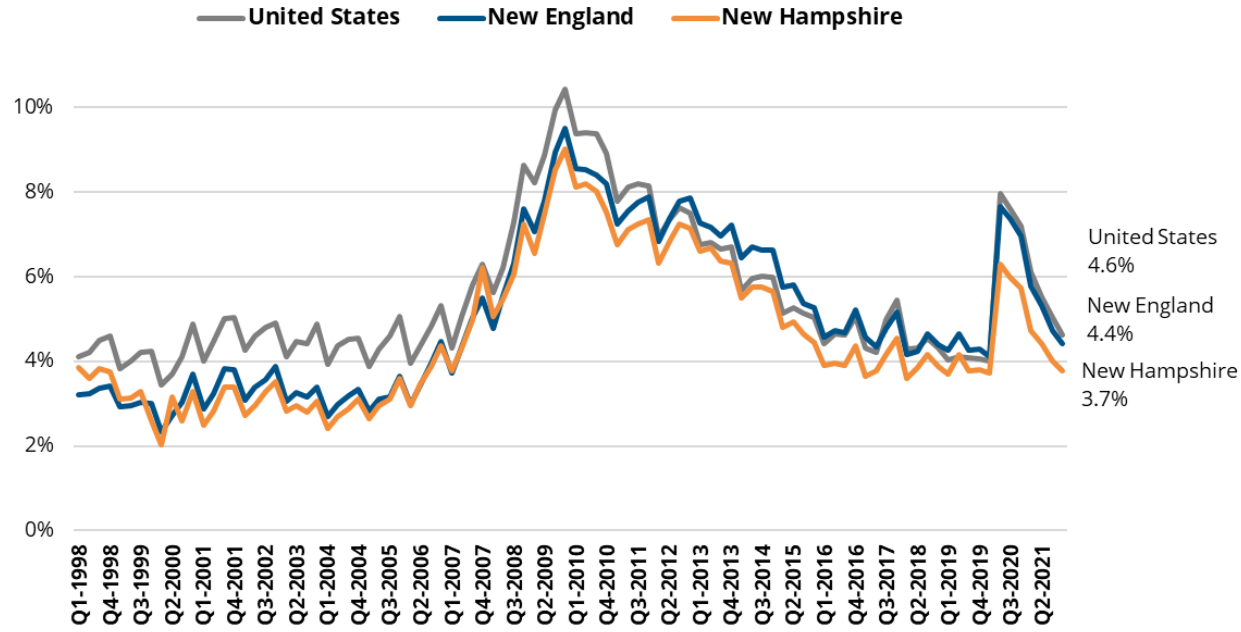


Note: Percent of loans with foreclosure initiation in quarter.

Source: Mortgage Bankers Association, National Delinquency Survey.

As shown in Figures II-41 and II-42 below, despite the rise in delinquencies during the pandemic, a foreclosure moratorium and forbearance programs helped owners avoid foreclosure and prevented a flood of foreclosed properties to reach the for sale inventory during the pandemic.

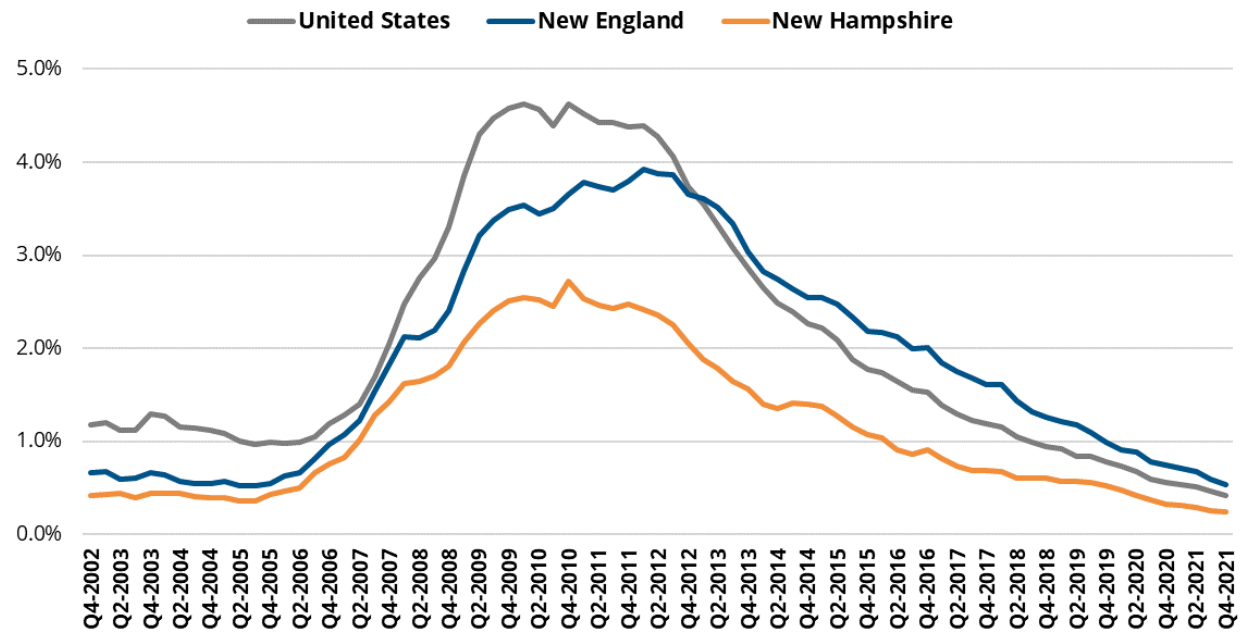
Figure II-41.
Delinquency Rates For United States, New England and New Hampshire, through Q4-2021



Note: Percent of loans with installments past due in quarter.

Source: Mortgage Bankers Association, National Delinquency Survey.

Figure II-42.
Foreclosure Inventory For United States, New England and New Hampshire, through Q4-2021



Note: Percent of loans in foreclosure inventory at end of quarter.

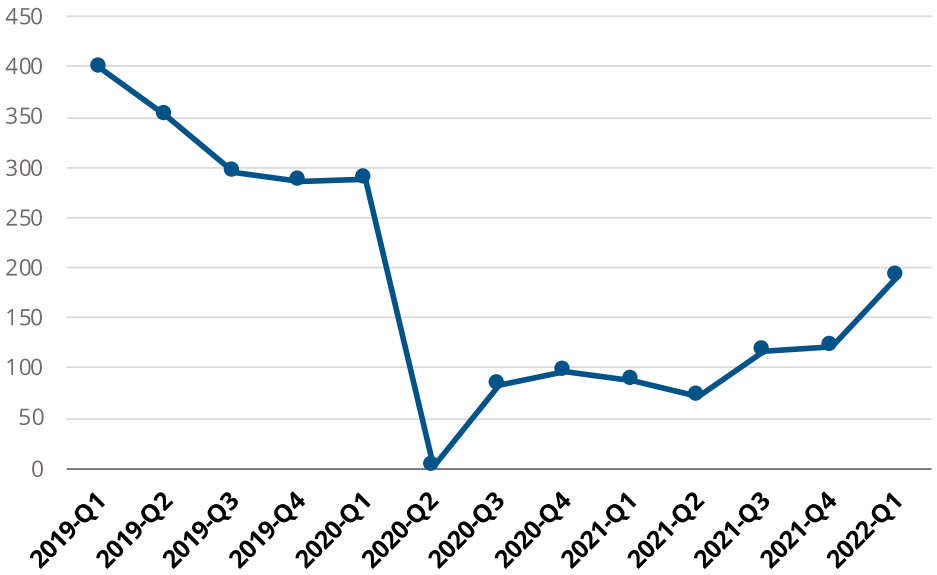
Source: Mortgage Bankers Association, National Delinquency Survey

Figure II-43 shows trends from data on foreclosure notices from the first quarter of 2019 through the first quarter of 2021.[3] While foreclosure notices are trending up, they had not reached pre-pandemic levels as of the first quarter of 2022.

Figure II-43. Foreclosure Notices, New Hampshire, 2019 Q1-2022 Q1

Source:

New Hampshire Housing, Warren Group, and Root Policy Research.



[3] Note about data: The foreclosure process in New Hampshire does not require legal proceedings and can occur within 120 days. State Law requires that 3 public notices be issued before the foreclosure sale. The notices are advertised in the newspaper for three weeks stating the date and time of sale. Data were gathered by the Warren Group and reflects the information from the newspapers.

Figure II-44 presents the distribution of foreclosure notices by county for the first quarter of 2019 and 2022. In 2022, 61% of foreclosure notices are in Hillsborough, Merrimack, and Rockingham counties. The volume of foreclosures has rebounded to 2019 levels in Cheshire County and inched closer to 2019 levels in Belknap and Strafford Counties.

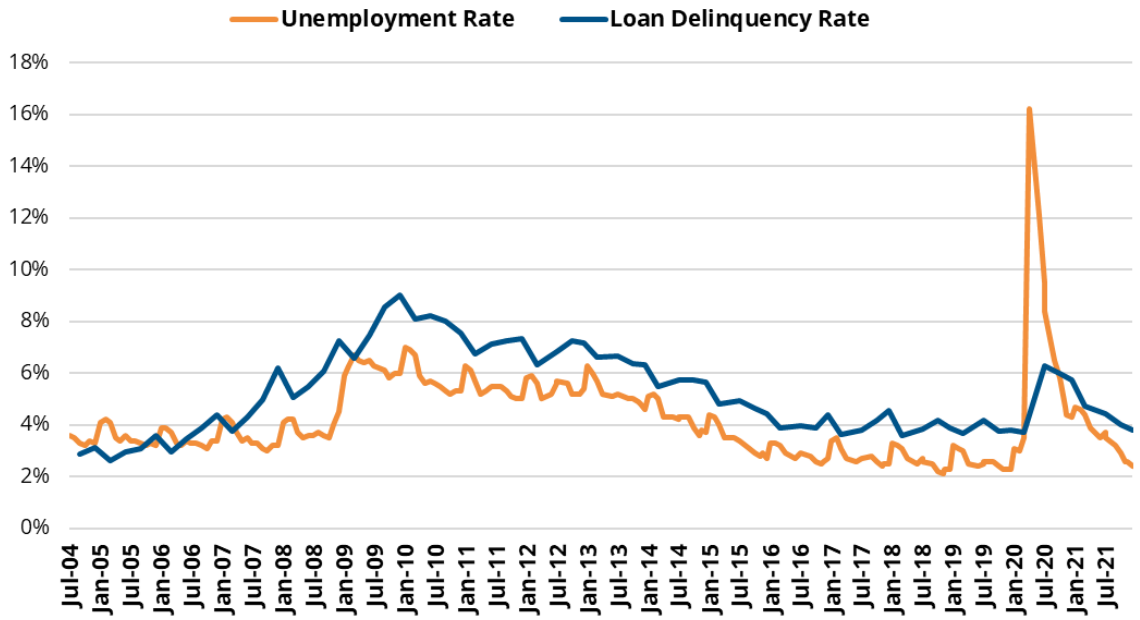
Figure II-44. Number and Share of Foreclosure Notices by County and New Hampshire, 2019 Q1-2022 Q1

Source:
New Hampshire Housing, Warren Group, and Root Policy Research.

	2019-Q1		2022-Q1	
	# of Notices	% of Total	# of Notices	% of Total
New Hampshire	**399**	**100%**	**192**	**100%**
Belknap	20	5%	12	6%
Carroll	14	4%	4	2%
Cheshire	17	4%	18	9%
Coos	15	4%	2	1%
Grafton	39	10%	6	3%
Hillsborough	97	24%	54	28%
Merrimack	44	11%	27	14%
Rockingham	92	23%	37	19%
Strafford	29	7%	19	10%
Sullivan	32	8%	13	7%

Figure II-45 shows the positive relationship between the unemployment and delinquency rate in New Hampshire.

Figure II-45.
New Hampshire Delinquency Rate vs. Unemployment Rate, July 2004 – July 2021

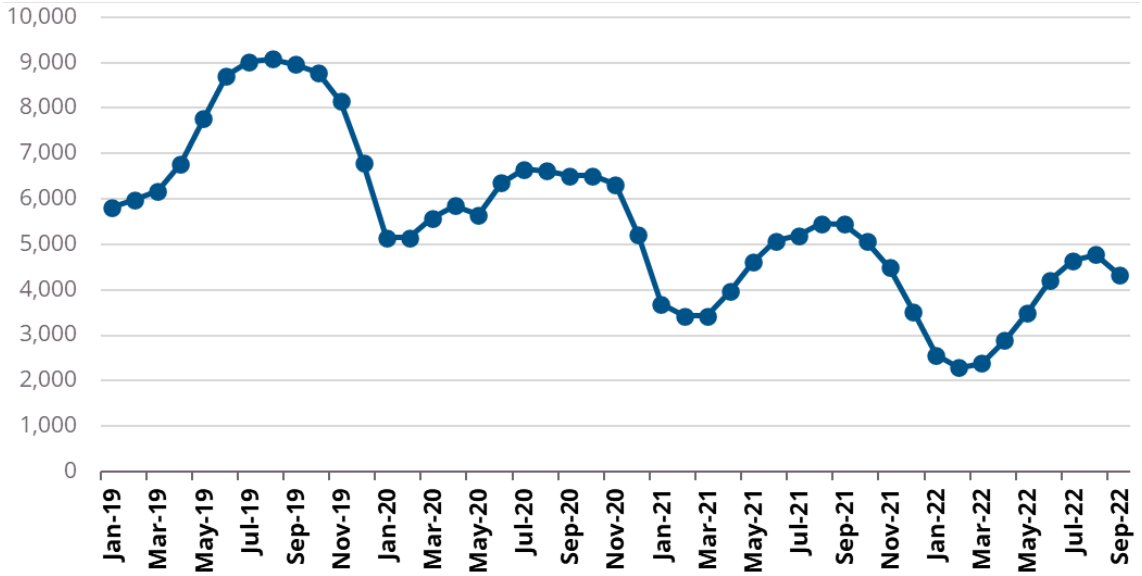


Source: New Hampshire Department of Employment Security and Mortgage Bankers Association.

HOMEBUYER ACTIVITY

Mirroring rental vacancy trends, the for sale inventory has rapidly decreased since 2019. Figure II-46 shows the number of active for sale listings. During the peak homebuying season of 2019, around 9,000 homes were listed for sale each month, compared to less than 5,000 during the 2022 season.

Figure II-46.
Active Listings, New Hampshire, January 2019-September 2022



Source: MLS data provided by New Hampshire Housing, and Root Policy Research.

Figure II-47 compares the number of total listings by county in the third quarter of 2019 to the third quarter of 2022. Listings dropped by close 50% compared to 2019. The largest percent drops were in Cheshire County (56%) followed by Grafton County (55%).

Figure II-47. Number and Change in Active Listings by County and New Hampshire, 3rd quarter 2019 – 3rd quarter 2022

Source:
MLS data provided by New Hampshire Housing, and Root Policy Research.

	Listings		Change	
	2019-Q3	2022-Q3	# Change	% Change
New Hampshire	**27,057**	**13,748**	**-13,309**	**-49%**
Belknap	1,991	988	-1,003	-50%
Carroll	2,227	1,031	-1,196	-54%
Cheshire	1,447	634	-813	-56%
Coos	1,094	508	-586	-54%
Grafton	2,700	1,220	-1,480	-55%
Hillsborough	5,686	3,211	-2,475	-44%
Merrimack	2,679	1,350	-1,329	-50%
Rockingham	6,062	3,198	-2,864	-47%
Strafford	2,048	1,039	-1,009	-49%
Sullivan	1,123	569	-554	-49%

Figure II-48 shows the characteristics of homes that sold between January 2021 and September 2022. While most of the homes sold (77%) were single family detached homes, these homes were larger, older, and more expensive than condos. The median sold price of a condo was close to 30% lower than for single family homes.

Figure II-48.
Sold Home Characteristics, New Hampshire January 2021 - September 2022

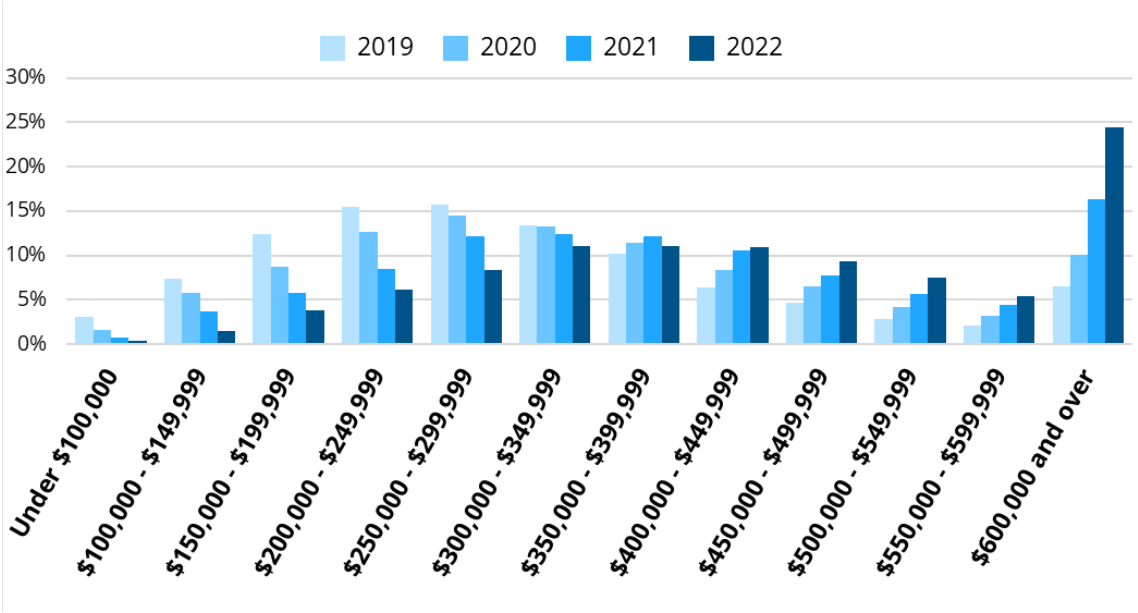
	Total	Single Family	Condo	Mobile Home
Number of sold homes	33,813	26,260	7,508	45
Median square feet	2,420	2,662	1,560	1,200
Median # of bedrooms	3	3	2	2
Median # of bathrooms	2	2	2	2
Median year built	1985	1979	1987	2000
Median sold price	$398,375	$421,000	$299,900	$150,000

Note: Includes home sales throughout 2021 and up to September 2022.

Source: MLS data provided by New Hampshire Housing, and Root Policy Research.

As shown in Figure II-49, the share of homes sales priced below $350,000 has dropped, while the share of homes priced over $600,000 has increased. Between 2019 and 2022 the share of sold homes priced below $350,000 dropped from 67% to 31%, while the share of homes priced over $600,000 increased from 7% to 24%.

Figure II-49.
Home Sales Price Distribution, New Hampshire, January 2019-September 2022



Note: 2022 includes sales from January to September.

Source: MLS data provided by New Hampshire Housing, and Root Policy Research.

As shown in Figures II-50 and II-51, the shift of units into higher price points was more pronounced for single family homes compared to condos. The share of single family sold homes priced below $300,000 in 2022 was 14% compared to 41% of condos.

Figure II-50.
Home Sales Price Distribution, New Hampshire, January 2019-September 2022

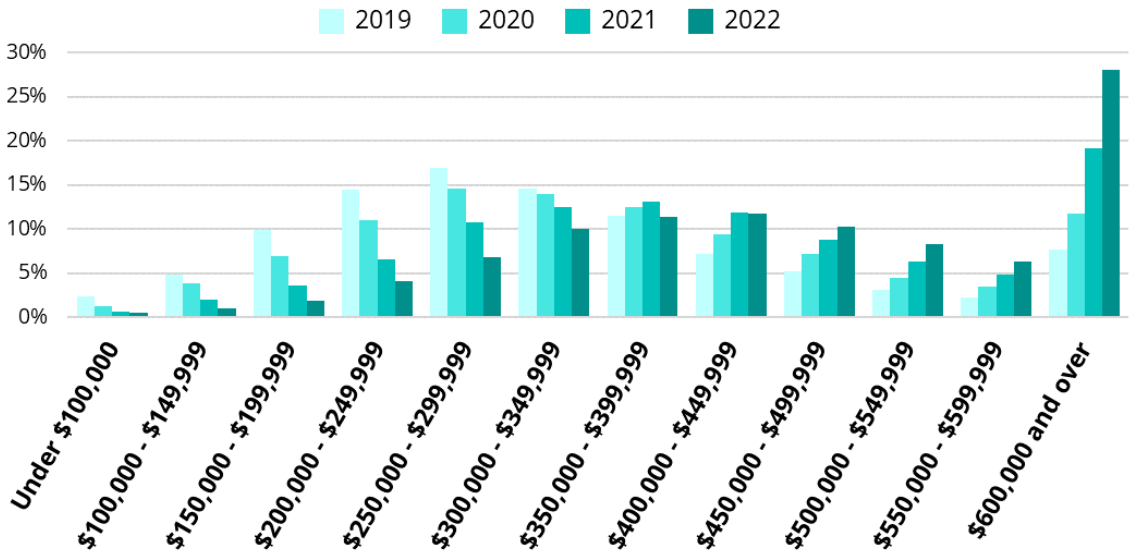
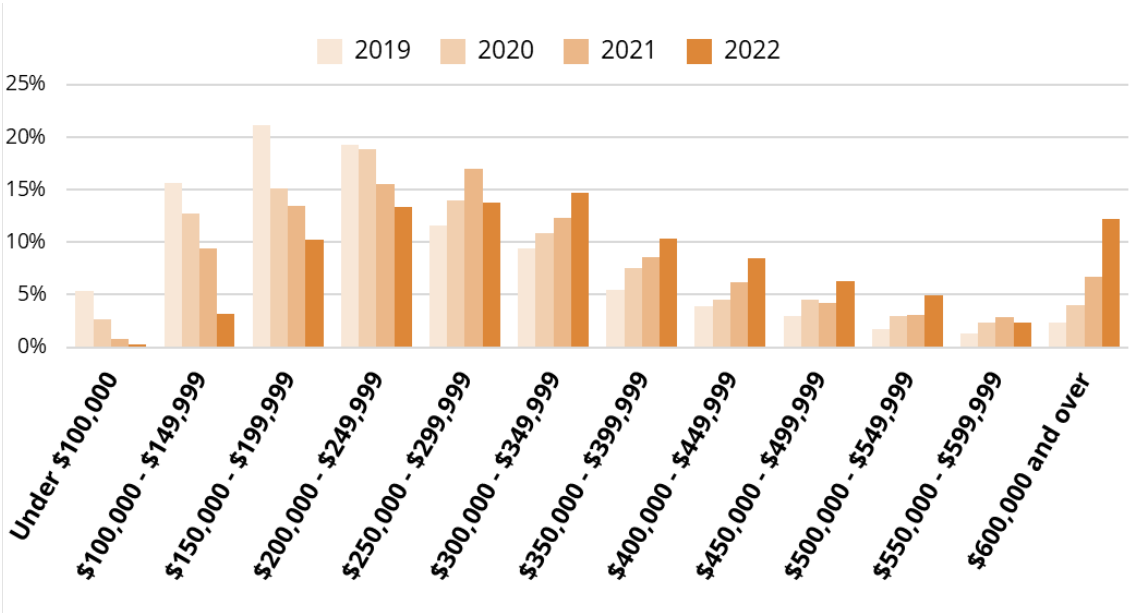


Figure II-51.
Home Sales Price Distribution, New Hampshire, January 2019-September 2022



Note: 2022 includes sales from January to September.

Source: MLS data provided by New Hampshire Housing, and Root Policy Research.

Figure II-52 shows the number of homes sold between January 2021 through September 2022 by county as well as the median sale price. Rockingham has the highest median price at $495,380 followed by Hillsborough at $400,000. The lowest median prices were in Coos, Sullivan, and Cheshire counties—and these were the only counties with median prices at or below $300,000.

Figure II-52.
Number of Sold Homes and Median Sale Price, by County and New Hampshire, January 2021 – September 2022

Note:
Includes home sales throughout 2021 and up to September 2022.

Source:
MLS data provided by New Hampshire Housing, and Root Policy Research.

	Homes Sold	Median Sale Price
New Hampshire	33,813	$398,375
Belknap	2,104	$382,145
Carroll	2,123	$390,000
Cheshire	1,672	$300,000
Coos	822	$220,000
Grafton	2,566	$330,000
Hillsborough	9,395	$400,000
Merrimack	3,422	$370,000
Rockingham	7,956	$495,380
Strafford	2,728	$362,000
Sullivan	1,024	$295,000

SECTION III.
HOUSING AFFORDABILITY AND NEEDS ANALYSIS

An analysis of affordability and housing needs is presented in this section. The section explores:

- Trends in housing cost and cost burden;
- Rental demand and supply and the shortage of affordable rental units;
- The availability and shortage of for sale units to renters who desire ownership;
- Ability to afford housing based on wages and employment industry;
- Housing preservation needs; and
- The effect of the pandemic on evictions and homelessness.

SUMMARY OF FINDINGS

Key findings from this section include:

HOUSING COSTS

- Statewide, the median price of a sold home in the first three quarters of 2022 was $430,000, up 50% from $285,975 in 2019. In just three years, the median price rose by $144,000.
- In 2019, a buyer looking for a home priced under $300,000 would have more than half (54%) of the homes on the market from which to choose. By 2022, this was down to 20% of homes. In contrast, homes priced at $600,000 and more made up 7% of sales in 2019 and 24% in 2022.
- Median rent was $1,510 in 2022, up 21% from $1,251 in 2019. The share of rental units under $1,000 has decreased from 58% in 2010 to 37% in 2020, while the share of rental units $1,250 and over has increased from 21% to 40%.
- Rents and home price increases outpaced wage growth. Between 2000 and 2020, New Hampshire's home values rose by 111% and rents rose 94%, while the median income of a New Hampshire household increased by 73%.

COST BURDEN

- Statewide, the share of cost burdened households decreased from 39% in 2010 to 31% in 2020. This positive trend was largely driven by a decrease in cost burden among owners with a mortgage which dropped from 41% to 28%. Cost burden among renters decreased only slightly, from 48% to 46%. Falling mortgage interest rates likely contributed to the decline in owner cost burden, allowing mortgaged owners to lower their housing costs through refinancing. Renters are not afforded a similar vehicle for lowering cost burden; as such, renter cost burden shows less fluctuation.

- Rates of cost burden are higher among those unemployed or out of the labor force (45%), but they are almost as high among those working in the Accommodation and Food Services industry: 40% of households in which the head of household is employed in this sector experience cost burden. A substantial proportion of future employment growth is likely to be concentrated in this and other relatively low paying industries.

HOUSING GAPS AND NEEDS

- The state's 2022 rental vacancy survey reported an overall rental vacancy rate of 0.5%, far too low to support a functional market. The state's lowest income renters are most adversely affected by the tight rental market, and there are 23,500 too few affordable rental units or rental assistance vouchers for the state's extremely to very low income renters.

- If only 10% of the state's very low (<50% Area Median Income, or AMI) renters were looking to move—about 7,400 renters—they would have about 350 units from which to choose. The likelihood that they would find an affordable, vacant unit is about 5%.

- The high cost of buying a home keeps households renting longer and exacerbates price pressures in the rental market. The homeownership rate in the state has been on a declining trend, with middle aged renters much less likely to be owners (68% are now owners) than in 2010 (74%). If only 10% of the state's renters with income of 61 to 100% AMI were looking to buy—about 3,700 renters—they would have about 550 units from which to choose. The likelihood that they would find an affordable unit for sale is about 15%.

- An analysis of affordability for workers found that, among professions that are key to communities, electricians, engineers, patrol officers, and registered nurses earning the median wage can afford the median rent of $1,510 without being cost burdened. None of these occupations can afford the median home price of $430,000[1] with one income

[1] According to data on homes sold in 2022 (January through September) from MLS.

without being cost burdened. With 1.5 earners per households, engineers earning the median wage can afford the median home price without being cost burdened—but all other occupations analyzed could not.

- Of New Hampshire's approximately 640,000 housing units, about 23,000—or 3.5%—have a contract or are managed by an entity that ensures their affordability. About half of these are designated for seniors; 47% for families; and 3% for special needs residents. The average incomes of households living in these units is $17,000. Overall in the state, approximately 20% of renter households have incomes of less than $20,000—a far larger share than the share of assisted units (3.5%). Rental assistance, such as Housing Choice Vouchers, help address the affordability gap and are a large share of assistance programs in the state. Vouchers are less effective, however, in tight rental markets.

- Residents with disabilities, of Hispanic descent, and with incomes of less than $35,000 are twice as likely as New Hampshire households overall to be living in housing units that are in substandard condition. Rehabilitation needs of all types of households are considerable based on an analysis of the loan value of home improvement loans applied for in the state. The average loan amount—$105,000—was the same for households whose loans were accepted or denied, with lower income households being much more likely to have their applications denied.

- More than 4,400 people in New Hampshire experience homelessness at any time. Black and Hispanic residents are overrepresented in the homelessness population. Because Black and Hispanic residents have less income on average, they are more susceptible to housing instability and experience homelessness at a higher rate than the overall population.

TRENDS IN HOUSING COSTS AND COST BURDEN

HOUSING COSTS

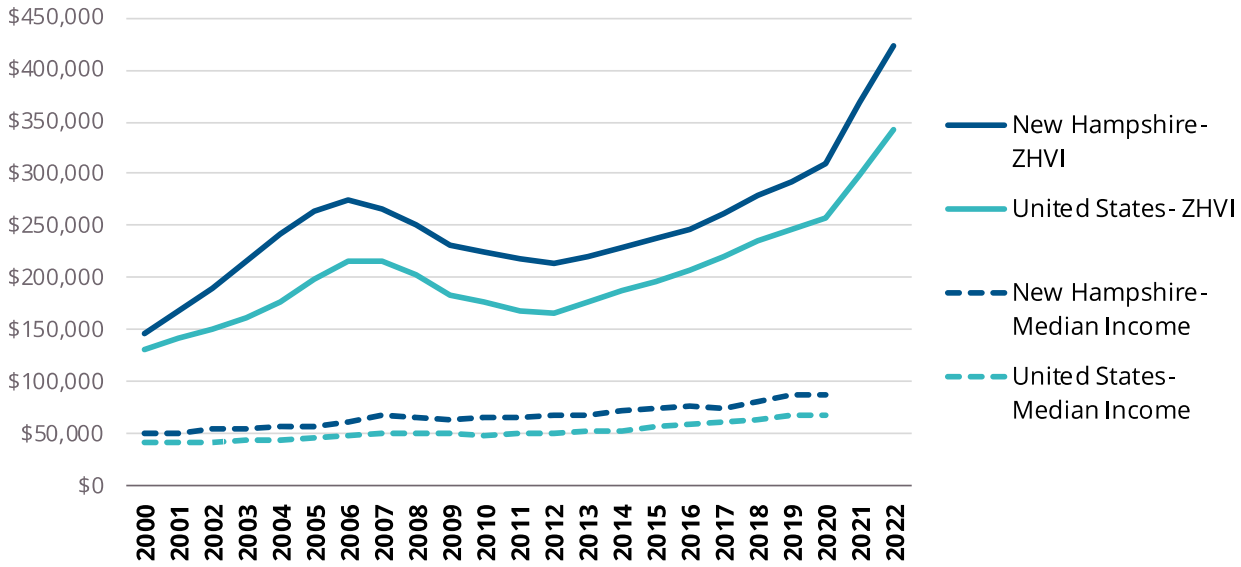
Housing price trends in New Hampshire follow trends in the United States overall. Figure III-1 shows the typical home value for New Hampshire and the U.S. from 2000 through July 2022 according to Zillow's Home Value Index (ZHVI). Trends in median income are also presented in the graphic to compare home price shifts to income shifts.

New Hampshire's housing market is costlier than the U.S. overall—although the difference was much smaller in 2000. The price differential widened between 2001 and 2006 and has stayed fairly consistent since then. New Hampshire's median income is also higher than the U.S. overall.

Home prices have increased more quickly than incomes. Between 2000 and 2020, New Hampshire's home values rose by 111%, while median income increased by 73%. This

compares to a 96% increase in home values and 61% increase in income in the U.S. overall. Between 2019 and 2020 alone, New Hampshire home values increased by 6% while income increased by 2%. Home value increases accelerated substantially between 2020 and 2022, rising 36%. [2]

Figure III-I.
Zillow Home Value Index and Median Income, New Hampshire and U.S., January 2000 – July 2022



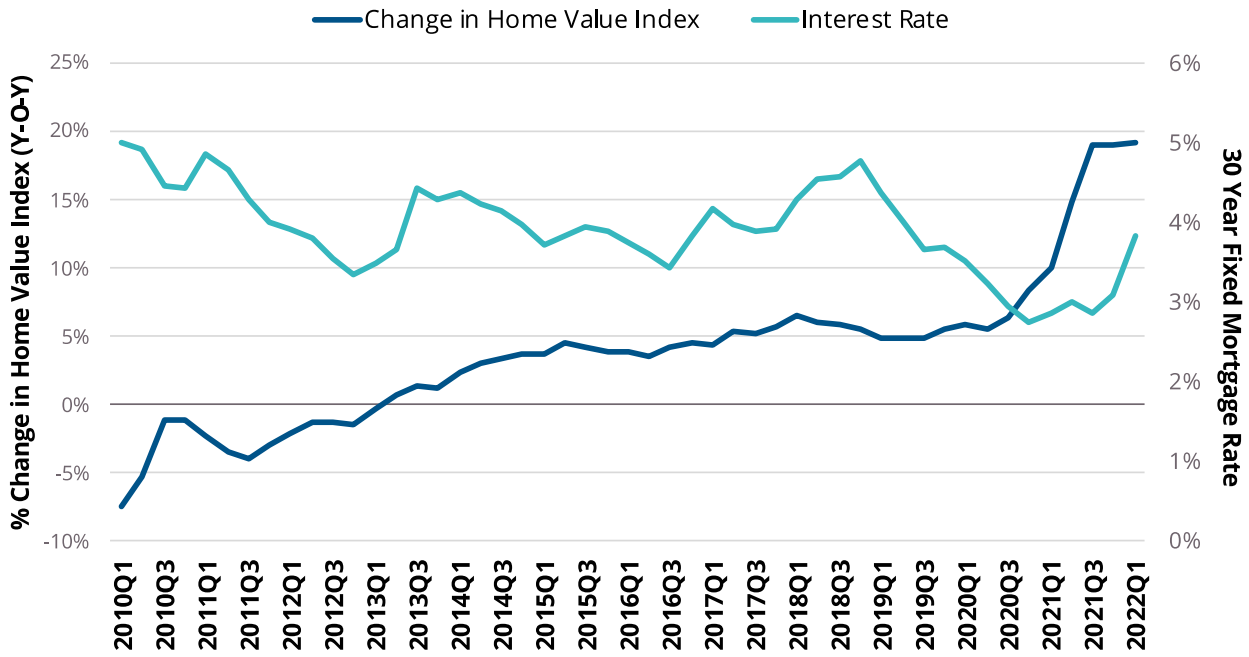
Note: Data for 2022 represent January through July. Nominal dollars (not adjusted for inflation.) Income data are only available through 2020.

Source: Zillow, U.S. Census median household income, retrieved from FRED, and Root Policy Research.

[2] Median income is not yet available for this time period.

Declining interest rates are closely related to increases in New Hampshire home values, as shown in Figure III-2 below. The Federal Reserve's moves to increase rates to address rising inflation may help to temper price increases.

Figure III-2.
Mortgage Interest Rates and Change in Home Value Index, New Hampshire, 1st quarter 2010 – 1st quarter 2022

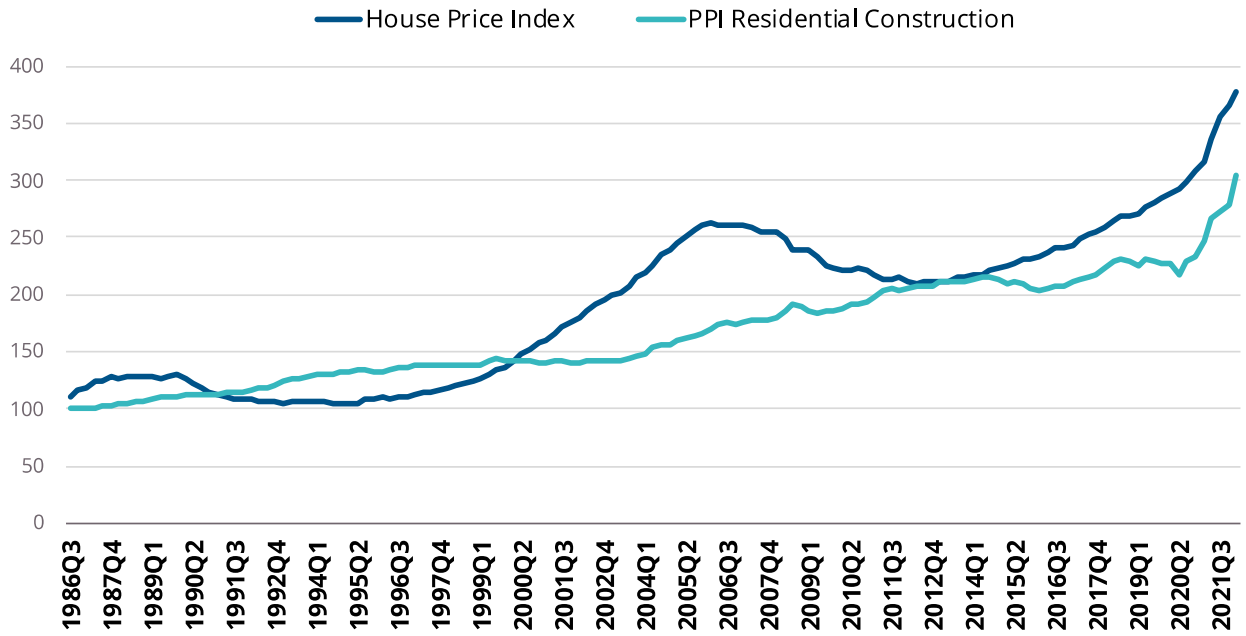


Note: Percent change in home value index in calculated year-over-year.

Source: U.S. Federal Housing Finance Agency, Freddie Mac.

As shown in Figure III-3, construction costs are also a correlated, and likely a contributing factor, in increasing prices.

Figure III-3.
Producer Price Index (Net Inputs to Residential Construction, Goods) and House Price Index, New Hampshire, 3rd quarter 1986 – 3rd quarter 2021

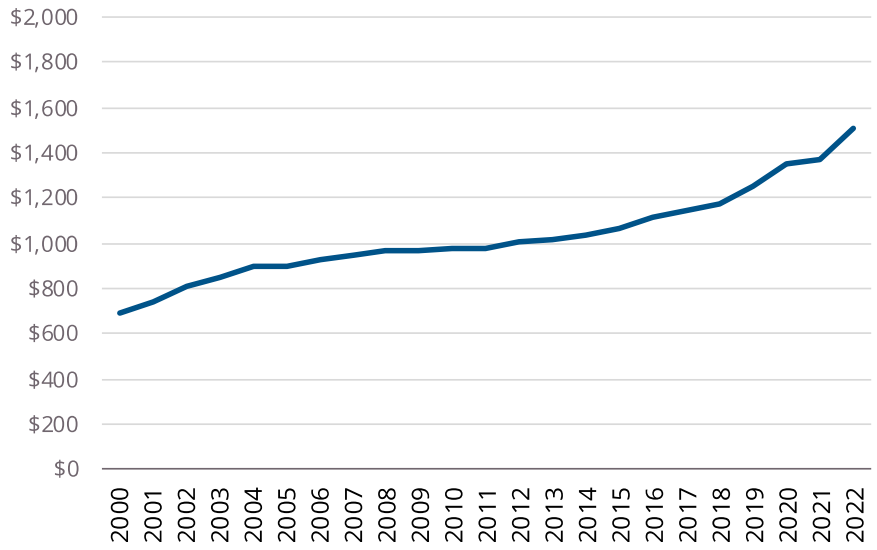


Note: For both indices 1986=100.

Source: Bureau of Labor Statistics, and U.S. Federal Housing Finance Agency.

Trends in median rents, shown in Figure III-4 below, exhibit less fluctuation than home values—partially because rents are less dependent on interest rate changes. Rents increased gradually over time, with the largest single year increase during 2022. Increases in rents also outpaced increases in median income.

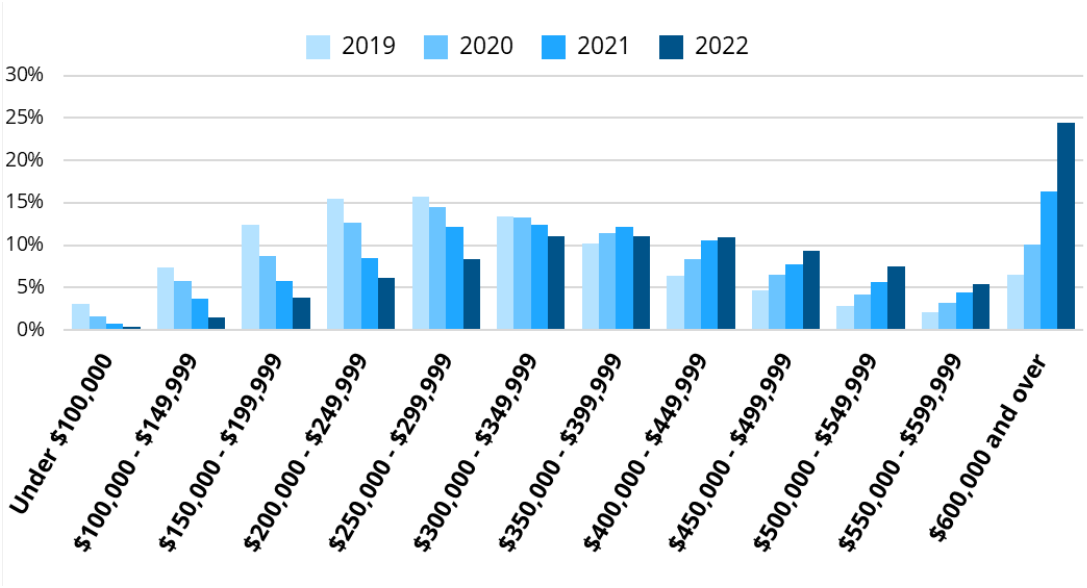
Figure III-4.
Median Rent, New Hampshire, 2000 to 2022



Source: New Hampshire Housing Residential Rental Cost Survey, and Root Policy Research.

Figure III-5 shows the shift in the distribution of home prices based on sold homes. Between 2019 and September there has been a sharp decline in the share of homes sold for under $300,000 and a large increase in the share of homes sold for over $600,000. In 2019, 54% of homes sold were priced under $300,000; this compares to 20% in 2022 (through September). Homes priced at $600,000 and more made up 7% of sales in 2019 and 24% in 2022.

Figure III-5.
Home Sales Price Distribution, New Hampshire, January 2019 – September 2022



Note: 2022 includes sales from January to September.

Source: MLS data provided by New Hampshire Housing, and Root Policy Research.

Figure III-6 shows the median sold price for the state and by county for 2019 compared to 2022. Statewide, the median sold price for the first three quarters of 2022 was $430,000, up 50% from $285,975 in 2019.

All counties experienced double digit percent growth in sold prices between 2019 and 2022. The counties with the largest percent increases were Coos (68%), followed by Grafton (67%), Belknap (65%), Sullivan (64%), and Carroll (63%). The slowest price growth was experienced in Strafford (44%), Hillsborough (48%), Cheshire (48%), and Rockingham (49%). The counties with the most expensive home prices are Rockingham, Hillsborough, Carroll, and Belknap. Carroll, Belknap, Merrimack, and Sullivan have jumped in the "rankings" among county prices, particularly Carroll.

Figure III-6. Median Sold Price by County and New Hampshire, January 2019 – September 2022

Note:

2022 includes sales from January to September.

Source:

MLS data provided by New Hampshire Housing, and Root Policy Research.

Income Range	2019	2022	# Change	% Change
New Hampshire	$285,975	$430,000	$144,025	50%
Belknap	$258,000	$425,000	$167,000	65%
Carroll	$260,000	$425,000	$165,000	63%
Cheshire	$216,000	$320,000	$104,000	48%
Coos	$134,000	$225,000	$91,000	68%
Grafton	$225,000	$375,000	$150,000	67%
Hillsborough	$290,000	$430,000	$140,000	48%
Merrimack	$259,900	$400,000	$140,100	54%
Rockingham	$365,000	$545,000	$180,000	49%
Strafford	$275,000	$396,500	$121,500	44%
Sullivan	$195,000	$320,000	$125,000	64%

Figure III-7 shows median rents in the state and by county in 2019 compared to 2022, according to data from New Hampshire Housing's Residential Rental Cost Survey. Statewide, median rent was $1,510 in 2022, up 21% from $1,251 in 2019.

All counties except Cheshire (7%), Merrimack (7%), and Rockingham (8%) experienced double digit percent increases in median rent. The largest increase was experienced in Grafton County, where rents increased by 40%, from $1,081 to $1,514. The counties with the most expensive rents are Hillsborough, Rockingham, Strafford, and Grafton. Increases in median rent can be caused by rent increases in existing apartments and the introduction of new, higher-cost apartments to the market.

Figure III-7. Median Rent by County and New Hampshire, 2019 and 2022

Note:
Median rent for all units.

Source:
New Hampshire Housing Residential Rental Cost Survey.

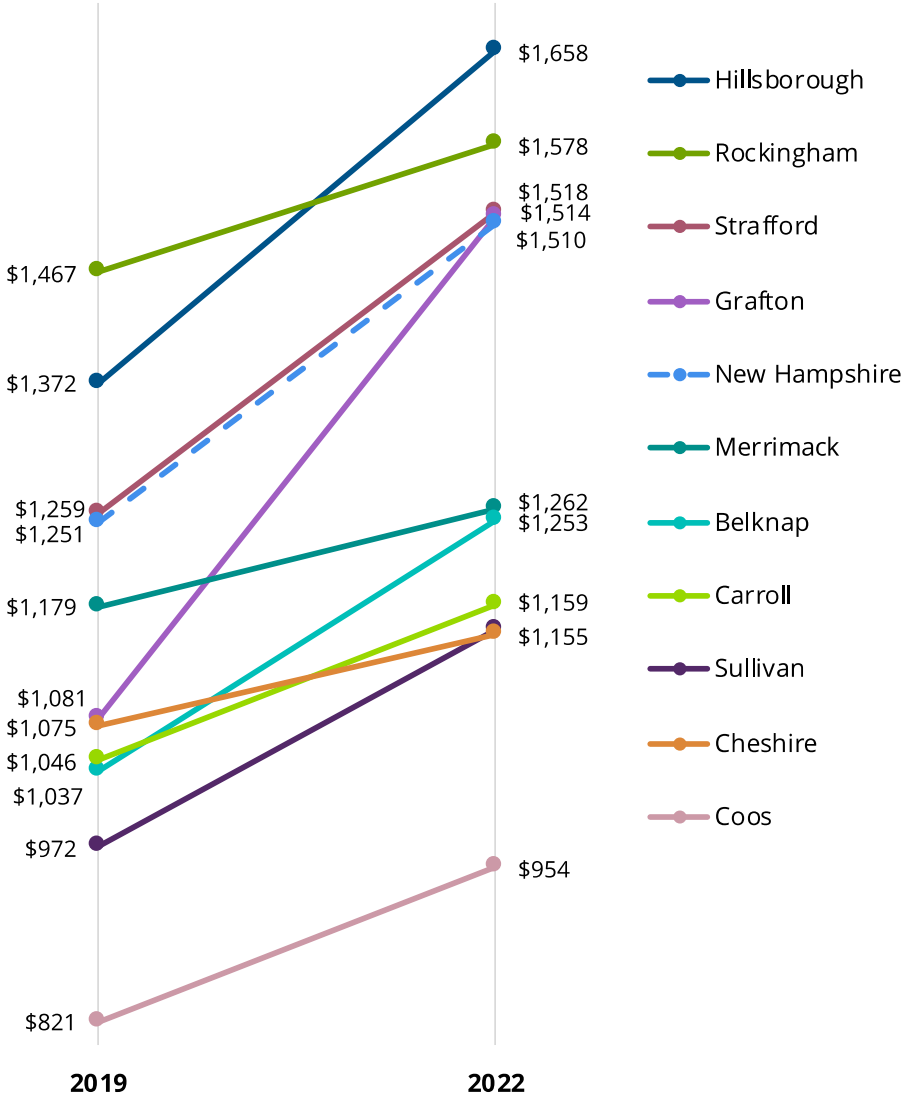
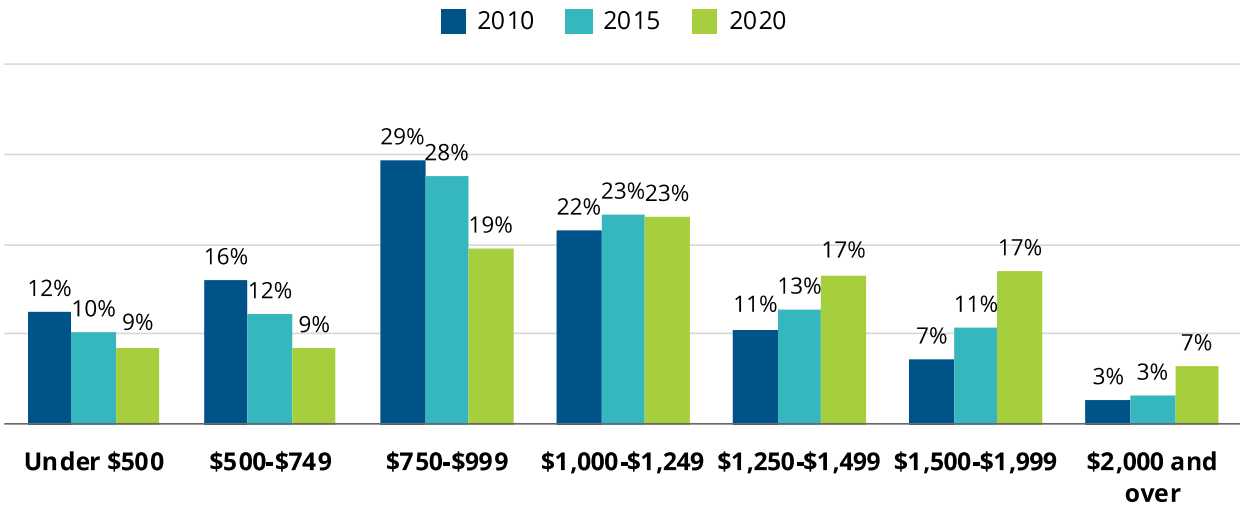


Figure III-8 shows the shift in distribution of gross rents, based on what renters report paying in Census surveys. The share of rental units under $1,000 has decreased from 58% in 2010 to 37% in 2020, while the share of rental units $1,250 and over has increased from 21% to 40%.

Figure III-8.
Gross Rent Distribution, New Hampshire, 2010, 2015, and 2020



Source: 2010 ACS 5-year estimates, 2015 ACS 5-year estimates, 2020 ACS 5-year estimates and Root Policy Research.

COST BURDEN

The most common definition of affordability is linked to industry standards. The federal government considers housing as affordable when the housing payment—the rent or mortgage payment, plus taxes and utilities—consumes 30% or less of a household's gross income. Households who pay more than 30% are "cost burdened." Households experiencing cost burden have less money to spend on other essentials like healthcare, education, groceries, and transportation—adversely affecting their household well-being, limiting their economic growth potential, and constraining local spending.

Federal definition of affordability

1) Housing costs are "affordable" if they do not exceed 30% of household's gross monthly income
2) "Costs" include basic utilities, mortgage insurance, HOA fees, and property taxes

Households paying more than 30% for housing are "cost burdened"

Households paying more than 50% for housing are "severely cost burdened"

The 30% proportion is derived from historically typical mortgage lending requirements. Thirty percent allows flexibility for households to manage other expenses (e.g., childcare, health care, transportation, food costs, etc.).

Figures III-9 and III-10 show the income required to afford the median home price and median rent without being cost burdened in 2022 compared to 2019. Data are shown for the state overall and each county.

The income required to afford the median home price in the state increased by almost $90,000 between 2019 and 2020, from $82,146 to $171,635 (109% increase). By comparison, the income required to afford the median rent increased by more than $10,000, from $50,040 to $60,400 (21% increase).

The large increase in the income required to afford the median home price is in part driven by rising interest rates.

Figure III-9. Income Required to Afford Median Home Price, by County and New Hampshire, 2019 and 2022

Note:

Maximum affordable home price is based on a 30-year mortgage with a 10% down payment and an interest rate of 6.9% in 2022 and 3.94% in 2019. Property taxes, insurance, HOA and utilities are assumed to collectively account for 40% of the monthly payment.

Source:

New Hampshire Housing, MLS, and Root Policy Research.

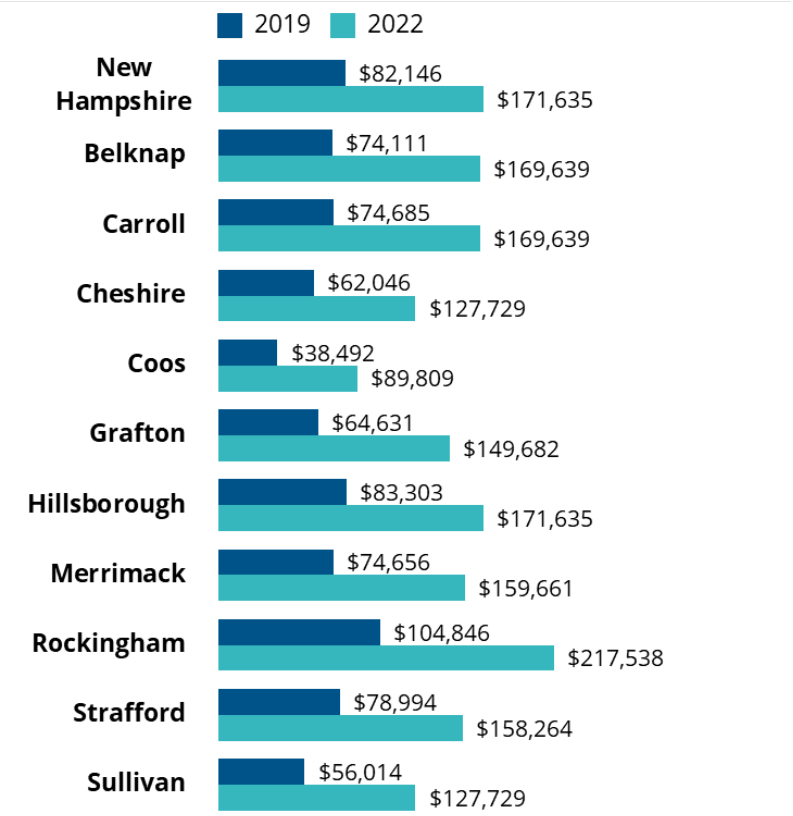


Figure III-10. Income Required to Afford Median Gross Rent, by County and New Hampshire, 2019 and 2022

Source:

New Hampshire Housing Residential Rental Cost Survey, and Root Policy Research.

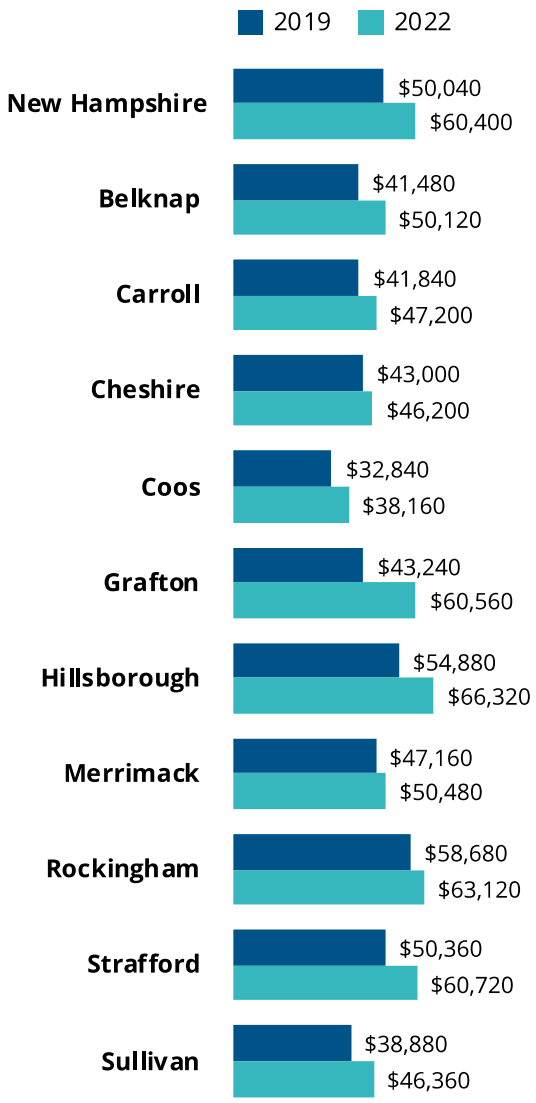
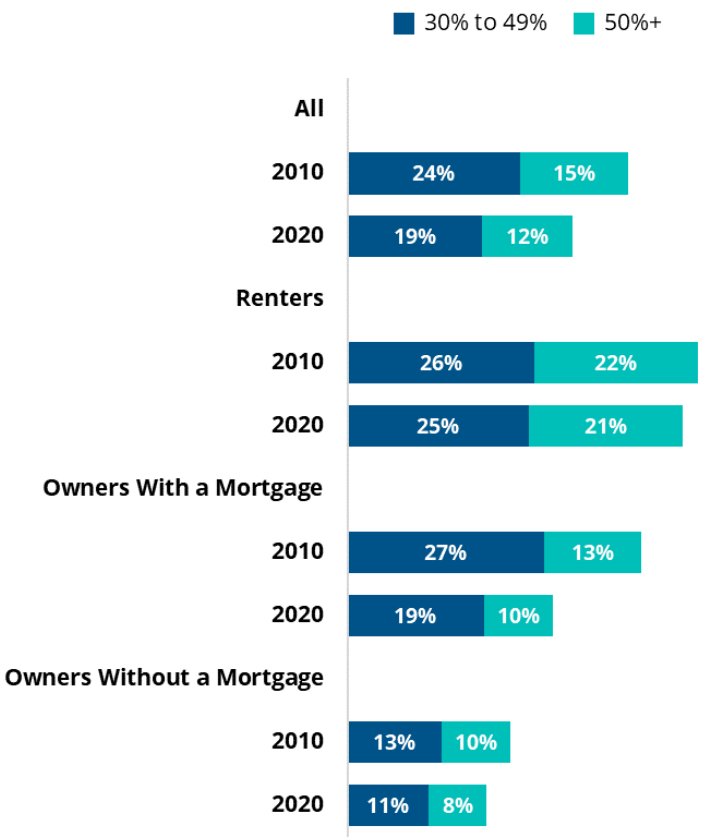


Figure III-11 shows the percent of households who are cost burdened by tenure for 2010 compared to 2020. **Tenure refers to whether the household owns or rents their private dwelling.** Owners without a mortgage have the lowest cost burden levels, and renters the highest. Statewide, the share of cost burdened households decreased from 39% in 2010 to 31% in 2020. This positive trend was largely driven by a decrease in cost burden among owners with a mortgage which dropped from 41% to 28%. Cost burden among renters decreased only slightly, from 48% to 46%. Falling mortgage interest rates through 2020 likely contributed to the decline in owner cost burden, allowing mortgaged owners to lower their housing costs through refinancing. Renters are not afforded a similar vehicle for lowering cost burden; as such, renter cost burden shows less fluctuation.

Figure III-11. Cost Burden Tenure, New Hampshire, 2010 and 2020

Source:

2010 ACS 5-year estimates, 2020 ACS 5-year estimates, and Root Policy Research.



Figures III-12 and III-13 show the share of households experiencing cost burden and severe cost burden by tenure and income using American Community Survey (ACS) 5-year average estimates for 2015 and 2020—reflecting the periods of 2010 to 2015 (capturing the recovery from the Great Recession), and 2016 to 2020 (pre-pandemic years).

Cost burden remains the highest among the lowest income households, who have always faced a shortage of affordable housing and must rely on publicly assisted housing or rental assistance to avoid cost burden.

Since 2015, it has become increasingly common for renters with incomes between $35,000 and $75,000 to experience cost burden. Statewide, the share of cost burdened renters earning between $35,000 and $50,000 increased from 47% to 60%, and the share of severely cost burdened renters increased from 15% to 23%. The share of cost burdened renters earning between $50,000 and $75,000 increased from 17% to 25%, and the share of severely cost burdened renters increased from 4% to 6%.

Figure III-12. Cost Burden by Tenure, and Income, New Hampshire, 2015 and 2020

Source:

2015 ACS 5-year estimates, 2020 ACS 5-year estimates, and Root Policy Research.

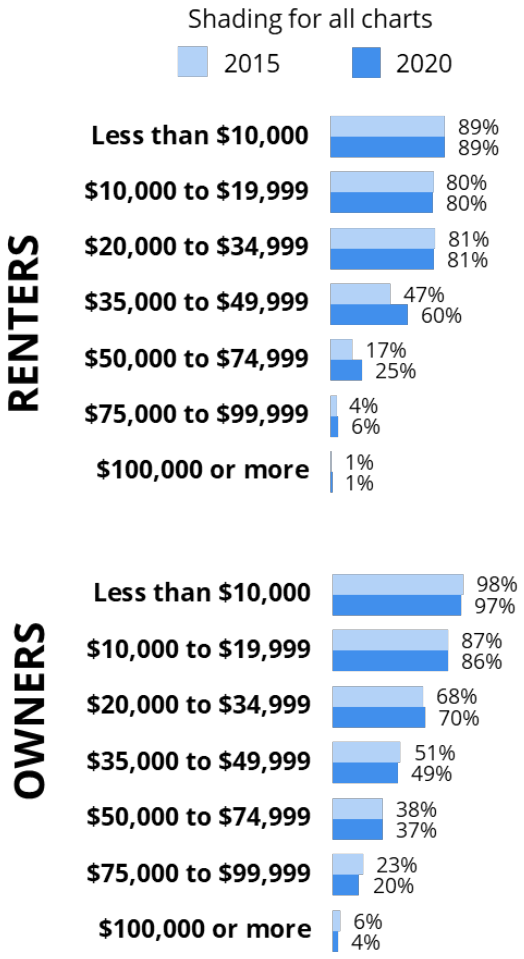
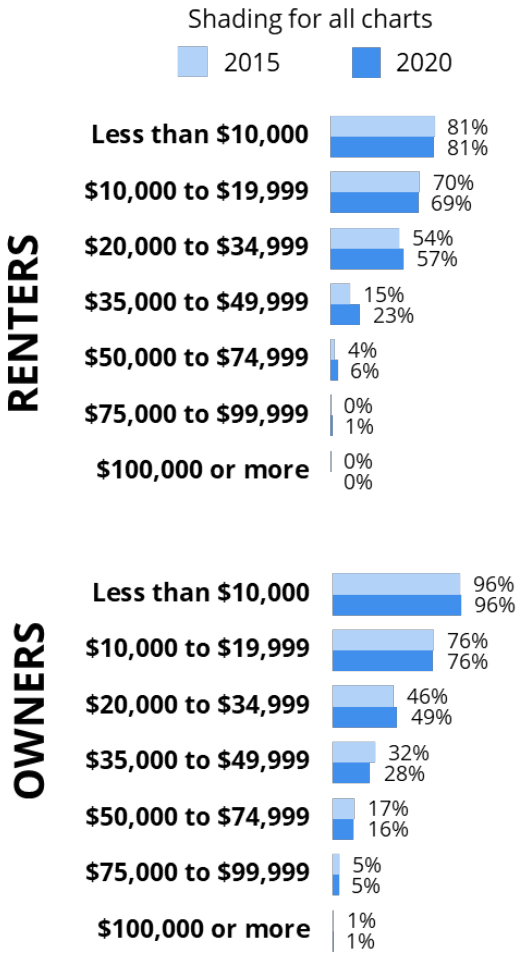


Figure III-13. Severe Cost Burden by County, Tenure, and Income, by County and New Hampshire, 2015 and 2020

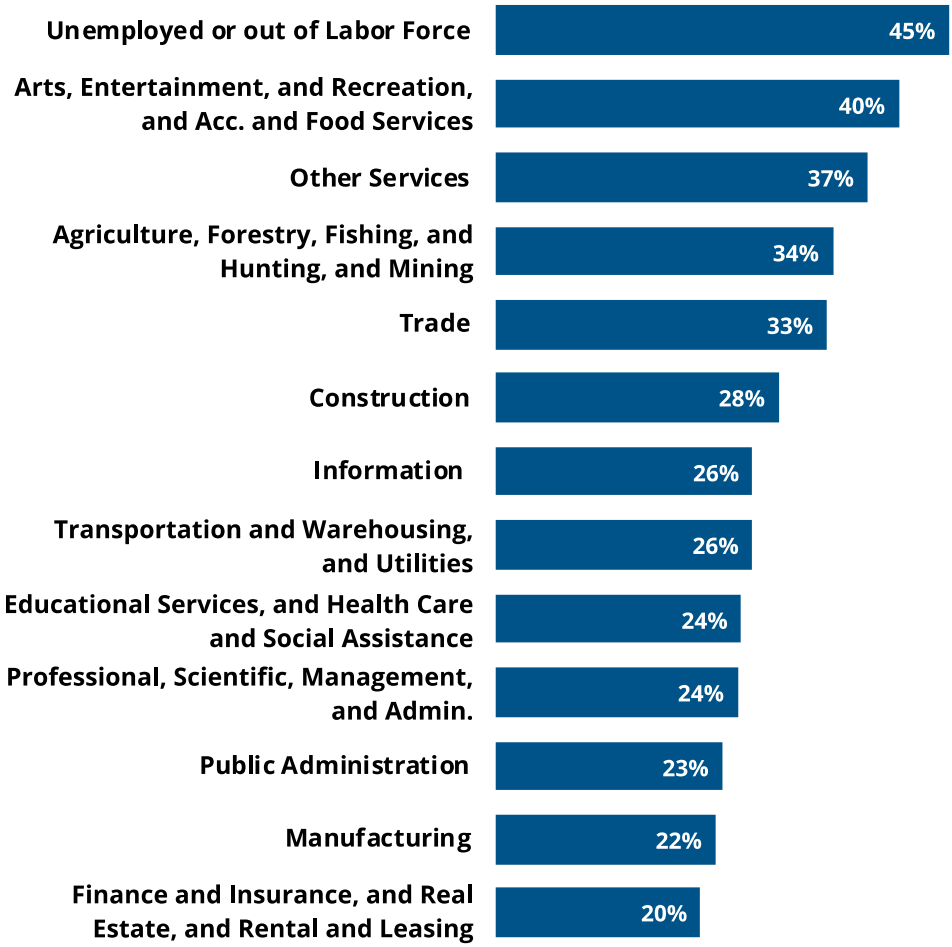
Source:

2015 ACS 5-year estimates, 2020 ACS 5-year estimates, and Root Policy Research.



Rates of cost burden are higher among those unemployed or out of the labor force (45%), but they are almost as high among those working in the Arts, Entertainment, Recreation, Accommodation and Food Services industry sector: 40% of households in which the head of household is employed in this sector experience cost burden. Households in which the head is employed in Finance and Insurance, and Rental and Leasing have the lowest rate of cost burden at 20%, as illustrated in Figure III-14.

Figure III-14. Cost Burden by Head of Household Employment Industry, New Hampshire, 2020



Notes: Households' industry is determined by the industry of the household head.

Source:
2020 ACS 5-year IPUMS and Root Policy Research.

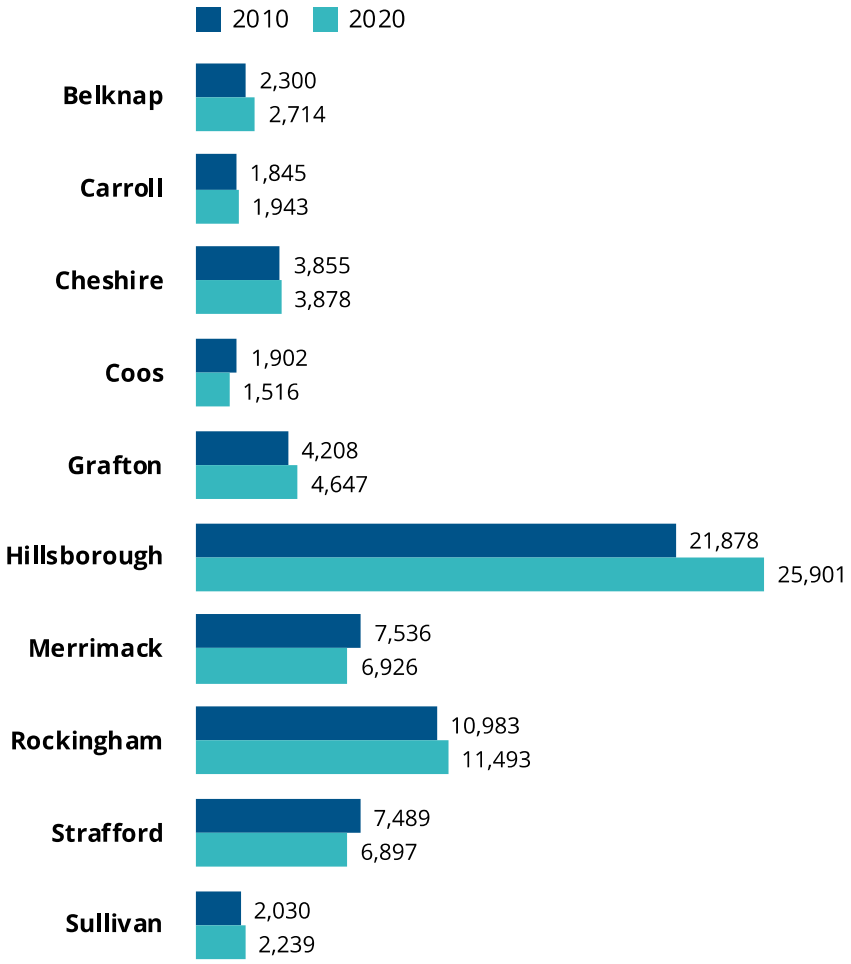
Statewide, there are 4,128 more households experiencing cost burden in 2020 than in 2010 (64,026 in 2010 and 68,154 in 2020). Cost burdened renter households are concentrated in Hillsborough and Rockingham counties. Together, these counties make up 55% of the state's cost burdened renters; this compares with 54% of the state's population (31% in Hillsborough and 23% in Rockingham).

Hillsborough County led all counties in the change in cost burdened renters at 4,023. Counties with declines or modest increases in cost burdened renters include Cheshire (increase of 23 renters), Coos (-385), Merrimack (-610), and Strafford (-592).

Figure III-15. Number of Cost Burdened Renter Households by County, 2010 and 2020

Source:

2010 ACS 5-year estimates, 2020 ACS 5-year estimates, and Root Policy Research.



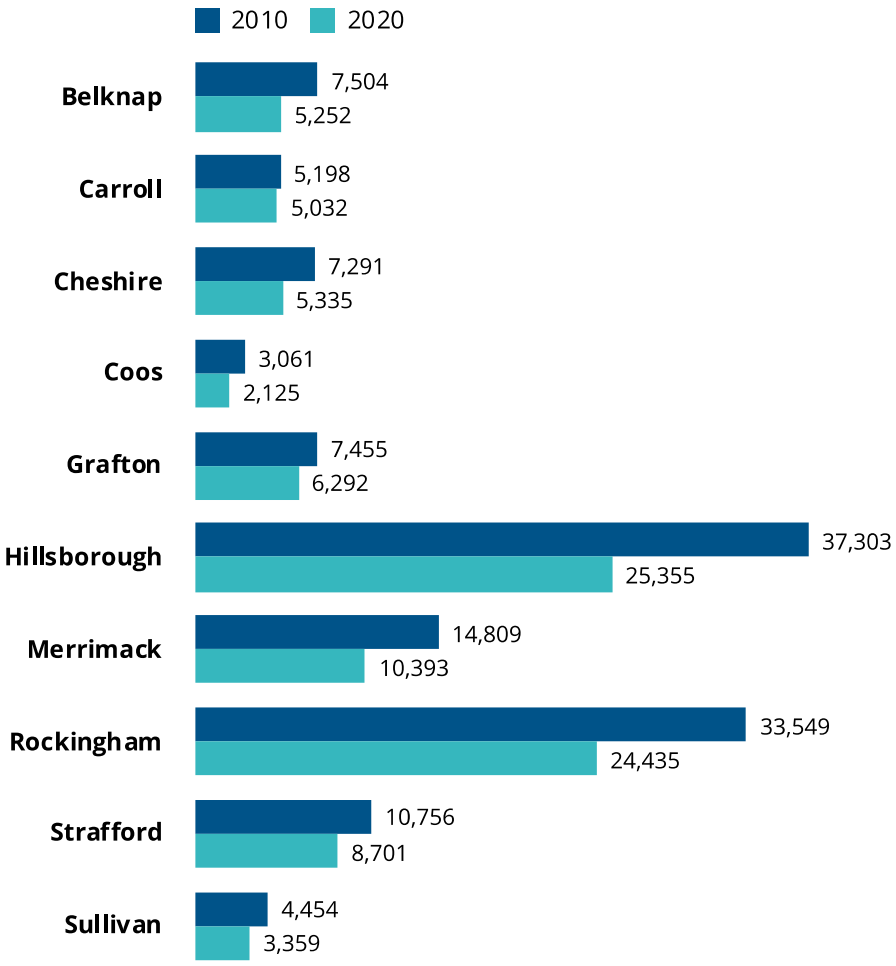
In contrast to trends in renter cost burden, as shown in Figure III-16 the number of cost burdened owners fell significantly: there are now 35,101 fewer cost burdened owners in the state than in 2010 (131,380 in 2010 to 96,279 in 2020). Cost burdened owner and renter households are distributed across the state roughly proportional with population. .

Owner cost burden decreased in every county, with the largest declines in Hillsborough (cost burdened owners fell by 11,948) and Rockingham (-9,114). Carroll County had the smallest decline at a reduction of 166 cost burdened owners.

Figure III-16. Number of Cost Burdened Owner Households by County, 2010 and 2020

Source:

2010 ACS 5-year estimates, 2020 ACS 5-year estimates, and Root Policy Research.

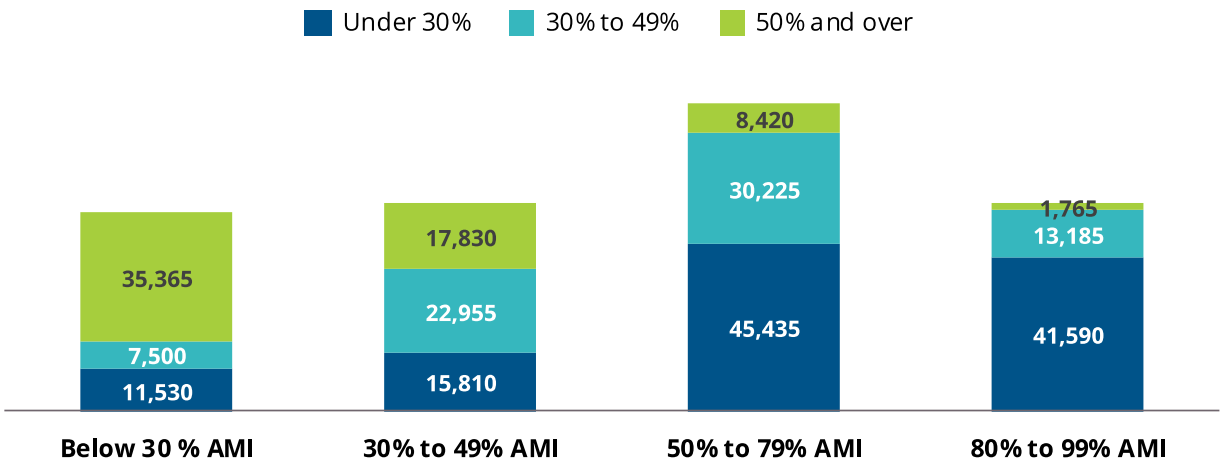


Figures III-17 through III-19 show the total number of cost burdened households by AMI and tenure according to Housing and Urban Development's (HUD) Comprehensive Housing Affordability Strategy (CHAS) data.[3]

Although the prevalence of cost burden declines as incomes rise, cost burden is experienced across AMI ranges and tenure. Renters make up 60% of cost burdened households at the <30% AMI range, and an equal share of renters and owners make up the 31 to 50% AMI range. Owners make up the majority of cost burdened households in the 50 to 99% AMI range: 82% of cost burdened households earning 80-99% AMI are owners.

Severe cost burden is highly concentrated in the lowest AMI income range: 56% of all severely cost burdened households earn less than 30% AMI. Of these severely cost burdened households, 61% are renters.

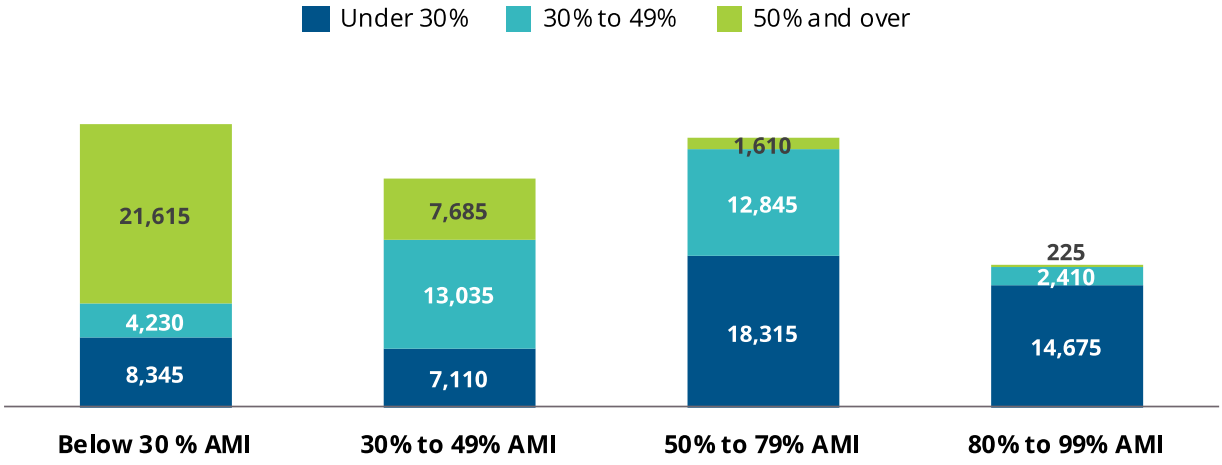
Figure III-17.
Number of Households by AMI and Cost Burden, New Hampshire, 2018



Source: HUD CHAS from 2014-2018 ACS, and Root Policy Research.

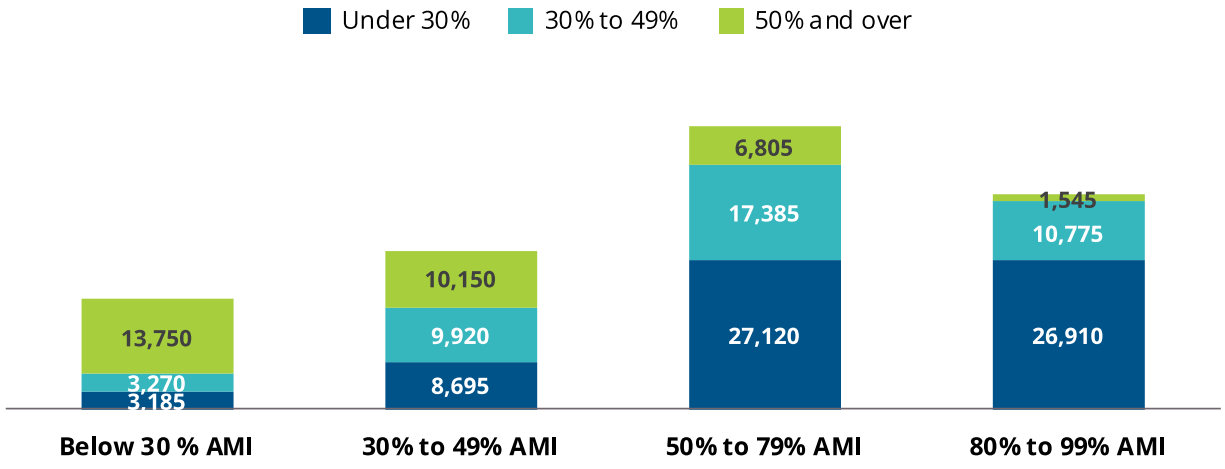
[3] These estimates are based on 2014-2018 ACS data; therefore, the total number of households will differ from the number shown in the previous figures.

Figure III-18.
Number of Renter Households by AMI and Cost Burden, New Hampshire, 2018



Source: HUD CHAS from 2014-2018 ACS, and Root Policy Research.

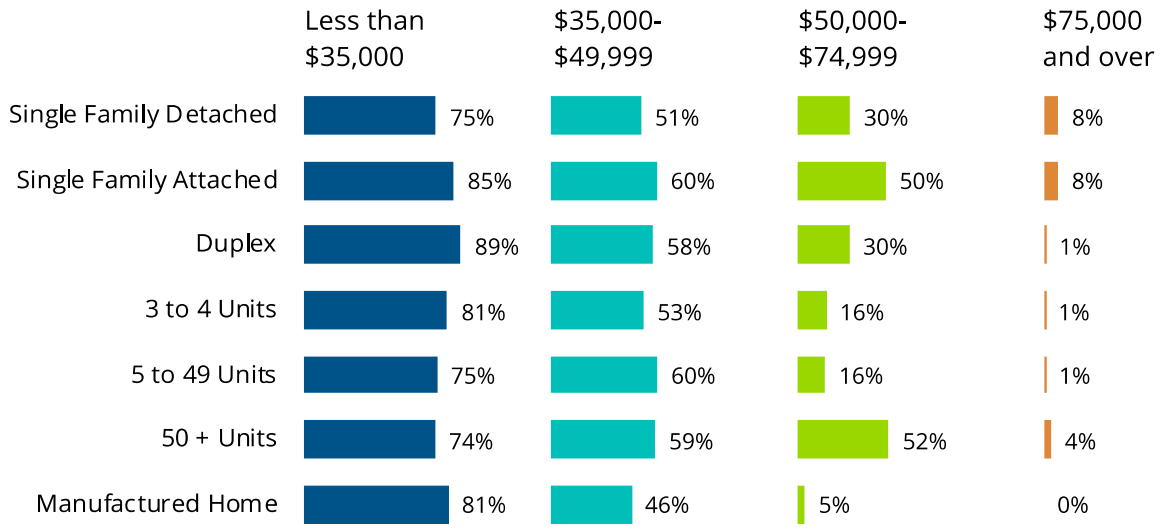
Figure III-19.
Number of Owner Households by AMI and Cost Burden, New Hampshire, 2018



Source: HUD CHAS from 2014-2018 ACS, and Root Policy Research.

While lower income renter households have high rates of cost burden regardless of the housing type they occupy, as shown in Figure III-20, they are slightly less likely to be cost burdened if they occupy single family detached homes and units in buildings with 5 or more units in structure; this may be due to the broader availability of these products. Renter households with incomes between $35,000 and $50,000 are the least likely to be cost burdened if they occupy manufactured homes, followed by single family detached homes, and units in buildings with 3 to 4 units in structure. Renter households with incomes between $50,000 and $75,000 are the least likely to be cost burdened if they occupy manufactured homes, followed by units in buildings with 3 to 49 units in structure. Renter households in this income bracket who are cost burdened and live in building with 50 or more units are likely households living in newer, more expensive buildings.

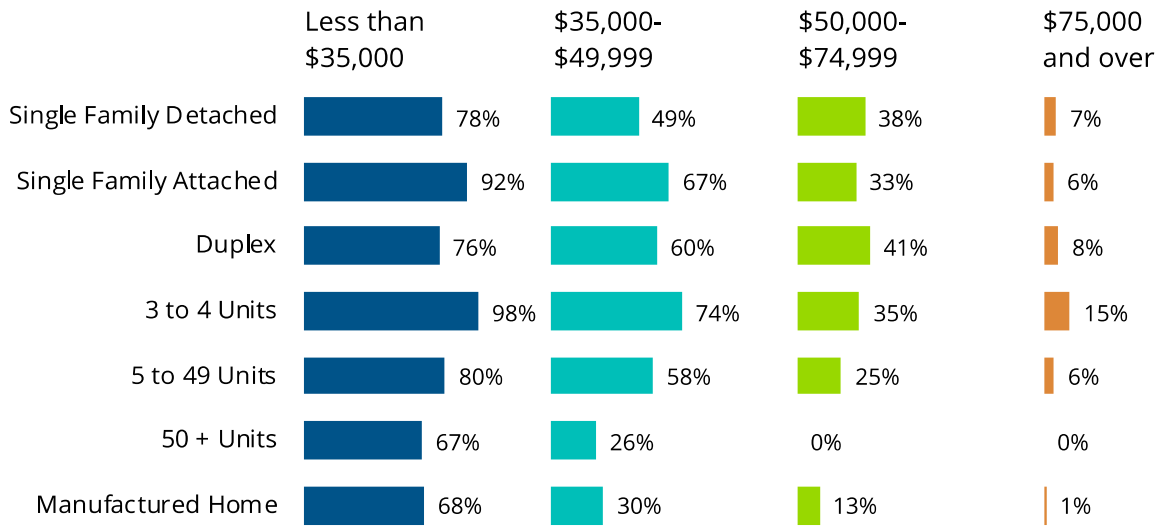
Figure III-20.
Renter Cost Burden, by Income and Housing Type, New Hampshire, 2020



Source: 2020 ACS 5-year IPUMS and Root Policy Research.

Among owner households across all income categories, cost burden is lower in buildings with 50 units or more, and manufactured homes.

Figure III-21.
Owner Cost Burden, by Income and Housing Type, New Hampshire, 2020



Source: 2020 ACS 5-year IPUMS and Root Policy Research.

Figures III-22 and III-23 show cost burden among renter and owner households by housing type and year built.[4] These proportions are derived from data with high margins of error and, as such, should be interpreted as indicating trends, but not a precise representation.

Renters occupying duplexes built between 2010 and 2014 are the least likely to be cost burdened (24%), followed by those occupying single family homes built between 2000 and 2009 (28%). Renters occupying units in buildings with 3 to 4 units built after 2014 are the most likely to be cost burdened (95%), followed by those occupying units in buildings with 50 or more units built between 2010-2014 (75%). This is partly due to the increasingly high cost of construction and amenities that are built into newer units, which result in higher rents.

Figure III-22.
Renter Cost Burden by Housing Type and Year Built, New Hampshire, 2020

	Before 1950	1950-1959	1960-1969	1970-1979	1980-1989	1990-1999	2000-2009	2010-2014	2015-2020
Single Family Detached	43%	35%	35%	32%	34%	35%	28%	38%	37%
Single Family Attached	38%	70%	53%	44%	35%	57%	39%	54%	48%
Duplex	46%	40%	43%	33%	61%	32%	47%	24%	42%
3 to 4 Units	48%	34%	48%	43%	48%	39%	58%	60%	95%
5 to 49 Units	53%	44%	48%	40%	43%	45%	43%	40%	40%
50 + Units	42%	32%	75%	43%	49%	60%	49%	75%	60%

Source: 2020 ACS 5-year IPUMS and Root Policy Research.

[4] These comparisons are for illustrative purposes only since they do not control for other housing attributes such as size and location.

Among owner households, those occupying units in buildings with 50 or more units built after 2014 are the most likely to be cost burdened (100%), followed by those occupying units in buildings with 3 to 4 units in structure built between 1960 and 1969 (69%). Owners occupying units in buildings with 3 to 49 units in structure built during the 1950s, units in buildings with 5 to 49 units built after 2015, and units in buildings with 50 or more units built in the 1950s, 1970s, and between 2010 and 2014 are the least likely to be cost burdened.

Figure III-23.
Owner Cost Burden by Housing Type and Year Built, New Hampshire, 2020

	Before 1950	1950-1959	1960-1969	1970-1979	1980-1989	1990-1999	2000-2009	2010-2014	2015-2020
Single Family Detached	26%	23%	24%	23%	21%	19%	23%	22%	21%
Single Family Attached	24%	30%	35%	53%	28%	41%	25%	53%	24%
Duplex	38%	48%	28%	29%	19%	31%	27%	39%	-
3 to 4 Units	53%	0%	69%	31%	45%	7%	32%	-	-
5 to 49 Units	29%	0%	21%	43%	33%	42%	42%	41%	0%
50 + Units	9%	0%	-	0%	32%	7%	20%	0%	100%

Source: 2020 ACS 5-year IPUMS and Root Policy Research.

OWNERSHIP GAP ANALYSIS

An ownership gap analysis examines the likelihood that renters at different income levels can become owners by comparing renters, renter income levels, the maximum monthly affordable housing payment, and the proportion of units in the market that are affordable. Renters are used for the demand side of the ownership gaps because the analysis intends to capture renters' ability to purchase a home (as opposed to measuring existing owners' ability to buy and sell). Data on sold homes from the Multiple Listing Services (MLS) was used to estimate the price distribution of sold homes. Maximum affordable home prices assume a 30-year mortgage with a 10% down payment, and an interest rate of 5.5% for 2020 and 4.69% for 2010. The estimates also incorporate property taxes, insurance, homeowners' association (HOA) payments and utilities—assumed to collectively account for 40% of the monthly payment.[5]

[5] It is recognized that taxes and HOA payments can vary considerably by town, county, region, and HOA subdivision. One multiplier was used to achieve comparability across regions and isolate changes in affordability independent of local taxation.

Figures III-24 and III-25 show the income thresholds and maximum affordable home price used for the ownership gap analysis by Regional Planning Commission (RPC).[6] RPCs assist localities with planning and community development and vary in income and affordability thresholds.

Regional Planning Commission (RPC)	Acronym
Central New Hampshire Regional Planning Commision	CNHRPC
Lakes Region Planning Commission	LRPC
Nashua Regional Planning Commision	NRPC
North Country Council	NCC
Rockingham Planning Commission	RPC
Southern New Hampshire Planning Commission	SNHPC
Southwest Region Planning Commission	SWRPC
Strafford Regional Planning Commission	SRPC
Upper Valley Lake Sunapee Regional Planning Commission	UVLSRPC

[6] This exercise results in slightly different affordability thresholds from those published by NH Housing for the workforce housing limits, as this analysis is based on customized AMI levels for the regions.

Figure III-24.
Four Person Area Median Income (AMI) by Regional Planning Commission, 2010 and 2020

4- person AMI	NCC		UVLSRPC		LRPC		SWRPC		CNHRPC		SRPC		SNHPC		NRPC		RPC	
	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020
30% AMI	$18,512	$22,935	$20,166	$25,423	$20,331	$24,705	$21,096	$26,831	$23,027	$26,860	$24,496	$30,634	$24,045	$27,203	$27,118	$34,033	$25,127	$30,444
50% AMI	$30,853	$38,225	$33,609	$42,372	$33,886	$41,176	$35,160	$44,718	$38,378	$44,766	$40,827	$51,057	$40,075	$45,339	$45,197	$56,722	$41,879	$50,740
60% AMI	$37,023	$45,870	$40,331	$50,846	$40,663	$49,411	$42,192	$53,662	$46,053	$53,719	$48,992	$61,269	$48,090	$54,406	$54,236	$68,067	$50,255	$60,888
80% AMI	$49,364	$61,160	$53,775	$67,795	$54,217	$65,881	$56,256	$71,549	$61,404	$71,626	$65,322	$81,691	$64,120	$72,542	$72,315	$90,756	$67,006	$81,184
100% AMI	$61,705	$76,450	$67,219	$84,744	$67,772	$82,352	$70,320	$89,436	$76,756	$89,532	$81,653	$102,114	$80,150	$90,677	$90,394	$113,445	$83,758	$101,480
120% AMI	$74,046	$91,740	$80,663	$101,692	$81,326	$98,822	$84,384	$107,323	$92,107	$107,438	$97,984	$122,537	$96,180	$108,813	$108,472	$136,133	$100,509	$121,776

Note: A 4-person household was selected to be consistent with RSA 674:58-61.

Source: HUD income limits, U.S. Census, and Root Policy Research.

Figure III-25.
Maximum Affordable Home Price by AMI and Regional Planning Commission, 2010 and 2020

4- person AMI	NCC		UVLSRPC		LRPC		SWRPC		CNHRPC		SRPC		SNHPC		NRPC		RPC	
	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020
30% AMI	$58,961	$66,649	$64,230	$73,880	$64,758	$71,794	$67,193	$77,971	$73,342	$78,054	$78,022	$89,023	$76,586	$79,053	$86,374	$98,901	$80,033	$88,470
50% AMI	$98,268	$111,082	$107,049	$123,133	$107,930	$119,657	$111,988	$129,951	$122,237	$130,090	$130,037	$148,372	$127,643	$131,755	$143,956	$164,835	$133,388	$147,451
60% AMI	$117,922	$133,298	$128,459	$147,760	$129,516	$143,589	$134,386	$155,941	$146,684	$156,108	$156,044	$178,047	$153,171	$158,106	$172,747	$197,802	$160,066	$176,941
80% AMI	$157,229	$177,731	$171,279	$197,013	$172,688	$191,452	$179,181	$207,922	$195,579	$208,145	$208,059	$237,396	$204,228	$210,808	$230,330	$263,737	$213,421	$235,921
100% AMI	$196,537	$222,163	$214,099	$246,266	$215,860	$239,315	$223,977	$259,902	$244,474	$260,181	$260,073	$296,745	$255,286	$263,509	$287,912	$329,671	$266,776	$294,902
120% AMI	$235,844	$266,596	$256,919	$295,519	$259,031	$287,177	$268,772	$311,883	$293,369	$312,217	$312,088	$356,094	$306,343	$316,211	$345,495	$395,605	$320,132	$353,882

Note: Maximum affordable home price is based on a 30-year mortgage with a 10% down payment and an interest rate of 5.5% in 2020 and 4.69% in 2010. Property taxes, insurance, HOA and utilities are assumed to collectively account for 40% of the monthly payment.

Source: HUD income limits, U.S. Census, and Root Policy Research.

SECTION III. HOUSING AFFORDABILITY AND NEEDS ANALYSIS

The gap between potential demand among first time home buyers and available product is demonstrated in Figure III-26. The figure shows the difference between the proportion of renter households in each income bracket and the proportion of homes sold in 2020 that were affordable to them. Negative numbers indicate a shortage of units at the specific income level; positive numbers indicate an excess of units. It is important to note that the gaps column accounts only for units that fall precisely within the affordability range of the household; it does not assume that households buy "up" or "down" out of their affordability range.

As would be expected, the for sale gaps analysis shows the largest gap at the 0 to 30% AMI range. It is unlikely that renters earning less than 30% AMI could become owners without products that substantially lower the price of units—for example, through land trusts, sweat equity, or cooperative housing models.

Gaps also exist in the 31 to 50% AMI range, indicating that renters in this income range would be challenged to find units that are affordable to purchase.

The "cumulative gap" accounts for the possibility that buyers may purchase homes that are priced at or below their affordability range. The last columns of Figure III-26 show this gap and excludes the gap below 30% AMI. [7]

Compared to 2010, the ownership gap has increased and expanded into upper AMI ranges. In 2010, renters earning between 61 and 80% AMI had a much higher likelihood of attaining homeownership than in 2020. In 2020, the likelihood that a renter could find an affordable home to buy does not become positive until they earn more than 120% AMI.

[7] This analysis does not consider the low inventory of homes available for sale. Households in higher income brackets can still face a tight for sale market if the level of listings is low.

Figure III-26.
Ownership Gaps by AMI, New Hampshire, 2010 and 2020

AMI	2010			2020			Cumulative Gap (Excluding 0-30% AMI)	
	Renters	Units	Gap	Renters	Units	Gap	2010	2020
0%-30% AMI	32%	5%	-27%	31%	0%	-30%	-	-
31%-50% AMI	21%	10%	-11%	20%	4%	-16%	-11%	-16%
51%-60% AMI	9%	8%	0%	8%	4%	-4%	-11%	-21%
61%-80% AMI	14%	22%	8%	14%	11%	-3%	-3%	-24%
81%-100% AMI	9%	19%	9%	10%	16%	6%	6%	-17%
101%-120% AMI	6%	13%	7%	6%	17%	11%	13%	-6%
Over 120% AMI	9%	23%	14%	11%	48%	37%	27%	30%

Source: 2010 ACS 5-year estimates, 2020 ACS 5-year estimates, MLS, HUD income limits, and Root Policy Research.

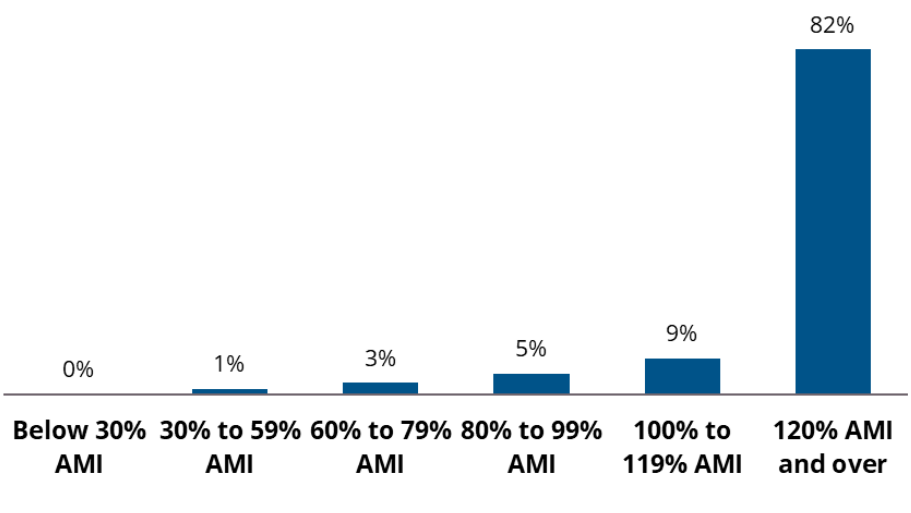
AVAILABILTY ANALYSIS

Figure III-27 shows the distribution of homes listed for sale according to MLS data from the third quarter—July through September—of 2022.[8] Despite the rise in interest rates in 2022—which will lead to a moderation in prices—most of the supply is still overwhelmingly concentrated at affordability levels over 120% AMI. Of all units listed for sale in the third quarter of 2022, 82% were priced at levels that were not affordable to renters earning less than 120% AMI.

Figure III-27. Distribution of Homes for Sale by AMI, New Hampshire, 3rd Quarter 2022

Note:
N=13,748. Regional AMI levels are used. 100% AMI ranges from around $80,000 to $120,000. 30% AMI ranges from $24,000 to $36,000.

Source:
MLS data from New Hampshire Housing and Root Policy Research.



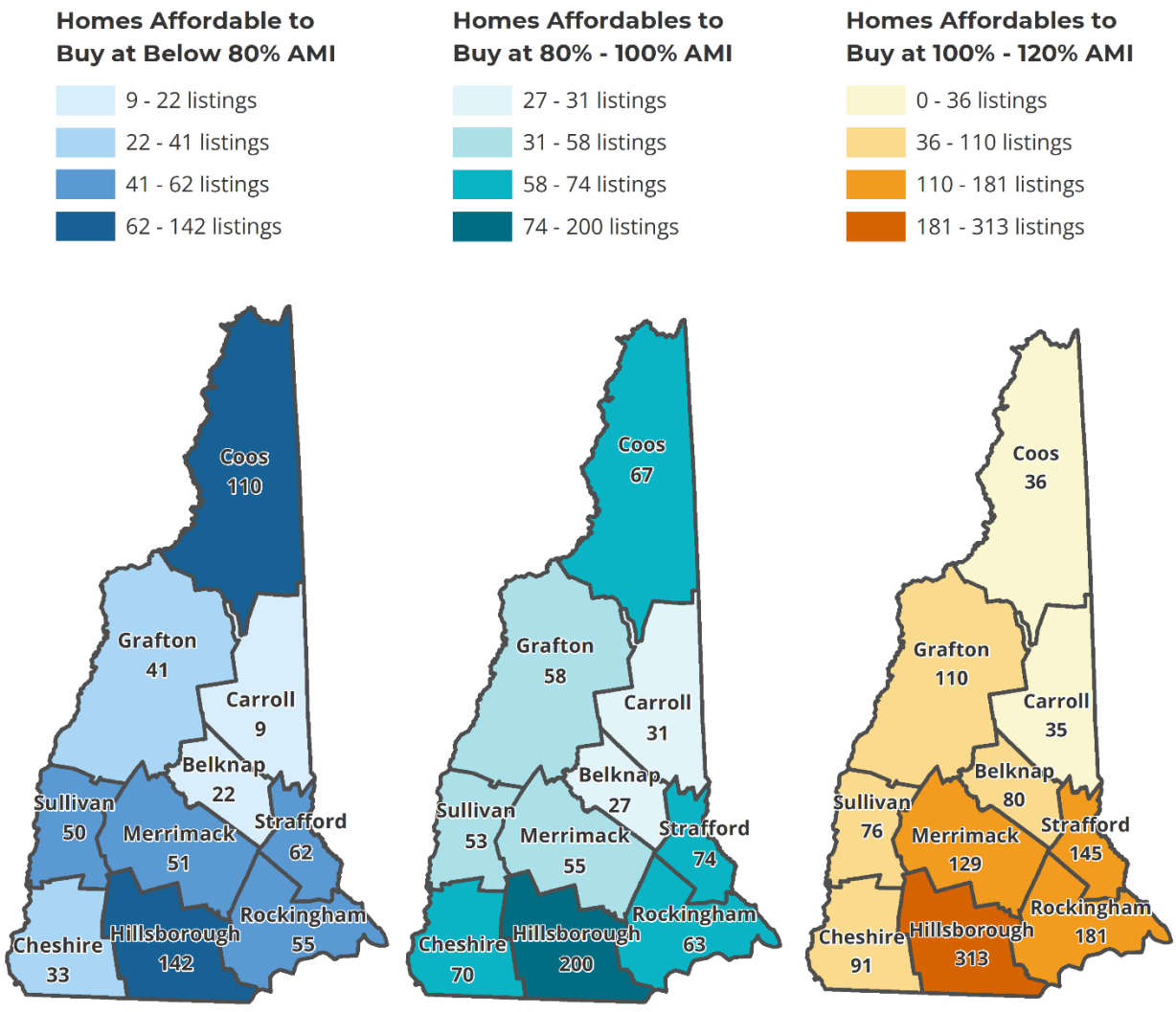
[8] These were the latest available data at the time of analysis.

The maps in Figure III-28 show the distribution of listings by AMI and county.

In the third quarter of 2022, there were 575 homes for sale and affordable to households earning below 80% AMI. Of these, 142 (25%) were located in Hillsborough County and 110 (19%) were in Coos County.

Only slightly more units were available for households with incomes between 80 and 100% AMI (698 total) and 100 to 120% AMI (1,196 total).

Figure III-28.
Number Homes Listed for Sale by AMI, by County, 3rd Quarter 2022



Note: N=13,748. Regional AMI levels are used.

Source: MLS data from New Hampshire Housing and Root Policy Research.

Figure III-29 shows the number of affordable homes to households at each AMI level by county per 10,000 people; this ratio normalizes the number of sales to county size. Rockingham County has the most limited supply for households with incomes below 80% AMI and Coos has the most. Rockingham County also has the lowest supply for households with incomes between 80% and 100% AMI and Coos has the most. For households with incomes between 100% and 120% AMI, Sullivan offers the most supply and Rockingham the least.

Figure III-29. Homes for Sale per 10,000 in Population, by County, 3rd Quarter 2022

Note:
N=13,748. Regional AMI levels are used.

Source:
MLS data from New Hampshire Housing, U.S. Census, and Root Policy Research.

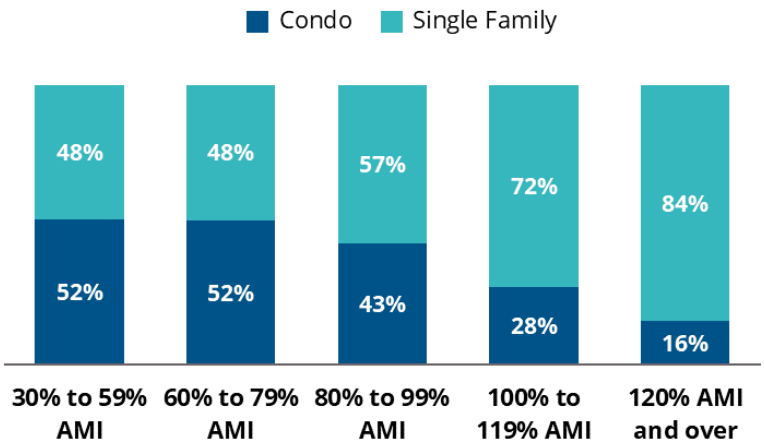
	Below 80% AMI	80% to 100% AMI	100% to 120% AMI
Belknap	3.45	4.24	12.56
Carroll	1.80	6.19	6.99
Cheshire	4.32	9.16	11.90
Coos	35.18	21.43	11.51
Grafton	4.50	6.37	12.07
Hillsborough	3.36	4.73	7.40
Merrimack	3.32	3.58	8.39
Rockingham	1.75	2.01	5.76
Strafford	4.74	5.65	11.08
Sullivan	11.61	12.31	17.65

Figure III-30 shows the distribution of homes for sale by type and affordability. Homes listed as single family are less affordable than homes listed as condos. Over 50% of homes affordable to households with incomes below 80% AMI were listed as condos, while over 80% of homes affordable to households with incomes over 120% AMI were listed as single family.

Figure III-30. Affordable Homes for Sale by AMI, Condo and Single Family, New Hampshire, 3rd Quarter 2022

Note:
N=13,748. Regional AMI levels are used.

Source:
MLS data from New Hampshire Housing and Root Policy Research.



The characteristics of listed homes by AMI are shown in Figure III-31. As expected, homes affordable to higher income households are larger and newer. Homes affordable to households earning below 120% AMI are significantly older than those affordable for households earning over 120% AMI.

Figure III-31. Characteristics of Homes for Sale by AMI, New Hampshire, 3rd Quarter 2022

Note:
N=13,748. Regional AMI levels are used.

Source:
MLS data from New Hampshire Housing and Root Policy Research.

Income Range	Median # Baths	Median # Beds	Median Square Feet	Median Year Built
30% to 59% AMI	1	2	831	1969
60% to 79% AMI	1	2	1,095	1973
80% to 99% AMI	2	2	1,596	1973
100% to 119% AMI	2	3	1,916	1965
120% AMI and over	3	3	2,929	1988

RENTAL GAP ANALYSIS

A rental gap represents a rough snapshot of how well the rental market accommodates renters. The gaps analysis compares the distribution of rental units at different price points with the distribution of renter households by what they can pay without being cost burdened. The goal of the analysis is to identify broad income mismatches in the housing market.

This section presents rental gaps for New Hampshire at different AMI levels for 2010 and 2020.

Again, to capture regional differences in income Figures III-32 and III-33 show the income thresholds and maximum affordable rents used for the rental gap analysis.[9]

[9] This exercise uses slightly different affordability thresholds from those published by NH Housing for the workforce housing limits, as this analysis is based on customized AMI levels for the regions.

Figure III-32.
Three Person AMI by Regional Planning Commission, 2010 and 2020

3- person AMI	NCC		UVLSRPC		LRPC		SWRPC		CNHRPC		SRPC		SNHPC		NRPC		RPC	
	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020
30% AMI	$18,660	$23,831	$18,837	$23,985	$18,958	$23,441	$19,413	$24,129	$20,745	$24,179	$22,137	$27,471	$21,655	$24,767	$24,421	$29,934	$22,629	$27,377
50% AMI	$31,100	$39,719	$31,395	$39,975	$31,597	$39,068	$32,355	$40,215	$34,574	$40,299	$36,895	$45,784	$36,092	$41,278	$40,702	$49,889	$37,715	$45,628
60% AMI	$37,320	$47,663	$37,673	$47,970	$37,916	$46,882	$38,826	$48,258	$41,489	$48,359	$44,274	$54,941	$43,310	$49,533	$48,842	$59,867	$45,258	$54,754
80% AMI	$49,760	$63,550	$50,231	$63,960	$50,555	$62,509	$51,768	$64,345	$55,319	$64,478	$59,031	$73,255	$57,747	$66,044	$65,123	$79,823	$60,344	$73,005
100% AMI	$62,200	$79,438	$62,789	$79,950	$63,193	$78,137	$64,710	$80,431	$69,149	$80,598	$73,789	$91,569	$72,183	$82,556	$81,404	$99,779	$75,430	$91,256
120% AMI	$74,640	$95,325	$75,347	$95,940	$75,832	$93,764	$77,652	$96,517	$82,978	$96,718	$88,547	$109,883	$86,620	$99,067	$97,685	$119,735	$90,516	$109,508

Note: A 3-person household was selected to be consistent with RSA 674:58-61

Source: HUD income limits, U.S. Census, and Root Policy Research.

Figure III-33.
Maximum Affordable Rent by AMI and Regional Planning Commission, 2010 and 2020

3- person AMI	NCC		UVLSRPC		LRPC		SWRPC		CNHRPC		SRPC		SNHPC		NRPC		RPC	
	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020
30% AMI	$467	$596	$471	$600	$474	$586	$485	$603	$519	$604	$553	$687	$541	$619	$611	$748	$566	$684
50% AMI	$778	$993	$785	$999	$790	$977	$809	$1,005	$864	$1,007	$922	$1,145	$902	$1,032	$1,018	$1,247	$943	$1,141
60% AMI	$933	$1,192	$942	$1,199	$948	$1,172	$971	$1,206	$1,037	$1,209	$1,107	$1,374	$1,083	$1,238	$1,221	$1,497	$1,131	$1,369
80% AMI	$1,244	$1,589	$1,256	$1,599	$1,264	$1,563	$1,294	$1,609	$1,383	$1,612	$1,476	$1,831	$1,444	$1,651	$1,628	$1,996	$1,509	$1,825
100% AMI	$1,555	$1,986	$1,570	$1,999	$1,580	$1,953	$1,618	$2,011	$1,729	$2,015	$1,845	$2,289	$1,805	$2,064	$2,035	$2,494	$1,886	$2,281
120% AMI	$1,866	$2,383	$1,884	$2,398	$1,896	$2,344	$1,941	$2,413	$2,074	$2,418	$2,214	$2,747	$2,165	$2,477	$2,442	$2,993	$2,263	$2,738

Note: Assumes households spend 30% of their gross income on housing costs.

Source: HUD income limits, U.S. Census, and Root Policy Research.

The rental gap for 2010 and 2020 is shown in Figure III-34. The columns show the difference between the number of renter households and the number of rental units affordable to them. Negative numbers indicate a shortage of units at the specific income level; positive numbers indicate an adequate supply. Gaps for higher income renters suggests those renters are spending less than 30% of their income on housing and "renting down"—either because of lack of supply or because they are choosing to pay less than they can afford. This points to an income mismatch in the market in which higher income households are occupying homes affordable to lower income households.

As shown in Figure III-34, statewide, the rental gap is concentrated among households with incomes at or below 30% AMI. At this income level, there are 23,552 fewer affordable units to serve renters than are needed. Because of this shortage, renters at the 0-30% AMI level rent up, occupying units affordable to higher income households, and as a result are cost burdened. Most of the state's rental units—74%—are concentrated in the 31 to 80% AMI affordability range.

At the state level, the gap among households with incomes at or below 30% AMI increased from 21,137 to 23,550 units between 2010 and 2020. This was driven by an increase in low income renters and a decrease in the number of affordable units.

Figure III-34.
Rental Gaps by AMI, New Hampshire, 2010 and 2020

AMI	2010			2020			Change in Gap
	Renters	Units	Gap	Renters	Units	Gap	
0%-30% AMI	40,812	19,675	-21,137	43,107	19,555	-23,552	-2,415
31%-50% AMI	28,234	46,987	18,752	30,500	51,825	21,325	2,572
51%-60% AMI	12,115	29,814	17,699	12,285	30,616	18,332	633
61%-80% AMI	19,412	33,511	14,099	20,831	36,717	15,887	1,788
81%-100% AMI	14,296	10,977	-3,319	16,124	15,540	-584	2,735
101%-120% AMI	9,297	5,319	-3,978	10,847	4,592	-6,255	-2,276
Over 120% AMI	16,400	2,722	-13,678	21,584	3,058	-18,526	-4,848

Note: The gaps analysis accounts for publicly assisted units and rental assistance. As such, the gaps shown are above and beyond currently provided income-restricted units. Renter households who face a rental gap are not homeless; they are cost burdened, occupying units that are more expensive than they can afford.

Source: 2010 ACS 5-year estimates, 2020 ACS 5-year estimates, HUD income limits, and Root Policy Research.

HIGH-INCOME RENTAL GAP

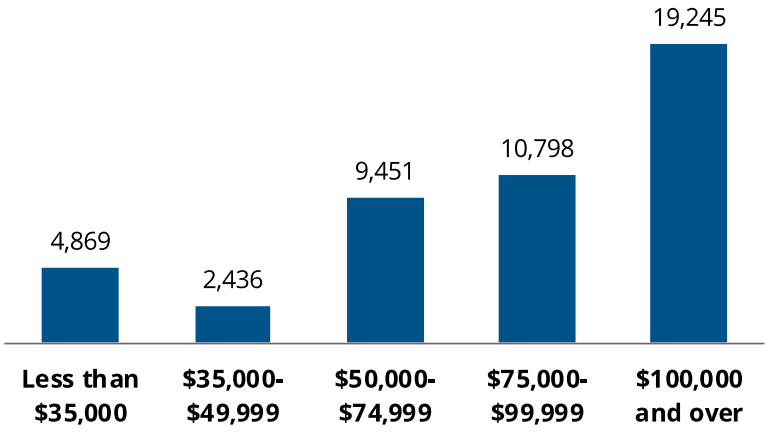
The rental gap shown among higher income renter households points to an income mismatch in the market in which higher income renters are occupying homes affordable to lower income renters, and they are staying in rental units longer. This is partially due to the shortage of affordable and available homes for higher income renters to purchase.

According to ACS data, 30% of renter households in New Hampshire are spending less than 20% of their household income on housing costs.[10] This equates to about 46,799 households. These households are largely upper-income households—41% of them earn more than $100,000—as illustrated in Figure III-35.

Figure III-35.
Income Distribution of Households Paying Less than 20% of Income in Rent, New Hampshire, 2020

Note:
20% was used as a reasonable threshold to identify households who could pay more in rent if appropriate units were available

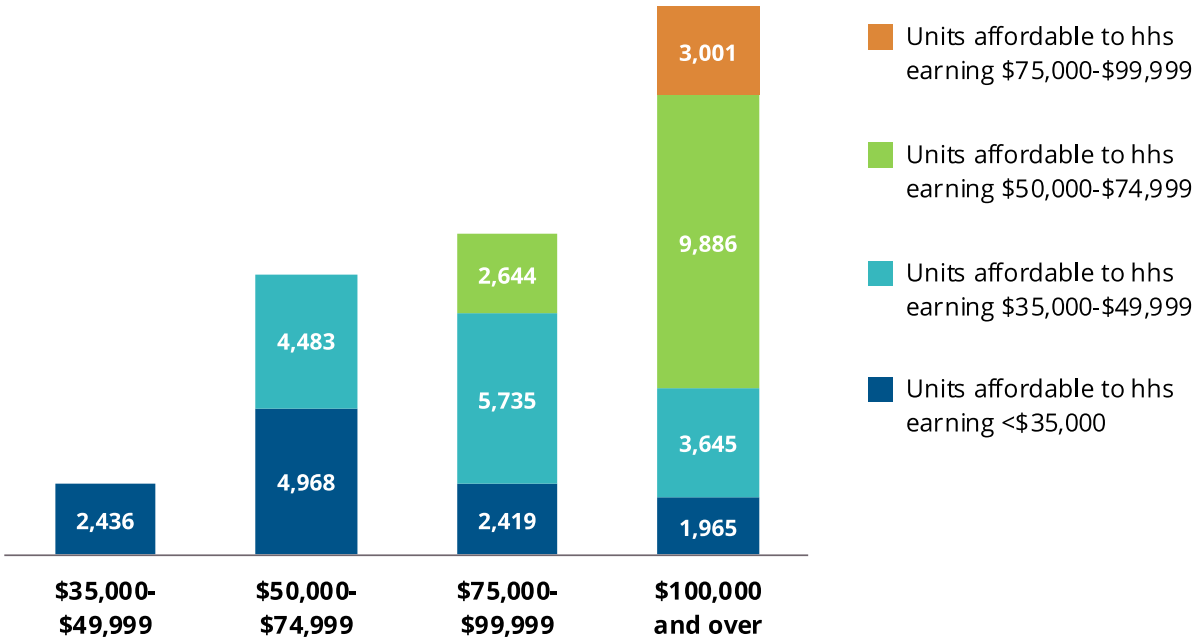
Source:
2020 ACS 5-year IPUMS and Root Policy Research.



[10] The 20% threshold is used as a proxy for households who could afford to spend more on housing costs if appropriate units were available. Some of these households may be cost constrained by other household expenses, such as child care, or choose to continue to rent down to save for homeownership.

Many of these households are taking up units that lower-income households could otherwise be renting. Figure III-36 illustrates the number of homes occupied by those paying less than 20% of their monthly income in gross rent with the corresponding distribution of such units that could be better occupied by a lower-income household. For example, units considered "preferable for households earning less than $35,000" are units which rent for $875 or less per month (in other words, less than 30% of monthly income for households earning $35,000). Units considered "preferable for households earning $35,000 to $49,999" are units which cost between $875 and $1,250 in gross rent, and so on.

Figure III-36.
Units Occupied by Households Paying Less than 20% of their Income in Rent, New Hampshire, 2020



Note: "hhs" refers to households. 20% was used as a reasonable threshold to identify households who could pay more in rent if appropriate units were available

Source: 2020 ACS 5-year IPUMS and Root Policy Research.

Figure III-36 illustrates that households earning over $100,000 and paying less than 20% of their income in gross rent are occupying:

- Around 3,000 units whose prices would be better suited for households earning $75,000 to $100,000;
- 9,800 units whose prices would be better suited for households earning $50,000 to $75,000;

- 3,600 units whose prices would be better suited for households earning $35,000 to $50,000; and
- 2,000 units whose prices would be better suited for households earning less than $35,000.

The process of "filtering" occurs in the housing market when households move into units that are a better match for their income levels as new units are added to the market. Filtering could alleviate a portion of the rental gap, although this depends on higher income renters' desires to take on higher housing costs and the availability of more attractive, expensive options, something that is frequently constrained by restrictive local zoning.

EMPLOYMENT AFFORDABILITY ANALYSIS

Figures III-37 through III-39 display affordable rental and ownership options for workers earning the median wage, entry level wage, and experienced wage by selected occupation in New Hampshire. These occupations cover a range of occupations that represent either a large part of the workforce in the state, a growing part of the workforce, and/or an essential part of the workforce.

Figure III-37 shows that of the selected occupations, only electricians, engineers, patrol officers, and registered nurses earning the median wage can afford the median rent of $1,510 without being cost burdened. None of the occupations can afford the median home price of $430,000[11] with one income without being cost burdened. Even with 1.5 earners per households, none of the occupations earning the median wage can afford the median home price without being cost burdened.

[11] According to data on homes sold in 2022 (January through September) from MLS.

Figure III-37.
Worker Affordability, at Median Wage for Selected Occupations, New Hampshire, 2022

Occupation	Median Annual Wage	Max Affordable Rent	Can Afford Median Rent?	Max Affordable Home Price	Can Afford Median Home Price?	Can Afford Median Home Price with 1.5 Earners per Household?
Assemblers and fabricators	$43,962	$1,099	No	$110,140	No	No
Cashiers	$26,225	$656	No	$65,701	No	No
Childcare workers	$25,171	$629	No	$63,062	No	No
Construction Laborers	$42,076	$1,052	No	$105,414	No	No
Electricians	$64,961	$1,624	Yes	$162,748	No	No
Engineers	$106,380	$2,660	Yes	$266,516	No	No
Fast Food and Counter Workers	$27,262	$682	No	$68,300	No	No
Truck Drivers	$53,421	$1,336	No	$133,837	No	No
Home Health and Personal Care Aide	$31,896	$797	No	$79,909	No	No
Janitors and cleaners	$33,378	$834	No	$83,623	No	No
Office Clerks	$43,395	$1,085	No	$108,719	No	No
Police and sheriff's patrol officers	$67,472	$1,687	Yes	$169,039	No	No
Registered Nurses	$83,867	$2,097	Yes	$210,114	No	No
Retail Salespersons	$31,916	$798	No	$79,961	No	No
Waiters and Waitresses	$27,644	$691	No	$69,257	No	No

Note: Assumes spending in housing costs represents 30% of gross income. Maximum affordable home price is based on a 30-year mortgage with a 10% down payment and an interest rate of 6.9%. Property taxes, insurance, HOA and utilities are assumed to collectively account for 40% of the monthly payment. 2021 wages were adjusted for inflation to estimate 2022 wages.

Source: Economic and Labor Market Information Bureau, NH Employment Security, New Hampshire Housing Rental Cost Survey, 2022 MLS data, and Root Policy Research.

At entry level wages, only engineers and registered nurses can afford the median rent and none of the selected occupations can afford the median home price—even with 1.5 earners per household—without being cost burdened.

Figure III-38.
Worker Affordability, at Entry Level Wage for Selected Occupations, New Hampshire, 2022

Occupation	Median Annual Wage	Max Affordable Rent	Can Afford Median Rent?	Max Affordable Home Price	Can Afford Median Home Price?	Can Afford Median Home Price with 1.5 Earners per Household?
Assemblers and fabricators	$35,743	$894	No	$89,547	No	No
Cashiers	$23,631	$591	No	$59,204	No	No
Childcare workers	$20,134	$503	No	$50,443	No	No
Construction Laborers	$36,129	$903	No	$90,515	No	No
Electricians	$44,086	$1,102	No	$110,450	No	No
Engineers	$76,239	$1,906	Yes	$191,003	No	No
Fast Food and Counter Workers	$22,981	$575	No	$57,574	No	No
Truck Drivers	$44,610	$1,115	No	$111,761	No	No
Home Health and Personal Care Aide	$27,439	$686	No	$68,743	No	No
Janitors and cleaners	$27,718	$693	No	$69,442	No	No
Office Clerks	$32,076	$802	No	$80,361	No	No
Police and sheriff's patrol officers	$52,429	$1,311	No	$131,351	No	No
Registered Nurses	$63,914	$1,598	Yes	$160,126	No	No
Retail Salespersons	$24,963	$624	No	$62,540	No	No
Waiters and Waitresses	$19,708	$493	No	$49,374	No	No

Note: Assumes spending in housing costs represents 30% of gross income. Maximum affordable home price is based on a 30-year mortgage with a 10% down payment and an interest rate of 6.9%. Property taxes, insurance, HOA and utilities are assumed to collectively account for 40% of the monthly payment. 2021 wages were adjusted for inflation to estimate 2022 wages.

Source: Economic and Labor Market Information Bureau, NH Employment Security, New Hampshire Housing Rental Cost Survey, 2022 MLS data, and Root Policy Research.

Figure III-39 shows affordability levels for workers earning the experienced wage level. At this higher wage level electricians, engineers, truck drivers, patrol officers, and registered nurses can afford the median rent without being cost burdened. Again, none of the occupations can afford the median home price of $430,000[12] with one income without being cost burdened. With 1.5 earners per households, only engineers can afford the median home price without being cost burdened.

Figure III-39.
Worker Affordability, at Experienced Wage for Selected Occupations, New Hampshire, 2022

Occupation	Median Annual Wage	Max Affordable Rent	Can Afford Median Rent?	Max Affordable Home Price	Can Afford Median Home Price?	Can Afford Median Home Price with 1.5 Earners per Household?
Assemblers and fabricators	$52,405	$1,310	No	$131,291	No	No
Cashiers	$30,707	$768	No	$76,930	No	No
Childcare workers	$29,823	$746	No	$74,715	No	No
Construction Laborers	$50,225	$1,256	No	$125,830	No	No
Electricians	$73,879	$1,847	Yes	$185,091	No	No
Engineers	$128,643	$3,216	Yes	$322,291	No	Yes
Fast Food and Counter Workers	$30,962	$774	No	$77,569	No	No
Truck Drivers	$63,489	$1,587	Yes	$159,059	No	No
Home Health and Personal Care Aide	$36,277	$907	No	$90,885	No	No
Janitors and cleaners	$40,957	$1,024	No	$102,611	No	No
Office Clerks	$54,379	$1,359	No	$136,237	No	No
Police and sheriff's patrol officers	$77,502	$1,938	Yes	$194,168	No	No
Registered Nurses	$95,547	$2,389	Yes	$239,376	No	No
Retail Salespersons	$41,954	$1,049	No	$105,109	No	No
Waiters and Waitresses	$42,239	$1,056	No	$105,822	No	No

Note: Assumes spending in housing costs represents 30% of gross income. Maximum affordable home price is based on a 30-year mortgage with a 10% down payment and an interest rate of 6.9%. Property taxes, insurance, HOA and utilities are assumed to collectively account for 40% of the monthly payment. 2021 wages were adjusted for inflation to estimate 2022 wages.

Source: Economic and Labor Market Information Bureau, NH Employment Security, New Hampshire Housing Rental Cost Survey, 2022 MLS data, and Root Policy Research.

[12] According to data on homes sold in 2022 (January through September) from MLS.

ASSISTED HOUSING UNITS

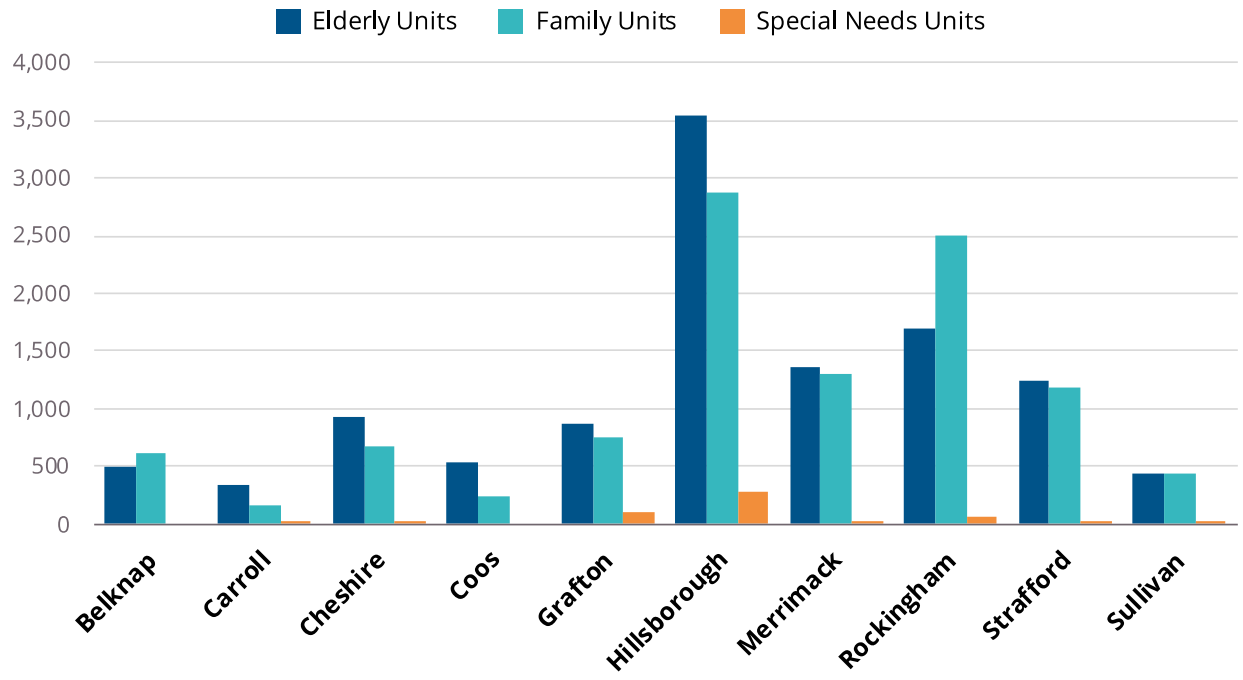
Of New Hampshire's approximately 640,000 housing units, about 23,000—or 3.5%—have a contract or are managed by an entity that ensures their affordability under HUD programs. These are HUD funded assisted units and does not include units funded only through the Low Income Housing Tax Credit (LIHTC), USDA Rural Development, and the state's Affordable Housing Fund. These are broadly referred to as assisted housing units.[13] HUD programs do not include Low Income Housing Tax Credit or USDA Rural Development properties.

Half (50%) are designated for seniors; 47% are designated for families, and 3% are designated for residents with special needs.

[13] It is important to note that this number only included publicly assisted rental units and doesn't include all rental units permitted under the workforce housing statute (RSA 674:58-61) which may have affordability restrictions which are being ensured by the municipality or a third party.

As shown in Figure III-40, Hillsborough County has the largest number of assisted units, followed by Rockingham and Merrimack counties. Most counties have more elderly units than family units; the exceptions are Belknap, Rockingham, and Sullivan counties. Hillsborough County has about 700 more elderly units than family units, while Rockingham has about 800 more family units than elderly units.

Figure III-40.
Number of Assisted Units by Type and County, 2020

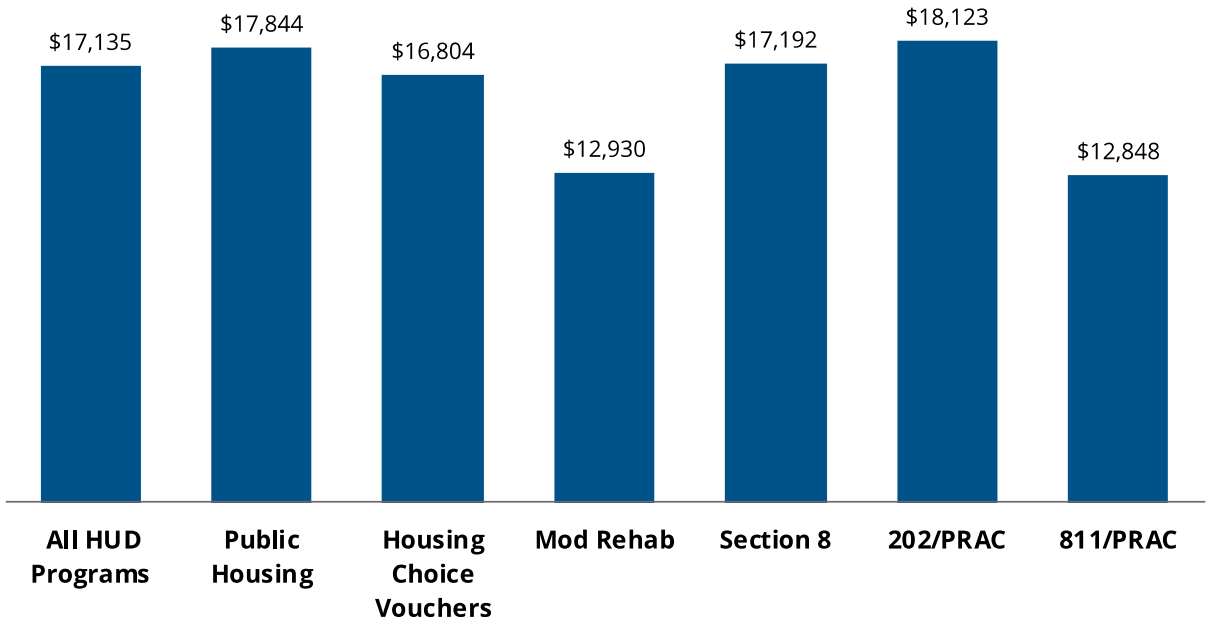


Note: HUD programs do not include LIHTC or USDA-RD properties

Source: HUD Picture of Subsidized Households.

As shown in Figure III-41, the average income of households living in housing with any type of assistance is $17,000. Average income varies slightly by assistance program, with properties funded under HUD's Moderate Rehabilitation program having the lowest average incomes at $12,000, and those benefitting from Section 202 (elderly housing) and public housing the highest at around $18,000.

Figure III-41.
Average Household Income of Recipients by Program Type, New Hampshire, 2020



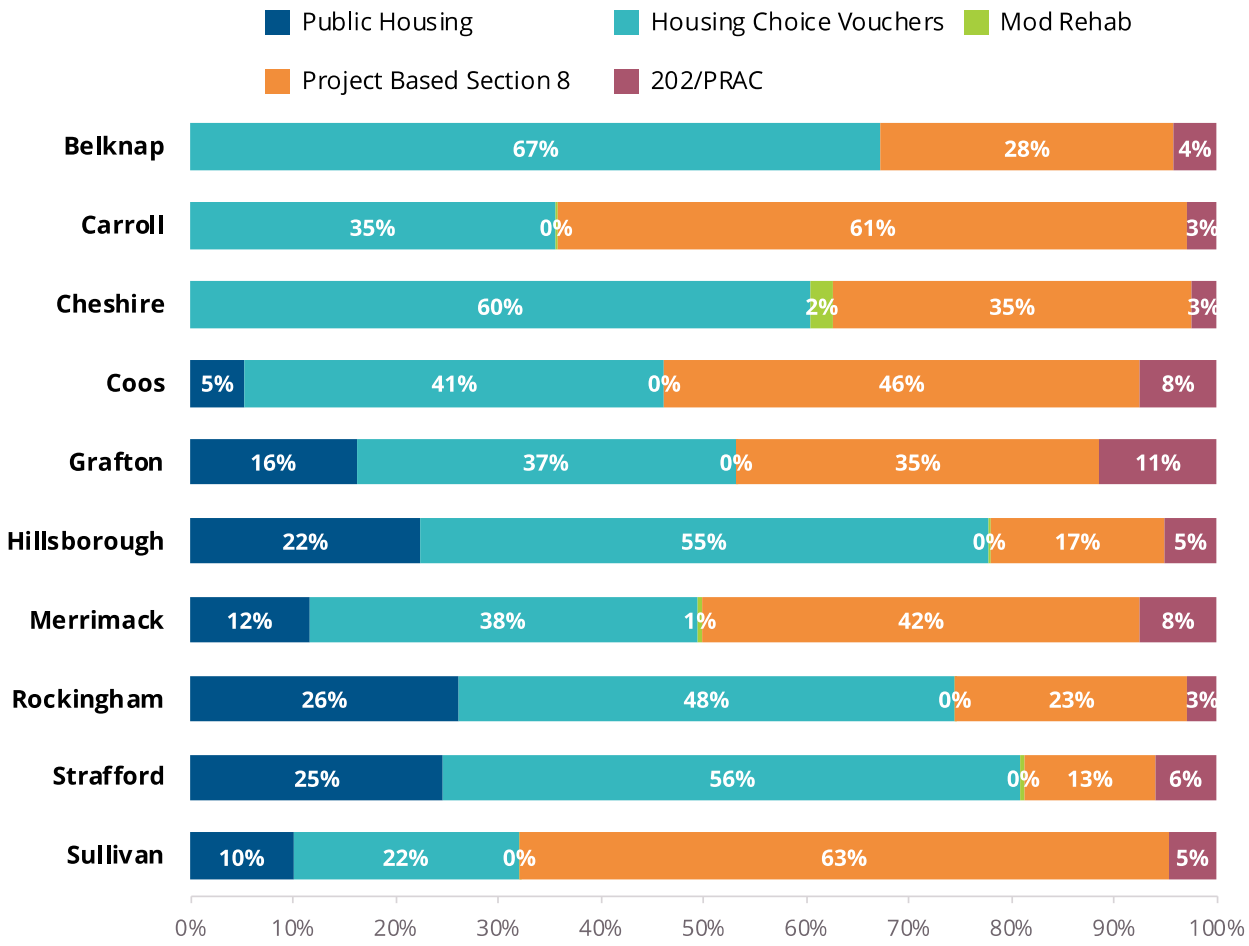
Note: HUD programs do not include LIHTC or USDA-RA properties

Source: HUD Picture of Subsidized Households.

Figure III-42 shows the type of assistance by county. The two primary assistance programs are Housing Choice Vouchers and Project based developments. Sullivan and Carroll counties stand out for their relatively large share of Project based Section 8 units—developments in which rental assistance vouchers are attached to units. Belknap County has the largest share of assistance in Housing Choice Vouchers, followed by Cheshire, Strafford, and Hillsborough counties.

It is important to note that the effectiveness of Housing Choice Vouchers is closely tied to rental market conditions. In very low vacancy markets, vouchers are much harder to use, as property owners may choose to rent to higher income renters and/or raise their rents above the Fair Market Rent that determines the voucher reimbursement.

Figure III-42.
Proportion of HUD Programs by County, 2020



Source: HUD Picture of Subsidized Households.

HOUSING PRESERVATION

EXPIRING SUBSIDIES

According to HUD, there are an estimated 4,101 rental units with subsidies expiring in the next 10 years. As shown in Figure III-43 over half of these units are located in Hillsborough, Rockingham, and Merrimack counties—although all counties have a relatively large number of units that could lose their affordability guarantee.

Figure III-43.
Federally Assisted Rental Properties and Units at Risk of Loss, 2022

	Federally Assisted Rental Properties with Subsidies Expiring in			Federally Assisted Rental Homes with Subsidies Expiring in		
	0-5 Years	6-10 Years	10 Years	0-5 Years	6-10 Years	10 Years
Cheshire	2	12	**14**	18	341	**359**
Belknap	3	3	**6**	136	80	**216**
Carroll	6	1	**7**	93	24	**117**
Coos	4	1	**5**	74	12	**86**
Grafton	3	9	**12**	76	248	**324**
Hillsborough	20	22	**42**	327	793	**1,120**
Merrimack	11	10	**21**	385	261	**646**
Rockingham	11	4	**15**	559	158	**717**
Strafford	3	4	**7**	87	228	**315**
Sullivan	4	1	**5**	189	12	**201**
New Hampshire	**67**	**67**	**134**	**1,944**	**2,157**	**4,101**

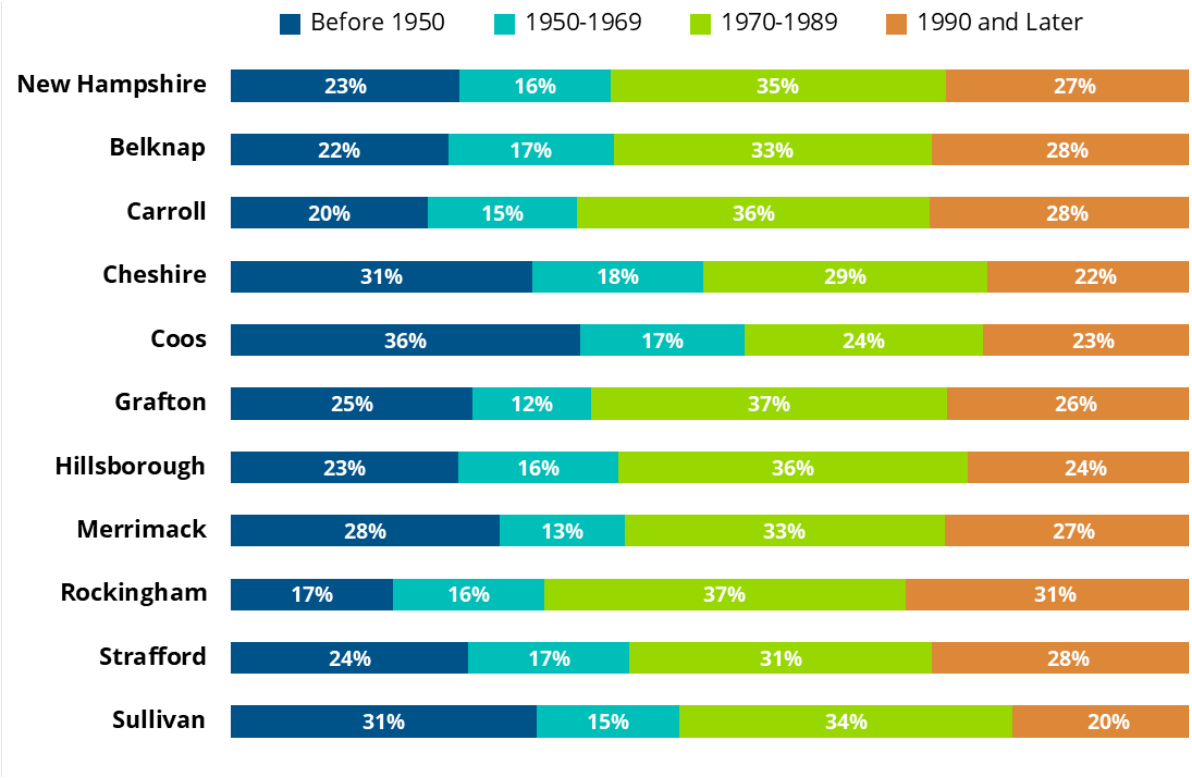
Source: National Housing Preservation Database.

HOUSING CONDITION

Units in poor condition are typically naturally affordable—and are oftentimes the only choice for low income households in very tight markets. Homes built before 1978—when the use of lead-based paint was banned—can have lead hazards that compromise the cognitive development of young children. Preserving and improving these units, including lead-hazard abatement, is important, particularly in small markets.

Figure III-44 shows the distribution of housing units by decade built. Almost 40% of units were built before 1970. While often more affordable to rent or buy, these units can be more expensive to heat/cool, have higher maintenance costs, and are less likely to be accessible to residents with disabilities. Counties with the highest share of units that are over 50 years old are Coos (53%), Cheshire (49%), and Sullivan (46%).

Figure III-44.
Distribution of Housing Units by Decade Built, by County and New Hampshire, 2020



Source: 2020 ACS 5-year estimates, and Root Policy Research.

According to Census data, 1.1% of New Hampshire households live in substandard housing.[14] Figures III-45 through III-47 show the share of households occupying substandard units by household type, race/ethnicity, and income.

- Households in which at least one of the members has a disability are more likely to live in substandard housing compared to the general population: 2.5% of households with a disability live in substandard housing compared to 1.1% of the total population.
- Similarly, households with at least one elderly member, households with no children, and single parents are also more likely than the general population to live in substandard housing.
- Among different race/ethnicities, Hispanic households are the most likely to occupy substandard units (2.4%). Residents from other race/multiracial, Asian/PI, and American Indian/Alaska Native are also more likely to occupy substandard units compared to the state overall.
- In terms of income, the share of households occupying substandard units is the largest among households with incomes below $35,000 (2.6%).

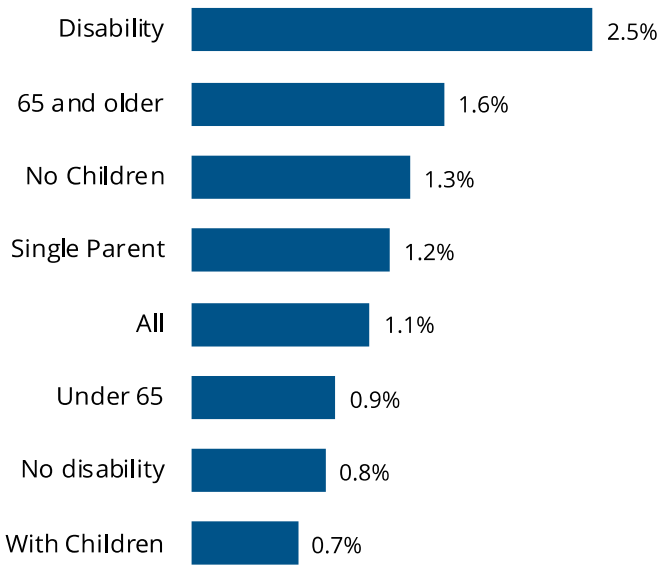
Figure III-45.
Share of Households in Substandard Housing Condition by Household Characteristics, New Hampshire, 2020

Note:

A housing unit is considered substandard if any of the following conditions are true: (1) the housing unit does not contain a kitchen, (2) incomplete plumbing facilities (i.e. flush toilet).

Source:

2020 ACS 5-year IPUMS and Root Policy Research.



[14] A housing unit is considered substandard if any of the following conditions are true: (1) the housing unit does not contain a kitchen, (2) incomplete plumbing facilities (i.e. flush toilet).

Figure III-46. Share of Households in Substandard Housing Condition by Race/Ethnicity, New Hampshire, 2020

Note:

A housing unit is considered substandard if any of the following conditions are true: (1) the housing unit does not contain a kitchen, (2) incomplete plumbing facilities (i.e. flush toilet).

Source:

2020 ACS 5-year IPUMS and Root Policy Research.

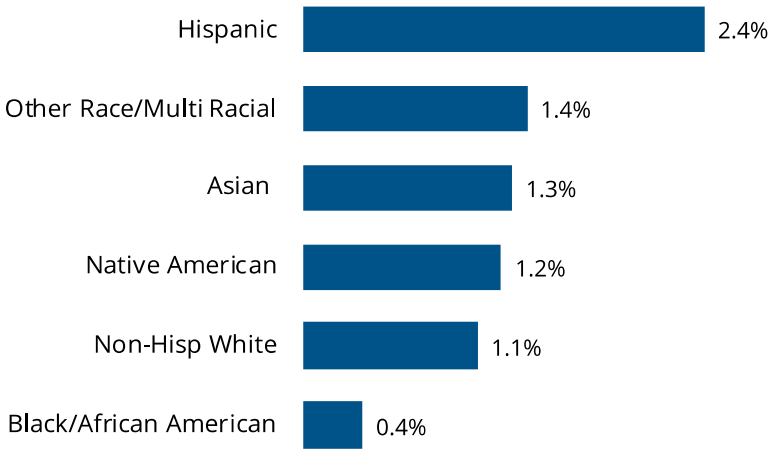


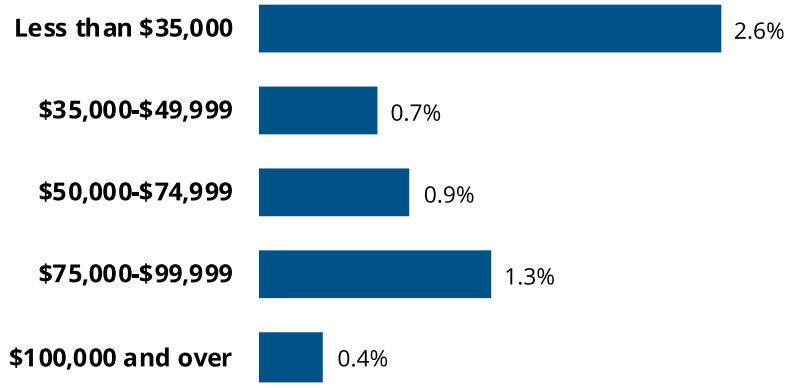
Figure III-47. Share of Households in Substandard Housing Condition by Income, New Hampshire, 2020

Note:

A housing unit is considered substandard if any of the following conditions are true: (1) the housing unit does not contain a kitchen, (2) incomplete plumbing facilities (i.e. flush toilet).

Source:

2020 ACS 5-year IPUMS and Root Policy Research.



HOME IMPROVEMENT LOAN DEMAND

A proxy for housing condition needs is home improvement loans demand. Figure III-48 shows home improvement loan originations and loan denials by county and with the median loan amount. In 2021, loan originations were highest in the state's urban counties and Carroll County. Denials were highest in Hillsborough and Rockingham counties.

The home improvement loan amounts are large. The median amount of originated loans in the state overall was $165,000; the median amount of loans denied was lower, $105,000. Applicants who had loans originated had significantly higher incomes (median of $93,000) than those whose loans were denied ($58,000). This is not consistent across counties, however—some counties show less variance in incomes of households with originated loans versus denied loans.

Figure III-48.
Home Improvement Loans, by County and New Hampshire, 2021

	Loan Originations			Loan Denials		
	Number	Median Loan Amount	Median Applicant Income	Number	Median Loan Amount	Median Applicant Income
New Hampshire	**1,195**	**$165,000**	**$93,000**	**563**	**$105,000**	**$58,000**
Belknap	84	$205,000	$98,000	37	$125,000	$45,000
Carroll	106	$130,000	$104,500	53	$145,000	$60,000
Cheshire	54	$120,000	$85,000	27	$105,000	$77,000
Coos	28	$95,000	$66,500	27	$65,000	$62,000
Grafton	71	$125,000	$93,000	45	$105,000	$74,000
Hillsborough	317	$205,000	$91,000	128	$150,000	$67,000
Merrimack	133	$175,000	$87,000	55	$105,000	$55,500
Rockingham	265	$185,000	$98,000	122	$105,000	$59,000
Strafford	108	$155,000	$85,000	53	$105,000	$47,000
Sullivan	29	$125,000	$70,500	16	$105,000	$46,000

Source: HMDA, and Root Policy Research.

Figure III-49 shows loan originations in 2021 among applicants 65 years old and over. The volume is small relative to the size of this population. The median amount of originated loans is also high ($105,000). Compared to applicants from all ages, older applicants have lower income.

Figure III-49.
Home Improvement Loans, Applicants 65 and over, by County and New Hampshire, 2021

	Loan Originations			Loan Denials		
	Number	Median Loan Amount	Median Applicant Income	Number	Median Loan Amount	Median Applicant Income
New Hampshire	**366**	**$105,000**	**$70,500**	**149**	**$105,000**	**$39,000**
Belknap	25	$135,000	$68,000	8	$115,000	$47,000
Carroll	36	$105,000	$88,500	12	$155,000	$43,000
Cheshire	18	$95,000	$64,000	5	$105,000	$36,000
Coos	8	$105,000	$53,000	3	$35,000	$35,000
Grafton	22	$105,000	$72,500	4	$95,000	$43,000
Hillsborough	95	$145,000	$67,000	44	$105,000	$43,000
Merrimack	37	$105,000	$69,000	12	$85,000	$34,000
Rockingham	82	$130,000	$76,000	41	$105,000	$36,000
Strafford	37	$105,000	$71,000	16	$105,000	$32,000
Sullivan	6	$185,000	$66,000	4	$105,000	$45,000

Source: HMDA, and Root Policy Research.

DOWNPAYMENT ASSISTANCE

Down payment assistance programs have historically been popular because they address wealth-building gaps. With the recent acceleration in price increases, down payment assistance programs have become less effective. The need for a larger down payment can present a barrier to homeownership.

Figure III-50 presents estimates for the cost of providing a 3.5% down payment to the number of renter households in each income bracket needed to raise the homeownership rate at each income bracket by one and two percentage points. Increasing the rate by one percentage point would help around 2,600 renter households and cost around $15.3 million. Increasing the rate by two percentage points would help around 5,200 renter households and cost around $30.5 million.[15]

Figure III-50.
Down payment Assistance Cost Estimates, New Hampshire

	1 Percentage Point Increase			2 Percentage Point Increase		
Category	Number of Renters	Cost	New Ownership Rate	Number of Renters	Cost	New Ownership Rate
$25,000 - $50,000	953	$3,420,013	57%	1,906	$6,840,026	58%
$50,000 - $75,000	920	$5,505,511	68%	1,841	$11,011,022	69%
$75,000 - $100,000	761	$6,369,001	76%	1,521	$12,738,003	77%
Total	2,634	$15,294,525	-	5,268	$30,589,050	-

Note: Calculates affordability levels at the mid-point of each income bracket. Maximum affordable home price is based on a 30-year mortgage with a 3.5% down payment and an interest rate of 5.5%. Property taxes, insurance, HOA and utilities are assumed to collectively account for 40% of the monthly payment.

Source: 2020 ACS 5-year estimates, and Root Policy Research.

[15] It is important to note that this exercise assumes adequate supply of homes to buy for the renters who are hypothetically provided down payment assistance.

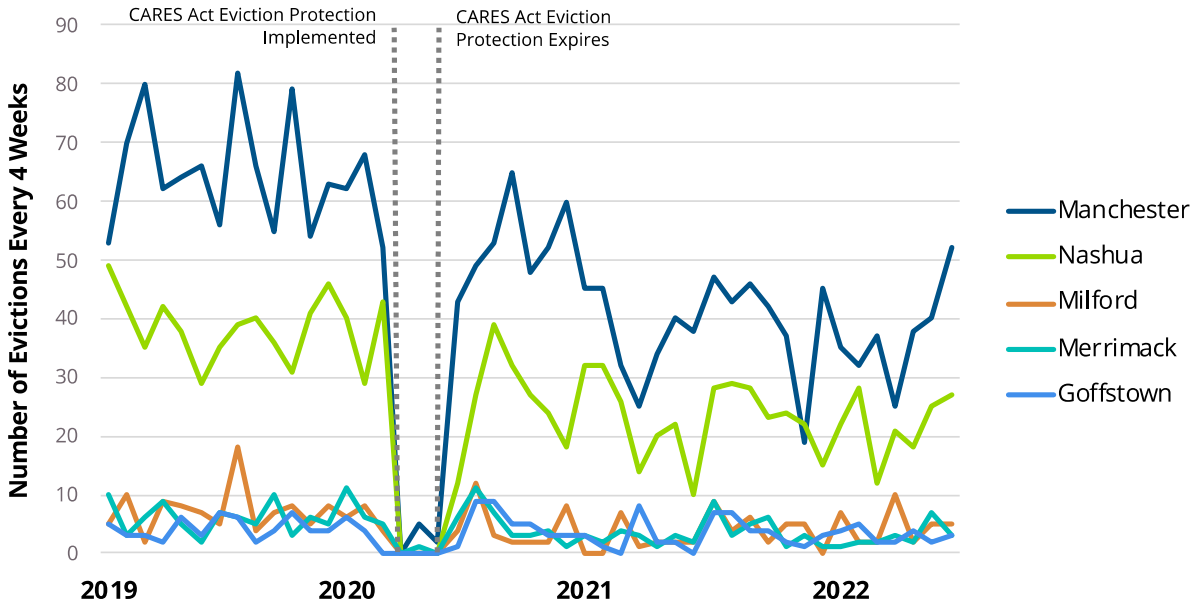
PANDEMIC EFFECT ON EVICTIONS AND HOMELESSNESS

EVICTIONS

The pandemic caused historic economic disruption. Reduced work hours and layoffs resulted in a reduction of wages in New Hampshire that led many renters to fall behind in rent. In an effort to prevent mass evictions and homelessness, the federal government instituted protection against eviction in the CARES Act in March 2020. This protection lasted for 120 days and was followed by an eviction moratorium from the Centers for Disease Control and Prevention (CDC) and from Governor Sununu's emergency orders, all of which lasted until October 2021. The ban on evictions only applied to tenants with rent arrears and those living in federally subsidized housing.

Figure III-51 shows eviction trends in Hillsborough County District 9 Court from 2019 to 2022. This county was selected because New Hampshire's most populous towns, Manchester and Nashua, are included, therefore trends could more easily be deciphered. Eviction data is reported every four weeks.

Figure III-51.
Evictions Every 4 Weeks in Nashua, Manchester, Milford, Merrimack and Goffstown 2019-2022



Source: New Hampshire Judicial Branch.

In New Hampshire, Hillsborough County accounts for 40% of all total evictions in the state on average from 2019-2022. The city of Manchester makes up an average of 20% of the evictions in the state and Nashua, 12.7%. Less populated areas have slightly higher eviction rates (total evictions divided by total renters based on ACS 2020 5-year estimate data). In Merrimack, for example, the eviction rate in 2020 was 4.5%, or 4.5 evictions per 100 renters, compared to Manchester, which had a rate of 2.1%. Nashua had an eviction rate of 1.7% whereas Goffstown saw 3.3 evictions out of 100 renters. The difference could be interpreted as a lack of access to rental and legal aid in smaller communities and potentially less affordable rental options.

The above figure shows a stark drop to almost no eviction filings in Goffstown, Merrimack, and Nashua with a slight jump in Manchester during this period. The extension of the CDC moratorium was struck down by the Supreme Court in August of 2021. The current 2022 data shows an upward trend in Manchester, Nashua, Goffstown, and Milford that is almost back to pre-pandemic levels.

Noticeably, the era of CARES Act protections and eviction moratoria marks the largest dip in evictions. However, evictions sharply escalated following the expiration of eviction protection despite the CDC moratorium. There are two possible reasons why evictions did not stay at low levels following the expiration of the CARES Act protections. First, the CDC moratorium required the tenant to submit a declaration to their landlord and to the court that they had been financially impacted by the pandemic. Their case was then stayed until the expiration of the CDC order.[16] Tenants without legal representation or those who faced language barriers may not have been aware of this defense or lost income for reasons unrelated to the pandemic.[17] Second, landlords could file an eviction notice for reasons other than nonpayment of rent. Overstaying the lease or presenting immediate health and safety concerns to neighbors were considered adequate legal basis for eviction. Landlords could also repossess their property to move back in, renovate, or sell to new owners. Although the New Hampshire Judicial Branch does not keep track of the reasons for eviction claim filings, some anecdotal evidence suggests that this method was used to repossess property from tenants far behind in rent despite the CDC moratorium.[18]

The New Hampshire court system is facing a backlog of cases. In an effort to divert disputes between landlords and tenants, the state started an eviction mediation program which uses third-party mediators to work out agreements between the landlord and tenant before an

[16] A stay issued by a court stops legal proceedings until a designated date.

[17] Gabriela Lozada, "Language Barriers Limit N.H. Immigrants' Access to Pandemic Eviction Protection," New Hampshire Public Radio (NHPR, July 21, 2021), https://www.nhpr.org/nh-news/2021-07-16/language-barriers-limit-n-h-immigrants-access-to-pandemic-eviction-protection.

[18] Kyle Stucker, "NH Evictions Rise during COVID Moratorium: Here's How It Happens," Foster's Daily Democrat (Portsmouth Herald, December 19, 2020), https://www.fosters.com/story/news/local/2020/12/19/nh-evictions-rise-covid-moratorium/3920103001/.

eviction is filed. Courts in Concord, Manchester, and Nashua offer mediation on the day of court proceedings. These options were not previously offered prior to the pandemic, and hope to keep tenants housed and landlords paid.

HOMELESSNESS

The pandemic's disruption of the housing market affected the number of people experiencing homelessness in New Hampshire. Between July 1, 2019 and June 30, 2020 (state fiscal year), an estimated 4,451 people experienced homeless; 2021 fiscal year numbers are extremely close at 4,412 estimated people.[19] This includes those without a fixed place to sleep at night and who usually stay in temporary locations, those who will lose their housing with no place to go, families who face consistent housing instability, and those fleeing domestic violence with no permanent housing.

While numbers of people experiencing homelessness are relatively stable from 2020 to January 2021, there are variations in subpopulations that are indicative of the consequences of COVID-19. According to data from the New Hampshire Coalition to End Homelessness, the unsheltered homeless population more than doubled from 411 in 2020 to 1,082 in 2021.

Family homelessness decreased slightly from 1,577 in 2020 to 1,311 in 2021. The state and CDC eviction moratoria in place helped families stay in housing if they were behind on rent, and additional rental assistance that followed the moratoria also contributed to housing stability.

Black and Hispanic residents are overrepresented in the homelessness population and are more likely to become homeless than White people in New Hampshire. Six percent of people experiencing homelessness identified as Black in 2021 despite making up only 1.46% of the population in the state. Similarly, people who identified as Hispanic were 9% of the homeless population but only 4% of the population in New Hampshire. Black and Hispanic populations in New Hampshire have less income on average, therefore leaving these groups susceptible to increased housing instability. An extremely low rental vacancy rate has also challenged the provision of rapid rehousing services to homeless individuals.

[19] "NH Coalition to End Homelessness," NH Coalition to End Homelessness, June 2, 2022, https://www.nhceh.org/.

SECTION IV.
NEED FORECASTS

This section is dedicated to forecasting housing needs for the State of New Hampshire overall and at the county level. To that end, it provides:

- Historical trends and projections in household formation;
- Estimates of units needed to accommodate projected household growth;
- Estimates of units needed to create a more balanced housing market;
- Estimates of units needed by income; and
- Estimates of units needed for the workforce to support economic growth.

SUMMARY OF FINDINGS

Key findings from this section include:

- Across age cohorts, New Hampshire residents are increasingly less likely to form households. Although there are several possible explanations for the drop in household formation rates—changes in marriage rates, labor market and financial sector fluctuations, changes in racial and ethnic composition, and more recently the COVID pandemic—rising housing costs are also likely contributing to the slowdown in household formation. Due to housing cost pressure, some residents have adopted alternative living arrangements such as living with parents or adult children, other relatives, friends, or roommates.

- Another key household trend that has affected demand is the number of older adults who are living longer, aging in place, and occupying homes that historically would have been made available sooner to younger generations.

- A conservative estimate of population growth and household formation indicates that over 74,400 new households will be added between 2020 and 2040.

- Yet this baseline projection does not address the current supply deficiencies in the market, which have been contributing to rising housing costs.

    - To make up for the current deficit of units and attain a healthy vacancy rate, the state will need to add 88,395 year-round housing units by 2040—approximately 58,000 ownership units and 30,000 rental units.

    - This necessitates replicating housing production activity seen before the Great Recession—with a boost for seasonal and second homeowner housing as

discussed below. **Needed production levels are very close to the production level the state experienced in the early 2000s.**

- Assuming stable rates of homeownership and Area Median Income (AMI) distribution, by 2040:
    - New Hampshire needs around 3,200 ownership units and 7,000 rental units affordable for households with incomes at 30% AMI and below,
    - Around 4,700 ownership units and 5,600 rental units affordable for households with incomes between 31% and 50% AMI,
    - Around 7,700 ownership units and 6,100 rental units affordable for households with incomes between 51% and 80% AMI, and
    - Around 6,500 ownership units and 3,500 rental units affordable for households with incomes between 81% and 100% AMI.
- These baseline projections only include the number of new units needed to accommodate year-round residents. However, increasingly, the stock of housing in New Hampshire serves seasonal residents and second homeowners.
    - To accommodate trends in demand for seasonal residents and second homeowners, between 13,800 to 23,300, depending on the rate of growth in demand for second homes, additional units are needed by 2040 to meet rising demand. This puts the total housing unit production needed to accommodate growth and address current supply deficits at between 102,200 and 111,700.
- The previous estimates assume stabilization of the housing market is achieved through adding production to achieve a 5% rental vacancy and a 2% ownership vacancy rate. This stabilization factor is smoothed throughout the 2020 to 2040 period to best reflect the cyclical nature of housing development (v. front loading the units needed as of 2022). As of 2022, to stabilize the housing market and restore it to a functional vacancy rate—5% for rental units and 2% for ownership units—10,905 additional rental units are needed and 12,764 ownership units are needed—for a total of 23,670 housing units.

HOUSEHOLD FORMATION TRENDS

This section uses population growth estimates to inform housing needs in the state through 2040. The population projections used were prepared for the New Hampshire Office of Planning and Development.[1]

Overall population projections are discussed in Section I. The basis for housing needs presented in this section rests on the estimated number of households[2] derived from population growth. This section follows the approach of the last housing needs assessment and estimates the number of households by taking population growth by age group and applying an assumed household formation rate for each of the age cohorts. This is often referred to as a "headship model."

[1] The projections use Census data combined with birth and death data to model survival and fertility rates, as well as age-specific migration rates which then are processed by a standard demographic, cohort-component method which breaks the population into 36 age/gender cohorts, where each cohort has its own survival rate and migration rate. Fertility rates are also applied on an age-specific basis. The model was programmed by RLS Demographics. Full methodology and population projections can be found at: https://www.nh.gov/osi/data-center/population-projections.htm

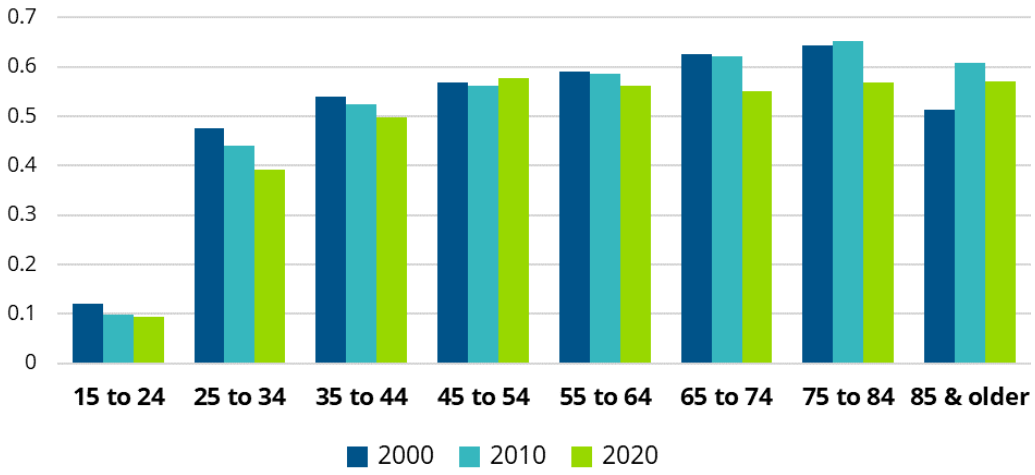
[2] A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit.

Figure IV-1 shows the cohort household formation rate—the number of households with a head of household in each age cohort divided by the total population in each age cohort—in 2000, 2010, and 2020.

The household formation rate has decreased for the majority of age cohorts. Although there are several possible explanations for the drop in household formation rates—changes in marriage rates, labor market and financial sector fluctuations, changes in racial and ethnic composition, and more recently the Covid pandemic—rising housing costs are also likely contributing to the slow-down in household formation, compelling residents to seek alternative living arrangements such as living with parents or adult children, other relatives, friends, or roommates.

Older adults are healthier than in previous generations and are living longer and choosing to stay longer in their homes—that is, "aging in place." The household formation rate of adults 75 and older was in an upward trend until 2020; the decrease might be pandemic related.

Figure IV-1.
Rate of Household Formation by Age Group, New Hampshire, 2000, 2010, and 2020



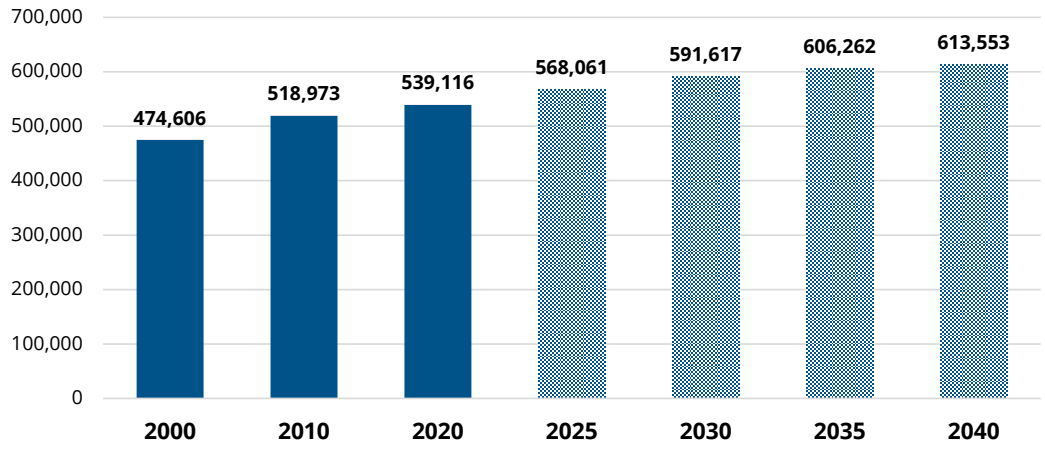
Note: Data represent the number of households with head of household in each age range divided by the total population in each age range.

Source: 2000 and 2010 Decennial Census, 2020 ACS 5-year estimates, and Root Policy Research.

PROJECTED HOUSEHOLD GROWTH

This section will follow the more conservative approach and use the household formation rates of 2020 (v. the higher rates of household formation seen in 2000 and 2010). To project the total number of households, the number of persons in each age cohort is multiplied by the 2020 household formation rate of the corresponding age cohort. Figure IV-2 shows the number of households in 2000, 2010, and 2020, as well as the projected number of households. As the figure demonstrates, household growth is projected to slow significantly between 2030 and 2040, as projected births and net in-migration fail to keep up with deaths.

Figure IV-2.
Projected Number of Households, New Hampshire

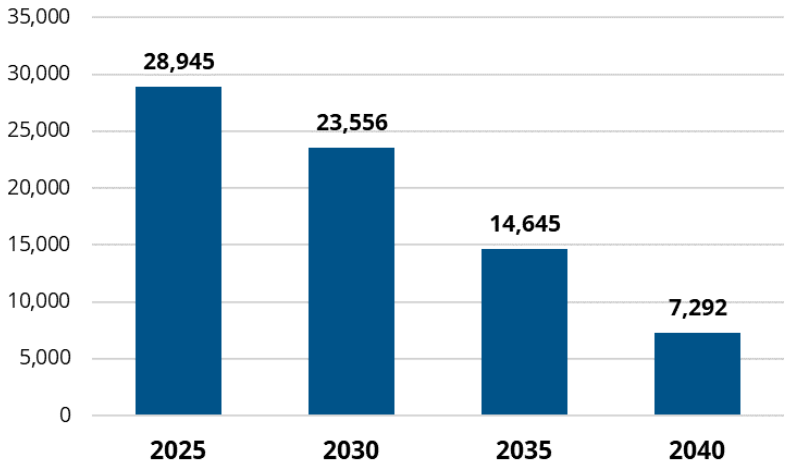


Source: RLS Demographics, 2020 5-year ACS estimates, and Root Policy Research.

Figure IV-3 shows the number of projected households added in each preceding 5-year interval (for example, the model projects that 28,945 households will be added between 2020 and 2025.) The majority of household growth is expected to happen by 2030, after which growth will slow dramatically as the state grows older and deaths begin to outpace births and net in-migration (see Figure I-33 in Section I of this report for the drivers of population decline.)

Figure IV-3. Number of Projected Households Added by 5-Year Interval at 2020 Household Formation Rate, New Hampshire

Source:
RLS Demographics, 2020 5-year ACS estimates, and Root Policy Research.



For comparison, Figure IV-4 shows the number of households added if the state were to experience the rate of household formation that it had in 2000. Given the age composition of the population, household growth drops faster with the aging of the population. However, it is clear that using the 2020 household formation rate provides more conservative estimates of future housing need, this estimates therefore represent a lower bound of future housing needs. The 2000 household formation rate assumption predicts over 123,000 households, while the 2020 household formation rate assumption predicts over 74,000 new households.

Figure IV-4. Number of Projected Households Added by 5-Year Interval at 2000 Household Formation Rate, New Hampshire

Source:
RLS Demographics, 2000 Decennial Census, 2020 5-year ACS estimates, and Root Policy Research.

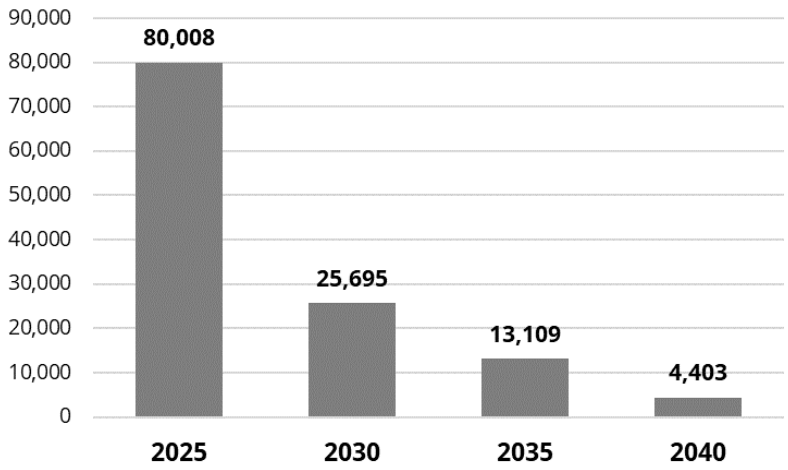


Figure IV-5 shows the number of projected households added in the preceding 5-year interval and the total number of new households added between 2020 and 2040 by county. Mirroring projected population trends, Cheshire, and Sullivan exhibit a loss in households in the 2035-2040 interval, and Coos in the 2030-2035 and 2035-2040 intervals. All counties except Coos county exhibit net growth in households between 2020 and 2040.

Figure IV-5.
Total Number of Projected Households Added Between 2020 and 2040 and by 5-Year Interval, by County and New Hampshire

	2025	2030	2035	2040	Total Households Added Since 2020
New Hampshire	28,945	23,556	14,645	7,292	**74,437**
Belknap	1,558	1,337	794	328	**4,018**
Carroll	1,383	1,043	548	86	**3,060**
Cheshire	868	551	120	-216	**1,323**
Coos	292	89	-157	-383	**-158**
Grafton	2,126	1,989	1,176	635	**5,926**
Hillsborough	9,399	7,508	5,207	3,144	**25,258**
Merrimack	3,004	2,482	1,590	685	**7,761**
Rockingham	7,067	5,875	3,890	1,751	**18,584**
Strafford	2,547	2,365	1,536	1,377	**7,826**
Sullivan	653	397	35	-188	**896**

Source: RLS Demographics, 2020 5-year ACS estimates, and Root Policy Research.

Figure IV-6 shows the number of households between 2020 and 2040 by tenure:

- Assuming these new households added between 2020 and 2040 sustain the current statewide ownership rate of 71% will require the state to add roughly 53,000 new owner occupied housing units and over 21,000 rental units.

Figure IV-6. Total Number of Projected Households Added Between 2020 and 2040 by Tenure, by County and New Hampshire

	Owners	Renters	Total Households Added Since 2020
New Hampshire	52,998	21,440	74,437
Belknap	2,860	941	4,018
Carroll	2,179	632	3,060
Cheshire	942	423	1,323
Coos	-113	-44	-158
Grafton	4,219	1,785	5,926
Hillsborough	17,983	8,655	25,258
Merrimack	5,525	2,131	7,761
Rockingham	13,231	4,121	18,584
Strafford	5,572	2,598	7,826
Sullivan	638	244	896

Note:

Assumes the statewide ownership rate of 71%.

Source:

RLS Demographics, 2020 5-year ACS estimates, and Root Policy Research.

ACHIEVING A BALANCED HOUSING MARKET

As shown in Section II, the current low vacancy levels in the state do not support a balanced housing market that gives renters enough housing choice or opportunity to become homeowners or allows current homeowners to find better-suited housing types—for example downsizing opportunities for “empty-nesters.”

Figure IV-7 on the following page shows the number of units needed between 2020 and 2030 and also between 2020 and 2040 to accommodate household growth compared to what is needed to accommodate household growth *and* achieve and maintain a healthier housing market. The assumption behind the estimates is that added supply gets the state to a 5% rental vacancy rate and a 2% owner vacancy rate.[3] **To make up for the current deficit of units and sustain a healthy market the total production of new units needed by 2040 increases to almost 88,400—including 58,000 owner occupied units, and nearly 30,000 rental units.**

[3] The estimates take into account the current rental vacancy rate from the 2022 New Hampshire Residential Rental Cost Survey and the number of units vacant for sale according to 2020 ACS 5-year estimates.

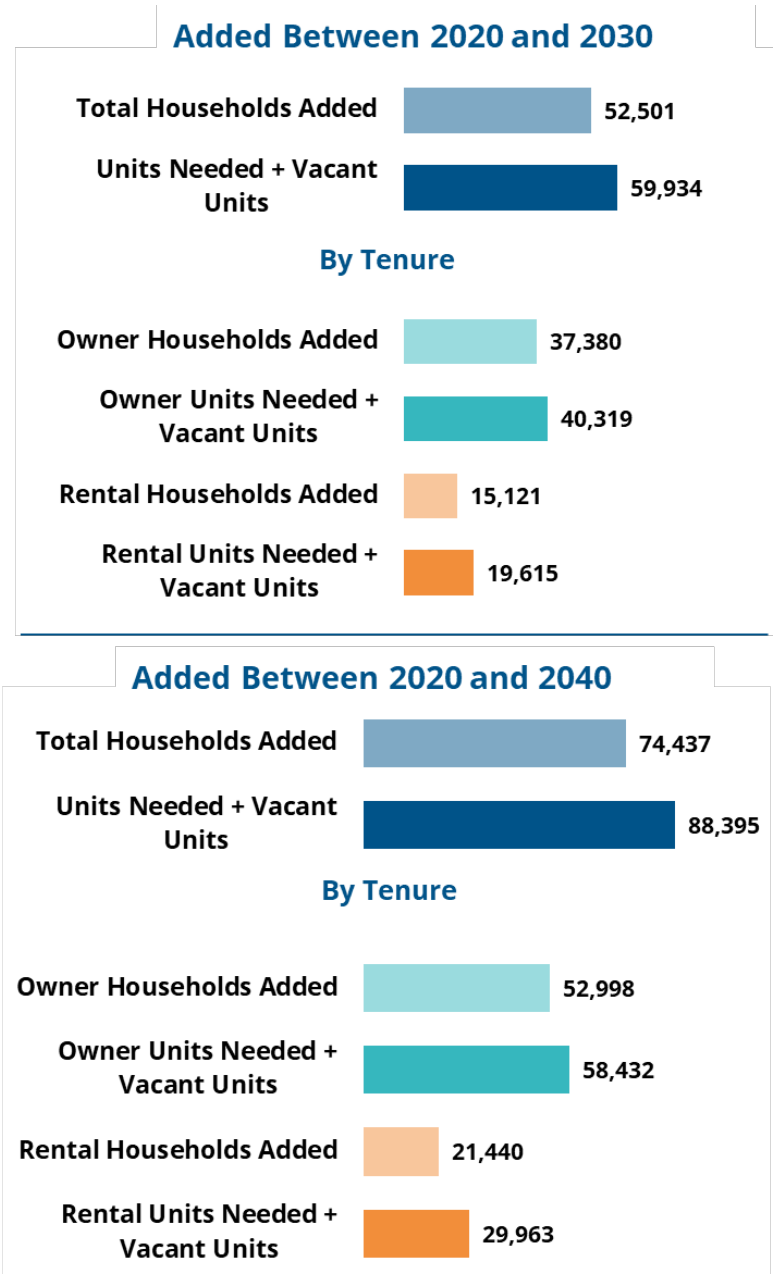
Figure IV-7. Projected Growth in Households and Housing Units Needed, New Hampshire

Note:

Assumes the statewide ownership rate of 71%, a rental vacancy rate of 5% and an owner vacancy rate of 2%.

Source:

RLS Demographics, 2020 5-year ACS estimates, New Hampshire Rental Cost Survey, and Root Policy Research.



Figures IV-8 and IV-9 show the number of units needed to reach a healthy market compared to the number of households added by tenure and by county. The figures show the number of units needed by 2030 and by 2040.

- On the ownership side, the counties that have the highest percent increase in units needed by 2030 after adjusting for vacancy are Sullivan (12% increase), Cheshire (10% increase), and Rockingham (10% increase).

- On the renter side, the counites with the highest percent increase in units needed are Cheshire (60%), Coos (47%), and Sullivan (42%).

Figure IV-8.
Projected Growth in Households and Housing Units Needed by 2030, by County and New Hampshire

	Households Added			Units Needed + Vacant Units		
County	Total	Owners	Renters	Total	Owners	Renters
New Hampshire	**52,501**	**37,380**	**15,121**	**59,934**	**40,319**	**19,615**
Belknap County	2,896	2,062	834	3,223	2,210	1,013
Carroll County	2,426	1,728	699	2,532	1,733	799
Cheshire County	1,419	1,010	409	1,762	1,108	653
Coos County	381	271	110	411	250	161
Grafton County	4,115	2,930	1,185	4,497	2,987	1,510
Hillsborough County	16,907	12,037	4,869	19,588	13,124	6,464
Merrimack County	5,486	3,906	1,580	6,336	4,270	2,066
Rockingham County	12,943	9,215	3,728	14,671	10,090	4,581
Strafford County	4,912	3,497	1,415	5,615	3,732	1,883
Sullivan County	1,050	747	302	1,269	839	430

Note: Assumes the statewide ownership rate of 71%, a rental vacancy rate of 5% and an owner vacancy rate of 2%.

Source: RLS Demographics, 2020 5-year ACS estimates, New Hampshire Rental Cost Survey, and Root Policy Research.

By 2040, on the ownership side, the counties that see the highest percent increase in units needed after adjusting for vacancy are Sullivan (26% increase), Cheshire (18% increase), and Rockingham and Merrimack (12% increase). On the renter side, the counties with the highest percent increase in units needed are Cheshire (122%), and Sullivan (92%).

Figure IV-9.
Projected Growth in Households and Housing Units Needed by 2040, by County and New Hampshire

County	Households Added			Units Needed + Vacant Units		
	Total	Owners	Renters	Total	Owners	Renters
New Hampshire	**74,437**	**52,998**	**21,440**	**88,395**	**58,432**	**29,963**
Belknap County	4,018	2,860	1,157	4,619	3,131	1,489
Carroll County	3,060	2,179	881	3,217	2,163	1,054
Cheshire County	1,323	942	381	1,964	1,116	847
Coos County	-158	-113	-46	-122	-167	45
Grafton County	5,926	4,219	1,707	6,622	4,300	2,321
Hillsborough County	25,258	17,983	7,275	30,366	20,032	10,334
Merrimack County	7,761	5,525	2,235	9,364	6,207	3,158
Rockingham County	18,584	13,231	5,352	21,824	14,876	6,948
Strafford County	7,826	5,572	2,254	9,172	6,013	3,159
Sullivan County	896	638	258	1,299	804	495

Note: Assumes the statewide ownership rate of 71%, a rental vacancy rate of 5% and an owner vacancy rate of 2%.

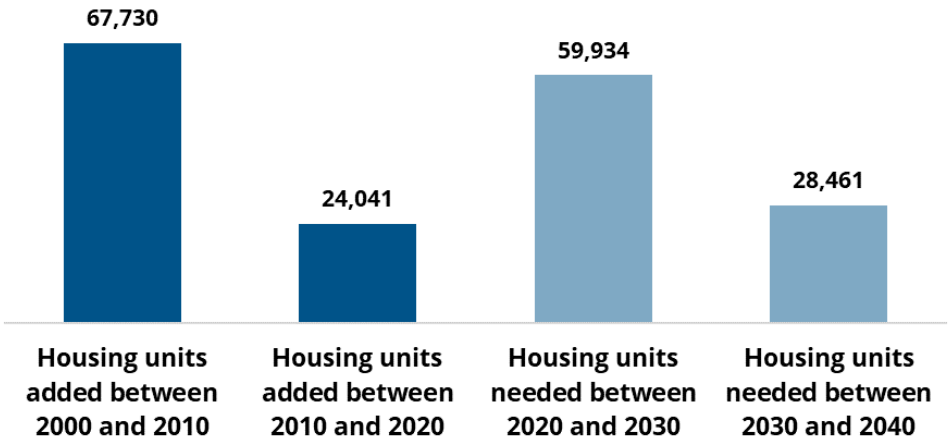
Source: RLS Demographics, 2020 5-year ACS estimates, New Hampshire Rental Cost Survey, and Root Policy Research.

HOW DOES FUTURE NEED COMPARE TO HISTORICAL TRENDS?

Figure IV-10 shows how many housing units were added between 2000 and 2010, and between 2010 and 2020, and how this volume compares to the number of units needed between 2020 and 2030, and between 2030 and 2040.

As shown, the volume of production dropped significantly in the 2010s. To accommodate growth over the next decade, the volume to be produced should be closer to that of the 2000s. In the 2030s population growth will slow down and the volume of units needed matches more closely the volume produced in the 2010s. However, failure to reach the production rate needed to meet demand by 2030 will have a ripple effect and require higher production levels between 2030 and 2040.

Figure IV-10.
Trends in Historical Growth v. Projected Need, New Hampshire



Source: RLS Demographics, 2000, 2010, and 2020 Decennial Census, 2010 and 2020 5-year ACS estimates, New Hampshire Rental Cost Survey, and Root Policy Research.

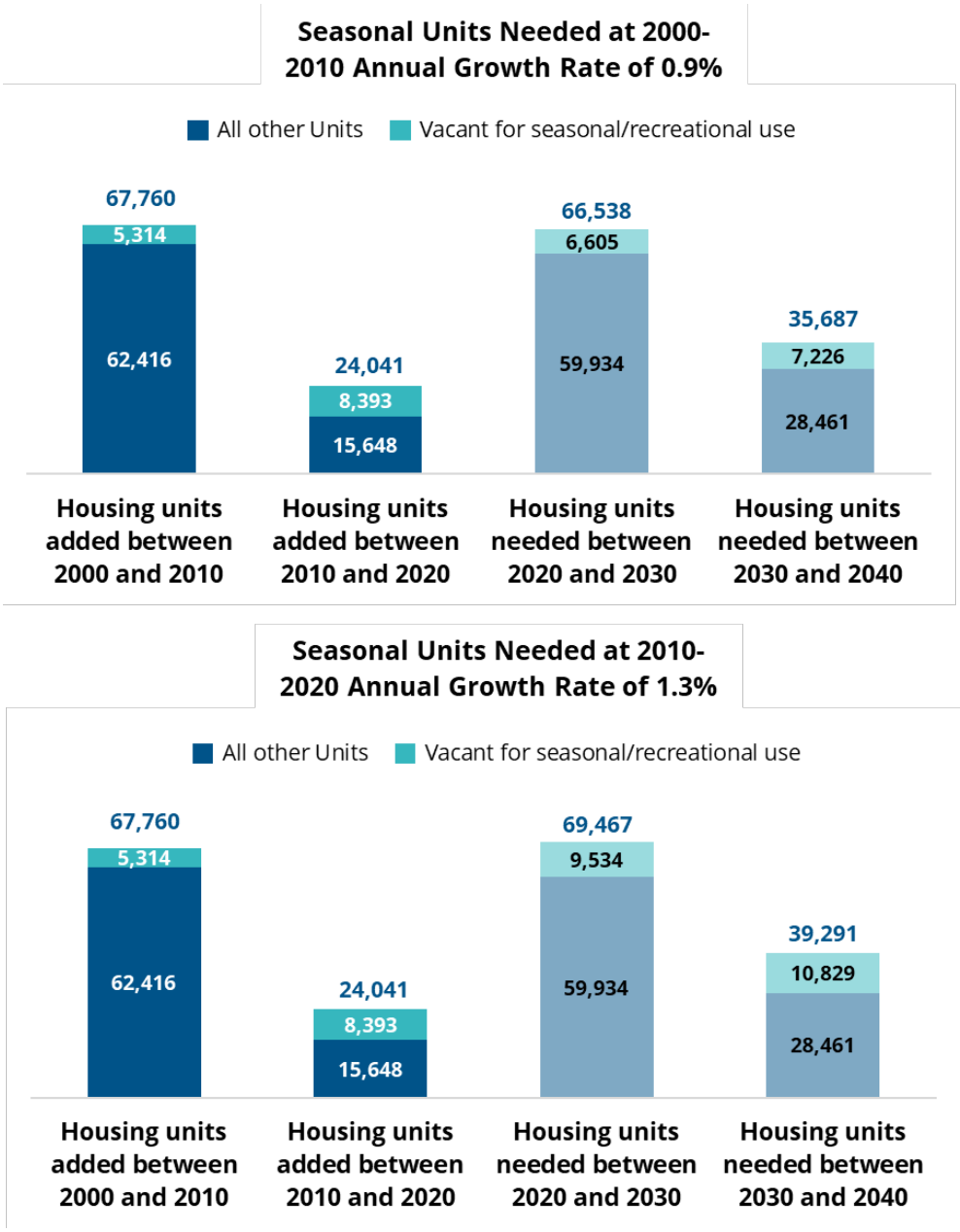
The production needs scenario indicates the number of new units needed to accommodate year-round residents. However, increasingly the stock of housing in New Hampshire serves seasonal residents and second homeowners.

Figure IV-11 shows the number of units added in each decade and indicates which of those homes added are vacant for seasonal and recreational purposes. Between 2010 and 2020, in addition to the drop in production, an increasing number of units added were used for seasonal and recreational purposes. The figure shows number of units needed by decade under two scenarios that accommodate trends in demand for seasonal units.

The first scenario assumes seasonal units will grow at the growth rate experienced between 2000 and 2010—0.9% annual growth rate. It estimates that around 6,600 additional housing units will be needed between 2020 and 2030 and an additional 7,200 units between 2030 and 2040, for a total of around 13,800 additional units needed to meet such demand in the next 2 decades.

The second scenario assumes seasonal units will grow at the faster 1.3% annual growth rate experienced between 2010 and 2020. It estimates that around 9,500 additional housing units will be needed between 2020 and 2030 and an additional 10,800 units between 2030 and 2040, for a total of around 23,300 additional units needed to meet such demand in the next two decades. In the two scenarios the majority of total units will be needed between 2020 and 2030 and such production levels are still very close to the production level the state experienced in the 2000s.

Figure IV-11.
Trends in Historical Growth v. Projected Need, Accounting for Seasonal Homes, New Hampshire



Source: RLS Demographics, 2000, 2010, and 2020 Decennial Census, 2010 and 2020 5-year ACS estimates, New Hampshire Residential Rental Cost Survey, and Root Policy Research.

ACCOMMODATING INCOME DIVERSITY

Building upon the 88,395 units needed by 2040 to accommodate population growth and to restore a balanced housing market, Figure IV-12 shows the number of units needed by tenure and AMI, based on the statewide AMI distribution provided by HUD's Comprehensive Housing Affordability Strategy (CHAS) most recent data. The estimates indicate

- By 2030 the state needs around 2,200 ownership units and 4,600 rental units affordable for households with incomes at 30% AMI and below. By 2040, the state needs around 3,200 ownership units and 7,000 rental units affordable for households with incomes at 30% AMI and below.

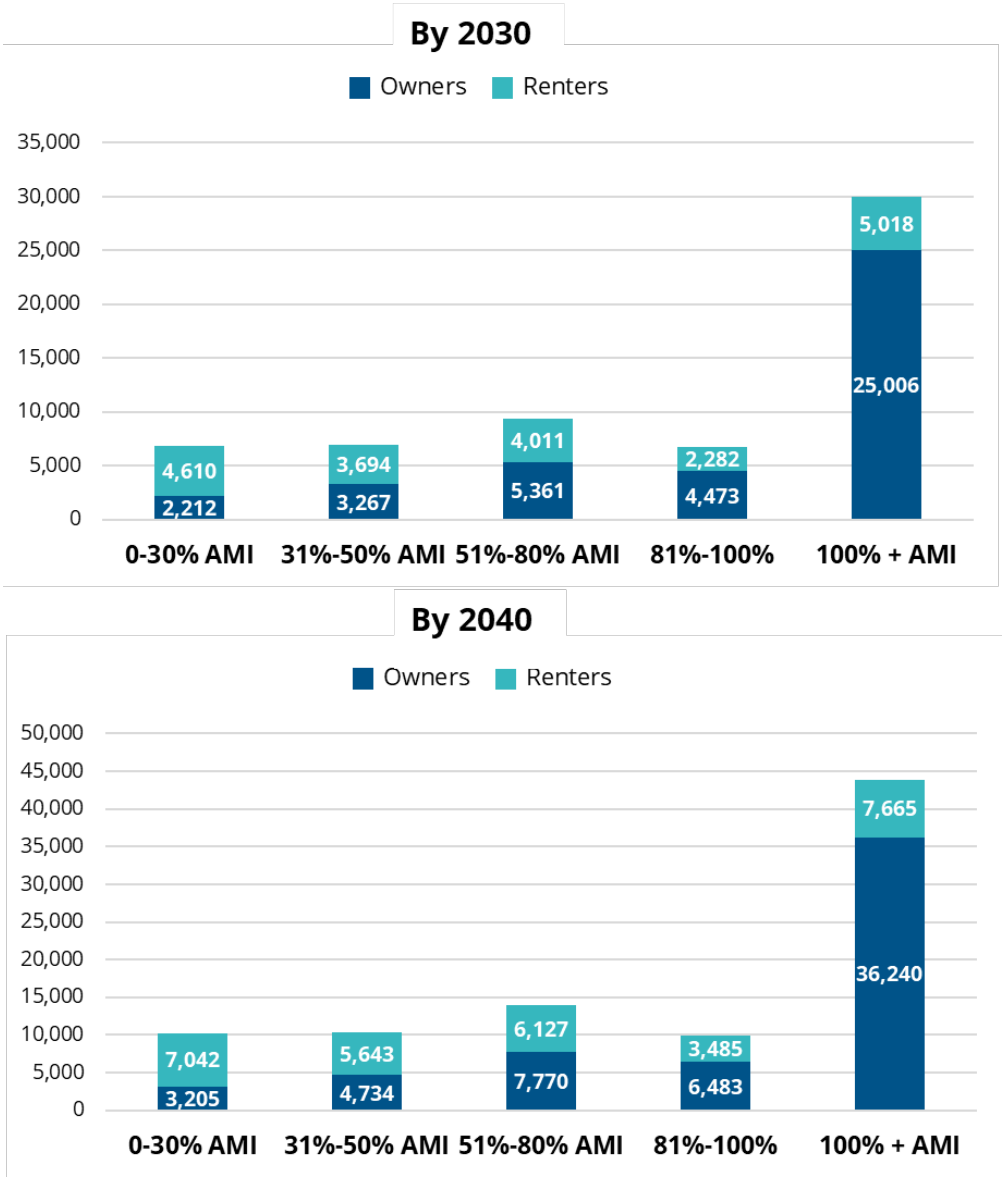
- By 2030 the state needs around 3,200 ownership units and 3,700 rental units affordable for households with incomes between 31% and 50% AMI. By 2040, the state needs around 4,700 ownership units and 5,600 rental units affordable for households with incomes between 31% and 50% AMI.

- By 2030 the state needs around 5,300 ownership units and 4,000 rental units affordable for households with incomes between 51% and 80% AMI. By 2040, the state needs around 7,700 ownership units and 6,100 rental units affordable for households with incomes between 51% and 80% AMI.

- By 2030 the state needs around 4,400 ownership units and 2,300 rental units affordable for households with incomes between 81% and 100% AMI. By 2040, the state needs around 6,500 ownership units and 3,500 rental units affordable for households with income between 81% and 100% AMI.

- By 2030 the state needs around 25,000 ownership units and 5,000 rental units affordable for households with incomes over 100% AMI. By 2040, the state needs around 36,000 ownership units and 7,600 rental units affordable for households with incomes over 100% AMI.

Figure IV-12.
Projected Units Needed by AMI and Tenure, New Hampshire



Note: Assumes HUD 2015-2019 CHAS state level AMI distribution.

Source: RLS Demographics, 2020 5-year ACS estimates, New Hampshire Rental Cost Survey, HUD 2015-2019 CHAS, and Root Policy Research.

Figures IV-13 through IV-17 show the projected number of units needed by income and tenure at the county level and compares the need assuming the current county level AMI distribution to the level of need assuming the statewide level AMI distribution.

This exercise shows how the need for units changes if counties accommodate new households at the same income distribution they already have—as opposed to accommodating new households at the current income distribution of the state overall. Accommodating new households at the current income distribution of the state overall would lower the clustering of households by income in certain counties—potentially lowering poverty and wealth concentrations across counties—while accommodating new households at the same income distribution counties currently have is a more reasonable assumption.

For example, Hillsborough has a slightly lower share of owners and renters with income at or below 30% AMI (5.2% v. 5.5%); therefore, using the state AMI distribution increases the number of housing units needed at this income level in Hillsborough while decreasing the number of units in the rest of the counties, which have a slightly higher share.

Figure IV-13. Projected Owner Units Needed by 2030, by County

Source:

RLS Demographics, 2020 5-year ACS estimates, New Hampshire Rental Cost Survey, HUD 2015-2019 CHAS, and Root Policy Research.

	0-30% AMI	31%-50% AMI	51%-80% AMI	81%-100% AMI	100% + AMI
Belknap					
County AMI	137	200	386	213	1,274
State AMI	121	179	294	245	1,370
Carroll					
County AMI	154	200	290	216	873
State AMI	95	140	230	192	1,075
Cheshire					
County AMI	71	98	186	129	624
State AMI	61	90	147	123	687
Coos					
County AMI	26	33	64	31	96
State AMI	14	20	33	28	155
Grafton					
County AMI	222	277	484	336	1,669
State AMI	164	242	397	331	1,853
Hillsborough					
County AMI	683	1,013	1,770	1,341	8,316
State AMI	720	1,063	1,745	1,456	8,139
Merrimack					
County AMI	238	374	711	532	2,415
State AMI	234	346	568	474	2,648
Rockingham					
County AMI	633	721	1,337	1,102	6,298
State AMI	554	818	1,342	1,120	6,258
Strafford					
County AMI	268	392	579	492	2,001
State AMI	205	302	496	414	2,315
Sullivan					
County AMI	66	102	148	83	439
State AMI	46	68	112	93	520

Figure IV-14. Projected Owner Units Needed by 2040, by County

Source:

RLS Demographics, 2020 5-year ACS estimates, New Hampshire Rental Cost Survey, HUD 2015-2019 CHAS, and Root Policy Research.

	0-30% AMI	31%-50% AMI	51%-80% AMI	81%-100% AMI	100% + AMI
Belknap					
County AMI	194	283	546	302	1,806
State AMI	172	254	416	347	1,942
Carroll					
County AMI	192	250	362	270	1,090
State AMI	119	175	288	240	1,342
Cheshire					
County AMI	71	98	187	130	629
State AMI	61	90	148	124	692
Coos					
County AMI	-17	-22	-43	-21	-64
State AMI	-9	-14	-22	-19	-103
Grafton					
County AMI	320	398	696	483	2,403
State AMI	236	348	572	477	2,667
Hillsborough					
County AMI	1,043	1,547	2,702	2,047	12,694
State AMI	1,099	1,623	2,664	2,222	12,424
Merrimack					
County AMI	346	544	1,033	774	3,510
State AMI	340	503	825	689	3,849
Rockingham					
County AMI	933	1,063	1,971	1,624	9,285
State AMI	816	1,205	1,978	1,650	9,226
Strafford					
County AMI	432	631	933	793	3,223
State AMI	330	487	800	667	3,729
Sullivan					
County AMI	63	98	142	80	420
State AMI	44	65	107	89	498

Figure IV-15. Projected Rental Units Needed by 2030, by County

Source:

RLS Demographics, 2020 5-year ACS estimates, New Hampshire Rental Cost Survey, HUD 2015-2019 CHAS, and Root Policy Research.

	0-30% AMI	31%-50% AMI	51%-80% AMI	81%-100% AMI	100% + AMI
Belknap					
County AMI	264	195	216	126	212
State AMI	238	191	207	118	259
Carroll					
County AMI	202	189	169	86	152
State AMI	188	150	163	93	204
Cheshire					
County AMI	155	132	143	84	140
State AMI	154	123	134	76	167
Coos					
County AMI	52	36	40	16	16
State AMI	38	30	33	19	41
Grafton					
County AMI	404	288	315	139	364
State AMI	355	284	309	176	386
Hillsborough					
County AMI	1,564	1,213	1,351	738	1,599
State AMI	1,519	1,217	1,322	752	1,654
Merrimack					
County AMI	544	389	473	225	435
State AMI	485	389	422	240	528
Rockingham					
County AMI	944	853	1,109	559	1,116
State AMI	1,077	863	937	533	1,172
Strafford					
County AMI	549	331	450	231	322
State AMI	442	355	385	219	482
Sullivan					
County AMI	116	90	95	54	75
State AMI	101	81	88	50	110

Figure IV-16. Projected Rental Units Needed by 2040, by County

Source:

RLS Demographics, 2020 5-year ACS estimates, New Hampshire Rental Cost Survey, HUD 2015-2019 CHAS, and Root Policy Research.

	0-30% AMI	31%-50% AMI	51%-80% AMI	81%-100% AMI	100% + AMI
Belknap					
County AMI	388	286	318	185	312
State AMI	350	280	304	173	381
Carroll					
County AMI	266	250	224	113	201
State AMI	248	199	216	123	270
Cheshire					
County AMI	201	171	185	109	181
State AMI	199	160	173	99	217
Coos					
County AMI	15	10	11	4	5
State AMI	11	9	9	5	12
Grafton					
County AMI	621	443	484	214	560
State AMI	546	437	475	270	594
Hillsborough					
County AMI	2,500	1,940	2,160	1,179	2,556
State AMI	2,429	1,946	2,113	1,202	2,644
Merrimack					
County AMI	832	594	722	344	665
State AMI	742	595	646	367	808
Rockingham					
County AMI	1,431	1,293	1,681	848	1,693
State AMI	1,633	1,309	1,421	808	1,777
Strafford					
County AMI	921	555	755	387	540
State AMI	742	595	646	367	808
Sullivan					
County AMI	133	103	110	63	86
State AMI	116	93	101	58	127

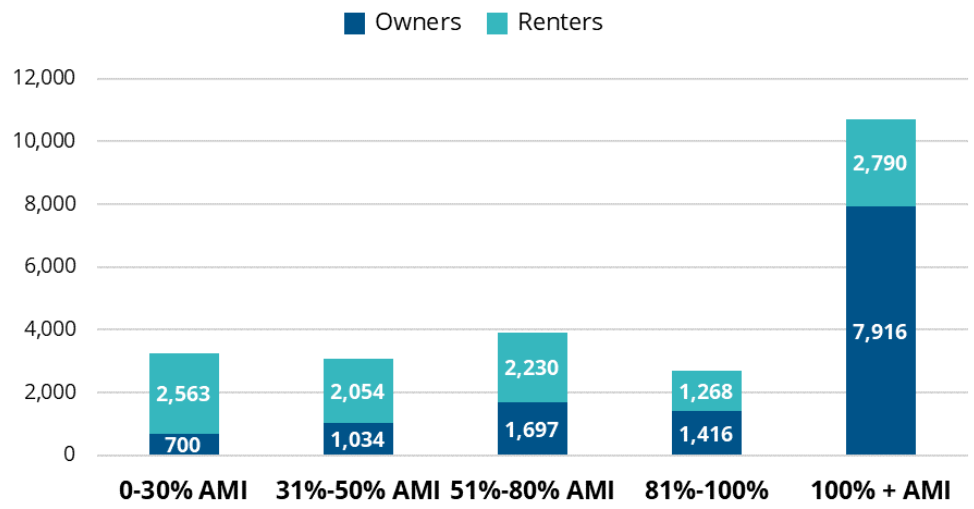
CURRENT HOUSING NEEDS

The previous estimates assume stabilization of the housing market is achieved through adding production to achieve a 5% rental vacancy and a 2% ownership vacancy rate. This stabilization factor is smoothed throughout the 2020 to 2040 period to best reflect the cyclical nature of housing development (v. front loading the units needed as of 2022).

As of 2022, to stabilize the housing market and restore it to a functional vacancy rate—5% for rental units and 2% for ownership units—10,905 additional rental units are needed and 12,764 ownership units are needed—for a total of 23,670 housing units.

Figure IV-17 shows the number of units currently needed by tenure and AMI, based on the statewide AMI distribution provided by HUD's Comprehensive Housing Affordability Strategy (CHAS) most recent data.

Figure IV-17.
Current Units in 2022 Needed by AMI and Tenure, New Hampshire



Note: Assumes HUD 2015-2019 CHAS state level AMI distribution.

Source: RLS Demographics, 2020 5-year estimates, New Hampshire Residential Rental Cost Survey, HUD 2015-2019 CHAS, and Root Policy Research.

The estimates indicate

- As of 2022 the state needs around 2,500 ownership units and 700 rental units affordable for households with incomes at 30% AMI and below.
- As of 2022 the state needs around 2,000 ownership units and 1,000 rental units affordable for households with incomes between 31% and 50% AMI.
- As of 2022 the state needs around 2,200 ownership units and 1,700 rental units affordable for households with incomes between 51% and 80% AMI.
- As of 2022 the state needs around 1,200 ownership units and 1,400 rental units affordable for households with incomes between 81% and 100% AMI.
- As of 2022 the state needs around 7,900 ownership units and 2,800 rental units affordable for households with incomes over 100% AMI.

ACCOMMODATING WORKFORCE NEEDS

Employment growth projections between 2020 and 2030 from the New Hampshire Employment and Labor Market Information Bureau are presented in Section I. Figures IV-18 through IV-20 show scenarios assuming different household sizes to estimate affordability needs. The first data column shows the number of households that would be created if each household had the assumed number of workers per household[4], the second data column shows the average annual wage the household would have at the assumed number of workers per household. The next three columns show the AMI bracket each household would fall into assuming different numbers of total persons per household.

The first two data columns of Figure IV-18 show the number of households that would be supported if they had *one worker per household* and the average annual wage.

- Workers in the "Arts, Entertainment, and Recreation" and "Accommodation and Food Services" industries need housing affordable at 30% AMI and below regardless of household size.
- Workers under the "Other Services" industry[5] need housing affordable at 31% to 50% AMI at any household size.
- Workers in the "Transportation and Warehousing" industry also need housing affordable at 31% to 50% AMI assuming a household of 2 or more persons.

[4] Assuming workers in each household work in the same industry.

[5] Establishments in this sector are primarily engaged in activities, such as equipment and machinery repairing, promoting or administering religious activities, grantmaking, advocacy, and providing drycleaning and laundry services, personal care services, death care services, pet care services, photofinishing services, and temporary parking services.

Figure IV-18.
Employment Growth and Households, 1 Worker per Household Scenario, New Hampshire

	Households and Wages- 1 Worker per Household		AMI Bracket by Household Size		
	Households	Avg. Wage	1-person	2-person	3-person
Goods Producing					
Agriculture, Forestry, Fishing and Hunting	442	$63,284	51%-80% AMI	51%-80% AMI	31%-50% AMI
Mining, Quarrying, and Oil and Gas Extraction	50	$86,216	> 100% AMI	> 100% AMI	51%-80% AMI
Construction	2,016	$88,556	> 100% AMI	> 100% AMI	> 100% AMI
Manufacturing	1,829	$94,588	> 100% AMI	> 100% AMI	> 100% AMI
Service Providing					
Wholesale Trade	924	$128,908	> 100% AMI	> 100% AMI	> 100% AMI
Transportation and Warehousing	2,633	$58,292	51%-80% AMI	31%-50% AMI	31%-50% AMI
Information	303	$120,068	> 100% AMI	> 100% AMI	> 100% AMI
Finance and Insurance	1,564	$158,652	> 100% AMI	> 100% AMI	> 100% AMI
Real Estate and Rental and Leasing	418	$88,972	> 100% AMI	> 100% AMI	> 100% AMI
Professional, Scientific, and Technical Services	5,778	$139,568	> 100% AMI	> 100% AMI	> 100% AMI
Admin and Support and Waste Management	2,471	$73,164	> 100% AMI	51%-80% AMI	51%-80% AMI
Educational Services	4,103	$67,652	51%-80% AMI	51%-80% AMI	31%-50% AMI
Health Care and Social Assistance	12,769	$73,320	> 100% AMI	51%-80% AMI	51%-80% AMI
Arts, Entertainment, and Recreation	3,934	$32,396	≤ 30% AMI	≤ 30% AMI	≤ 30% AMI
Accommodation and Food Services	11,143	$29,640	≤ 30% AMI	≤ 30% AMI	≤ 30% AMI
Other Services	3,322	$52,624	31%-50% AMI	31%-50% AMI	31%-50% AMI
Total Employment	**50,955**	**$85,332**	**> 100% AMI**	**> 100% AMI**	**51%-80% AMI**

Note: Average Wages represent 2021 and are compared to the State Level 2021 AMI. Average annual wages are estimated using average fourth quarter wages and assume workers belong to the same industry. Data include only industries with employment growth.

Source: Economic and Labor Market Information Bureau, NH Employment Security, HUD, and Root Policy Research.

Figure IV-19 completes this exercise except for 1.*5 workers per household*. This scenario mimics a household with a full-time and a half-time worker. In this case:

- Workers in the "Arts, Entertainment, and Recreation" and "Accommodation and Food Services" industries need housing affordable at 30% AMI and below if they live in a 3-person household and housing affordable at 31% to 50% AMI if they live in a 1 or 2-person household.

Figure IV-19.
Employment Growth and Households, 1.5 Workers per Household Scenario, New Hampshire

	Households and Wages- 1.5 Workers per Household		AMI Bracket by Household Size		
	Households	Avg. Wage	2-person	3-person	4-person
Goods Producing					
Agriculture, Forestry, Fishing and Hunting	295	$94,926	> 100% AMI	> 100% AMI	51%-80% AMI
Mining, Quarrying, and Oil and Gas Extraction	33	$129,324	> 100% AMI	> 100% AMI	> 100% AMI
Construction	1,344	$132,834	> 100% AMI	> 100% AMI	> 100% AMI
Manufacturing	1,219	$141,882	> 100% AMI	> 100% AMI	> 100% AMI
Service Providing					
Wholesale Trade	616	$193,362	> 100% AMI	> 100% AMI	> 100% AMI
Transportation and Warehousing	1,755	$87,438	> 100% AMI	51%-80% AMI	51%-80% AMI
Information	202	$180,102	> 100% AMI	> 100% AMI	> 100% AMI
Finance and Insurance	1,043	$237,978	> 100% AMI	> 100% AMI	> 100% AMI
Real Estate and Rental and Leasing	279	$133,458	> 100% AMI	> 100% AMI	> 100% AMI
Professional, Scientific, and Technical Services	3,852	$209,352	> 100% AMI	> 100% AMI	> 100% AMI
Admin and Support and Waste Management	1,647	$109,746	> 100% AMI	> 100% AMI	> 100% AMI
Educational Services	2,735	$101,478	> 100% AMI	> 100% AMI	> 100% AMI
Health Care and Social Assistance	8,513	$109,980	> 100% AMI	> 100% AMI	> 100% AMI
Arts, Entertainment, and Recreation	2,623	$48,594	31%-50% AMI	31%-50% AMI	≤ 30% AMI
Accommodation and Food Services	7,429	$44,460	31%-50% AMI	31%-50% AMI	≤ 30% AMI
Other Services	2,215	$78,936	> 100% AMI	51%-80% AMI	51%-80% AMI
Total Employment	**33,970**	**$85,332**	**> 100% AMI**	**51%-80% AMI**	**51%-80% AMI**

Note: Average Wages represent 2021 and are compared to the State Level 2021 AMI. Average annual wages are estimated using average fourth quarter wages and assume workers belong to the same industry. Data include only industries with employment growth.

Source: Economic and Labor Market Information Bureau, NH Employment Security, HUD, and Root Policy Research.

Lastly, Figure IV-20 shows the number of households that would be supported if they had *2 workers per household*. Under this scenario

- Workers in the "Arts, Entertainment, and Recreation" and "Accommodation and Food Services" industries still need housing affordable at 50% AMI or below at most household sizes.
- For all other professions, housing that is affordable to 100% AMI households will meet workforce housing needs, regardless of household size.
- This analysis underscores the need for households to have more than one wage earner to afford housing in New Hampshire.

Figure IV-20.
Employment Growth and Households, 2 Workers per Household Scenario, New Hampshire

	Households and Wages- 2 Workers per Household		AMI Bracket by Household Size		
	Households	Avg. Wage	2-person	3-person	4-person
Goods Producing					
Agriculture, Forestry, Fishing and Hunting	221	$126,568	> 100% AMI	> 100% AMI	> 100% AMI
Mining, Quarrying, and Oil and Gas Extraction	25	$172,432	> 100% AMI	> 100% AMI	> 100% AMI
Construction	1,008	$177,112	> 100% AMI	> 100% AMI	> 100% AMI
Manufacturing	915	$189,176	> 100% AMI	> 100% AMI	> 100% AMI
Service Providing					
Wholesale Trade	462	$257,816	> 100% AMI	> 100% AMI	> 100% AMI
Transportation and Warehousing	1,317	$116,584	> 100% AMI	> 100% AMI	> 100% AMI
Information	152	$240,136	> 100% AMI	> 100% AMI	> 100% AMI
Finance and Insurance	782	$317,304	> 100% AMI	> 100% AMI	> 100% AMI
Real Estate and Rental and Leasing	209	$177,944	> 100% AMI	> 100% AMI	> 100% AMI
Professional, Scientific, and Technical Services	2,889	$279,136	> 100% AMI	> 100% AMI	> 100% AMI
Admin and Support and Waste Management	1,236	$146,328	> 100% AMI	> 100% AMI	> 100% AMI
Educational Services	2,052	$135,304	> 100% AMI	> 100% AMI	> 100% AMI
Health Care and Social Assistance	6,385	$146,640	> 100% AMI	> 100% AMI	> 100% AMI
Arts, Entertainment, and Recreation	1,967	$64,792	51%-80% AMI	31%-50% AMI	31%-50% AMI
Accommodation and Food Services	5,572	$59,280	31%-50% AMI	31%-50% AMI	31%-50% AMI
Other Services	1,661	$105,248	> 100% AMI	> 100% AMI	> 100% AMI
Total Employment	**25,478**	**$85,332**	**> 100% AMI**	**51%-80% AMI**	**51%-80% AMI**

Note: Average Wages represent 2021 and are compared to the State Level 2021 AMI. Average annual wages are estimated using average fourth quarter wages and assume workers belong to the same industry. Data include only industries with employment growth.

Source: Economic and Labor Market Information Bureau, NH Employment Security, HUD, and Root Policy Research.

SECTION V.

STAKEHOLDER PERCEPTIONS

SECTION V.
STAKEHOLDER PERCEPTIONS

To better understand the complexity of housing in New Hampshire, virtual focus groups were conducted to learn from those working in housing and community development in the state's diverse communities. Stakeholders from across the state were interviewed as part of the development of the 2023 Housing Needs Assessment. This section includes input from:

- Housing advocates, including advocates for young adults, people with disabilities and the elderly;
- Economic development and business representatives;
- Industry representatives; and
- BIPOC, immigrant, and refugee community members and advocates.

This section summarizes key comments during the focus groups and is organized around: economic development, housing cost and affordability, housing equity, and potential solutions.

Overall, 30 stakeholders from across New Hampshire's housing sectors and industries shared their thoughts in virtual focus groups and interviews. Based on reoccurring themes during the interviews, the top housing concerns include:

  - Lack of housing inventory;
  - Wages outpacing housing costs;
  - No affordable entry-level homes;
  - Disproportionate housing issues within the BIPOC, disability, young adult, and elderly communities
  - Expensive, exclusive rental market;
  - Disconnect between urban and rural housing policies; and
  - Population declining and aging—creating challenges for maintaining growth and supporting residents who desire to age in place.

The word cloud below shows the words mentioned the most by stakeholders to describe the housing market. The pattern suggests attention surrounded housing affordability, development, and, importantly, the people caught in the middle of the multi-layered web of housing needs. These important themes are discussed in further detail in the following sections.

ECONOMIC DEVELOPMENT

Housing advocates, community planners, realtors, developers, and other experts provided input on the importance of housing to New Hampshire's economy. This section summarizes their input on workforce housing, entry-level housing, and transportation and infrastructure needed to support economic development.

WORKFORCE HOUSING. Stakeholders in the business community expressed concern that they can no longer be competitive with employers in other states. When applicants begin their search for housing, some realize they cannot afford to live here**.** The problem is particularly acute in high-cost, tourist-dependent areas where much of the workforce must commute in from more affordable areas. Advocates and business leaders see the lack of housing as a major barrier to economic growth. Because of slow-growing and aging population, employers frequently must recruit out of state. This task is made harder by increasing housing costs. Where there is development, it does not meet the diverse needs of the community.

> "The longer people have to commute, the more they are incentivized to work someplace else."
> – *Housing Advocate*

One advocate based in the Upper Valley pointed out that high housing costs in the area threatened the recruitment and retention of essential hospital employees in the area. The hospital had to shut down some divisions and cancel surgeries due to staff shortages. The

advocate proclaimed the lack of housing as truly an "emergency situation" that threatened the regional economy and health of the community. They went on to say that although Lebanon has land to build and grow, what is being built is not affordable for hospital staff making less than $75,000.

"In the past, housing was considered a more isolated social issue for low-income families. Now it is an economic issue. Our economy is growing but not our population. We can't keep up."
– *Regional Stakeholder*

This was consistent with comments from stakeholders throughout the state. An advocate in Concord recalled that AmeriCorps employees had to leave soon after they started because they could not find stable housing. The advocate also expressed frustration that they cannot recruit and retain social workers in the state for the same reason. In Portsmouth, one advocate observed that as rental costs climb, residents do not have room to save for a down payment. Without secure homeownership as a financially viable option for many, stakeholders expressed concern that specialized labor would simply leave and head to another state with more affordable, stable housing.

Many respondents explained that the housing market lacked housing for middle-income residents and few policies were in place to address the shortage. People in this income category may struggle to make a down payment in the current housing market and thus are indefinitely stuck as renters.

ENTRY-LEVEL HOUSING. Stakeholders made clear that there is a lack of supply of homes for those wishing to transition from renters to homeowners. Real estate agents felt the housing market is highly inequitable and competitive in New Hampshire. Even as we pass out of the coronavirus pandemic, homes are still being bought quickly, often above asking price and sometimes without inspections. They also observed that conventional bank loans were preferred by sellers. Those using loans from Veteran's Affairs, the Federal Housing Administration, or the United States Department of Agriculture (USDA) found less success in purchasing a home due to the extra paperwork and inspection others can voluntarily bypass.

"First time homebuying is in crisis. People are skipping inspections. That's a red flag."
– *Realtor*

Stakeholders in real estate emphasized many times that home prices have left potential buyers with condos or duplexes as the only path to homeownership. However, they also point out that the newly developed condos are still out of reach for many middle-income buyers who may be stuck in rentals indefinitely. The $300,000 to $350,000 homes no longer exist in many areas.

SECTION V. STAKEHOLDER PERCEPTIONS

Housing advocates and community development stakeholders agreed that a healthy community has a diverse, accessible housing stock to fit financial and physical needs. One participant, however, described the current housing market in New Hampshire as "scarce, unaffordable, and out of reach." This dire observation may be informed by what some in the state observed as an erosion of "naturally occurring affordable housing" (housing that is reasonably priced without public subsidies). Properties that used to offer affordability and flexibility for recent graduates with student debt, those who worked jobs with an hourly wage, and seniors living on fixed income, have slowly been redeveloped as luxury apartments or homes. The upward trend of rents and home prices brought concerns regarding long-term sustainability.

> **"Early career individuals are unable to launch into any stable housing. They are lacking a housing pathway and it's impacting their employment paths."**
> – *Community Development Stakeholder*

Respondents pointed out that the number of residents ages 65 and older is growing rapidly in the state, while also stating that younger populations are declining—partly as a consequence of the lack of affordable entry-level housing. Without affordable, stable housing for at-home caregivers, nurses, or family that wishes to remain in New Hampshire, the support system for aging adults is likely to decline. Those who worked with seniors also mentioned that housing needs change with age, such as downsizing to accessible single-story homes, and expressed worry that the inventory in New Hampshire will not be able to provide both entry-level affordable homes and homes for seniors wishing to downsize.

Some were concerned about the barriers to stable housing in the state. At its extreme, housing unaffordability is already seen by homeless advocates in the state who report higher numbers of homeless individuals in their early 20s who have been displaced from the housing market. One advocate observed a "ripple effect" of housing unaffordability that impacts mental health and exacerbates family issues, both of which contribute to housing instability.

> **"Density is a good friend for preserving rural character."**
> – *Housing Advocate*

Transportation and infrastructure stakeholders acknowledged that New Hampshire is a largely rural state that experiences housing and infrastructure challenges. A business stakeholder observed that more people from out of state are moving to rural areas of the state who appreciate its beauty and isolation. However, the increase of those in rural areas has not been met with efficient infrastructure plans. Some towns are resistant to any form of housing density, and refuse to expand public water and sewer systems as single-family homes sprawl farther from existing infrastructure. As observed by one advocate, utility companies are hesitant to stretch their services without subsidies. This puts more strain on local economies and developers to find and implement these subsidies.

Additionally, stakeholders worried that the cost of energy throughout the state is climbing to unattainable levels for many families.

As affordable housing gets farther from urban centers where the most opportunities for employment reside, there is a stronger need for private cars for transportation. Stakeholders on the seacoast emphasize that transportation is particularly a problem in their region given the in-commuters from areas that are more affordable. Parking and traffic can be an issue.

> "People are very proud of the outdoors and the rural character here, but we need to integrate values of making room for housing people can afford."
> – *Regional Stakeholder*

Ultimately, stakeholders throughout the state see a mismatch between housing development and preservation of rural areas. As a state with a large share of land designated for natural habitat and conservation, increased development density can save land and make infrastructure more efficient and affordable. However, local resistance and zoning have restricted such development. One housing advocate made clear that this step will take considerable communication with rural communities and land use boards. Advocates agreed that proper zoning can encourage the growth of affordable housing stock while conserving land.

HOUSING COST AND AFFORDABILITY

A reoccurring concern throughout the interviews was the climbing housing costs relative to incomes.

Stakeholders expressed concern that subsidies (e.g., fee waivers, gap financing) that have been provided to mission-driven developer in the past are no longer enough to keep up with the cost of development. Most called for an increase in federal and state funding for affordable housing projects as current funding is not keeping up with demand, especially in municipalities that do not have enough of a financial footing to invest in housing on their own. One community development stakeholder saw that subsidies often focus on certain types of housing, therefore preventing a fully diverse housing stock. They recalled that a developer wanted to build affordable owner-occupied units with a $300,000 subsidy but were not able to ultimately make the price work out. They instead utilized Low Income Housing Tax Credits (LIHTC) to build multifamily units. The lack of a consistent funding source commensurate to the need for housing in the state has placed a severe cost burden on developers who wish to build affordable housing, according to stakeholders.

> "The scale of challenges requires federal action and we have not had a meaningful federal increase in a long time. Subsidies are falling short of building costs."
> – *Community and Economic Development Expert*

SECTION V. STAKEHOLDER PERCEPTIONS

> "Housing is misaligned and unguided. [Current policy] is not doing a good job at guiding the development community or removing impediments for builders."
> – *Business Community Stakeholder*

Beyond subsidies, regulation and impact fees are additional barriers to development, according to homebuilders. Even if subsidies were adequate, sometimes these fees are the ultimate tipping point for developers deciding to build affordable or market rate. One housing developer explained, "Every single piece of regulation adds costs to construction. In many municipalities the cost to build is higher than what you can [sell] for. That kills development incentives." One frustration mentioned repeatedly was parking requirements. In many places, developers are required to set aside land for parking, which adds extra expenses. Many stakeholders agreed that the "market should dictate" how many spaces are needed. In areas where people usually do not have cars, such as homes for elderly or homeless, the requirement should be relaxed to save developers money in the planning and building process.

A fundamental problem discussed by many stakeholders is land access. Ideally, as noted by housing advocates, affordable housing would be near services and public transportation. As one expert explained, although New Hampshire Housing has right of first refusal on land owned by the Department of Transportation (which was purchased with highway or turnpike funds), it is often a "cumbersome" process.

> "Cash wins, and we cannot compete. Rents are rising from $1,600 to $2,000 and there are no other markets for people to move to."
> – *Housing Advocate*

Once people are in units, keeping them affordable is another challenge faced by the community, as identified by stakeholders.

One regional stakeholder explained that their rent increased by 35% this past year. They pinned this on repairs made by the landlord who then justified the maintenance as property appreciation and raised rent. However, this stakeholder believed there should be more oversight of this process to ensure landlords and property developers are not raising rents without proper reason. They also suggested additional subsidies for renovations or other improvements, so the cost does not end up burdening tenants.

Housing advocates see the greatest need for those living on hourly wages and households making $35,000 to $75,000, as a one-bedroom apartment currently costs $1,600 per month in some parts of the state. Repeatedly, they emphasized that most rental units do not align with wages and households across the state are cost burdened or severely cost burdened.

Again, divisions between urban and rural approaches to housing policy were highlighted in the discussion about affordable housing. One advocate wanted to be sure that there is active and consistent communication between housing advocates, city planners, the New Hampshire

Housing Finance Authority, and local land use boards about housing needs and state and local production goals. Some experts fear that a severe worker shortages could threaten the local economy as families and children move away in search of more affordable housing.

SUPPLY CHALLENGES. Stakeholders frequently mentioned the limited supply of homes and apartments across the state. Some identified the constrained market for first-time buyers as the main pressure point. When would-be first-time buyers can no longer afford to purchase a home, they are stuck in rentals and thus keep demand high in the rental market.

> "Because there is a lack of supply of entry-level homes, the rental market has such a pressure that there lacks a path to stable housing."
> – *Housing Advocate*

Experts point to zoning laws that limit density in communities and the lack of infrastructure in smaller municipalities that discourage development given the extra cost of coordinating and connecting new construction to utilities. The view from the development and business community is that land use regulations and zoning make development more difficult and more expensive: It is far easier to build in accordance to the regulations than maneuver through waivers or rezoning processes. In many communities, this means only single-family detached homes will be built that do not meet diverse housing needs.

> "All the programs in the world wouldn't do us any good if people can't find homes."
> – *Regional Stakeholder*

An expert in planning and development also brought up the current tax incentives for leaving land undeveloped. Undeveloped land in "current use" is taxed at a lower rate compared to developed land that is taxed based on its value. If a person has more than 10 acres of unused, undeveloped land, they can enroll it to pay a lower tax. Half of New Hampshire's land is estimated to be in this category. Therefore, private landowners do not have much financial incentive to sell land for development or expand other efforts to increase housing supply.

Where there is new development, many advocates observe that once on the market, it is far too expensive for many residents. Therefore, even if zoning laws are ultimately changed in some places, it matters if the apartments, condos, and homes will be affordable.

Another factor in the supply-demand imbalance mentioned by stakeholders is the growing second home and short-term rental market. This is especially a problem in the Upper Valley, according to stakeholders in the region, where they have identified a shortage of roughly 10,000 units.

Property managers reported seeing the lowest vacancy rates they have ever seen, a sign of an unbalanced housing market with a supply shortage. Even in rural areas, vacancies have declined as remote work and short-term rentals have led to a tight rental market.

HOUSING EQUITY

Stakeholders all acknowledged the work that is yet to be done in New Hampshire to address housing needs. Access to housing is a key concern and the lack of it quickly becomes a barrier to opportunity for many residents. Experts, advocates, and developers reiterated that there are unrecognized housing needs in rural areas, for first-time buyers, and accessible housing for people with disabilities. Instability in the rental market also threatens the financial security of residents and disproportionately impacts members of the refugee and BIPOC communities in New Hampshire, according to advocates and members of those the communities.

STABILITY. Advocates and community development stakeholders expressed worry that the wages of the quickly expanding service sector are not keeping up with rent.

> "A lot of families are in really unstable housing situations and there are negative spillovers into children's outcomes."
> – *Housing Advocate*

Stakeholders also worry that unaffordable housing negatively impacts the health of low-income households. If paychecks are going mostly to housing costs, they worried, what essential goods are passed up? Without stability, one advocate pointed out, people are not able to "contribute their full potential to the economy." When housing costs overtake the ability to save for a home, emergencies, or education, households are much more likely to become trapped in poverty.

Stakeholders reported that displacement comes from many different sources and threatens stability of many tenants, especially those with low incomes. One advocate knows of many tenants who have recently been displaced by landlords who are selling their properties. They recalled that last year, they engaged with to one particular landlord to show him he was better off with current tenants. To the advocate, this situation showed the need for price stabilization policies that help tenants stay in place while still enabling landlords to retain a profit.

Advocates observed that substandard living conditions are common in older housing. One regional stakeholder had broken appliances and problems with heat for three years with no response from the landlord. They felt that the landlord did not feel obligated to perform regular maintenance because they kept the rent low. The stakeholder emphasized the importance of legal representation in these situations.

Some stakeholders pointed out that apartments are not the only housing option for low-income households. One stakeholder mentioned the importance of manufactured homes as an additional option for entry-level homeownership and low-income renters. Manufactured homes

are also an essential resource for those with disabilities because they are on a single level and are affordable, an advocate for the disability community pointed out.

BARRIERS FOR PROTECTED GROUPS. The Fair Housing Act protects against housing discrimination based on race, color, religion, national origin, gender, disability, and familial status. In practice, however, protected classes still face barriers to housing in New Hampshire according to advocates and members of the BIPOC, refugee, and disability communities. Beyond protected classes, there are also barriers for young people moving from home for the first time and those who use Housing Choice Vouchers, SSDI, Temporary Assistance for Needy Families (TANF) or other local assistance programs to pay for part or all their housing costs.

Racial and national origin discrimination. Racial and national origin discrimination came up multiple times in stakeholder interviews. An advocate reported that those applying for housing in person who were single parents, senior residents, people of color or who had limited English proficiency faced discrimination by many rental properties in the area. One stakeholder mentioned that, because of the low vacancy rates for rental units, landlords are receiving so many applications that they can rent to anyone of their choice. Another stakeholder said from personal experience, they had to pay a $100 application fee and the landlord asked if they had children. Concern about steep apartment application fees came up frequently. Advocates said the application process was “impersonal” and many people they know paid the fee and never hear from apartment management again. Some working in the legal field also saw that landlords charge more than a month’s rent as a deposit which is not allowed under state law. Renters are not aware and end up paying more or avoid moving forward with the application. Language barriers and residency status exacerbate this problem.

An advocate for the refugee community similarly observed that the approval requirements for apartments are a challenge for those who have recently come to the United States with no previous rental history, credit score, or other indicators that management companies consider. Many refugees are highly educated, but because they come with little assets, housing is a significant barrier to starting their life in New Hampshire to the fullest potential.

Substandard housing issues are acute in the Latino community where there may be additional language barriers. The only apartments that are available and affordable may have rodents, outdated appliances, and higher energy bills because of inefficient utilities.

Real estate stakeholders are aware of racial discrimination within the housing market and the ownership gaps between white and Black families in the state. To address this, one real estate agent has their agents take unconscious bias classes and has sellers put in their listing that they do not accept letters, photos, or videos from buyers. Similarly, they do not allow buyers to submit photos or videos to sellers to prevent unconscious (or conscious) discrimination. The New Hampshire Association of Realtors has hosted training on bias prevention.

Barriers for people with disabilities. Stakeholders and advocates in the disability community said that New Hampshire lacks robust community life for people with disabilities. Further, they asserted that there are no good models for group homes or integrated housing. There is not a financial template for developers to include appropriate housing for people with disabilities, nor do developers want to build group homes. Advocates echoed supply concerns but emphasized that people with disabilities face an additional layer of hardship given their specific needs. Therefore, the state relies on families to house people with disabilities. This strains the budgets of many families, especially those with low incomes. Additionally, there is a shortage of care workers because wages have not kept up with housing costs. Stakeholders also expressed frustration that communities did not seem aware of issues within the disability community and therefore there is a lack of consensus around the need for accessible development.

A stakeholder who works at a senior center saw a need for much more senior housing that is equipped for the physical needs of aging individuals. They also see that many seniors wish to downsize from two-story homes to more manageable places, but acknowledge that the one-story, smaller homes are often the same homes that first-time buyers gravitate towards.

Housing for children and young adults. Social workers and other stakeholders who work with local students expressed alarm about the declining student population in the state, the lack of housing stability for children, and limited affordable housing paths for recent high school graduates. One social worker pointed out that continuity of case work is made much more difficult when families move from place to place and children who bounce from school to school have a harder time learning and creating relationships with teachers and peers.

One group that gets little attention are those who have recently graduated from high school that can no longer live at home or those who have transitioned out of foster care. This group often does not have established credit, rental history, or enough saved for the security deposit, all of which are barriers when applying to apartments. Often, the stakeholder said, young adults are then vulnerable to abusive housing schemes. In their work, they have seen that LGBTQ+ and transgender youth are particularly at risk for exploitative housing arrangements where sexual abuse and substance abuse occurs.

From the perspective of landlords, they have found the burden of many social problems have fallen on them. One property manager said that they have had difficulty with tenants with drug addiction. They felt it was a long process to get them out of the property and that there were few other options to get them both help *and* housing. A stakeholder working as a social worker said that to alleviate housing issues that stem from social ones, there must be more coordinated care that aims to prevent crises for families instead of addressing them while the family or individual are displaced or already homeless. As of now, they said, there is a lack of leadership to consolidate case work so there is often a sense that their help comes too late to provide meaningful help.

Income discrimination. Stakeholders repeatedly mentioned that source of income discrimination in the state was a barrier to many low-income and BIPOC households. There is currently no protection against source of income discrimination enshrined in law as in some other states. This measure would ban landlords from refusing to rent to an applicant based on how they receive income, be it government assistance, grants, loans, or another unconventional form. Given the lack of protection, stakeholders observed that vouchers are underutilized, and many landlords do not know how to use them. One stakeholder felt that if there were codified protections against income discrimination that voucher utilization would increase because more units would accept vouchers. This stakeholder also said they felt there was lack of political will to pass such protections.

> "First generation homeowners face more hurdles to homeownership which cuts across racial groups. They don't have same access to equity building like they have in the past."
> –*Realtor*

Housing advocates were concerned about the looming stress of recertification of housing assistance for those who could find places to live with vouchers or fixed income. Navigating changes to program guidelines is difficult and time-consuming. Some were worried that narrow guidelines displace seniors and low-income tenants if they no longer fit program criteria. A simplified version coupled with increased case management would keep people housed and prevent undue anxiety about losing benefits. An advocate for the disability community also mentioned that grandfathering in people with disabilities (who use Social Security Disability Income, known as SSDI, or other income sources) into accessible units would streamline the benefits process.

Some real estate stakeholders observed that, on the mortgage lending side, sellers overlook applicants using USDA, FHA, and VA loans because of negative connotations and the additional appraisals that come with them. These loans are typically for those with moderate incomes or lower credit scores. When there are so many applications for homes, sellers "take the path of least resistance" and go with conventional bank mortgages or cash.

BARRIERS TO POLICY CHANGE. A common barrier cited in the stakeholder interviews was local resistance to development. Some said municipalities get creative to block development or create ordinances to block new affordable or multi-family housing. Stakeholders reported that rural communities are especially resistant to change and stated that some volunteer land use board members lack experience and professional staff to direct policies that will help the community economically in the short and long term. One stakeholder said that "feelings" drive zoning decisions instead of practicality. Many said that political will is out of reach and without it, many plans are killed or never get to the table for discussion. Many policies that address affordable housing or expanding stock are opt-in only which creates a patchwork of policies in the state. Some stakeholders say this reflects the attitude towards housing development more broadly; an attitude of preserving the status quo. Developers,

however, wish to see more predictable projects and hope that policies are adopted across the state to make projects easier to navigate.

RECOMMENDED SOLUTIONS

Stakeholders provided many ideas to confront the housing challenges they mentioned:

Increased regional cooperation. Many stakeholders want to see more effort in less populated areas to provide more housing. Stakeholders in larger towns say they are running out of land to build dense housing and need to engage surrounding communities. They also observed population declines in many towns with no effort to address it.

> "We need to let communities know that having more people downtown will help them. If smaller communities that are struggling would understand that they can expand their tax base, they would be less resistant."
> – *Regional Stakeholder*

Additionally, a stakeholder who works primarily with displaced families and children wanted to see more cooperation between case managers throughout the state to provide a continuum of care and share data more efficiently.

Develop a housing trust fund modeled from other states. Participants pointed to tools they had seen other states using. Many looked at Massachusetts as an example of what could be done in New Hampshire, noting a housing trust fund that has consistently fueled development with a pool of builders there.[1] One stakeholder noted that a small version of this has already been established in the Upper Valley: The Upper Valley Housing Fund developed by eight employers gives loans to developers that acts as a gap fund to build homes for those with low to moderate incomes.

Other ideas modeled from other programs in the country are to add a state companion to LIHTC that has more flexibility and to issue housing vouchers from the state. This would also give the state more options to combine vouchers and tax credits.

Increased public and private collaboration. Stakeholders saw housing policy and development as a collaborative process. A more efficient way to move forward, they suggested, is to combine the strengths of the public, private, and non-profit sectors in the state. The public sector can maintain education and community outreach, the private sector can join forces with non-profits who have more tax advantages. Once new buildings are established, non-profits

[1] Note that the New Hampshire Legislature created an affordable housing trust fund in 1988 and has made periodic appropriations to it; starting in 2020 the legislature adopted a law allocating $5 million annually to the trust fund from the real estate transfer tax revenues.

can also be called in to provide services for residents. Creating lasting partnerships with sectors across the state is essential to moving plans forward and increasing capacity of services.

Development of a fair housing center. Housing advocates emphasized the need for more oversight and accountability for housing providers in the state. Other states have fair housing centers that assist individuals with discrimination claims. While there is legal assistance in New Hampshire, there is not a centralized support system to address claims. The advocates also suggested that the fair housing center could engage in testing, where "testers" shop for homes and apartments to observe potential discrimination. Along with a fair housing center, many emphasized that banning income-based discrimination should be codified so vouchers can be used throughout the state.

Alternative models of housing centered around community and affordability. Some housing advocates suggested looking beyond traditional models of housing to fill much needed gaps in supply. Co-op housing is one alternative model brought up by an advocate. In this model, tenants jointly own the property and usually pay less rent in exchange for chores or other tasks. Another advocate suggested looking into home share organizations. Home sharing sets up people with more space than they need with those looking for a place to live. It could mean pairing an elderly individual with a nurse or teacher who cannot afford a home for themselves yet. Both the co-op and home share models require trust and community commitment that stands in stark contrast to the individualistic housing models currently used in New Hampshire. But, as advocates explained, there needs to be more options on the table to address current housing issues.

Other advocates also wanted to see a more robust manufactured home market with homes that are more energy efficient and under $100,000. They emphasized these are a vital resource for those with disabilities and low-income families. Another suggestion was to expand shared equity home ownership and down payment assistance programs to help low- and moderate-income families access homeownership. This would ensure stability for many in the community.

More efficient zoning practices. Stakeholders suggested basic steps to make zoning and land use practices more efficient. Municipalities could start an inventory of vacant and developable real estate to gain a better understanding of the land available and options going forward. There was a bill in the state legislature that aimed to do this, but according to a stakeholder, it received quite a bit of pushback. Despite legislative resistance, many said this was an easy first step at the local level.

With existing private land, a community development stakeholder suggested the expanded use of ADUs. This would require fewer zoning changes and would potentially open space in the market for first-time buyers if those looking to downsize shifted to ADUs. ADUs could also create more rental stock. Another suggestion by a stakeholder that could potentially address rezoning risk is to allow, by right, residential development in zoning districts that are currently

reserved for storage buildings and hotels. This would potentially free up more land for housing development.

Developers and planners expressed frustration at the time and cost of approval for multi-family projects and suggested a more streamlined process. One stakeholder recalled that a 14-unit project needed 14 community meetings and $250,000 in planning before it got approved. They also observed that those who opposed the project were the loudest in the room and would like to see those who support affordable housing more engaged in the process.

Another barrier to efficiency is the lack of local control when it comes to leveraging taxes. Any change in tax structure must go through the state, which can prove to be a long, politicized process. A municipality could not, for example, increase property taxes for second homes to generate more revenue for the city. Many stakeholders felt that they did not have enough financial control to implement housing goals because of this.

Density bonuses and tax incentives. Many stakeholders saw density bonuses as an underutilized tool to promote development of multi-family housing. Some places have instituted different forms of density bonuses to encourage a diverse housing stock. In Conway, for example, a stakeholder detailed plans to add bonuses for owner-occupied buildings if they were deed restricted and were a maximum of 1,400 square feet. They also instituted bonuses for affordable housing development.

Some advocates cautioned that even with these policies, development would face community resistance before they could break ground. People associate new buildings with property tax increases because of perception that new homes mean more children in public schools, but this theory has been discredited. To institute new “carrots” and “sticks” many stakeholders reiterated the importance of educating communities and local land use boards about the consequences of a lack of housing and dispelling myths about development and tax increases.

APPENDIX A.

GLOSSARY

APPENDIX A. GLOSSARY

Accessible dwellings are units that can be "approached, entered, and used by individuals with physical disabilities." This would include homes modified with ramps, grab bars in bathrooms, doorways and ramps that accommodate wheelchairs, height-appropriate countertops, as well as modifications for sight- and hearing-specific disabilities (24 C.F.R § 8.32).

Accessory Dwelling Unit (ADU) is an independent dwelling on the same lot as a single-family home. ADUs can be detached from or attached to the primary home. (NH RSA 674:71-73)

Affordable means "combined rental and utility costs or combined mortgage loan debt services, property taxes, and required insurance that does not exceed 30 percent of a household's gross annual income." (NH RSA 674:58)

AIAN is the abbreviation for American Indians and Alaska Natives. This racial and ethnic group is also called Native Americans.

American Community Survey (ACS) estimates are "period" estimates that represent resident survey data collected over a period of time, generally 1 or 5 years. For example, 2020 ACS 5-year estimates represent data collected over the entire 2016-2020 5-year period. 2020 ACS 1-year estimates represent data collected during the 2020 year.

Area Median Income (AMI) or Median Family Income (MFI) is the median income for households and varies depending on household size and geographic area. This statistical measure—literally the income of the household in the exact middle of all households when distributed from lowest to highest—is a better measure than the average, which can be skewed by very low or very high incomes. The U.S. Department of Housing and Urban Development (HUD) establishes the AMI each year.

Assisted housing refers to housing that has some kind of public subsidy or financing that enables it to serve lower-income people. "Publicly assisted housing" is interchangeable with "publicly supported housing." Generally, the ability to rent units in publicly assisted housing will be restricted to households below a certain income.

Cooperative (co-op) Housing is housing where residents own shares and occupy a specific unit. The terms of co-op housing differ depending on the financial structure of the co-op.

Cost burden occurs when a household or individual spends more than 30% of their income on housing. **Severe cost burden** occurs when a household or individual spends more than 50% of their income on housing.

APPENDIX A. GLOSSARY

Density bonus is a regulation that allows more units (height, number of units, etc.) than is permitted by base zoning or "by right" in exchange for certain public benefits, including affordable housing.

Disability (1) means, with respect to an individual:

- A physical or mental impairment that substantially limits one or more major life activities of such individual;
- A record of such an impairment; or
- Being regarded as having such an impairment.

(2) The term "disability" as used herein shall be interpreted consistent with the definition of such term under section 504 of the Rehabilitation Act of 1973, as amended by the ADA Amendments Act of 2008. This definition does not change the definition of "disability" or "disabled person" adopted pursuant to a HUD program statute for purposes of determining an individual's eligibility to participate in a housing program that serves a specified population. (24 C.F.R. § 5.152)

Discouraged workers are a subset of persons marginally attached to the labor force. The marginally attached are those persons not in the labor force who want and are available for work, and who have looked for a job sometime in the prior 12 months, but were not counted as unemployed because they had not searched for work in the 4 weeks preceding the survey. Among the marginally attached, discouraged workers were not currently looking for work specifically because they believed no jobs were available for them or there were none for which they would qualify.

Entry-level homes are units affordable to renters, typically for first time homeownership.

Hispanic refers to a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin regardless of race. In its surveys, the U.S. Census reports Hispanic or non-Hispanic ethnicity separate from race. The term Hispanic does not include some other groups (e.g. Brazilian).

Homelessness includes those without a fixed place to sleep at night, those who lose housing and have no stable housing options, families facing consistent instability, those fleeing domestic violence with no permanent housing, and those who sleep in unsheltered places that threaten their own health and safety, such as streets, parks, forests, cars, or abandoned buildings. The technical definition of homelessness cam vary by federal programs.

Home Mortgage Disclosure Act (HMDA) is a reporting system for mortgage lending. HMDA covers banks, credit unions, and savings associations that exceed designated asset thresholds, have home branches in a Metropolitan Statistical Area (MSA), are federally insured or regulated, and have issued at least 100 closed-end mortgages in two years and 2,000 open-end lines of

credit in two years. It also covers some for-profit mortgage-lending institutions that have a home branch in an MSA, have initiated at least five home purchase, improvement, or refinance loans and have issued at least 100 closed-end mortgages in two years and 2,000 open-end lines of credit in two years.

Households are the people occupying a housing unit and can include related family members and unrelated people.

Housing Choice Vouchers (HCV) are rental assistance subsidies. HCVs typically refer to the program funded by the federal government and also known as Section 8. State and local voucher programs also exist. HCVs are administered by public housing agencies. Their use is not limited to subsidized housing; HCV holders may use vouchers anywhere a landlord accepts housing vouchers.

Investment properties are those in which a person buys a property, does not occupy it, and makes income by renting the property.

Multifamily housing, for the purposes of the NH Workforce Housing Law, is a "building or structure containing five or more dwelling units, each designed for occupancy by an individual household." (NH RSA 674:58). In some circumstances it may also include buildings with three or more dwelling units (RSA 674:43, I).

Nonfamily household consists of a householder living alone (a one-person household) or where the householder shares the home exclusively with people to whom he/she is not related.

Ownership gaps evaluate the likelihood that renters at varying income levels can become homeowners while contributing 30% or less of their income to housing payments. The gaps show the proportion of affordable homes to renters by income bracket.

Protected characteristics refer to the protections in the Fair Housing Act and include race, color, religion, sex (and LGTBQ+ status), familial status (including pregnancy), national origin, and having a disability. (24 C.F.R. § 5.152). New Hampshire law identifies the following protected characteristics: age, sex, gender identity, race, color, marital status, physical or mental disability, religious creed, or national origin (RSA 354-A).

Protected class means a group of persons who have the same protected characteristic; e.g., a group of persons who are of the same race are a protected class (24 C.F.R. § 5.152; NH RSA 354-A).

Public housing is maintained by a government entity to provide affordable housing for low-income residents.

Regional Planning Commissions (RPCs) assist localities with planning and community development. There are nine RPCs in New Hampshire: Central New Hampshire Regional Planning Commission (CNHRPC); Lakes Region Planning Commission (LRPC); Nashua Regional

Planning Commission (NRPC); North Country Council (NCC); Rockingham Planning Commission (RPC); Southern New Hampshire Planning Commission (SNHPC); Southwest Region Planning Commission (SWRPC); Strafford Regional Planning Commission (SRPC); and Upper Valley Lake Sunapee Regional Planning Commission (UVLSRPC). (NH RSA 36:45 et seq.)

Second residence. A property is a second residence if the property is or will be occupied by the applicant or borrower for a portion of the year and is not the applicant's or borrower's principal residence. For example, if a person purchases a property, occupies the property for a portion of the year, and rents the property for the remainder of the year, the property is a second residence. Similarly, if a person occupies a property near his or her place of employment on weekdays, but the person returns to his or her principal residence on weekends, the property near the person's place of employment is a second residence.

Section 202 / Project Rental Assistance Contract (PRAC) provides supportive housing for low-income people over age 62. HUD provides rental subsidies to help low-income seniors access affordable housing.

Section 811 Supportive Housing for Persons with Disabilities is a program funded by HUD for low-income individuals with disabilities.

Segregation means a condition in which there is a high concentration of persons of a particular race, color, religion, sex, familial status, national origin, or having a disability or a type of disability in a particular geographic area when compared to a broader geographic area.

Short term rentals (STRs) are typically defined as a unit rented for occupancy of less than 30 days. For purposes of taxation, New Hampshire RSA 48-A defines them as "any individually or collectively owned single-family house or dwelling unit or any unit or group of units in a condominium, cooperative, or timeshare, or owner-occupied residential home, that is offered for a fee and for less than 30 consecutive days." There is not a NH statutory definition that specifically applies to STRs in the context of land use regulations.

Single family homes are units in which a family unit lives. They include detached (do not share a wall) and attached, where the home may share a wall that extends from ground to roof with no common heating system or interstructural public utilities."

Source of Income (SOI) Protection is a fair housing protection adopted by some states and units of local governments. SOI protections typically prevent landlords from denying rental housing based on the legal source of income that would be used to pay the rent (child support, federal disability benefits, federal tenant based rental assistance).

Vacant units include those which have been rented or sold but new renters or owners have not moved in, units that are for rent or for sale, for seasonal/ recreational use, and for migrant workers that are not currently occupying the unit.

APPENDIX A. GLOSSARY

Workforce Housing as defined by New Hampshire statute is housing for sale to households with income "no more than 100 percent of the median income for a 4-person household for the metropolitan area or county in which the housing is located as published annually by the United States Department of Housing and Urban Development. It also means rental housing which is affordable to a household with an income of no more than 60 percent of the median income for a 3-person household for the metropolitan area or county in which the housing is located… Housing developments that exclude minor children from more than 20 percent of the units, or in which more than 50 percent of the dwelling units have fewer than two bedrooms, shall not constitute workforce housing." (RSA 674:59)

DISSIMILARITY INDEX REFERENCE GUIDE

What is the Dissimilarity Index?

A very common measure of segregation used in fair housing studies is the dissimilarity index (DI). The DI measures the degree to which two distinct groups are evenly distributed across a geographic area, usually a county. The DI uses a mathematical formula that compares the percentage of Non-Hispanic, White residents living in a Census tract to the percentage of minority residents living in that same Census tract to the overall city proportion of each.
What do the DI numbers mean?

DI values range from 0 to 1—where 0 is perfect integration and 1 (or 100, if decimals are not used) is complete segregation. The DI represents a "score" where values between 0 and .39 indicate low segregation, values between .40 and .54 indicate moderate segregation, and values between .55 and 1 indicate high levels of segregation.

Can the DI apply to neighborhoods?

The DI is not usually calculated at the neighborhood level; it is meant to be aggregated at the city or county level. At the neighborhood level the DI would examine racial and ethnic dispersion among city blocks, and a low-segregation score would mean even distribution of households along blocks, which is unusual in the United States.

Are there problems with the DI?

It is important to note that the DI generally uses White, non-Hispanic residents as the primary comparison group. That is, all DI values compare racial and ethnic groups against the distribution of white, non-Hispanic residents. This is a logical approach for the Regional AI because White, non-Hispanic residents are the largest racial and ethnic group in the region.

Another limitation of the DI is that it can conceal practices that lead to racial and ethnic exclusion. Counties without much diversity typically have very low dissimilarity indices, while counties with the most diversity will show high levels of dissimilarity.

MEASURING RACE AND ETHNICITY

The U.S. Census and American Community Survey considers race and Hispanic origin to be separate identities. A person in every race category can identify as Hispanic or Not Hispanic. This is because race and ethnicity are not the same thing. Currently, the U.S. census identifies Hispanic or Latino as someone from Cuba, Mexico, Puerto Rico, South or Central America, or other Spanish culture or Spanish speaking background regardless of their race. There are Hispanic people that identify as Black, white, other races, two or more races, etc. For this reason, across our graphs, it can be assumed that Hispanic includes any race, even if it is not indicated. The terms Hispanic and Latino do not include all non-English speaking cultures from the Americas, such as people from Brazil, Haiti, and Surname.

JOBS TO HOUSING RATIO REFERENCE GUIDE

The jobs / housing units ratio measures how well employment opportunities and housing units in an area track with one another. A ratio higher than one indicates that people have to commute in for employment because there are not enough housing units relative to the number of jobs in a community. A ratio lower than one suggests there are too few jobs for the number of residents in an area and many may also have to commute to find employment elsewhere. Of course, it is impossible to have perfect balance between the two, so generally a ratio between 0.75 and 1.5 reflects minimal in and out commuting. In general, the higher the ratio the more in-commuters there will be and the lower the ratio, the more out-commuters there will be.

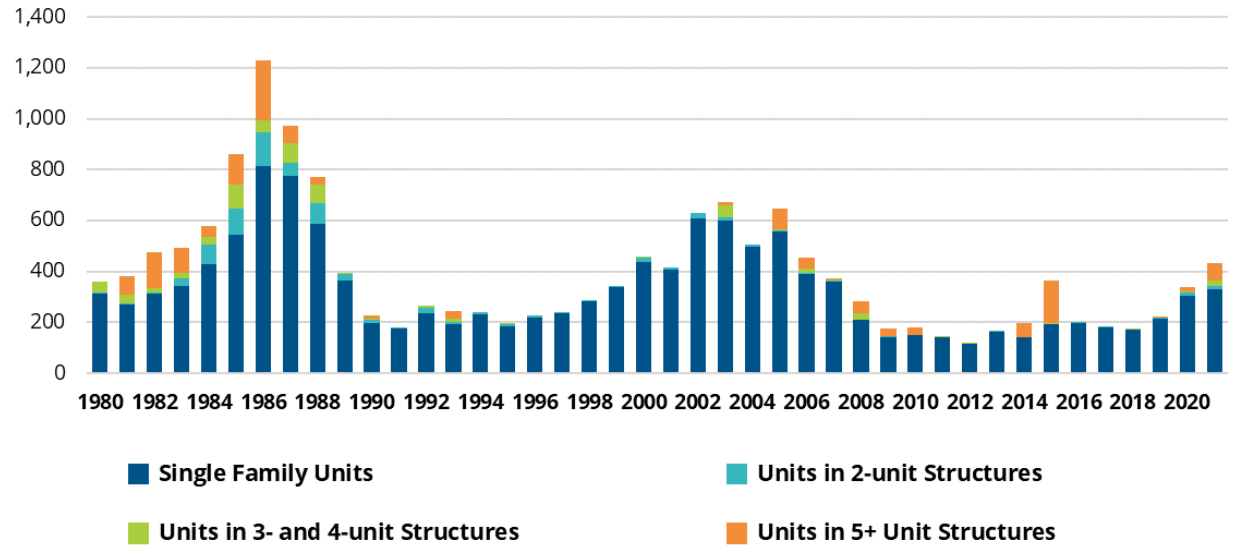
APPENDIX B.

ADDITIONAL DATA TABLES

APPENDIX B.
ADDITIONAL DATA TABLES

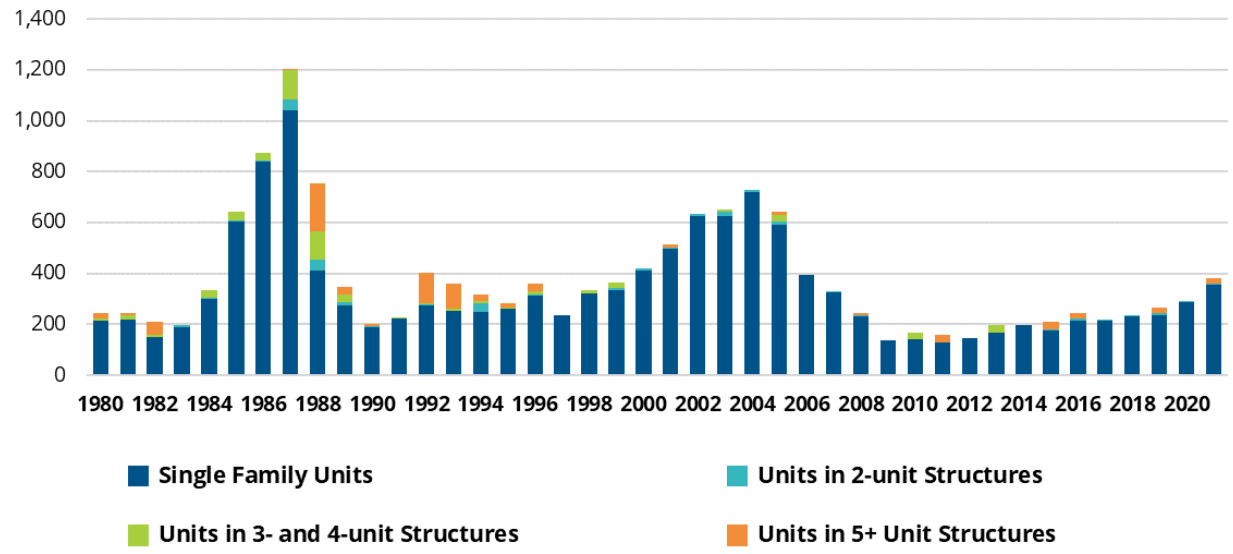
BUILDING PERMITS

Figure B-1.
Belknap County Building Permits, 1980-2021



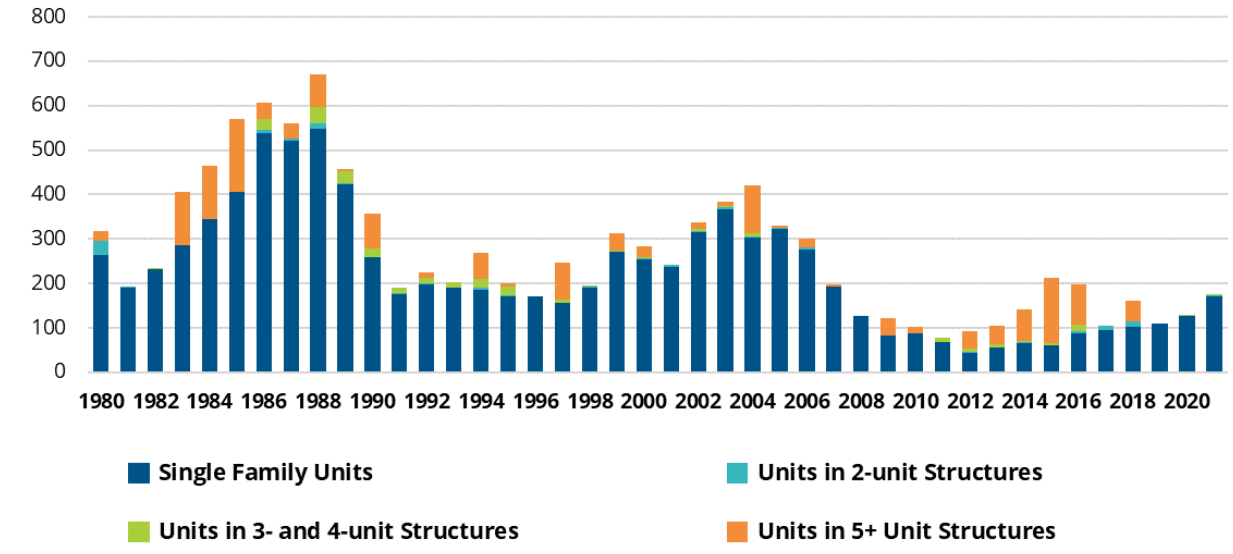
Source: U.S. Census Building Permit Survey, and Root Policy Research.

Figure B-2.
Carroll County Building Permits, 1980-2021



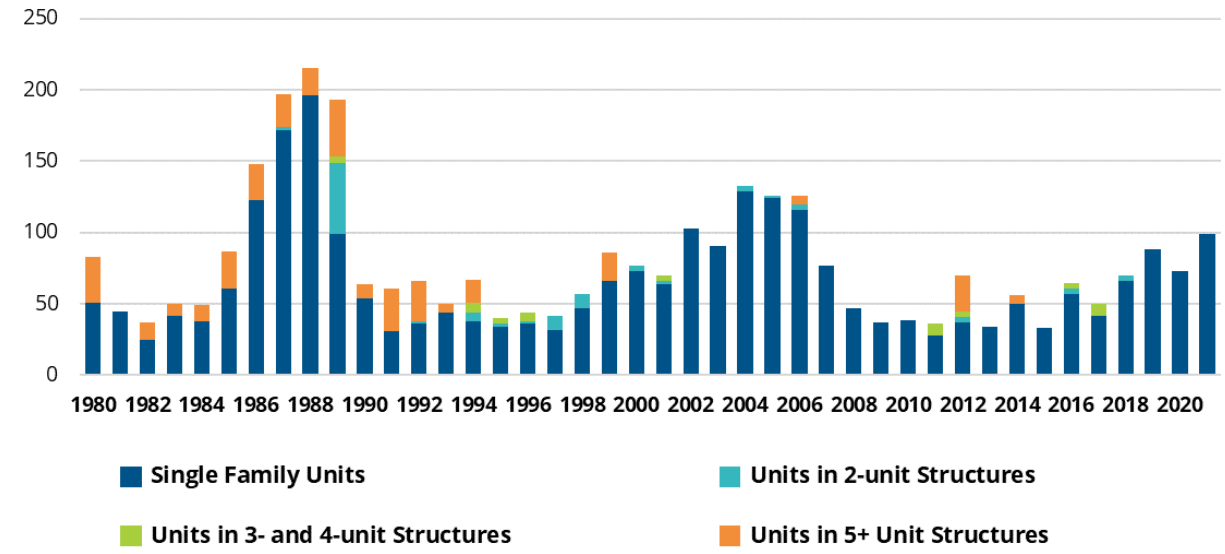
Source: U.S. Census Building Permit Survey, and Root Policy Research.

Figure B-3.
Cheshire County Building Permits, 1980-2021



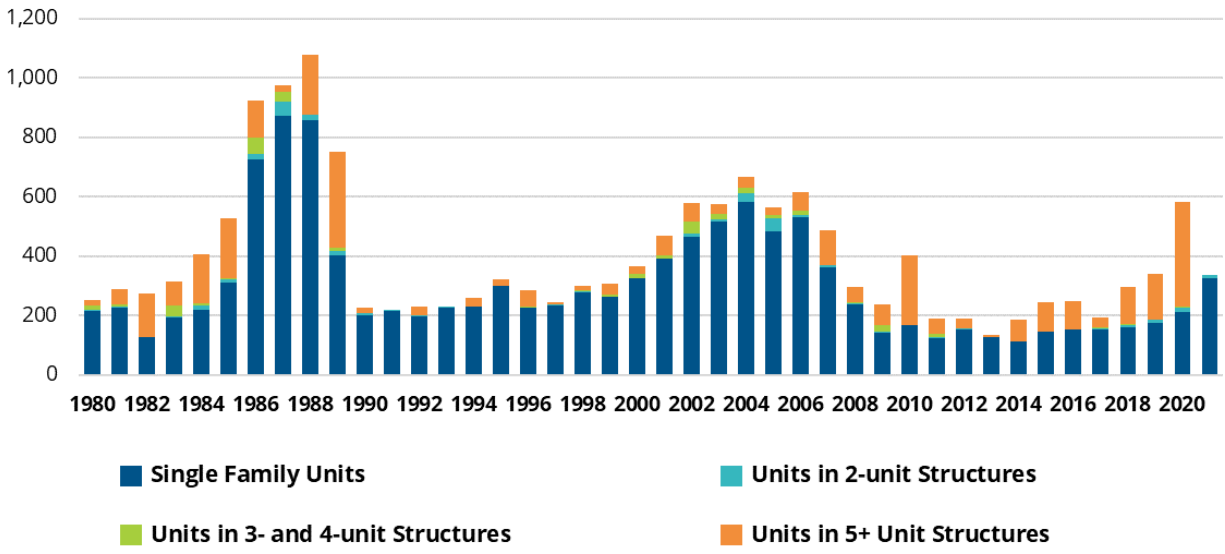
Source: U.S. Census Building Permit Survey, and Root Policy Research.

Figure B-4.
Coos County Building Permits, 1980-2021



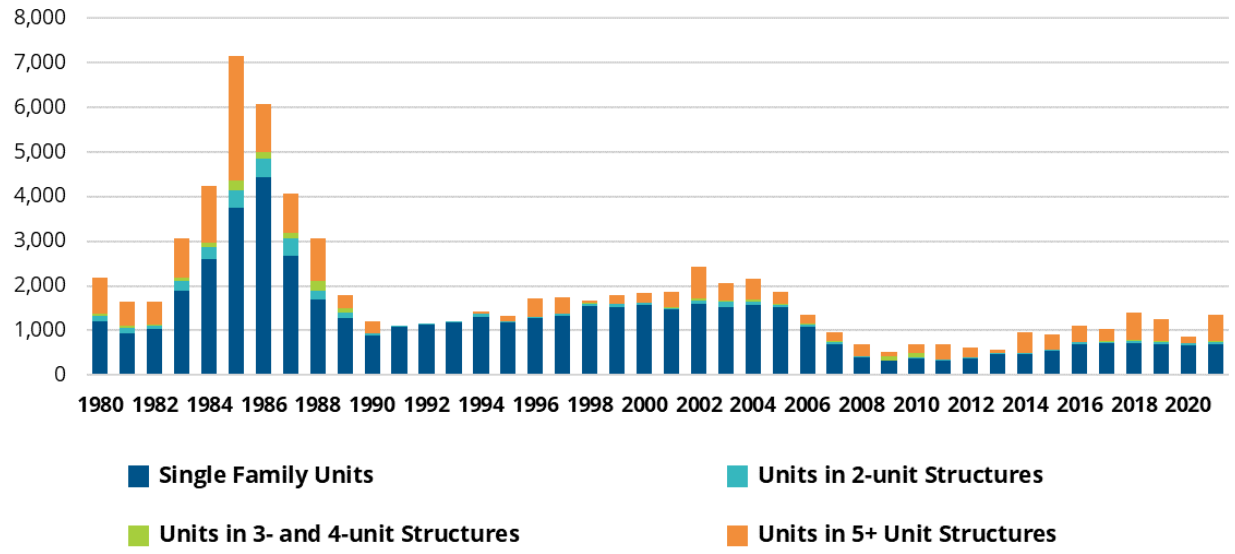
Source: U.S. Census Building Permit Survey, and Root Policy Research.

Figure B-5.
Grafton County Building Permits, 1980-2021



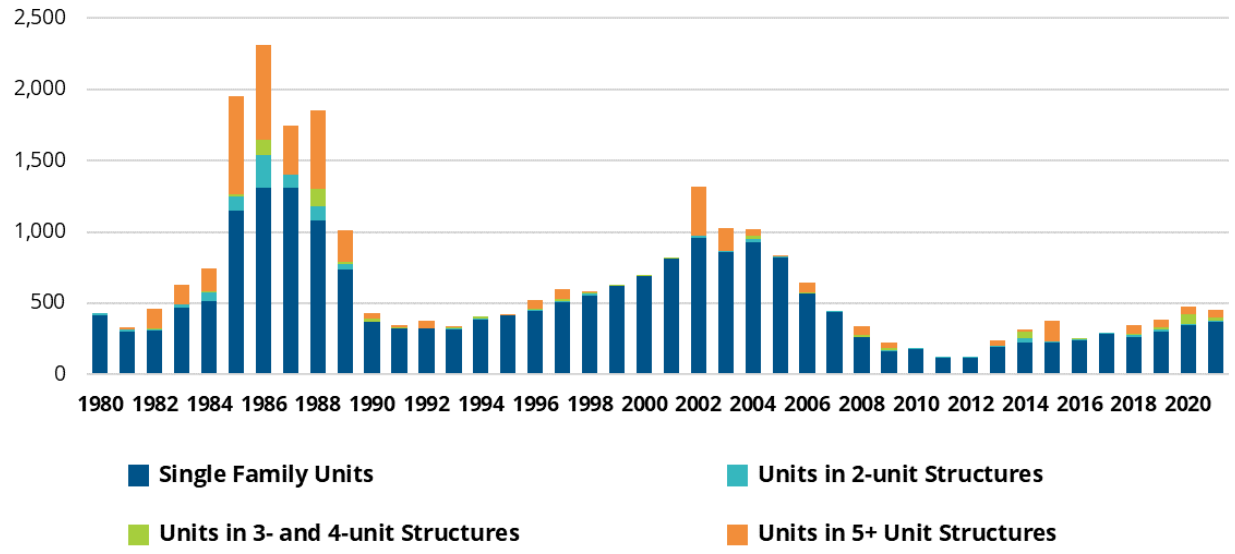
Source: U.S. Census Building Permit Survey, and Root Policy Research.

Figure B-6.
Hillsborough County Building Permits, 1980-2021



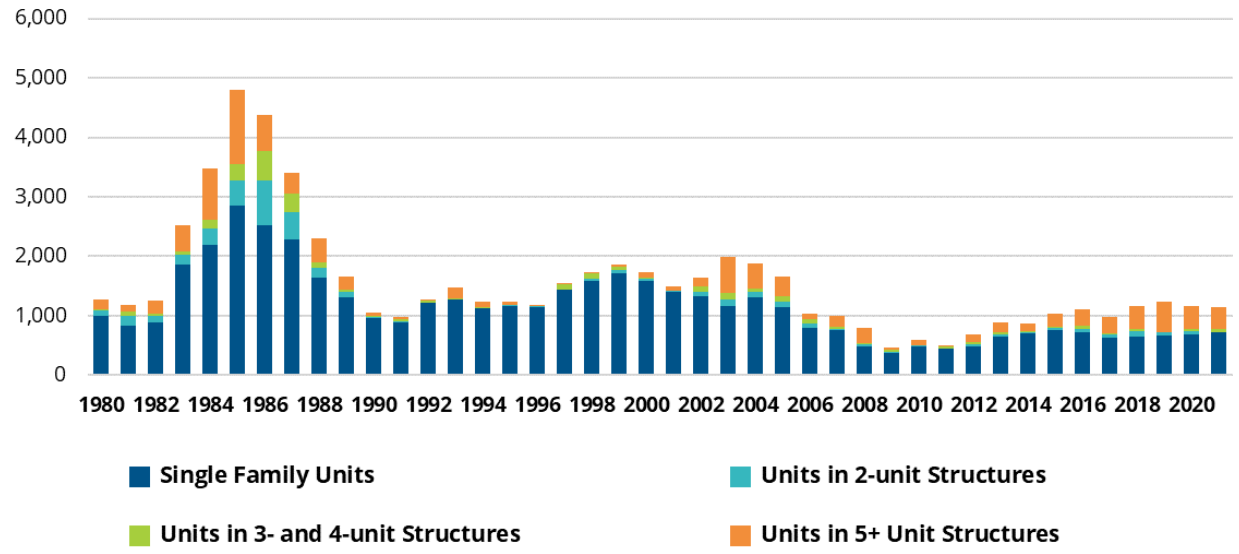
Source: U.S. Census Building Permit Survey, and Root Policy Research.

Figure B-7.
Merrimack County Building Permits, 1980-2021



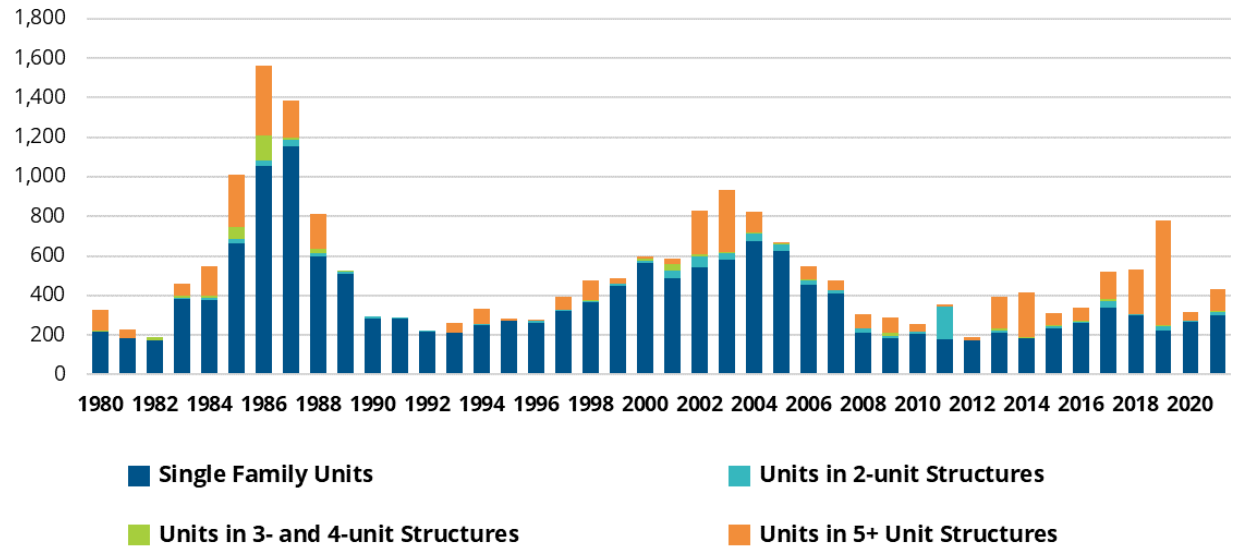
Source: U.S. Census Building Permit Survey, and Root Policy Research.

Figure B-8.
Rockingham County Building Permits, 1980-2021



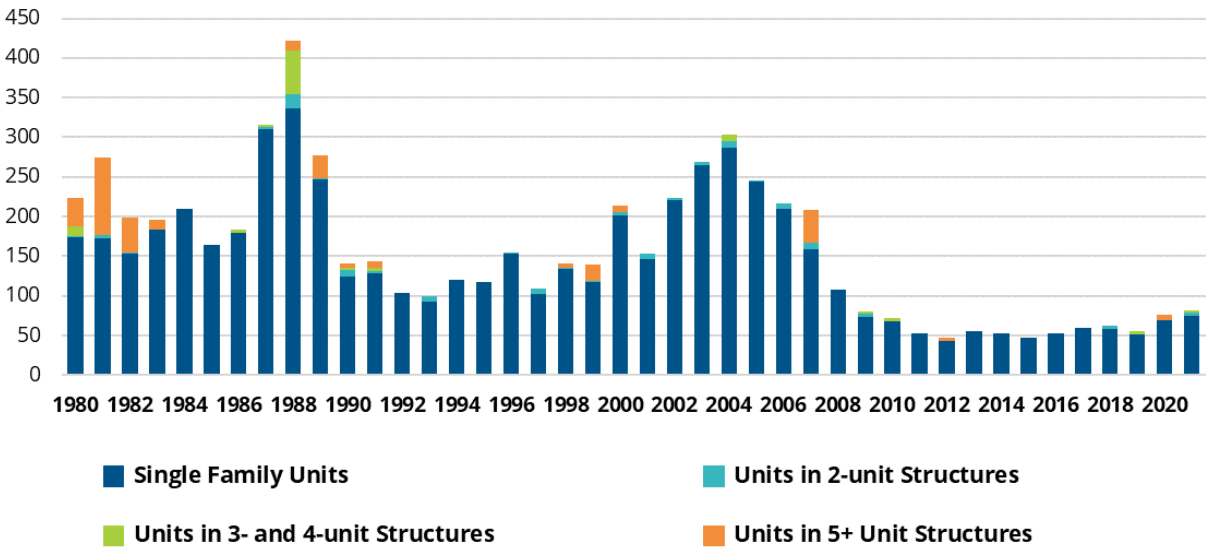
Source: U.S. Census Building Permit Survey, and Root Policy Research.

Figure B-9.
Strafford County Building Permits, 1980-2021



Source: U.S. Census Building Permit Survey, and Root Policy Research.

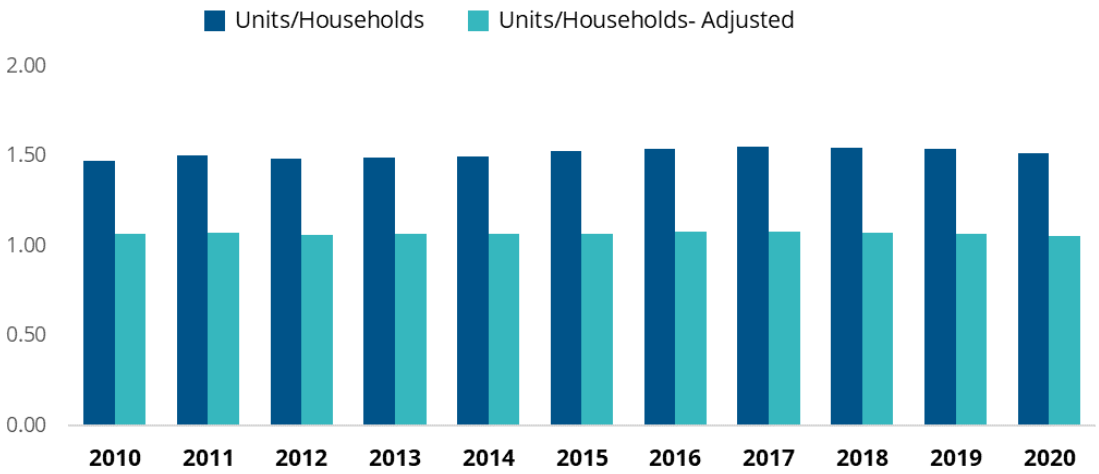
Figure B-10.
Sullivan County Building Permits, 1980-2021



Source: U.S. Census Building Permit Survey, and Root Policy Research.

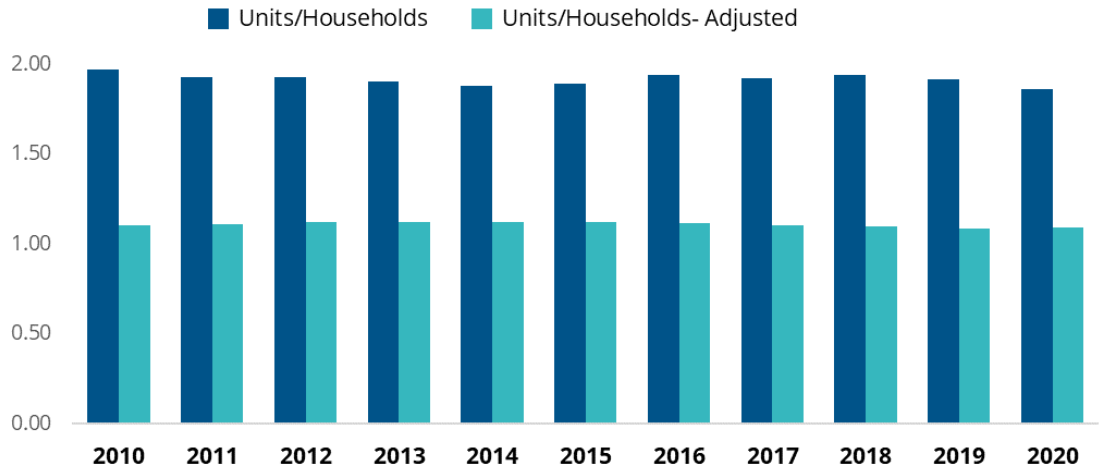
RATIO OF HOUSING UNITS TO HOUSEHOLDS

Figure B-11.
Belknap Ratio of Housing Units to Households, Adjusted for Seasonal Vacancies, 2010-2020



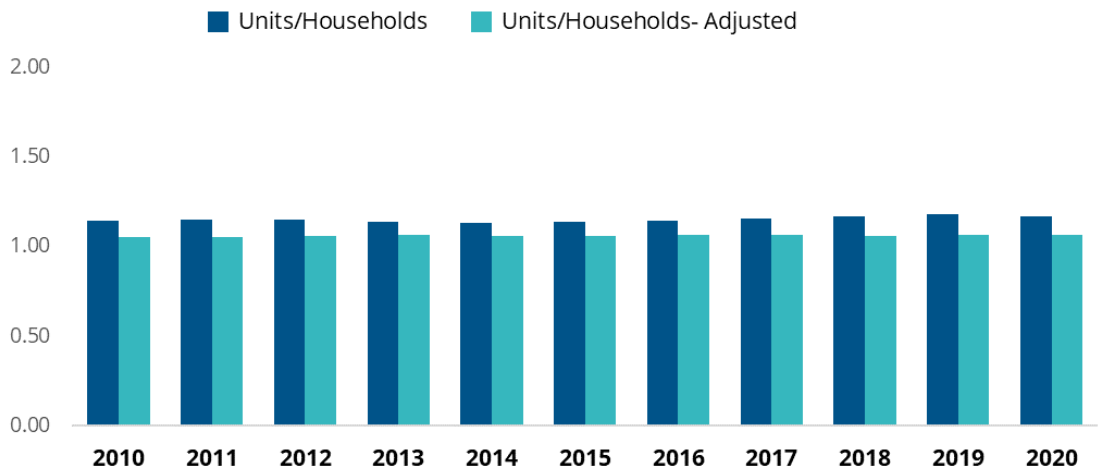
Source: ACS 5-year estimates, and Root Policy Research.

Figure B-12.
Carroll Ratio of Housing Units to Households, Adjusted for Seasonal Vacancies, 2010-2020



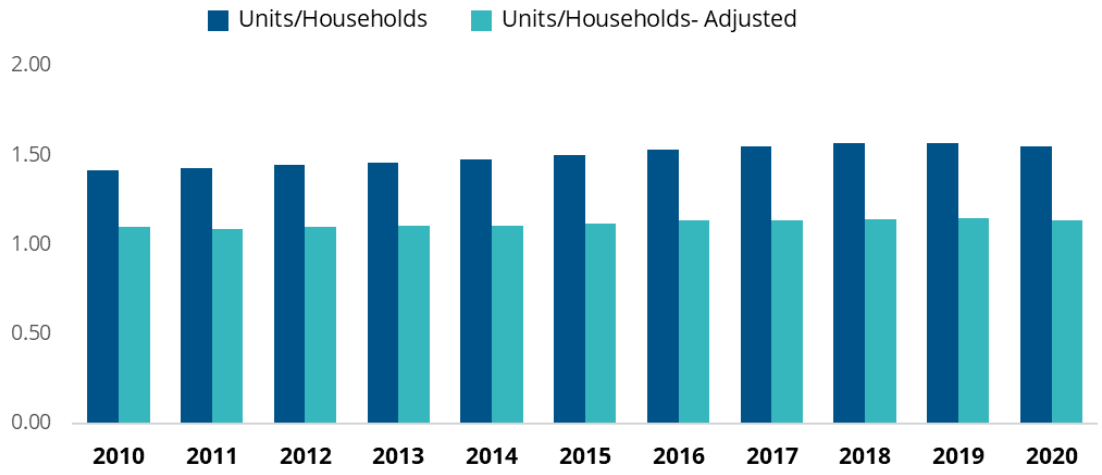
Source: ACS 5-year estimates, and Root Policy Research.

Figure B-13.
Cheshire Ratio of Housing Units to Households, Adjusted for Seasonal Vacancies, 2010-2020



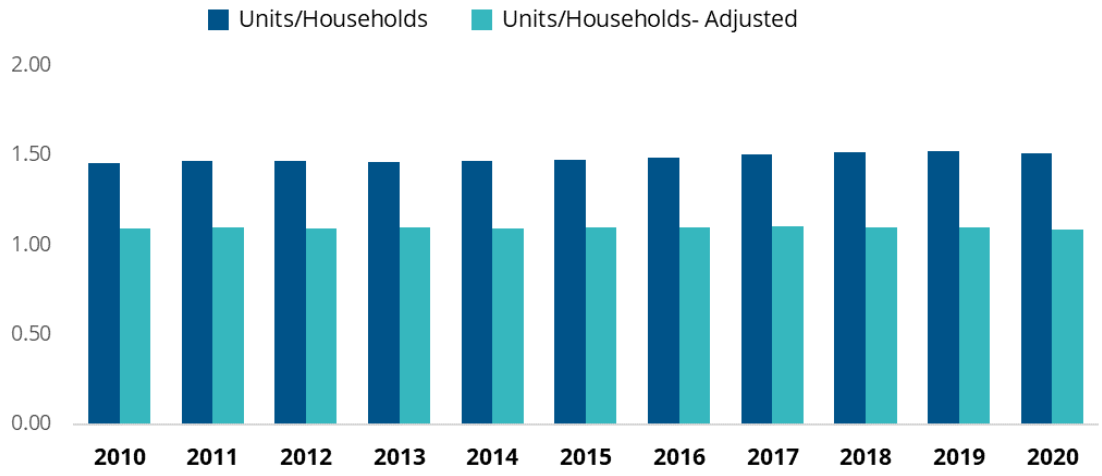
Source: ACS 5-year estimates, and Root Policy Research.

Figure B-14.
Coos Ratio of Housing Units to Households, Adjusted for Seasonal Vacancies, 2010-2020



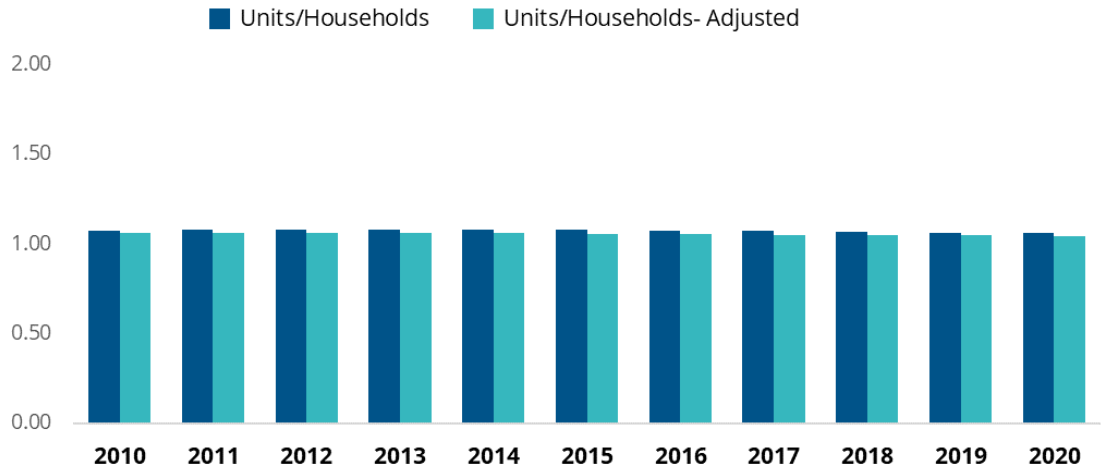
Source: ACS 5-year estimates, and Root Policy Research.

Figure B-15.
Grafton Ratio of Housing Units to Households, Adjusted for Seasonal Vacancies, 2010-2020



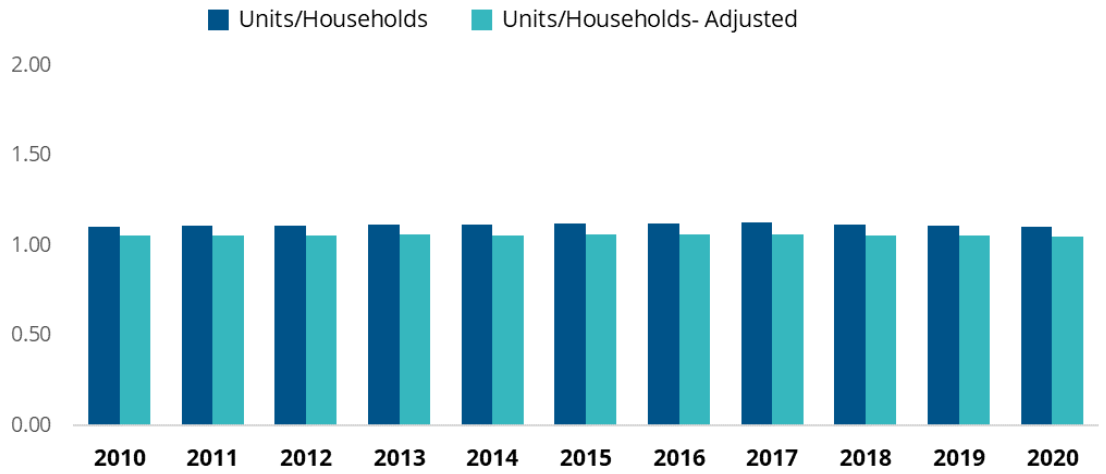
Source: ACS 5-year estimates, and Root Policy Research.

Figure B-16.
Hillsborough Ratio of Housing Units to Households, Adjusted for Seasonal Vacancies, 2010-2020



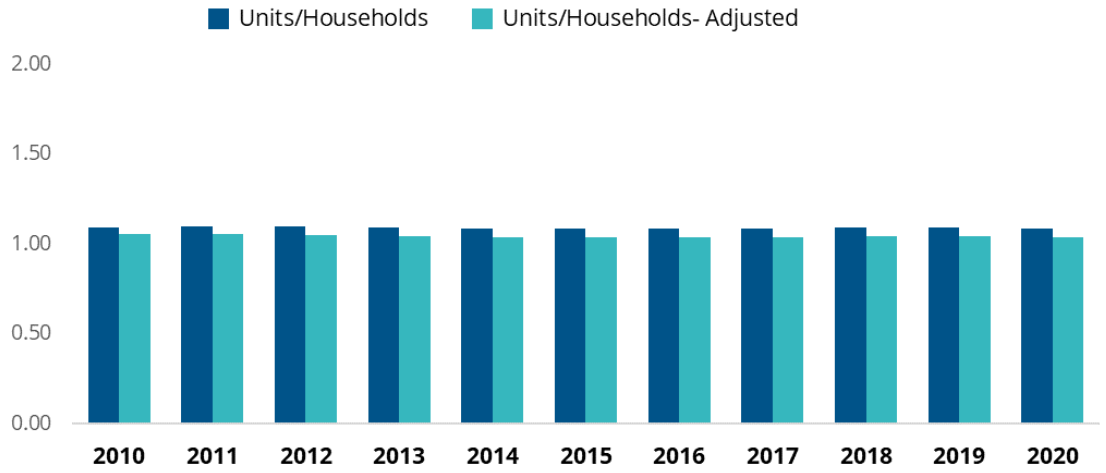
Source: ACS 5-year estimates, and Root Policy Research.

Figure B-17.
Merrimack Ratio of Housing Units to Households, Adjusted for Seasonal Vacancies, 2010-2020



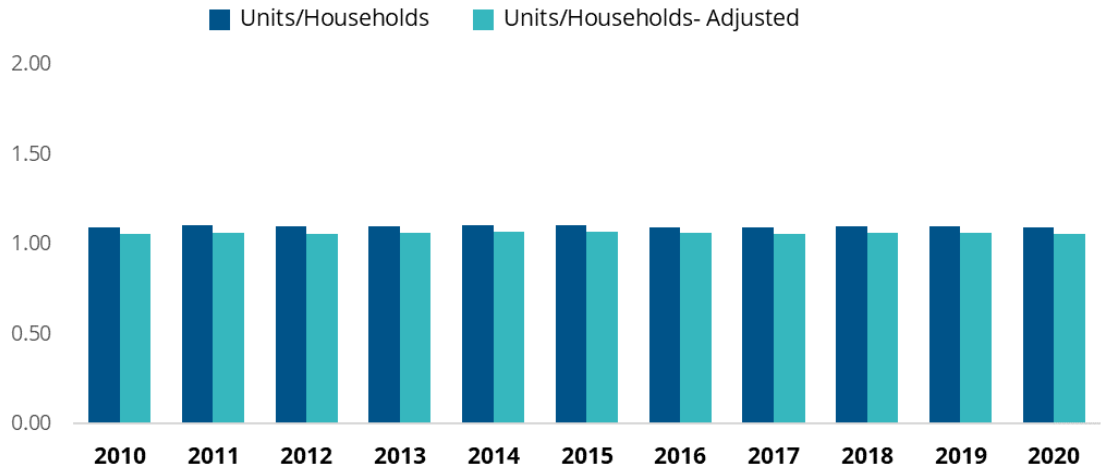
Source: ACS 5-year estimates, and Root Policy Research.

Figure B-18.
Rockingham Ratio of Housing Units to Households, Adjusted for Seasonal Vacancies, 2010-2020



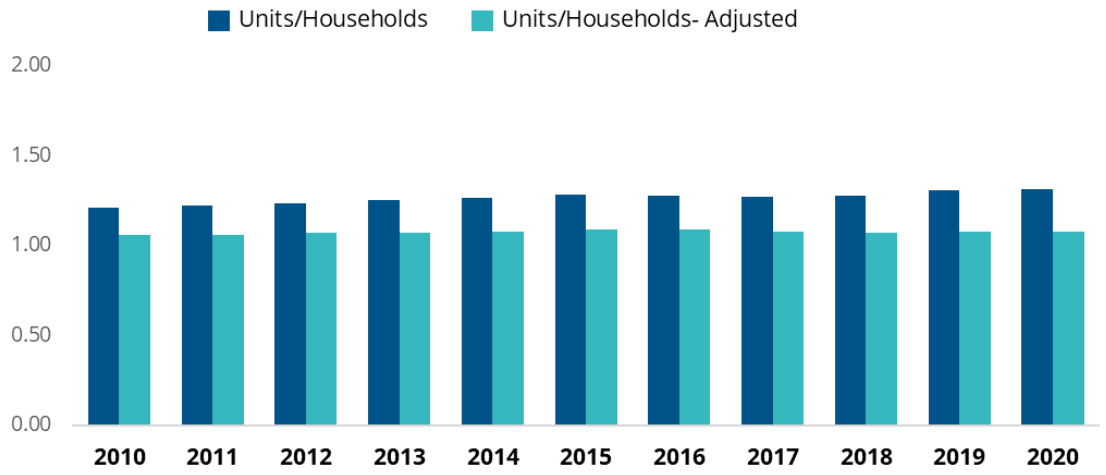
Source: ACS 5-year estimates, and Root Policy Research.

Figure B-19.
Strafford Ratio of Housing Units to Households, Adjusted for Seasonal Vacancies, 2010-2020



Source: ACS 5-year estimates, and Root Policy Research.

Figure B-20.
Sullivan Ratio of Housing Units to Households, Adjusted for Seasonal Vacancies, 2010-2020



Source: ACS 5-year estimates, and Root Policy Research.

PRICE DISTRIBUTION OF SOLD HOMES

Figure B-21.
Belknap Price Distribution of Sold Homes, 2019 v. 2022

Note:
2022 includes sales from January through September.

Source:
MLS data provided by New Hampshire Housing, and Root Policy Research.

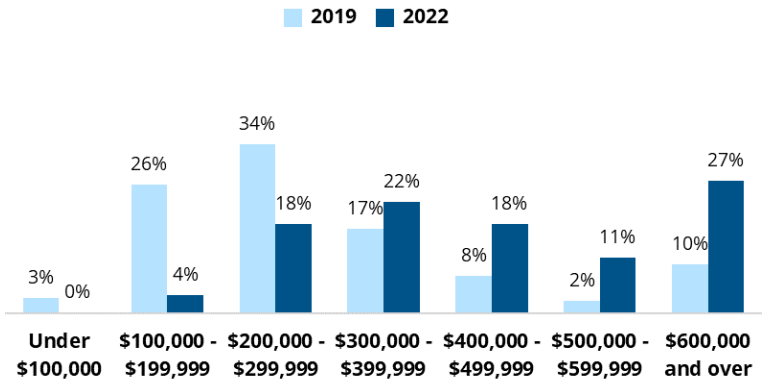


Figure B-22.
Carroll Price Distribution of Sold Homes, 2019-2022

Note:
2022 includes sales from January through September.

Source:
MLS data provided by New Hampshire Housing, and Root Policy Research.

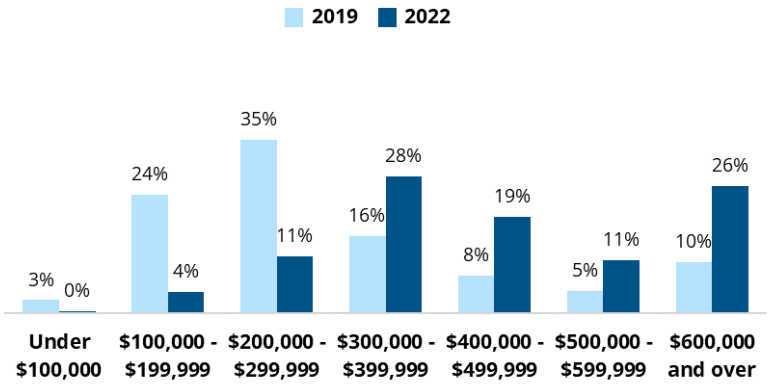


Figure B-23. Cheshire Price Distribution of Sold Homes, 2019 v. 2022

Note:

2022 includes sales from January through September.

Source:

MLS data provided by New Hampshire Housing, and Root Policy Research.

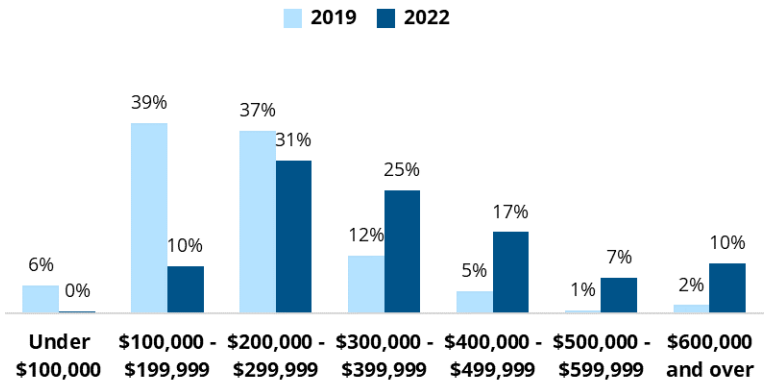


Figure B-24. Coos Price Distribution of Sold Homes, 2019 v. 2022

Note:

2022 includes sales from January through September.

Source:

MLS data provided by New Hampshire Housing, and Root Policy Research.

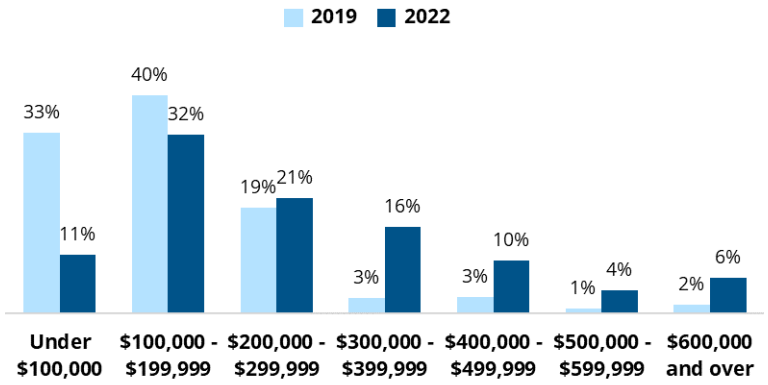


Figure B-25. Grafton Price Distribution of Sold Homes, 2019 v. 2022

Note:

2022 includes sales from January through September.

Source:

MLS data provided by New Hampshire Housing, and Root Policy Research.

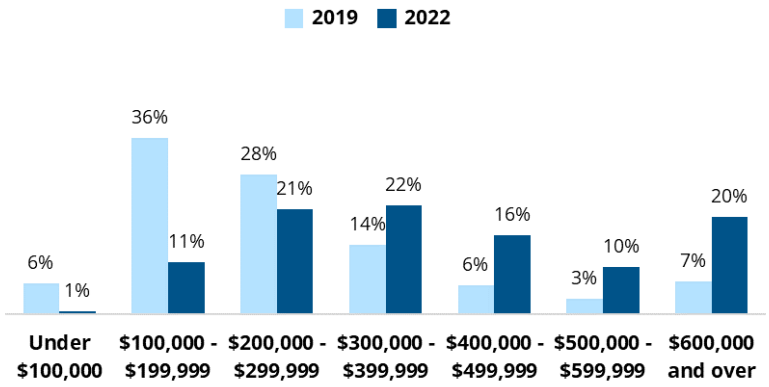


Figure B-26. Hillsborough Price Distribution of Sold Homes, 2019 v. 2022

Note:

2022 includes sales from January through September.

Source:

MLS data provided by New Hampshire Housing, and Root Policy Research.

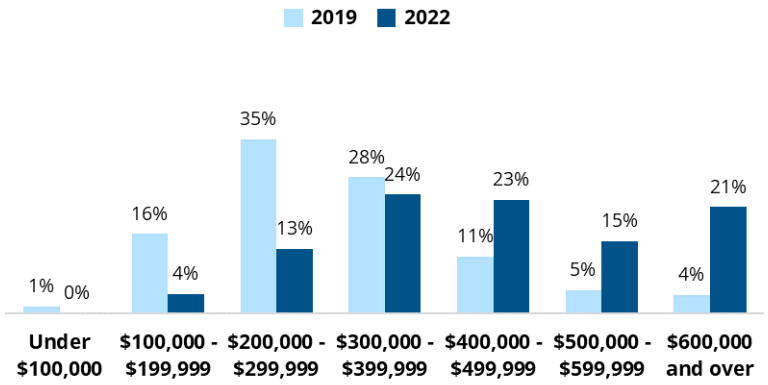


Figure B-27. Merrimack Price Distribution of Sold Homes, 2019 v. 2022

Note:

2022 includes sales from January through September.

Source:

MLS data provided by New Hampshire Housing, and Root Policy Research.

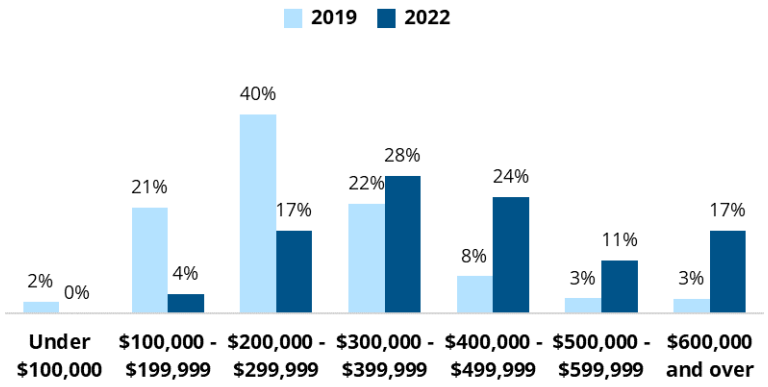


Figure B-28. Rockingham Price Distribution of Sold Homes, 2019 v. 2022

Note:

2022 includes sales from January through September.

Source:

MLS data provided by New Hampshire Housing, and Root Policy Research.

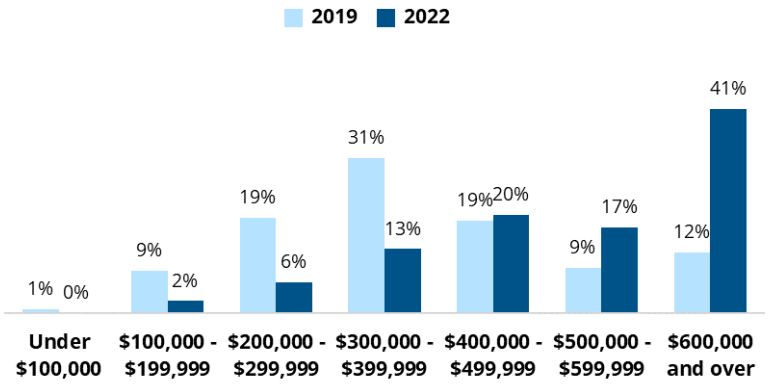


Figure B-29. Strafford Price Distribution of Sold Homes, 2019 v. 2022

Note:

2022 includes sales from January through September.

Source:

MLS data provided by New Hampshire Housing, and Root Policy Research.

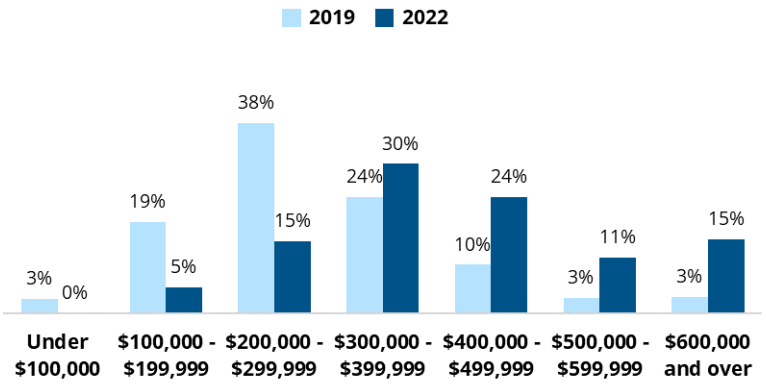


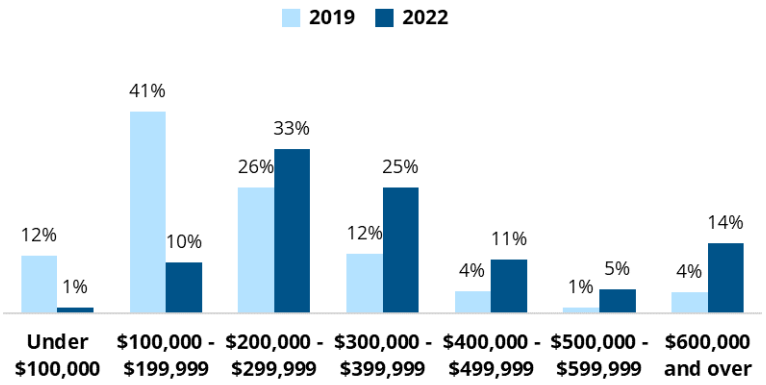
Figure B-30. Sullivan Price Distribution of Sold Homes, 2019 v. 2022

Note:

2022 includes sales from January through September.

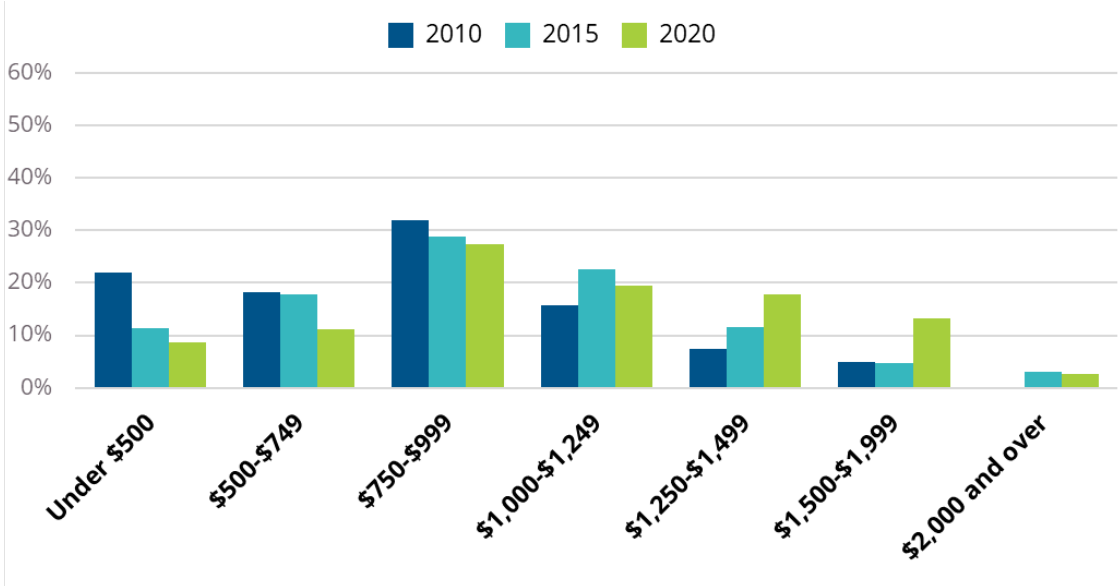
Source:

MLS data provided by New Hampshire Housing, and Root Policy Research.



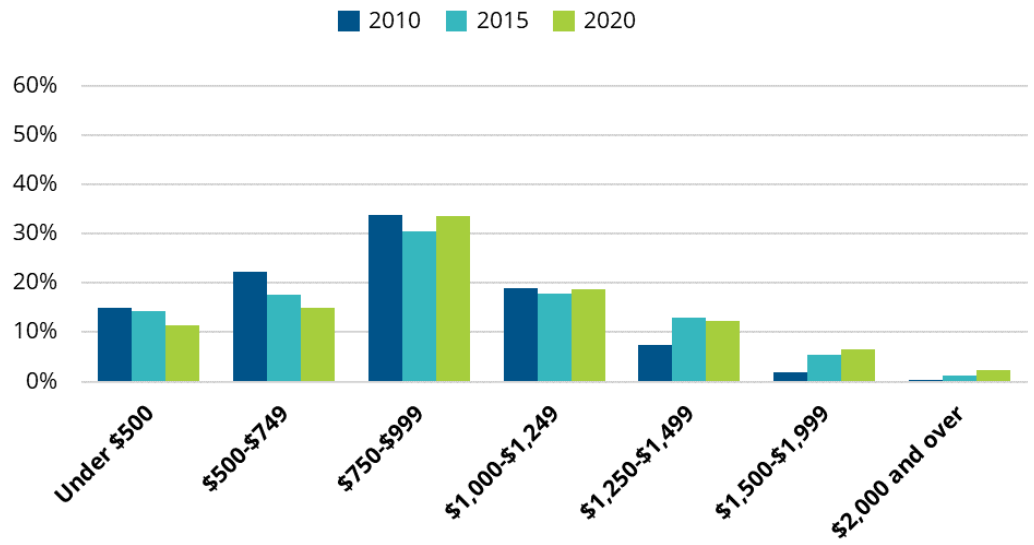
GROSS RENT DISTRIBUTION

Figure B-31. Belknap Gross Rent Distribution, 2010, 2015, and 2020



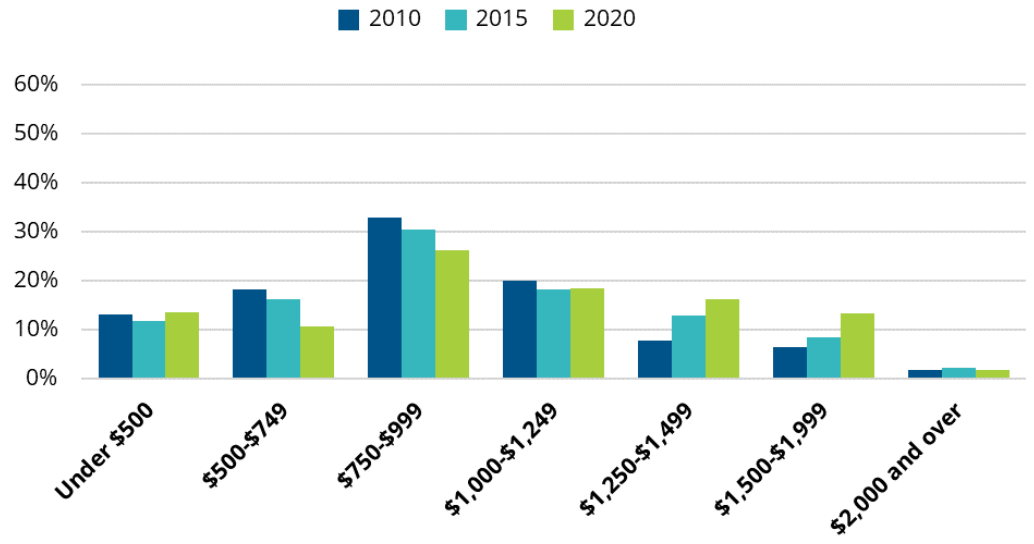
Source: ACS 5-year estimates, and Root Policy Research.

Figure B-32.
Carroll Gross Rent Distribution, 2010, 2015, and 2020



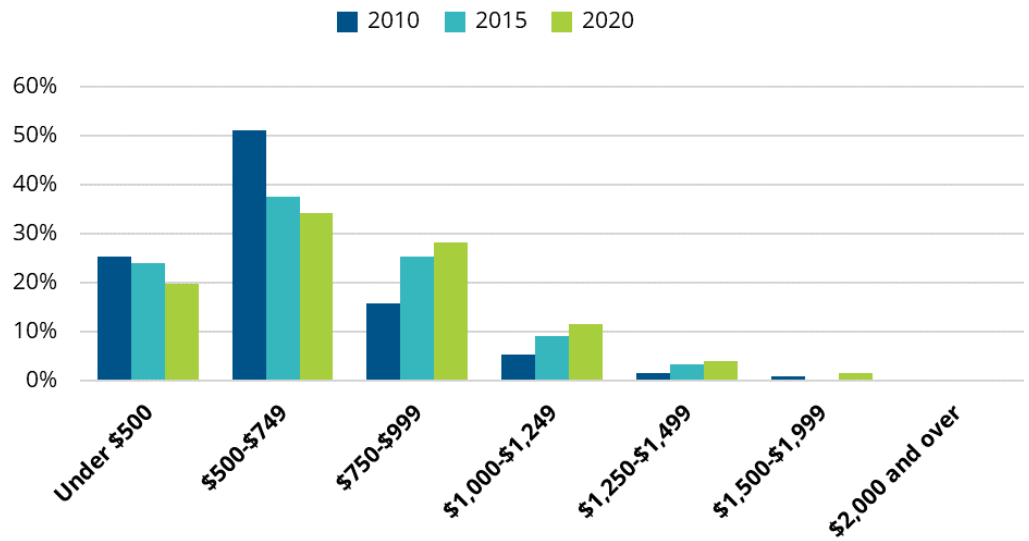
Source: ACS 5-year estimates, and Root Policy Research.

Figure B-33.
Cheshire Gross Rent Distribution, 2010, 2015, and 2020



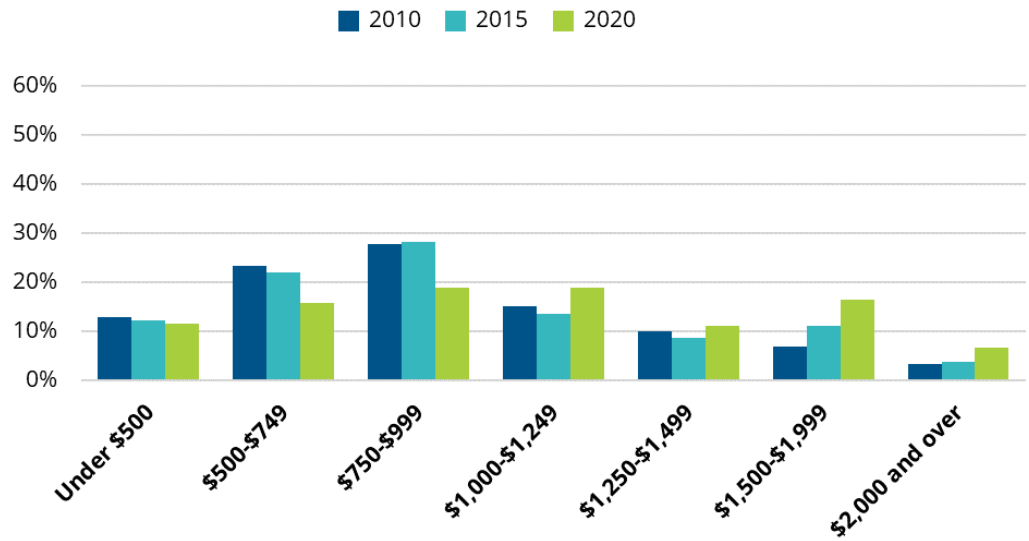
Source: ACS 5-year estimates, and Root Policy Research.

Figure B-34.
Coos Gross Rent Distribution, 2010, 2015, and 2020



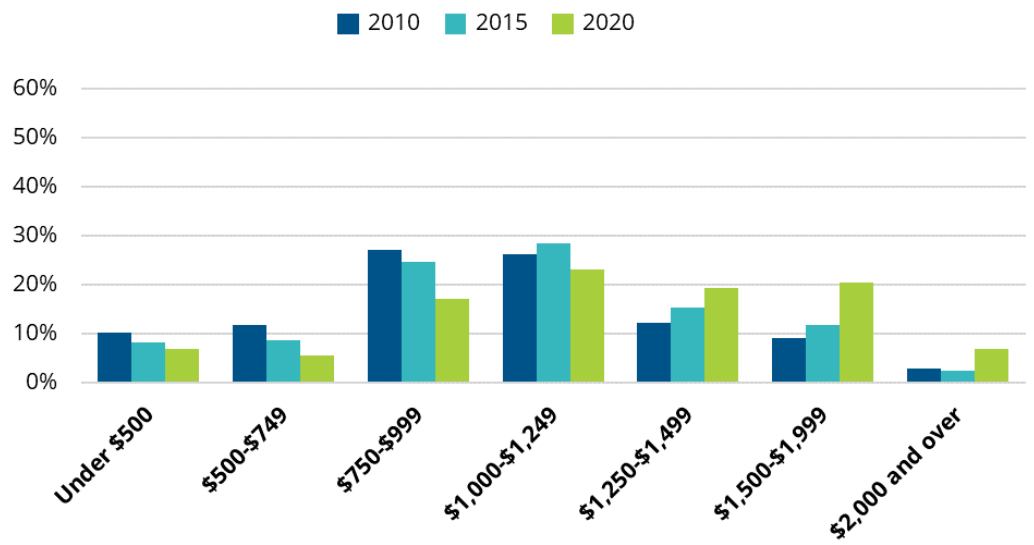
Source: ACS 5-year estimates, and Root Policy Research.

Figure B-35.
Grafton Gross Rent Distribution, 2010, 2015, and 2020



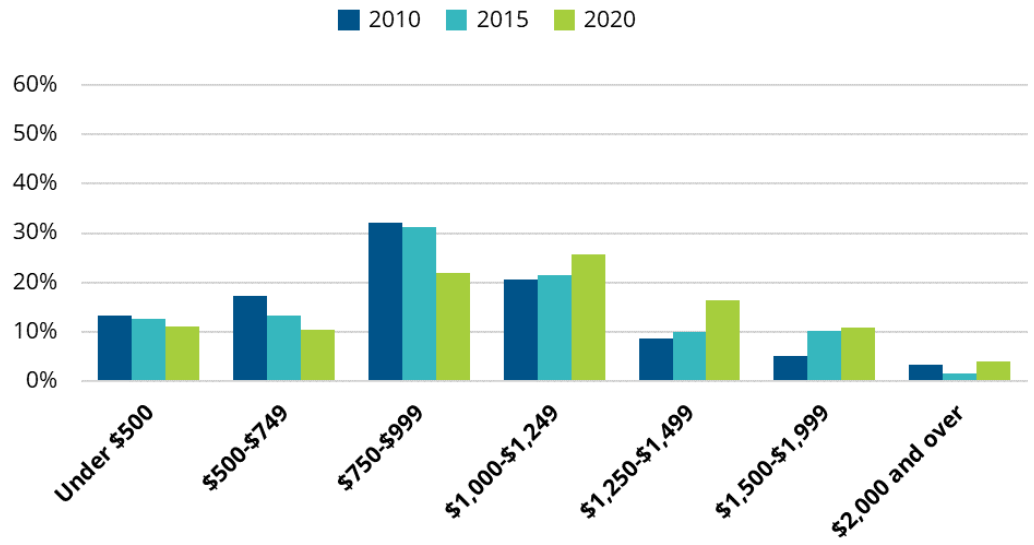
Source: ACS 5-year estimates, and Root Policy Research.

Figure B-36.
Hillsborough Gross Rent Distribution, 2010, 2015, and 2020



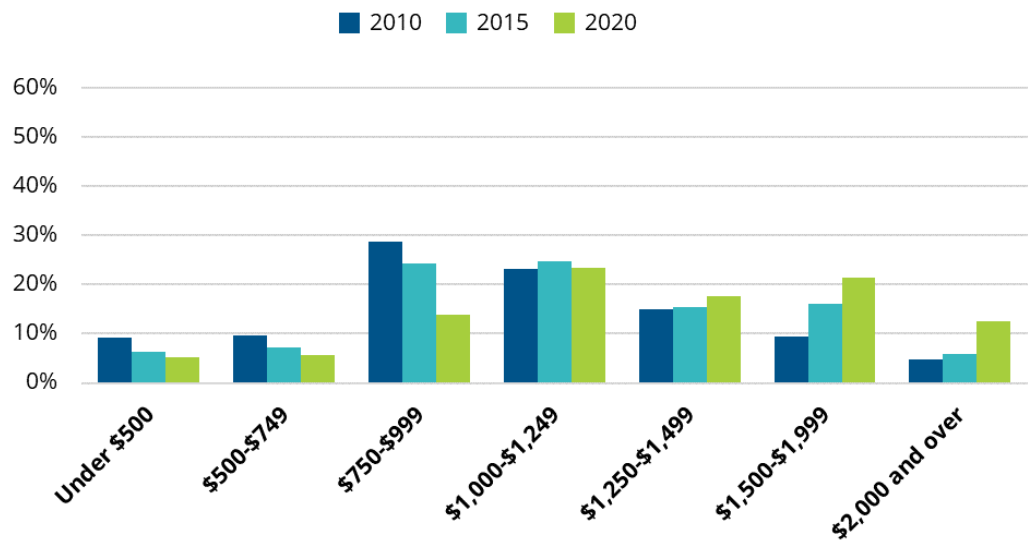
Source: ACS 5-year estimates, and Root Policy Research.

Figure B-37.
Merrimack Gross Rent Distribution, 2010, 2015, and 2020



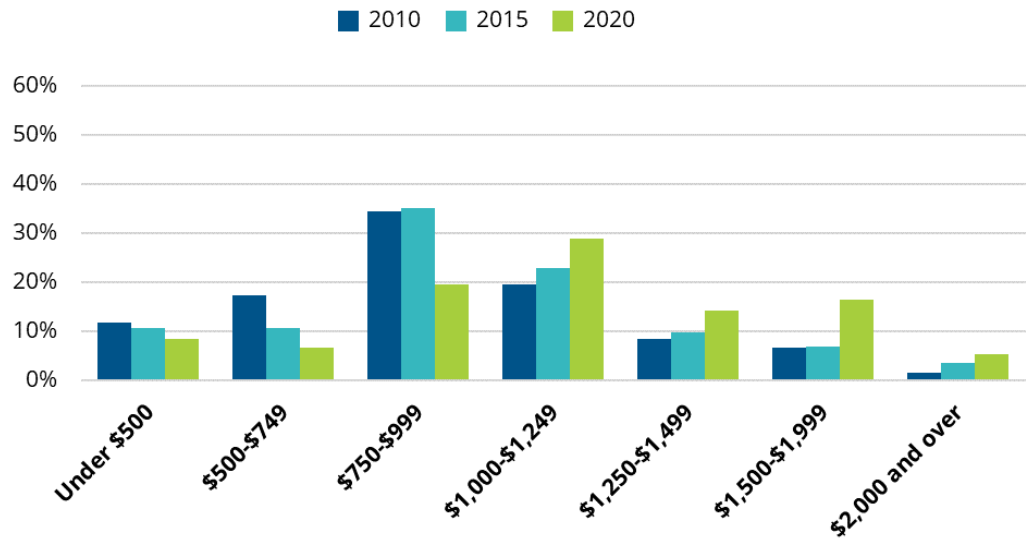
Source: ACS 5-year estimates, and Root Policy Research.

Figure B-38.
Rockingham Gross Rent Distribution, 2010, 2015, and 2020



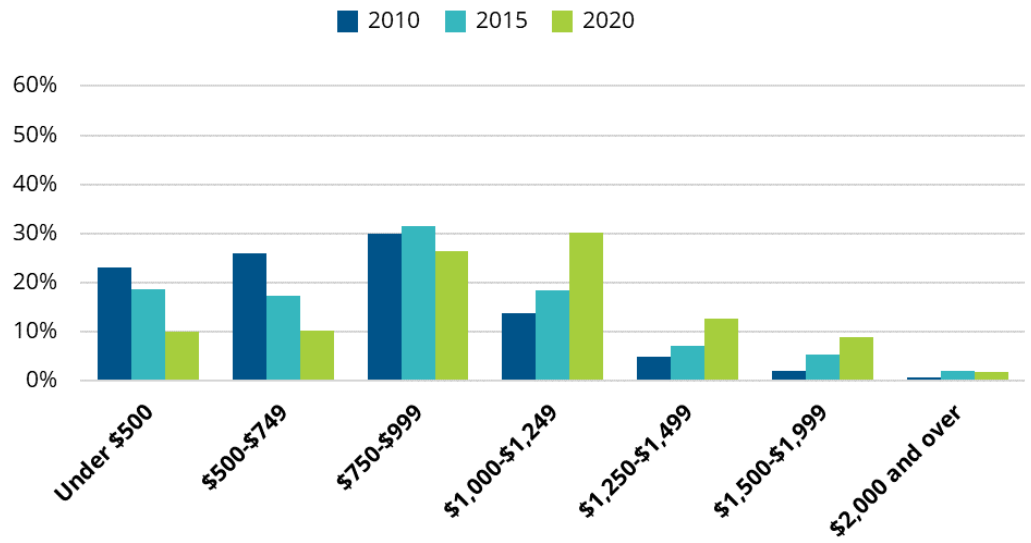
Source: ACS 5-year estimates, and Root Policy Research.

Figure B-39.
Strafford Gross Rent Distribution, 2010, 2015, and 2020



Source: ACS 5-year estimates, and Root Policy Research.

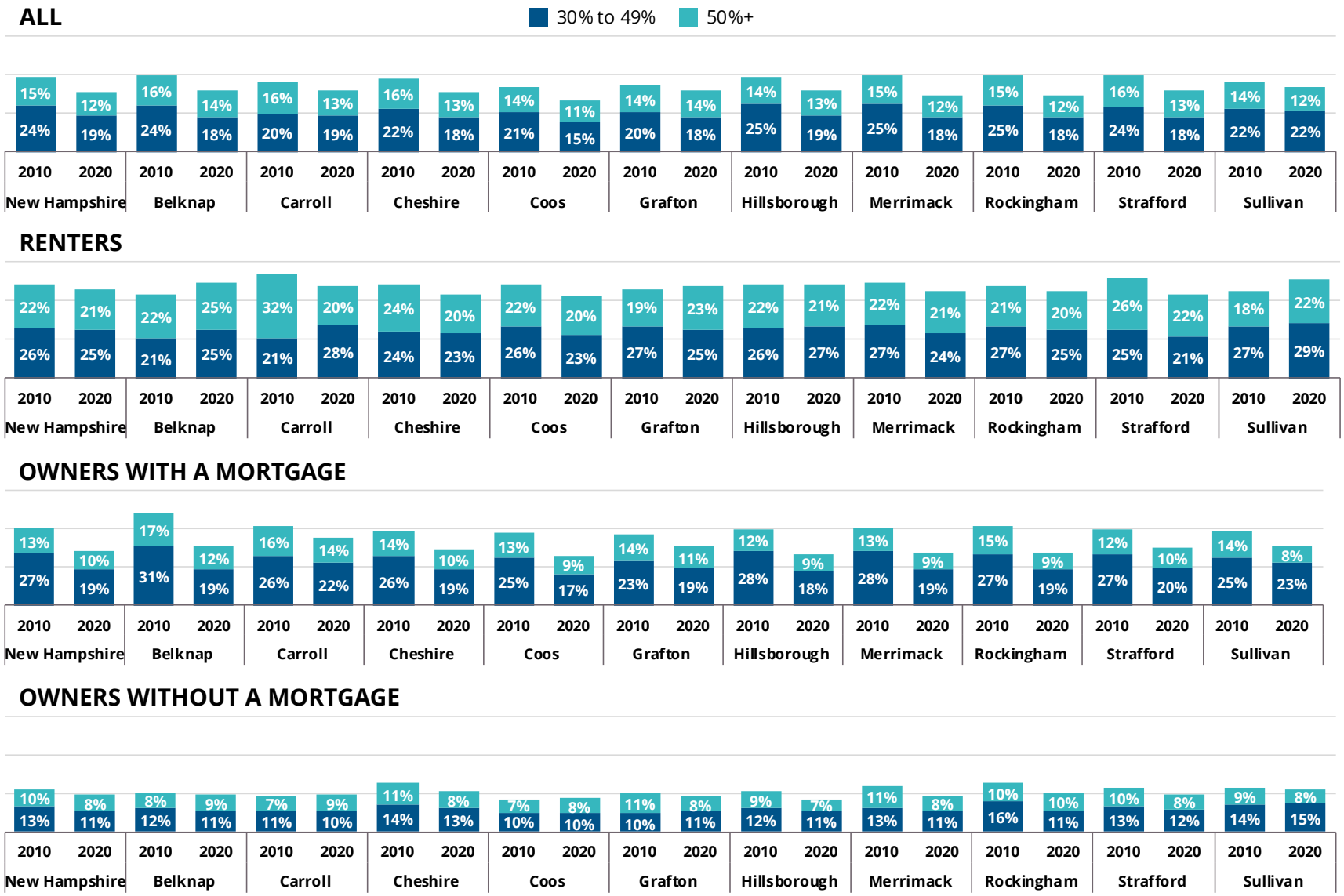
Figure B-40.
Sullivan Gross Rent Distribution, 2010, 2015, and 2020



Source: ACS 5-year estimates, and Root Policy Research.

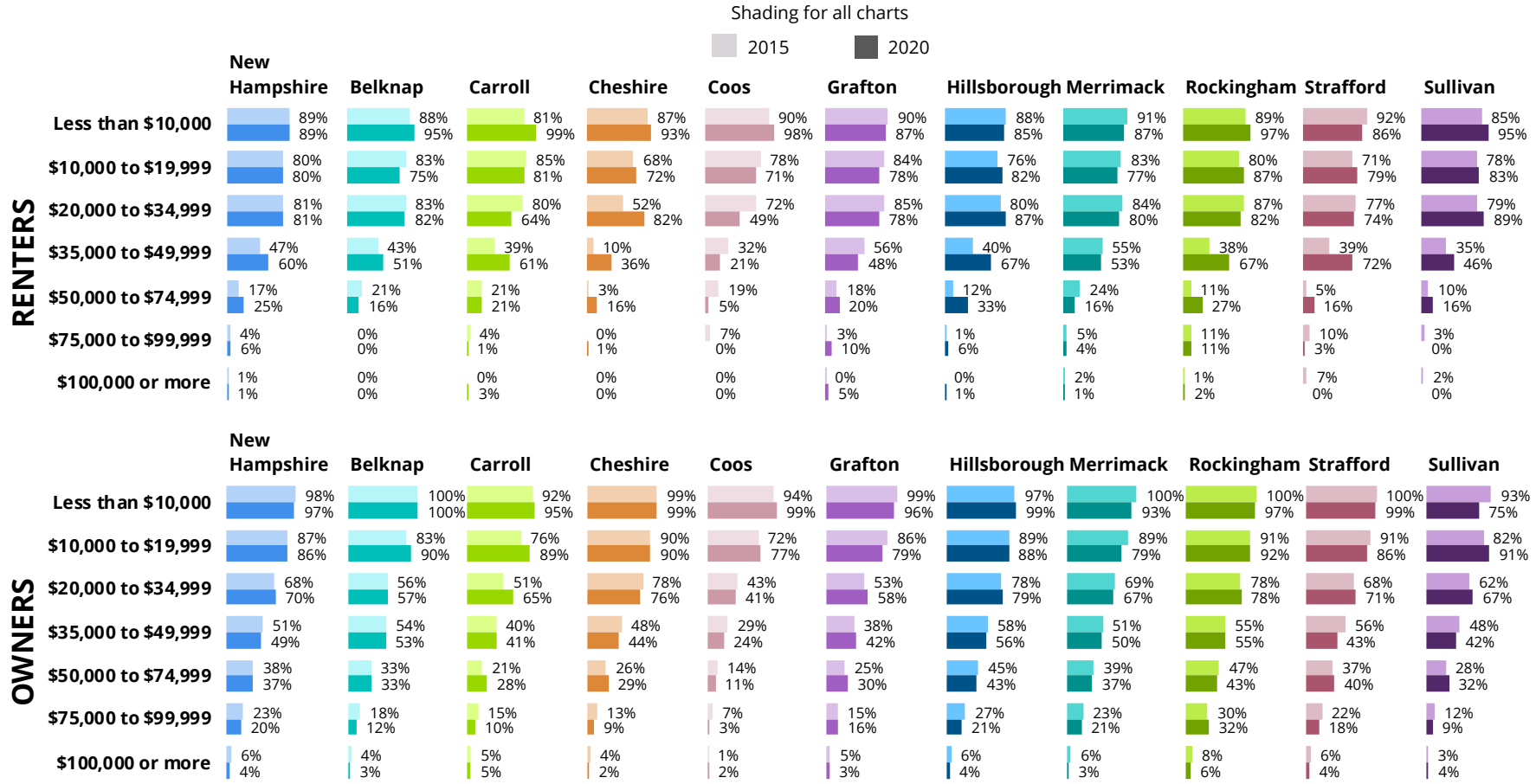
COST BRUDEN

Figure B-41. Cost Burden by County and Tenure, by County and New Hampshire, 2010 and 2020



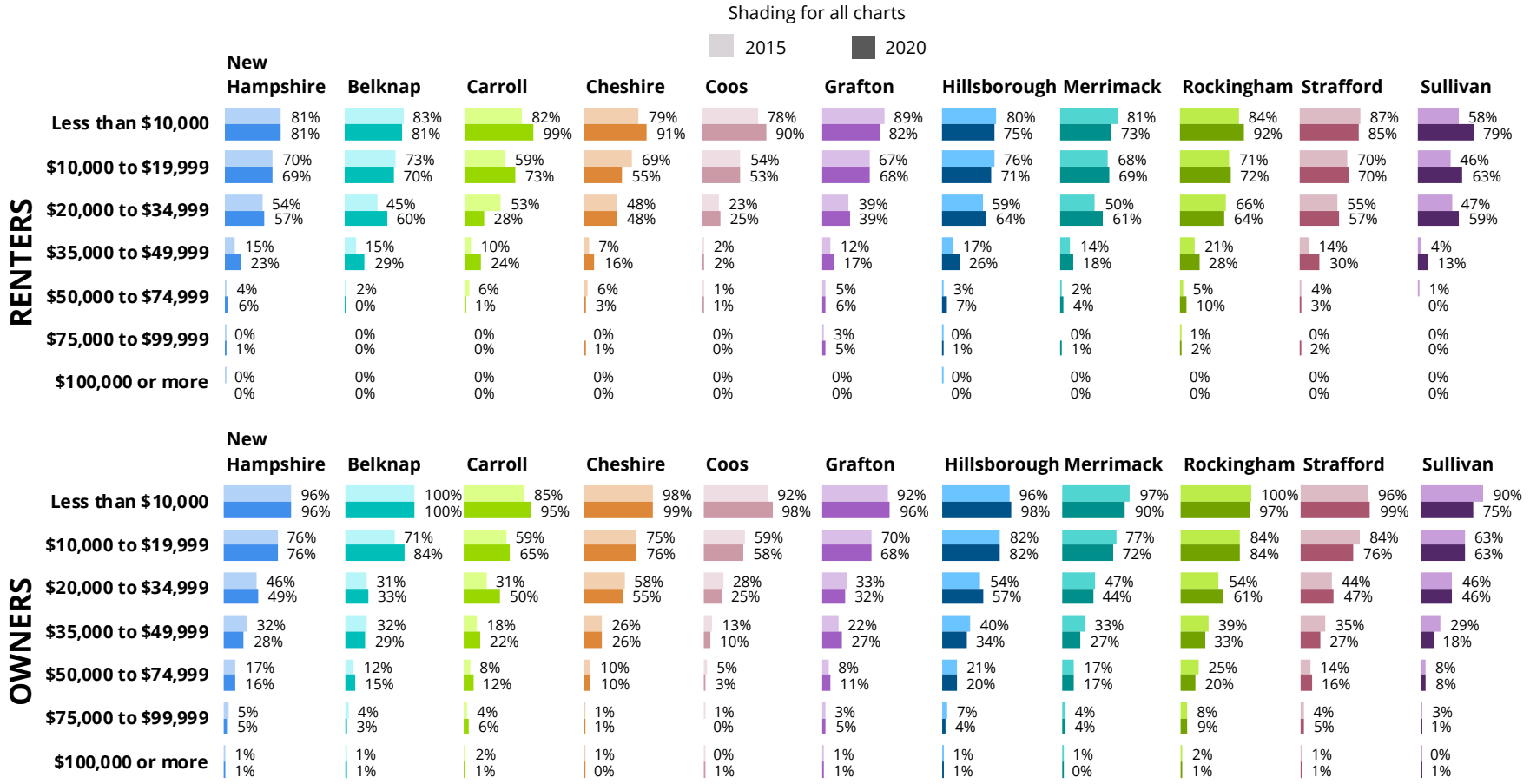
Source: 2010 ACS 5-year estimates, 2020 ACS 5-year estimates, and Root Policy Research.

Figure B-42.
Cost Burden by County, Tenure, and Income, by County and New Hampshire, 2015 and 2020



Source: 2015 ACS 5-year estimates, 2020 ACS 5-year estimates, and Root Policy Research.

Figure B-43.
Severe Cost Burden by County, Tenure, and Income, by County and New Hampshire, 2015 and 2020



Source: 2015 ACS 5-year estimates, 2020 ACS 5-year estimates, and Root Policy Research.

OWNERSHIP GAPS BY REGIONAL PLANNING COMMISSION

Figure B-44.
Four Person Area Median Income (AMI) by Regional Planning Commission, 2010 and 2020

4- person AMI	NCC		UVLSRPC		LRPC		SWRPC		CNHRPC		SRPC		SNHPC		NRPC		RPC	
	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020
30% AMI	$18,512	$22,935	$20,166	$25,423	$20,331	$24,705	$21,096	$26,831	$23,027	$26,860	$24,496	$30,634	$24,045	$27,203	$27,118	$34,033	$25,127	$30,444
50% AMI	$30,853	$38,225	$33,609	$42,372	$33,886	$41,176	$35,160	$44,718	$38,378	$44,766	$40,827	$51,057	$40,075	$45,339	$45,197	$56,722	$41,879	$50,740
60% AMI	$37,023	$45,870	$40,331	$50,846	$40,663	$49,411	$42,192	$53,662	$46,053	$53,719	$48,992	$61,269	$48,090	$54,406	$54,236	$68,067	$50,255	$60,888
80% AMI	$49,364	$61,160	$53,775	$67,795	$54,217	$65,881	$56,256	$71,549	$61,404	$71,626	$65,322	$81,691	$64,120	$72,542	$72,315	$90,756	$67,006	$81,184
100% AMI	$61,705	$76,450	$67,219	$84,744	$67,772	$82,352	$70,320	$89,436	$76,756	$89,532	$81,653	$102,114	$80,150	$90,677	$90,394	$113,445	$83,758	$101,480
120% AMI	$74,046	$91,740	$80,663	$101,692	$81,326	$98,822	$84,384	$107,323	$92,107	$107,438	$97,984	$122,537	$96,180	$108,813	$108,472	$136,133	$100,509	$121,776

Note: A 4-person household was selected to be consistent with RSA 674:58-61.

Source: HUD income limits, U.S. Census, and Root Policy Research.

Figure B-45.
Maximum Affordable Home Price by AMI and Regional Planning Commission, 2010 and 2020

4- person AMI	NCC		UVLSRPC		LRPC		SWRPC		CNHRPC		SRPC		SNHPC		NRPC		RPC	
	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020
30% AMI	$58,961	$66,649	$64,230	$73,880	$64,758	$71,794	$67,193	$77,971	$73,342	$78,054	$78,022	$89,023	$76,586	$79,053	$86,374	$98,901	$80,033	$88,470
50% AMI	$98,268	$111,082	$107,049	$123,133	$107,930	$119,657	$111,988	$129,951	$122,237	$130,090	$130,037	$148,372	$127,643	$131,755	$143,956	$164,835	$133,388	$147,451
60% AMI	$117,922	$133,298	$128,459	$147,760	$129,516	$143,589	$134,386	$155,941	$146,684	$156,108	$156,044	$178,047	$153,171	$158,106	$172,747	$197,802	$160,066	$176,941
80% AMI	$157,229	$177,731	$171,279	$197,013	$172,688	$191,452	$179,181	$207,922	$195,579	$208,145	$208,059	$237,396	$204,228	$210,808	$230,330	$263,737	$213,421	$235,921
100% AMI	$196,537	$222,163	$214,099	$246,266	$215,860	$239,315	$223,977	$259,902	$244,474	$260,181	$260,073	$296,745	$255,286	$263,509	$287,912	$329,671	$266,776	$294,902
120% AMI	$235,844	$266,596	$256,919	$295,519	$259,031	$287,177	$268,772	$311,883	$293,369	$312,217	$312,088	$356,094	$306,343	$316,211	$345,495	$395,605	$320,132	$353,882

Note: Maximum affordable home price is based on a 30-year mortgage with a 10% down payment and an interest rate of 5.5% in 2020 and 4.69% in 2010. Property taxes, insurance, HOA and utilities are assumed to collectively account for 40% of the monthly payment.

Source: HUD income limits, U.S. Census, and Root Policy Research.

Figure B-46.
Ownership Gaps by Regional Planning Commission and AMI, 2010 and 2020

Ownership Gap	NCC		UVLSRPC		LRPC		SWRPC		CNHRPC		SRPC		SNHPC		NRPC		RPC	
	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020
0-30% AMI	-23%	-32%	-22%	-32%	-29%	-32%	-23%	-30%	-27%	-34%	-30%	-32%	-27%	-27%	-29%	-33%	-27%	-28%
31-50% AMI	-10%	-13%	-9%	-13%	-12%	-18%	-9%	-15%	-10%	-14%	-8%	-15%	-11%	-17%	-11%	-19%	-14%	-18%
51-60% AMI	-2%	-3%	-2%	0%	0%	-4%	2%	-2%	1%	-3%	1%	-5%	0%	-6%	0%	-5%	-4%	-6%
61-80% AMI	7%	2%	2%	3%	12%	-2%	13%	3%	15%	-3%	12%	-1%	6%	-8%	10%	-1%	1%	-9%
81-100% AMI	9%	4%	3%	5%	9%	7%	6%	11%	7%	9%	12%	13%	9%	5%	13%	10%	11%	-2%
101-120% AMI	7%	9%	5%	4%	3%	10%	4%	13%	6%	13%	6%	15%	8%	10%	9%	18%	9%	8%
120+	13%	33%	23%	34%	17%	40%	7%	18%	7%	32%	8%	25%	15%	42%	8%	29%	24%	56%

Source: ACS 5-year estimates, MLS, HUD income limits, and Root Policy Research.

Figure B-47.
Cumulative Ownership Gaps by Regional Planning Commission and AMI, 2010 and 2020

Ownership Gap	NCC		UVLSRPC		LRPC		SWRPC		CNHRPC		SRPC		SNHPC		NRPC		RPC	
	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020
31-50% AMI	-10%	-13%	-9%	-13%	-12%	-18%	-9%	-15%	-10%	-14%	-8%	-15%	-11%	-17%	-11%	-19%	-14%	-18%
51-60% AMI	-12%	-15%	-11%	-14%	-12%	-22%	-7%	-16%	-9%	-17%	-7%	-20%	-11%	-22%	-11%	-23%	-18%	-25%
61-80% AMI	-5%	-14%	-8%	-10%	0%	-25%	6%	-13%	7%	-20%	4%	-21%	-4%	-30%	-1%	-24%	-17%	-34%
81-100% AMI	3%	-10%	-5%	-6%	9%	-17%	12%	-2%	14%	-11%	16%	-8%	5%	-25%	12%	-14%	-6%	-36%
101-120% AMI	10%	-1%	-1%	-2%	12%	-8%	17%	12%	19%	2%	22%	7%	13%	-15%	21%	4%	3%	-28%
120+	23%	32%	22%	32%	29%	32%	23%	30%	27%	34%	30%	32%	27%	27%	29%	33%	27%	28%

Notes: Excludes 0-30% AMI.

Source: 2010 ACS 5-year estimates, 2020 ACS 5-year estimates, MLS, HUD income limits, and Root Policy Research.

RENTAL GAPS BY REGIONAL PLANNING COMMISSION

Figure B-48.
Three Person AMI by Regional Planning Commission, 2010 and 2020

3- person AMI	NCC		UVLSRPC		LRPC		SWRPC		CNHRPC		SRPC		SNHPC		NRPC		RPC	
	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020
30% AMI	$18,660	$23,831	$18,837	$23,985	$18,958	$23,441	$19,413	$24,129	$20,745	$24,179	$22,137	$27,471	$21,655	$24,767	$24,421	$29,934	$22,629	$27,377
50% AMI	$31,100	$39,719	$31,395	$39,975	$31,597	$39,068	$32,355	$40,215	$34,574	$40,299	$36,895	$45,784	$36,092	$41,278	$40,702	$49,889	$37,715	$45,628
60% AMI	$37,320	$47,663	$37,673	$47,970	$37,916	$46,882	$38,826	$48,258	$41,489	$48,359	$44,274	$54,941	$43,310	$49,533	$48,842	$59,867	$45,258	$54,754
80% AMI	$49,760	$63,550	$50,231	$63,960	$50,555	$62,509	$51,768	$64,345	$55,319	$64,478	$59,031	$73,255	$57,747	$66,044	$65,123	$79,823	$60,344	$73,005
100% AMI	$62,200	$79,438	$62,789	$79,950	$63,193	$78,137	$64,710	$80,431	$69,149	$80,598	$73,789	$91,569	$72,183	$82,556	$81,404	$99,779	$75,430	$91,256
120% AMI	$74,640	$95,325	$75,347	$95,940	$75,832	$93,764	$77,652	$96,517	$82,978	$96,718	$88,547	$109,883	$86,620	$99,067	$97,685	$119,735	$90,516	$109,508

Note: A 3-person household was selected to be consistent with RSA 674:58-61

Source: HUD income limits, U.S. Census, and Root Policy Research.

Figure B-49.
Maximum Affordable Rent by AMI and Regional Planning Commission, 2010 and 2020

3- person AMI	NCC		UVLSRPC		LRPC		SWRPC		CNHRPC		SRPC		SNHPC		NRPC		RPC	
	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020
30% AMI	$467	$596	$471	$600	$474	$586	$485	$603	$519	$604	$553	$687	$541	$619	$611	$748	$566	$684
50% AMI	$778	$993	$785	$999	$790	$977	$809	$1,005	$864	$1,007	$922	$1,145	$902	$1,032	$1,018	$1,247	$943	$1,141
60% AMI	$933	$1,192	$942	$1,199	$948	$1,172	$971	$1,206	$1,037	$1,209	$1,107	$1,374	$1,083	$1,238	$1,221	$1,497	$1,131	$1,369
80% AMI	$1,244	$1,589	$1,256	$1,599	$1,264	$1,563	$1,294	$1,609	$1,383	$1,612	$1,476	$1,831	$1,444	$1,651	$1,628	$1,996	$1,509	$1,825
100% AMI	$1,555	$1,986	$1,570	$1,999	$1,580	$1,953	$1,618	$2,011	$1,729	$2,015	$1,845	$2,289	$1,805	$2,064	$2,035	$2,494	$1,886	$2,281
120% AMI	$1,866	$2,383	$1,884	$2,398	$1,896	$2,344	$1,941	$2,413	$2,074	$2,418	$2,214	$2,747	$2,165	$2,477	$2,442	$2,993	$2,263	$2,738

Note: Assumes households spend 30% of their gross income on housing costs.

Source: HUD income limits, U.S. Census, and Root Policy Research.

Figure B-50.
Rental Gaps by Regional Planning Commission and AMI, 2010 and 2020

	NCC		UVLSRPC		LRPC		SWRPC		CNHRPC		SRPC		SNHPC		NRPC		RPC	
AMI	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020
0%-30% AMI	-1,469	-1,114	-1,168	-2,000	-1,509	-1,711	-1,399	-1,510	-1,934	-1,932	-3,259	-2,903	-4,461	-5,528	-3,500	-4,014	-2,439	-2,837
31%-50% AMI	2,605	2,785	910	1,277	1,131	2,000	568	2,351	1,603	1,568	3,638	3,950	3,296	2,444	2,781	2,872	2,221	2,077
51%-60% AMI	618	405	1,178	1,214	1,236	1,235	1,494	1,165	2,126	2,010	1,671	2,269	4,216	5,023	2,841	3,255	2,318	1,756
61%-80% AMI	184	167	757	1,261	1,134	1,348	1,164	986	1,098	1,571	1,573	647	4,191	4,981	1,801	3,028	2,198	1,899
81%-100% AMI	-236	-597	199	691	496	-206	-6	-216	-652	-486	-962	-263	-742	951	-396	-1,074	-1,017	615
101%-120% AMI	-514	-419	-461	-464	-382	-494	-356	-742	-519	-842	-301	-689	-642	-1,680	-686	-677	-116	-248
Over 120% AMI	-608	-678	-934	-1,131	-1,133	-1,362	-894	-1,724	-1,119	-1,360	-1,350	-2,039	-3,863	-4,690	-1,968	-2,964	-1,808	-2,578

Note: The gaps analysis accounts for publicly assisted units and rental assistance. As such, the gaps shown are above and beyond currently provided income-restricted units. Renter households who face a rental gap are not homeless; they are cost burdened, occupying units that are more expensive than they can afford.

Source: 2010 ACS 5-year estimates, 2020 ACS 5-year estimates, HUD income limits, and Root Policy Research.

NEW HAMPSHIRE HOUSING

P.O. Box 5087
Manchester, NH 03108
603-472-8623
info@nhhfa.org

NHHousing.org