



Housing Needs Assessment Highlights

Bowen National Research completed a final draft of the Vermont 2014 Housing Needs Assessment in early December 2014. This document highlights key findings from the report.

Demographics: The following demographic highlights are relative to 2015 to 2020 trends.

- **The overall state is projected to add 4,768 (1.8%) households during the next five years.** This growth rate is slightly less than half of the U.S. average (3.8%).
- The number of owner households is projected to increase by 3,501 (1.9%), while renters will increase by 1,267 (1.7%). As such, **owner household growth is projected to outpace renter household growth by a 3 to 1 margin.**
- The greatest growth in households by age is projected to continue to occur among households between the ages of 65 and 74, which will grow by 8,403 or 21.1%.
★ While households between the ages of 55 and 64 will continue to grow, it will do so at a slower rate and increase by 1,707 (2.9%). Households age 75 and older will increase by 7.0% between 2015 and 2020, adding 1,959 households. **The rapid senior growth trends projected for the state will increase the need for housing that meets the needs of older Vermonters.**
- Households with annual incomes of \$100,000 or more are projected to grow the most, increasing by 4,499 (9.7%). Other household income segments that are projected to experience growth include households with incomes between \$60,000 and \$100,000 (494, 0.8%), \$40,000 and \$49,999 (164, 0.7%), and less than \$10,000 (89, 0.5%). **The broad range of household growth projected for Vermont will lead to a variety of housing needs.**
- Among Vermont's renter households, a total of 34,884 (47.5%) are cost burdened and 16,485 (22.4%) are *severe* cost burdened. A total of 60,272 (32.9%) owner households are cost burdened while 21,936 (12.0%) are severe cost burdened. **Vermont has high shares of households paying disproportionately high portions of their income towards housing costs, which contribute to the housing needs of the state.**

Special Needs Population: The following summarizes key special needs population data:

- Based on the 2014 Annual Statewide Count of Homelessness, the utilization (occupancy) rate for homeless housing beds in the state is 96.2% (3.8% vacancy). **The high utilization rate of homeless housing beds and the fact that 164 persons remain unsheltered on a given night indicate that there still remains a need for housing that meets the special needs of the homeless population.**
- Excluding the homeless population, **the largest number of special needs persons is among elderly (age 62+), persons with disabilities, persons with substance abuse issues, and adults with severe mental illness.** According to our interviews with area stakeholders, housing alternatives that meet the specific needs of the special needs population are limited. **As such, there remains a continued need for housing for these special needs groups.**

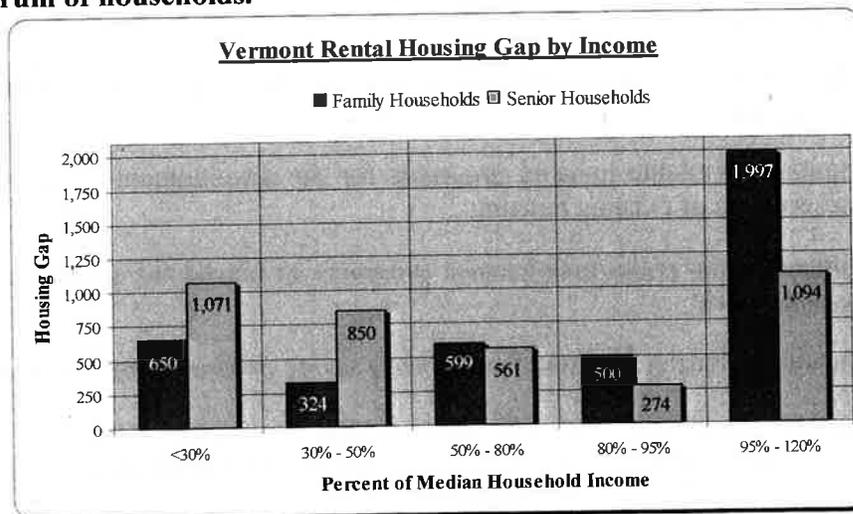
Housing Supply Analysis: The following highlights key housing supply data.

- Based on research and analysis conducted by Bowen National Research, multifamily rental housing is operating at only a 1.0% vacancy rate, with virtually no vacancies among affordable housing (e.g. government-subsidized and Tax Credit). It is estimated that 7.9% of non-conventional rentals are vacant. Based on this analysis, **there are few multifamily housing options available in the state, particularly for low-income households. As a result, many households must choose from other housing options, such as non-conventional rentals (e.g. houses and duplexes) which are typically less well maintained and at rent levels that are equal to or above most multifamily rental options.** Additionally, based on an exterior inspection of more than 400 multifamily properties, Vermont appears to have a high share of lower quality rental housing alternatives. This is a likely indication that **efforts will need to be made to maintain, repair and/or modernize much of the lower quality rental housing stock.**
- Based on data maintained by DHCD, there are 242 mobile home parks in the state. While these parks are reporting a 4.9% vacancy rate, the actual rate is likely lower due to many lots being unusable due to being in a flood plain, for example. As a result, **there appears to be limited availability among mobile home parks.** Further, based on a visual inspection of more than 100 mobile home parks in the state, it appears that **a majority of the parks are considered “C” class or lower rated properties, indicating that a majority of the mobile home parks are in fair to poor condition.**

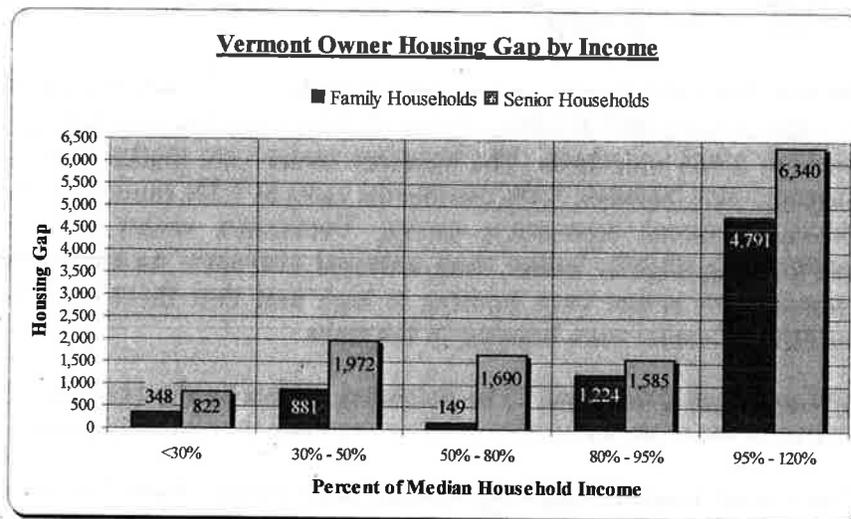
- According to data provided by MLS, the annual sales activity has grown each of the past three full years, with double digit percent growth in the past two years. The state has experienced positive increases in sales *prices* in two of the past three years. Excluding the partial sales year of 2014, the average annual increase in sales prices since 2010 is 1.7%, which is considered a moderate but stable increase in pricing. **The positive trends among sales volume and sales prices, although modest, are good indications of a healthy and stable for-sale housing market in Vermont.**
- ★ Bowen National Research surveyed a total of 73 senior care facilities (e.g. residential care and assisting living facilities and nursing homes) containing a total of 2,965 units/beds. The Vermont senior care market is reporting overall vacancy rates between 5.4% (residential care) to 7.5% (nursing home). Based on Bowen National Research's survey, **Vermont's senior care facilities are performing slightly better than national averages. As such, it appears that demand for senior care housing is high and that there may be a need for additional senior care housing in the state.**

Housing Gap/Needs Estimates: The following addresses the Housing Gap estimates, representative of the more immediate housing requirements/shortages of the state.

- **The rental housing gaps by income level range from 324 to 1,997 for the family units and from 274 to 1,094 for the senior units** (Note: see the graph below for a complete illustration). Among both the family and senior housing units, the largest gap is among the product affordable to households with incomes between 95% and 120% of Area Median Household Income (AMHI), though there is a notable gap for housing affordable to households with incomes at or below 50% of AMHI. It is worth noting that **most of remaining income segments by income groups demonstrate housing gaps of more than 500 units each. As a result, it appears that housing needs in Vermont cover a broad spectrum of households.**



- ★ The *owner* housing gaps by income level range from 149 to 4,791 for the family units and from 822 to 6,340 for the senior units (Note: see the graph below for a complete illustration). As evidenced by the following graph, the largest housing gaps by far are among units that are affordable to households with incomes between 95% and 120% of AMHI, though all incomes levels have some degree of a gap in housing.



- There will be an overall **senior care facility gap of 1,165 beds** by the year 2020.

Recommendations: The following key recommendations that should be considered to address Vermont's housing needs.

- Support the development of rental housing (emphasis on multifamily)
- ★ • Support the development of senior-oriented housing and efforts to enable seniors to age in place
- Support first-time homebuyer programs for low/moderate/middle income households
- ★ • Support affordable housing programs for the development of new housing and preservation of existing housing
- Support home repair/maintenance programs to extend the usefulness of existing housing stock
- Encourage local government entities to provide predevelopment activities
- Expand the Directory of Affordable Rental Housing to include more properties (particularly market-rate) and more data useful to prospective renters