



New Hampshire Housing Needs Study

Technical Report

Study Environment

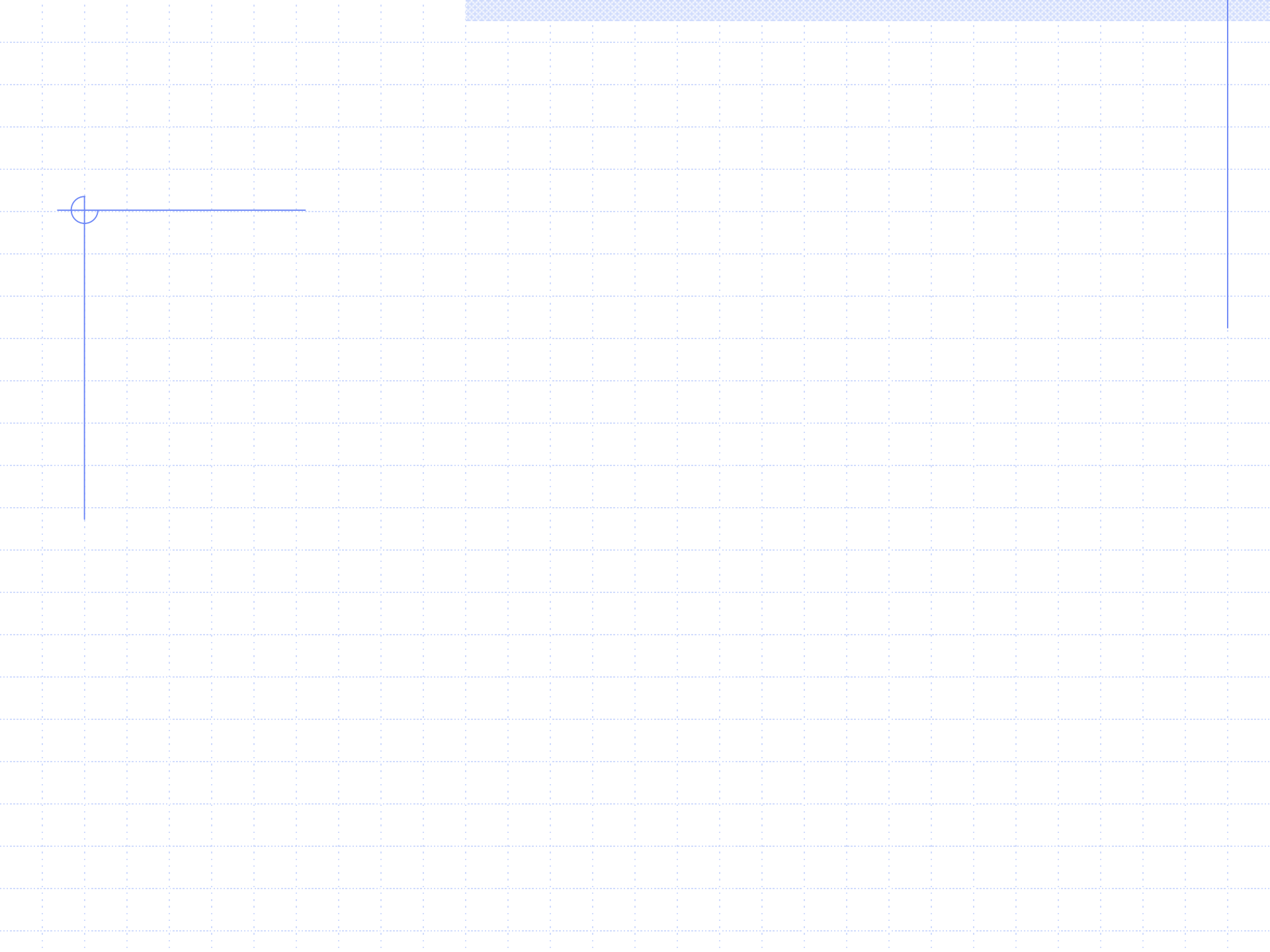
- ◆ NH OSP Comprehensive Development Plan
 - *Must include approaches to affordable housing (new)*
- ◆ Regional Housing Needs Assessment (RPC)
 - *Mandatory, subject to NHOSP review & comment*
 - *Address needs of all income levels*
- ◆ Local Master Plan – Housing Element
 - *If prepared, assess local and regional needs*
 - *Not mandatory*
- ◆ New Hampshire Housing – Consolidated Plan
 - *Biennial Plan*
 - *General market knowledge*

What was included in the study?

- ◆ A statewide needs assessment
 - County and Metro areas
- ◆ A model for updating the assessment
 - Regional Planning Commission's Housing Needs Assessments
- ◆ A review of needs assessments across the nation
 - Including distribution models
- ◆ Recommended components of a distribution model for RPC's
- ◆ Data for RPC's and others

What's next?

- ◆ Assist the RPC's in developing their regional housing needs assessments
- ◆ Produce CD's and publish on the web
- ◆ Use as basis to update the Consolidated Plan and Biennial Plan
- ◆ Contribute to the State Development Plan
- ◆ Publish topical information which interprets the technical report's findings as needed



Regional need assessment outline

- ◆ Housing demand
- ◆ Cost and affordability
- ◆ Supply and condition
- ◆ Resources for affordable housing
- ◆ [Capacity to support housing, including affordable housing]
- ◆ [Distribution of affordable housing]

Baseline Components

- ◆ Need defined by Housing Tenure and Income
- ◆ Elderly vs. Non-elderly
- ◆ Integrate Employment and Wage Data
- ◆ Illustrate Affordability

Market rent - cost distribution

Gross Rent Distribution - Market Rate Units - 2002

Manchester PMSA

Rent Range	All Units	2 BR Units	3 BR Units
Under \$500	5.1%	0.0%	0.0%
\$500-\$750	24.8%	9.1%	9.3%
\$750-\$1,000	34.7%	37.3%	31.1%
\$1,000-\$1,250	26.1%	39.5%	33.1%
\$1,250-\$1,500	7.9%	14.0%	8.6%
\$1,500 +	1.4%	0.1%	17.9%
Total	100.0%	100.0%	100.0%
Sample Size	2,066	1,079	151

Source: NHHFA Rent Survey, April 2002

Wage-price comparison

LOCAL EMPLOYMENT AND WAGES - PORTSMOUTH 2000 AND SUPPORTABLE HOUSING COSTS

Portsmouth Employment and Wages by Sector				Annual Household Income		Max. Rent Supportable		Max. Price Supportable	
Employment Sector	Covered Employment (1) in 2000	% of City Covered Employment	Average Weekly Wage	1 Person Working in Sector	1.32 Persons Working in Sector (2)	Maximum Gross Rent Supportable With 1 Person Working	Maximum Gross Rent Supportable With 1.32 Persons Working	Affordable Price - 1 Working in Sector	Affordable Price - 1.32 Working in Sector
Retail Trade	6,100	22%	\$416	\$21,644	\$28,570	\$541	\$714	\$59,521	\$78,568
Construction	547	2%	\$675	\$35,103	\$46,336	\$878	\$1,158	\$96,533	\$127,424
Services	10,664	38%	\$676	\$35,173	\$46,428	\$879	\$1,161	\$96,726	\$127,678
Government	1,825	6%	\$685	\$35,632	\$47,034	\$891	\$1,176	\$97,988	\$129,344
Manufacturing	1,883	7%	\$748	\$38,880	\$51,322	\$972	\$1,283	\$106,920	\$141,134
Transportation & Utilities	1,290	5%	\$885	\$46,032	\$60,762	\$1,151	\$1,519	\$126,588	\$167,096
Finance, Ins., Real Estate	4,160	15%	\$1,048	\$54,470	\$71,900	\$1,362	\$1,798	\$149,793	\$197,726
Wholesale Trade	1,737	6%	\$1,137	\$59,119	\$78,037	\$1,478	\$1,951	\$162,577	\$214,602
City Average	28,304	100%	\$717	\$37,297	\$49,232	\$932	\$1,231	\$102,567	\$135,388

(1) "Covered employment" means jobs covered by unemployment compensation insurance. Major exclusions from covered employment are the Armed Forces, fully commissioned salespersons, elected officials, most railroad workers, and most self-employed workers.

(2) Average number of working residents per household was 1.32 in based on 2000 ratios using Census data for NH portion of PMSA. Gross rent maximum assumes 30% of income to gross rental costs. Supportable price assumes purchase price = 2.75 times income.

Income and sales price comparison

PORTSMOUTH HOME PURCHASE PRICES IN 2001 AND INCOME NEEDED TO AFFORD

Price Range	Percent of Units Sold	Cumulative % of Units Sold	Household Income Needed at Mid-Point of Price Range
Under \$60,000	0%	0%	Under \$22,000
\$60,000-\$79,999	3%	3%	\$25,455
\$80,000-\$99,999	6%	10%	\$32,727
\$100,000-\$119,999	2%	12%	\$40,000
\$120,000-\$139,999	8%	19%	\$47,273
\$140,000-\$159,999	7%	27%	\$54,545
\$160,000-\$179,999	10%	37%	\$61,818
\$180,000-\$199,999	11%	48%	\$69,091
\$200,000-\$219,999	7%	55%	\$76,364
\$220,000-\$239,999	8%	62%	\$83,636
\$240,000-\$259,999	5%	68%	\$90,909
\$260,000-\$279,999	4%	71%	\$98,182
\$280,000-\$299,999	2%	74%	\$105,455
\$300,000-\$319,999	2%	76%	\$112,727
\$320,000-\$339,999	5%	81%	\$120,000
\$340,000-\$359,999	3%	84%	\$127,273
\$360,000-\$379,999	5%	88%	\$134,545
\$380,000-\$399,999	3%	91%	\$141,818
\$400,000+	9%	100%	Over \$142,000

*Source: Price distribution reflects 2001 sample of Portsmouth primary home sales compiled by NHHFA
Income required assumes price/income ratio of 2.75*

Capacity to support housing - Land use and future needs

- ◆ Can the region accommodate projected housing demand given land capability and zoning?
 - Single family
 - Duplex and townhouse
 - Multifamily
 - Manufactured housing
- ◆ Where in the region can it be built?
- ◆ Have communities provided reasonable opportunities for attached & multifamily housing?

Other housing need factors

- ◆ Commuting patterns
- ◆ Demographics and housing stock diversity
- ◆ Age quality and condition of housing
- ◆ Seasonal housing and conversions
- ◆ Senior housing needs and disability
- ◆ Resources for affordable housing
- ◆ Capacity to support affordable supply
 - Land capability & regulatory limitations
 - Distribution of assisted/affordable units in region

Affordability & Low Income Needs

- ◆ Household income by tenure
- ◆ Renter focus (< 50%, <80% AMFI)
- ◆ Need thresholds: gross rent as % of income
- ◆ Interpolation of needs by income level
- ◆ Wage – cost comparisons
- ◆ Interim updates and projected needs
- ◆ Use of CHAS data for 2000 (new)

Housing Need

- ◆ Production Based Need – All Incomes
- ◆ Cost Burdened Households – Lowest Income

Resident Housing Supply Need Estimates: 2010

A=retain share of state employment

B=capture same share of employment growth

C=meet OSP population projection

3 Models

Yields a Range

STRAFFORD COUNTY						
	2010 A	2010 B	2010 C			
Owner	33,142	31,902	32,062			
Renter	18,921	18,213	18,304			
Total	52,063	50,115	50,367	Avg Annual Production Need 2000-2010		
Net Production Need 2000-2010				A	B	C
Owner	5,482	4,242	4,402	548	424	440
Renter	3,428	2,720	2,811	343	272	281
Total	8,910	6,962	7,214	891	696	721
Subtotal: Need for Residents Working Within County						
Owner	3,225	2,496	nc	323	250	nc
Renter	2,017	1,600	nc	202	160	nc
Total	5,242	4,097	nc	524	410	nc





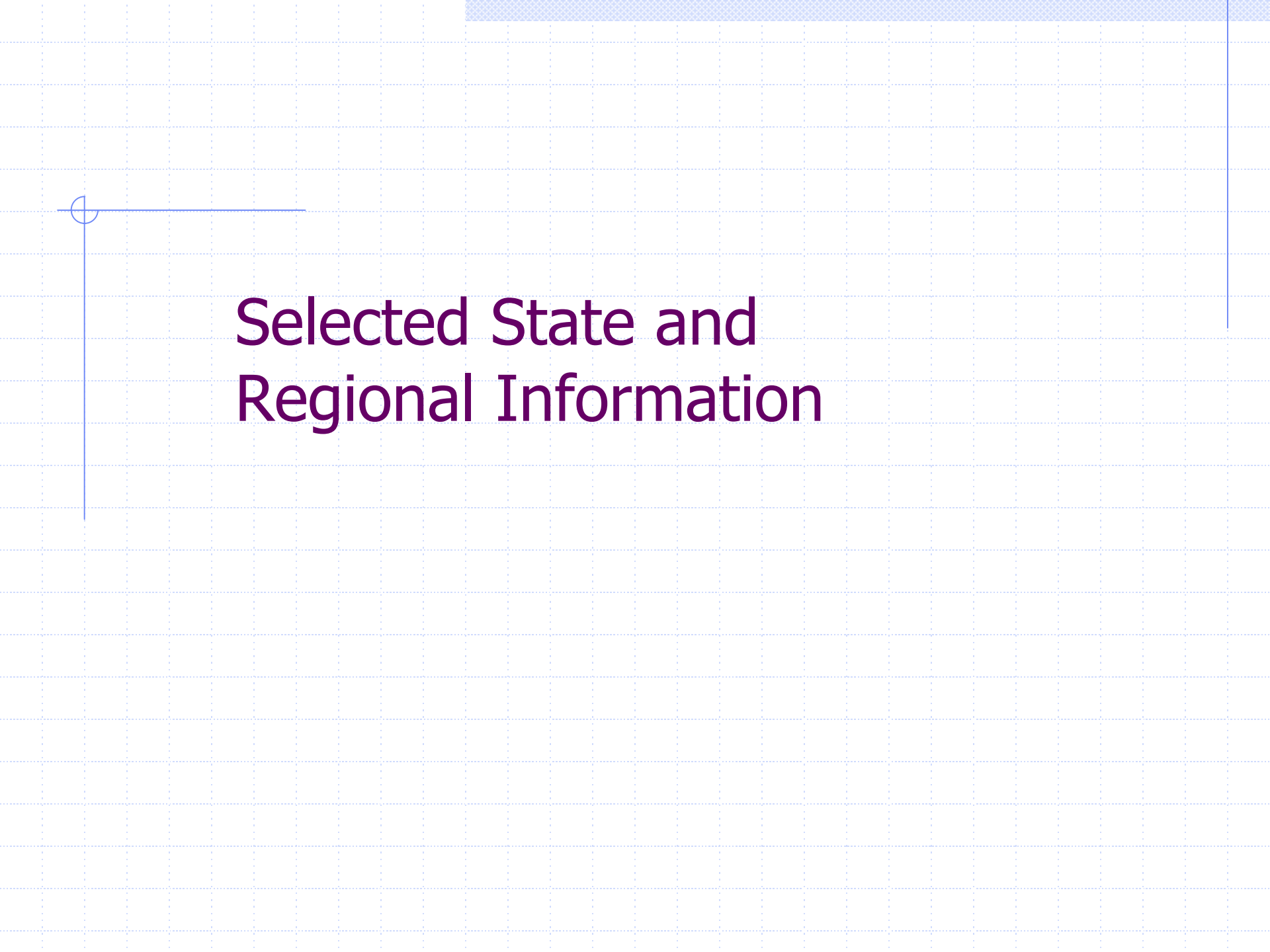
Distribution of assisted housing – “fair share”

Distribution Model Axioms

- • **Rental housing is best located close to concentrations of employment;**
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- • **Lower income rental housing is more easily supported by communities that have more commercial-industrial property valuation to enable them to offset residential service cost impacts;**
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- • **Communities with relatively high personal household income are better able to absorb the potential tax impacts, if any, from lower income housing development than communities that already have a high concentration of low income households;**
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- • **There is relatively little local resistance to the development of low income rental housing for seniors; municipal fiscal concerns tend to center on the potential impact of low income family housing;**
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- • **Distribution models should focus primarily on that part of the rental market that is most in need from an income and/or cost burden standpoint;**
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- • **The distribution of the affordable housing supply needed for these households should reflect a gradual transition in its proportionate concentration within a region.**

Distribution Model Approach

- **Center on allocating the *solution* (a portion of anticipated housing development) at a reasonable scale, rather than the entire *problem* (total renter households of a given income with a high cost burden);**
 - **Be based on providing a portion of the total rental housing production needed to sustain economic development and job growth within a region;**
 - **Distinguish between the elderly and family components of low income rental housing need and available supply;**
 - **Favor the concentration of lower income multifamily and rental housing near job and service centers, avoiding an over-allocation of housing to outlying rural areas;**
 - **Consider the relative fiscal capacity of municipalities, with respect to both property wealth and household income;**
- Recognize the existing supply of lower income housing that is in some regions highly concentrated in relatively few communities.**



Selected State and Regional Information

Statewide Average Annual Production Need

2000 - 2010

◆ Based on:

- OSP population projections = 8,224 units
- DES employment projections = 9,575 units

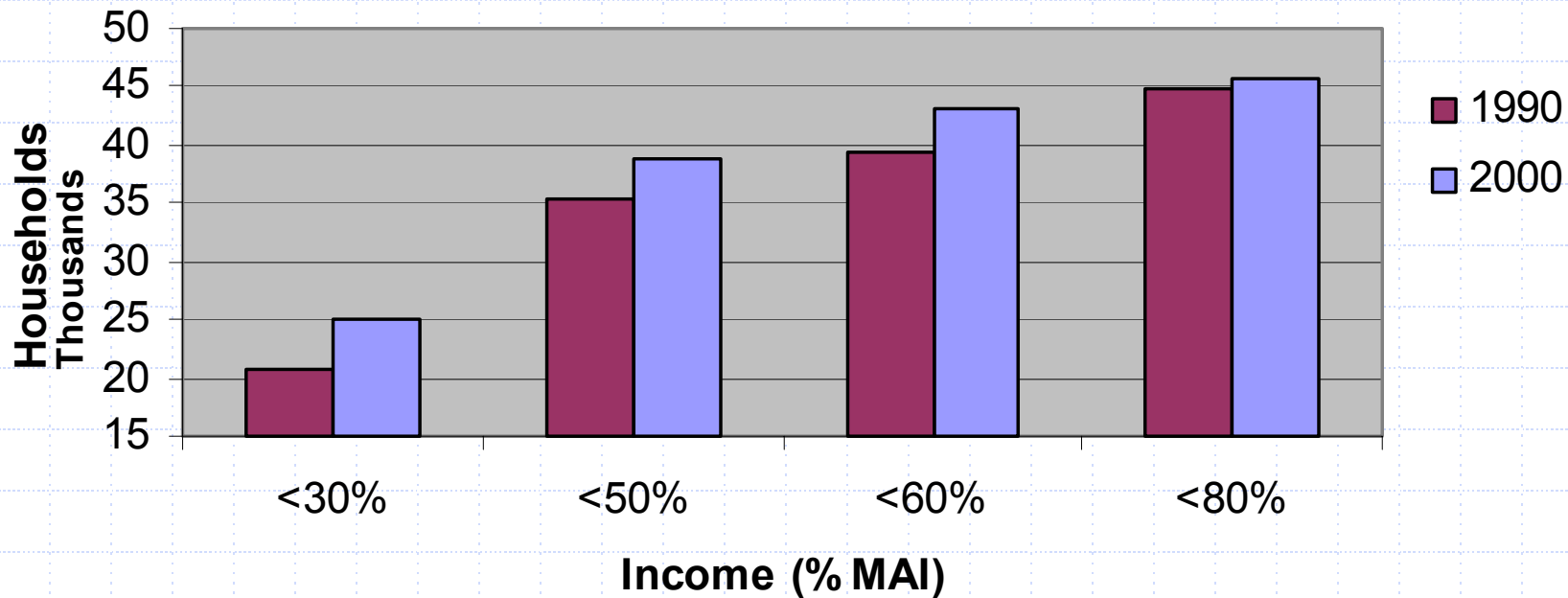
Permits Issued in 2000 = 7,600

Permits Issued in 2001 = 7,700

Renter Cost Burden

- ◆ Since 1990 the number of households which are cost burdened has decreased by only 2.4%.
- ◆ During the same period the number of cost burdened households with incomes of less than 50% of the MAI has increased by more than 10%.
- ◆ At less than 30% of the MAI, the increase was 21%.

Renter Cost Burden payments at 30% of Income



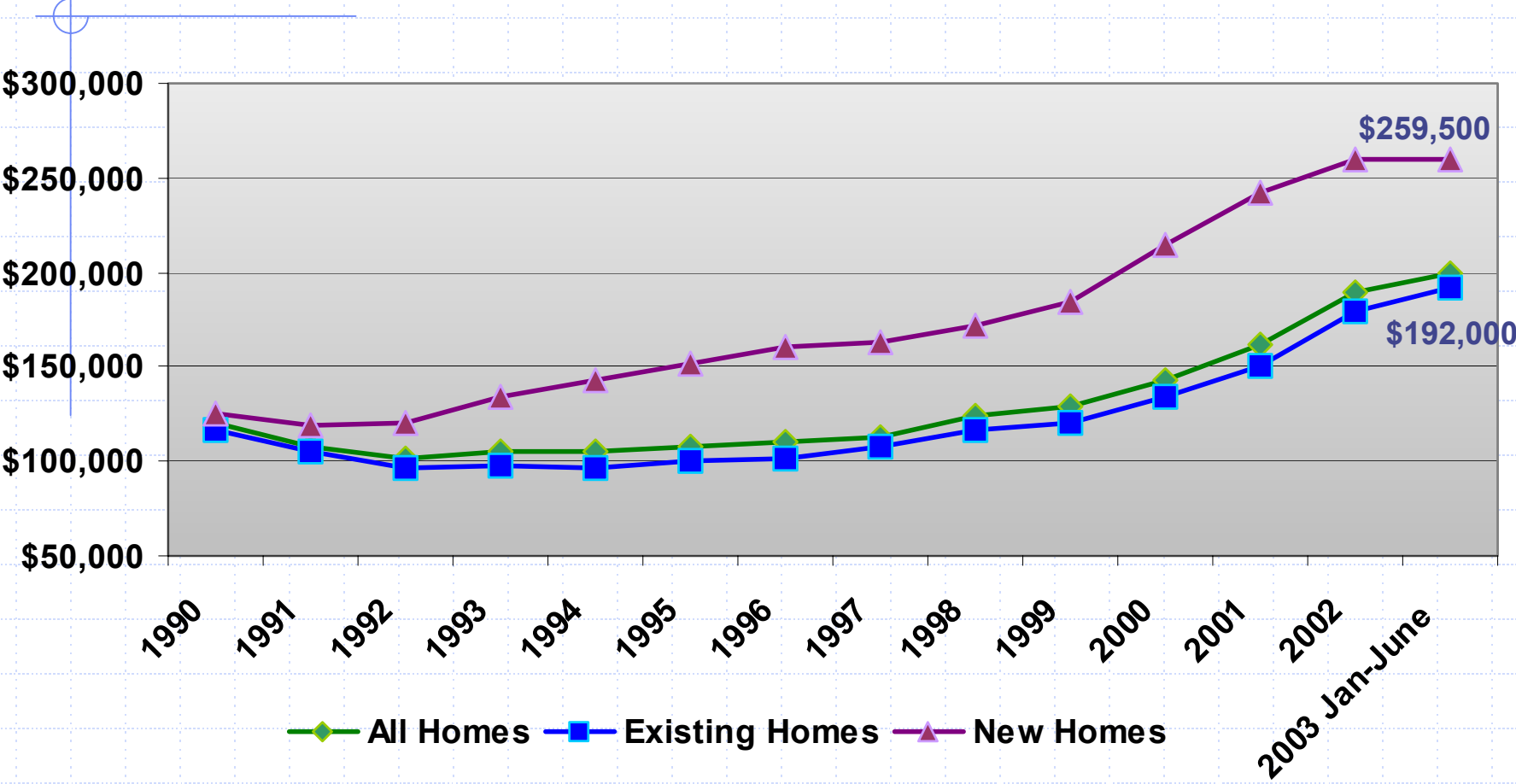
Elderly Need vs. Family Need

◆ Renter Cost Burden at 30% of Income

- Age 65+ = 10,659
- Age under 65 = 35,977

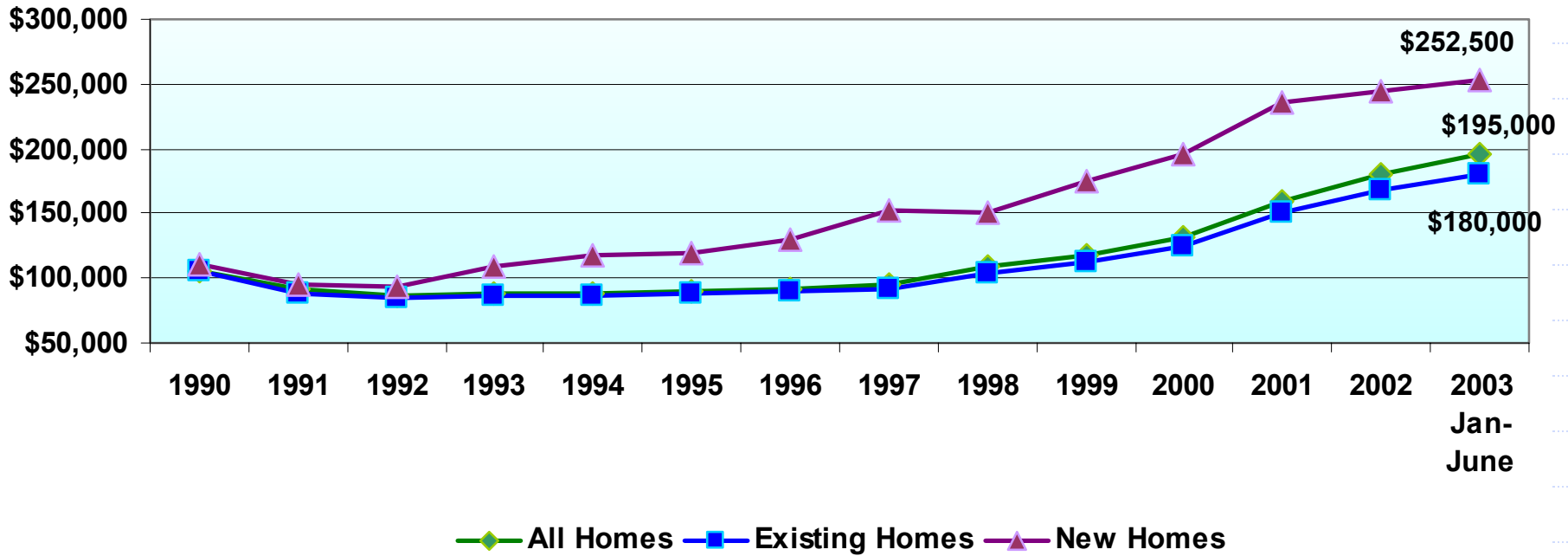
◆ Non Elderly Share of Need = 77.1%

Statewide Median Purchase Price of Primary Homes

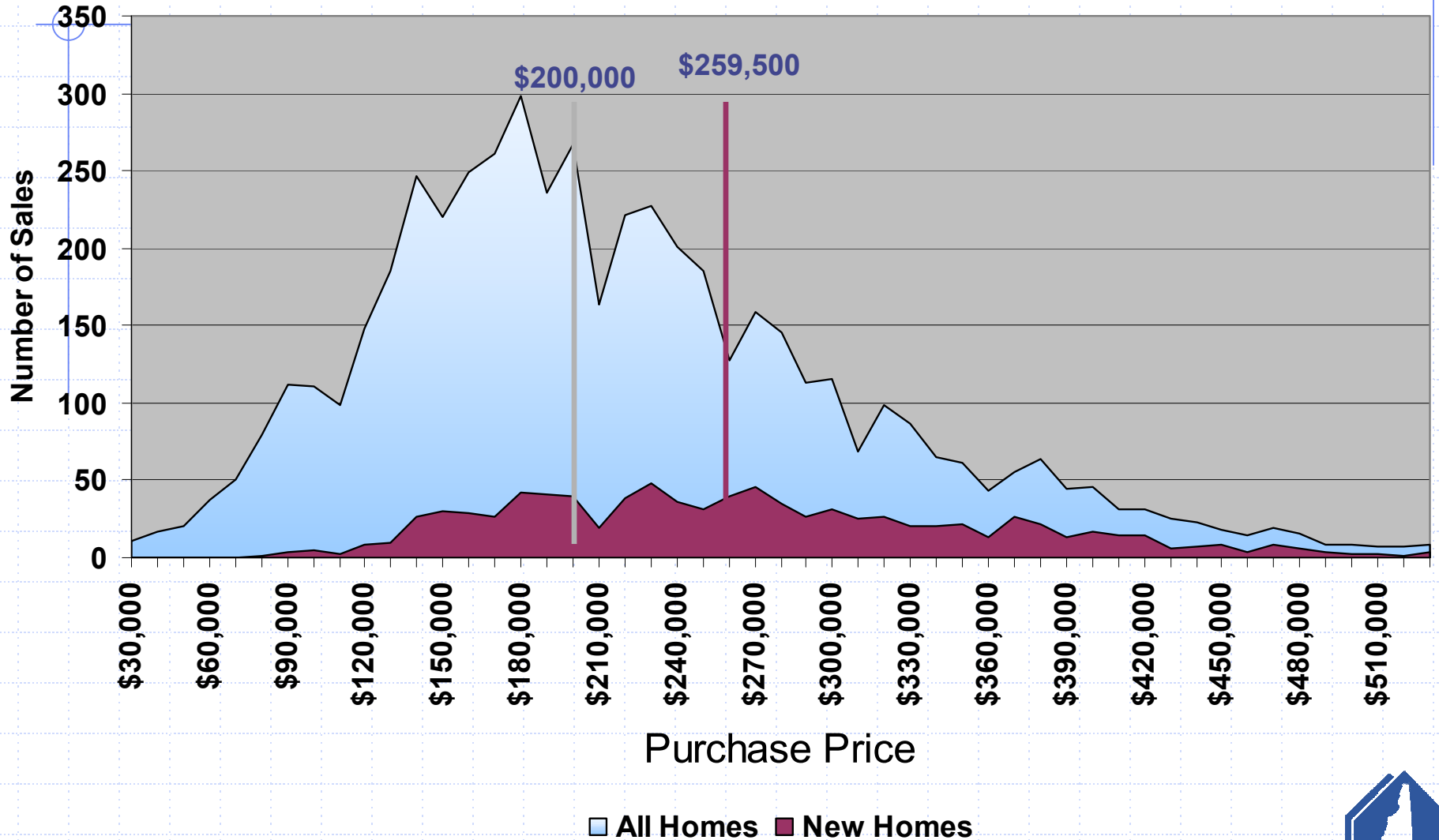


Strafford Region

Median Purchase Price of Primary Homes

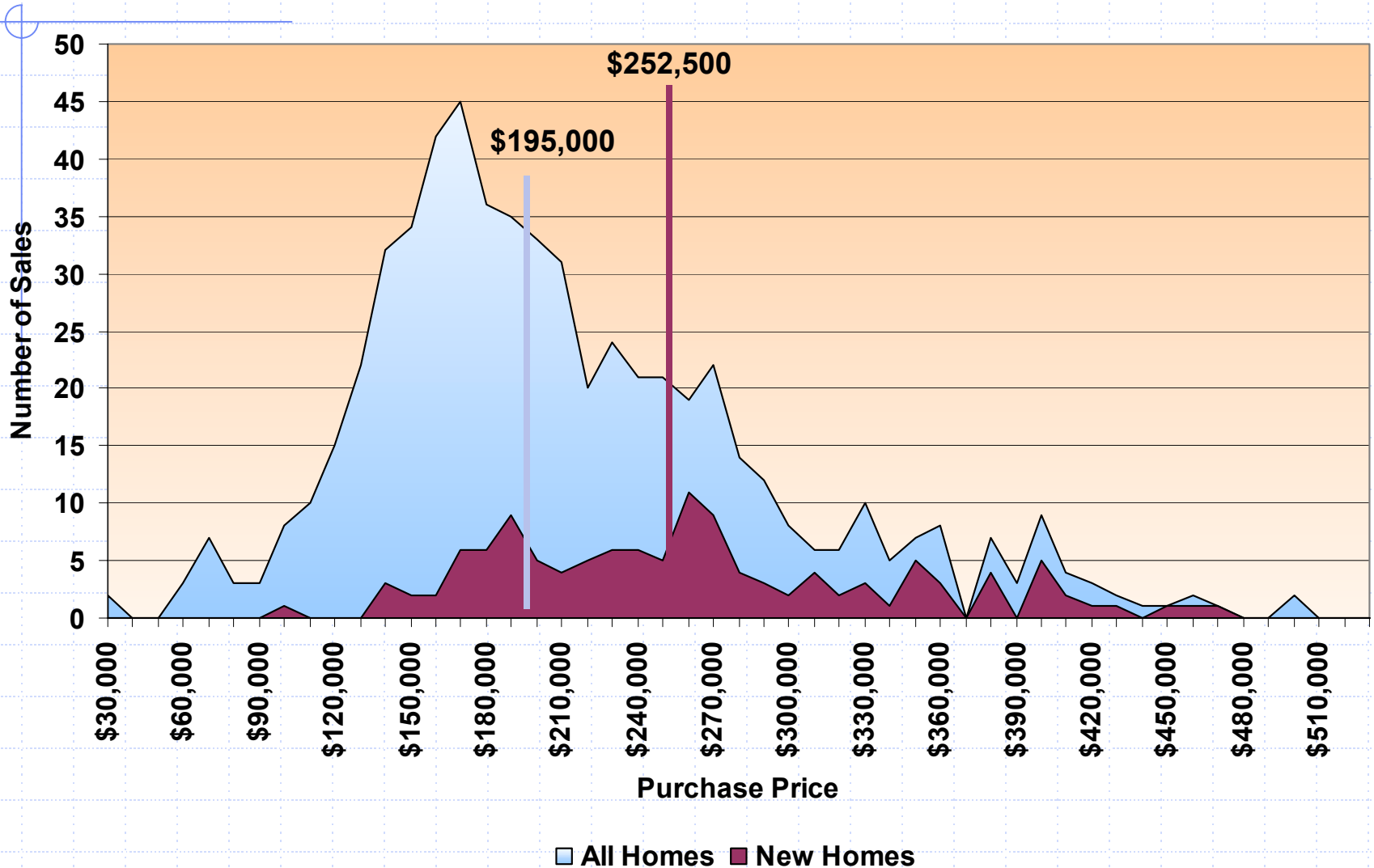


Primary Home Purchase Price Frequency New Hampshire Statewide, 2003 Jan - June

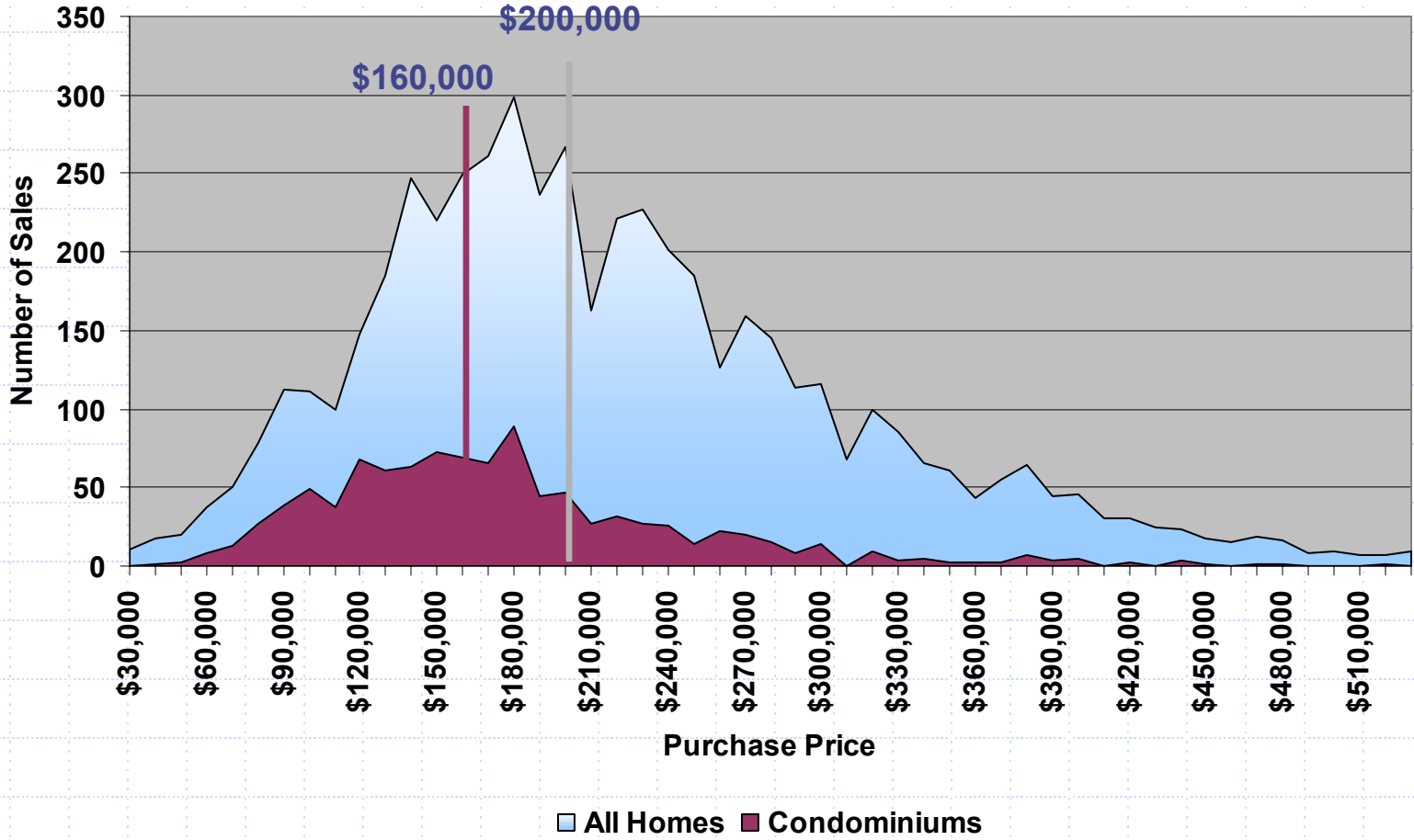


Primary Home Purchase Price Frequency for Strafford RPC

January 2003 through June 2003

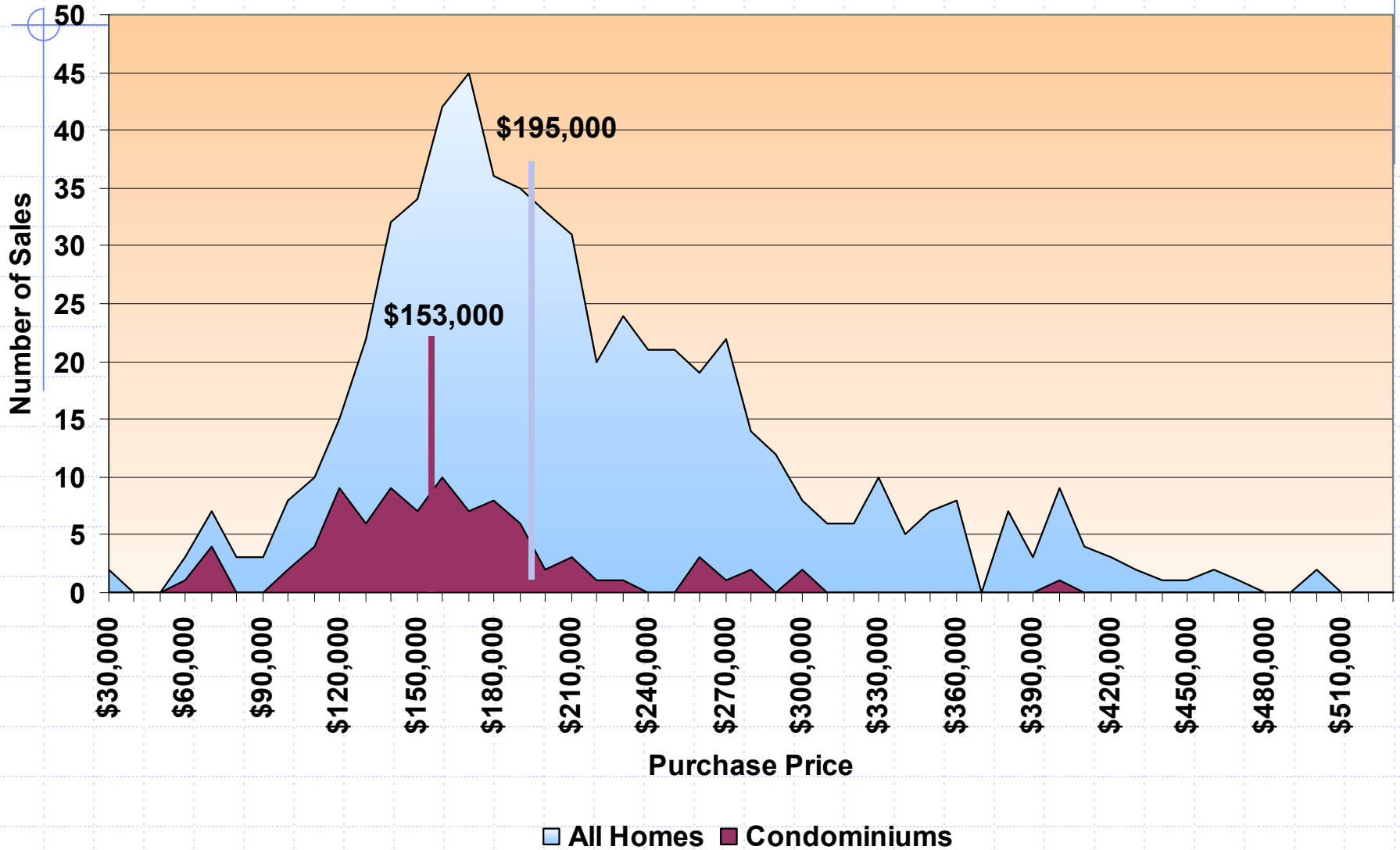


Primary Home Purchase Price Frequency New Hampshire Statewide, 2003 Jan-June

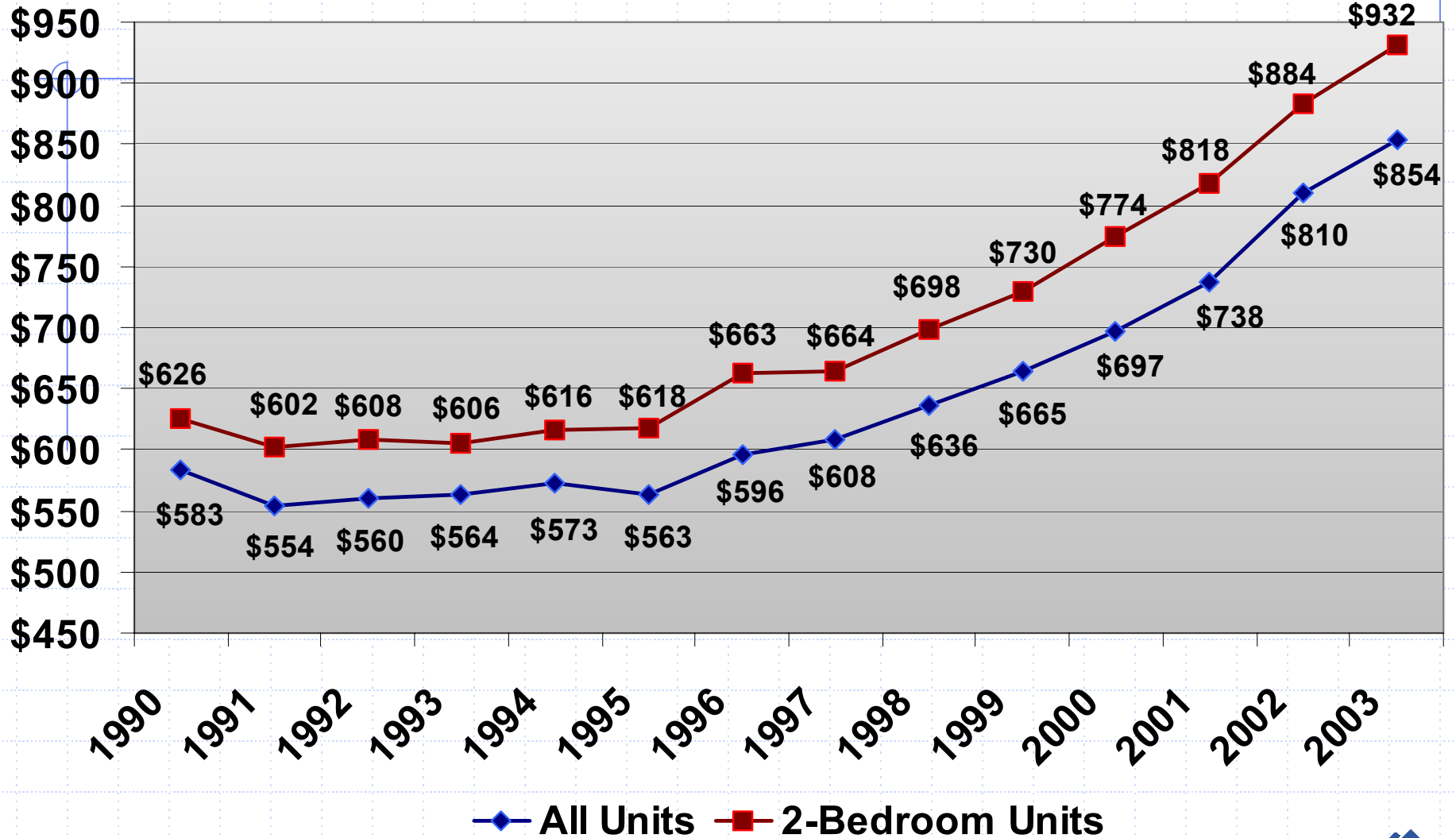


Primary Home Purchase Price Frequency for Strafford RPC

January 2003 through June 2003

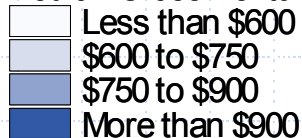


Statewide Gross Rental Costs

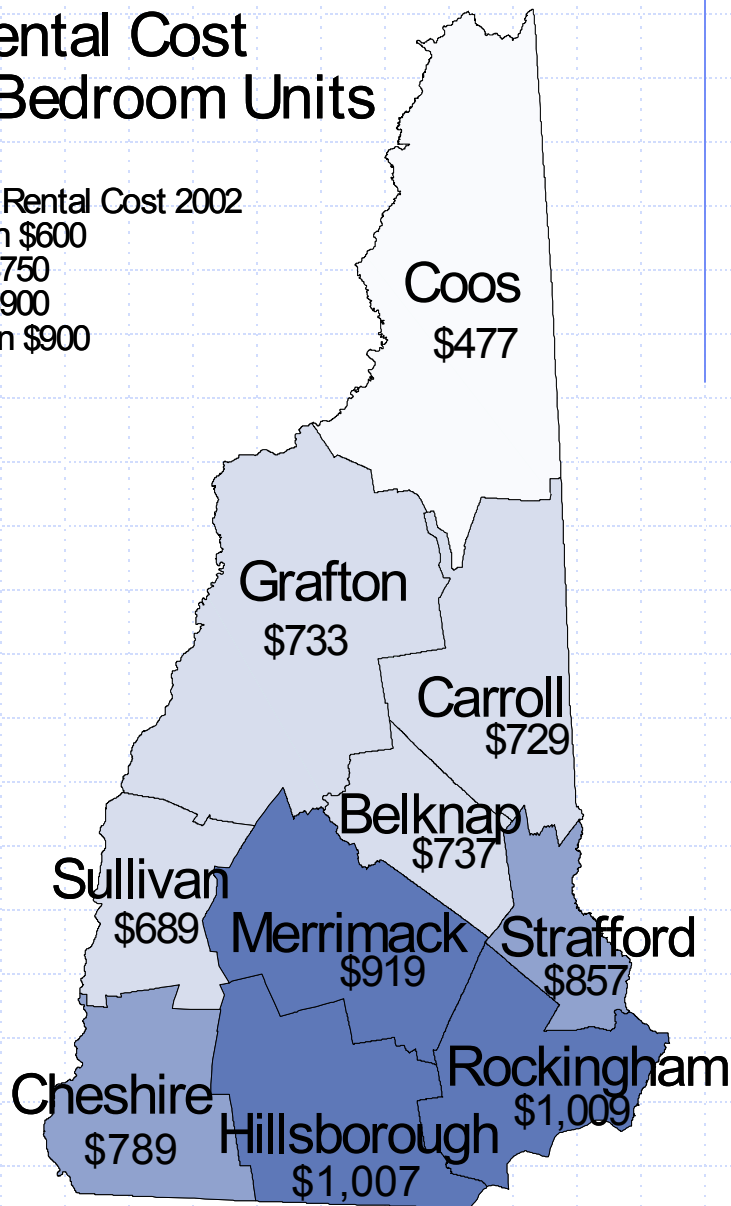


Monthly Median Gross Rental Cost for Two Bedroom Units

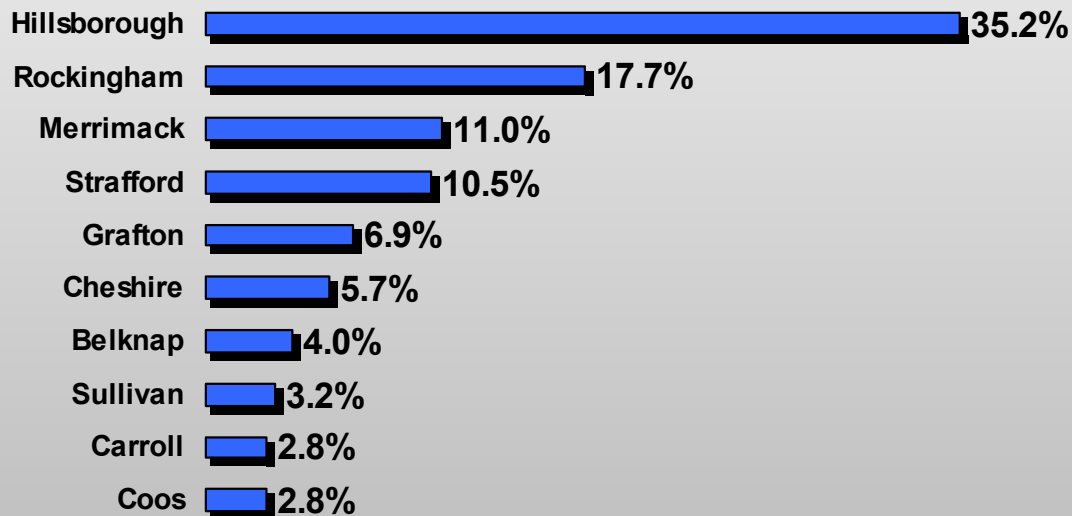
Median Gross Rental Cost 2002



2003

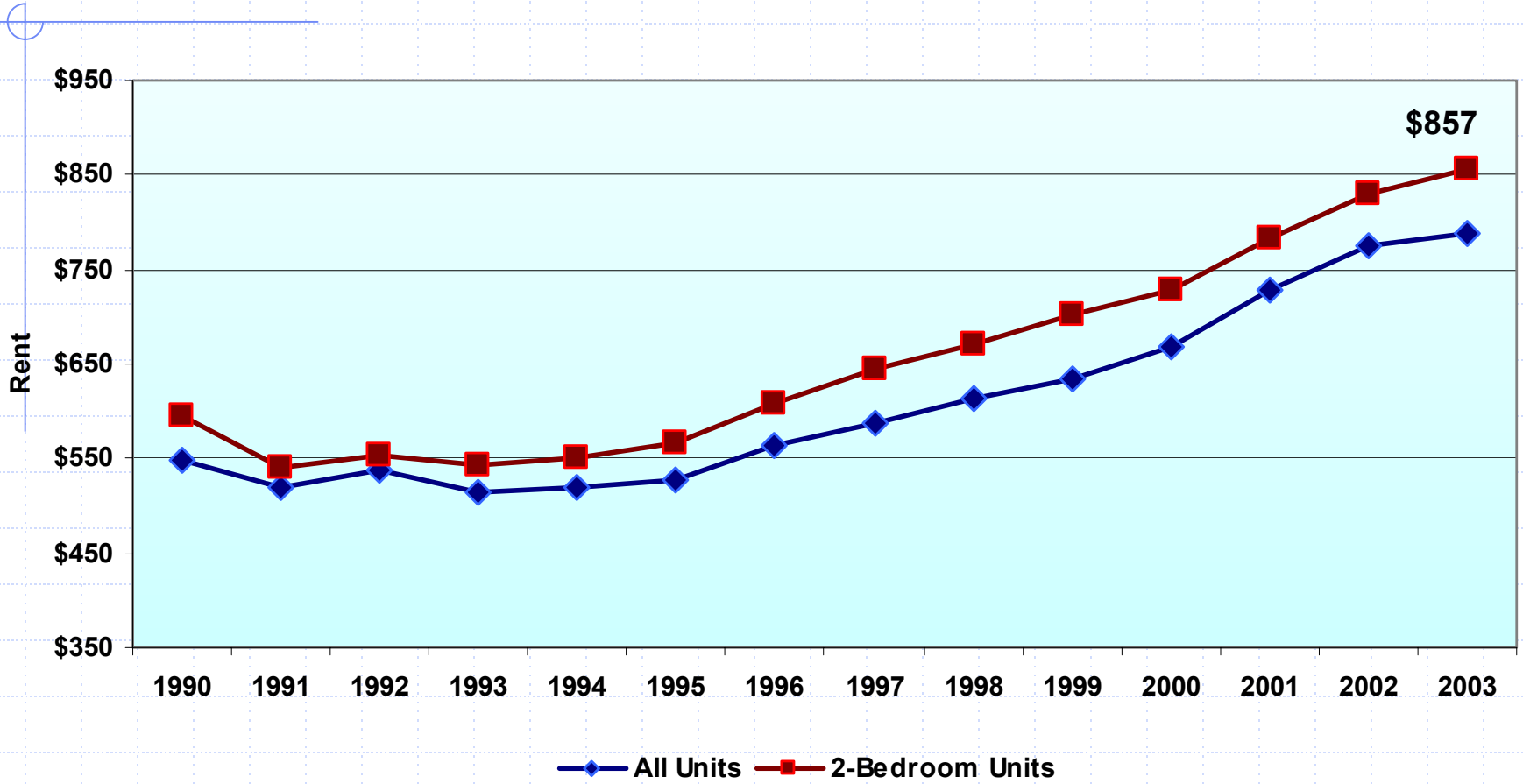


Percent of State Renter Occupied Housing



Gross Median Rental Costs - Strafford RPC

Median Gross Rental Cost



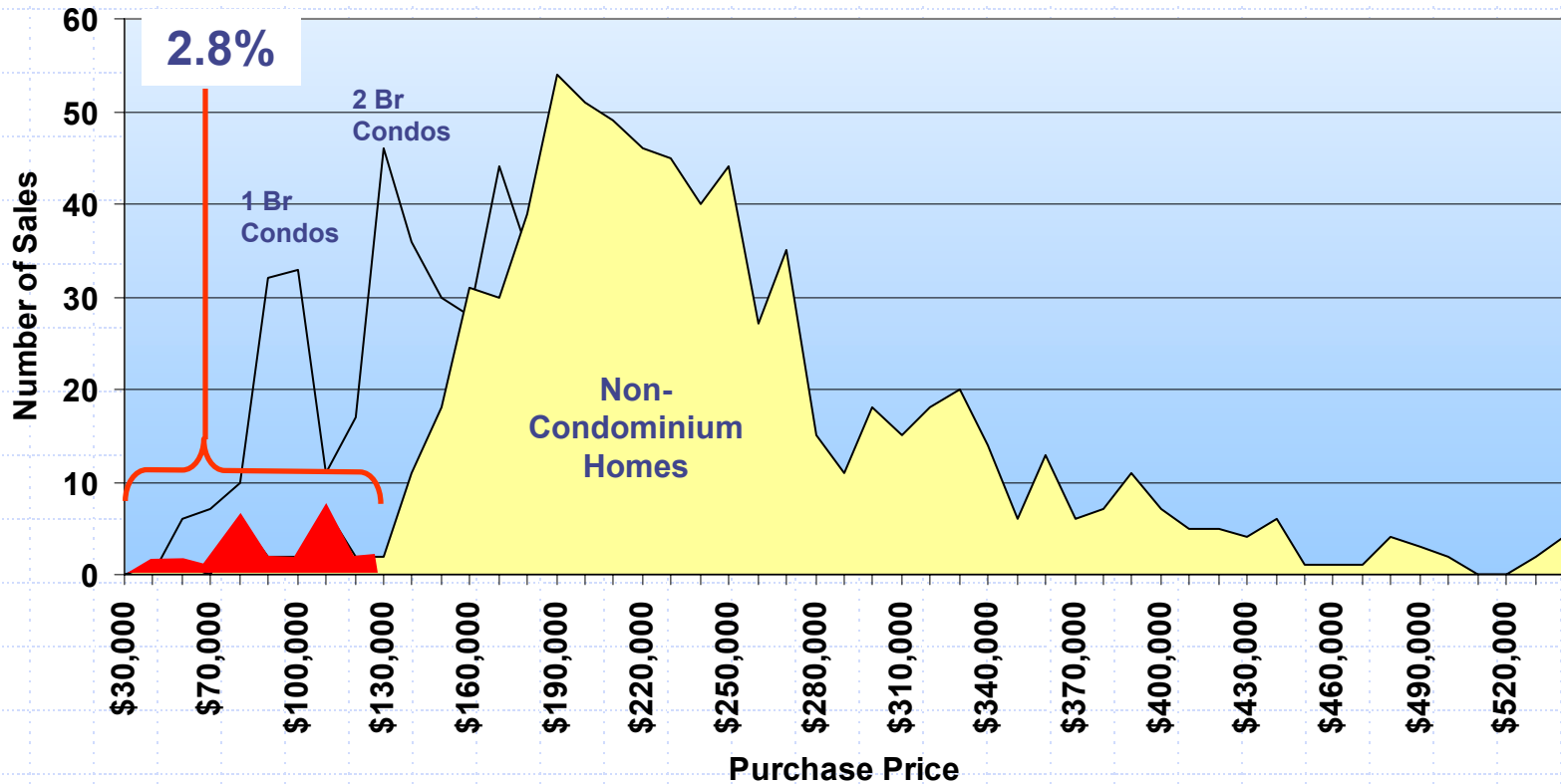
Housing Choice Example:

Firefighter and a part time Clerk with 2 children

Household Income = \$46,000

Needs 3 Bedrooms

Nashua Homes Sold in 2002



How many 3 bedroom apartments in Nashua can a Firefighter and a part time Clerk with 2 children afford?

