

TOWN OF FARMINGTON

ROUTE 11 CORRIDOR PROJECT

COMMUNITY WORKSHOP
NOVEMBER 29, 2023



TOWN OF FARMINGTON

ROUTE 11 CORRIDOR ANALYSIS

ECONOMIC BASE

- After a spike in unemployment during the COVID-19 pandemic, unemployment rates have returned to historic lows. The labor market is very tight with 2.6% unemployment.
- Farmington is a net exporter of workers, meaning more Farmington residents leave the town for work each day compared to the number of workers coming in.
- About 2,800 Farmington residents leave town each day for work with most heading to Rochester, Dover, and Portsmouth.
- Farmington's primary industries include Government, Construction, Manufacturing, and Service Sector jobs. Over the past 10 years, the town has lost about 120 jobs mostly in Government and Manufacturing.

Industry Sectors and Job Counts in Farmington, NH

NAICS	Description	2023 Jobs	2013 - 2023 % Change	Average Annual Earnings
92	Government	511	-9.6%	\$77,352
23	Construction	129	0.4%	\$82,474
81	Other Services (except Public Administration)	94	1.9%	\$57,595
31-33	Manufacturing	89	-27.6%	\$79,317
44-45	Retail Trade	76	3.4%	\$43,922
72	Accommodation & Food Services	75	5.5%	\$24,367
62	Health Care & Social Assistance	59	-6.7%	\$62,664
56	Admin. & Support & Waste Mgmt & Remediation Services	48	140.1%	\$52,449
51	Information	16	-1.7%	\$74,127
11	Agriculture, Forestry, Fishing & Hunting	14	-76.7%	\$46,041
21, 22, 42, 48-49, 52, 53, 54, 55, 61, 71, 99	All Others	37	-48.8%	
TOTAL		1,148	-9.5%	\$62,583

REAL ESTATE | OFFICE INVENTORY & TRENDS

- Existing office space in Farmington tends to be smaller (avg. 3,000 SF) and older (avg. 1989) compared to Strafford. Rents also tend to be low reflecting smaller, older spaces.
- While the market in Farmington is too limited to provide precise estimates of rents, across the county the average rent is \$13.42/SF which is well below the state and Dover/Portsmouth submarket areas.
- Job growth in sectors needing office space in Farmington and the broader region has not been substantial and is not projected to increase by a large amount.
- Therefore, office space demand remains relatively low likely absorbed through existing spaces which could be modernized over time.

Potential Office Space Demand, Farmington and the Broader Region

		Dover-Durham, NH Metropolitan NECTA		Farmington Share of Labor Market Growth		
		Job Growth		Space Demand		
NAICS	Description	2023 Jobs	Projected Growth (2023-2033)	Fair Share of Job Growth	Projected Space Needs (SF, Annual)	Projected Space Needs (SF, 10 Year)
51	Information	561	-176	-5	-90	-901
52	Finance & Insurance	2,108	-690	-4	-107	-1,073
53	Real Estate and Rental & Leasing	374	10	0	0	0
54	Professional, Scientific, & Technical Services	2,587	326	2	30	297
55	Management of Companies	198	4	0	0	0
56	Administration & Support & Waste Mgmt	2,112	116	3	53	527
62	Health Care & Social Assistance	7,600	838	7	98	977
	Total	15,540	428	11	180 SF	1,802 SF

REAL ESTATE | INDUSTRIAL INVENTORY & TRENDS

- Although Farmington’s industrial properties are older, there are more of them compared to other types of real estate assets. This matches with Farmington and Strafford County’s strong presence of industrial/manufacturing and construction jobs.
- Existing industrial spaces in Farmington are about half the size of those found in Strafford County (15k vs. 36k SF).
- The primary driver of new space demand is job growth. While job growth is projected to be stronger across the broader Dover-Durham region, that is not translating down to growth in Farmington.
- To change the trajectory of the town, we should consider regulatory, policy, and marketing changes to increase awareness about the opportunities here.

Potential Industrial Space Demand, Farmington and the Broader Region

		Dover-Durham, NH Metropolitan NECTA Job Growth		Farmington Share of Labor Market Growth Space Demand		
NAICS	Description	2023 Jobs	Projected Growth (2023-2033)	Fair Share of Job Growth	Projected Space Needs (SF, Annual)	Projected Space Needs (SF, 10 Year)
23	Construction	1,758	164	12	179	1,794
31	Manufacturing	5,200	57	1	73	731
42	Wholesale Trade	1,358	339	3	173	1,730
48	Transportation and Warehousing	749	-104	0	0	0
	Total	24,605	456	16	426 SF	4,255 SF

REAL ESTATE | RETAIL DEMAND

- Within a 15-minute drive time radius of Town Hall, there are 11,136 households with an average annual retail spending demand of \$23,077.
- Across most retail categories sales are driven by customers coming into the market for retail and food/beverage purchases, meaning there may be limited opportunities to support additional retail beyond what is here today.
- Those opportunities are likely to be smaller format and niche stores such as home furnishings, clothing/accessories, hobby stores, and miscellaneous stores.
- These could be supported along the corridor in specific locations where retail could help add amenities to other types of development.

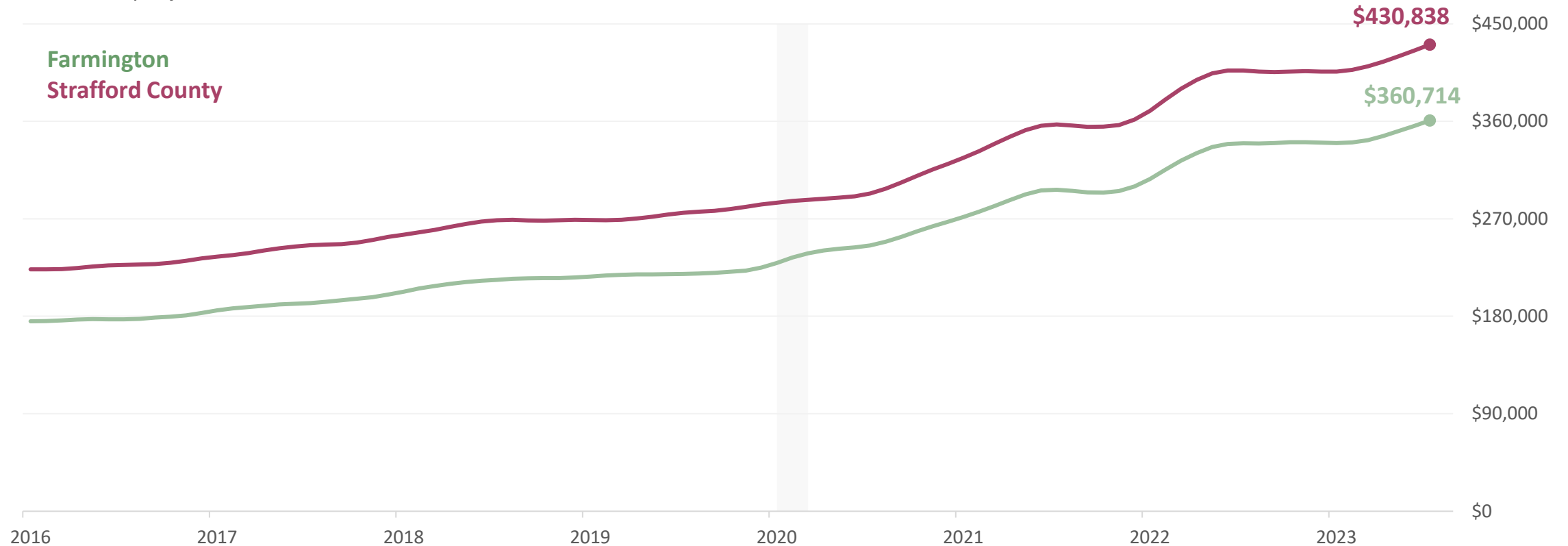
	Total Demand	Total Sales	(Export)/Import	Potential SF w/ 10% Re-Capture
TOTAL, ALL CATEGORIES	\$256,983,281	\$379,786,084	\$122,802,802	10,637
Furniture & Home Furnishings Stores	\$10,253,585	\$4,771,322	(\$5,482,263)	1,961
Electronics & Appliance Stores	\$10,454,242	\$22,478,253	\$12,024,011	-
Bldg Materials, Garden Equip. & Supply Stores	\$24,077,797	\$49,833,716	\$25,755,919	-
Food & Beverage Stores	\$57,389,994	\$126,207,758	\$68,817,764	-
Health & Personal Care Stores	\$20,464,447	\$30,938,221	\$10,473,774	-
Clothing & Clothing Accessories Stores	\$19,988,500	\$5,267,428	(\$14,721,073)	4,653
Sporting Goods, Hobby, Book & Music Stores	\$14,092,088	\$7,690,621	(\$6,401,468)	2,680
General Merchandise Stores	\$50,081,293	\$83,358,618	\$33,277,326	-
Miscellaneous Store Retailers	\$14,948,084	\$11,781,771	(\$3,166,313)	1,343
Food Services & Drinking Places	\$35,233,251	\$37,458,376	\$2,225,125	-

REAL ESTATE | HOUSING: FOR-SALE MARKET

Home values in Farmington and across New Hampshire continue to rise, particularly after the 2020 pandemic. While home values in Farmington remain below the county average, they have increased by over \$130,000 since 2020. With lower home values, Farmington could be an attractive location for younger, first-time homebuyers.

Zillow Home Value Index

Seasonally Adjusted

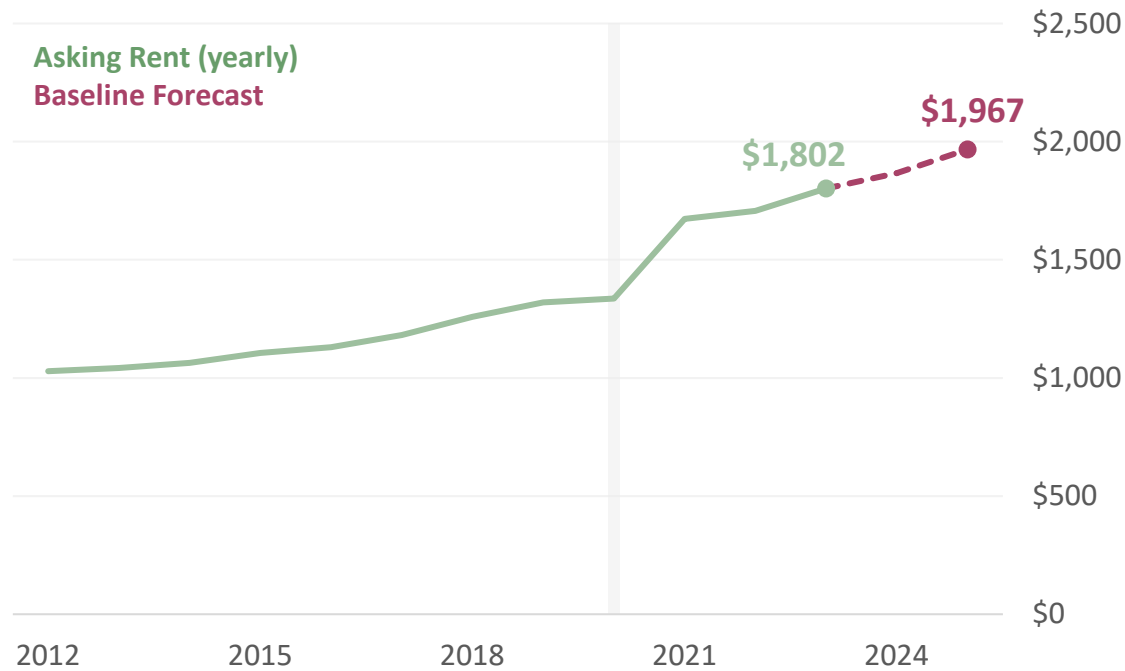


REAL ESTATE | HOUSING: RENTAL MARKET

Across the broader Portsmouth rental market area asking rents continue to rise while vacancy remains very tight. While these metrics refer to the broader rental market, many renters seeking more affordable units within a commutable distance to work may find options in Farmington which could see demand-driven rent increases. This could be an opportunity for Farmington to consider multifamily residential development in the corridor.

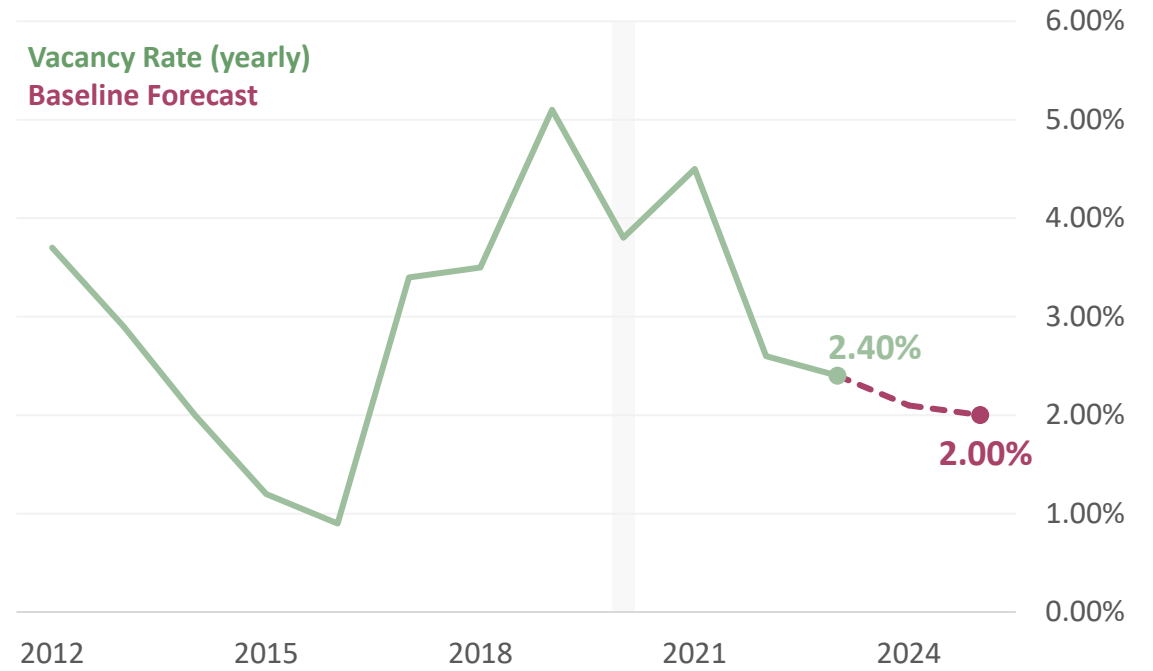
Apartment Asking Rents

Portsmouth Market Area



Apartment Vacancy Rate

Portsmouth Market Area



KEY FINDINGS

- The local housing for-sale market has grown at a similar rate as the region but Farmington’s sale prices remain lower than the region’s, making it a more affordable community within the context of the region.
- The 2023 Regional Housing Needs Assessment from the Strafford Regional Planning Commission indicated a need for 264 new housing units by 2030, with 176 of those units owner-occupied and the remaining 88 as renter. The total regional need was estimated to be 6,169 units.
- Though the local rental housing market is quite limited, rents continue to rise, and vacancies are near historic lows not only within town but regionally as well.
- Existing office real estate trends and projections of regional employment growth suggest that there is very little demand for office.
- The industrial sector is growing across the region. Farmington may be able to capture more regional employment and encourage industrial development.
- The retail sector in Farmington’s trade area is a net importer of sales – indicated that overall people come to Farmington/Rochester to shop.
- Although mixed-use development is a stated goal of the Town, and the market would support intermingling housing and other uses, existing zoning along the Corridor precludes such development.

Use	Contextual Examples <i>(Not necessarily reflective of existing demand)</i>	Demand over 10 years
Residential*	Apartment	264 units 176 owner / 88 renter
	Condominium	
	Single-Family	
Office	Health Care Provider	1,802 sf
	Consultant	
	Non-profit	
Industrial	Construction Staging/Storage	4,255 sf
	Food Production/Distribution	
	Wholesale Trade	
Retail	Clothing Store	10,637 sf
	Restaurant	
	Specialty Grocer	

* Residential projected demand is estimated for 2030, per the SRPC’s Regional Needs Assessment



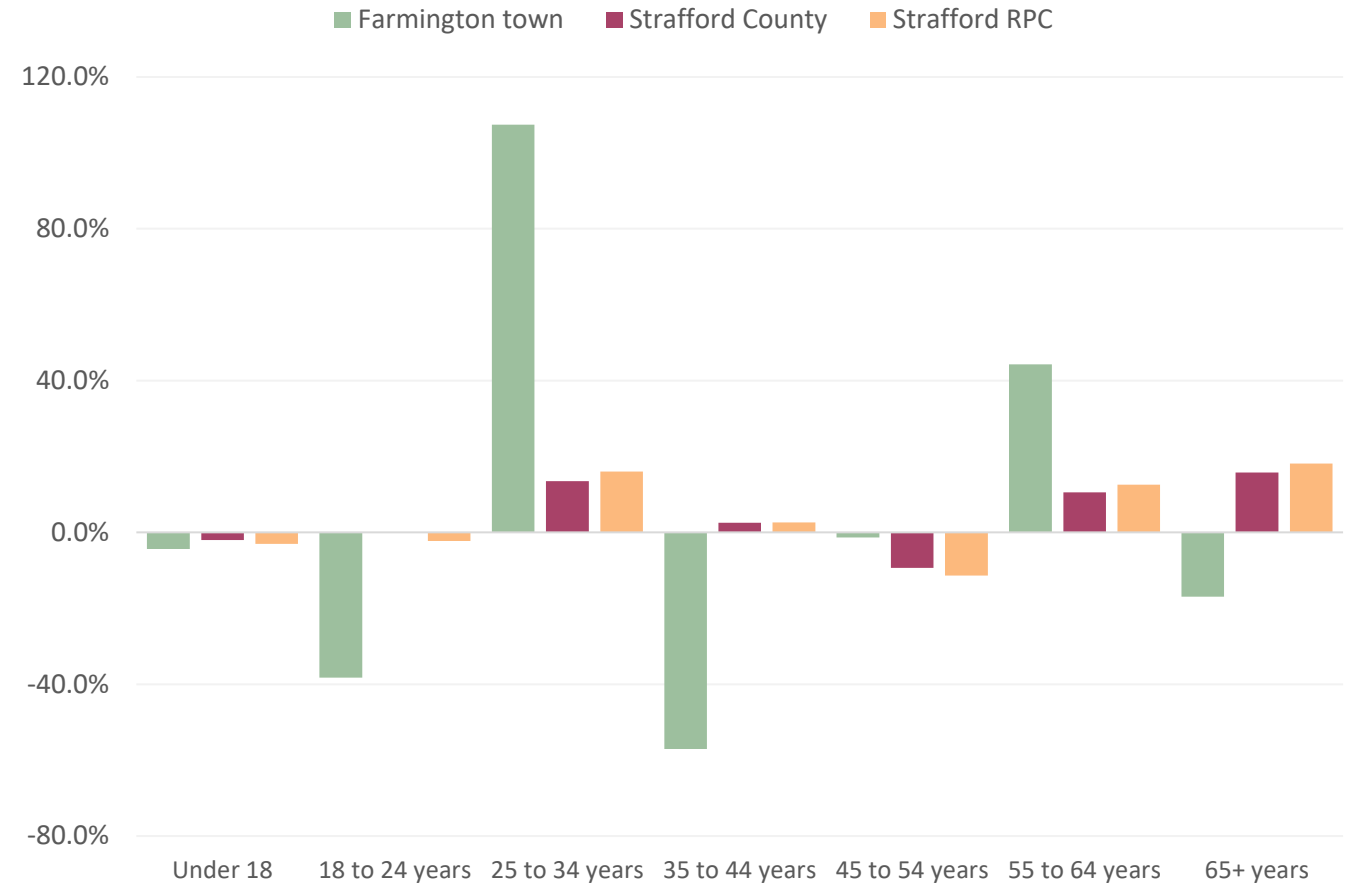
FARMINGTON HOUSING NEEDS ASSESSMENT SUMMARY

ROUTE 11 CORRIDOR STUDY

DEMOGRAPHICS

- From 2010 – 2021, Farmington’s population increased by about 80 residents in total, some of which was bolstered by move ins during COVID.
- More interesting is the change in age groups in Farmington. The Town saw a large percentage increase in residents ages 25 to 34, possibly indicating younger residents are moving to Farmington as regional housing prices rapidly rise.
- The jump in 25- to 34-year-olds was about a 600 person increase, substantial when compared to the county and region.
- There was also a jump in those aged 55 to 64 which is consistent with trends in the county and region.

Change in Age by Geography



HOUSEHOLDS

- Most of Farmington’s households are owner occupants and tend to have larger household sizes.
- As Farmington’s 25-34 and 55-64 populations increased, so too did the number of 2-person and 4-person households.
- This may indicate a mix of smaller multifamily and owner-occupied single family are in demand in town.



Average Household Size

Owner-Occupied - 2.59
Renter-Occupied - 2.01



Farmington’s Housing Tenure

73.5%

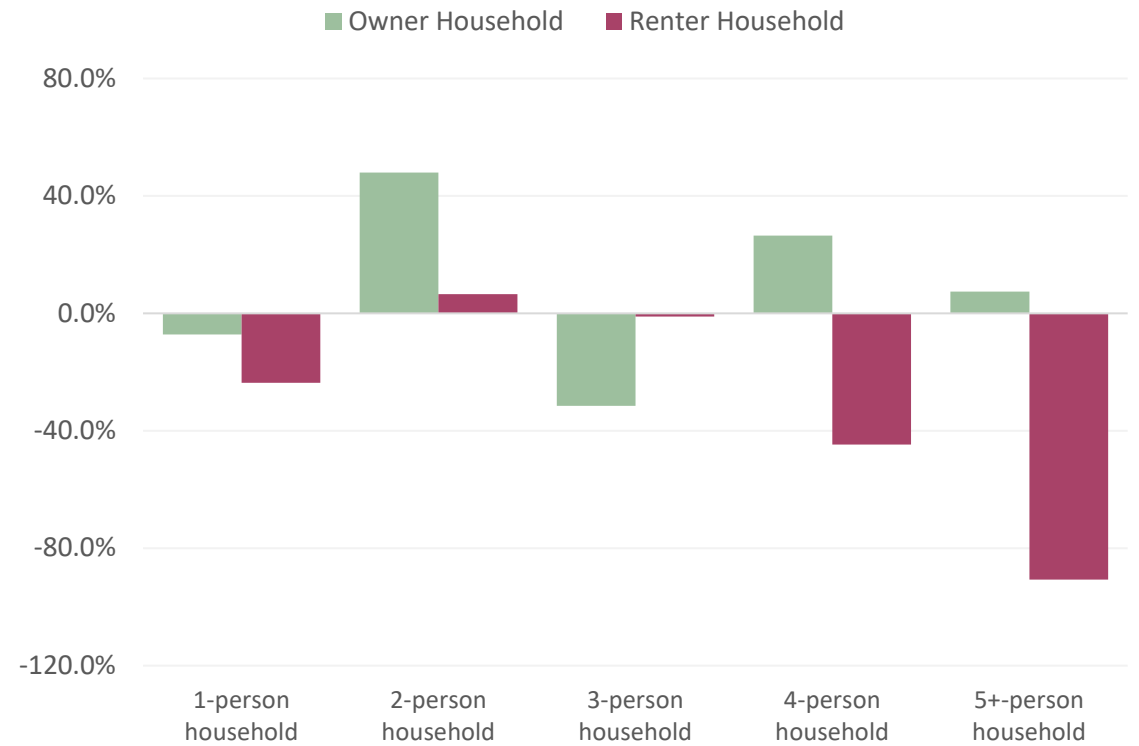
Owner



26.5%

Renter

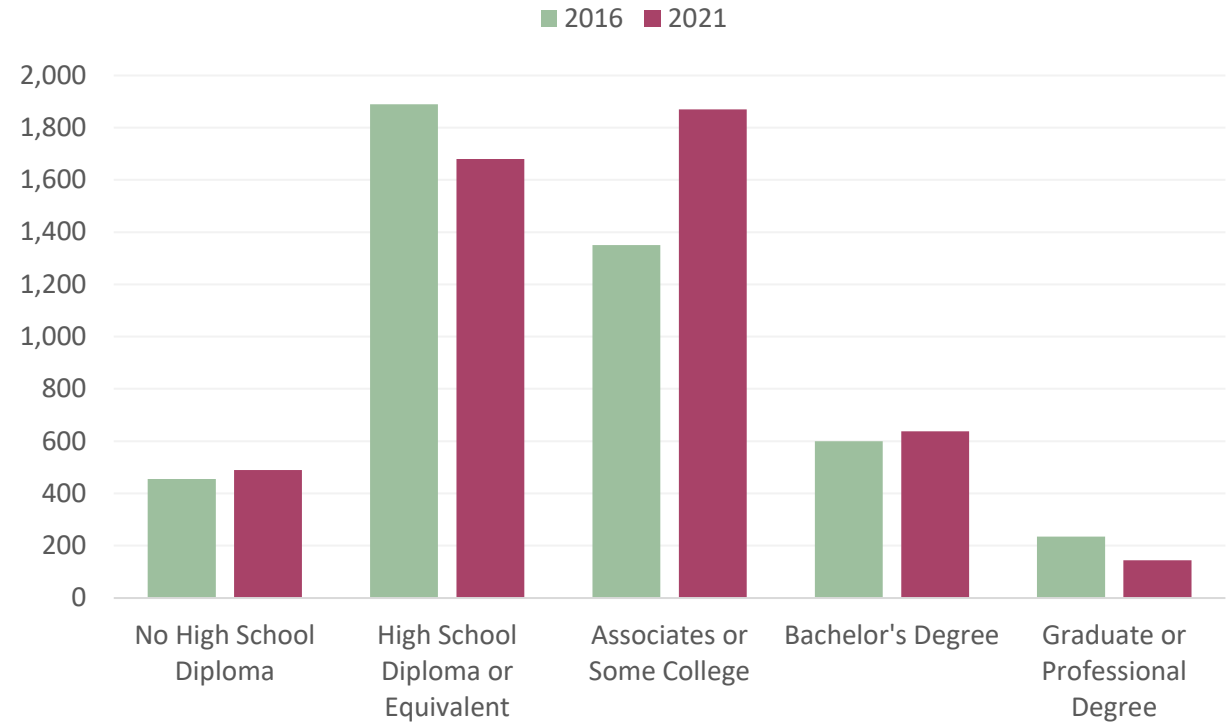
Change in Household Size – Farmington, NH



EDUCATION

- Over the last decade, Farmington saw a 38.4% (519 residents) increase in residents with associates or some college, and a 6.3% (38 residents) increase in residents with a bachelor's degree or higher.
- As residents become more highly educated, or new residents with a higher level of education move in, their income potential rises and ability to afford higher priced housing can increase.

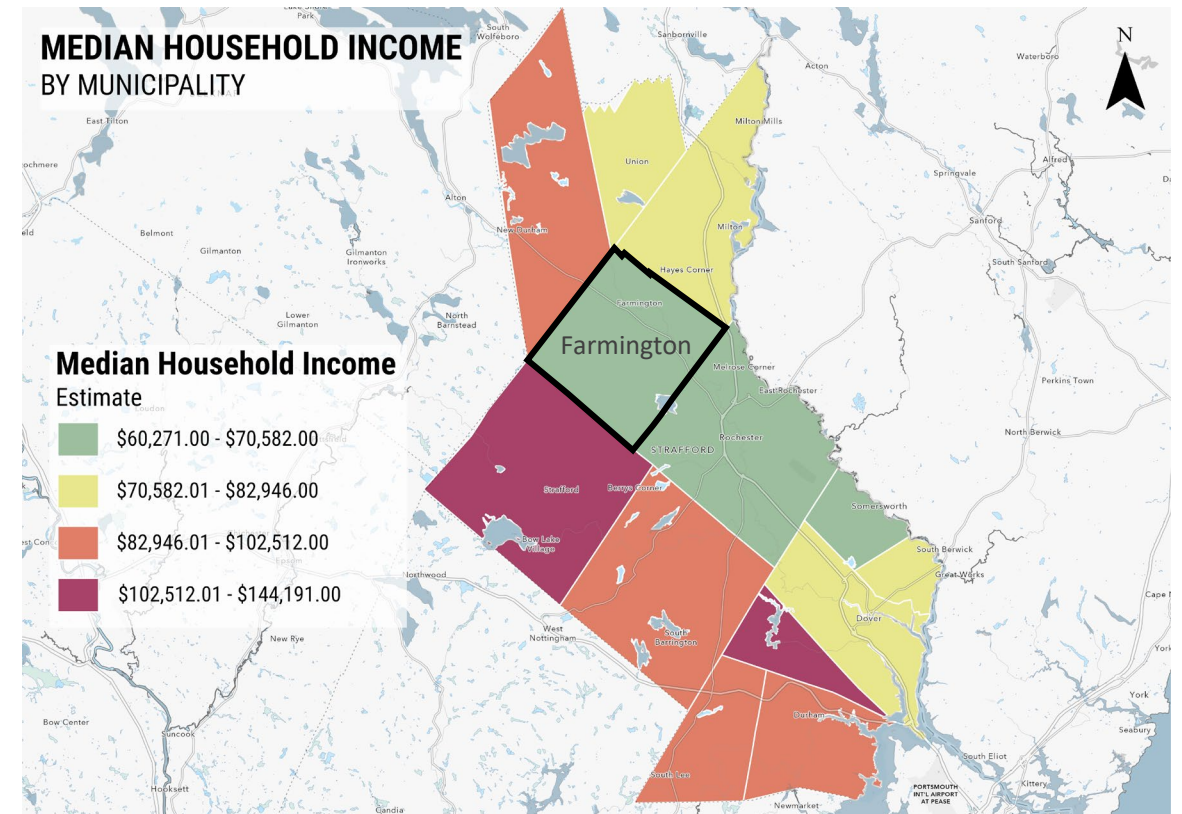
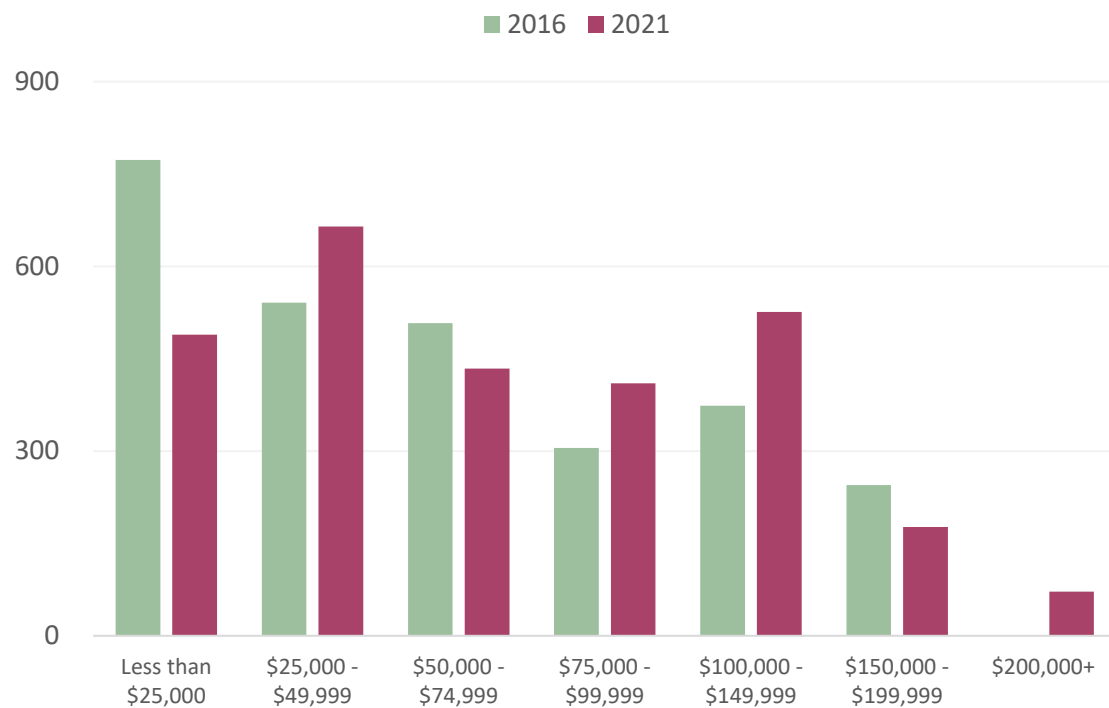
Change in Educational Attainment – Farmington, NH



INCOME

Across Strafford County, communities have experienced increases in higher income households by two key drivers: (1) many high-income households moved to communities around bodies of water in the region for second homes, retirement, and remote work; (2) limited supply and high housing costs in employment centers like Portsmouth drive many home-buyers and renters to seek more affordable housing markets in a commutable distance.

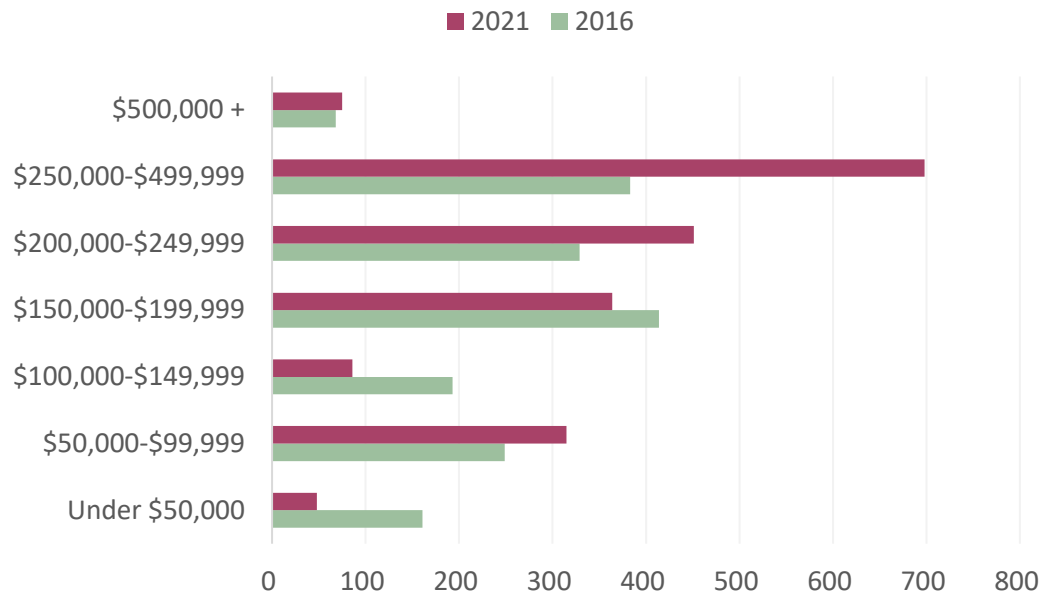
Change in Household Income – Farmington, NH



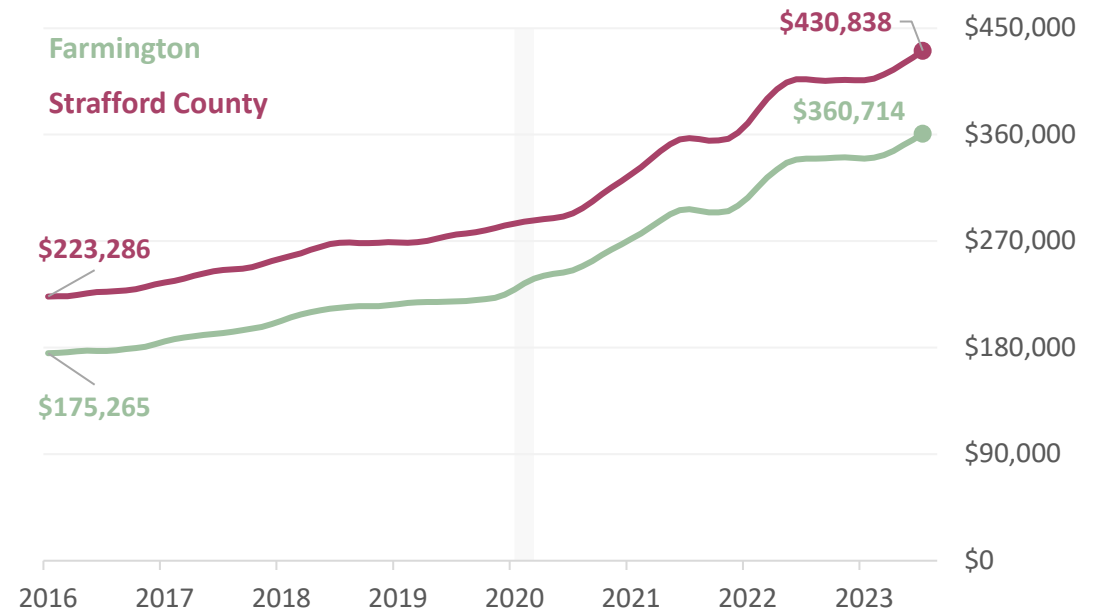
HOUSING CHARACTERISTICS

- With very low vacancy rates and availability of housing comes increases in home values and sale prices.
- Home values in Farmington have increased by 30.4% (~\$52,000) to \$222,800 over the past decade. This change has largely been driven by an increase in homes values at \$200,000 - \$499,999.
- Based on the Zillow Home Value Index, a more real-time measure, the typical home value in Farmington increased from \$175,548 in 2016 to \$360,714 in 2023. This is over a 100% increase in home value.

Home values in Farmington are increasing, driven by growth in homes valued \$200,000 - \$499,999.



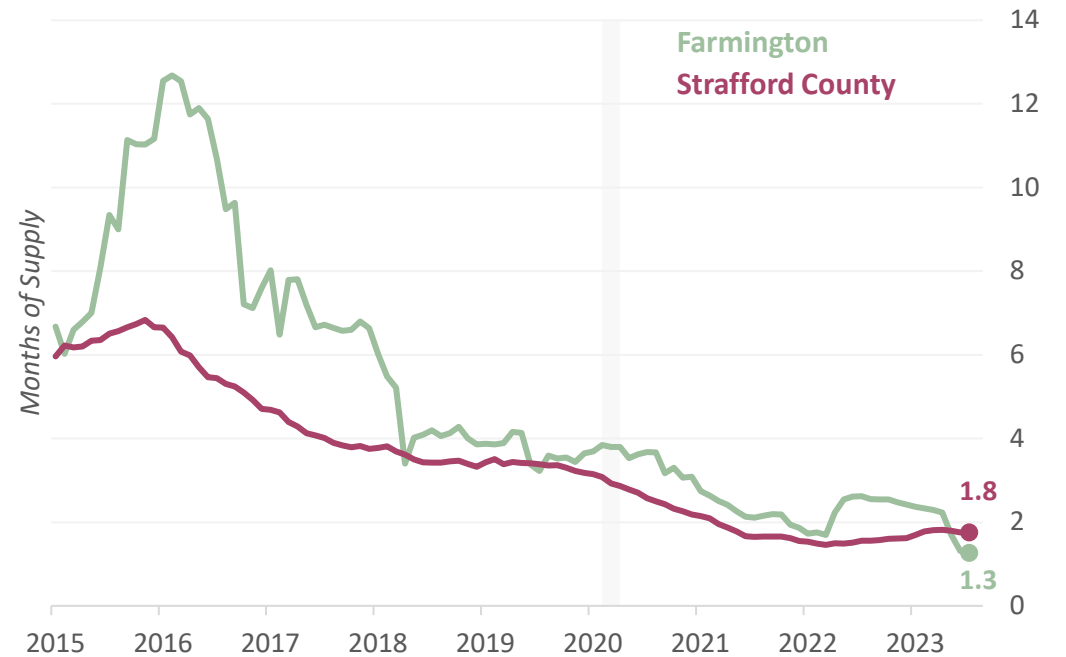
Farmington home values continue to rise but remain lower than county.



HOUSING MARKET TRENDS

- As home prices rise and potential movers have fewer affordably priced options, owners are staying where they are unless they have to move.
- This is placing extreme strain on the housing market driving availability to historic lows. Right now, the market has about 1.3 months of available housing stock for sale at a given point in time.
- Farmington's availability is actually lower than the County.

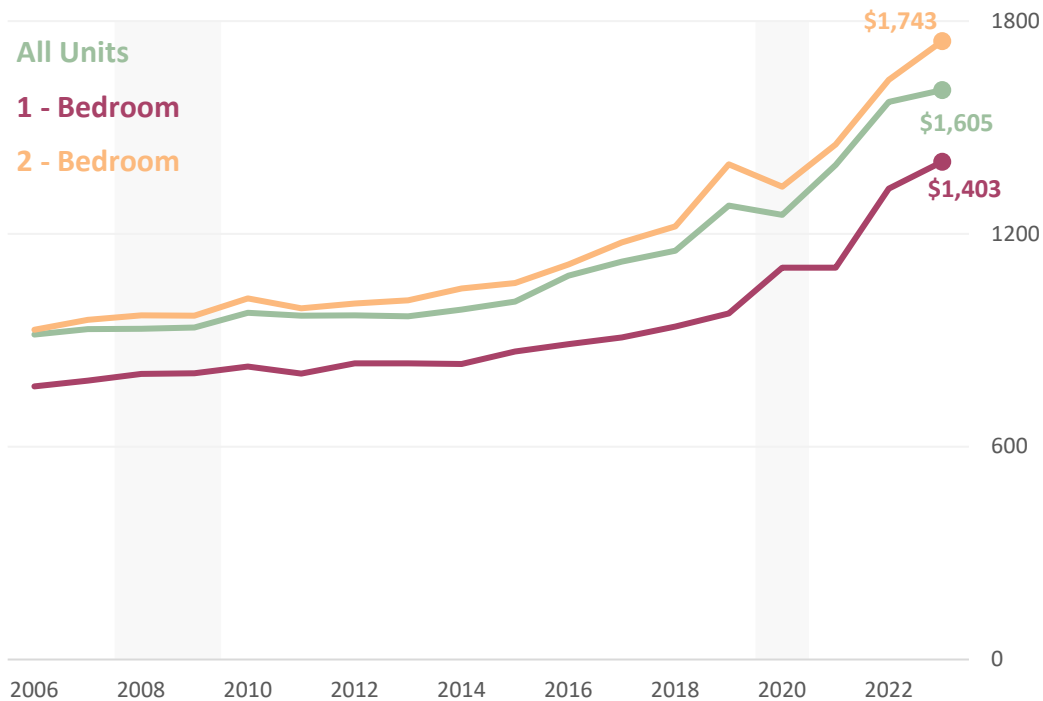
Months of supply has decreased sharply meaning high demand and tight inventories.



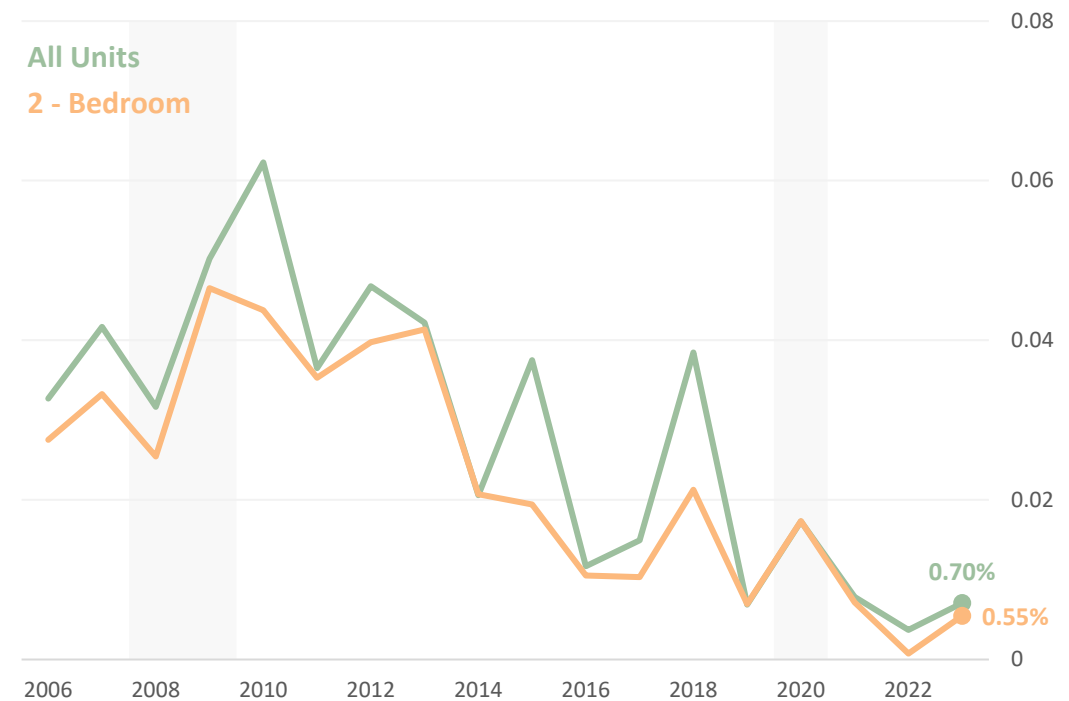
HOUSING MARKET TRENDS

- The housing story is the same for renters and rental units.
- Historic low vacancy rates below 1% are driving rapid increases in rents. Production of housing is not keeping pace with demand.

Median gross rents in the Strafford RPC has been rising faster since 2020.



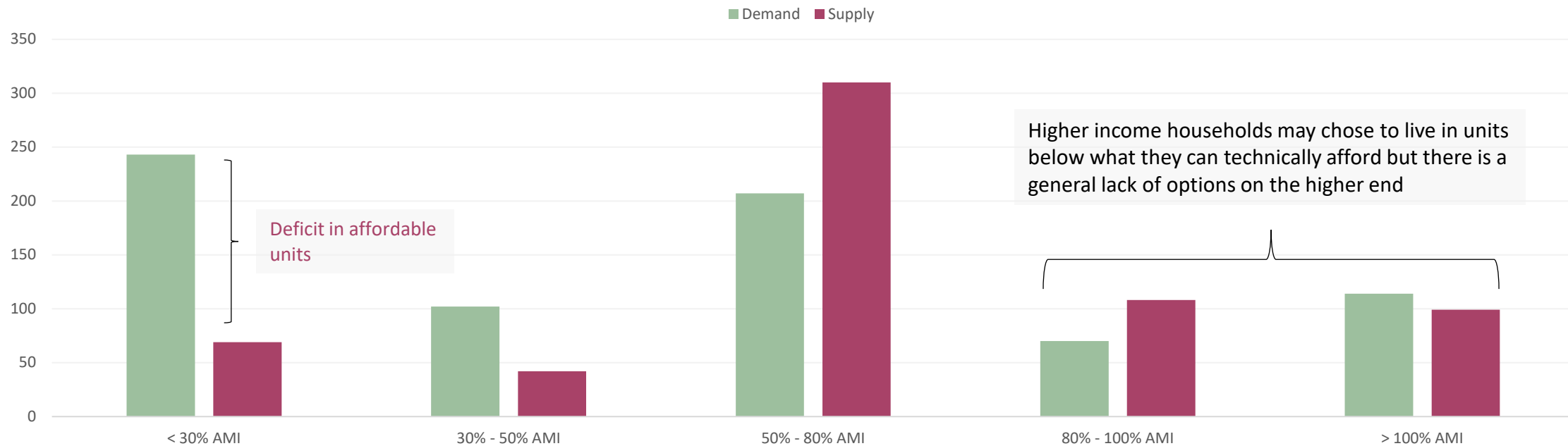
Tight vacancy rates coincide with the rapid increase in rental costs since 2020.



AFFORDABILITY GAP | RENTER

- The stress on the rental market has major implications for our most vulnerable residents who may have to sacrifice spending in certain areas to put more toward housing costs.
- Farmington has a deficit of units priced to renter households earning less than 50% of the area median income forcing many of those households to spend more than they technically can afford on rent.

Comparing renter households by income level (**demand**) to rental units by affordability (**supply**), Farmington has a deficit in units affordable to households earning less than 50% of local median income and more than 100% of local median income.



KEY FINDINGS

- People want to live in Farmington and the surrounding communities across the region and that demand is driving up prices, shrinking availability, and leading to an acute shortage of housing options.
- The rise in prices has an impact on the following:
 - Increasing cost burden on our most vulnerable residents.
 - Forcing residents to have to move if they cannot afford housing costs.
 - Decreasing what residents have to spend on other goods and services.
 - Making us less competitive for attracting businesses and employees.
 - Forcing longer commutes.
- Bringing additional housing options to the corridor could start to help address some of these issues locally.

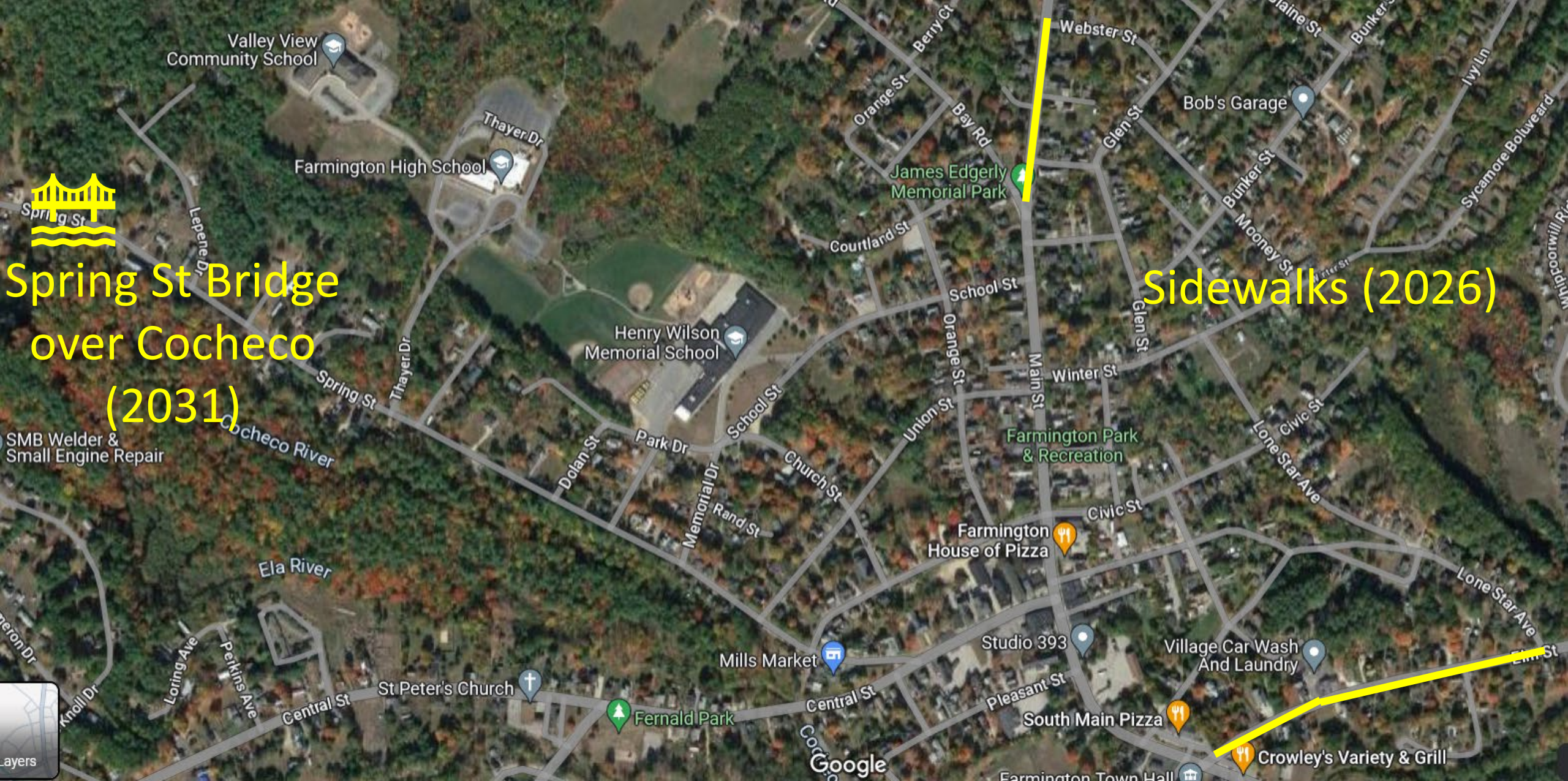




TOWN OF FARMINGTON

TRANSPORTATION PROJECTS

Currently Funded Projects



Spring St Bridge
over Cocheco
(2031)

Sidewalks (2026)

SMB Welder & Small Engine Repair

Layers

Google

In progress

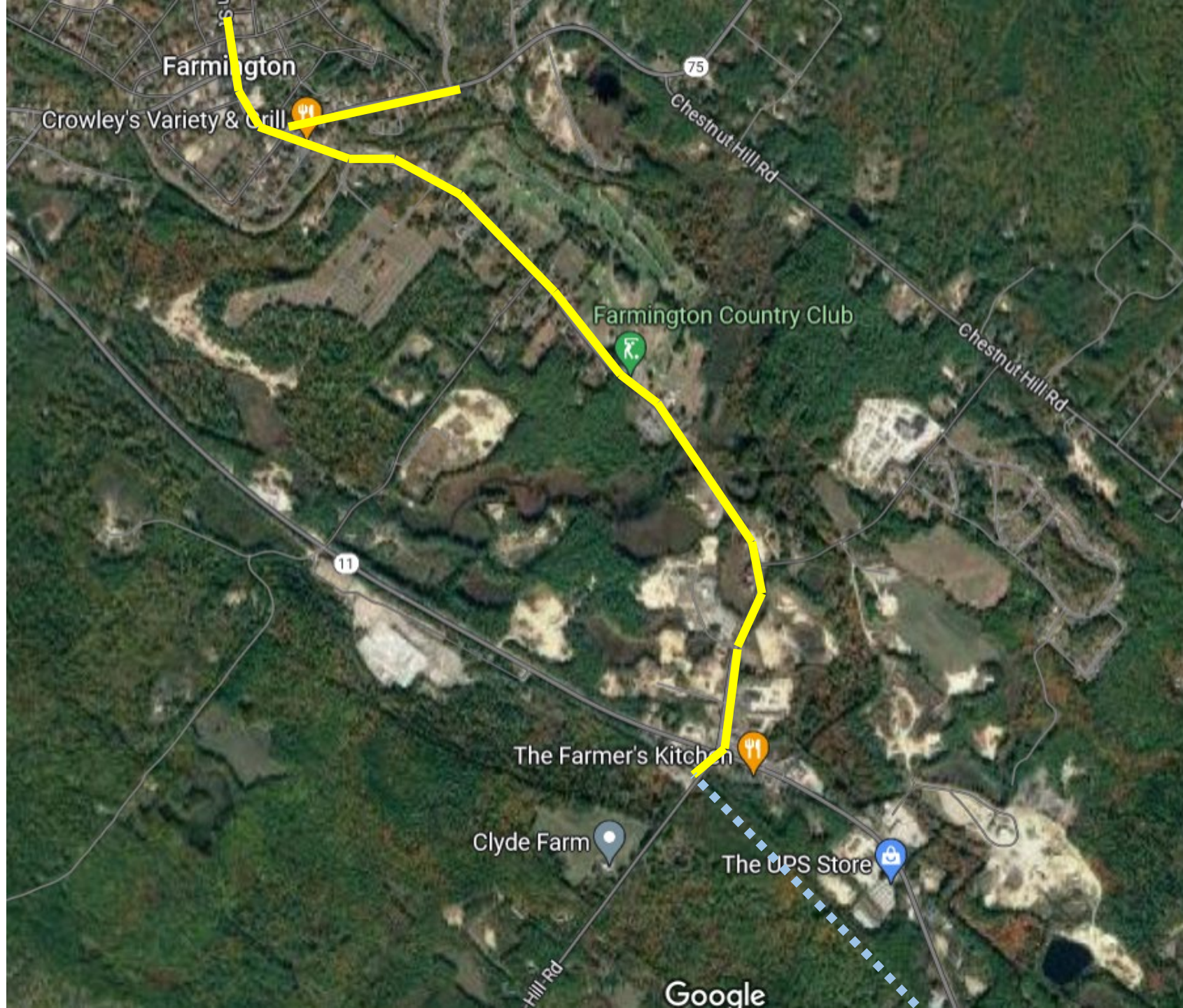
Current
Safety
Projects

Application



Planning, Engineering, and Cost Estimate

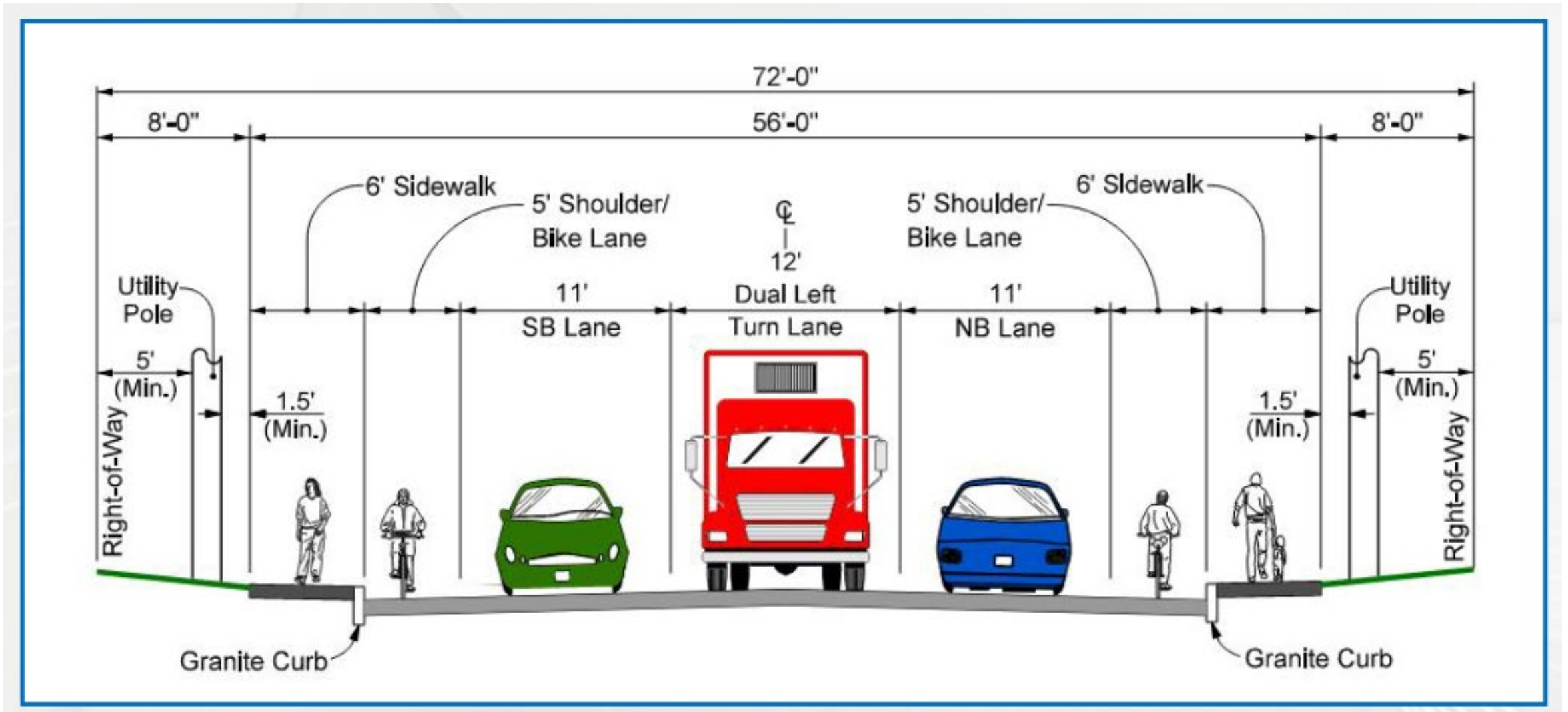
Develop planning-level estimates for sidewalk upgrade and extension. Connect to Farmington Recreation Trail



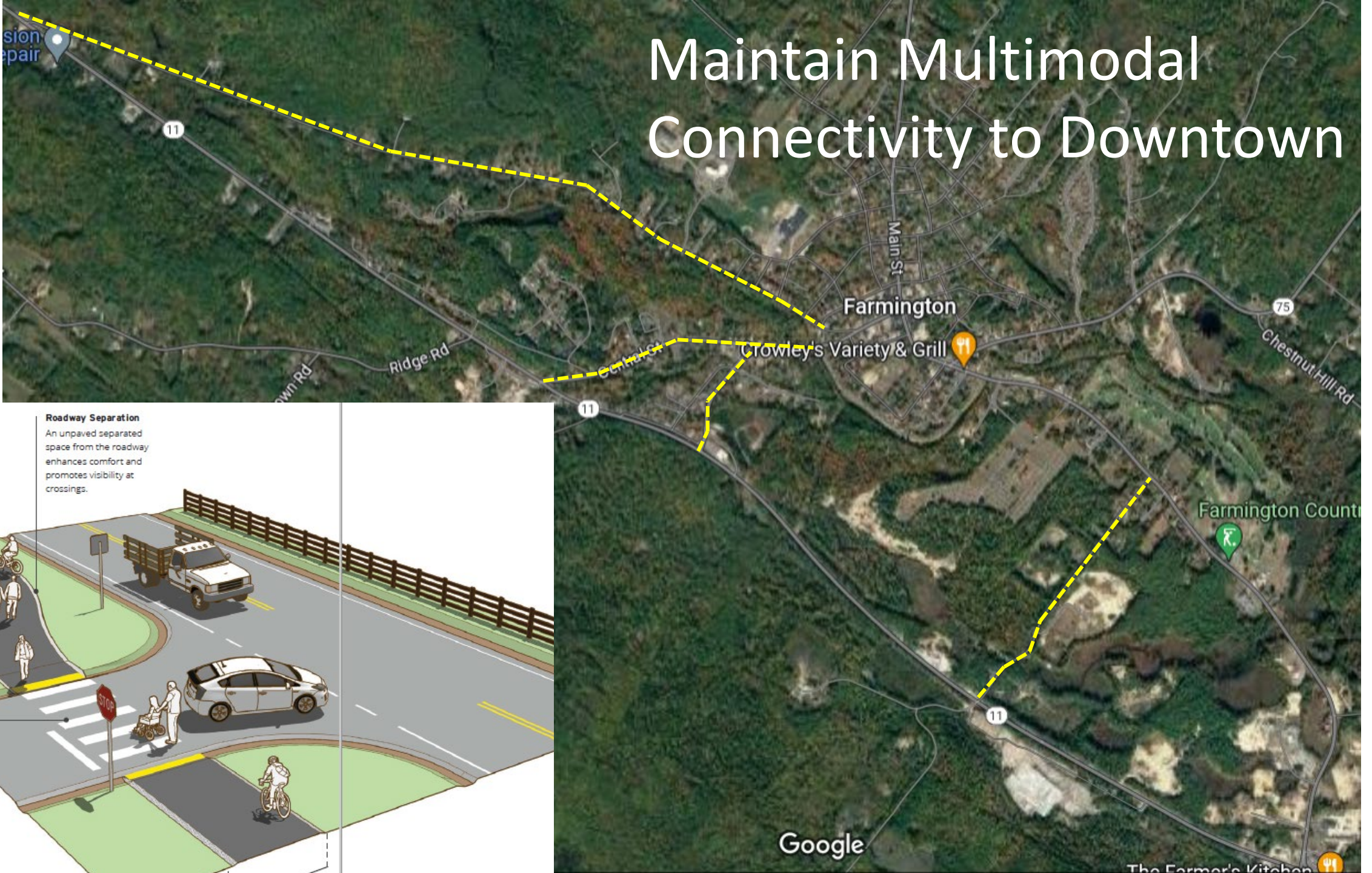
US 1 through Saugus, MA



Alternative for NH 108 Complete Streets (Dover/Somersworth sections)

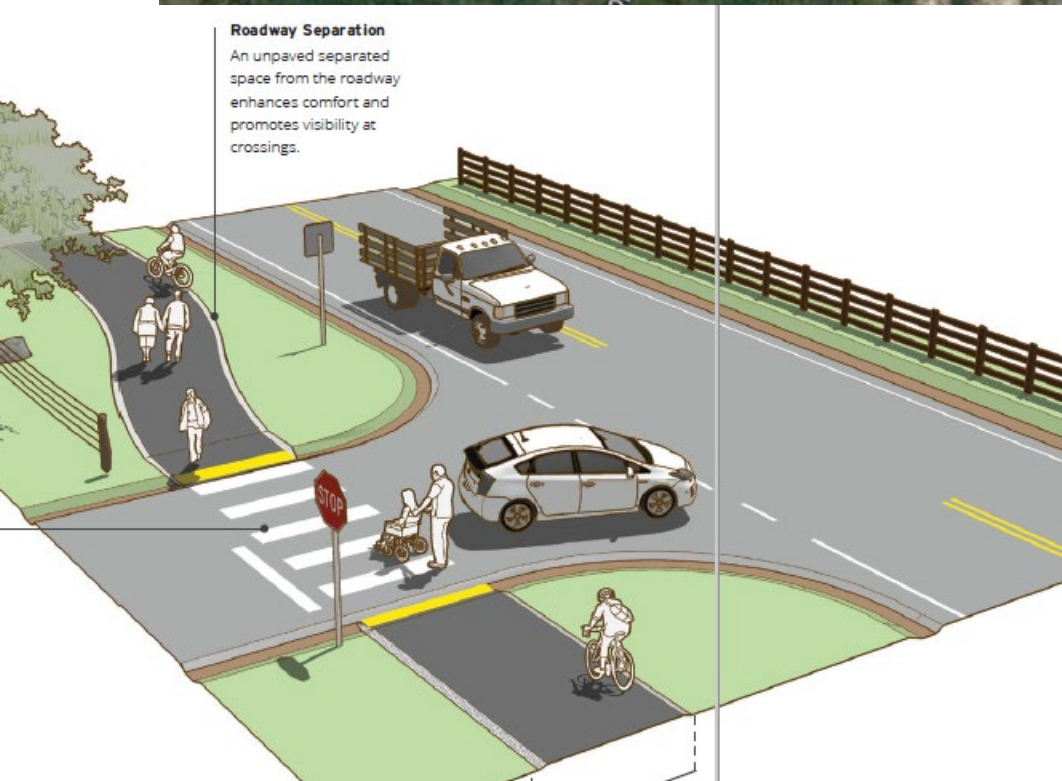


Maintain Multimodal Connectivity to Downtown

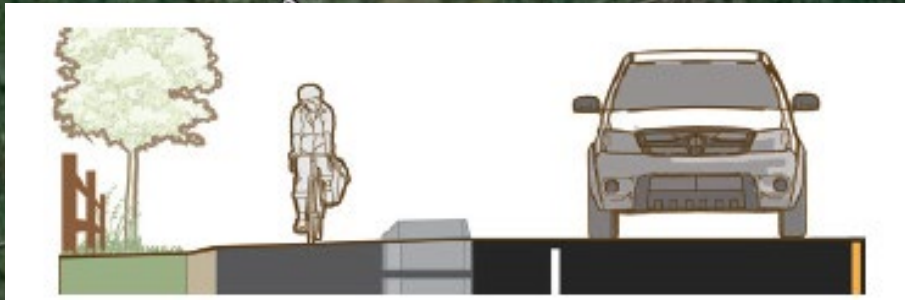
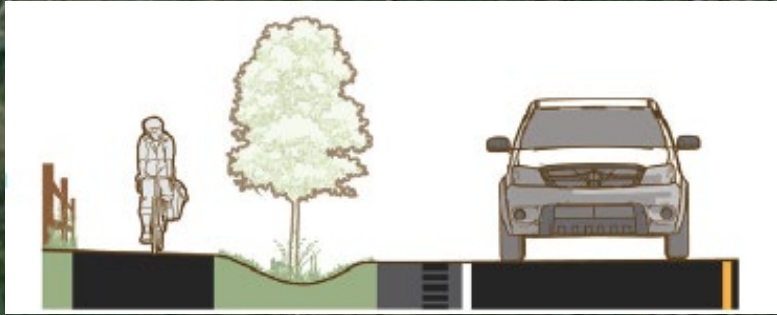
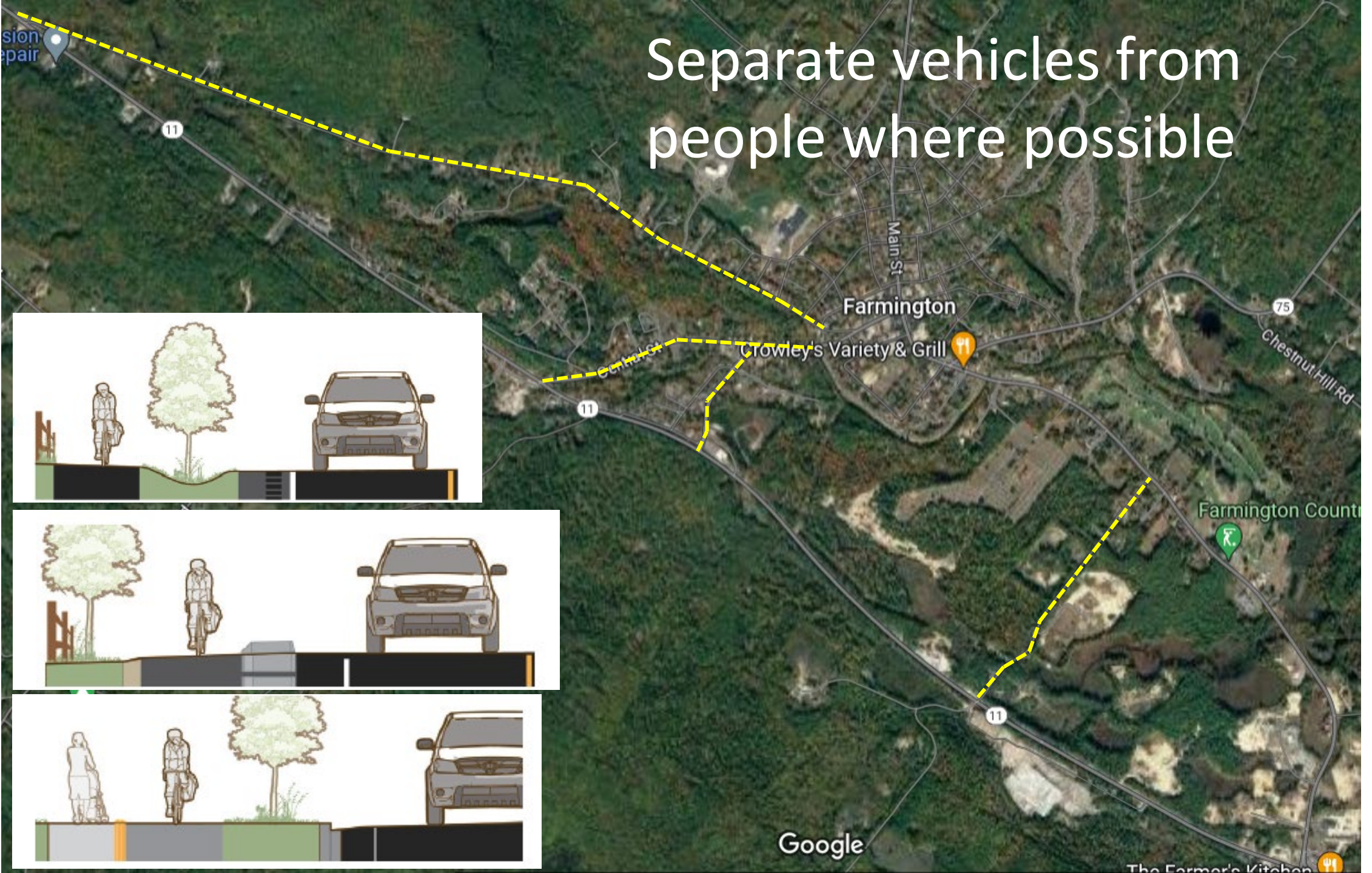


Roadway Separation

An unpaved separated space from the roadway enhances comfort and promotes visibility at crossings.



Separate vehicles from people where possible





TOWN OF FARMINGTON

REGULATORY AUDIT FINDINGS



Policy and Regulatory Audit

- Good news - Master Plan implementation is underway!
 - Audit of the Regulations
 - Addressing the stated housing objectives.
- This is an indication that Farmington is working toward the Vision.



Policy and Regulatory Audit

- Some bad news... The goals for the next decade, as stated in the Master Plan include:
 - nodal development, smart growth, sustainable design – and are not adequately supported by existing zoning.
- This will require new regulatory tools to implement this vision.



Policy and Regulatory Audit

- Also... Workforce Housing is not addressed in the Farmington Zoning Ordinance, which is inconsistent with statutory requirements.
- The recently completed Regional Housing Needs assessment notes the demand for additional Workforce Housing units by 2030.



Policy and Regulatory Audit

- The Master Plan does not identify the Route 11 Corridor as a location for housing.
- Residential uses are not allowed within the Route 11 Zoning Districts.
- New District regulations will be needed to address critical housing demand, including workforce housing.
- The Route 11 Corridor provides opportunities for an increased variety of housing options through increased density and other strategies.





Policy and Regulatory Audit

- Strategic areas along Route 11 should remain commercial/industrial focused.
- A Mixed-Use District could also be used to create density and design guidelines in place of the voluntary Business Node Overlay District.





Policy and Regulatory Audit

- The zoning ordinance could also benefit from clarifying and streamlining language for Corridor Districts.
- Ensure the TIF District closely correlates to revised District and regulatory tools.

