

INTRODUCTION



Milford Mill, Milford

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For many years, New Hampshire has faced a series of critical housing problems. Ten years ago, it was a matter of supply. There was a shortage of housing suitable for households of all incomes, but this shortage was particularly acute for families of low and moderate incomes, especially rental housing.

More recently, as the state's economy continues to recover from recession and demographic trends have shifted away from rapid growth, the shortage of single family homes has been mitigated somewhat, but a significant shortage of rental housing persists. During the recession, the great number of families impacted by foreclosure added pressure to the already-stressed rental market. Now, changing demand and consumer preferences point toward longer term changes for New Hampshire's housing market. These changes are driven both by the needs and preferences of aging Baby Boomers, and by Millennials who tend to prefer the lifestyle offered by renting and are therefore less inclined to value homeownership.

“Affordable housing” means different things, but generally it means housing that is available to a renter household earning up to 60% of the area median income, or an owner household earning up to 80% of the area median income, at a cost that is no more than 30% of their total household income.

These demographic and economic shifts point to a fundamental mismatch between the state's existing housing supply and what the future market demand for housing is likely to be. In turn, the misalignment between supply and demand strongly indicates there will be a need to “retool” our current single family housing stock to meet the needs of aging owners and younger renters, and to continue building more rental housing.