With the arrival of fall, we are more than seven months into the COVID-19 pandemic and assessing its impact on the state’s economy and housing market. The data reveal a surprisingly robust housing market here and nationally, due in large part to record-low interest rates. Unemployment data show the impact of COVID on those who can — and can’t — work from home.

In this edition of our Housing Market Report, we explore what the data show thus far about how COVID-19 is impacting New Hampshire’s homeowner and rental markets. We know that the state and federal eviction and foreclosure moratoria have so far kept many people in their homes despite financial stress from job loss or a reduction in work hours. And we offer two commentaries on migration into the state and the demographic implications for New Hampshire’s housing market.

A new documentary airing on NHPBS October 22nd also focuses on the state’s demographics. Communities & Consequences II, produced by Jay Childs in partnership with Peter Francese and Lorraine Stuart Merrill, explores the economic and social realities of workforce shortages in our state. It examines what is needed to make the state welcoming to young people, families and essential workers. The companion book points to the frequently cited misperception that adding new housing stock will increase education costs as new housing is created to support the needs of our workforce. The film producers are planning community conversations, something that NHHFA and the state’s housing coalitions strongly support. Go to NHPBS.org/communitiesandconsequences for details on the film, book and conversations. (New Hampshire Housing is a sponsor of the documentary.)
The housing needs of the state’s current residents as well as those moving to the state must be met in order for New Hampshire to grow and thrive. To understand the housing needs of these two groups, we need to know what encourages residents to move to and stay in the state. Only 33 percent of residents age 25 and older were born in the New Hampshire, so migrants are of considerable importance to the state’s growth.

In my research (summer 2018 – fall 2019) co-authored with Dr. Ken Johnson, we examined what attracted recent migrants and retains established residents in New Hampshire. For both groups, the top reasons are family, the natural environment, quality of life, employment, taxes, culture and lifestyle, and the economy.

Family was the top reason both for migrants and established residents. Quality of life and the natural environment ranked second and third among established residents, while the natural environment and employment were more important to recent migrants.

Employment is particularly important to younger, well-educated, and higher-income recent migrants. These findings suggest that people at different stages likely have different housing needs and preferences. For example, established residents may want to upgrade their homes to make them more family-friendly, whereas younger migrants may be looking for affordable rentals. In our survey, housing and property values were mentioned by nearly 12 percent of recent migrants to the state.

A complex array of factors motivates people to move to or stay in New Hampshire. It is not surprising, therefore, that there is no simple solution to developing housing policy for the state. Instead, it is important to remember that people’s connections to the state are the result of a matrix of social, economic, and environmental factors. These, together with residents’ stage in the life cycle, age, income, and education, will all influence their housing needs and preferences.

Our Carsey Research brief has detailed analyses about why people move to and stay in New Hampshire: carsey.unh.edu/publication/why-people-move-to-stay-in-NH
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REPORT PREPARED BY THE POLICY, PLANNING AND COMMUNICATIONS GROUP

Ben Frost, Managing Director
Heather McCann, Director of Housing Research
Kathleen Moran, Housing Research Analyst

For questions about this report and press inquiries:
Grace Lessner, Public Information Manager | glessner@nhhfa.org | 603-310-9371

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

Front cover photos: A Seabrook Celtics fan and his mom, participants in our Assisted Housing Family Self-Sufficiency program, enjoy time together at home before the work and school day starts; Twin Pines Housing’s Tracey Community Housing (29 new units) in West Lebanon, the first net zero affordable rental property in NH, is funded through NHHFA and the Low-Income Housing Tax Credit Program; Cathy received a grant from GSIL/NHHFA to fund the installation of a ramp in her Milford home.
ECONOMIC INDICATORS

UNEMPLOYMENT RATE (US, NEW ENGLAND, NEW HAMPSHIRE)
Through August 2020, seasonally adjusted

Source: U.S. Bureau of Labor Statistics

The unemployment rate in the state, region, and nationally abruptly and dramatically changed in April after the COVID-19 pandemic hit the US. New Hampshire’s seasonally adjusted unemployment rate for August was 6.5%, a decrease from its peak of 17.1% in April. New Hampshire now has the nation’s 17th lowest unemployment rate, tied with North Carolina.

Economic indicators continue to reflect a strong economy in New Hampshire, with steady job opportunities. They also show household income has increased over the past five years but may be starting to slow.
NH INITIAL UNEMPLOYMENT CLAIMS & CONTINUED CLAIMS BY WEEK

January - September 26, 2020

Each week—both while a claim is pending determination and after it is approved—a worker must file a continued claim for benefits. “Week of unemployment” means when an individual registers in person, by mail or telephone with an employment office. For example: The claimant reported on Friday, February 8, and advised that he had been laid off on January 28. He did not contact the Department earlier because he was busy looking for work. He wished to claim benefits from the time of layoff. The effective date of the claim is February 3, the Sunday prior to the Friday on which he reported. This is termed the “reflected week.”

Source: U.S. Department of Labor; count totals are compiled by reflecting week ended

EMPLOYMENT BY INDUSTRY

Percent change August 2019 to August 2020; seasonally adjusted

Source: U.S. Bureau of Labor Statistics
MORTGAGE DELINQUENCY IN NEW ENGLAND & US

Q1 & Q2, 2020

Source: National Delinquency Survey, Mortgage Bankers Association; prepared by NHHFA

Mortgage delinquencies in New Hampshire in Q2 2020 have increased due to the pandemic. Currently, 6.3% of all loans in the state have at least one payment past due, which is lower than other New England states and nationally. The delinquency rate includes loans at least one payment past due but does not include loans in the process of foreclosure.

FORECLOSURE DEEDS IN NEW HAMPSHIRE

By quarter

Source: The Warren Group, compiled by NHHFA

The number of foreclosures was greatly reduced as a result of the state's moratorium on them from March - July 1, 2020. Also, many homeowners with federally backed mortgages requested a forbearance from their mortgage companies to temporarily suspend or reduce payments required. Given these governmental restrictions on foreclosures, this graphic is not reflective of what foreclosure activity might look like in 2021.
In order to legally evict a tenant in NH, a landlord must first file a Landlord/Tenant Writ with the court. A judge determines if a writ of possession court order will be issued, allowing a landlord to have a tenant lawfully removed from the home. Governmental actions to stop evictions during the pandemic have impacted the numbers seen in this graph.
ECONOMIC INDICATORS

LIKELIHOOD OF EVICTION OR FORECLOSURE

Data collected 9/2/2020 - 9/14/2020.

Black bar in graph indicates the margin of error, a measure of an estimate's variability. This number, when added to and subtracted from the estimate, forms a 90-percent confidence interval.

Source: Census Bureau, Household Pulse Survey

This graph shows the percentage of adults who reported living in households where eviction or foreclosure in the next two months is either very likely or somewhat likely.

HOUSING INSECURITY

Data collected 9/2/2020 - 9/14/2020

Black bar in graph indicates the margin of error, a measure of an estimate's variability. This number, when added to and subtracted from the estimate, forms a 90-percent confidence interval.

Source: Census Bureau, Household Pulse Survey

This graph shows the percentage of adults who reported that they are not current on rent or mortgage payments, or who have slight or no confidence that their household can pay next month's rent or mortgage on time.
ECONOMIC INDICATORS

OWNER & RENTER MEDIAN HOUSEHOLD INCOME

Household income has increased for both owners and renters in 2019. Renter-occupied household income increased by $4,000 to $45,000. Even with this income increase, it would still be challenging to purchase a home given current market conditions.

![Median Owner-occupied Income vs Median Renter-occupied Income](chart)

In thousands; based on 2019 dollars, adjusted for inflation.


NATIONAL HOUSEHOLD DEBT, 2004 – Q2 2020

Credit card balances declined sharply in Q2, by $76 billion, the steepest decline in card balances in the history of the data. It reflects sharp declines in consumer spending due to the COVID-19 pandemic and related social distancing orders. Auto loan balances were roughly flat in Q2. Student loan balances increased slightly by $2 billion, reflecting a wide application of forbearance on federal student loans and interest waivers. In total, non-housing balances (including credit card, auto loan, student loan, and other debts) saw the largest decline in the history of this report ($86 billion).

![National Household Debt Chart](chart)
NEW HAMPSHIRE’S HOMEBUYER MARKET

While mortgage rates have fallen to record lows, an extremely low inventory of houses and continued high demand have pushed the median home sales price to record highs.

The median sales price reached a new peak in August 2020 of $335,000. This is a 14% increase from August of last year.

**MLS MEDIAN SALES PRICE**

Source: Based on information from the Northern New England Real Estate Network and compiled by NHHFA. Excludes land, interval ownership, seasonal camps/cottages, multi-family property, mobile/manufactured homes and commercial/industrial property.

**MLS CLOSED SALES**

Orange line reflects a six-month moving average.

Source: Based on information from the Northern New England Real Estate Network and compiled by NHHFA. Excludes land, interval ownership, seasonal camps/cottages, multi-family property, mobile/manufactured homes and commercial/industrial property.

August 2020 sales decreased less than 1% from the number of sales in August of last year. Sales are down 6% from January - August compared to the same period last year. These figures reflect extremely low inventory levels, not a lack of demand.
September 2020 listings in total have dropped 27% when compared to September 2019. As prices continue to rise, listings under $300,000 become scarcer; the number of homes below this price have decreased 37% from last year.

Months of supply of inventory shows how many months it would take for the current inventory of homes on the market to sell, given the current pace of home sales. Active listings less than or equal to $300,000 had a high of eight months in August 2014. In September 2020, New Hampshire dropped to less than one month of supply of homes listed at or below $300,000.
NEW HAMPSHIRE’S HOMEBUYER MARKET

COMPARISON OF INTEREST RATES


Interest rates remain historically low, leading to very favorable financing for those who already own a home and wish to refinance, or those who are purchasing a home. Freddie Mac’s Primary Mortgage Market Survey shows an average commitment rate of 2.89% for the month of September with 0.8 points.

WHERE NH’S HOMEBUYERS ARE COMING FROM

Number of homes purchased in New Hampshire by in- and out-of-state buyers, January - August 2020 (top 15 states).

Source: The Warren Group; filtered and analyzed by NHHFA

While the great majority of New Hampshire’s homebuyers are moving within the state (73%), about a third of buyers come from elsewhere. These are the top 15 states of origin of homebuyers this year. (See pages 2 - 3 for insights on this in-migration to New Hampshire.)

<table>
<thead>
<tr>
<th>State</th>
<th>Number of Homes</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Hampshire</td>
<td>8,780</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>1,924</td>
</tr>
<tr>
<td>Maine</td>
<td>131</td>
</tr>
<tr>
<td>Vermont</td>
<td>127</td>
</tr>
<tr>
<td>Connecticut</td>
<td>124</td>
</tr>
<tr>
<td>New York</td>
<td>114</td>
</tr>
<tr>
<td>Florida</td>
<td>103</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>77</td>
</tr>
<tr>
<td>California</td>
<td>74</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>47</td>
</tr>
<tr>
<td>Virginia</td>
<td>45</td>
</tr>
<tr>
<td>New Jersey</td>
<td>38</td>
</tr>
<tr>
<td>Texas</td>
<td>38</td>
</tr>
<tr>
<td>Arizona</td>
<td>35</td>
</tr>
<tr>
<td>Colorado</td>
<td>34</td>
</tr>
<tr>
<td>Other States</td>
<td>250</td>
</tr>
<tr>
<td>Unknown</td>
<td>81</td>
</tr>
</tbody>
</table>

Total Sales 12,022
NEW HAMPSHIRE’S HOMEBUYER MARKET

NH HOUSING PERMITS (SINGLE-FAMILY AND MULTI-FAMILY)

Seasonally adjusted, 6-month moving average, through August 2020

Source: U.S. Department of Commerce, Construction Statistics Division

Single-family permits increased 24% cumulatively from January through August of this year when compared to last year, while multi-family permits have decreased 61%.

INDEX OF NH & US SINGLE-FAMILY HOUSING PERMITS ISSUED

Seasonally adjusted, 6-month moving average, indexed, through August 2020. Index 12-month average of year 2000 = 100

Source: U.S. Department of Commerce, Construction Statistics Division

Nationally, single-family housing permits have increased 9% this year, collectively from January through August, when compared to the same period last year. New Hampshire has seen more growth (24%) when compared to last year, yet it remains behind the national average.
NEW HAMPSHIRE’S
HOMEBUYER
MARKET

REAL ESTATE LISTINGS BY
NH COUNTY

Listings as of
9/1/20.

Based on
information
from the
Northern New
England Real
Estate Network
and compiled by
NHHFA. Excludes
land, interval
ownership,
seasonal camps/
cottages, multi-
family property,
mobile/
manufactured
homes and
commercial/
industrial
property.

<table>
<thead>
<tr>
<th>County</th>
<th>Total Listings</th>
<th>Median List Price</th>
<th>Listings at or Below $300,000</th>
<th>Percent of County Total</th>
<th>Listings at or Above $300,000</th>
<th>Percent of County Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belknap County</td>
<td>444</td>
<td>$349,900</td>
<td>175</td>
<td>39.4%</td>
<td>269</td>
<td>60.6%</td>
</tr>
<tr>
<td>Carroll County</td>
<td>508</td>
<td>$365,000</td>
<td>191</td>
<td>37.6%</td>
<td>317</td>
<td>62.4%</td>
</tr>
<tr>
<td>Cheshire County</td>
<td>330</td>
<td>$275,000</td>
<td>202</td>
<td>61.2%</td>
<td>128</td>
<td>38.8%</td>
</tr>
<tr>
<td>Coos County</td>
<td>268</td>
<td>$185,000</td>
<td>209</td>
<td>78.0%</td>
<td>59</td>
<td>22.0%</td>
</tr>
<tr>
<td>Grafton County</td>
<td>620</td>
<td>$297,200</td>
<td>332</td>
<td>53.5%</td>
<td>288</td>
<td>46.5%</td>
</tr>
<tr>
<td>Hillsborough County</td>
<td>1,487</td>
<td>$265,000</td>
<td>504</td>
<td>33.9%</td>
<td>983</td>
<td>66.1%</td>
</tr>
<tr>
<td>Merrimack County</td>
<td>616</td>
<td>$349,900</td>
<td>251</td>
<td>40.7%</td>
<td>365</td>
<td>59.3%</td>
</tr>
<tr>
<td>Rockingham County</td>
<td>1,511</td>
<td>$475,000</td>
<td>238</td>
<td>15.8%</td>
<td>1,273</td>
<td>84.2%</td>
</tr>
<tr>
<td>Strafford County</td>
<td>459</td>
<td>$319,000</td>
<td>217</td>
<td>47.3%</td>
<td>242</td>
<td>52.7%</td>
</tr>
<tr>
<td>Sullivan County</td>
<td>263</td>
<td>$264,900</td>
<td>163</td>
<td>62.0%</td>
<td>100</td>
<td>38.0%</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>6,506</td>
<td>$359,900</td>
<td>2,482</td>
<td>62.0%</td>
<td>4,024</td>
<td>38.0%</td>
</tr>
</tbody>
</table>

MORTGAGE ACTIVITY

Mortgage activity this calendar year in New Hampshire has been dominated by home refinances. Of all mortgage activity this year, 72% were home refinancings and 28% were for home purchases.

Source: The Warren Group
NEW HAMPSHIRE’S RENTAL MARKET

A tight rental market with very low vacancy rates, along with a strong state economy, was reflected in the NHHFA 2020 Residential Rental Cost Survey. Despite the ongoing tightness of the rental market, there is a positive note: at 1.8%, the vacancy rate for all units is nearly 1% higher than last year. View the 2020 report at NHHFA.org.

MONTHLY MEDIAN GROSS RENT, 2-BEDROOM & ALL UNITS (STATEWIDE)

The statewide median gross rent (including utilities) for a 2-bedroom unit has increased over 22% in the past 5 years.

Includes utilities

Source: NHHFA 2020 Residential Rental Cost Survey

STATEWIDE

Monthly median gross rent 2-bedroom units

$1,413

Annual change in monthly median gross rent 2-bedroom units

+ 4.9%

Vacancy rate for 2-bedroom units

1.75%
NEW HAMPSHIRE’S RENTAL MARKET

The statewide median gross rent for a 2-bedroom unit in 2020 was $1,413; 78% of the rental units surveyed are in the southern tier (Hillsborough, Rockingham, Merrimack, and Strafford counties) and they have the highest median gross rents overall. The rental costs seen in Grafton County are driven by the market in the Hanover/Lebanon area.

PERCENT CHANGE IN 2-BEDROOM MEDIAN GROSS RENT OVER 5-YEARS (STATEWIDE, 2015-2020)

Source: NHHFA 2020 Residential Rental Cost Survey

STATEWIDE VACANCY RATE (2-BEDROOM & ALL UNITS, 2010-2020)

Includes utilities

Source: NHHFA 2020 Residential Rental Cost Survey
NHHFA HOUSING RESEARCH, PUBLICATIONS AND RESOURCES

NHHFA’s Policy, Planning and Communications Group focuses on researching and identifying the state’s housing needs and conditions, and publishing housing reports and studies. It also provides technical assistance and information to local governments and the public on housing-related matters, and administers grant programs to support non-profits engaged in affordable housing activities.

HOUSING ADVOCACY AND GRANTS
NHHFA provides funding to support local housing advocacy and public education activities. NHHFA also focuses on engaging partners such as local and regional chambers of commerce and economic development organizations. The state’s network of workforce housing coalitions, along with Housing Action NH, are key to raising awareness about the need for a diverse and affordable range of housing in our communities. NHHFA provides grants to support the housing coalitions such as Vital Communities (Upper Valley); the Workforce Housing Coalition of the Greater Seacoast; and the Mt. Washington Valley Housing Coalition.

MUNICIPAL TECHNICAL ASSISTANCE GRANT PROGRAM
To provide towns and cities with assistance to address locally identified planning needs, NHHFA partners with Plan NH in offering the Municipal Technical Assistance Grant Program (MTAG). Grants of up to $25,000 are available, and a match of 15% of the grant amount (in-kind or cash) is required.

NHHFA staff provide direct technical assistance to municipalities upon request.

NHHFA published A New Hampshire Homeowner’s Guide to Accessory Dwelling Units in 2018 and an ADU guide for local officials in 2017. These guides provide assistance in implementing the Accessory Dwelling Unit statute (RSA 674:71-73). The intent of that law is to expand affordable housing options in New Hampshire communities by encouraging the efficient use of existing housing stock and infrastructure.

HOUSING CONFERENCE SERIES
NHHFA hosts a series of conferences each year for the financial, real estate, lending, development, nonprofit, and other housing-related sectors, as well as public officials and business leaders. These events encourage discussion about addressing the Granite State’s affordable housing and economic development needs. In 2020, NHHFA presented its Homeownership Conference on March 3. In the fall, there will be virtual sessions in lieu of an in-person Multi-Family Housing Development Conference and Housing and the Economy Conference.

HOUSING-RELATED STUDIES, GUIDES AND REPORTS
- A Housing Needs Assessment for New Hampshire (Part 1&2) (October 2020)
- Housing Solutions Handbook (updated 2019)
- Affordable Rental Housing Developments: Characteristics of Residents of New Hampshire Low Income Housing Tax Credit Apartments (2017)
- Analysis of Impediments to Fair Housing (2004 & 2015)
- Housing Needs in NH (NH Center for Public Policy Studies) (2014)
- Community Planning Grant Case Studies (2014)
- Fair Housing for Regional and Municipal Planners (2014)

OTHER NHHFA PUBLICATIONS
- Annual Report
- Financial Statements and Independent Auditor’s Report
- Strategic / Program Plan
- Annual Residential Rental Cost Survey Report (& Utility Allowance)
- Housing Market Report (Spring - Fall)
- Housing Market SNAPSHOT
- HUD Required Consolidated Plan / Action Plan
- State Biennial Housing Plan (every 2 years)
As a self-supporting public corporation created by the state legislature, New Hampshire Housing Finance Authority promotes, finances, and supports affordable housing.

New Hampshire housing market, economic and demographic data are available at NHHFA.org/data-resources-planning.