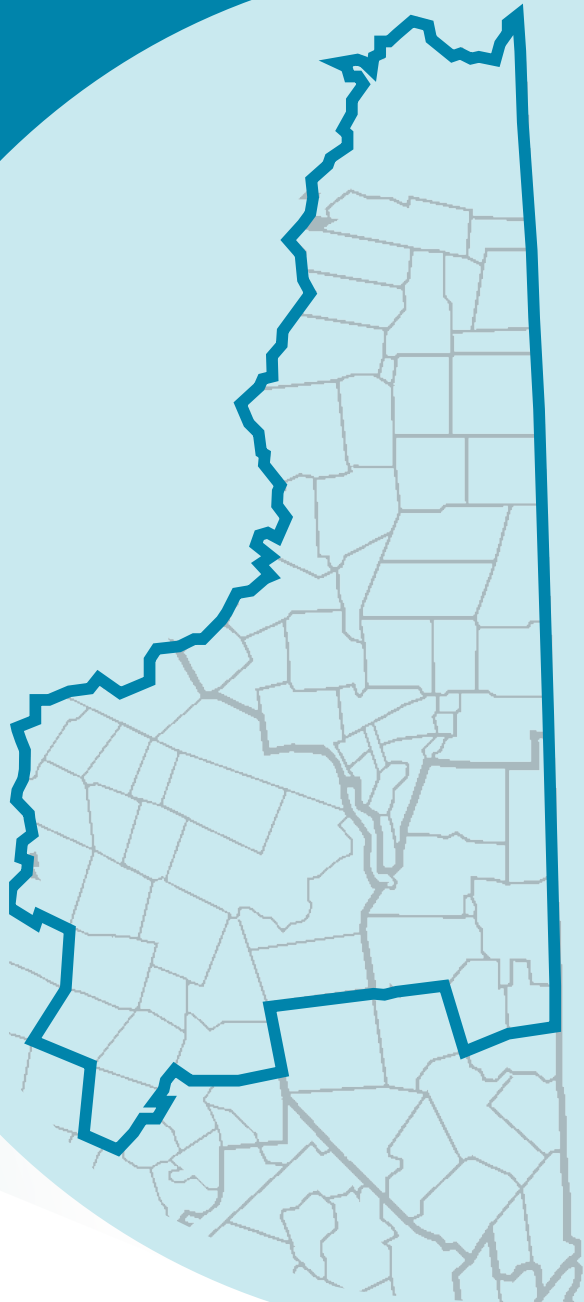
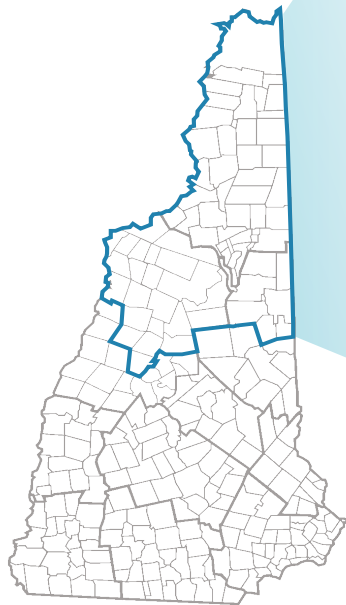


# NORTH COUNTRY HOUSING NEEDS ANALYSIS



NEW HAMPSHIRE  
HOUSING



June 2021

Prepared by **New Hampshire Housing**  
in collaboration with **Stepwise Data Research** and **North Country Council**

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This report was prepared by New Hampshire Housing, in collaboration with Stepwise Data Research and North Country Council.

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# SECTION 1

## North Country Housing Needs Analysis

### Executive Summary

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#### INTRODUCTION

The *North Country Housing Needs Analysis* was undertaken to provide a comprehensive review of the housing needs of New Hampshire's North Country, with a focus on Coös County. This study builds on work done by Stepwise Data Research (Stepwise), on behalf of the Neil and Louise Tillotson Fund, which focused on the housing needs of the region's outdoor recreational industry.

At a time when housing markets throughout the country are experiencing acute supply shortages and escalating prices, this study provides an exhaustive analysis of the forces at play today in the North Country's housing market, along with policy recommendations specifically tailored to the region's unique needs and characteristics.

This study was a joint effort of New Hampshire Housing, North Country Council (NCC, or the Commission), and Stepwise. Funding was provided by the Neil and Louise Tillotson Fund at the New Hampshire Charitable Foundation, NCC, and New Hampshire Housing.

NCC is one of nine regional planning commissions in New Hampshire established by RSA 36:46. The Commission's region consists of 50 communities and 25 unincorporated places in the northern third of New Hampshire. The Commission serves in an advisory role to local governments to promote coordinated planning, orderly growth, efficient land use, transportation access, and environmental protection.

Stepwise Data Research, located in Yarmouth, Maine, is headed by economist Michael LeVert. The firm provides custom data analysis and research for New England leaders in business, education, government, and philanthropy.

New Hampshire Housing is the state's housing finance agency, and was established by the state legislature in 1981 with a mission to promote, finance, and support affordable housing and related services for the people of New Hampshire. It is self-funded through programs it administers and has a nine-member board of directors that is appointed by the Governor and Executive Council.

#### PROCESS AND WORK PRODUCTS

This study was conducted over the course of 12 months and is comprised of multiple components. At the outset, Stepwise conducted extensive research, using both publicly available and proprietary datasets to produce an in-depth analysis of the housing market in the North Country. The *Housing in New Hampshire's North Country* section explores the various factors and trends inherent to this sector of New Hampshire's broader housing market.

To gather qualitative data, NCC convened seven separate focus groups consisting of North Country businesses, social services providers, seniors, young adults, municipal planners and board members, developers and builders, and realtors and lenders. The findings from these focus groups are presented in the *Housing Focus Groups Series – Report and Findings* section.

In addition, NCC conducted targeted “Lunch and Talk” interviews with 12 stakeholders drawn from each of the three counties in the region, among them residents, housing professionals, social service providers, business leaders, and housing advocates. These interviews helped inform the research team’s understanding of the impacts of regional housing trends on the lives and livelihoods North Country residents, and also helped to identify housing practices and solutions as they emerged in local communities. The findings from these interviews are provided in the *Lunch and Talk Summary* section.

To gain additional insight into the housing-related needs and concerns of residents and employers in the region, NCC, in collaboration with Stepwise, developed and deployed two online surveys. A resident survey was widely distributed and yielded 286 respondents. An employer survey was emailed to each business in good standing within the NCC planning region. A total of 196 businesses from 36 communities in the North Country responded to the survey. A third survey was distributed to property managers. The results of the surveys can be found in these sections: *North Country Resident Housing Survey*, *North Country Employer Housing Survey*, and *Property Managers Survey*.

The research team also evaluated the impact of the coronavirus pandemic on the North Country’s housing market (see *New Hampshire’s Housing Market in 2021 – COVID-19 Impact and Implications* section). The pandemic created an unexpected real estate boom in New Hampshire and throughout the U.S. The section explores the historic rise in prices and sales, its causes and implications, and asks what the future might hold.

In searching for potential solutions to the North Country’s housing challenges, the research team looked to other regions in the U.S. and identified three diverse initiatives — each in a New England town — to increase affordable housing. These initiatives provide useful insights to inform potential initiatives in the North Country. The approaches of each town are summarized in the *Housing Case Studies* section.

## **FINDINGS AND RECOMMENDATIONS**

The housing market in the North Country is in some ways similar to that of the rest of the state, and nation — inventories are at record lows, prices are continuing to escalate, and there is a dearth of affordable rental units and homes for purchase. Yet there are characteristics of the North Country’s housing market that distinguish the region. For example, despite relatively low housing costs, affordability is still an issue for more than a third of households there. This in turn highlights the finding that low wages are a significant contributor to the region’s housing challenges.

A diverse set of strategies and policy recommendations are set forth in this analysis. There is no single overarching solution to the region’s housing needs. Rather, a suite of complementary approaches is presented. Some recommendations will require grassroots efforts, while others will require changes to existing housing and economic development programs — or the creation of new ones. Others may require changes to local land use regulations, or state legislation.

What is clear is that a sustained, multi-pronged approach involving both proven strategies and new ones will be needed to tackle the housing challenges in the North Country.

## SECTION 2

# Policy Recommendations & Strategies

*These recommendations and strategies were developed based on input from focus groups, interviews, and surveys of stakeholders from throughout the North Country region.*

### KEY ISSUES

- 1 DECLINING, AGING POPULATION**
  - Data report: The North Country lost 2% of its population between 2010 - 2018; 22% of residents are > age 65. (In comparison, New Hampshire's population as a whole grew by 2%, and 17% are greater than age 65.)
- 2 MISMATCH BETWEEN SUPPLY & DEMAND OF HOUSING**
  - Resident Survey: 71% say rentals are in towns too far from amenities; additional evidence from Municipal, Young Adults, Seniors, Housing Producers, and Realtors & Lenders focus groups.
- 3 LACK OF AFFORDABILITY FOR LOW-WAGE WORKERS**
  - Data report: There is a supply gap of affordable houses for households earning < \$35K; additional evidence comes from Social Services Focus Group, Resident Survey.
- 4 LACK OF AFFORDABILITY FOR MIDDLE CLASS (COVID-IMPACTED)**
  - COVID-research: Sales prices are up significantly, and average days-on-market are down; additional evidence from Young Adults and Realtors & Lenders focus groups.
- 5 LACK OF AWARENESS AND/OR LACK OF BUY-IN OF COMPREHENSIVE SOLUTIONS, ESPECIALLY FROM BUSINESS COMMUNITY**
  - Employer survey: less than half of businesses feel they should take an active role in employee housing; additional evidence from Business Focus Group; further supported by case studies.
- 6 PROPENSITY TO FIND LOCAL SOLUTIONS FOR REGIONAL PROBLEMS**
  - Findings from Lunch & Talk Interviews, Municipal Focus Group; further supported by Case Studies.
- 7 LACK OF CAPACITY FOR IMPLEMENTING SOLUTIONS AT LOCAL LEVEL**
  - Findings from Lunch & Talk Interviews, Municipal Focus Group, Housing Producers Focus Group.

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## POLICY IDEAS TO ADDRESS KEY ISSUES

### ALIGN EXISTING FUNDING PROGRAMS AND POLICIES WITH REGIONAL HOUSING NEEDS

*(Addresses Issues: 1,2,3)*

- 1. Align existing funding programs (within constraints of federal and state rules) to:**
  - 1.1 Incentivize higher density development.
  - 1.2 Account for the unique situations of low-wage workers, including seasonal workers, gig-workers, and others that may not fit within current program guidelines.
  - 1.3 Address the unique situations of elderly citizens whose housing needs may be changing.
  - 1.4 Improve private homeowner investment and maintenance, particularly for low-income households and seniors using existing funding streams such as CDBG and HOME funds.
  - 1.5 Increase use of funding programs for preservation and health improvements to the older housing stock in established village centers and neighborhoods.
- 2. Market existing (revamped) programs and subsidies directly to:**
  - 2.1 Young families, including those from out-of-state.
  - 2.2 Seasonally employed renters.
  - 2.3 Elderly in need of renovations or different housing.
  - 2.4 Low-income renters and/or home buyers.

### DEVELOP NEW PROGRAMS

*(Addresses Issues: 2, 3, 4, 6)*

- 3. Create a New Hampshire Housing program to help lower-income and first-time buyers compete in today's COVID-impacted market:**
  - 3.1 Model a new land bank program with option for local first-time buyers to secure right-of-first-refusal with financing to come later (similar to conservation organization activities).
  - 3.2 Partner with community banks to leverage their portfolio loans to improve housing affordability.
- 4. Build a new platform (or financially support other efforts) to connect those seeking rental housing with poorly advertised and/or non-traditional, local units or rooms:**
  - 4.1 Build on existing efforts (such as the human-powered-recreation value chain work in Coös County) that are connecting renters with hard-to-find rental opportunities.
  - 4.2 Leverage formalized platforms designed to connect neighbors to one another similar to "Front Porch Forum" in Vermont.

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## **5. Create a statewide (or at least regional) Linkage Fee Program**

Administer a statewide program – or materially support towns that come together on their own – that links fees associated with commercial development and/or luxury residential construction to new single- and multi-family housing construction in higher-density areas. (Requires statutory authority).

## **ADVOCATE FOR COMPREHENSIVE, REGIONAL, PARTICIPATORY SOLUTIONS**

*(Addresses Issues: 5, 6)*

### **6. In recognition of the need for broad buy-in for comprehensive, regional housing solutions, launch an advocacy campaign focused on two principles:**

#### **6.1 “Housing Matters”**

Increase awareness among all stakeholders, but especially elected officials and the business community, of the interconnections among housing, hiring, business success, and economic development. (Build on the work already being done sub-regionally by the Mount Washington Valley Housing Coalition.)

#### **6.2 “Wages Matter, Too”**

1. Increase awareness that housing costs are only one side of the equation; a comprehensive solution to housing affordability requires higher wages in the North Country region.
2. Investigate opportunities for higher-wage employment, such as modular housing manufacturing with locally sourced materials.

### **7. Create a Workforce Housing Business Partnership**

Inspired by the Martha’s Vineyard case study, create an initiative or entity to accept business investments in regional workforce housing solutions (i.e., “sponsorships”).

## **INCREASE LOCAL CAPACITY FOR LONG-RANGE PLANNING AND REGULATORY SOLUTIONS**

*(Addresses Issue: 7)*

### **8. Offer enhanced technical assistance to towns through local, customized, flexible expertise (North Country Council, NH Office of Strategic Initiatives, New Hampshire Housing, Plan NH (MTAG), etc.):**

- 8.1 Provide targeted, technical assistance to communities, including review of housing conditions and needs, site location for affordable housing development, and design charrettes to unify and engage the community around local housing solutions.
- 8.2 Create stand-alone, self-paced learning modules for municipal boards to help them effectively review housing development proposals, understand housing needs, critically evaluate ordinance purpose and performance, and identify partnerships to meet housing needs.
- 8.3 Establish and disseminate standard methodologies and accessible data sources to facilitate critical evaluation of resident housing needs and supply, particularly in relation to the increased prevalence of short-term rentals.

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**9. Develop model ordinances and technical assistance for a variety of asset-based local housing regulations that produce desirable, locally relevant, housing development and reinvestment including:**

- 9.1 Inclusionary zoning requirements in communities with stronger markets for new housing construction.
- 9.2 Increased opportunity for detached accessory dwelling units (ADUs), including the removal of permitting barriers (such as special exception requirements) and development of ADU resource guides for property owners that summarize the steps to ADU development, and depict common configurations for ADUs based on the characteristics of the existing housing stock.
- 9.3 Allow development of housing without special zoning permits: duplexes, as well as increased allowances for “missing middle” housing typologies such as cottage courts, triplex/quadplexes, and mixed-use development.
- 9.4 Expanded manufactured housing development and conversion of mobile and manufactured home parks to co-operative ownership in order to maintain their availability as a viable housing option.
- 9.5 Local land use allowances for tiny home villages, particularly those with co-op ownership models, to provide denser living, and smaller living footprints.



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## AREAS IN NEED OF ADDITIONAL ANALYSIS/RESEARCH

- **“HOMESHARE” PROGRAM.** Two Lunch & Talk Interviews highlighted home-sharing as a promising opportunity that promotes greater use of the region’s existing housing stock today without additional development or construction. These programs provide match-making services to connect people with excess living space (often homeowners) with people in need of housing. They share an existing dwelling in exchange for rent and/or household help and services. This capitalizes on existing under-utilized housing, increases social connection, and provides opportunities for shared maintenance costs and non-financial contributions to households. Successful programs in Vermont and California may serve as models for fledgling efforts underway in the region.
- **AFFORDABILITY COVENANTS.** The Bar Harbor Case Study highlighted the innovative and successful use of “affordability covenants” to address affordability in a region. Additional research may be useful to consideration of this model for the North Country.
- **REPURPOSED TOURIST ACCOMMODATIONS.** Explore opportunities to provide additional supportive housing, transitional housing, and shelter to meet the immediate needs of the region’s most vulnerable populations through reuse of abandoned, or underutilized hotel and motel properties. Such opportunities could include room-blocking and long-term access agreements between property owners/managers and organizations such as Tri-County CAP and would improve the ability of such organizations to provide support services coupled with shelter.
- **DATA WATCH.** Recent research suggests that COVID-related housing trends may be temporary in nature as the pandemic mostly accelerated existing trends as opposed to fundamentally changing supply and demand in the North Country. Still, data should be monitored closely for trends in the number of cash buyers, out-of-state buyers, average days-on-market, and overall prices for houses and rentals.
- **ADU INVESTMENT.** Explore potential funding mechanisms to support ADU construction as a type of scattered site workforce housing. As a tool for increased housing, ADUs depend on an individual homeowner’s ability to access capital for renovations; improving access to capital may increase the prevalence of ADU construction.
- **REGIONAL HOUSING ENTITY.** Explore development of a regional housing entity, such as a housing authority or commission, capable of administering and monitoring programs such as linkage fees, awareness campaigns, and inclusionary zoning programs. In its largest form, such a program could be modeled after initiatives in the Mountain West, which have provided centralized management, and development of new housing in sparsely settled areas.
- **TAX SALE PROPERTY.** Determine the feasibility of programs that target, or reserve tax sale properties for reuse as deed-restricted affordable or workforce housing in concert with local residents, landlords, and developers.
- **EXPLORE INNOVATIVE WAYS TO ACCESS CAPITAL** to fund the development of housing that meets the region’s needs. The cost of materials relative to values creates an equity gap that may require capital to subsidize housing development.



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## SECTION 3

# Housing in New Hampshire's North Country

*Stepwise Data Research – Fall 2020*

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### INTRODUCTION AND SUMMARY

This report is submitted in support of ongoing research on the North Country's housing market led by New Hampshire Housing Finance Authority (NHHFA) and the North Country Council (NCC), and funded in part by the Neil and Louise Tillotson Fund. The report describes the housing market in New Hampshire's North Country using both publicly available and proprietary datasets. The North Country geography was created by aggregating data for the 76 towns and unorganized territories within the NCC region\*, and includes all of Coös County and part of Grafton and Carroll Counties. Information is presented for the region of the North Country Council as a whole, and for Coös County, alone. Both the rental and single-family home markets are addressed.

Because much of the North Country's underlying demographic and economic trends are well known, this report is not intended to be comprehensive or exhaustive. Rather, the intent here is to add value to the ongoing conversation about housing by providing data for the North Country as a stand-alone geography (which have not been reported before), and by telling an accessible and coherent story of the North Country housing market. That story, in short, is as follows:

- The North Country's declining population and relatively low incomes constrain overall demand for housing in the region, particularly for new construction and/or higher-end housing options.
- This low demand intersects with a supply of older and unimproved housing stock at prices for North Country rental units and single-family homes that are the lowest and slowest growing across the state.
- However simple this story may appear at first blush, two emerging trends are gaining importance:
  - First, despite relatively low housing costs, affordability is still an issue for more than a third of households in the North Country, driven more by low incomes rather than by high prices.
  - Second, while overall demand is low, housing preferences – that is, demand for different types of housing – may be changing as the North Country's residents age and as new buyers move in.

\* [www.nccouncil.org/about/region](http://www.nccouncil.org/about/region); also see list of towns in Section 3 Appendix.

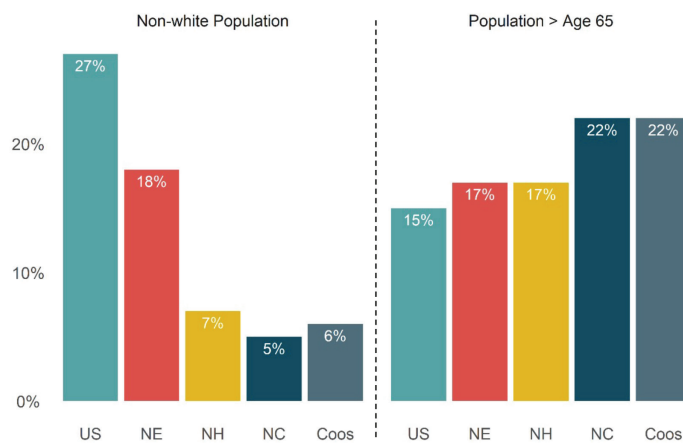
## 1. DEMAND FOR HOUSING IN THE NORTH COUNTRY

Demand for housing in the North Country is complex, ever-changing, and influenced by a myriad of factors. The two primary drivers of demand discussed here – declining population and residents’ relatively low incomes – constrain demand for both new and higher-end housing options. A third demand driver – an aging population – is poised to impact preferences for the type and location of housing, and is discussed in Section 4.

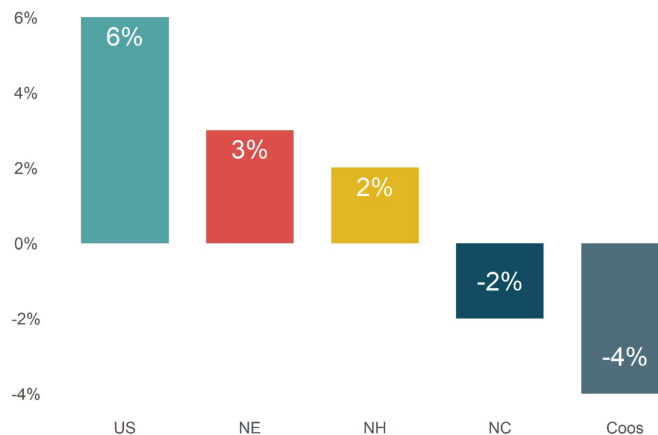
### Declining Population Growth Constrains Demand for Housing

Demand for housing is driven, first and foremost, by population trends. In contrast to the United States (US), New England (NE), and New Hampshire (NH), the North Country (NC) is losing population. Stagnant in-migration coupled with older, whiter residents resulted in a 2 percent loss in population between 2010 and 2018 in the North Country and a 4-percent loss in Coös County. In general, a declining population constrains demand for new housing development and, if the stock of housing remains relatively stable, puts downward pressure on rental and home prices.

**Population Characteristics, 2014-18<sup>1</sup>**



**Population Change, 2010-2018<sup>1</sup>**



*Chart notes: US = United States; NE = New England; NH = New Hampshire; NC = North Country; Coos = Coos County only*

## Relatively Low Incomes Constrain the Ability to Pay for Housing

Compared to the rest of New Hampshire and New England, North Country homeowners and renters have lower incomes and higher rates of poverty. These relatively low incomes constrain the ability of residents to pay for housing. Coupled with a declining population, this puts downward pressure on housing and rental prices and provides a disincentive for new construction or renovation. This in turn keeps the availability of higher-end, higher-quality, and/or newer housing options low. Low incomes can also make the economics for energy efficiency or weatherization improvements more challenging.

Median Income, 2014-18<sup>1</sup>

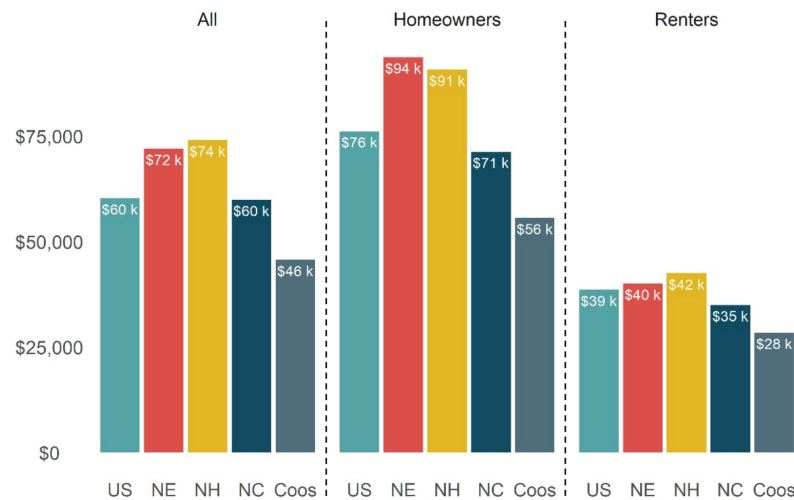
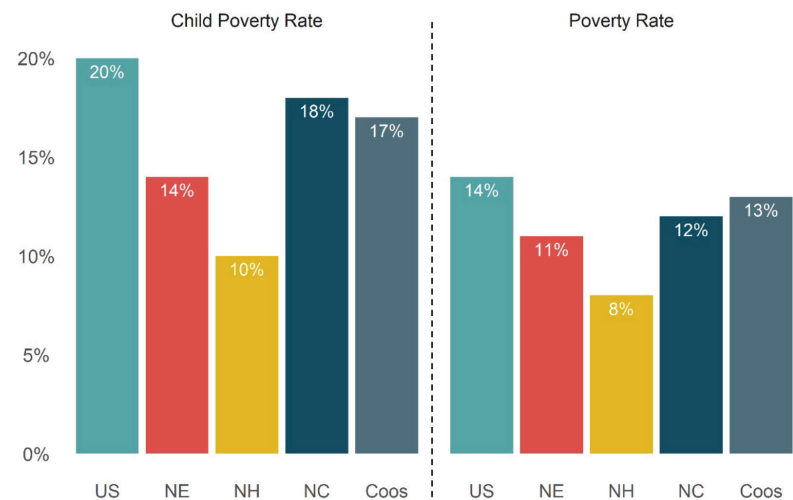


Chart notes: US = United States; NE = New England; NH = New Hampshire; NC = North Country; Coos = Coos County only

Poverty Rates, 2014-18<sup>1</sup>



## The Typical North Country Home Buyer Is a 35 - 44 Year Old, White Couple

The “typical” North Country home buyer is a couple (i.e., joint mortgage applicant) between the age of 35-44 with a debt-to-income ratio between 30-50%. This is similar to the rest of New Hampshire. North Country home applicants that are not joint applications are somewhat more likely to be male and are somewhat older than buyers across New Hampshire, consistent with the region’s demographics.

Home Buyer Characteristics <sup>2</sup>		NH	Coös	NC
Applicant Gender	% Joint Application	42%	40%	39%
	% Male	31%	37%	34%
	% Female	19%	16%	18%
Applicant Age	% < 35	39%	42%	34%
	% 35-54	55%	50%	57%
	% > 55	7%	8%	9%
Race	% White	95%	95%	97%
Debt-to-Income	% < 30%	19%	23%	23%
	% 30 – 50%	68%	68%	68%
	% > 50%	8%	7%	9%

*Chart Notes: NH = New Hampshire; NC = North Country;  
Coös = Coös County only*

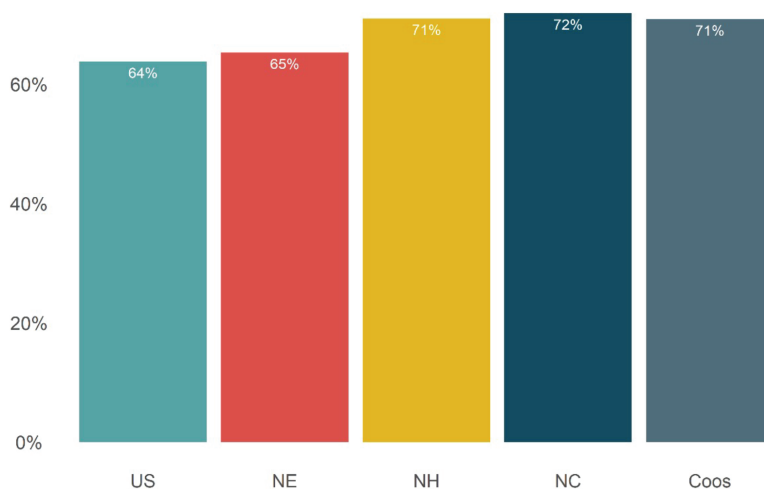
## 2. SUPPLY OF HOUSING IN THE NORTH COUNTRY

The supply of housing in the North Country is also complex, influenced in large part by the region’s history as an industrial powerhouse. The North Country’s housing stock is predominantly single-family homes, relatively older and less expensive than in other regions.

## The North Country Has High Rates of Homeownership

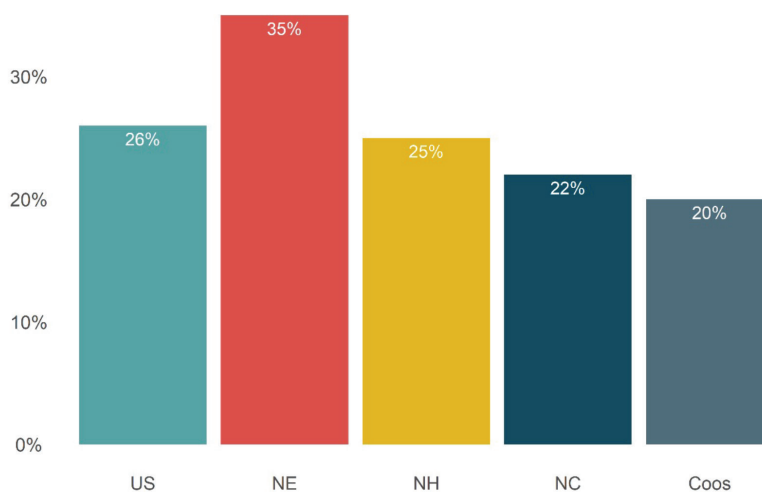
The North Country and Coös County both have relatively high rates of homeownership, considerably higher than New England and the US. Seventy-two percent of housing units in the North Country and 75% of residents live in owner-occupied houses. Conversely, the North Country has a relatively low percentage of units in multi-family homes, just over 20%, and much lower than across New England. Consistent with its older population, the rate of seniors in owner-occupied homes is higher in the North Country than in other regions (not shown in charts).

### Owner-occupied Households, 2014-18<sup>1</sup>



*Chart notes: US = United States; NE = New England; NH = New Hampshire; NC = North Country; Coos = Coos County only*

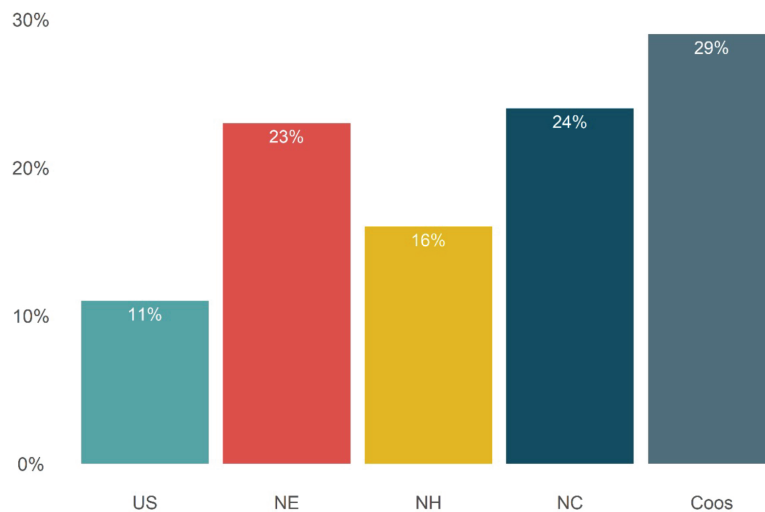
### Multi-family Housing Units, 2014-18<sup>1</sup>



## The North Country Has Relatively Older Housing Stock

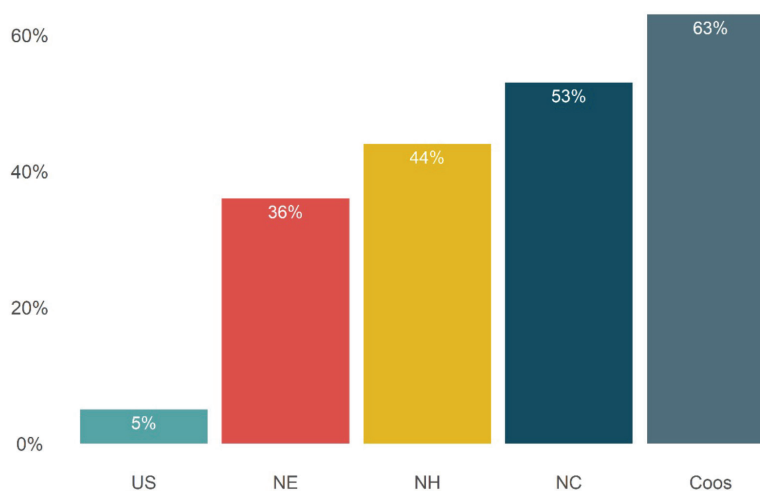
Housing units in the North Country are older than in the rest of New Hampshire and significantly older than in the rest of the U.S. This is a result of both relatively earlier housing development and of lower incomes compared to other regions. There is insufficient financial incentive to build new houses in the North Country with the region's lower incomes and declining population. The North Country also has high rates of fuel-oil as a primary heating source, even compared to the rest of New Hampshire. This is a result of low rates of new housing development and renovations and a lack of natural gas infrastructure.

### House Built Before 1939<sup>1</sup>



*Chart notes: US = United States; NE = New England; NH = New Hampshire; NC = North Country; Coos = Coos County only*

### Heating Oil As Fuel Source, 2014-18<sup>1</sup>

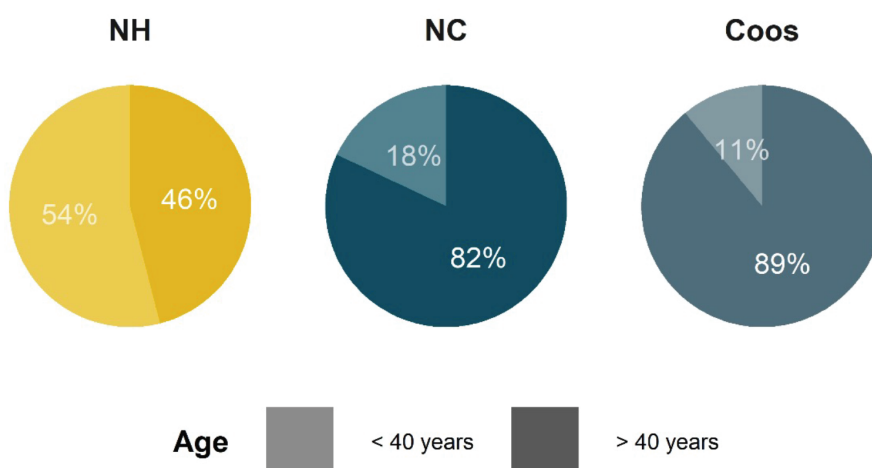


The percentage of rental units that are older than 40 years is significantly higher in the North Country (82%) and Coös County (89%) than elsewhere in NH (46%). On the other hand, the age of recently sold homes in the North Country is similar to NH overall. While sold homes in Coös County are considerably older than homes sold across the state, this can largely be explained by Berlin's older housing stock. For example, in 2019, the median year built for homes sold in Coös County excluding Berlin is 1976, just 4 years older than across the state.

### Median Year Built, Sold Houses<sup>5</sup>

Year Sold	NH	North Country	Coös
2016	1980	1978	1960
2017	1980	1977	1955
2018	1980	1978	1963
2019	1980	1980	1956

### Age of Rental Unit, 2019<sup>4</sup>

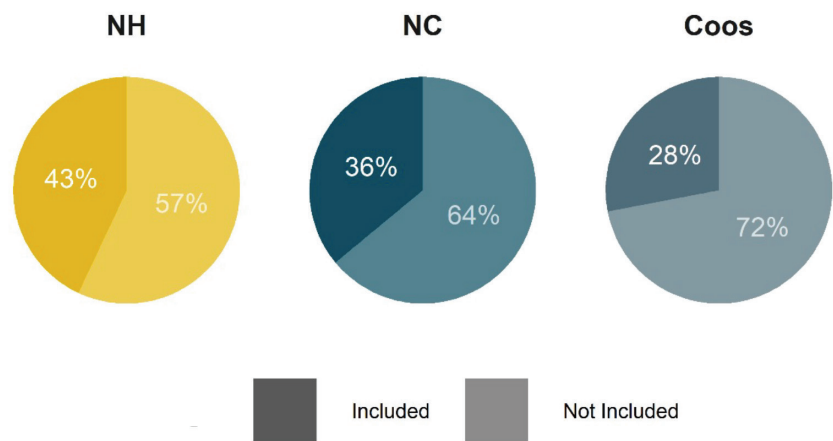


*Chart notes: NH = New Hampshire; NC = North Country; Coös = Coös County only*

### North Country Rentals Are More Likely to Include Heat, But Not Hot Water

Almost two-thirds of rentals in the North Country have heat included in the rent, significantly higher than across the state. This is likely due to the older nature of oil heating systems which often are not zoned in a way to charge tenants separately. For tenants who pay for heat, oil is also the most common source. On the other hand, hot water is much less likely to be included in the rent in the North Country. For tenants who pay for hot water, electric and oil are the most common energy sources. A little over one-third of North Country households have both heat and hot water included in their rent.

Heat and Hot Water Inclusion in Rent, 2019<sup>4</sup>



Heating Inclusion in Rent, 2019<sup>4</sup>

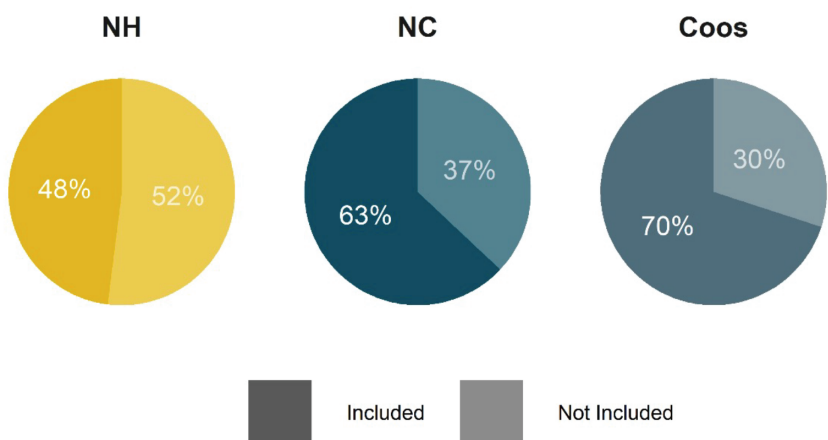


Chart notes: NH = New Hampshire; NC = North Country; Coos = Coos County only



## The North Country Has Little New Construction Happening

As expected with relatively low demand and less ability to pay for housing, the percentage of recently sold homes that are new construction is much lower in the North Country (1.1% - 1.8%) compared to NH (5.0% - 6.0%) and almost non-existent in Coös County (0.0% - 1.0%). North Country houses are also somewhat less likely to be sold for their asking price.

**New Construction Houses Sold<sup>5</sup>**

Year Sold	NH	North Country	Coös
2016	5.0%	1.1%	0.0%
2017	5.7%	1.7%	0.3%
2018	6.0%	1.8%	1.0%
2019	5.5%	1.8%	0.0%

**Ratio of List Price to Sold Price<sup>5</sup>**

Year Sold	NH	North Country	Coös
2016	98%	96%	93%
2017	99%	97%	95%
2018	100%	97%	96%
2019	100%	97%	96%

*Chart notes: NH = New Hampshire; NC = North Country; Coos = Coos County only*

## The Short-term Rental Market is Expanding

While data to rigorously assess the scale and impact of the short-term rental market is hard to come by, anecdotal information and data from AirDNA, a short-term rental analytics company that compiles data from Airbnb and Vrbo, suggests that its rapid expansion may be impacting the availability and price of traditional long-term rentals. According to AirDNA, advertisements for short-term rentals in the towns that make up the North Country have increased 74% since 2017. Three-quarters of these rentals are for an entire-home (as opposed to just a room). The economics of short-term rentals also differ from longer-term rentals. AirDNA reports that the median monthly revenue for units in these towns is more than \$2,600, a full \$1,600 more than the median rent for long-term rentals. While a more rigorous analysis is needed to fully understand these trends, there is growing concern that the continued growth in the short-term rental market segment may provide property owners with less of an incentive to rent to long-term residents, thus reducing the supply of long-term rentals and increasing the price of those units that remain in the long-term rental market.

**Sampling of Short-term Rentals, <sup>4,6</sup>**

Q3 2017 Short-term Rental Units	Q3 2020 Short-term Rental Units	% Change, 2017-2020	% of Units That Are Entire Home	Median Monthly Revenue (weighted)	Median County Rental (weighted)	\$ Difference for Short-term Rental
1,147	1,996	74%	77%	\$2,651	\$1,043	\$1,608

*Towns sampled include: Lincoln, Center Conway, Conway, Jackson, Lancaster, Berlin, Littleton, Waterville Valley, N. Woodstock, Franconia, Bethlehem, Pittsburg, Colebrook, Gorham, Bartlett, Whitefield, Randolph, Jefferson, Milan, Sugar Hill, Lisbon. Many towns listed include other smaller towns beside them; i.e., Franconia includes Easton, Whitefield includes Dalton, Lisbon includes Landaff, etc.*

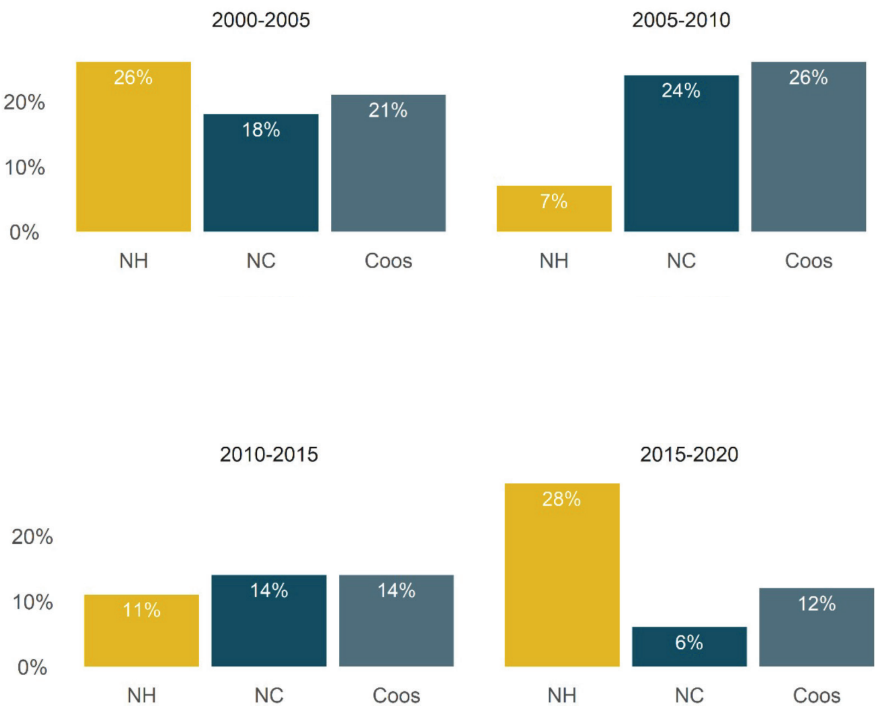
### 3. PRICES

The constraints on housing demand in tandem with a supply of older homes results in selling and rental prices that are lower in the North Country than across the state and that have increased at slower rates. This doesn't necessarily mean, however, that prices have not increased; they have. Nor does it mean that affordability is not an issue; it is. In fact, section 4 details that almost a third of households in the North Country pay more than 30% of their income on housing costs.

#### Rental prices in the North Country have increased significantly, but are still relatively low and growing slowly

Median rents for a 2-bedroom apartment in the North Country have increased from about \$530 in 2000 to \$937 in 2020. This 76% rise compares to a general inflation rate of 54% but is considerably lower than the 90% rate of increase across the state. Since 2000, there have been two five-year periods where increases in rental prices in the North Country outpaced NH, 2005-2010 and (slightly) 2010-2015. However, since 2015 prices across NH have increased at a much higher rate than prices in the North Country.

Rents, 5-Year Changes, 2000 - 2020<sup>4</sup>



### Rents, 2000 - 2020<sup>4</sup>

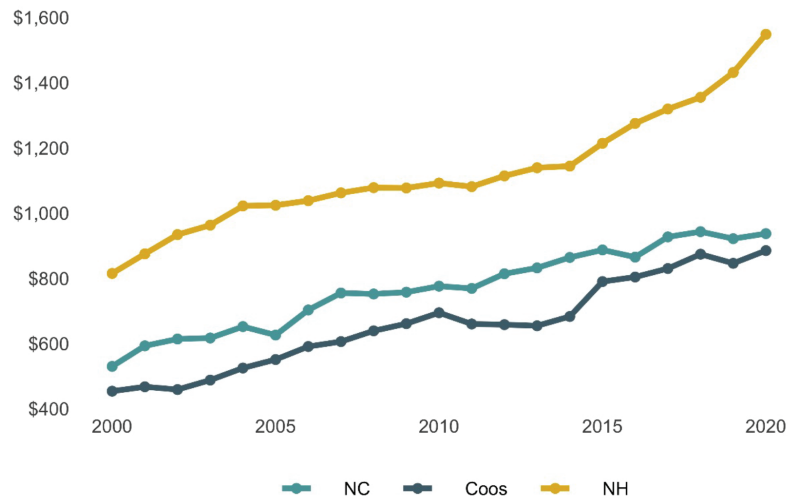


Chart notes: NH = New Hampshire; NC = North Country; Coos = Coos County only

### Single-family home prices in the North Country are relatively low and growing slowly

The median price for a single-family home in 2019 was \$199,000 in the North Country and \$130,000 in Coös County. This is considerably lower than the median price statewide of \$305,000 and in most years is the lowest in the state. Since 2015, home prices for single-family homes have risen by roughly the same rate in the North Country and Coös County compared to the rest of the state, an increase of about 25%.

### Single-family Sold Prices, 2015 - 2019<sup>5,3</sup>

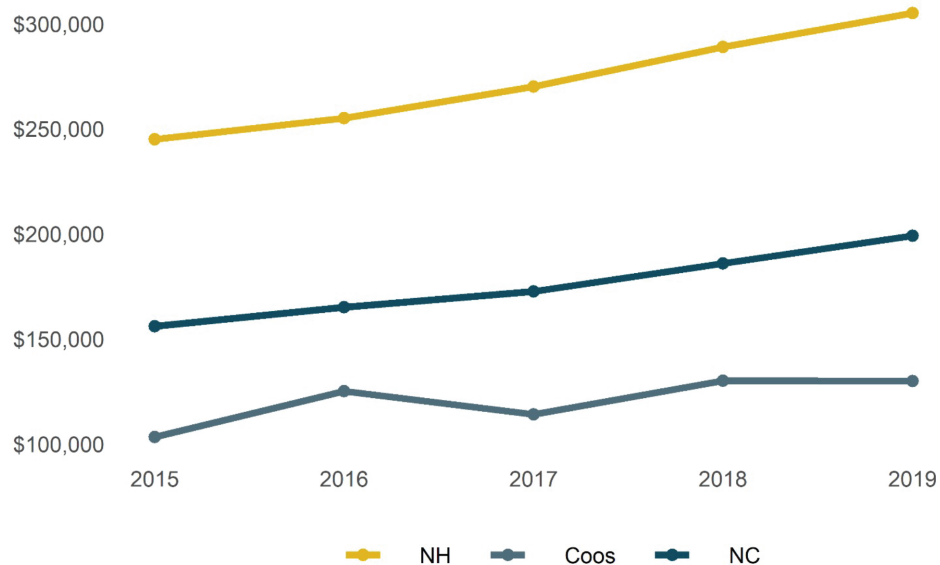


Chart notes: NH = New Hampshire; NC = North Country; Coos = Coos County only

## 4. AFFORDABILITY

Housing affordability is a function of both incomes and prices. The standard analysis considers housing costs to be “unaffordable” if a household pays more than 30% of its income on housing costs. In the North Country, 39% of renters and 26% of homeowners are in this category. For renters, this is primarily a problem for very low-income households, earning below \$35,000/year. This is mostly true for homeowners, too, but unaffordability extends to higher incomes before petering out at incomes greater than \$75,000.

### Even with relatively low housing prices, affordability is still an issue in the North Country

Twenty-nine percent (29%) of North Country households pay more than 30% of their income on housing. This reflects more than a quarter of homeowners and almost 40% of renters. Perhaps surprisingly, these rates are lower than rates in NH and New England, where incomes are higher but so are housing costs. In terms of extreme unaffordability, twenty-seven percent of renters and 15% of homeowners pay more than 40% of their income on housing (not shown in chart).

Households Paying > 30% of Income on Housing, 2014-18<sup>1</sup>

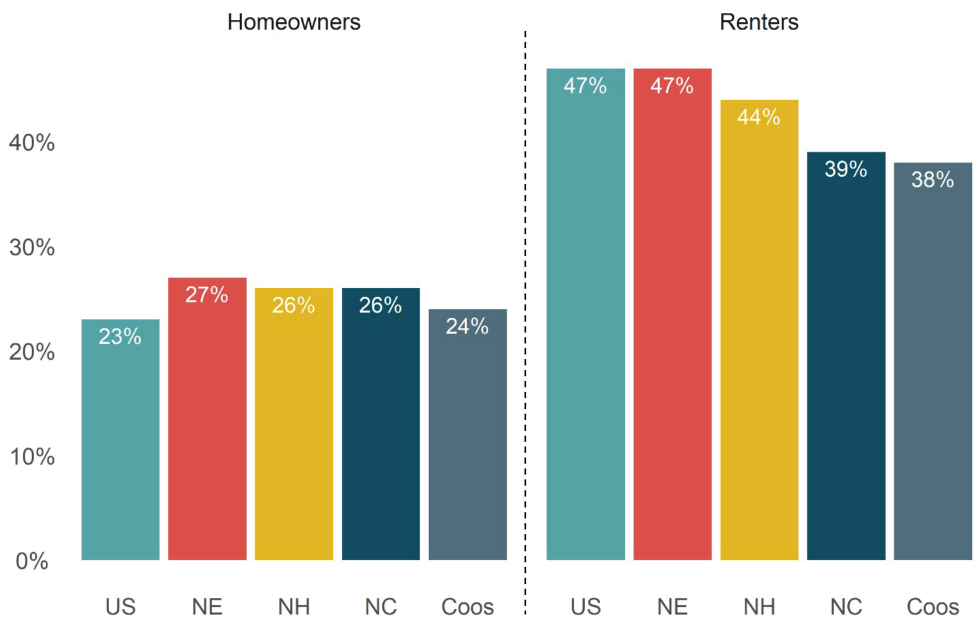
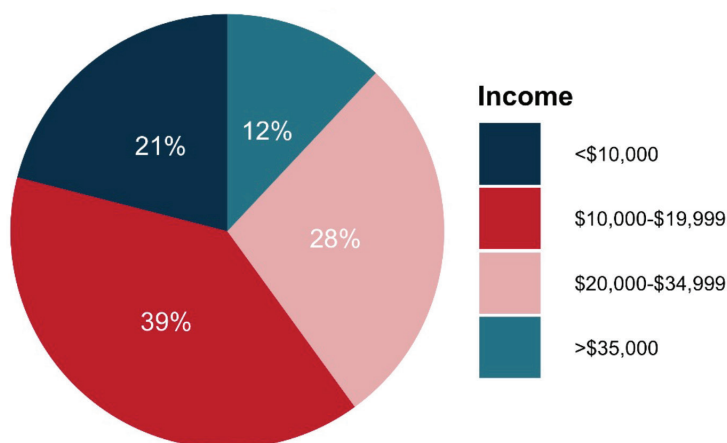


Chart notes: US = United States; NE = New England; NH = New Hampshire; NC = North Country; Coos = Coos County only

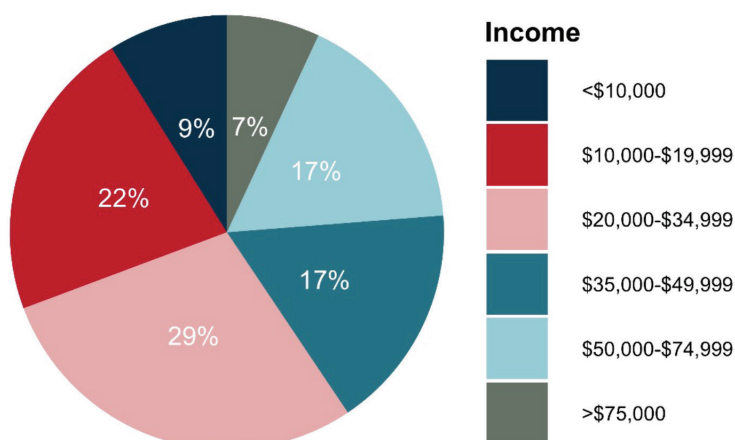
## Lack of affordable housing options is an *income* issue

For renters in the North Country, affordability is a problem primarily for those earning less than \$35,000/year. In fact, only 12% of those earning more than \$35,000 are considered “rent-burdened” by the 30 percent-of-income-standard. This is also mostly true for North Country homeowners, where 60% of those paying more than 30% earn less than \$35,000. However, there are still a considerable number of owner-occupied households earning between \$35,000 and \$75,000 who pay more than 30% of their income on housing (34%).

**North Country Renters Paying > 30% of Income on Housing, 2014-2018<sup>1</sup>**



**North Country Homeowners Paying > 30% of Income on Housing, 2014-2018<sup>1</sup>**



## A lack of affordable housing options is also a *supply* issue

As a rough estimate of the gap between the supply and demand of affordable rental units (based on the 30-percent-of-income standard), the percentage of available 2-bedroom units (supply) can be compared to the percentage of renters at different income levels (demand). The table below shows that, while 57% of renters need a rental unit that costs less than \$688 in order to pay 30% or less of their income on housing, only between 18 and 40% of rentals are available at that price. This gap goes away at incomes greater than \$35,000.

**Estimate of Demand and Supply for 2-Bedroom Rentals in the North Country<sup>1,4</sup>**

Income	Midpoint Income	Affordable Rent at 30% Income	Cumulative Households	% Households	Available		Supply Gap
					Census <sup>1</sup>	Survey <sup>4</sup>	
< \$10,000	\$5,000	\$125	1,191	11%	2%	0%	9-11%
\$10,000 - \$19,999	\$15,000	\$375	3,608	34%	13%	0%	21-34%
\$20,000 - \$34,999	\$27,500	\$688	5,962	57%	40%	18%	17-39%
\$35,000 - \$49,999	\$42,500	\$1,063	7,647	73%	76%	82%	--
\$50,000 - \$74,999	\$62,500	\$1,563	9,293	88%	97%	96%	--
\$75,000 - \$99,999	\$87,500	\$2,188	9,982	95%	99%	99%	--
\$100,000 <	\$125,000	\$3,125	10,542	100%	100%	100%	--

The same rough methodology can be applied to the single-family home market. Here, instead of the 30-percent-of-income standard, we use the “2.5 rule” and assume a household can afford a mortgage 2.5 times their annual income. An affordable home price is then estimated at 2.5 times a household’s income plus 20% for a down payment. Just under half of all households (renters plus current homeowners) need a home priced below \$133,000 while roughly 32% of homes are sold at those prices. This gap dissipates at incomes over \$75,000.

**Estimate of Demand and Supply for Single-family Houses in the North Country<sup>1,5</sup>**

Income	Midpoint Income	Affordable Price at 2.5X Income +20%	Cumulative Households	% Households	% Homes Sold	Supply Gap
< \$10,000	\$5,000	\$15,625	1,885	5%	0%	5%
\$10,000 - \$19,999	\$15,000	\$46,875	6,187	16%	6%	10%
\$20,000 - \$34,999	\$27,500	\$85,937	12,497	33%	16%	17%
\$35,000 - \$49,999	\$42,500	\$132,812	17,879	48%	32%	16%
\$50,000 - \$74,999	\$62,500	\$195,312	25,485	68%	59%	9%
\$75,000 - \$99,999	\$87,500	\$273,437	29,762	79%	80%	--
\$100,000 - \$149,000	\$125,000	\$390,625	34,904	93%	92%	--
> \$150,000	++	++	37,512	100%	100%	--

## 5. CHANGING HOUSING PREFERENCES

Will older residents have a need for smaller homes closer to service centers? Will new residents drawn to the North Country's beauty and relatively low prices demand different types of housing? While the overall supply of housing in the North Country may be sufficient to meet overall demand, the types of current housing options and where they are located may be, or may soon be, mismatched with the changing preferences that result from an aging population and in-migration. These trends have important implications to the region and may result in a housing dynamic where new construction and/or new products (e.g., multi-family units) are needed despite an abundance of older housing stock.

### Will North Country's older adults have different housing preferences as they age?

Compared to NH, New England, and the US, the North Country has higher rates of seniors living in owner-occupied homes. It also has fewer people in the labor force. The effect of lower labor force participation can be seen first in the region's relatively lower incomes (which subsequent contributes to an older, less expensive housing stock). A more important implication of an older, retired population is that even if the supply of housing in total is adequate, there may be, or may soon be, a mismatch between the housing that residents currently have and the housing that they need or desire. For example, some seniors may desire homes that are smaller and closer to services than they currently have. Conversely, the current lack of workforce housing options may also constrain the ability of the region's employers to attract and retain talent. These changing preferences are poised to be a primary driver of housing demand in the future.

#### Population Characteristics, 2014-18<sup>1</sup>

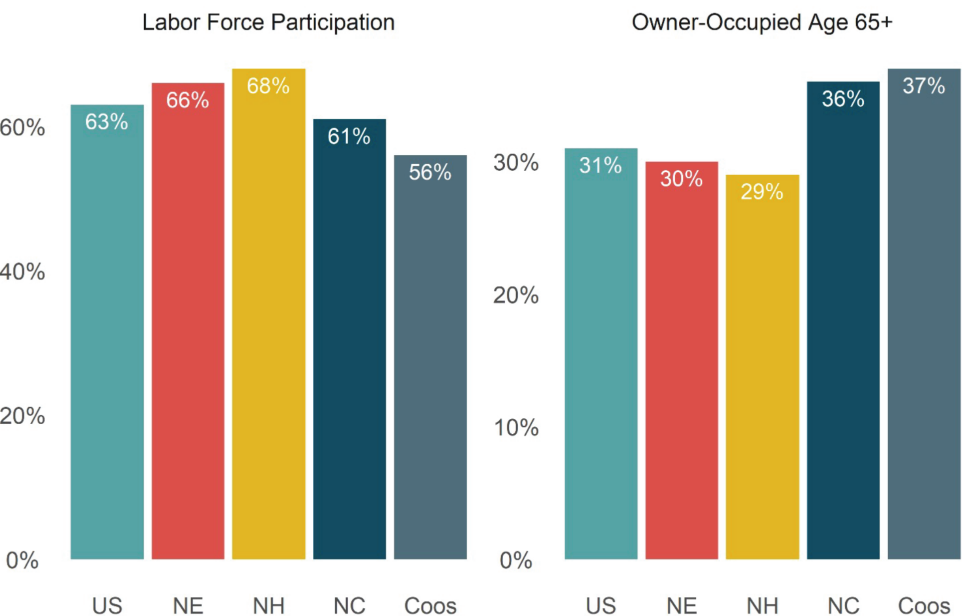
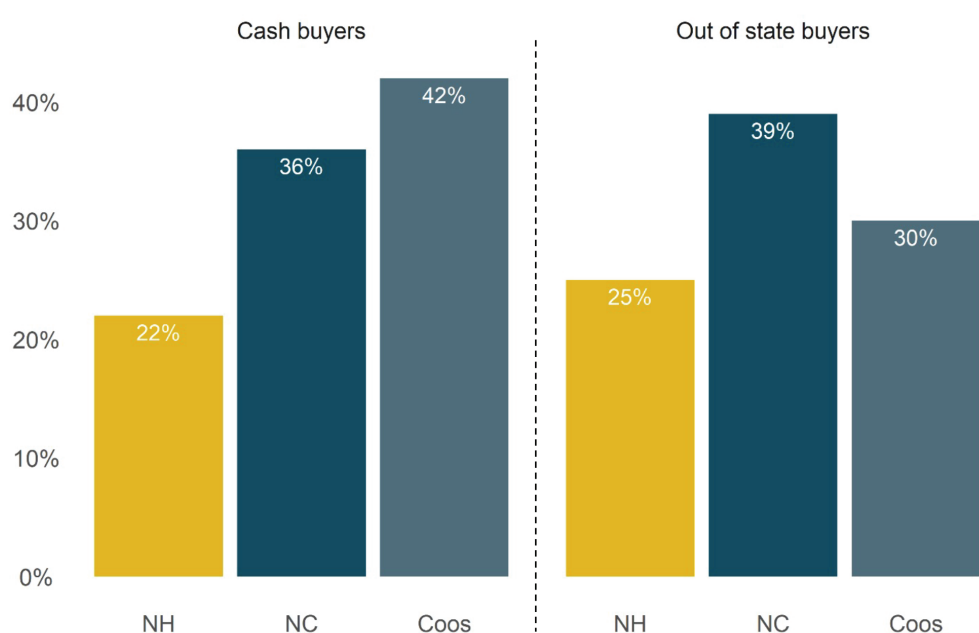


Chart notes: US = United States; NE = New England; NH = New Hampshire; NC = North Country; Coos = Coos County only

## Will new buyers have different preferences for housing?

Will the positive environmental attributes of the North Country and its relatively low housing prices attract new homebuyers to the region? To answer this question over time, two baseline measures are reported here: the percentage of new homebuyers who hail from outside New Hampshire; and the number of new homebuyers who pay cash for homes with no mortgage. Both percentages are, today, higher for the North Country and Coös County compared to the rest of the state. Over the past four years, more than a third of North Country buyers have been from out-of-state and/or purchased a house without a mortgage. (There is no evidence that these rates have risen since 2015.)

### Single-family Mortgage Approved Applicants, 2019<sup>3</sup>



*Chart notes: NH = New Hampshire; NC = North Country; Coos = Coos County only*

To further track changes in demand for single-family houses in the North Country, several other statistics to watch are reported below, including the age, race, and income of home buyers. Today's North Country home buyers are mostly white and somewhat older with lower median incomes than statewide. There is anecdotal evidence that the coronavirus pandemic is inspiring young professionals currently living in cities such as New York to move to places that they deem to be safer. If in-migration from younger, more diverse regions occurs, one would expect the percentage of buyers who are non-white to increase, and more buyers to be younger with higher incomes.



## Single-family Mortgage Approved Applicants, 2019<sup>2</sup>

		NH	NC	Coös
Race	White	95%	97%	95%
	Non-White	5%	3%	5%
Applicant age	<25	5%	5%	7%
	25-34	34%	29%	35%
	35-44	24%	21%	20%
	45-54	18%	19%	14%
	55-64	13%	17%	16%
	65+	7%	9%	8%
Income	Median Income	\$90,000	\$73,000	\$65,000

Chart notes: NH = New Hampshire; NC = North Country; Coös = Coös County only

## CONCLUSION

The charts and narrative above illustrate that the North Country's declining population and relatively low incomes constrain overall demand for housing in the region, particularly for new construction and/or higher-end housing options. This low demand in tandem with a supply of older and unimproved housing stock intersect at prices for North Country rental units and single-family homes that are the lowest and slowest growing across the state. However simple this story may appear at first blush, two emerging trends are gaining importance: First, despite relatively low housing costs, affordability is still an issue for more than a third of households in the North Country, driven more by low incomes rather than by high prices. Second, while overall demand is low, housing preferences – that is, demand for different types of housing – may be changing as the North Country's residents age and as new buyers move in.

### Data sources

1. US Census Bureau, American Community Survey, 2014-2018
2. Home Mortgage Disclosure Act (HMDA)
3. Warren Group (proprietary data)
4. New Hampshire Housing 2020 Residential Rental Cost Survey
5. Multiple Listing Service (MLS)\*
6. AirDNA, extracted from airdna.co on 12/1/2020

\* Note that the sales price data analyzed for this report from the MLS underwent a comprehensive "cleaning" that excluded condominiums, seasonal homes, and other homes with restrictions on ownership. This means that the results reported here may differ somewhat from data commonly reported by the New Hampshire Realtors Association or other sources which may be more inclusive of the sales that make up their data reports.

## SECTION 3 - APPENDIX

### North Country Age of Housing Stock vs. Recently Sold Homes

Year Built, Housing Stock vs. Recently Sold<sup>1,5</sup>

Year Built	Stock, All Housing Units	Sold, Single-Family	Sold, All
2010+	2%	5%	4%
2000-2009	12%	18%	15%
1990-1999	9%	8%	8%
1980-1989	23%	17%	30%
1970-1979	15%	14%	14%
1960-1969	7%	6%	4%
1950-1959	6%	6%	4%
1940-1949	4%	3%	2%
<1939	22%	24%	18%

### North Country # of Bedrooms, Housing Stock vs. Recently Sold Homes

# of Bedroom, Housing Stock vs. Recently Sold Homes<sup>1,5</sup>

# of Bedroom	Stock, All Housing Units	Sold, Single-Family	Sold, All Housing Units
0	3%	0%	0%
1	13%	2%	4%
2	31%	20%	25%
3	37%	56%	50%
4	13%	18%	16%
5+	3%	5%	4%

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## Median Days on Market for Recently Sold Homes

**Median Days on Market, Recently Sold Homes<sup>5</sup>**

Year	NH	NC	Coos
2015	40	95	128
2016	43	103	150
2017	28	68	102
2018	45	80	82
2019	nd	nd	nd
All, 2015-2019	36	88	122

*Chart notes: NH = New Hampshire; NC = North Country; Coos = Coos County only*

## % of Homebuyers Paying 20% or More Toward Mortgage

**% Homebuyers Paying 20% or More Toward Mortgage<sup>3</sup>**

Year	NH	NC	Coos
2019	52%	68%	61%
2017	58%	77%	72%
2015	63%	80%	78%

## AirDNA Short-term Rental Data by Town<sup>6</sup>

Town	Q3 '17 Units	Q3' 20 Units	% Growth	% Entire Home	Median monthly revenue	County Median (LT Rentals)	Difference
Lincoln	320	613	92%	71%	\$2,708	\$1,098	\$1,610
Center Conway	50	84	68%	83%	\$2,088	\$1,009	\$1,079
Conway	65	108	66%	69%	\$2,903	\$1,009	\$1,894
Jackson	83	106	28%	78%	\$3,640	\$1,009	\$2,631
Lancaster	6	1	-83%	300%	\$1,506	\$885	\$621
Berlin	15	45	200%	78%	\$1,754	\$885	\$869
Littleton	24	35	46%	74%	\$2,274	\$1,098	\$1,176
Waterville Valley	58	75	29%	84%	\$2,242	\$1,098	\$1,144
N. Woodstock	85	190	124%	77%	\$2,310	\$1,098	\$1,212
Franconia	73	112	53%	84%	\$3,226	\$1,098	\$2,128
Bethlehem	47	95	102%	84%	\$2,670	\$1,098	\$1,572
Pittsburg	42	90	114%	86%	\$2,220	\$885	\$1,335
Colebrook	5	23	360%	87%	\$2,065	\$885	\$1,180
Gorham	20	33	65%	67%	\$2,691	\$885	\$1,806
Bartlett	137	207	51%	84%	\$2,450	\$1,009	\$1,441
Whitefield	24	63	163%	70%	\$3,000	\$885	\$2,115
Randolph	5	8	60%	75%	\$2,308	\$885	\$1,423
Jefferson	30	31	3%	61%	\$3,123	\$885	\$2,238
Milan	7	10	43%	90%	\$1,544	\$885	\$659
Sugar Hill	28	36	29%	75%	\$3,370	\$1,098	\$2,272
Lisbon	23	31	35%	81%	\$2,936	\$1,098	\$1,838

## Towns in North Country Geography

North Country Towns		
Albany	Ellsworth	Monroe
Atkinson and Gilmanton Grant	Errol	Northumberland
Bartlett	Erving's Location	Odell
Bath	Franconia	Pinkham's Grant
Bean's Grant	Gorham	Pittsburg
Bean's Purchase	Greens Grant	Plymouth
Benton	Groton	Randolph
Berlin	Hadley's Purchase	Rumney
Bethlehem	Hale's Location	Sargent's Purchase
Cambridge	Hart's Location	Second College Grant
Campton	Haverhill	Shelburne
Carroll	Jackson	Stark
Chandler's Purchase	Jefferson	Stewartstown
Chatham	Kilkenny	Stratford
Clarksville	Lancaster	Success
Colebrook	Landaff	Sugar Hill
Columbia	Lincoln	Thompson and Meserves Purchase
Conway	Lisbon	Thornton
Crawford's Purchase	Littleton	Warren
Cutt's Grant	Livermore	Waterville Valley
Dalton	Low and Burbank's Grant	Wentworth
Dix's Grant	Lyman	Wentworth's Location
Dixville	Madison	Whitefield
Dummer	Martin's Location	Woodstock
Easton	Milan	
Eaton	Millsfield	

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## SECTION 4

# Housing Focus Group Series - Report & Findings

*Prepared by North Country Council*

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### INTRODUCTION, FOCUS GROUP & REPORT FORMAT

From December 2020 to February 2021 North Country Council staff facilitated a series of seven focus groups with stakeholders in the regional planning commission's service area. These focus groups collected input around targeted questions on housing needs, supply, demand, challenges, and opportunities in order to understand the region's housing needs from a wide variety of perspectives.

Focus groups completed:

- Housing Regulators - Municipal Planners & Board Members, December 2nd (5 participants)
- Community Connection - Business Community, December 9th (8 participants)
- Community Connection - Social Service Providers, December 9th (19 participants)
- Housing Seekers - Seniors, January 14th (4 participants)
- Housing Seekers - Young Adults, January 21st (5 participants)
- Housing Producers – Developers & Builders, January 28th (4 participants)
- Housing Conduits - Realtors & Lenders, February 3rd (6 participants)

*\* Appendices A - G include the Presentation & Discussion Prompts for each focus group.*

Each focus group included an introduction to this housing study, a series of North Country housing statistics and data points surrounding rental and purchase prices, age of housing stock, select demographics of the population, and housing building trends. Participants were led through a series of discussion prompts and questions in an online meeting (Zoom) each lasting approximately 2 hours.

### Report Format

This report is organized by topic and presented in 5 sections as follows:

- **Part 1: Our Housing Stock, Real Estate & Rental Markets, Construction**
- **Part 2: Our Experiences, Needs & Barriers**
- **Part 3: Community Impacts & Advocacy**
- **Part 4: Trends, Ideas, Opportunities & Promising Practices**
- **Part 5: Key Findings**

Within each section you will find cross-cutting themes common across focus groups, individual group themes, and quotes & notable stories from participants.

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## PART 1: OUR HOUSING STOCK, REAL ESTATE & RENTAL MARKETS, CONSTRUCTION

### Cross-Cutting Themes

- The real estate market is highly competitive across the North Country from all perspectives.
- New construction was characterized as high-end, second home, retiree, or vacation construction, by realtors, lenders, municipal officials, and housing producers. These groups also all noted significant increases in land purchases, and new construction inquiries during the pandemic. Additionally, many noted the conversion of second homes to permanent residences for relocating retirees. Nearly all multi-unit new construction observed around the region is publicly developed or financially supported workforce or affordable housing. The cost of construction was noted by most groups as a barrier to construction in general.
- Our existing housing stock is not providing the type of units needed at prices affordable to area residents and was characterized in the focus groups as a mix of high-end homes in outlying areas and older homes in the village centers.
- In some areas realtors, municipal officials, and housing producers noted constraints with public water and sewer systems relative to infill and conversions. Systems nearing capacity, the location and/or presence of services are barriers.

#### QUESTIONS ASKED:

**What is the pace of housing construction in your community? Are new homes being built? What types? Where? Is the pace of development or the real estate market changing?**

### Individual Focus Group Trends:

**MUNICIPAL:** Growth rates vary by area, some areas have seen steadier markets, like Conway which sees 20 – 30 new units a year where Littleton, Lancaster, Berlin and Jackson saw minimal new construction, noting between 1 and 3 new units annually. Berlin has undertaken projects to demolish substandard housing stocks to make way for new development resulting in a net decrease in units. Conway, as compared to other areas, is seeing multi-unit development, particularly development targeted toward seniors. All have noted significant increase in new construction inquiries and interest. Lancaster and Littleton have noted conversions of larger in-town structures from single-family to multi-family units, or from previous office/commercial space to residential. Regulations do not allow such in Jackson, and Berlin does not see strong development pressures toward such.

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## Quotes & Notable Stories:

*"Even before COVID, in Lancaster there was not a lot of stock for sale, and now when homes are listed they sell. They sell quickly, and they sell for more than asking price, at prices more than they are worth. Or at least more than I think they are worth, but I'd be damned if I could buy a new one in town because I couldn't afford it. I've seen this happen in the mid-2000's when a lot of people from away moved up north and bought homes higher priced, and shortly thereafter the prices dropped and about half of people who bought homes sold them again within a few years. Now I think that 50% will turn properties into Airbnb and I don't think a lot of small north country towns are ready for that."*

- Municipal Participant

*"When things get a little crazy, people head for the hills and we are the hills! I'm sure others have seen it as well, but recreational properties are now being occupied full-time which exacerbates a lot of our facilities."* - Municipal Participant

*"The multi-family work [removal of substandard stock] we've been doing has been a slow change, but we had a revaluation this year [tax rates are down] and in the last 18 months we've seen homes selling for rates higher than we've seen in the last decade. COVID exacerbated that. I feel like I'm in a parallel universe, houses are selling in a day that had been sitting there for years. Our tax rate just dropped by a few dollars which is amazing, but with that there are going to be some growing pains that need to even themselves out as the market changes too swiftly."* - Municipal Participant

### QUESTION ASKED:

**Does your community allow larger single-family homes to be converted into multi-unit housing?**

## Individual Focus Group Trends:

**MUNICIPAL:** Most communities allow this, but with very different levels of review, from none to special exceptions, with variable performance standards such as required parking spaces. Littleton noted a concern with absentee landlords and a no-permit required system. All respondents noted an interest in seeing more housing units created through this type of conversion particularly close to downtowns and village centers. Water and sewer infrastructure can be prohibitive in towns with limited, strained, or non-existent public systems.

## Quotes & Notable Stories:

*"I would like to see us revisit and make it easier to build whatever kind of housing one finds necessary, and while I can agree that single-family is something we'd like, I wouldn't be against new multi-family housing being built that was affordable for our residents. Because the one thing I probably don't want to see is a tipping point; us pricing out the people who have been here for so long. Especially our older community who wants to age in place when they can. I'm really just hoping that the growth we are*



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*seeing becomes more sustainable and not quite as rampant and fast without much care to those who have been here for a long time and definitely still need access to affordable housing."*

*- Municipal Participant*

#### QUESTION ASKED:

**What type of residential construction or development do you do? From first concept (or contact) through final completion, how long does it take to build (or create) new housing?**

#### Individual Focus Group Trends:

**BUILDERS & DEVELOPERS:** Participants included entities that developed larger multi-family workforce and affordable housing, single-family housing (both market rate and publicly supported), small multi-unit naturally occurring affordable housing and single-family rental development. While small construction and development participants were interested in rehabilitation projects of older single-family homes for affordable rental housing, the larger non-profit developers had done previous work in single-family housing and found it not to be an effective, or efficient model for their organizations.

Construction timelines for larger multi-family developments undertaken by non-profit housing entities typically take between 3 and 5 years to develop, including up to 3 years in pre-construction, permitting, design, and funding, and 1 to 1.5 years in active construction. Private construction companies and developers participating noted shorter timelines for individual home construction, and limited work on multi-unit developments.

#### Quotes & Notable Stories:

*"I'm focused on buying up 2 - 6 unit multi-family buildings in Berlin and Colebrook areas. Previously my partner and I worked elsewhere in the US, but I've rediscovered NH and I'm finding good cash flow opportunities in these smaller multi-family units. In NH I look for tenant in place properties and then when they turnover, or on the side, I do improvements. For that to work for me, I need really good cash flow – a low purchase price and really good rents, to compensate for the high property taxes and the capital expenditures I put in for renovations and the labor shortages I see up here. If a property is in an Opportunity Zone then I can be incentivized differently for the tax benefits."*

*- Builders & Developers Participant*

*"We're a small design and build firm focused on high performance homes, passive houses, or net-zero. I also own and rent 6 small 100-year-old wood-frame homes in the village of Lancaster. For new construction of single-family homes our design process is usually about 6 months, and then we are 7 to 9 months for the build. For our renovation work, the timeline is similar because of their age and deferred maintenance needs. We focus on buildings that are part of the solution, they are strongly insulated, focused on indoor air quality, and we use solar panels for power. We try to stay at 500 sq.ft. per occupancy or smaller." - Builders & Developers Participant*

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## QUESTIONS ASKED:

**How many units do you produce in an average year? How do inquiries and demand align with your capacity? Is demand changing?**

### Individual Focus Group Trends:

**BUILDERS & DEVELOPERS:** Units produced varied greatly. From non-profit entities, which noted producing between 20 and 25 units a year in the North County, to smaller construction entities that produce between 1 and 3 units a year. For all, demand greatly exceeds capacity. Inquiries for affordable and workforce housing units far exceed supply for all, with long waiting lists, and very little tenant turnover for rentals, and new home construction booking out 1 to 2 years. Non-profit housing entities observed consistent demand which would support construction of twice as many units per year (up to 50).

**BUILDERS & DEVELOPERS:** For-profit builders noted an increased interest in Accessory Dwelling Unit construction on existing single-family home lots, and new construction of higher end homes on raw land. All noted a demand for duplexes, single-family, and multi-family housing.

**BUILDERS & DEVELOPERS:** For-profit builders noted an increase in second home renovation projects, which also face significant delays, including booking for new roofs that are scheduled more than a year out.

**BUILDERS & DEVELOPERS:** When considering demand, a participating naturally occurring affordable housing developer who holds and rents units in select communities explained that demand for housing is either on the co-investor side or the tenant side. Co-investors want to see good demographics, statistics and large or diversified employer bases in the area to invest. On the tenant side demand is tied to cost and how much a landlord will scrutinize tenant worthiness.

### Quotes & Notable Stories:

*"For new construction, our more high-end market, we see an inquiry a week where we used to see one a month. So a lot more inquiries. Folks with money are moving up here, we've had some cold calls to buy homes we own as well, but we are not interested in selling them because we live in the community, we are in it for the long-term, and we have families living in some of our homes who we won't kick out just to make a buck selling the house." - Builders & Developers Participant*

*"I've [personally] had challenges with housing since I moved to the area, and [at our firm] we manage around 100 units in the area, every single unit has a waiting list. I work for a company that manages properties and I can't find anything. Our tenants often stay and just move between units or properties." - Builders & Developers Participant*

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*"So for me, who constructs less than my colleagues here, I'm in a make hay while the sun shines mode, where if I have opportunities to have some limited partnerships where I can make money through other people's projects - doing way less [only investing], then I kind of have to do that for many families, and the future." - Builders & Developers Participant*

*"I found my way into NH real estate after getting priced out of some sales elsewhere and as an in between gap I'm working in NH. Now I need to figure out if doing more work in NH is actually going to be a good business or if it is just the handful of deals that find me." - Builders & Developers Participant*

### **QUESTIONS ASKED:**

**How would you describe the housing market in your area? How has it changed over the course of your career? How has it changed more recently during covid-19?**

### **Individual Focus Group Trends:**

**REALTORS & LENDERS:** Markets are very tight, mostly second home buyers currently. We are selling a lot of land now and see a lot of new construction inquiries. The market is largely driven by people purchasing second homes. Prior to that some areas have seen increases in young adult residents (approximately 25 to 35-year olds). All noted an incredible lack of rental inventory as well.

### **Quotes & Notable Stories:**

*"We are seeing no housing starts in the area for less than \$250 or \$300 per sq.ft. and that is pricing everyone out of the market unless you can afford a \$750,000 custom built home. We are selling a lot of land now and we are very honest and upfront with buyers to understand the costs of construction, because they are finding that the cost at \$300 per sq.ft. is not something they can get a mortgage on because the current value of homes around here is more like \$225 to \$250 a sq.ft. and the banks are not going to have homeowners under that much water." - Realtors & Lenders Participants*

*"There was a combination of things that happened here – our area was undervalued before and it's catching up quite quickly, plus remote work lets people see that they can be here and still do their work, and the low interest rates have been very helpful. Also, the people that are already here have not sold because they are not going anywhere; it has created an incredible lack of inventory. For example, I looked at a property yesterday that has 35 or 40 showings scheduled for it. A year ago, it would have attracted some interest but more along the lines of 1 or 2 showings. It would have been considered overpriced. Obviously, it is good if you want to sell, but it is very scary how quickly our market is appreciating - it is really pushing out first time homebuyers in a way I have never seen before." - Realtors & Lenders Participants*

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## PART 2: OUR EXPERIENCES, NEEDS & BARRIERS

### Cross-Cutting Themes

- First-time homebuyers were identified as a principal group facing challenges by realtors & lenders, builders & developers, municipal officials, business & social services providers, and young adults.
- Persons with limited incomes are universally challenged. The lesser the income the greater the impact. Affordable homeownership opportunities are limited, so people stay in rentals longer, which makes the rental market have limited vacancy and higher prices, which continues to push additional burden and struggles on those who cannot afford ownership. The severity of the challenges grows as income declines and competition in markets increase.
- The need for more suitable options for seniors was noted by a great number of focus group participants. Their comments included mention of: limited options for downsizing and one-level living, increased full-time occupancy of second homes, concerns about property maintenance and upkeep, and connection to community and services. Young professional participants and realtors and lenders both expressed an interest in less restricted housing developments to facilitate and promote more construction and intergenerational communities.
- Young adults expressed challenges relative to finding, keeping, and maintaining affordable rentals in areas that provide reasonable commutes. Young adults saw themselves interested in living in closer proximity to neighbors, value neighborhood character, and the ability to walk and bike to village centers.
- The vast majority of participants do not feel that our housing stock as a whole adequately meets needs today, although some feel that it marginally does. Nearly no participants feel that our housing stock will continue to meet local needs in 10-years' time.

#### QUESTIONS ASKED:

**Does your housing stock provide suitable options for seniors to age in place?**

**Do you intend to age in place within your community? Within your home? What barriers exist?**

**If programs existed to improve options for seniors in the north country, which would you be most interested in? (question includes prompts for: formal assisted living, homesharing, "age in place" communities, condominiums or rental units, smaller homes on smaller lots, energy efficiency and accessibility upgrades, adu construction assistance.)**

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## Individual Group Trends:

**MUNICIPAL:** All communities expressed a need for more suitable options for seniors, including a full spectrum of types of living. The groups noted a lack of facilities that are handicapped accessible, or that could have accommodations easily incorporated; concern with accessibility and the condition of single-family homes; and a general lack of interest in new development of senior housing. Conway has a number of senior-specific housing projects in the works but noted that housing for the caregiver workforce who are needed to support those aging in place is an associated challenge.

**SENIORS:** Participating seniors all desired to age in place, within their communities, and when possible, within their homes. What mattered most to participants was the importance of understanding that seniors have different needs at different stages, from early retirement to their most advanced years, and their age, as relatively young seniors, greatly impacted how they answered this question. While all want to age in place, not all are sure they will be able to. They expressed concerns with access to health care assistance as they age, including housing for health care providers, transportation between home, basic needs, social connections, and services. Seniors with limited means face additional challenges due to the very limited supply of housing affordable on fixed-incomes, and a need for more assistance with property maintenance.

**SENIORS:** Participating seniors all agreed that support for any initiatives that ease pressure on the current housing market and facilitate affordable access to a greater range of options would be good. The idea of specialized age-in-place developments that provide a variety of living spaces for seniors at various stages of life was of interest to participants.

## Quotes & Notable Stories:

*"The difficult nut to crack is getting housing for the people who are taking care of those who are trying to age in place. That is why we have opened up the regulations for all kinds of housing, single-family, multi-family, duplex, whatever it may be." - Municipal Participant.*

### QUESTIONS ASKED:

**Where do you live today? How long have you lived there? How did you end up living there? Have you had trouble finding or maintaining housing in the area? Who is looking for housing in your area?**

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## Individual Group Trends:

**SENIORS:** Participants each lived in single-family homes, two were long-term residents and two were retirees (or semi-retirees) who had permanently moved into second homes. Property maintenance and property taxes were shared concerns when considering their ability to maintain their current housing.

**YOUNG ADULTS:** Participants lived in a variety of different types of housing. Two were renters living within town centers, two stay with family, and one owns a home in a rural area. Most ended up living in their current home because of a value placed on walkability and affordability. Family connections and the natural environment contribute to living in the area. Several respondents live with family since being priced out of other areas, or to save up for their own living situations.

**YOUNG ADULTS:** Renters have had challenges finding quality housing in locations they desire that meet their needs. Most would like to remain in the area but noted that continuing to find a place to live would have an impact on that. Utility costs (particularly heating) are a concern for those renting or owning single-family homes.

**REALTORS & LENDERS:** Most home-seekers are out of state second home buyers looking to purchase a second home with the ability to short-term rent the unit when they are not occupying it. In the Conway area this trend is changing, with more investors purchasing for short-term rental portfolios alone. Very few purchasers right now are local residents no matter where you are.

## Quotes & Notable Stories:

*"I moved to CO and worked at ski areas for a few years, but I got priced out of a lot of apartments out west. Then I moved home and had a hell of a time finding a place to live and moved back in with my family. [Now] I drive a lot; I can't find work anywhere near where I live. I constantly think about moving, I would love walkability instead of driving so far." - Young Professional Participant*

### QUESTIONS ASKED:

**Does your local housing stock match the needs of residents today? Will the housing stock meet local needs 10 years from now?**

**Does your housing meet your needs today? Will it in 10 years?**

## Individual Group Trends:

**MUNICIPAL:** Most communities noted that the existing housing stock does not meet resident needs today, except for the Littleton representative. No communities feel that it will meet local needs in 10 years.

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**SENIORS:** Most participants feel that their current home meets their needs today and will in the future. Some discussed moving into a condominium to reduce future maintenance needs. Discussions ensued around preferences for one-level living, and downsizing. They see a lack of that type of housing in the area. Some participants had already purchased or relocated later in life, those who were long term occupants of their homes had concerns with property upkeep. Housing for workers, particularly healthcare workers who can provide in-home care, was a concern noted by all. Without access to quality affordable medical care and assistance at home they are concerned for their ability to remain there.

**BUILDERS & DEVELOPERS:** In the next 10 years, eliminating blight associated with old and poor-quality stock will be a need, as will investments to remove “indicator” blight, like vacant commercial buildings. Some noted that increased construction in outlying areas may relieve some of the pressure on sales prices for in-town units. While this could ease up that market for local residents, those structures need renovation investments to make them quality, livable homes.

**REALTORS & LENDERS:** The age of housing stock is an issue for homebuyers, and many home seekers have unrealistic expectations of living close to work and being able to afford it.

**YOUNG ADULTS:** One participant noted that their housing would meet their needs both today and in the future, but they do not know if they will be able to stay in the unit because it is a condo rental and the owner has shown interest in relocating to the area. Others noted that the location of housing, its expense, or living with family would not continue to meet needs in the future. Two noted that the units they have today are too large; they feel ‘over-housed’.

### **Quotes & Notable Stories:**

*“[For Littleton’s housing stock meeting resident needs] marginally yes today, and probably not in the future, I feel like the North Country is being gentrified in a way, it’s not like people are buying little houses and turning them into big fancy houses. People are buying up a lot of housing, land, and a lot of housing capacity, [and they] can afford a lot more than the people that live here. Yes, [there is] all of this great enthusiasm for coming up here and moving to the country now that we can work remotely from anywhere, but I’m not feeling real good about how that is going to affect the locals, so-to-speak, in the long term.” - Municipal Participant*

*“As far as residential we are going to need all housing. As there is more construction in outlying areas, it will free up some demand on units in town, and working with our first-time homebuyers to find those \$100,000 to \$120,000 homes that do not need [a construction] company to come and do another \$100,000 in renovation to make it livable, finding those homes is key.”  
- Builders & Developers Participant*



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*"I have more than I need now. Which reminds me that in the UK, where I went to school, at one point they charged people who lived in homes with more bedrooms than they needed. I live alone in a 3-bedroom house I rent, and I pay for them. It was what was available. The space would meet my needs in 10 years, but continuing to pay what I pay now on rent, instead of a mortgage wouldn't meet my needs." - Young Adults Participant*

*"Absolutely to both. I love it here, the problem is that no one wants to sell me a unit in the condo building. I've done outreach and put the word out that I'd like to buy. Thinking about my situation, I don't know how I would deal with this if I had a family. I'm fortunate that I'm a younger person and I live alone. One of the greatest assets each of us has is time. If I lose my lease, and I cannot get a new one because the market doesn't afford me something, I can take that day by day." - Young Adults Participant*

#### QUESTIONS ASKED:

**Who has the hardest time finding quality housing in your community?**

**What is your biggest concern with your housing?**

**Who has the most challenging time qualifying for a mortgage? Who has the most challenging time finding a home to purchase?**

#### Individual Group Trends:

**MUNICIPAL:** First time homebuyers, seniors, and persons with lower incomes who are looking to purchase affordable homes. Starter homes were noted as absent from the current market. Seniors who want to remain in their town and young families were also noted as those facing challenges. People with limited incomes are universally challenged. The greatest concerns with housing were affordability and age/condition of housing stock. Some towns noted improvements in this area. A great need for 'mainstream housing' characterized as ordinary homes for ordinary people was noted.

**SOCIAL SERVICES:** Comments focused on people who have criminal records, poor rental history, previous evictions, and who are followed by those undesirable issues from the past. Subsidized housing excludes persons with criminal records, and private landlords look poorly on persons with limited, or spotty histories. There are not enough rentals available to make the market competitive enough to give persons with a poor history a chance. Rentals for people in recovery is also a challenge and there are long waitlists everywhere for sober living. Use of abandoned motels for shelter was a popular idea.

**REALTORS & LENDERS:** First-time homebuyers are having the greatest challenges, particularly around appraisal values and the speed of the market. Participants noted that the speed of the market is a major challenge for buyers who are not paying cash.



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## Quotes & Notable Stories:

*"I'm working with a homeless mother right now. She and her boyfriend are living in a pop-tent trailer with some winterization; because he has a past record, they cannot find housing even though he is working full-time now and doing everything right. The door is shut in their face consistently."*

- Social Services Participant

*"I'm a single mom and I work 2 sometimes 3 jobs to take care of them. I'm lucky that I took advantage of a program at AHEAD to buy a home here, but minimum wage is so low and housing is not cheap."*

- Social Services Participant

*"I see it all the time, a couple at 90% financing, will send in a 2 or 3 page letter about how it will be the perfect home for their new family. And I think, can you please just find a little more money - it's sad."*

- Realtors & Lenders Participant

*"Right now the issue for all buyers financing are appraisals – people are driving prices up over asking price and the lender is still going by the appraisal. We warn people about that. Some people are willing to pay the difference, but if the appraisal does not come through, they don't have leverage to go back to the seller, now another buyer will just take it and pay the difference."*

- Realtors & Lenders Participant

*"We have lived here for way over 10 years. We rent a log cabin on a property with several other ones on it. It's got one bedroom and we are expecting our second kid. We both have good jobs, and we've been looking for a place to buy. We want to stay part of this town, but we can't afford anything here."*

- Business Participant

### QUESTION ASKED:

**What characteristics make housing most attractive to you?**

**SENIORS:** Participants noted size of lot, price of housing, size of housing, proximity to services and amenities, and current and future upkeep required as the main things that make housing most attractive. Sense of community was also noted as an important consideration as they age.

**YOUNG ADULTS:** Price, proximity to jobs, services and amenities, character of neighborhood, and outdoor space were the most attractive qualities for participants.

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## QUESTION ASKED:

**What are the biggest barriers to housing that meets local needs and is affordable in your area?**

### Individual Group Trends:

**MUNICIPAL:** Participant comments focused on high property values, lack of developer interest, lack of new developments with centralized management and maintenance for seniors. Impact of short-term rentals on property values and units for sale was noted by several.

**SOCIAL SERVICES:** Lack of inventory in rental housing, subsidized housing units, and starter homes. Participants noted that lack of inventory leads to people living in substandard housing with poor quality landlords.

**BUSINESSES:** The cost of construction is a barrier. Some businesses have considered housing construction in conjunction with business and retail development. Local/regional housing has not kept pace with the market, and political or bureaucratic forces have kept housing development to a minimum. As with building commercial in the North Country, residential housing is more expensive due to the limited supply of labor, higher material cost, and greater distances from larger urban centers. The remote distance of our region to larger and more competitive labor markets increases the cost of construction. Many contractors are often hired from southern New Hampshire who travel to build homes in the North Country. The cost of transportation and labor is passed on to the consumer.

**BUILDERS & DEVELOPERS:** The cost of construction was noted as the overall greatest barrier. Participants described trouble with the local permitting and review process, specifically with the neighbor participation and associated NIMBYism. This leads to increased construction costs, additional time, and a lack of predictability in the outcome. A limited supply of reliable workers in construction and trades, and access to land that will be looked upon favorably by public funding sources (public utilities, close to town centers, etc.) were noted as a barrier to new construction development. Participants also noted that the purchase, renovation, and rental of properties also face challenges with cost as they work to keep rents affordable.

**REALTORS & LENDERS:** The primary barrier is a lack of inventory of single-family homes and small multi-family units. Additionally, NIMBYism and the cost of construction are also a major barrier for those looking to build right now.

### Quotes & Notable Stories:

*"Many realtors [who] come to our short-term rental committee meetings argue that [the units] would never have been available anyway. I do see circumstances where people are calling me [the Planner] to ask if they can use a home for short-term rental because if they cannot they do not want to buy it. As a follow-up I ask if they are planning to live there primarily, or primarily use it for short-term rentals and the answer is the latter." - Municipal Participant*

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*"If the demand stays up, and I think it will, the biggest barrier is cost. The cost of infrastructure is one piece, but the cost of construction, the cost of land. Folks are booked out a year in advance. I'll have to start lining up my contractors for 2022 construction in the next few months. It creates a real problem for us. These \$7 - \$8 million dollar projects are big for the North Country but they are not big for southern New Hampshire so getting the contractors who have the capacity to do it is a challenge. The ones in the southern part of the state who have the capacity find it too costly and they have to travel, and the ones up here do not have any capacity." - Builders & Developers*

*"We are caught in the middle because if we raise our rents too high then the only people who can afford them are the [people who] are moving here, who rent until they find a place to buy, which gives us higher turnover. But if the rent is too low then we can have issues with people who don't treat the homes well. There is this middle ground we try to be for. But, when you think about that with 30% affordability and the median incomes in my area that is really tough. Making \$54,000 we rent for \$1,100 or \$1,200 a month and that is a heck of a lot for a median income family. Currently, those old wood-frame village homes we used to get for \$35,000 are selling for \$100,000 or \$120,000 and they need \$100,000 of work. So for us to own them from over \$200,000 doesn't work for us; we can't be underwater that far and still have it work." - Builders & Developers*

*"As I see it, we have plenty of investors in housing, and people who would construct, but with the cost of construction and the constraints in that market you cannot build up here for less than you can sell the home for, so people don't do it. It doesn't get built because of the cost to build, versus the return on investment. We have someone with a 25-unit development, who is using nice pre-fab units out of MA, priced around \$250,000 and they can hope to walk away with between \$5 to \$20K profit per lot, and in development one little hiccup can eat that up." - Realtors & Lenders Participant*

*"If we had a couple dozen triplexes and quadplexes they would be sold within the hour. There is a huge demand for those with landlords and tenants. It would be great to see more of those." - Realtors & Lenders Participant*

*"There is increased NIMBYism, and there is a lot of resistance against density, or they [the community] will want a lot of restrictions, but the more restrictions are put in place the less likely it is a developer will invest in it. The area is changing, and it would be nice to have a downtown North Conway that had more residential, and mixed use with retail in it but, it is a slow-moving boat. Even clusters for tiny homes are getting a lot of push back, the idea of it is too much density." - Realtors & Lenders Participant*

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## PART 3: COMMUNITY IMPACTS AND ADVOCACY

### Cross-Cutting Themes

- Businesses face challenges staffing and expanding their businesses due to the lack of affordable housing for their workforces. Some employees noted changing hiring and recruitment practices for staff due to a known lack of housing. Realtors & lenders, young adults, and municipal participants echoed a similar sentiment.
- Participants expressed opinions that the price and supply of housing units must correlate to the local population's incomes, places of work and job opportunities, and that leaders must recognize this. While realtors & lenders discussed the opportunity for denser housing outside of major employment areas, all felt that local officials need to support housing within downtowns and village centers and should recognize that there is not a one-size-fits-all housing solution. We need a wide range of options for people with a wide range of needs.
- The decision for young adults to stay in the region is largely tied to housing, jobs, social and family connections.
- Participants noted that local residents are at once the advocates and the opposition for most housing policy changes and individual developments.
- Communities must understand the various impacts of a lack of housing stock for area residents on sense of place and the existing stock of social capital. In some communities where a decline in local resident population has been observed this impact is being connected to staffing challenges for volunteer and civic organizations.

#### QUESTIONS ASKED:

**How does housing impact your business?**

**How does the lack of affordable housing near places of work impact employees and businesses?**

### Individual Group Trends:

**BUSINESSES:** Participants included some mid-size employers, educational institutions, small businesses, tourism representatives, and business support entities. Respondents see housing impact their business in recruitment of employees, affordability based on the wages paid to employees, loss of employees relocating or taking higher paying jobs. It impacts expansion of businesses and hiring practices. Retail employers noted that some employees have 45 minute plus commutes and the longer commutes are typically done by those earning less money. The lack of housing stock is preventing people from moving here to seek jobs. It has also stopped employers from recruiting new employees from away because they do not trust they will be able to find housing.

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**BUSINESSES:** Coos County has two large manufacturing businesses in Lancaster and Colebrook that are looking to expand but have been hindered by the lack of rental housing and its affordability. The current housing situation in the North Country and more broadly around the state has now become such a crisis that it is hindering the longer-term economic development of our businesses. This sentiment was echoed by employers in outdoor recreation and food services in Carroll County.

**REALTORS & LENDERS:** Participants noted that businesses face challenges keeping staff, and expanding due to housing availability, from small businesses like a local sandwich franchise, to larger manufacturing employers.

### Quotes & Notable Stories:

*"Many of our area attractions are staffed by part-time local young people like high school students, and as we lose those families, we lose that local workforce, so we need housing for all families."*

- Business Participant

*"I have seen how difficulty finding housing has caused us to lose employees who perhaps would have stayed with us longer if they could have found a cheaper place to live, but they had to take jobs that could pay more, or had different benefits, or just moved further outside of the area."*

- Business Participant

*"In the Colebrook area one of the manufacturers is adding on. They are expanding and want to create 200 more jobs in the process, but there are not places for those people to live. It will be interesting to see if more apartments show up - we've talked about turning the old high school into housing."*

- Realtors & Lenders

### QUESTIONS ASKED:

**How much does the supply, quality and type of available housing impact your decision to stay in the region? What else impacts that decision?**

### Individual Group Trends:

**YOUNG ADULTS:** Finding housing that meets their needs and is affordable is important to participants' ability to stay in the region. The supply of jobs, strong small business community, family, access to outdoor resources, and transportation were noted as other important factors.

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QUESTION ASKED:

**What is the most important thing leaders should consider when making housing policy decisions?**

**Individual Group Trends:**

**SENIORS:** Participants agreed that housing is not one size fits all, you need to consider all ages and all generational groups. Increases in multi-family developments are needed and more flexibility for use of property in municipal regulations. People with lots that can hold more homes should be able to find flexibility on things like frontage, etc. But ensuring that housing fits with the community where it is going is key to maintaining attractiveness and longer-term health of the community.

**REALTORS & LENDERS:** Responses were somewhat varied. All agreed that leaders must consider ways to incentivize housing construction, allowing increased density in areas with public water and sewer service. Depending on the area, some felt that communities must be flexible with zoning provisions, where reasonable, to allow for new construction. In more northern areas, the need for some permitting and minimum property maintenance standards was highlighted.

**YOUNG ADULTS:** No one should need to pay more than 30% of their income on housing. We need to make sure that the housing that is located here is within the reach of the people who live and work here, with regard to cost and commutes. We need to consider the needs of local people and how our other decisions impact their ability to live here. We should shy away from housing for specific groups, like senior housing, in favor of a good mix of housing options available to whom-ever needs them.

**Quotes & Notable Stories:**

*"I'd like to see the town have more flexibility to allow towns to offer tax holidays to encourage the growth of the municipality's housing stock. Towns focus so much on the expense side of their budgets, and not the revenues. They also need to focus on first-time homebuyers, workforce incomes...not doing that is going to hurt us big time in the future." - Realtors & Lenders Participant*

*"Make sure that housing is located where the jobs are and is affordable to those jobs. There are a lot of little jobs, like working at a gas station, and they need to have places to live too. They will have to drive to get to work and the further away they live the more they spent to earn a paycheck."*  
- Young Professional Participant

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*"There needs to be thought into what you ask people to come here for, and what they can afford. If we grow tourism, then we need housing that the people who work in that industry can afford. I'm here to be part of that industry, I'm studying it in school, and the jobs that are tied to it don't pay much. Sometimes I have to go and buy soup to eat for the week, because it's all I can afford. I want to be able to give back to the community and help support others, but I don't have anything else to give."*

- Young Professional Participant

*"I was traveling from Boston home the other day, and in Massachusetts I saw a billboard promoting 'living in the White Mountains' - not visiting but moving, and I wondered where will all those people go? Why are we promoting people to move here when we don't have spaces for them?"*

- Young Professional Participant

#### QUESTIONS ASKED:

**Who is an advocate for local housing needs? Who can stand in the way? How do we (as a region) best advocate for housing needs?**

#### Individual Group Trends:

**MUNICIPAL:** Local residents do both. They can be the best advocates for need or can stand in the way. The Planning Board can also be a good advocate (or opponent) and that depends a lot on knowledge. Towns are seeing increased resident engagement on the topic of housing through master plan engagement and other avenues.

**SOCIAL SERVICES:** Comments focused on education of municipal leaders, information and success-story sharing, terminology to illustrate the severity of this issue (homelessness epidemic), and small action steps.

**BUSINESSES:** We best advocate for needs by engaging local resources. When businesses go to others looking for help with employee housing, we need to ask them what they can do to help educate our community about housing issues in the region. Our communities skew older so we need to help them understand what our workforce looks like, and get the residents on board! It's largely about education.



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## Quotes & Notable Stories:

*"The answer to that question, both questions, is everybody. So everybody wants everything, but they don't want to be affected by it. I think that is the problem. People are hypocritical, they think everything should be provided to every facet of the community but yet, if it's going to affect them in any way, shape, or form, then they are not for it. There is no give either way – at least that is what I find."*

- Municipal Participant

*"The opioid epidemic. It was called an epidemic, and it got resources but much of the resources [went] to meetings and planning to address the problems. If we could get even half of that money [for housing, and] in the hands of people who work in homelessness we would have huge advancements. How do you eat an elephant, one bite at a time? Start with one house." - Social Services Participant*

## PART 4: TRENDS, IDEAS, OPPORTUNITIES & PROMISING PRACTICES

### Cross-Cutting Themes

- Short-term rental regulations in some communities are popping up and could impact our real estate markets. The understanding of that impact depends very much on perspective. Realtors and lenders noted that more regulation may help increase supply and affordability of long-term rentals, but it may also transition units back into traditional second homes and may also deter some investment seen in the region's real estate markets. However, it was noted that nationally short-term rental regulations have been fought.
- Reuse of hotel space was discussed, including an example from Texas which used Covid-19 relief funds to provide temporary housing to homeless persons who needed to quarantine or isolate. The program will continue to use those rooms to provide temporary housing for persons experiencing homelessness in general. A similar program was noted in upstate NY. One participant noted efforts underway in the Berlin/Gorham area to do the same thing. We need to see how we can work together to meet needs. This same topic was discussed by participants of the business community focus group who saw underutilized hotel and motel space as a possible tool for housing of seasonal or temporary workforces common in tourism industries.
- The Home for All program on the NH Seacoast was discussed as a promising practice. The program includes "ready renter" classes with a certificate, additional security deposits above standards, and direct rent support as a whole approach to get people into rental units. The educational components sounded helpful to participants, who also looked to see landlord education included as well. Participants felt that even with financial incentives the shortage of rental units and the competition for them could outweigh the impacts of a program of this nature.
- Public-private partnerships to enable tax sale properties, or donated land for construction incentives to build also were discussed.



- The need for increased supply of construction and skilled labor to support our housing market was discussed by several groups. Builders and developers even discussed possible creation of programs working with people who are currently serving time in prison to teach construction and accountability for employment, so that upon reentry into the community we will have an increase in local residents to work in these fields.
- Establishing a method for entities in the business community to invest in a centralized pool of resources to support worker housing in order to relieve the burden of housing development and management from these companies and strengthen public-private relationships and cooperation.

#### QUESTIONS ASKED:

**If you envisioned a constructed solution to housing challenges, what type of development would you like to see?**

**What housing types would be most effective or suitable in your area? Are there any housing types that would not work well in your community?**

**Where is new housing being built in your area? Where do you think new housing should be built?**

#### Individual Group Trends:

**MUNICIPAL:** The general consensus of participants was support of all forms of housing that lead to more affordability. Specific interests varied by place. Jackson noted an interest in age-in-place communities, Lancaster was interested in reuse and conversion of older structures. Any new housing located where services and amenities are nearby was popular. Participants felt that all types should be allowed in particular places - there is a disconnect between the more cost-effective developments allowed and the developments the market tends to produce, which are mostly costly single-family homes.

**SOCIAL SERVICES:** They picture better housing for their clients that provides good access to supports. Formalized supportive housing with case management, and integration of resources in housing is desired. Northern Human Services owns such a building. It is successful, but they are limited.

**BUILDERS & DEVELOPERS:** Participants noted that some construction is occurring in and around village centers, but that the majority of construction is occurring outside of those areas in surrounding rural locations, often near trail systems.

All expressed an interest in seeing more units constructed in and around the village centers. However, there are challenges to that work. In particular, there are limited spaces for infill development, and the type of gut renovations being done to improve the quality of older housing stock

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within the villages can be very hard work on crews as compared to new construction. However, the savings on utility costs, infrastructure, and access are much more affordable for “in-town” lots, higher densities can be achieved, and the housing is located in areas that can strengthen social connection and access to goods and services.

Participants also discussed areas where the quality of the housing that exists in the village areas may be better removed and reconstructed. Discussion centered around past practices of demolition in Berlin, and other communities with similar housing stock challenges.

**REALTORS & LENDERS:** Consensus was reached that housing should be constructed within walkable and bikeable distances to downtown and village centers. Participants noted issues with in-town development due to lack of vacant spaces, and in one case, a limited availability for increase in public water and wastewater systems.

**YOUNG ADULTS:** There was interest in multi-use buildings, and housing within walkable/bikeable distances to downtowns and within them. Some participants noted an interest in closer, more communal living, as a way to reduce costs and increase community. There was great interest in housing options that provided a bit of private outdoor space, such as balconies in multi-story buildings, and townhouses with some private yard space behind.

### Quotes & Notable Stories:

*“We’ve seen waves of development here, we’ve seen 400 or 500 restaurant seats developed, then a couple of years later a few 100,000 square feet of retail development, then the latest wave has been 500 or 600 hotel rooms, but we’ve not seen the growth in the residential development to support that. We’ve got a lot of people that commute from Berlin, from Maine, from points east and south, because they just cannot find the housing here. Short and sweet, we need the housing and we’ve changed our ordinance but it has not stimulated growth in that sector of the housing market to help meet the needs.”*  
- Municipal Participant

*“I would really like to see development happening in the villages. It’s a higher quality of life, people are able to walk to the grocery store, the movie theater, and school, and the infrastructure costs are greatly reduced. If you buy outside of town it can cost \$50,000 to 70,000 to get utilities there. We are doing gut renovations on three buildings, one in Lancaster, one in Littleton, and one in Bethlehem. From a mission standpoint it’s great, but renovation work is really tough on crews, it’s tough on designers, estimators, contractors, and even on customers. The demand for these gut renovations with major improvements to insulation systems, adding solar, ventilation, etc. is increasing. That is an interesting development for us, but [it is] always nice to do new construction too and that doesn’t happen in the villages.”* - Builders & Developers Participant

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*"People are moving up here for access to recreation, solitude, and views, not the village centers. When we did single-family development, we only found lots that were in far out areas, and needed major infrastructure expense, and we couldn't make those work. But people moving to the area from more expensive places are less concerned with that cost. For those of us that live here those are astronomical, and when we are at a LIHTC closing and your construction costs are what yours tend to be with all the soft costs included, it's astronomical." - Builders & Developers Participant*

*"I think we should be building up our villages. There are not a lot of spaces for single-family development in the villages, but we are doing a larger multi-family project in a key area of town that is a bit of a blighted area. I think it will spark new development. I hope that sparks more of the same thing here."*  
- Builders & Developers Participant

*"The housing stock is old, and demolishing is easier. We've renovated some that probably should have been demolished. There are some places like Whitefield that could come down and be reinvented, but that is a capital issue, it's hard to get those jobs done, and the return on that isn't always good for an investor." - Builders & Developers Participant*

#### QUESTION ASKED:

**What do you see as the best opportunity to improve the housing options in your community?**

#### Individual Group Trends:

**MUNICIPAL:** Participant comments focused on Housing Authorities, redevelopment of former factory buildings, and larger single-family homes near village centers, conservation development, and use of tax sale properties for affordable housing development.

**SOCIAL SERVICES:** We need opportunities to address our immediate housing needs. Opportunities to provide temporary living, or accommodation, using underutilized lodging accommodations were noted by participants. Utilization of a program to help support people with spotty histories, such as a "ready renter" program, and support were viewed as an opportunity, and ultimately requirements for developers to build housing specifically aimed at the most challenging person to house, would be needed to make an impact. We should explore reuse of underutilized or closed hotel or motel spaces.

**BUILDERS & DEVELOPERS:** Participants noted a need for clearer and consistent permitting regimes, opportunities for towns to donate land specifically for affordable housing development, continued growth of trades labor, the importance of on-site case managers for people with specific needs, improved programming for energy retrofits, and increased incomes.

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**REALTORS & LENDERS:** Participants noted that the short-term rental regulations being considered by some municipalities may end up creating new inventory on the market for area residents. They also discussed business investment in housing, and construction of denser housing developments 15 to 20 minutes outside of job centers as a strategy to reduce costs and produce more units.

### **Quotes & Notable Stories:**

*"Many realtors [who] come to our short-term rental committee meetings argue that [the units] would never have been available anyway. I do see circumstances where people are calling me (the Planner) to ask if they can use a home for short-term rental because if they cannot they do not want to buy it. As a follow-up I ask if they are planning to live there primarily, or primarily use it for short-term rentals, and the answer is the latter." - Municipal Participant*

*"The pre-development process for our last project was a nightmare, and the cost to do that with our engineers and attorneys was astronomical, all to get 28 units of high-end affordable housing that no one can see. The town was not as bad as the neighbors. They liked affordable housing until it was near their house." - Builders & Developers Participant*

*"Figuring out how to pay dignified wages, for hard work, to fix buildings that need to get fixed, we could really have an impact, but these are hard things to legislate. They have to come from the people who make things happen." - Builders & Developers Participant*

*"I think the expectation that people have here, or move here with, that they will work five minutes from home is not realistic. But there are two sides to this for communities. If we need housing for workers in services and hospitality jobs who are not making decent wages, but we say that we do not want more density in our downtowns because of congestion and changes to the character, one has to give. If you want the services we are used to, you need to allow the density to support it. There is also a push here that businesses need to create housing on site." - Realtors & Lenders Participant*

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## PART 5: KEY FINDINGS

- Housing production is not keeping pace with demand. The availability of local builders and high cost of building materials contribute to this condition. Additionally, in the case of publicly funded and multi-unit developments there is a limited supply of builders with the capacity and experience needed to undertake these larger projects. The inexperience of Planning Boards in large project review, NIMBYism, and the scarcity of land serviced by public water and sewer in and around village centers provides additional challenges for denser or publicly funded housing.
- The region's existing housing stock is aging and will need continued investment and redevelopment in order to reach the aspirations expressed by focus group participants for new housing development to be located in and around village centers and downtowns. This work on older homes requires improvements to the quality, health, and efficiency of the structures which can be costly, and requires skilled labor and hard work. In some areas, changes to municipal land use regulations, such as reducing parking minimums, eliminating prohibitions on conversions from single-family to multi-family uses, and offering modest allowances for the expansion of properties that are non-conforming by dimension may be of benefit.
- The limited supply of rental housing and homeownership opportunities affordable to local residents provides a diverse set of challenges which increase as household incomes decrease. Young adults experience challenges finding and keeping housing that meets their needs, while seniors have concerns with their ability to downsize and the supply of housing for the health-care workers needed to support their aging in place. The region's most vulnerable residents, those with low incomes and barriers to housing like criminal records, evictions, and poor references, experience the greatest impact. As residents face or anticipate affordability challenges, they are more likely to remain in substandard units, pay more than they can afford for housing, or consider relocating. While an increase in housing stock may reduce pressures overall, targeted solutions may be needed to address the concerns of those with the greatest need and those tethered to the local economy.
- The impact of short-term rentals (STR) on housing markets is a growing concern of residents and municipalities. In some highly impacted areas, such as Jackson and Conway, municipalities have started to explore regulations to limit STRs in efforts to increase the supply of units for long-term residents. Municipal officials, and realtors & lenders both noted impacts of STRs in the real estate market. Interestingly, some participants see underutilized or vacant hotels and motels as an opportunity to provide shelter for people experiencing homelessness, seasonal resort workforces, and lower income residents.
- Housing needs are as varied as the region's residents. While a clear priority was placed upon housing that is located within close proximity to village centers and downtowns, there is not one type, location, or price of housing that will meet everyone's needs. A diverse range of solutions must be provided in order to allow residents to find suitable housing. Rapid solutions, including those that do not require construction or policy change, like sharing homes must be explored to meet immediate needs.

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- The supply of housing that is affordable to local residents, including both formally developed affordable/workforce housing, and market rate housing within financial reach, discussed here as ‘naturally occurring affordable housing,’ is a challenge across the region. Its impacts reach beyond individual residents, to cause challenges for businesses and the provision of community services, like staffing of volunteer fire departments. In some areas, participants expressed concerns that it may also lead to a shifting community character, with increased in-migration, vacation and second home purchases, and more investors purchasing properties exclusively for STR portfolios. Many communities are concerned about displacement of households with low or modest income.
  - The anticipated growth of particular industry sectors, including the region’s service economy, tourism industry, and health care workforce, which are often characterized by lower wage jobs, may continue to exacerbate the affordability challenges for local residents. While intervention is possible to support increased affordability, housing cost challenges are driven by incomes. Incomes may also need to rise in order to provide local residents an opportunity to compete in this strong real estate market.
  - Over the course of the COVID-19 pandemic, the competitiveness, speed, and sales prices of the region’s rental and homeownership markets have risen significantly. This has resulted in additional challenges for first time homebuyers and local residents seeking housing. As real estate professionals noted, the volume of cash sales, and sight-unseen buyers, have provided additional challenges to people entering the market. As participants observe more homes selling above appraised values, those entering the homeownership market in particular struggle to meet mortgage requirements for loan to value ratios. Further study of the long-term implications of the pandemic on the region’s market may be needed to understand the persistence of this trend over time.
  - Promising opportunities exist to improve the affordability and supply of the housing stock at different scales. Participants stressed the importance of solutions that capitalize on the region’s existing assets. Examples include: the establishment of a regional housing authority capable of deed-restricted housing across municipal boundaries; business investment and partnership for workforce housing; ready-renter programs for those with the challenging histories; re-use and re-development of larger single-family homes and non-residential structures; use of municipally owned lands for housing; and opportunities to aid in acquisition costs for entities that provide naturally occurring affordable housing.

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## SECTION 5

# Lunch & Talk Summary

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## INTRODUCTION

### Lunch & Talk Format

From September 2020 to February 2021, North Country Council conducted targeted conversations with regional stakeholders in order to better understand the impacts of regional housing trends on the lives and livelihoods of North Country residents and to explore promising practices as they emerge in communities. Over the course of this engagement effort 12 stakeholders were interviewed. Stakeholders came from each of the three counties in the region, and represented a wide-range of perspectives including residents, builders, businesses, service providers, and housing advocates.

These Lunch & Talk interviews were completed as part of a larger project for New Hampshire Housing to study the housing needs of the North Country region. This study included survey work, focus groups, case study research, data evaluation, and a regulatory scan.

### Summary Document Format

This section is not a transcript of each conversation but rather a high-level summary of the key points and take away messages from each targeted conversation. The interviews are grouped into the following parts:

- **Part 1: Hometown Advocates**
- **Part 2: Business Community**
- **Part 3: Social Services Community**
- **Part 4: Housing Professionals**

## PART 1: HOMETOWN ADVOCATES

### EMMA JORDAN (11/16/2020)

*Young resident of Bethlehem, Local Housing Advocate*

[Click here to view the housing discussion Emma started on Facebook](#)

- **Tell me a bit about yourself. Where is home for you?**

I live in Bethlehem now. My parents have a summer home up here that they rent out. I'm staying there full time. I used to be in college elsewhere, studying theater actually, but I've moved up here now and realized that I want to do more work in community organizing and things like that instead of theater. Before I moved up here, I was living in Worcester in a collective housing situation.



- **Why the interest in housing?**

Now that I'm here, I'm trying to figure out my own place to live instead of staying at my family house and it is really hard. The prices for rentals keep going up even since I've been here. I talk to people I work with who are moving out of rentals – and the prices they have paid are going up sometimes like \$100/month which makes it harder and harder to afford. I've talked to people who used to rent around here 5 or 6 years ago and then you could rent a place for like \$600 a month. Now it is more like \$700 or \$800 at least.

- **What are you looking for in housing?**

I'm not looking to pay \$800 a month to live alone in a studio or one-bedroom. I'm trying to build my own social network and sense of community here. Right now, I'm lucky to have my parents' house to stay in but I really want to live with people. I'd like to find a 3 or 4-bedroom house that I could rent with some friends, coworkers, people my age.

- **What are the biggest challenges to finding that?**

Staying in this area. I work in Bethlehem and I'd like to find something here or in Littleton but they are either not available or way too expensive. I have seen some places in Lisbon or Whitefield but I haven't heard great things about those areas, and I'd really like to be closer to where I work. Work is how I'm finding my way into this community. If I lived somewhere further away then I wouldn't be able to just go check something out that is going on in town. Here I only see seasonal rentals. I really don't want to live alone because I don't want my whole community to be centered around going to work. I'd like to live with friends and start to do things here outside of work.

- **I've heard that you are starting a conversation about local housing on Facebook, can you tell me a bit about that?**

I started a group on Facebook called "Why are Rent Prices so High in Littleton?" and I have started trying to understand it a bit more. I also have a Facebook live stream that myself and some friends are hosting to start to build our connection and role in the local community.

## **EMILY BENTON (10/21/2020)**

*Retired resident of Jackson, JHOM Committee Member*

[Click here for more about the Jackson Housing Opportunities Matter \(JHOM\) Initiative](#)

- **Tell me about yourself and how you got involved in the topic of housing in Jackson**

I'm a member of the JHOM committee in town, and it was a friend of mine who really turned me on to getting involved. I have lived in Jackson for 30 years. We owned two homes in town, right beside each other. We have rented one for short-term rentals in the past, we were actually a super-host on Airbnb. But when I started seeing and hearing how the short-term rentals are changing our community, I decided to rent it to long-term tenants instead. We have also opened our home to people looking for home-sharing situations.



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- **How have you opened your home to others?**

We raised a family here, and now I see that it is young adults, like our daughter and her peers who are trying to move into the community. We have rented her old room to young adults moving to the area. That has been great for us. We get to meet someone new who is looking to be part of the Jackson community and help them meet people, get engaged in local issues, and register to vote while they are here.

- **What do you think would make more property owners see the housing topic the way you do, and consider opening up their homes or renting to long-term tenants?**

When I encourage other to do it, I talk to them about how these young adults are just like our own kids. I also talk about how important it is for Jackson to have a local community. We're concerned about staffing on the volunteer fire boards, and enrollment in our schools. We need people to live here, not just vacation and visit. Jackson is a wonderful community. On the short-term rental committee, we've realized we need to inform others about the crisis, and our preconceived notions on who lives in long-term rentals.

- **What do you see as the most promising ideas in your area?**

The Upper Saco Valley Land Trust is a local organization focused on conservation and agriculture. If we can get an organization like that to take on the idea of a community land trust, where we can marry our interest in conservation with some new housing development on large parcels we have in town, that would be really interesting.

- **How do we best promote, or advocate for housing policy change and improvement?**

Use social connections, they are strong up here, and people listen better when the message comes from people they trust most. We also need to use faith-based connections better, especially for older and aging adults.

- **What do you think is the most promising type of housing for Jackson?**

The housing needs to fit in the context of each place. In Jackson density wouldn't be welcomed if it looks like big boxes, but if it looked different then we could embrace it. There is a multi-unit property in town, one of only a handful, it's called Spruce Lodge. It has a handful of small log cabins that are rented to long-term tenants, and a lodge house that provides some group housing. A lot of AMC staff lives there. That development fits in the context of the community and we embrace it, or accept it, as a community. They are adding a few new cabins there that they intend to make available to seniors. In the end that will make an intergenerational space and there is great value in that. I'd like to see us look for density and more units that feel like they fit.

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## PART 2: BUSINESS COMMUNITY

### **BEN WILCOX (10/19/2020)**

*General Manager of Cranmore Resort*

(Cranmore Resort is a Conway employer engaged in local efforts around housing)

- **How does housing impact you at Cranmore?**

We, and the ski industry as a whole, have a hard time employing local residents in many of our seasonal or part-time positions and the vast majority of our positions are seasonal and/or part-time. Cranmore has a bit of an easier time than some of the other ski areas, because of our proximity to Conway. Many of the other ski areas are far from the towns, where there is some supply of affordable housing, and workers need to have their own transportation to get to and from work. Cranmore employs 500 people in our busy season, and 36 as year-round managers.

- **You've worked at Cranmore for a long-time. How have the housing challenges in the area changed?**

People want to work, but they are always struggling to figure out how to make a year-round living in this industry and this area. I've seen cycles to housing over the 16 years I've been in this role. Now is a particularly tough one.

- **Of your employees, who is most impacted by housing struggles?**

I think our seasonal workers, and our entry-level managers who have just started to have year-round employment with us. We have people contact us about seasonal work who come from away and many of them ask for tips on where to live. If people can't find places to stay they don't end up staying with Cranmore. When I have local people, working seasonal or part-time work, say in the ski school, ask me how they can piece together year-round employment with enough hours to buy a home or stay in the area long term, I often tell them the best way is to leave Cranmore. We really are not able to provide that type of work. We also have our entry level management staff, who do have year-round work, but struggle to afford the prices of houses in the valley. It's a real challenge.

- **How has Cranmore managed to staff a seasonal business of 500 employees?**

We rely fairly heavily on international workers, particular young adults from South America who will come to work at Cranmore for the winter season. They help us fill the gap and we are able to house them in groups with people around the community who own rental housing and are looking for consistent income. The group housing works for them because they are often here for the whole experience, and they share cultures and similarities with the others. In that situation we provide their transportation with a van we bought to shuttle them around, but I don't think that would work as well for other groups.

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- **How do you see your business participating in housing?**

Sometimes I wonder if we should be purchasing housing near and around the ski area that we can make available for employees. But that is a lot of work, and it takes oversight, management, maintenance and a whole suite of services we are not well equipped to provide. I've considered building as well, but with Cranmore's current construction projects underway I see the challenge and expense it is to build. There are a few houses located near the ski area that the state purchased for a possible road project that isn't moving forward. I've thought about seeing if we could get that property to use for housing.

- **Has COVID-19 affected your view on employee housing?**

Without the seasonal international workers coming to join our staff I'm struggling to fill those full-time winter seasonal positions and we have between 125 and 175 of those. Now that colleges are doing a lot more remote work, I've been contacted by some students who want to come and work for us and do their school work remotely, which is helpful, but housing that group is harder than housing the workers. They come from all over the place, and they may not necessarily want to live in a pod with others. When I hear from them, they are always asking where they can find a rental.

### **CHERYL REARDON (11/1/2020)**

*President of White Mountain Attractions*

(White Mountain Attractions is a membership-based organization for tourism and hospitality businesses in the region)

- **Tell me about the housing challenges you see in your business network.**

There are two really different housing challenges for businesses in the region. There is the issue of where to house the seasonal workforce, with is often filled by workers coming from other countries to work full-time during peak seasons, and this year with COVID may include more young adults and college students who have longer than usual school breaks, and the ability to do schoolwork remotely. Then there is the issue of year-round housing for the local workforce. Right now, with some funding that was received through the CARES Act we are looking at different solutions for the seasonal workforce, and I have some ideas on that. But for the local year-round worker, I really don't know where to start.

- **How have you seen businesses engage with the topic of housing?**

There are some businesses that have already started to figure out how to provide housing for those seasonal workers that come from away. Loon Mountain, and the Woodstock Inn are two businesses that have purchased properties to house their seasonal workers. I'm hopeful that we can also connect some of the larger businesses with local lodging like inns, B&B's, and hotels/motels to provide that housing. If the lodging businesses are not full this year, they might be willing to see how they could reconfigure their rooms to provider longer term stays for seasonal workers. If they can knock down a wall between two guest rooms, provide some type of a kitchenette and house six or eight seasonal workers, it could help.

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- **How are those two topics related, or are they?**

I think they are related. As it relates to the issue of year-round housing, maybe if we get more of the seasonal workers here they will see the benefits of living here, the quality of life, the sense of community, and want to stay. Maybe having better seasonal options will lessen stress on the year-round rental markets instead of competing for the same ones. If seasonal workers decide they want to stay, it's a whole other set of challenges. They need to line up year-round work, and year-round living. Both of which are hard, and with the wages paid for local tourism, hospitality, and service jobs it's even harder.

- **How does the local supply of housing match up to the demand you see? What does the market look like in your area?**

It's not that there isn't housing anywhere. It's that the areas that are tourism hubs have the businesses and they also have all of the competition from seasonal housing, houses bought for short-term rentals, and wealthier residents relocating as retirees, or now people with work-from-home situations coming out of the Boston and NY markets. In Lincoln/Woodstock and even now in Bethlehem/Littleton the markets are the toughest, but that is also where the jobs are. We promote this live, work, play brand in NH but if you work locally that is really hard to do, and it's a challenge when you keep pushing the employees further north. They too, want to be part of these happening areas that they are working in. They don't want to be commuting a long way from a less desirable town to work here. They want to be here.

- **What do you think are the most promising ways to tackle the issue?**

I think we need to work with what we have. Think about converting old commercial and industry spaces into housing and rehabbing them. Littleton has done that in a lot of ways, but we need to start doing it in a lot more places. Woodstock has had a few larger housing developments be proposed, but the trouble is they take a really big investment. Even just for water and sewer service the systems need to be upgraded and expanded to accommodate the type of apartment buildings that get built in the southern part of the state and those projects come with a really large price tag.

- **What do you wish policy makers understood about the relationship of businesses to housing? How can communities best partner with businesses?**

There is only so much they can, or want to do. Even the businesses that have actually gone so far as to purchase houses to lodge employees in group settings. Right now, they can lodge seasonal workers in group situations but that is different than trying to own and manage separate housing for other workers, like rentals for year-round workers. If they can house a whole group of employees then it may be worth it to buy the property, but if you are only housing one employee and their family in each space that won't work. They need the economy of scale, otherwise the business owners are in the same tough real estate market trying to buy homes for employees to rent, knowing they can only afford a certain price. On top of that the trouble is that business owners already run businesses, they don't necessarily want to start running a property management business as well.

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- **Have you noticed increased competition in the market during the pandemic? Do you have any thoughts on how to address those pressures in your area?**

Realtors should make somebody actually see a property before they can purchase it. Otherwise there is too much competition with people who come from areas with way more means. They will come in with \$200,000 cash and purchase a property without even seeing it. If we could at least make people physically come see a property before they buy it, it might slow down the sales enough to give some locals a chance. They still probably won't end up with the property because the realtors work for the sellers, and they are more likely to go with cash sales, or people who can put a lot down because it's a safer, easier process for the sellers.

- **How is the long-term rental market in your area impacted by the tourism in your area?**

The trouble with trying to get long-term leases relates to the number of short-term rentals. People who own second homes, or condos, they usually have them because they want to use them for a few weeks a year, or a few weekends a month during ski season. If they do short-term rentals then they can carve out time for them to use the property, but if they gave long-term leases to local people they wouldn't have access to it. That doesn't touch on the difference in income they can expect from vacation rentals instead of long-term tenants.

- **What do you wish your community understood about the impacts and changes of the housing market over time?**

As someone who grew up in the area, and is involved in the community (I'm on the select board in Woodstock) our community suffers when people can't, or don't actually live here. I grew up in the area, and from my networks throughout my life there are probably three or four people I grew up with that have managed to stay local. My kid is in the school and there is probably one other child in his class whose parents also grew up here. We need to change our messaging and stop pushing our young people to leave. There are good jobs to be had around here, especially if you go outside of the service and resort industries. We talk so much about the resorts and the outdoor recreation jobs, but there may only be a few good paying, year-round jobs in those industries, and the people who stay in those jobs usually don't leave until they retire. So the jobs don't open up – plus when they do retire they don't leave the area so the housing doesn't open up.

- **Lastly, I know you've been working with a group of other tourism and hospitality leaders to look at housing. Is there anything you'd like to promote?**

We just launched a website, we need to do some promoting of it, but it's called: Work in the White Mountains (<https://workinthewhitmountains.com>) and it's trying to connect people who may have housing for employees with businesses, and help people find jobs in the region.

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## PART 3: SOCIAL SERVICES COMMUNITY

### MARIANNE JACKSON (10/14/2020)

*Executive Director, the Gibson Center*

(The Gibson Center is a non-profit organization that provides a wide variety of programs to support seniors)

- **Tell me a bit about the Gibson Center.**

The Gibson Center serves seniors in the Mount Washington Valley. Increasingly the organization has been more engaged on the topics of housing for seniors, the workforce that supports them, and the vitality of our community as a whole.

- **I was put in touch with you because of your work developing a Home Share program. Can you tell me about that project?**

The Home Share program was designed to work as a “match-maker” that connects seniors who own their homes, with young people, adults, or families who are looking for a place to live. If they find a match, they will live together in the same house. It’s a tool that has great possibilities. It can give seniors a financially viable way to age in place, stay connected to the community, and gain a bit of assistance around the house with maintenance and chores that may have become a challenge for them. Opening up your home to someone you do not know can be intimidating, so our program kept an inventory of people who may be interested and conducted extensive background checks on people who may want to use the program. Our Home Share program was just getting off the ground before COVID-19 hit, and now we are facing challenges from our insurance provider about continuing the program.

- **What is the nature of the housing challenges in your area, as you see them?**

We need to have a lot of different solutions, and they cannot all be about building new housing. Some need to address problems quickly. We have a lot of homes that could be used to house more people now, and give aging seniors social connection, and a bit of help with work around the house. It is like planting seeds, we need to plant lots of different ones, and different ones in different communities, to see which ones are going to sprout and thrive.

- **What type of solutions for housing do you think we need more of?**

I think we need to focus on how to house more people, and reduce living expenses for residents today. We need to promote other more simple solutions, like just sharing space. I believe that must be promoted, it could be a great short-term solution that people can do one by one with almost no upfront cost. It has worked other places.

- **How do you think we should best promote the solutions you see?**

We need to rely on each other as neighbors and reach out to the people who have that extra space. If we can help them see that by opening their doors to another senior, or a younger adult or couple they could have help maintaining their homes, grow social connection, and help people set roots in our communities. It’s not a scary idea, people have done it for a long time.



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- **Tell me more about the challenges you faced and the models for Home Share?**

Vermont has a successful Home Share program, and others exist across the country, including in California. Our insurance company wasn't willing or able to cover our Home Share program, they were concerned about the background check process and the liability we take on by playing this matchmaker role. But other places have worked around that. We tried Llyod's of London and it was too non-traditional even for them. That has put the brakes on our work for now. I'm trying to find another entity to take over the efforts.

### **MOLLIE WHITE (10/23/2020)**

*Executive Director, the Coös Coalition for Children & Young Families*

(The Coös Coalition for Children & Young Families is a non-profit organization to strengthen families and improve futures for local youth)

- **How does housing intersect with your work in the field of childcare?**

We look at the whole picture of what it takes to support young families in Coös County, not just childcare. So for us, it's housing for our childcare workforce, and also for our young families that we support.

- **When you observe or hear about housing challenges, what do they look like?**

There are so few affordable options in Coös County. The children and young families we work with have limited means, and they are struggling to meet their basic needs. Housing is just one of those pieces. We hear about problems with people's housing, its affordability, its condition. For the childcare workforce, they do not make a lot of money. If their wages are increased, the cost of childcare would go up, and that is just another strain on the residents.

- **What do you wish local leaders and community members knew about the way housing impacts the people you work with, and the area as a whole?**

It all goes to support the strength of our community. When people are struggling to make ends meet and our housing stock, particularly quality rental units is so limited, people are forced into bad situations, which impacts our next generation. We need to support the people who are here so that the next generation has the support and safety to grow and thrive.

### **LIZ SNOWMAN (12/21/2020)**

*Homeless Intervention and Prevention Specialist, Tri-County Community Action Partnership*

(Tri-County CAP is a multi-purpose social service and advocacy organization)

- **What type of services do you provide to your clients? What challenges do you see?**

For my position, we are a referral agency. We directly serve people who are homeless or are at risk of homelessness. We do a lot of outreach work to connect with people, and places like the Way Station are important for us to partner with, as a way to connect with more people. We see a lot of people who don't see themselves as homeless, but more as people seeking housing. We try to use that language more. We work to help people with security deposit assistance, sometime first month's rent, but our issue is the cost of rentals.

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One of our challenges is use of vouchers and rental assistance funds like those through the Emergency Solutions Grants. We can't touch that money because we cannot find rental prices that are considered a "fair market rent." If you can find a unit the cost will almost always exceed that here.

- **Where do you find people living or staying now?**

I'm working with a family of five who are staying in a two-bedroom motel rental cabin. They moved here to stay with family, which didn't work out. Before I met them they had been living there for two months. I work with a few landlords in the area to try to find places, but there are not open units so it's very hard.

Another person who is living on Social Security or SSDI is living in his Jeep. I met him last spring and he is the nicest person ever. The Way Station helped him take the passenger seat out to build a sleeping platform in it. I actually had to rescue him this morning because the Jeep ran out of gas. But he has a medical condition that needs treatment and we cannot find him any shelter in Carroll County but this is where his services are.

Someone I work with was evicted after 25 years in the apartment, and the last six months they stayed there it didn't have electricity. They had to move to the Lancaster area. The apartment needs to be gutted and redone, once that happens it will be less affordable.

- **What common challenges do you see?**

Landlords are not going to rent to someone at a program. For those landlords that will, within a rental assistance program it can take 2 or 3 weeks for the landlord to get a payment so they end up renting to someone else. There is so much competition.

- **Has the competition and what you are seeing changed?**

It used to be that you could move to Berlin and find something for around \$600 per month with heat and hot water included but even those are becoming scarce. People are bunking up 4 to 5 people in those. Pre-COVID there still wasn't any housing around, but it is more difficult now, because rentals have become Airbnbs.

- **Does the housing stock meet the needs of people you serve today? Will it meet their needs in the future?**

There definitely isn't what we need at the moment. For a while, there were a lot of 3-bedroom homes for rent, but it wasn't what people were looking for, they wanted 1- or 2-bedrooms. Now even when people look for a bigger place they don't even have a chance on those. As an example, there is a place out on Route 16, it's a motel and people are staying there long term. The owner is charging \$1,340 a month to live in tiny cabins without full kitchens and most people pay weekly. There are no protections for them, they could lose that place with basically no notice.

- **What is the biggest barrier to housing that meets local needs?**

We don't have anything affordable, and housing options in general are so limited. What people are renting now is motel rooms.



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- **What do you see as opportunities?**

There are buildings here that just sit vacant. My clients will say it too, if someone bought them and made them into housing people with low incomes could afford, it would all be rented. I also wish there could be far more subsidized housing.

- **If you had one thing you wish local residents and leaders knew what would it be?**

- I wish they just believed there is a problem. Before I took this job I didn't know my community had homelessness. I didn't see it, and it was there. I wish people understood it is a real problem and it is not just from poor life choices.

## **PART 4: HOUSING PROFESSIONALS**

### **HARRISON KANZLER (9/28/2020)**

*Executive Director, Mount Washington Valley Housing Coalition*

**(The coalition advocates for housing affordability to strengthen local community and economy)**

- **How did you become involved with the Mount Washington Valley Housing Coalition (MWVHC)?**

I grew up in the Mount Washington Valley (MWV), attended Kennett High School and have also served as a representative to the state legislature. I know of lots of young people who have grown up and left the region, or who have stayed and struggled to find housing. I've held a lot of different jobs during my life including working as a property appraiser where I got to see how housing prices have increased in the region and what it takes to qualify sales for people purchasing homes with mortgages.

- **What is the organization all about?**

The MWVHC is a non-profit organization that works to ensure residents of the valley (Albany, Bartlett, Chatham, Conway/North Conway, Eaton, Freedom, Hart's Location, Jackson, Madison, Ossipee, Tamworth, Brownfield, ME and Fryeburg, ME) have access to affordable housing including rentals and home ownership opportunities.

- **What is the nature of the housing market in the MWV?**

As a tourism hub, the MWV has lost a large supply of rental units to short-term vacation rentals. Residents looking to purchase more affordable homes face competition from second home buyers, and people purchasing income-generating properties.

- **What interesting work on housing should NCC & New Hampshire Housing be aware of?**

We review ordinances in the MWV communities and develop resources to help promote affordable housing in each town. We also publish research on housing in the region and growing changes. We host discussions, like our "State of Housing" series happening this fall. We will be bringing together housing policy advocates and experts in the state, business community leaders, and local elected official and representatives to discuss housing in a series of three webinars.

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- **Who do you work with on housing topics?**

We work in conjunction with the Mt. Washington Valley Economic Council and Mt. Washington Healthcare Collaborative as part of the MWV Regional Collaborative. We are supported by the New Hampshire Housing Finance Authority and by donations. Our Board of Directors includes a realtor and we engage with lenders to understand the market better.

- **What is the biggest housing challenge facing the MWV?**

We need to realize that everyone must be part of the solution. At the MWVHC we work with lenders, realtors, housing advocates, towns... the list goes on. We recently pushed forward changes to the Conway zoning ordinance to make it more housing-friendly and we will continue to work with other communities to do the same.

## **BEN SOUTHWORTH (10/01/2020)**

*Owner, Garland Mill Builders*

(Garland Mill Builders is a locally owned design & build firm with an interest in improving existing housing stock)

- **How does the topic of housing, particularly housing affordable to local residents, intersect with your work as a custom home builder?**

In addition to building high efficiency, or passive homes, as new construction in high end homes, we are a local company. We've started a second line of our work where we buy homes in the village (Lancaster), do structural, health and safety upgrades to the buildings, and then rent them to local residents. We make improvements to the homes that are far more important than cosmetic work.

- **What does that side of your business look like, how does it work?**

We use a social connection in the community to get access to funds for the improvements without paying interest. We borrow money from that private citizen, do the upgrades, and over the course of a few years pay back our friend. Access to those funds lets us tackle some of these expensive improvements but still keep the rents affordable. We would like to sell the homes, but once we put the money in to improve them we have to hold and rent them for several years to recoup that money we invested. We can't pass the whole cost along to a local buyer, it would be unaffordable. Instead we hold them and then look to sell them down the road. Ideally to the tenant.

- **Tell me about your tenants.**

Our tenants are mostly families, and they make modest wages. They tend to stay in the units for a long time, which is great. But we have not had many who can purchase the homes down the road.

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- **What do you think would help more people, in more communities, do the type of work you do?**

We've talked with private investors before, and it seems like no one understands how this small work would scale up. To get more people doing it, you need more people with access to funds that don't have high interest rates, and you need more builders to focus on improvements to the quality of buildings when they renovate, instead of just face-lifts. Most builders do cosmetic improvement in order to flip the houses. Those homes still have poor indoor air quality, issues with heating systems and insulation, etc.

- **Do you only work in Lancaster?**

No, I've started working in other areas too. We have a property in Bethlehem, and one we are working on over the border in Vermont. We need to reinvest in our housing stock and that is going to take very hard work, fair wages for that hard work, and local residents who can afford to live in them. We are working as the contractor on a mixed use rehab project in Lancaster that will include six apartments above retail space. I'm very curious to see who moves into those units.

### **ALEX TALCOTT (12/23/2020)**

*Lexdan Real Estate Development*

(A real estate investing firm interested in small multi-unit rental housing in the region)

- **What connects you to housing in the North Country?**

I own four houses in the area, and they all have long-term tenants, people who have been there for 12 - 14 years. I, like the other landlords who do long-term rentals for people who work around here, only do it because we care. I can get \$5,000 a month for a ski rental but I don't. I'm very happy, happy, happy to provide a good place for people to live. But it's expensive to live here and I can only charge enough to meet my expenses with furnaces, maintenance. Little landlords cannot make money. You need to do it because you care.

- **Tell me about your real estate investment style.**

There are two types of real estate, passive and aggressive. I like to aggressively pursue the best passive investing opportunities. Options where I can invest in buildings that already have tenants in place, or where I can increase my return for some reason.

We have high cash flow standards for our projects. Often times projects like this will look easy or attractive to amateur real estate firms, and typically those guys look to see a 1% rule, where if they spend \$300,000 and can make 1% (or \$3,000) a month in rent they will go for it. But they don't look close enough at the other costs, taxes are high, insurance is as well. You really need to be seeing 2% and 3% for it to work.

- **Tell me about your use of Opportunity Zones.**

I've benefited from them. People don't always realize an opportunity fund can just own one property. I have a single-property in Berlin, it's a multi-unit occupied by an older woman on the first floor and her son in the unit above. That property is owned by a qualified opportunity fund that contains only it.

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- **How do you view short-term rentals?**

It's a dumb move. It's pushing landlord to be more like hotels, making money off services offered, and amenities. It makes property management way more expensive. Property management is like a 10% expense, and in the long term it's growing to be closer to 20% even without that pressure for amenities. Short-term rentals are precarious to me, and we have underutilized housing stock to provide long term rentals, so I focus there.

- **What would help you do more, or help others like you do more. What support could be offered?**

We need state financing for asbestos removal. There is way too much of it and it adds increased costs. People rehab less because of it.

I don't know what could really be done about it, but homeowners insurance in NH as a whole, and the North Country, is really provincial. Most mainstream companies don't write competitive property in the North Country. You have to deal with a broker for multiple companies, and it can create a lack of competition. I've got a property that I'm probably going to insure at Lloyd's of London (who usually do non-traditional stuff) because the usual suspects were coming in at prices far too high.

We need better code enforcement. Durham, where I live, is big on code enforcement. Lax code enforcement or permitting isn't what we need up north.

Do more to encourage solar. Green building is good, but its difficult to get financing and incentives for it, more so than other states.

We should look at better ways to use federal properties, they own a lot and don't always do anything with it.

- **The Community Development Director in Berlin said she'd like to see more of the tax sale properties going to people who are looking to use it for quality housing people can afford. Would you be interested in something like that?**

Yes, absolutely.

## **BONNIE HAM (12/30/2020)**

*Rental Property Owner and State Representative*

(Landlord and long-time resident of Lincoln/Woodstock area)

- **What do you see as the problem with the housing market in your area?**

The problem is the jobs and the income. When people come to town to work, they have to figure something out for housing. They move to the area and they find a job, but then they have to find housing. With the tenants I have, every month I hear stories of why paying the rent is a struggle. I do not make my income off these properties.

- **What do you see as opportunities to address housing challenges?**

The solution is to get people to accept 600 square feet of living. Cute little houses, with ownership and pride of ownership for \$60,000 to \$80,000 for people.

We also need more landlords. My granddaughter is becoming a landlord. She finds properties, she fixes them up and she is building a future, building equity. We need more people who care doing this. We have an issue with sustainability.

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**PATRICK HESS (1/29/2021)***Avesta Housing*

(A non-profit affordable housing development firm in Maine and expanding to New Hampshire)

- **What type of housing do you build?**

We construct everything except single-family housing. We do multi-unit, some mixed use, conversions. We used to do single-family construction but we don't do that now, it's not our primary model. In addition to building we do first-time homebuyer education, foreclosure prevention, and other educational services.

- **Did you have issues with single-family development?**

Yes, it was a challenge for how hard we had to work in order to find the properties, manage the resale process, and oversee the long-term deed restrictions. Homeownership is important, it's just not what we do, and deed-restricted single-family housing takes a lot of work to oversee.

- **What is your typical timeline for construction?**

Generally two to five years, if it includes acquisition it is on the longer side. Some projects are more complex with the financing or design as well so that has an impact.

- **How many units do you construct in a year?**

Between 50 and 200, but we primarily work in Maine. In the North Country, we are starting a new project. It will be our first in the region with 40 units to start and eventually up to 160.

- **What is your average cost of construction?**

It's high. We are typically at \$100,000 to \$200,000 per unit. Sometimes that number gets as high as \$275,000. It can be lower with existing building or rehab. Because we use public funds we hit up against the cost caps on projects sometimes and then we need to find other ways to reach better outcomes, like use of solar or renewable energy and more durable surfaces for flooring.

- **How does demand for your units compare to supply?**

We have about 16,000 applicants for housing and we only have about 180 units become available in a year.

- **What types of housing should we produce in the region?**

The answer needs to be all. In particular, if we have safe senior housing that will free up their previous homes for new families. As a focus I would say low-income senior housing.

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- **Where do you think new housing should be built? In rural areas, in areas walkable or bikeable to village centers and downtowns? Where is it being built today?**

I think it is being built in all areas today, for multi-family and single-family homes they should be in walkable, bikeable distances to downtowns and village centers, but they can go in the rural areas too, as long as it doesn't feed sprawl. For affordable housing it needs to be in walkable/bikeable areas or in village centers and downtowns to be competitive. Finding the land can make it harder. In general, we should build as much as we can close to downtowns. It gives better access to schools and jobs, with shorter commutes.

- **What do you see as the barriers to housing that meets local needs?**

In Conway, where we are starting to work, we need more density and more options for families and seniors. The community lacks understanding of the levers that they need to pull to create it. There needs to be appetite for change, we need to open up zoning for multi-family housing, and we need to increase funding resources.

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## SECTION 6

# North Country Resident Housing Survey

*Prepared by Stepwise Data Research and North Country Council – Spring 2021*

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### INTRODUCTION

In early 2021, an online housing survey was distributed to residents of the North Country. The survey was part of a larger research project led by New Hampshire Housing, with funding support from the Neil and Louise Tillotson Fund. The North Country Council implemented the survey through its connections to a multitude of employers and associations. There were 286 respondents to survey, consisting of roughly one-quarter of respondents who were renters and three-quarters who owned homes. For respondents who were homeowners, about 60% had a mortgage.

This section summarizes the results from the survey: the first part provides comparative data on both renters and homeowners; the second part delves deeper into the preferences and experiences of renters; and the third part provides insights into homeowners and compares responses between homeowners with and without a mortgage.

Commentary on the results of this housing survey sums up this section.

#### Survey Respondents by Type of Housing

Type of Housing	# of Respondents	% of Respondents	<i>Referred to, herein</i>
I stay with family or friends	17	6%	STAY
I rent an apartment, or house, that is not employer provided or subsidized	60	21%	RENTERS
I live in a home I own with a mortgage	125	44%	WITH MORTGAGE
I live in a home I own without a mortgage	84	29%	NO MORTGAGE
<b>TOTAL</b>	<b>286</b>	<b>100%</b>	

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## PART 1. A COMPARISON BETWEEN RENTERS AND HOMEOWNERS

### **Compared to homeowners, renters are younger, more likely to work full-time and year-round, and to have grown up in the North Country.**

Renters have a median age of 37, considerably younger than the median age for homeowners. Nine out of 10 renters work full-time, year-round, the highest percentage of all housing types, and just over half grew up in the North Country, also significantly higher than homeowners. Homeowners with a mortgage are older, with a median age of 49; 80% work full-time, year-round, and a third grew up in the North Country. The median age for homeowners with a mortgage is 67, likely explaining their correspondingly low rate of full-time, year-round work (41%). The entire sample skewed female (69%).

#### **Tenure, Commute, and Housing Condition**

Type of Housing	Median Age	% Working Full-time Year-Round	% Grew up in North Country
STAY	33	27%	73%
RENTERS	37	89%	52%
WITH MORTGAGE	49	80%	33%
NO MORTGAGE	67	41%	23%
<b>TOTAL</b>	<b>50</b>	<b>70%</b>	<b>36%</b>

### **Compared to homeowners, renters had shorter tenures in their current housing, longer commutes to work, and inferior conditions of housing.**

Median tenure (how long a respondent has been in their current housing situation) is shortest for renters (two years) and individuals staying with friends or family (three years). A majority of both groups also rate their housing as needing improvement, a rate considerably higher than for homeowners. Homeowners without a mortgage have been in their homes the longest (unsurprisingly, as they are also the oldest) and were least likely to rank their housing as needing improvement. Median commute time for all respondents is 13 minutes, with renters (15 minutes) and those staying with friends or family (20 minutes) reporting the longest commute.



### Tenure, Commute, and Housing Condition

Type of Housing	Median Tenure	Median Commute	% Ranking Housing Condition as "Needs Improvement"
STAY	3 years	20 minutes	73%
RENTERS	2 years	15 minutes	52%
WITH MORTGAGE	7 years	10 minutes	33%
NO MORTGAGE	19 years	5 minutes	23%
<b>TOTAL</b>	<b>6 years</b>	<b>13 minutes</b>	<b>36%</b>

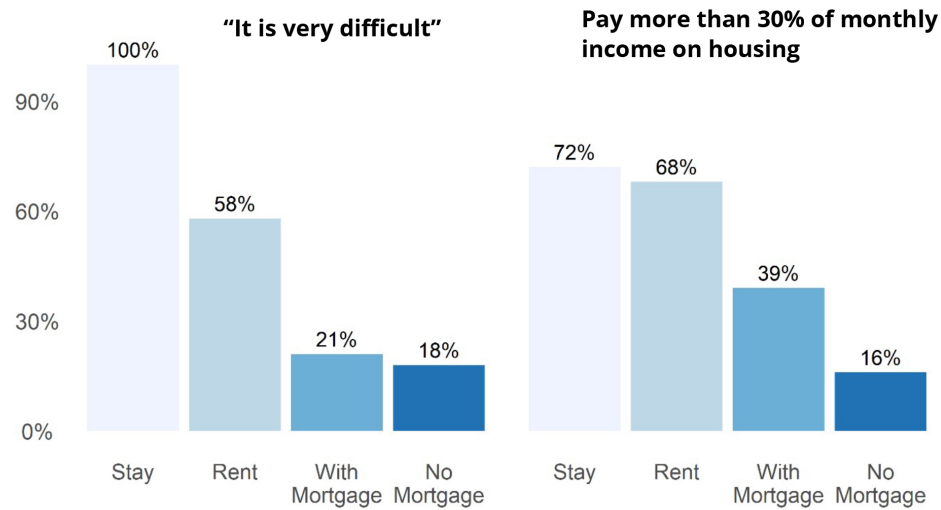
### Renters earned less than homeowners, were more likely to pay more than 30% of their income on housing, and more likely to report finding adequate housing as "very difficult."

Fifty-eight percent of renters and 100% of individuals who stay with friends or family report that finding affordable, adequate housing is "very difficult." This compares to just 20% of homeowners reporting the same. These challenges are highly correlated with income, as renters earn less than homeowners and, in percentage terms, pay more of their income on housing. More than two-thirds of renters report paying more than 30% of their income on rent, compared to 39% of homeowners with a mortgage. Homeowners without a mortgage pay the lowest percentage of their income on housing but because many are retired they also earn less money than homeowners with a mortgage (and about the same as renters).

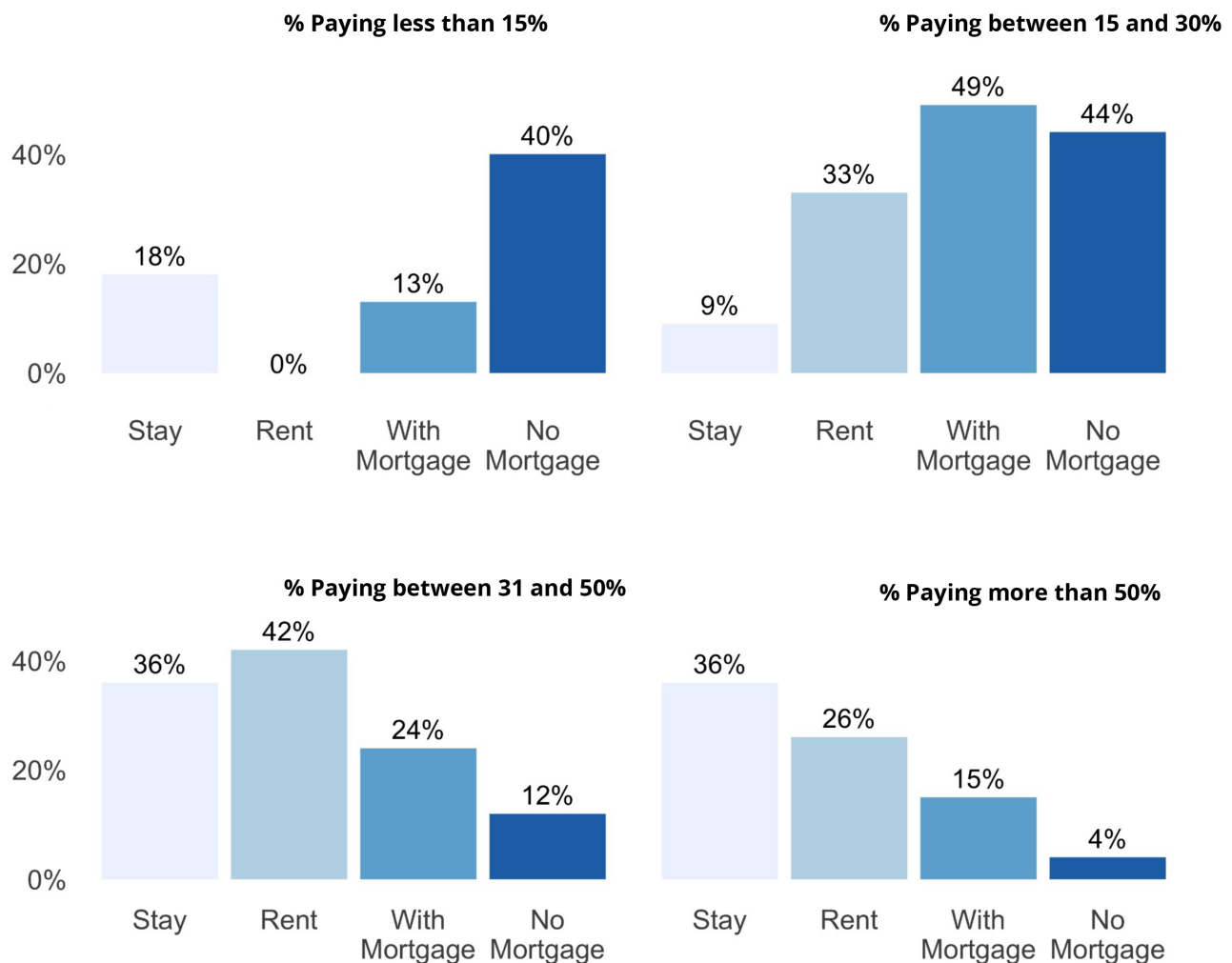
### Median Earnings



## Housing Challenges



## Additional Details on Housing Costs



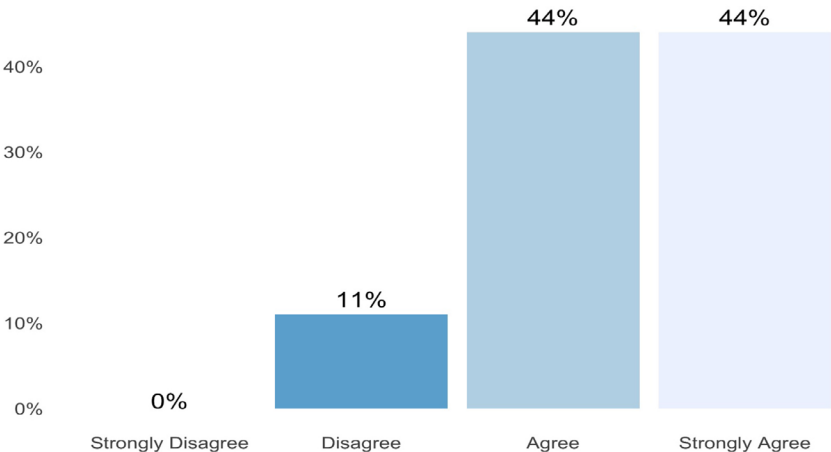
## PART 2. A CLOSER LOOK AT RENTERS

(Note that because of its small sample size, the group of respondents who stay with family or friends is not reported in this section.)

### An overwhelming number of renters report that their ability to find good housing affects their decision to stay in the North Country.

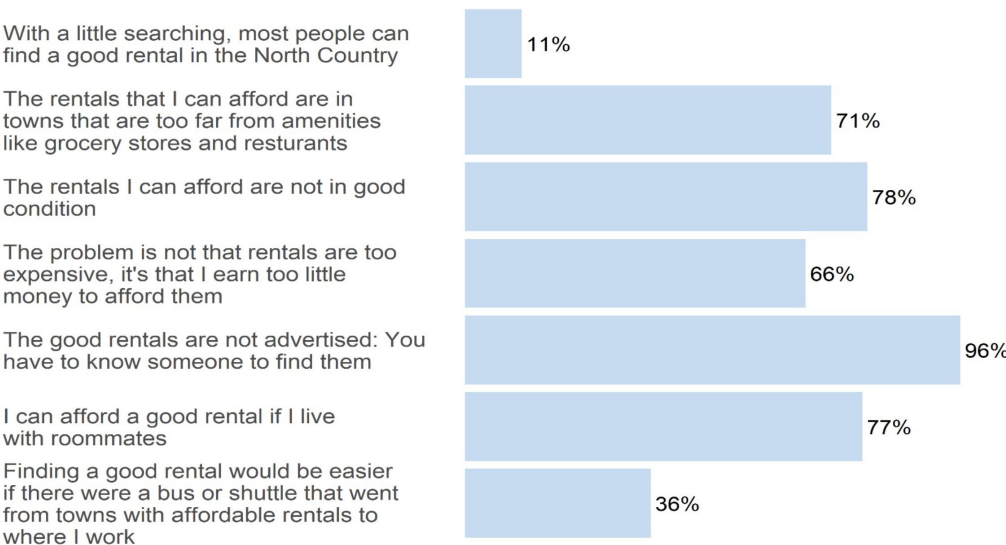
Eighty-eight percent of renters either agree or strongly agree that “[T]he ability to find good housing affects my decision to stay in the region.” Just 11% disagree and no one strongly disagreed.

“The ability to find good housing affects my decision to stay in the region.”



### Renters are having significant and widespread challenges in the rental market.

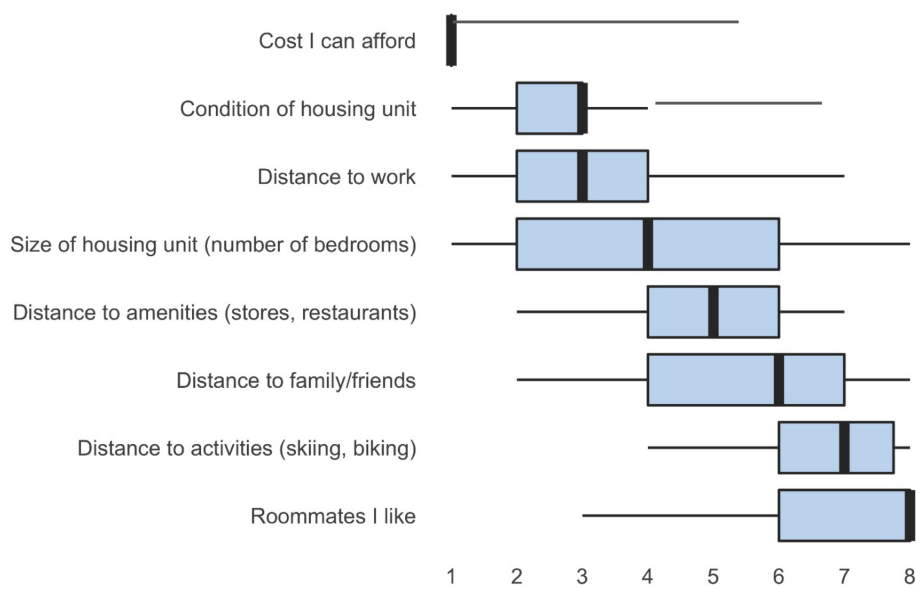
Just 11% of renters agree or strongly agree that a good rental can be found with a little searching. Seven in 10 feel that affordable rentals are too far from amenities and more than three-fourths feel that they are not in good condition. Two-thirds feel that their low incomes is the reason they can't find good rentals as opposed a lack of affordable rentals. And virtually all renters feel that “you have to know someone” to find a good rental.



**Cost is paramount, followed by condition and proximity to work.**

When renters ranked their most important factors in their next housing search, cost was far and away the most important, followed by the condition of the housing and distance to work. For each factor, the chart below displays a box plot for the results, with the dark line within the box representing the median ranking, and the light blue box representing the range between the 25th and 75th percentile of rankings. The horizontal lines indicate the minimum and maximum rankings. The median of one for “cost I can afford” indicates that at least 50% of respondents ranked cost as most important.

**Rankings for Most Important Factors in Next Housing Unit**



**Renters want a better supply of units, better pay, and better information about available rentals.**

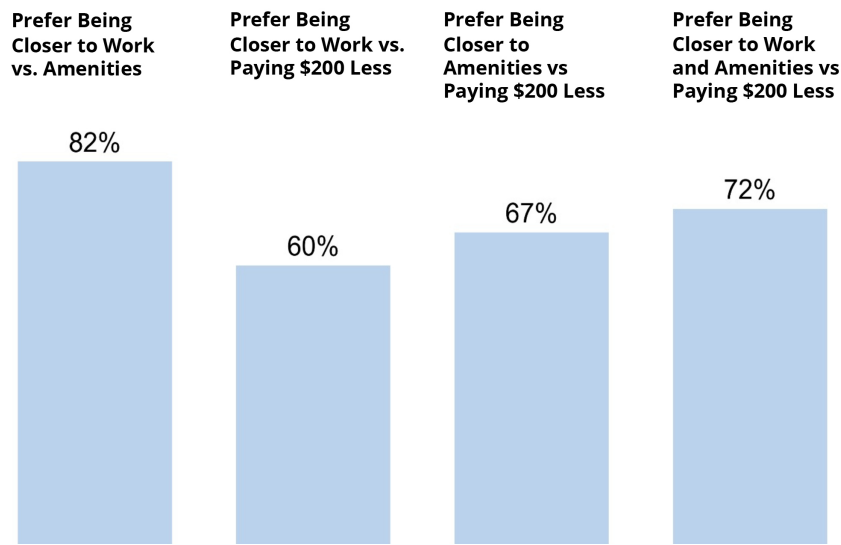
When renters ranked the things that would be most helpful in their housing search, better supply and better pay were the most important, followed by better information. For each factor, the chart below displays a box plot for the results, with the dark line within the box representing the median ranking, and the light blue box representing the range between the 25th and 75th percentile of rankings. The horizontal lines indicate the minimum and maximum rankings. The median of two for “better pay” indicates that at least 50% of respondents ranked better pay as 1st or 2nd most important.

**Rankings for Most Helpful in Next Housing Search**



**Renters are willing to pay more for proximity to work and amenities, and, cost aside, prefer to be closer to work vs. being closer to amenities.**

Sixty percent of renters would pay \$200 more in rent to be closer to work, and 67% would pay more to be closer to amenities. Nearly 3/4 would pay more to be closer to both. Costs aside, 82% prefer to be closer to work than being closer to amenities.

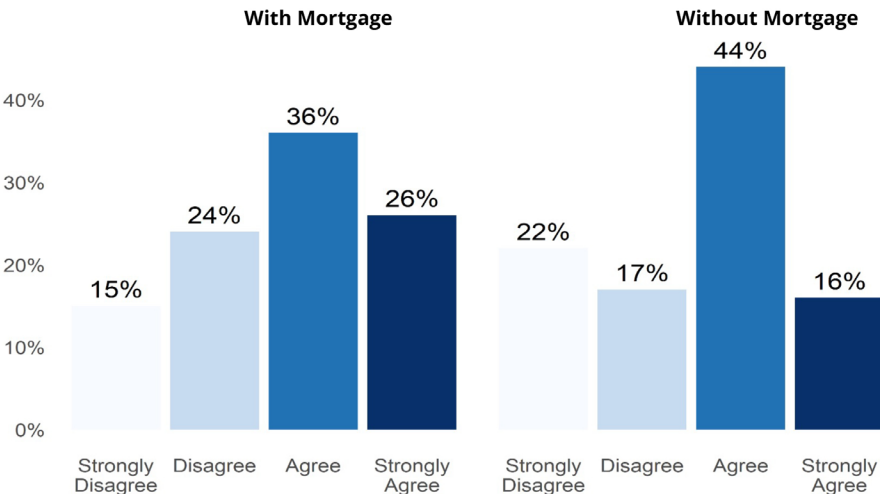


**PART 3. A CLOSER LOOK AT HOMEOWNERS**

**Almost two-thirds of homeowners report that their ability to live in the North Country depends on finding good housing.**

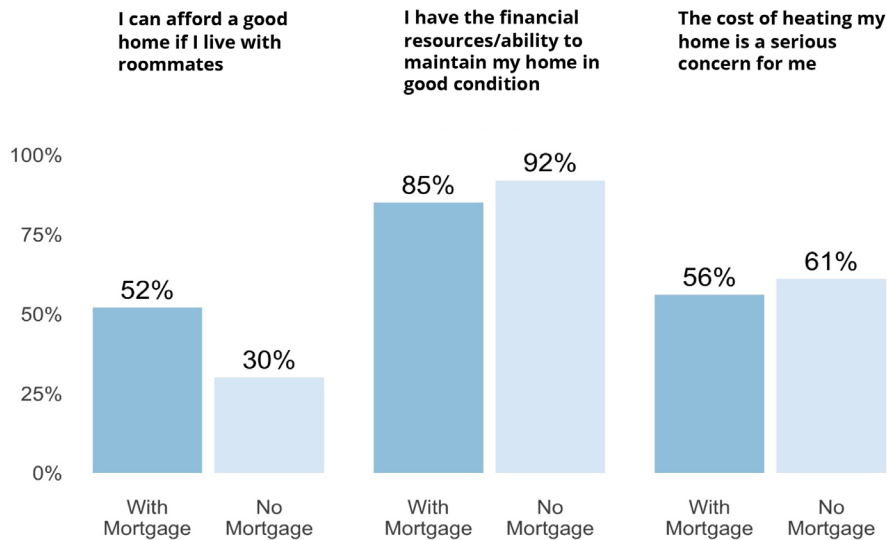
Sixty-two percent of homeowners with a mortgage and 60% of homeowners without a mortgage and agree or strongly agree that living in the North Country depends on “finding decent affordable housing to own.”

**“My ability to live in the North Country depends on finding decent affordable housing to own.”**



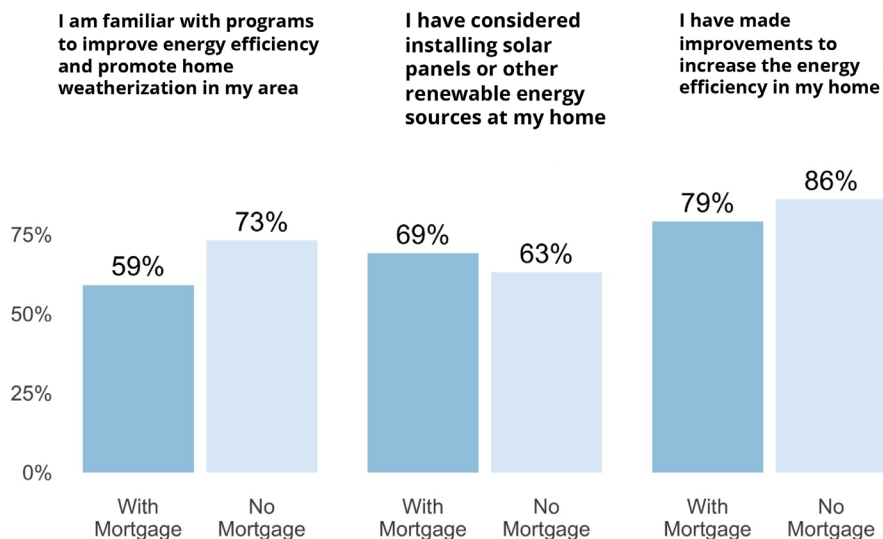
## Homeowners overwhelmingly feel they have the resources to maintain their homes, but the cost of housing is a serious concern for most.

More than 8 in 10 homeowners feel they have the resources to maintain their home in good condition. The cost of heating oil is a serious concern for a little more than half of homeowners with a mortgage and 61% of those without a mortgage (who are older, earn less, and more likely to not be working).



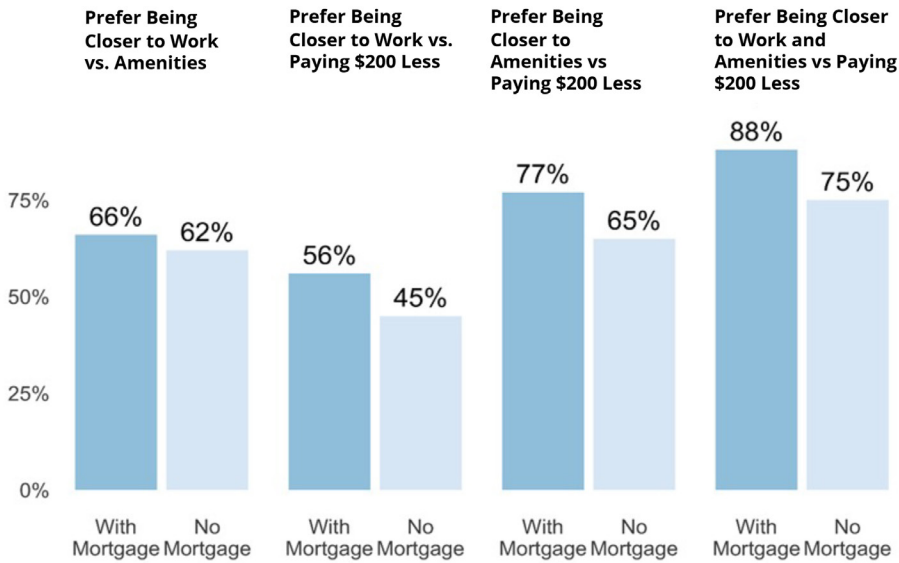
## Homeowners have solid experience with energy efficiency improvements, but there is an awareness gap between homeowners with and without a mortgage.

Roughly 8 in 10 homeowners have made energy efficiency improvements to their homes and two-thirds have considered solar panels or other renewable energy sources. On the other hand, there appears to be a significant awareness gap on energy efficiency programs between homeowners without a mortgage (73% of whom are aware) compared to homeowners with a mortgage (59%).



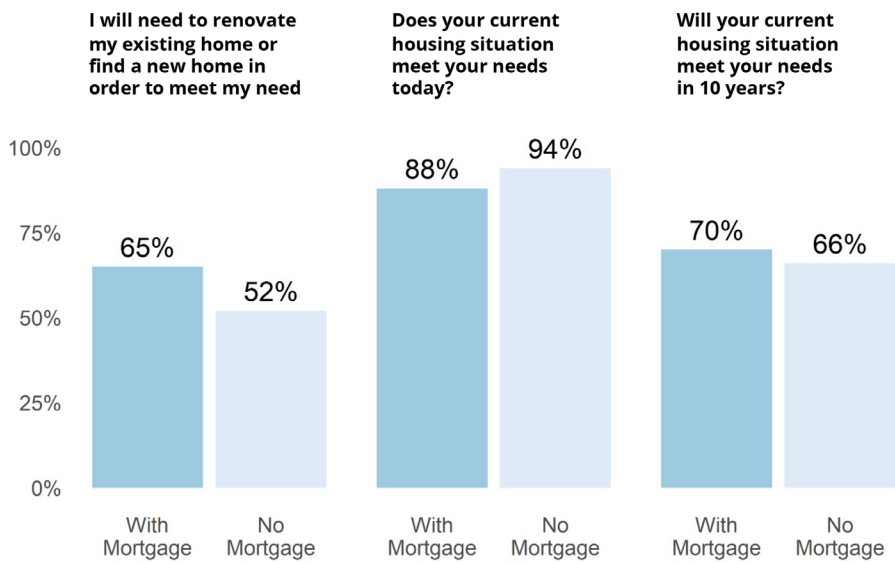
**Homeowners are willing to pay more for proximity to work and amenities, and, costs aside, prefer to be closer to work vs. being closer to amenities.**

Three-quarters of homeowners with a mortgage would pay \$200 more to be closer to amenities and more than half would pay \$200 more to be closer to work. Almost 9 in 10 homeowners with a mortgage and three-quarters of those without a mortgage would pay to be closer to both. Costs aside, a majority of homeowners prefer to be closer to work than amenities.



**Almost all homeowners feel their current housing meets their needs today, but fewer feel it will meet their needs in 10 years.**

Two-thirds of those with a mortgage will have to renovate to meet their needs. Eight-eight percent of homeowners with a mortgage and 94% of homeowners without a mortgage feel that their housing meets their needs today. These numbers drop to 70% and 66%, respectively, when thinking about 10 years hence.





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## COMMENTARY AND CONCLUSIONS

1. **When it comes to keeping workers in the North Country, housing matters.** Virtually all renters and more than 60% of homeowners say that their ability to remain in the North Country depends on finding affordable housing. Put another way, the inability to find affordable housing will mean an exodus of employees and talent from the region.
2. **Location matters.** In line with previous research in Coös County, housing preferences are more complicated than simply the cost. Solid majorities of homeowners and renters are willing to pay more to be closer to work and/or amenities, including 88% of homeowners with a mortgage and 72% of renters willing to pay \$200 more/month to be closer to both. When cost is held constant, a majority of North Country residents would choose to be closer to work compared to amenities. In terms of policy, this means that building new housing units must not just be affordable but also be located in areas proximal to jobs and amenities.
3. **Renters face the greatest housing challenges.** Two-thirds of renters paid more than 30% of their income on housing. With lower incomes (\$40k vs. \$51k for homeowners with a mortgage) and a dearth of affordable rental inventory, renters face unwinnable choices between living in housing far from service centers where jobs and amenities are located or remaining in desirable locations, but paying more than they can afford or living in rentals of poorer condition. These choices can often perpetuate and worsen the challenges renters face in becoming or remaining financially stable and, ultimately, limit their opportunity to purchase homes.
4. **Two-thirds of homeowners with a mortgage anticipate needing to renovate or relocate in order to meet their needs.** While homeowners with mortgages have higher incomes than renters, nearly 40% are still cost-burdened, and a third believe their homes need improvement. More than 60% say their ability to find decent, affordable homeownership options impacts their ability to remain in the area.
5. **Nearly a third of homeowners without a mortgage anticipate that their housing will no longer meet their needs in 10 years,** and a majority (52%) will need to renovate or relocate to meet their needs. Homeowners without a mortgage are more likely to be older and retired. They are the least cost-burdened of North Country residents, generally feel their housing meets their needs today, and virtually all say they have the financial resources to maintain their homes in good condition today. However, the implication here – and in conjunction with other research – is that there may be a growing mismatch between the housing older residents have and the housing they need.
6. **A majority of homeowners (with and without a mortgage) are concerned with the cost of heat,** and while most are familiar with programs for weatherization and energy efficiency, homeowners with a mortgage are less likely to be aware of these types of programs, and are less likely to have made these types of improvements to their homes.

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## SECTION 7

# North Country Employer Housing Survey Report

*Prepared by North Country Council and Stepwise Data Research – Fall/Winter 2020-2021*

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### INTRODUCTION & SURVEY RESPONSE

This survey of employers was conducted in order to better understand the perceived impact of housing on business success and operations, the role employers play in housing support for their workforce today, and the likelihood of business investment and partnership relative to housing.

The survey was completed as part of a larger project undertaken by New Hampshire Housing to develop a regional housing needs assessment for New Hampshire's North Country.

Launched from November 2020 until January 2021, the survey was emailed directly to each business in good standing within the North Country Council (NCC) Planning Region.

It was promoted through the area's regional chambers of commerce and economic development corporations, through NCC's newsletter and in newsletters from community centers and housing advocacy groups in the region.

- **196 businesses from 36 communities in the North Country responded to the survey.**
- **Businesses had a median of 4 employees, earning a median salary of \$35,000.**
- **The most common industry was Accommodations & Food Service.**

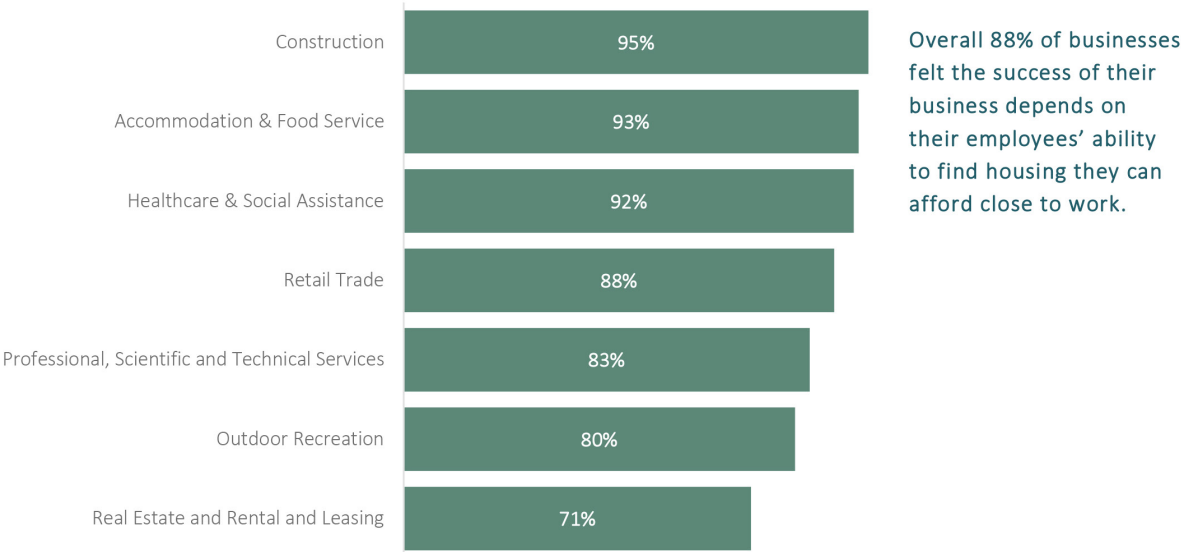
This section separates findings into the following parts:

1. Business Success and Perceptions of Employee Housing
2. Appetite for Participation, Resources & Investment
3. Interest in Providing Support for Employees
4. Conclusions

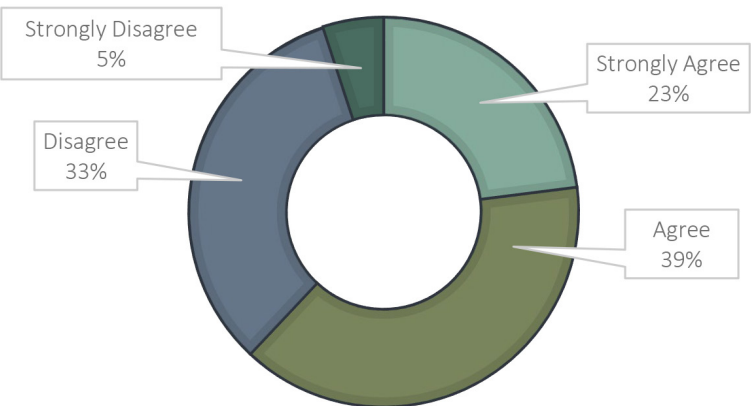


## PART 1. BUSINESS SUCCESS AND PERCEPTIONS OF EMPLOYEE HOUSING

Share of businesses that feel their financial success depends on the ability of employees to find affordable housing close to work:



Share of businesses which agree or disagree that the wages they can afford to pay are not enough to find good housing in the area:



- 2/3 of businesses indicated that wages paid are not enough to find good housing.
- Low wages are the driving issue behind housing affordability.

## Share of businesses that indicated their business is impacted by the following housing issues:

Ranking of Housing-Related Impacts	OFTEN & SOMETIMES
1. Wage Pressures	73%
2. Recruiting New Employees	70%
3. Extended Commutes	69%
4. Childcare Issues	67%
5. Retaining Talented Employees	64%
6. Employee Morale	63%
7. Absenteeism/Tardiness/Early Departures	60%
8. Industry Competitiveness	56%
9. Community Involvement	54%
10. Relocation of New Hires	53%
11. Employee Productivity	52%
12. Vendor/Subcontractor/Local Supplier Performance	50%
13. "On Call" Responses	46%
14. Acceptance of Job Transfers	41%

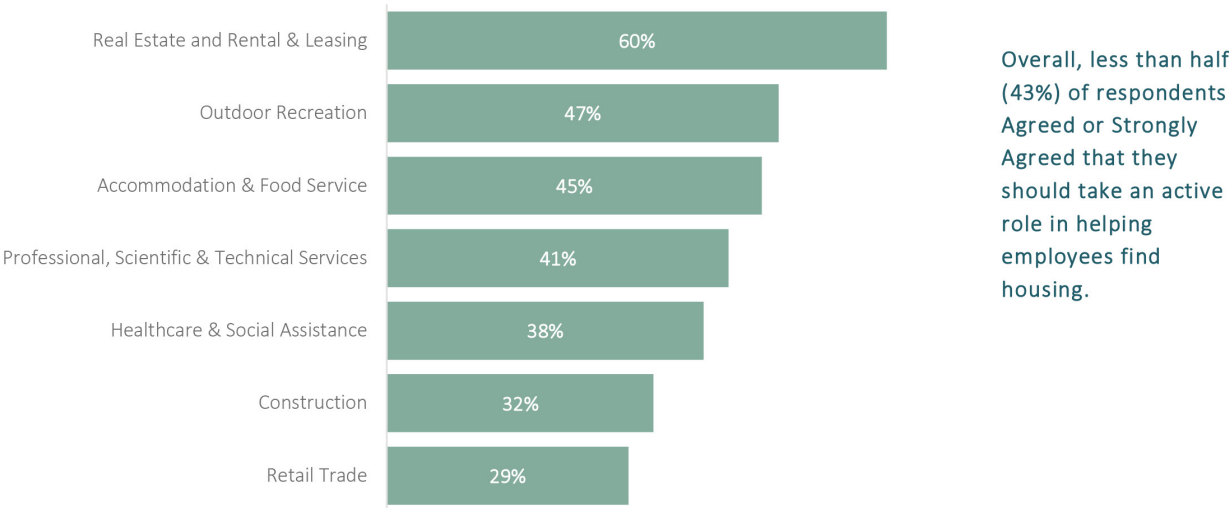
Wage pressures, recruitment, commutes, and childcare were the most common impacts businesses reported (identified as Often or Sometimes impact business).

### COMMENTS: BUSINESS SUCCESS AND PERCEPTIONS OF EMPLOYEE HOUSING

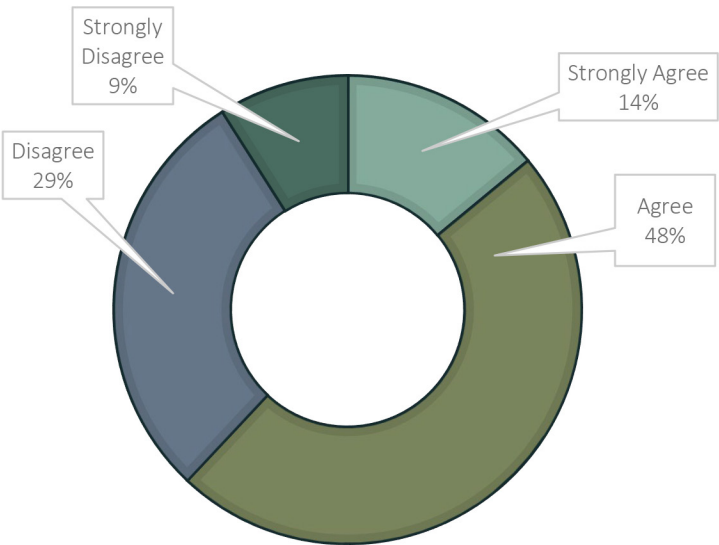
- Most employers (75%) disagree that people can find good housing with a little searching.
- Most employers (61%) believe that employees live in the same community as the business they work for.
- Professional Services, which is generally characterized by higher-paying jobs, and Outdoor Recreation, which is characterized by higher rates of seasonal or transient jobs, and Real Estate sectors are less likely to feel their success depends upon employees' ability to find housing.
- Construction, Accommodation & Food Services, and Healthcare & Social Assistance sectors are most likely to feel their success depends upon employees' ability to find housing.

## PART 2. APPETITE FOR PARTICIPATION, RESOURCES, AND INVESTMENT

Share of businesses that believe employers should take an active role in helping employees find housing:



Share of businesses that agree or disagree that “It is not an employer’s responsibility to invest financial resources in housing solutions for the region’s employees”:



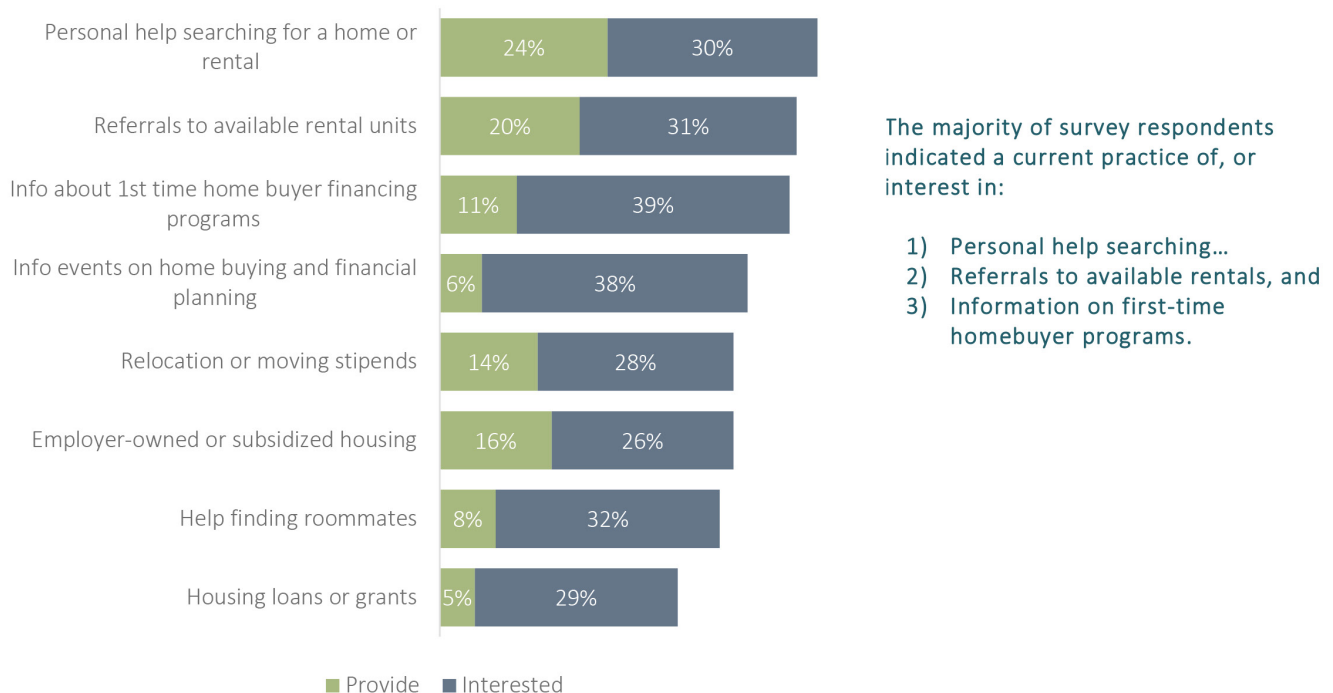
Overall, while the majority do not believe it is their responsibility to invest financially, 38% of employers feel that it is their responsibility to invest financial resources in housing solutions for the region’s employees.

## COMMENTS: APPETITE FOR PARTICIPATION, RESOURCES, AND INVESTMENT

- Employers in Real Estate, Rental and Leasing, Outdoor Recreation, and Accommodation and Food Service are most likely to believe they should take an active role in helping employees find housing.
- While the majority of businesses surveyed do not feel that they should play an active role in helping employees find housing and fewer feel it is their responsibility to invest financial resources in housing solutions, it is noteworthy that 38% believe they should invest financially and 43% believe they should provide some type of active assistance.

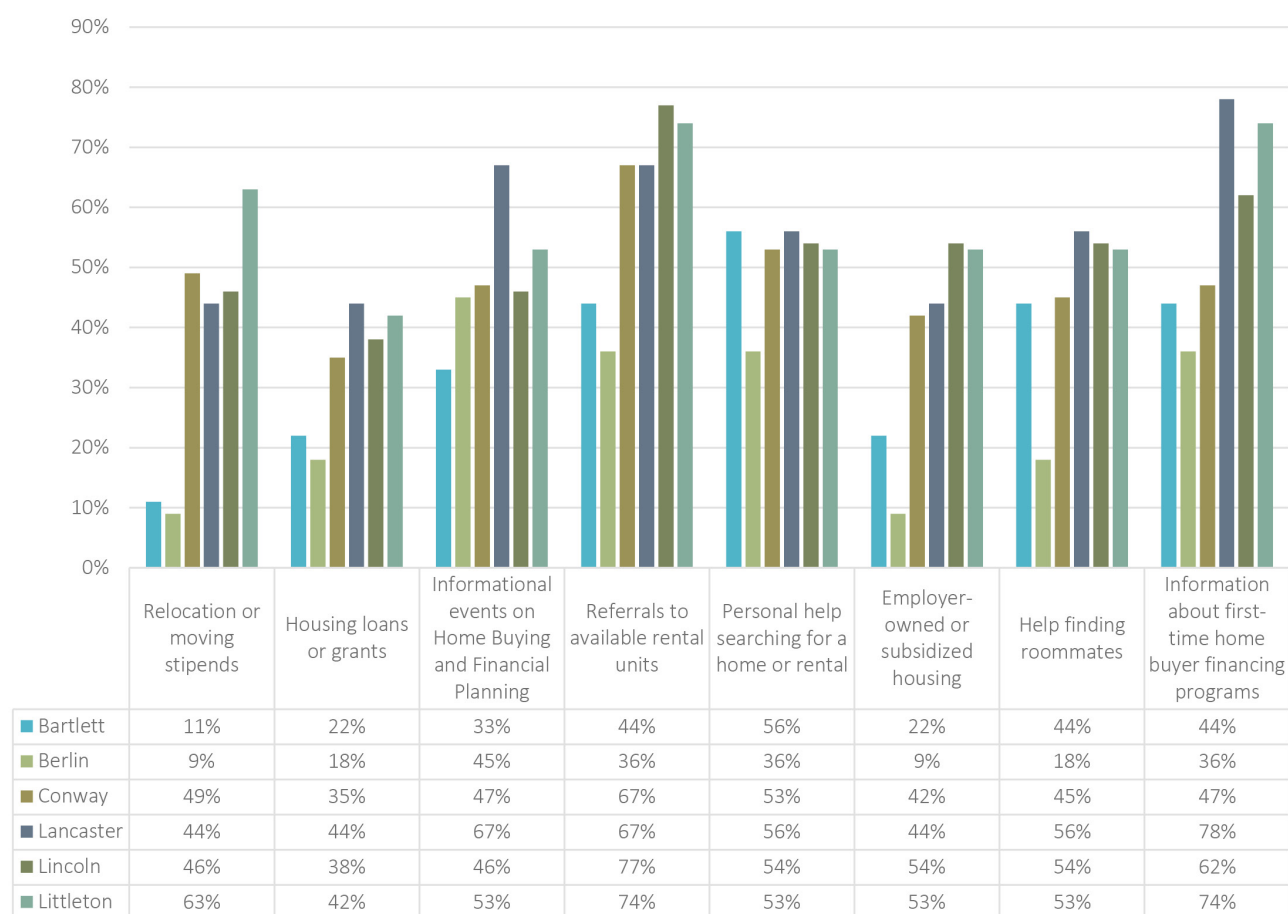
## PART 3. INTEREST IN PROVIDING SUPPORT FOR EMPLOYEES

Share of businesses that are interested in, or currently provide, the following types of housing support:



Of employers with interest in providing new housing-related assistance, most were looking to provide:
1) Rental postings
2) Information about first-time homebuyer programs
3) Informational events on homebuying and financial planning
Alternatively, those with interest in providing housing assistance were least interested in:
1) Relocation or moving stipends
2) Employer-owned or subsidized housing
Of employers that provide housing-related assistance today, the most common types were:
1) Personal help searching for a home or rental
2) Referrals to available rental units
3) Employer-owned or subsidized housing
Alternatively, the least common types of assistance provided today are:
1) Housing loans or grants
2) Informational events on home buying and financial planning

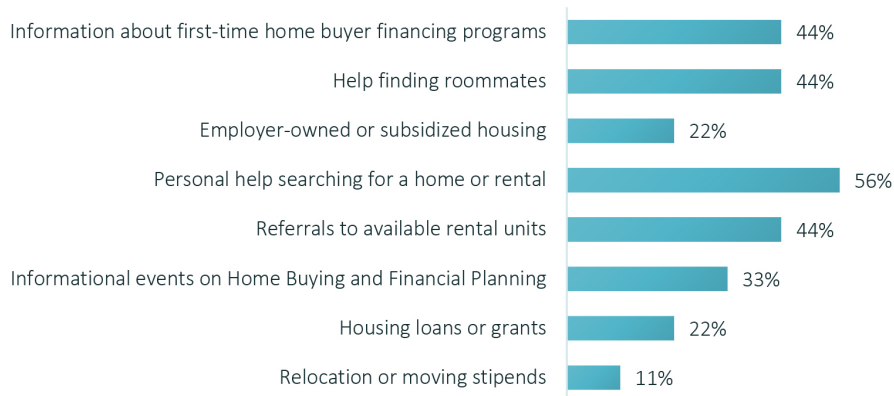
### Share of businesses interest in, or currently providing, housing supports by type and community:





The series of charts below depict interest in (and practice of) providing housing supports by location:

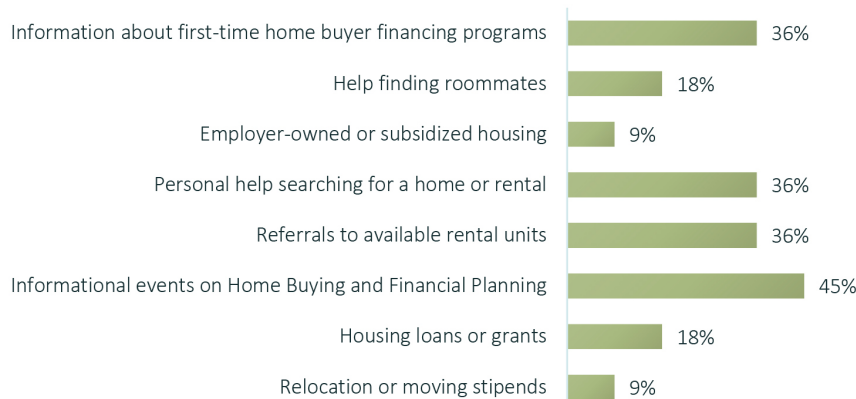
### Bartlett



Overall interest in the Bartlett area was low. The town is most interested (and active) in providing:

- Personal help searching
- Info. for 1st time homebuyers
- Help finding roommates
- Referrals

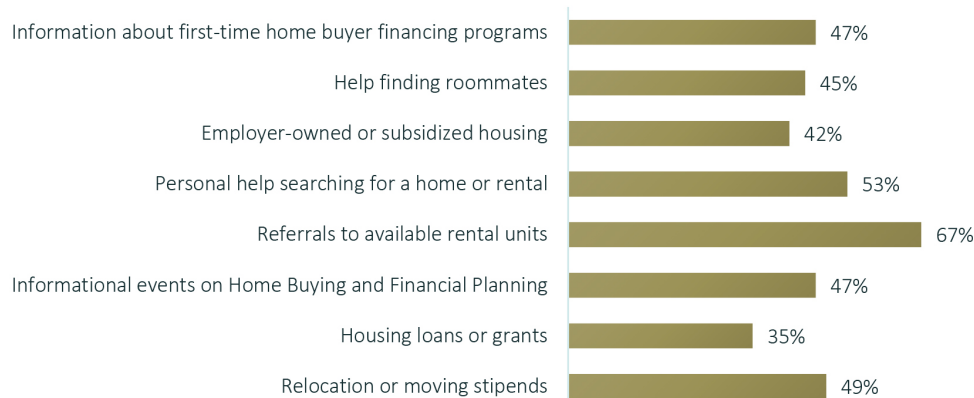
### Berlin



Overall interest in the Berlin area was low. The town is most interested (and active) in providing:

- Info. on home buyer financing programs
- Referral
- Personal help searching
- Info. for 1st time homebuyers

### Conway

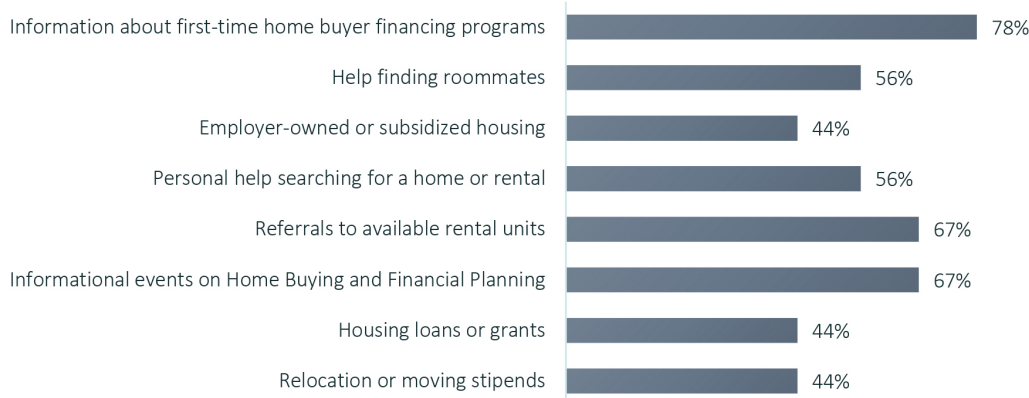


The Conway area was most interested (and active) in providing:

- Referrals
- Personal help searching
- Relocation or moving stipends



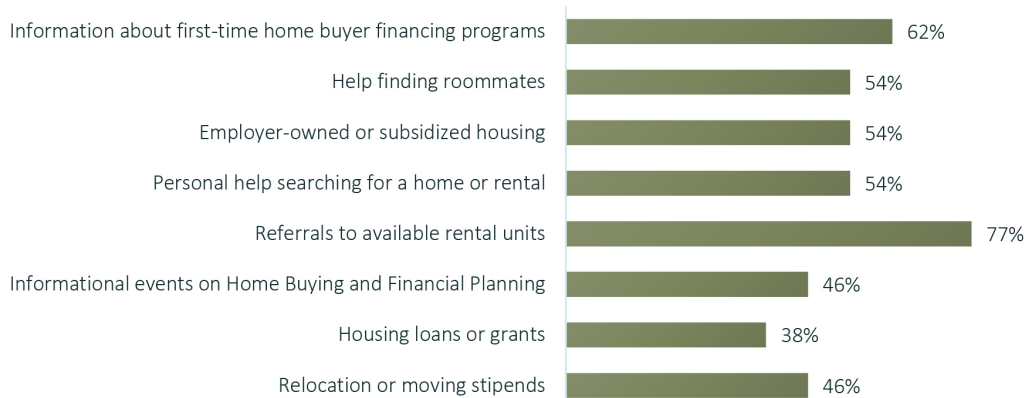
## Lancaster



The Lancaster area was most interested (and active) in providing:

- Info. for 1st time homebuyers
- Info. on home buyer financing programs
- Referrals

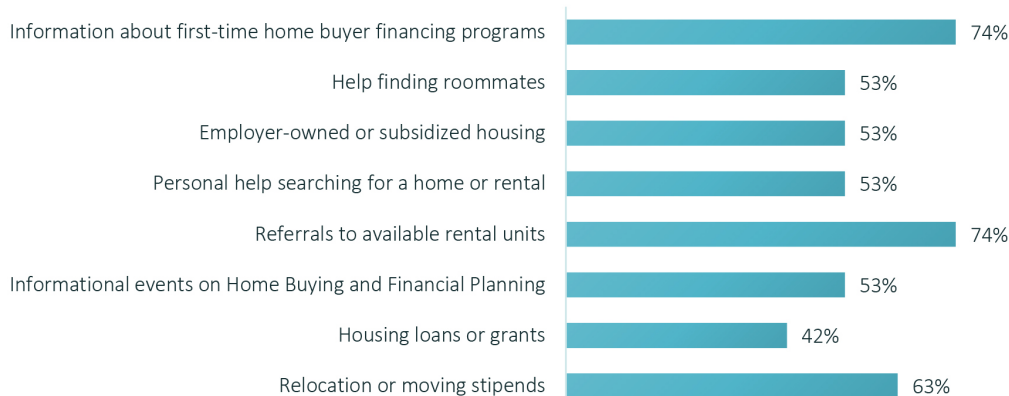
## Lincoln



The Lincoln area was most interested (and active) in providing:

- Referrals
- Info. for 1st time homebuyers
- Personal help searching
- Employee-owned or subsidized housing

## Littleton

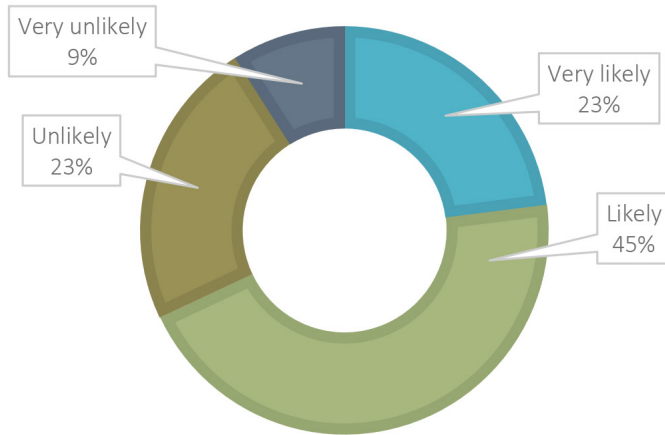


The Littleton area was most interested (and active) in providing:

- Referrals
- Info. for 1st time homebuyers
- Relocating or moving stipends

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**Business likelihood of participation in a program to connect employees to energy efficiency and weatherization resources to help save money on housing costs:**



2/3 of employers surveyed would participate in this type of program.

**COMMENTS: INTEREST IN PROVIDING SUPPORT FOR EMPLOYEES**

- Of employers who provide assistance today, most focus efforts on person-to-person assistance and referrals. However financial assistance is also provided by a good number of employers, with over 16% of employers that offer employee-owned or subsidized housing and 14% that provide relocation or moving stipends.
- Overall, the employers in Berlin and Bartlett expressed notably less interest in (and practices of) providing housing support to employees than their peers in Conway, Littleton, Lancaster, and Lincoln.

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## PART 4. CONCLUSIONS

The following includes the main conclusions reached through review and analysis of the data collected:

- Respondents overwhelmingly agreed that “my business’s financial success depends on the ability of my employees to find affordable housing close to work.”
- Respondents generally believe that they are not able to pay high enough wages for employees to find good housing.
- Wages, recruitment, employee commutes, childcare, and employee retention appear to be the most acute housing-related issues experienced by respondents. Interestingly, employee productivity does not appear to be an issue.
- Respondents in Real Estate, Rental & Leasing, Outdoor Recreation, and Accommodation & Food Service are more likely to believe that employers should play an active role in helping their workers find housing. Those in Healthcare & Social Assistance, Construction, and Retail Trade are the least likely to share this opinion.
- Respondents were split on the role of business in addressing housing issues for their employees, with a significant minority feeling that businesses should play a role.
- Respondents don’t currently offer much in the way of housing assistance, with “personal help” and “referrals” topping the list of current offerings and can be characterized as social support. A notable share currently provide financial support through “employee-owned or subsidized” and “relocation or moving stipends.”
- There is interest, however, in providing more services, including rental postings and connections to energy efficiency and weatherization.
- Respondents that currently provide, or are interested in providing housing support vary by community. Overall, respondents are less interested in providing financial supports than social supports.

## SECTION 8

# North Country Property Managers Housing Survey

*Prepared by North Country Council – Fall/Winter 2020-2021*

### INTRODUCTION & SURVEY RESPONSE RATE

This survey of property managers was conducted to better understand the regional rental housing stock from the point of view of property management companies.

It was completed as part of a larger project undertaken by New Hampshire Housing to develop a regional housing needs assessment for NH's North Country.

Launched from November 2020 until January 2021, the survey was emailed directly to all 43 registered property management companies in the North Country Council (NCC) Planning Region. Seven property management companies completed the survey on behalf of 149 properties consisting of 15 short-term rental units and 134 long-term units. Out of the 149 units, eight were reported as vacant.

This section summarizes the responses collected. Due to the limited number of respondents, regionally significant trends within the data are difficult to identify.



### RESPONSE DATA

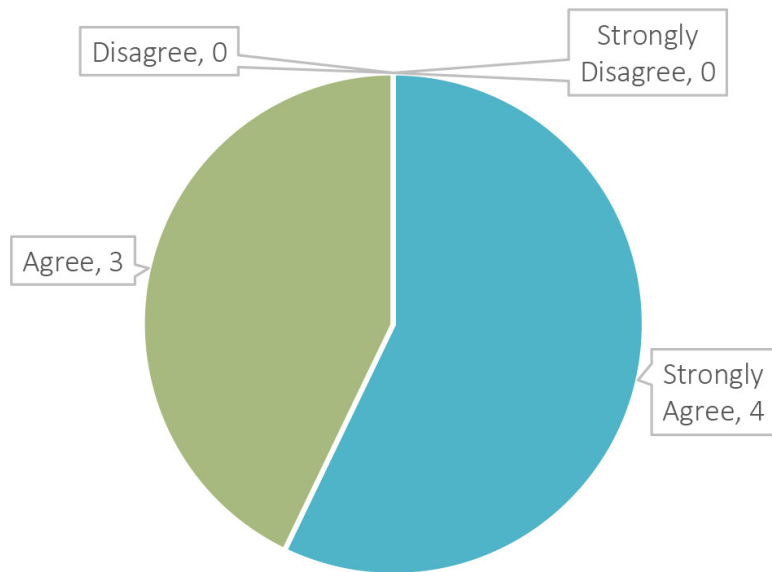
Of the units you manage where does the typical property owner live in relation to the units they own?



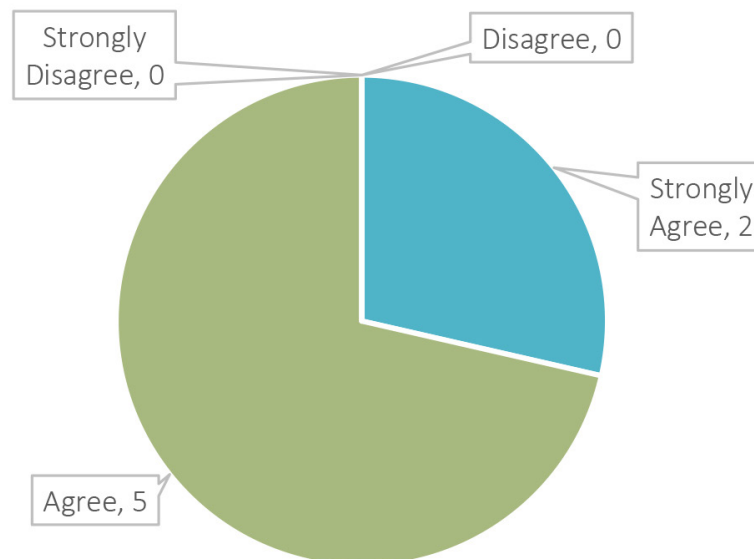
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Please agree or disagree with the following statements:

- There are significantly more people looking for rentals than there are units available for rent.



- The coronavirus pandemic will increase demand for rentals in the North Country.



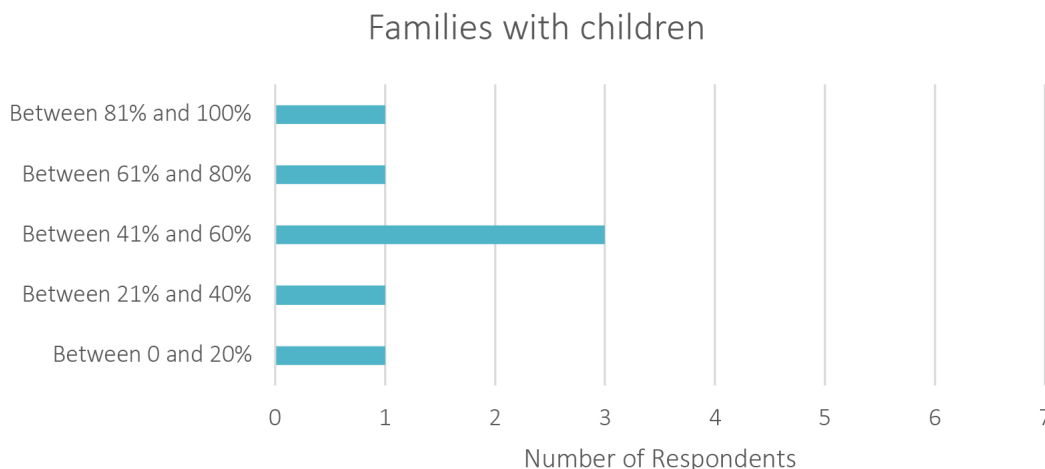
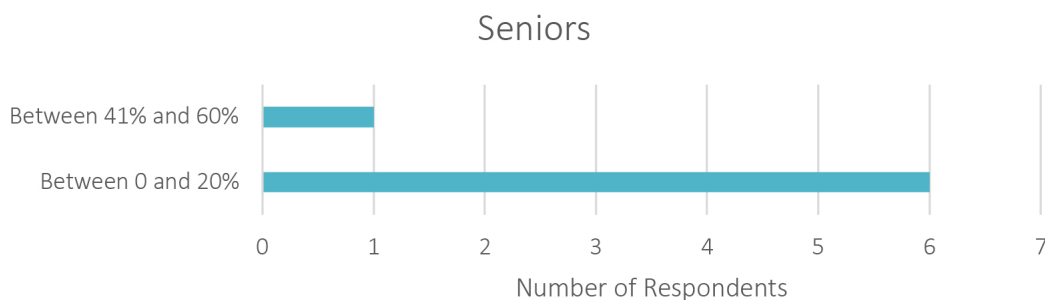
Based on your experience, please rank the popularity of rental units by type.  
(1 as the most popular and 5 as the least popular)

Types of Housing Unit	Ranking	Average Value
Freestanding Homes	1	1.3
Apartments in buildings with 3+ units	2	2.6
Townhouses	3	3.2
Accessory Apartments	4	3.7
Duplexes	5	4.2

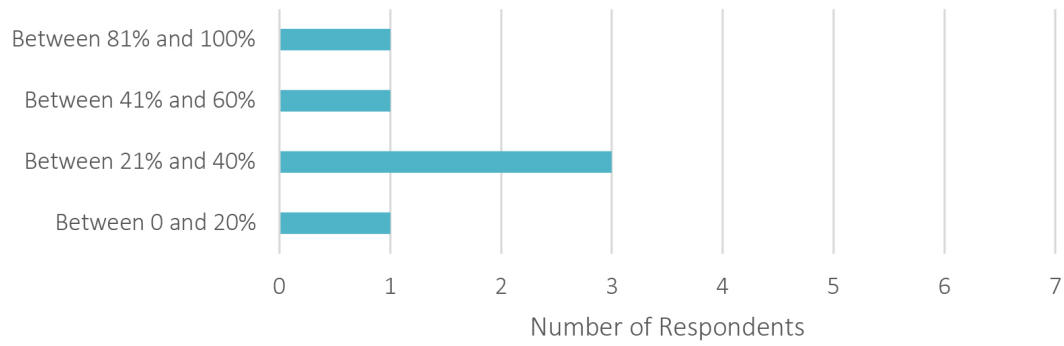
Based on your experience please rank the popularity of rental units by size.  
(1 as the most popular and 5 as the least popular)

Size of Housing Unit (bedroom count)	Ranking	Average Value
3-bedroom units	1	1.7
2-bedroom units	2	1.9
Studio or 1-bedroom units	3	2.6
4 or more-bedroom units	4	3.9

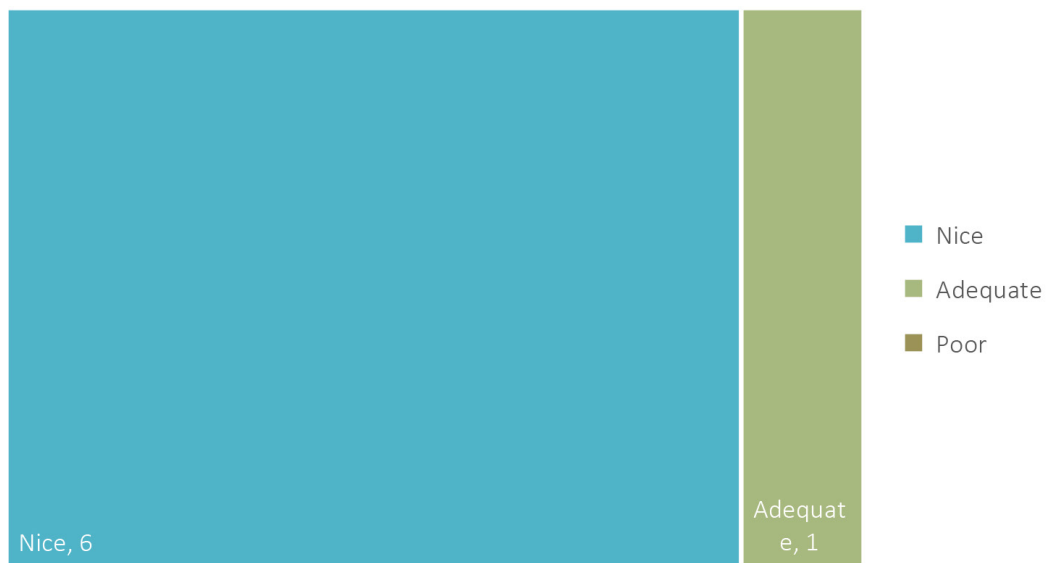
What share of the rental units you manage are occupied by the following groups of residents:



### Single adults or adult roommates without children



Overall, how would you describe the conditions of the units you manage?



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## SECTION 9

# Housing Case Studies

*Stepwise Data Research – October 2020*

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This section describes three diverse initiatives to increase affordable housing in three New England towns. In each of these communities, market forces are reducing the availability and affordability of housing for low- and moderate-income families. In Dukes County, Massachusetts, the Workforce Housing Partnership is harnessing the financial support of local businesses to develop affordable rental properties. On Maine's Mount Desert Island, the Island Housing Trust is using affordability covenants to help low- and moderate-income homebuyers. And the Town of Littleton, Massachusetts, is using zoning laws to encourage development of a variety of housing types beyond just expensive, large, single-family homes. The results of these diverse approaches may provide useful insights to inform similar initiatives in the North Country.

### WORKFORCE HOUSING PARTNERSHIP – DUKES COUNTY, MASSACHUSETTS

**Background** – Island Housing Trust (IHT-MV) on Martha's Vineyard in Dukes County, is a non-profit community land trust that manages a Workforce Housing Partnership. This program draws on the connection between the shortage of affordable housing of workers and the viability of local businesses. Businesses provide financial support for the development of workforce housing in exchange for recognition and, in some cases, tax credits. Workforce housing can include both new housing units and the renovations of existing buildings, but IHT-MV prefers to renovate and repurpose when possible: "Our goals are to acquire property that is close to workplaces, accessible by public transportation, within areas that have already been developed and to use existing housing stock through renovation, repurposing and house moves whenever possible."

**How it works** – The Partnership uses a sponsorship model that offers businesses visibility and public recognition in exchange for donations.<sup>1</sup> Participating businesses make a five-year pledge to donate \$2,500, \$5,000 or \$10,000 annually. Based on their giving level, the trust provides varying levels of recognition, including online and print advertising, decals and posters, and social media exposure.

Most donations are not restricted to specific projects, and businesses do not receive a direct assurance of housing for their employees. According to an IHT-MV staff member, sponsors are mainly motivated by genuine concern regarding the lack of housing on the island, and by a desire to raise or maintain their standing in the community. In 2019, the program had seven sponsors.<sup>2</sup> These include two financial institutions, a real estate agency, a contractor, an inn, an office supply company, and a self-storage company. One sponsor, a financial institution, requires IHT-MV to apply for a grant each year for a specific project and, according to staff, the sponsor's CEO usually attends the groundbreaking and/or opening ceremony related to the project.

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<sup>1</sup> Island Housing Trust, Workforce Housing Partnership, accessed September 10, 2020.

<sup>2</sup> Island Housing Trust, 2019 Annual Report, accessed September 10, 2020.



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As of December 2019, IHT-MV owned 26 rental units across six properties.<sup>3</sup> IHT-MV works hand-in-hand with the Dukes County Regional Housing Authority (DCRHA), which manages the properties for IHT-MV, processes applications, maintains a waitlist, and handles accounting functions for the properties.<sup>4</sup> DCRHA is a state-chartered housing authority funded and operated by the six towns on Martha's Vineyard. Eighty-seven percent of IHT-MV's rental properties generated positive cash flow in 2019.<sup>5</sup> According to the organization, "This performance is a result of properly capitalized reserves of \$213,049 and the DCRHA management efforts."<sup>6</sup>

IHT-MV refer to the Workforce Housing Partnership as a valued but small funding source. Sponsorships come "not at all" close to funding projects. According to staff, the Community Investment Tax Credits<sup>7</sup> (CITC) they receive each year from the state are a much more important funding tool. These offer a 50% refundable tax credit, even to out-of-state investors.

**Successes** – The importance of the CITC credits to IHT-MV's workforce housing projects is "huge" according to staff. IHT-MV applies for these credits every year and sells about 95% of them. Last year they received \$200,000 worth of credits. Investments range from the minimum amount, \$1,000, to \$100,000. Staff report that most donors are individuals rather than businesses. Of the 65-70 donors that participate each year, about 10 are out-of-state residents.

Another success touted by IHT-MV is a recent partnership with Martha's Vineyard Hospital. IHT-MV bought an inn and renovated it to create fifteen affordable rental units for year-round hospital employees. The hospital committed to leasing the building for five years, managing it, and paying IHT-MV the equivalent of rent for one unit per month. The security of this commitment allowed IHT-MV to raise the funding needed for the project. IHT-MV sees this as a potential model for partnerships with other local organizations such as the local school, Y, and Boys and Girls Club.

IHT-MV staff are optimistic about the physical design of the hospital housing project. Twelve of the units are single-occupancy suites (bedroom with private bathroom) around a shared kitchen, dining, and living space, harkening back to the communal boarding houses that were common on Martha's Vineyard in decades past. IHT-MV says this model (modernized with the addition of en suite bathrooms) has been well received by the building's first tenants. The organization thinks this design has the potential to create even more affordable housing opportunities in the future.

**Challenges** – IHT-MV staff report mixed success in securing on-going, unrestricted donations from businesses. The list of Workforce Housing Partnership donors fell from nine in 2018 to seven in 2019. One staff person believes the small size of local businesses limits their giving. He guesses that fund-raising in this way would be easier in a place with large corporations.

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<sup>3</sup> Island Housing Trust, 2019 [Audited Financial Statement](#), accessed September 10, 2020.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

<sup>7</sup> Commonwealth of Massachusetts, "[Community Investment Tax Credit Program](#)", accessed September 12, 2020.

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IHT-MV staff also report limited success in encouraging donations from businesses' customers. Two local businesses (owned by the same person) give customers the opportunity to add 1% to their monthly invoice, which the companies match and donate to IHT-MV. These businesses send IHT-MV a check every month. The amount is unpredictable, but reportedly totals \$18,000 to \$20,000 per year. IHT-MV had hoped other businesses would adopt this model, but that has not happened. Similarly, a promotion by a local inn that offered a 5% donation to IHT-MV when customers booked a reservation was not repeated.

**Comments** – Private business donations that support regional workforce or housing development goals appear to be most feasible in areas with large “anchor” employers. In areas like the North Country, with a rural geography and a prevalence of small businesses, generating enough business donations to fund housing development may be challenging. Even in the case of IHT-MV, business donations were only a small part of the funding puzzle. Nonetheless, encouraging local businesses to financially address affordable housing (“skin-in-the-game”), which works as a common barrier to employee recruitment and retention, may be useful in garnering widespread support and buy-in for other regional housing solutions, regardless of how much business revenue is directly raised.

## COMMUNITY LAND TRUST – MOUNT DESERT ISLAND, MAINE

**Background** – Community land trusts support long-term housing affordability by subsidizing home purchases, often by separating ownership of the house from the underlying land. The Island Housing Trust (IHT-MDI) on Mount Desert Island (not affiliated with the group on Martha's Vineyard of the same name), uses a novel alternative. It subsidizes the home purchases of year-round working families in exchange for affordability covenants that ensure the properties will always be resold at below-market rates. IHT-MDI chose this model at a time when home prices on MDI reportedly doubled within 4-5 years, according to a staff member, “shocking residents.” The organization wanted to ensure that homes made affordable with their funds would remain affordable forever.

**How it works** – IHT-MDI's Home Ownership Assistance Program (HOAP) provides homebuyers a lump sum, about \$25,000 on average, toward a down payment on a home on MDI. The amount of the lump sum varies, typically equaling about 10% of the cost of the home, and serves the purpose of helping obtain better terms for the mortgage. In exchange, they grant IHT-MDI an affordability covenant with two components. First, it gives IHT-MDI right of first refusal on the property. Second, it caps the amount for which the property may be resold if IHT-MDI does not purchase it. This covenant is registered at the registry of deeds and remains with the property forever, covering all future sales. The idea was based on conservation easements and deed restrictions.

The price cap is determined by calculating a Maximum Resale Price (MRP), which is equal to the original purchase price (plus the cost of improvements made by the homeowner) multiplied by a rate of return that is pegged to the increase in wages since the time of purchase.<sup>8</sup> Importantly, an increase in the appraised value of the home is not a factor in this calculation. For instance, suppose a seller purchased a home for \$100,000 in 2010 and invested \$10,000 in improvements in 2015. Suppose Maine's median household wage increased 10% from 2010 to 2015 and 10%

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from 2015 to 2020. In this example, the MRP would be \$100,000 (the original purchase price) plus \$20,000 (return on the original purchase price) plus \$10,000 (cost of improvements) plus \$1,000 (return on improvements), or \$131,000 total.

The MRP is compared to the Maximum Affordable Cost (MAC), also calculated by IHT-MDI. This measure ensures the property is not improved, or does not appreciate, beyond the point of affordability for local households. The MAC is calculated by multiplying the Maine median household income for a family of four by 1.6 (to capture families up to 160% of the median). That number is then multiplied by 2.5. (According to IHT-MDI, 2.5 is a common multiplier used to determine how much a homebuyer qualifies to borrow.) If the MAC is lower than the MRP, then the MAC becomes the new Maximum Resale Price. IHT-MDI uses Maine statewide wage and income measures because pockets of wealth in their service area can inflate local measures. They feel the state measure is more reflective of their target population.

If clients sell their homes, they do not have to repay the down payment assistance they received from IHT-MDI. However, the affordability covenant stipulates that the MRP will be lowered by an amount equal to the level of IHT-MDI's initial investment. So, if a house originally cost \$200,000 and IHT-MDI made a \$25,000 investment to assist with a down payment, the client would only be able to resell the home for \$175,000. The future buyer is also bound by the covenant. Their Maximum Resale Price is based on their purchase price, which is \$25,000 less (at least) than it otherwise would be. In this way, the impact of the one-time downpayment assistance extends into perpetuity by reducing all future sale/purchase prices.

IHT-MDI has five eligibility criteria for its home ownership programs.<sup>9</sup> Applicants must 1) earn 130-160% of local median income (based on household size), 2) plan to live in the home year-round, 3) qualify for financing, 4) have at least one household member employed on MDI, and 5) agree to the affordability covenant. Qualified applicants are put on a waiting list and awarded funds on a first-come, first-served basis. When properties purchased through this program come up for sale, IHT-MDI offers them to applicants on its waiting list.<sup>10</sup>

IHT-MDI's affordability covenants also apply to homes in a development the organization built several years ago. Those homebuyers did not receive down payment assistance, but IHT-MDI subsidized the construction of their homes by building a road, carrying sewer into the development, and putting in foundations. The cost of these contributions was approximately \$130,000 per house. By comparison, the \$25,000 down payment investments are a cheaper, quicker approach to increasing access to affordable homes.

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<sup>8</sup> Island Housing Trust, "IHT Affordability Covenants Explained," accessed September 9, 2020.

<sup>9</sup> Island Housing Trust, "[Eligibility Requirements](#)," accessed September 9, 2020.

<sup>10</sup> For example, Island Housing Trust, "[New Projects](#)" accessed September 17, 2020.

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**Successes** – IHT-MDI measures its success by how many households it has helped purchase a home. Since 2005, they have helped 41 households. Thirty-three bought new homes in their development and eight bought existing homes. Eight homes have been resold at affordable prices under the terms of the affordability covenant. IHT-MDI reports having 1,000 individuals on its waitlist, including 400 children.

In 2020, all four towns on MDI voted to contribute public funds to IHT-MDI for the first time. The organization has not received funding in the past and had to present their request at town meetings during a year when most municipalities were cutting their budgets due to COVID-19. IHT-MDI was pleased to get very strong support, including what appeared to be “98%” of raised hands in Bar Harbor. According to one staff person, “It’s important to be public and keep towns involved.”

**Challenges** – Private donations are IHT-MDI’s primary funding source. Staff report spending a large amount of time on donor stewardship and fund-raising activities. As they begin a new capital campaign, the organization has expanded to three employees, up from 1.5 FTE two years ago. Another time-consuming activity is researching potential projects. Many opportunities come up that do not pan out because land is unbuildable or a property would be too expensive to renovate. Staff spend time researching these opportunities but they do not result in finished projects.

Other small challenges involve covenant amendments, such as permitting chickens or allowing a baker to build a bakehouse. One homeowner had to enter a drug rehab program and IHT-MDI allowed a family member to move into the house. Another homeowner needed to rent their home temporarily, which is not allowed. When these situations arise, IHT-MDI tries to be flexible without setting new precedents.

It does not appear that deed restrictions affect bank financing, although they do lower the amount of the loan. According to IHT-MDI staff, when a homeowner refinances, “We run the Maximum Resale Price formula for the bank so they don’t loan too much.” (Since the bank would have to sell at a below-market rate because of the covenant in the event of a foreclosure.)

**Comments** – IHT-MDI’s covenant model is a well-constructed and tested one that could likely be effectively employed in the North Country. However, the success of such an initiative would require significant funding (generated, in the case of IHT-MDI, through donations) and a fully staffed, capable entity to operate it.

## **DESIGN-BASED ZONING BYLAWS – LITTLETON, MASSACHUSETTS**

**Background** – In the early 2000s in Littleton, Massachusetts (a town of about 10,000 residents located 30 miles northwest of Boston), leaders worried about the overdevelopment of large homes that were unaffordable to many residents, especially seniors. Zoning laws that favored single-family homes on large parcels encouraged this type of development.

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In 2005, the town passed zoning laws<sup>11</sup> that required developers to include affordable, age-restricted housing units within new developments. They allowed smaller lot sizes and duplexes for these units. There were two developments built under these bylaws, but both had a hard time selling the age-restricted homes. Reportedly, this was due in part to the economic downturn of 2008-2009 and in part because seniors who qualified for mortgages did not qualify for affordable housing. One of the developers renegotiated with the planning board to sell the “affordable” units at market rate. In all, the 2005 bylaws failed to encourage enough affordable senior housing.<sup>12</sup>

In 2017,<sup>13</sup> the town modified its approach to seek a “continuum of housing options” to meet the needs of residents as they age. This included assisted living and independent living facilities for the elderly, and smaller, more affordable dwellings for residents of all ages. To achieve this goal, the town did two things. First, they revised their 2005 zoning laws for age-restricted housing to accommodate a greater range of assisted living and independent living arrangements for seniors. Second, the town also adopted design-based “inclusionary” zoning bylaws that require most developments to have 10% affordable homes or pay a fee. It also created an Affordable Housing Trust (AHT), which gives the town a vehicle for creating affordable housing that is more proactive than zoning. The AHT is described in Littleton’s bylaws as “an account established and operated by the Town for the exclusive purpose of creating, preserving, or rehabilitating affordable housing units in the Town of Littleton.” It also has a board of trustees who oversee the trust and its expenditures.

**How it works** – Littleton’s inclusionary bylaws require at least 10% of units in most new developments be affordable to low- and moderate-income households.<sup>15</sup> As an alternative, developments with less than 20 units may pay a “fee in lieu” to Littleton’s AHT. For each affordable unit not built, the fee is equal to twice the area median income for a household of four, calculated annually by the U.S. Department of Housing and Urban Development.

Littleton’s Planning Board, a five-member board of elected citizens, plays an active role in approving developments and issuing special permits. Their application of the town’s zoning laws can vary based on the unique circumstances of each development. For instance, of the two developments built under the new design-based, inclusionary standards, affordable units are age-restricted in one development but not the other. In a third development approved but not yet constructed, the developer proposed a fee that exceeds the required amount, reportedly to gain the board’s approval. This development has been held up in court due to a legal challenge by neighboring property owners.

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<sup>11</sup> 2005 regulation, modified in 2017: <https://ecode360.com/32920781>

<sup>12</sup> Massachusetts Municipal Association, “[Littleton adopts design-based senior housing, inclusionary zoning bylaws.](#)” January 8, 2018.

<sup>13</sup> 2017 regulation: <https://ecode360.com/34094411#34094411>

<sup>14</sup> According to Littleton’s bylaws, seven trustees are described in law: “...one shall be a member of the Board of Selectmen, one shall be the Town Administrator or the Administrator’s designee, one shall be a member of the Littleton Housing Authority, one shall be a member of the Council on Aging, and three shall be residents who would bring to the Trust relevant experience in the fields of real estate, housing, architecture, social services, or the like.” <https://ecode360.com/34068105?highlight=affordable%20housing%20trust&searchId=34173642071005157#34068105>

<sup>15</sup> Town of Littleton, MA, Article XXIX Inclusionary Housing, Section 173-204.

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The impact of the 2017 bylaw changes is not yet known because not enough new developments have been completed under the new standards. As of January 2021, Littleton staff report that the two projects “nearing completion,” will result in four affordable units, two of which are age-restricted. They also report the recent approval of a 24-unit senior residential development with 40% affordable units, passed under the revised 2005 law for age-restricted housing.

**Successes** – Despite the slow pace of results, Littleton officials seem optimistic about the potential for the new bylaws to increase the variety of housing options within their community, especially for seniors. They rate them as “very effective” tools to achieve this goal, although some planning board members reportedly are “not convinced” yet. Officials see potential for the laws to “unlock” the local housing market if seniors can more easily downsize and new residents can purchase their old homes.

Other short-term successes cited by one official include the creation of an emergency rental assistance program by the AHT, which is funded by fees from the inclusionary zoning provisions. In fact, staff appeared more excited about the impact of the AHT than about the design standards changes. Unlike other municipal funds, the AHT has wide discretion over how to spend its resources. This flexibility gives the town a nimbler, more proactive tool for responding to senior and affordable housing needs and opportunities. Currently, the AHT advisory board is part of a group of local and state parties in discussion with a property owner interested in preserving their land. There is a possibility of combining state and town resources, including AHT funds, to purchase it. AHT would get a two-acre parcel it could either develop into affordable housing or sell at market rate and use the funds to develop affordable housing in another location.

Littleton’s planning efforts reportedly have been bolstered by a handful of involved residents that actively support housing initiatives. One official credits this as a reason for their success. Some of these citizens have run for, and been elected to, the select board. The current chair of the select board is very active on housing issues and sits on the AHT board.

**Challenges** – Addressing affordable housing issues through zoning can be a lengthy, laborious undertaking. In Littleton, it began with a two-year master planning process. Next came a one-year planning process focused on housing and senior housing. They built coalitions and had multiple rounds of votes at town meetings. Even once laws are passed, permitting and construction take years. One Littleton official estimates there is a ten-year horizon between the passage of these laws and the result of having more diverse housing choices. “When the only tool you have is zoning bylaws, it takes a long time to see results,” they reflected.

“No zoning tool can rescue someone in housing crisis.” According to one Littleton official, this is another limitation of their past approach. To address this challenge, last year the AHT created an emergency rental assistance program with Community Preservation funds.<sup>16</sup> Another hard reality is Littleton’s lack of control over the Greater-Boston housing market, which heavily influences local market dynamics.

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<sup>16</sup> Town of Littleton, Massachusetts, [Littleton Rental Assistance Program](#), accessed September 14, 2020.



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Finally, the planning board process can create subjectivity and inconsistency in how laws are applied. In the case of Littleton, the board votes on anything that requires a special permit, and sometimes passage requires a two-thirds vote. This can create unpredictability for developers and residents alike. To minimize this, one planning professional suggests using a “by right” process rather than a “by permit” process. In a “by right” process, a town clearly outlines design standards and any proposed development that meets the standards is automatically approved.

**Comments** – Zoning can be an effective and essential tool in communities where new development is occurring at a fast pace. On the other hand, it may be less useful, at least in the short-term, for smaller towns that see little development or little subdivision development. A dedicated housing trust similar to the AHT described above, adequately funded, could provide a more flexible and robust means to provide a variety of housing assistance in a community. For example, in addition to funding new construction, such a trust could assist families at risk of eviction or foreclosure or provide incentives for property owners to keep their properties available for year-round rental.

## SECTION 10

# COVID-19 Impact and Implications on New Hampshire's Housing Market

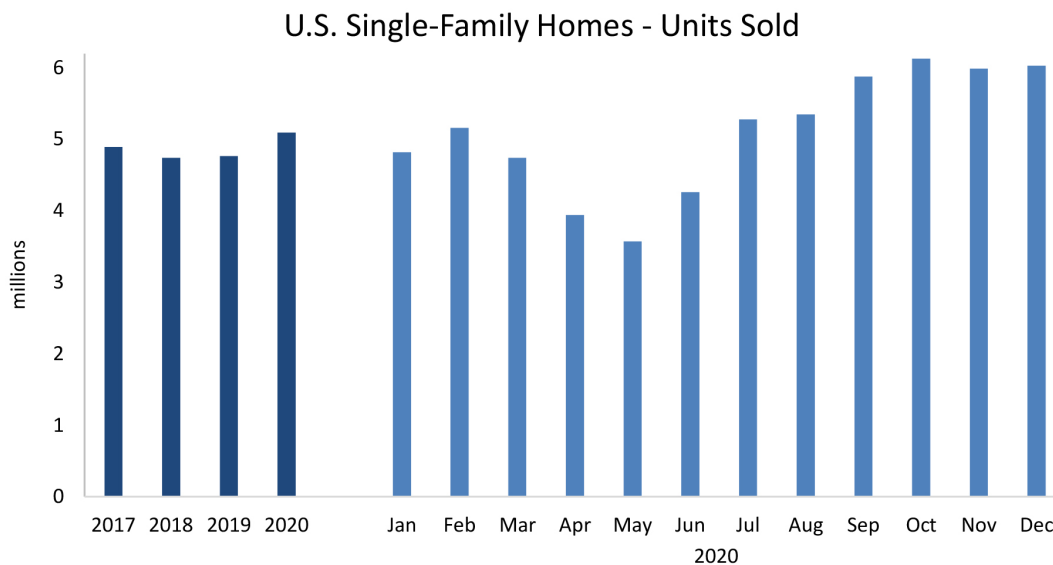
*Stepwise Data Research – March 2021*

The COVID-19 pandemic caused an unexpected real estate boom in New Hampshire and throughout the U.S. This research brief explores the historic rise in prices and sales, its causes and implications, and asks what the future may hold.

### WHAT HAPPENED

#### U.S. home prices rose during the pandemic.

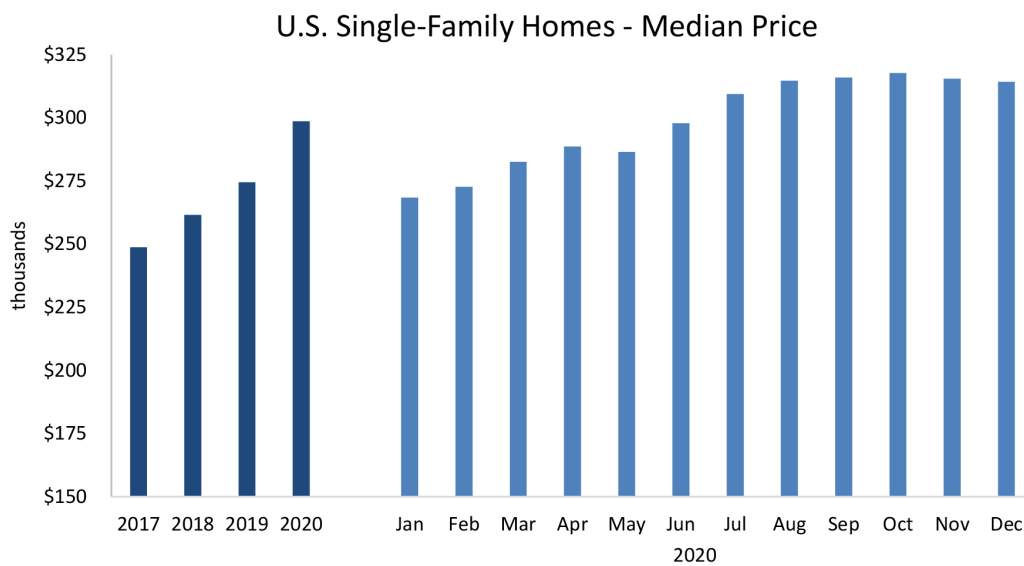
2020 was a surprisingly busy year for realtors. After stalling in the pandemic's early months, the housing market became very active, pushing prices and sales volume to historic levels. As the potential duration of remote work and learning became apparent, many households appear to have accelerated previously planned home purchases and/or reassessed their space needs. According to the National Association of Realtors (NAR), the number of homes sold slumped in the early months of the pandemic but began climbing in June.<sup>1</sup> Sales peaked in October 2020, when they exceeded October 2019 levels by 27%.



Source: National Association of Realtors, seasonally adjusted annual rate

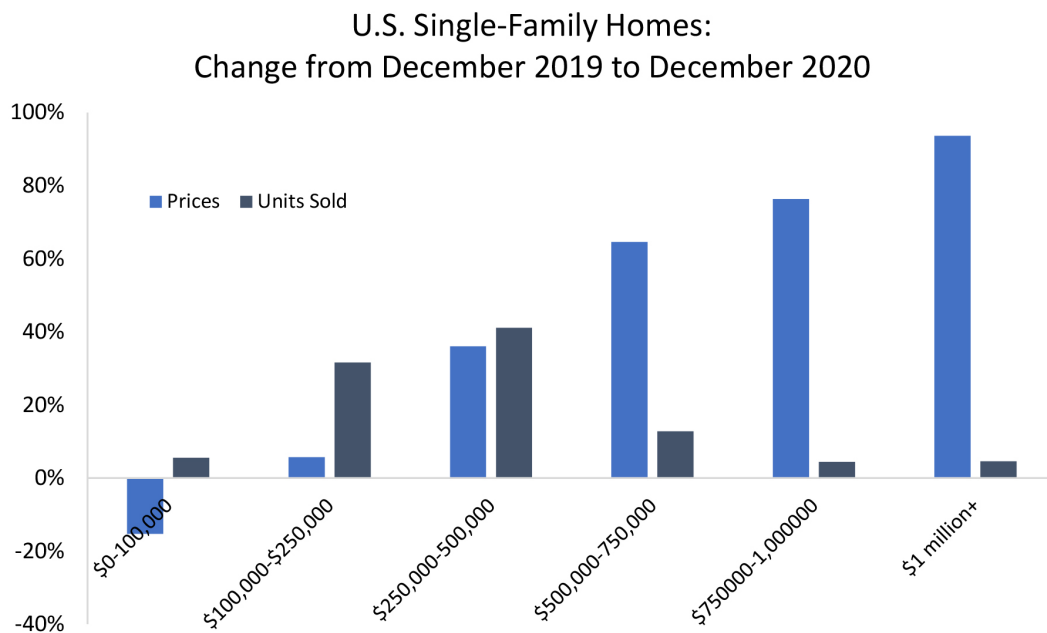
The NAR's Existing Home Sales statistics, a broad measure that tracks prices for all homes sold, followed a similar path.<sup>2</sup> The prices dipped in May 2020 before rising steadily throughout the summer. By one measure, price growth in the late spring and summer of 2020 was faster than at any time leading up to the 2007-2009 financial crisis, when home prices skyrocketed due to lax lending practices.<sup>3</sup> By December 2020, prices for single-family homes were up 14% compared to one year earlier, and the number of units sold was up 23%. This growth came on the heels of several years of above-inflation growth of home prices.





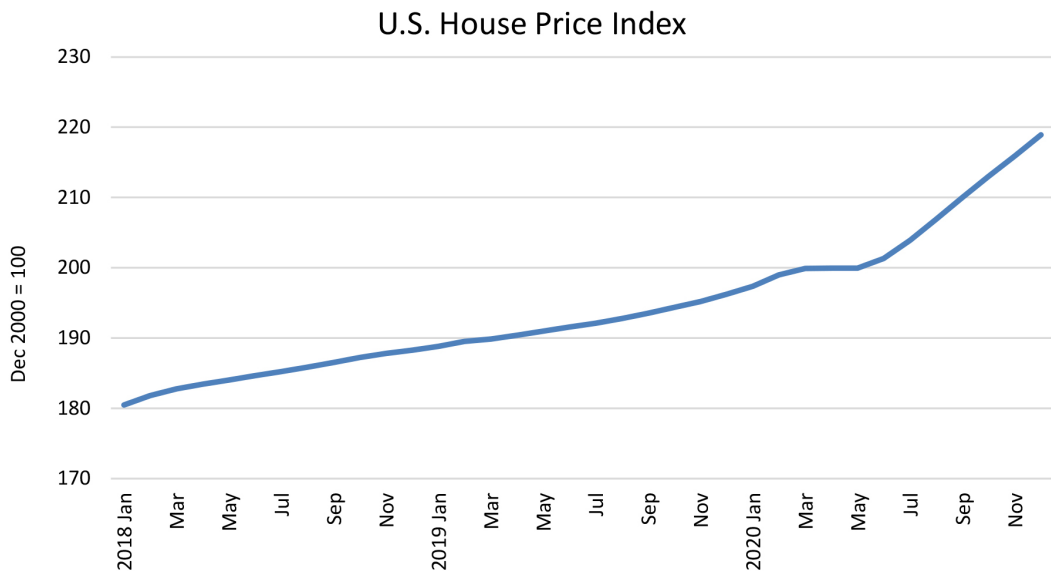
Source: National Association of Realtors, seasonally adjusted annual rate

These statistics do not necessarily reflect increases in the value of individual homes, since they do not control for the size, location, or other characteristics of properties sold. The price increases may mean that people who purchased homes during the pandemic bought larger or more expensive properties than the average homebuyer of 2019. In other words, higher prices partially reflect the ability of wealthier buyers to purchase homes during the pandemic, while some less wealthy buyers remained out of the market. The chart below, a snapshot from December 2020, shows sales activity rising across the full spectrum of home values but prices increasing most dramatically at the high end.



Source: National Association of Realtors; existing single-family homes

Indices that track changes in prices and valuations of individual homes show slightly lower, although still dramatic, growth. According to the Freddie Mac House Price Index, in December 2020, prices nationwide were up 12% compared to a year earlier.<sup>4</sup> Again, these price increases followed 4-7% annual price growth from 2013 to 2019. In other words, home prices were already rising faster than inflation and the pandemic accelerated this trend. It is important to note that this index includes only homes purchased with a mortgage, not cash purchases. Therefore, it may understate price increases if the percentage of cash sales has increased (as anecdotes suggest).



Source: Freddie Mac

**URBAN, SUBURBAN, AND RURAL AREAS ALL EXPERIENCED HIGH DEMAND**

There are relatively few studies that examine how the real estate boom has unfolded in urban, suburban, and rural areas. Of the studies that exist, most suggest that prices and sales volume rose fairly consistently across all regions.<sup>5</sup> For instance, Zillow.com, a real estate website, reported that views of its for-sale listings rose 42% in June 2020 compared to a year earlier, with interest spread consistently across urban, suburban, and rural areas.

Distribution of Zillow for-sale listings page views in June		
	2019	2020
Urban	16.2%	16.4%
Suburban	62.6%	62.2%
Rural	21.2%	21.4%

Source: Zillow.com, 2020

One analysis of zip-code level data from Realtor.com, another real estate listing website, showed similar price increases (i.e., in listing prices) across all geographies, with rural listings only unique in experiencing a higher percentage increase in views. This may reflect growing interest in second homes or potential moves to rural areas.<sup>6</sup>

August 2020 change in year-over-year growth rate of housing			
	<b>Prices (listing price)</b>	<b>Demand (listing views)</b>	<b>Supply (listings)</b>
Metropolitan (pop. 50,000+)	7%	125%	-28%
Micropolitan (pop. 10,000-49,999)	7%	125%	-30%
Small Towns (2,500-9,999)	5%	125%	-24%
Rural (based on commuting patterns)	6%	178%	-30%

Source: Zhao, 2020 analysis of Realtor.com data

## RESORT DESTINATIONS WERE ESPECIALLY HOT

The overall trends above may hide variations across different types of rural communities. Some evidence suggests that popular vacation spots saw a surge in demand from second-home buyers. The U.S. counties with the most dramatic spikes in sales and prices include resort destinations such as Cape Cod, the Jersey Shore, Lake Tahoe, and Palm Springs.<sup>7</sup> Strengthening this hypothesis, mortgage statistics show a 100% increase in second-home mortgages in October 2020 compared to October 2019, while primary-home mortgage grew by just 50%.<sup>8</sup>

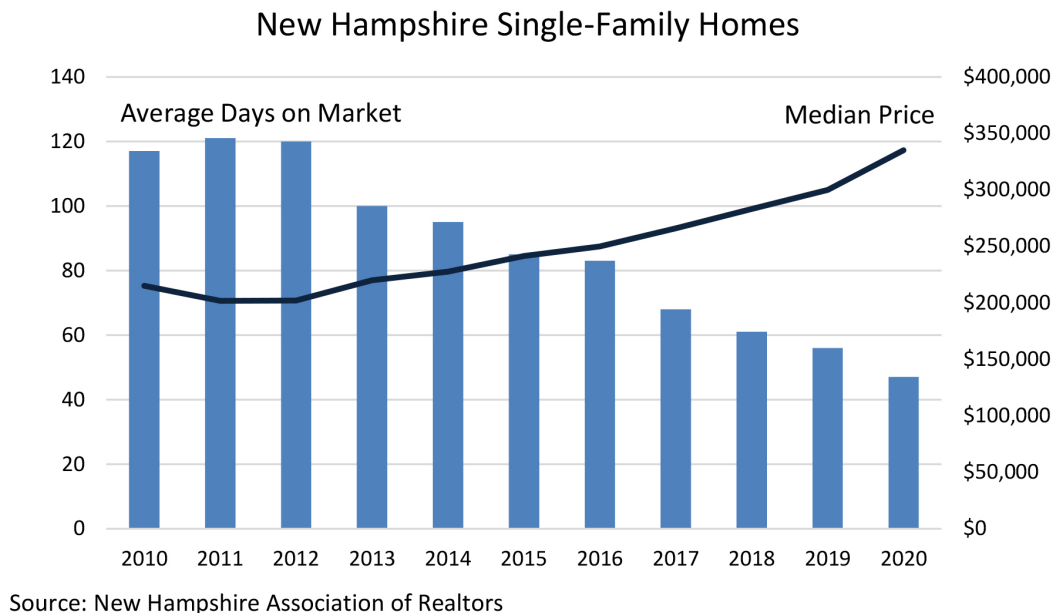
Mansion Global, a real estate industry website, describes “skyrocketing activity” in the ski towns of Wyoming and Colorado, tropical destinations like the Turks and Caicos Islands, and resort areas near cities with large numbers of technology employees who can work remotely.<sup>9</sup> They report buyers accelerating already-planned second-home searches so they could use these homes during the pandemic.<sup>10</sup>

In Vermont, the number of homes sold for \$1 million or more tripled in 2020.<sup>11</sup> “The luxury market, we used to see that market sitting. It’s not sitting anymore,” said one realtor, “I haven’t listed anything since last year without multiple offers.”<sup>12</sup> In western Maine, where one real estate agency reported sales doubling in 2020, a realtor said, “I think people who have been interested for years realize that if they don’t buy now, nothing’s going to be available.”<sup>13</sup>

The reasons for these purchases are varied. In Colorado, one realtor described the phenomenon as “fear-and-safety purchasing.”<sup>14</sup> The summer of 2020 saw a great deal of social unease between the pandemic, political protests, and wildfires in California. In this environment, New Hampshire and other rural destinations stood out as healthy, safe places that offer a high quality of life. Other buyers may be older individuals who accelerated purchases of retirement homes to use during the pandemic. Still others may have finally gained the means to purchase a second home due to financial investments or rising property values in more urban areas. A Vermont realtor observed, referring to new buyers: “Some of them have sold a house for one or two million dollars and have that money sitting in the bank... Much more of it lately is with the stock market, if you were lucky enough to own Tesla stock and bought it at \$25.”<sup>15</sup>

## HOME PRICES IN NEW HAMPSHIRE ROSE, CONTINUING A TREND

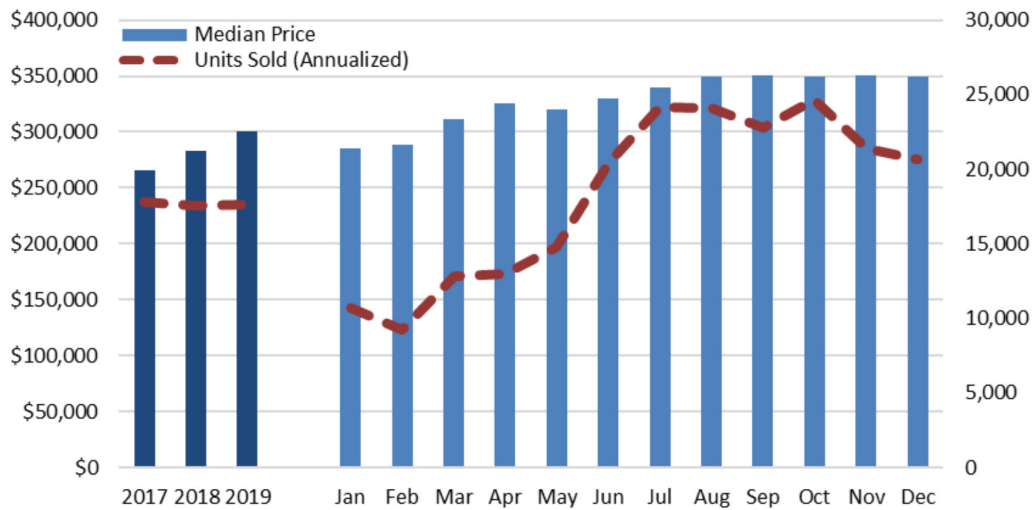
New Hampshire appears to be one of the desirable destinations where housing demand surged in the summer of 2020. Its proximity to Northeast population centers, its reputation for safety and natural beauty, and its relative affordability (compared to places such as Martha's Vineyard and Cape Cod) likely contributed to its appeal. The surge added pressure to the state's already tight housing market. The chart below shows the average days-on-market for single-family homes falling steadily from 2012 to 2020, as median sale prices rose. These trends suggest that falling supply and rising demand were already pushing home prices higher before COVID-19 exacerbated these conditions.



After dipping in the pandemic's early days, prices and sales volume rose steadily (below). By November 2020, both the number of homes sold in New Hampshire and the median sale price were up 17% compared to one year earlier.<sup>16</sup> New Hampshire Housing noted the unusualness of prices cresting in the fall, as opposed to their typical summer peak. The surge of sales, possibly combined with a reluctance of some buyers to list their houses due to COVID-19-concerns, reduced the number of homes on the market. By December 2020, the number of listings was down 23% from the previous year, and inventory was down to the equivalent of about one month.<sup>17</sup> By late 2020, New Hampshire Housing observed, "...[H]ouses in most areas of the state continue to sell briskly at or above their asking prices, and those priced under \$300,000 are selling within about a month."<sup>18</sup>

These events played out differently across New Hampshire's various regions. In the last three months of 2020, the number of units sold was 22% above 2019 levels statewide, but ranged from 4% below in Strafford County to 58% and 63% above in rural Coös and Sullivan counties, respectively. Similarly, prices increased 17% statewide but rose over 30% in Carroll, Coös, and Sullivan counties.

## New Hampshire Single-Family Homes



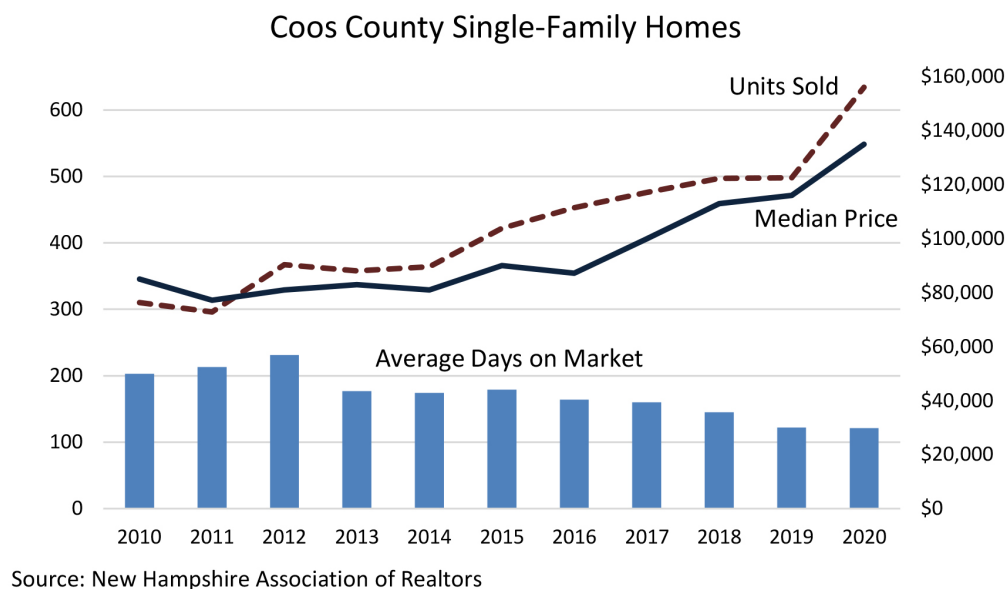
Source: New Hampshire Association of Realtors; not seasonally adjusted

### Fourth quarter (Oct-Dec) change for single-family homes...

	Units Sold			Median Sale Price			Average Days on Market		
	Q4 2019	Q4 2020	Change	Q4 2019	Q4 2020	Change	Q4 2019	Q4 2020	Change
<b>Belknap</b>	315	381	+21%	\$274,427	\$335,000	+22%	64	30	-53%
<b>Carroll</b>	322	402	+25%	\$261,000	\$344,500	+32%	74	49	-34%
<b>Cheshire</b>	255	350	+37%	\$221,290	\$269,900	+22%	67	43	-36%
<b>Coös</b>	131	207	+58%	\$110,000	\$148,500	+35%	134	100	-25%
<b>Grafton</b>	305	434	+42%	\$224,750	\$271,250	+21%	90	64	-29%
<b>Hillsborough</b>	1,184	1,329	+12%	\$317,750	\$368,000	+16%	42	26	-38%
<b>Merrimack</b>	491	625	+27%	\$279,900	\$315,000	+13%	51	28	-45%
<b>Rockingham</b>	975	1,185	+22%	\$387,500	\$449,900	+16%	48	30	-38%
<b>Strafford</b>	451	434	-4%	\$279,900	\$317,500	+13%	46	31	-33%
<b>Sullivan</b>	145	236	+63%	\$173,000	\$228,450	+32%	67	47	-30%
<b>Entire State</b>	4,574	5,583	+22%	\$300,000	\$350,000	+17%	56	37	-34%

Source: New Hampshire Association of Realtors

The chart below contextualizes these events for one New Hampshire region – Coös County. This rural county's economy and real estate market have long lagged the rest of the state, but the chart shows the market for single-family homes tightening since about 2012. By late 2020, Coös County's median sale price was \$148,500, 35% higher than one year ago but still significantly below the state average of \$350,000. Similarly, by late 2020, average days-on-market fell 25% to 100 days, but was still nearly triple the state average of 37 days. Average days-on-market was unchanged in 2020 vs. 2019 (shown in chart below). At this early stage, the COVID-19 pandemic appears to have given a modest boost to this rural area but not fundamentally altered its housing market.



## WHY PRICES HAVE RISEN

A confluence of factors, some pre-dating COVID-19, caused the housing market surge of 2020. This section explores the most important trends that together increased demand for single-family homes, reduced supply, and boosted prices.<sup>19</sup>

### Pre-existing trends were pushing prices higher.

Despite recent price spikes and the resulting media attention, some New Hampshire realtors and analysts have noted the on-going nature of the state's housing shortage.<sup>20</sup> In early 2020, the following trends were already underway:

#### Millennials entering the housing market <sup>21</sup>

The "millennial" generation is sometimes defined as individuals born between 1981 and 1996, meaning most are now age 25 to 40. In 2017, almost 7,000 new millennials moved to New Hampshire, the 10th highest rate in the country.<sup>22</sup> Between 2015 and 2019, an average of almost 6,500 people aged 18-39 moved to New Hampshire each year, the largest increase of all age cohorts and roughly double the in-migration seen in the previous five years.<sup>23</sup> Ken Gallagher of the New Hampshire Office of Strategic Initiatives notes, "...[P]eople hear the word 'millennials' and go, 'Oh, young people are coming in!' But actually what's happening is the millennials are now reaching the age where they move to New Hampshire and buy homes."<sup>24</sup>

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### **Baby boomers aging in place**

Compared to previous generations, more baby boomers are remaining in their homes during retirement rather than downsizing to smaller properties. This reduces the number of homes that would normally become available for younger homebuyers, based on historical trends.<sup>25</sup>

### **Lack of new homes**

Even before COVID-19, some politicians and analysts were discussing a “housing crisis” in New Hampshire partly due to a lack of new construction.<sup>26</sup> One study (completed before the full onset of COVID-19) concluded that the state needs 20,000 new units to meet the demands of its growing, aging population.<sup>27</sup>

### **Low supply**

Partly due to the above factors, New Hampshire’s supply of for-sale homes was low going into the pandemic. In January 2020, New Hampshire Housing wrote, “When compared to listings five years prior (January 2015), overall listings have dropped 41%. Listings priced over \$300,000 have dropped only 8%, while listings under \$300,000 have dropped 58%.”<sup>28</sup>

### **COVID further reduced supply and increased demand.**

The unique events surrounding COVID-19 added pressure to both the demand and supply sides of the housing market, further elevating prices.

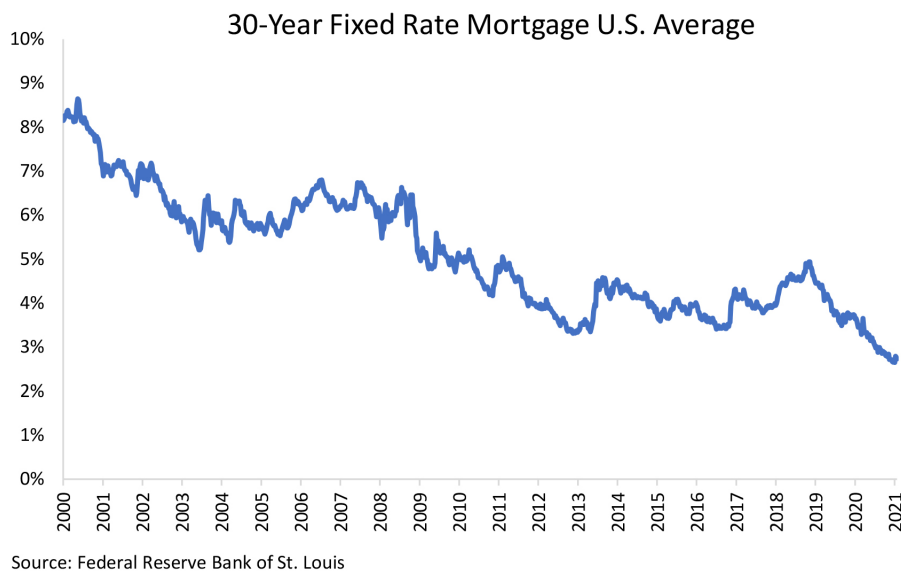
### **Historically low interest rates**

In March 2020, the Federal Reserve Board held two emergency meetings at which it lowered the target federal funds rate, eventually reaching 0% - 0.25%.<sup>29</sup> This decrease flowed through to mortgage rates, which were already at historic lows. The average 30-year fixed-rate mortgage has remained below 3% since July 2020.<sup>30</sup> New Hampshire Housing reported a 102% increase in refinancing activity from January through November 2020 compared to a year earlier.<sup>31</sup> According to it, “Record low interest rates continue to favor homebuying in New Hampshire, as well as home refinancing.”<sup>32</sup>

### **Second-home purchases**

Anecdotal evidence suggests COVID-19 increased purchases of second homes among people seeking to ride out the pandemic in the perceived safety or comfort of rural settings.<sup>33, 34</sup> Some of these may have been accelerated, previously planned purchases. In October 2020, the number of mortgages for second-homes nationwide had doubled compared to one year earlier.<sup>35</sup> “With mortgage rates at all-time lows and offices shut down across the country, the dream of having a second home outside of the city is becoming a reality for many wealthy Americans,” says real estate economist Taylor Marr.<sup>36</sup> Some New Hampshire realtors reported increased interest from out-of-state homebuyers,<sup>37</sup> many of whom were making cash offers.<sup>38</sup> For instance, the percentage of homes sold to buyers from Massachusetts through the first 10 months of 2020 was 18%, up from 15% in the four years prior.





### Re-evaluating housing needs

The closures and restrictions related to COVID-19 caused many people to spend more time at home than ever before. This may have caused some to reassess their housing needs. Some may have accelerated plans to purchase their first home or upgrade to a larger one. According to Bedford realtor Greg Powers, "...[P]eople living in apartments became more determined to buy a home to get out of the communal living situations they were in."<sup>39</sup>

### Lack of sellers<sup>40</sup>

Some realtors say potential sellers are not putting their homes on the market because they do not want strangers inside them during the pandemic, or they would sell but do not want to purchase a new home in an overheated market.<sup>41</sup> NHHFA reports that the number of listings in 2020 was "notably lower" (down 23% in December 2020 compared to one year earlier),<sup>42</sup> although listings fell in 2019 as well.

### The result was an overheated market

The result of these divergent demand and supply forces was an overheated market, with crowds of eager buyers competing for too few homes. One realtor characterized it as a "feeding frenzy."<sup>43</sup> Another said buyers who had to work during the week, and can only see homes on weekends, were unable to find homes because properties were selling so quickly.<sup>44</sup> According to NHHFA, "... rising housing prices, housing demand, and low interest rates continue to support a seller's market in the state."<sup>45</sup> This situation was not unique to New Hampshire. According to a national survey, by mid-2020, almost half (45%) of homebuyers in major U.S. markets reported placing an offer on a property sight-unseen, an all-time high.<sup>46</sup>

The predictable result of this overheated market is price increases. According to the New Hampshire Association of Realtors (N HAR), in August 2020 the average sale price of a single-family home surpassed 100% of list price for the first time since at least 2005; it has hovered above 100% ever since.<sup>47</sup> The New Hampshire Union Leader celebrated a "billion-dollar boom," noting that condo and home sales from April to November 2020 were up about \$1 billion (18%) compared to the previous year, according to their analysis of N HAR data.<sup>48</sup>



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## WHAT'S NEXT

The future of New Hampshire's housing market will depend on many variables, including the course of COVID-19 and the nation's economic recovery; federal, state, and local policies; the pace of new construction; and ongoing demographic changes. Most analysts foresee price growth moderating, but prices remaining high. The impact will ripple across the state, and may have implications for affordable housing, new development, population growth, and rural revitalization.

### Higher prices may be here to stay

Real estate analysts expect prices to increase further in 2021, although at a slower pace, and to remain high.<sup>49</sup> The pre-COVID trends discussed above will continue to keep supply low, demand high, and prices rising. As the pandemic subsides, there may be a new wave of demand from buyers who delayed purchases during the pandemic because they faced economic uncertainty or because they were pushed out of overheated markets. According to one New Hampshire realtor, the unusually high number of cash buyers in 2020 left other qualified buyers on the sidelines. "I think there's people in the city that might not have been able to move as fast up here that still want to be up here, for a vacation house..."<sup>50</sup> Other potential buyers may be waiting to learn if remote work will be a permanent option for them. Redfin economist Taylor Marr predicts, "Even when offices reopen, folks will be able to spend more time than ever before in their second homes because many employers will continue to offer flexible remote-work policies... With workers still commuting in one or two days a week, resort towns that are near major cities will likely continue to heat up."<sup>51</sup> Assuming COVID-19 subsides, analysts predict that new sellers (including those who did not want strangers in their homes during a pandemic) will enter the market, which could make 2021 one of the most active years for home sales in decades.<sup>52</sup> However, price growth will eventually moderate as demand levels off.<sup>53</sup>

Powers observed why current price levels are likely permanent and not subject to collapse, as in the 2000s: "During [2020], a lot of people compared the frenzied market to the bubble of 2003-2007, but the two markets are really quite different... That earlier period was fueled by very lax lending requirements that led to a lot of speculation, which in turn led to a run-up in prices that were unsupported by market fundamentals... The current rise in prices is more a function of the basic supply-and-demand equation."<sup>54</sup>

### Affordable housing

New Hampshire's affordable housing "crisis" predates COVID-19, and the pandemic has made it worse. As median home prices rose, the NHAR's affordability index fell 4.6% in 2020.<sup>55</sup> This follows national trends. According to one analysis, the percentage of U.S. counties where an average wage earner cannot afford a median-priced home reached 55% in late 2020, up from 43% in 2019 and 33% in 2017.<sup>56</sup>

In March 2020, months before the housing market started overheating, New Hampshire Housing warned, "Prices and a low inventory of homes in New Hampshire makes homeownership challenging, especially for first-time buyers. Homebuyers face an extremely competitive market due

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to the inventory at most prices and a strong economy.”<sup>57</sup> COVID-19 appears to have exacerbated this situation by further increasing demand, particularly from wealthy buyers making cash offers, which further disadvantages those who require financing.<sup>58</sup> A Vermont realtor said: “[I]t’s really frustrating for local buyers... There are a lot of cash buyers. That really skews it for the couple who are pre-approved and can buy with a loan, but are outbid, or their offer isn’t accepted because there’s a cash offer.”<sup>59</sup>

This situation may be worsened by the limits of the federal governments’ tools for increasing housing affordability. Don Layton, former CEO of Freddie Mac, warns that traditional policies and programs to increase affordability – low mortgage rates, down-payment assistance, eased credit requirements – may not be able to counteract the impact of higher prices and may even exacerbate the problem by increasing demand and further tightening the market.<sup>60</sup>

### **New development**

As existing homes become more expensive, demand for new homes, and land on which to build them, may increase. Indeed, New Hampshire Housing reported that building permits for single-family homes were up 38% in October 2020 compared to one year earlier.<sup>61</sup> Some industry experts welcome new development. Dean Christon, the organization’s executive director, said, “We have to recognize we’re not building enough housing to meet the demands of a strong economy.”<sup>62</sup> He noted that the state legislature would consider several bills to encourage home construction in 2021.

New development would likely occur in suburban and rural locations where land is less expensive.<sup>63</sup> A rise in construction projects would increase job opportunities for builders and contractors, a trend already reported in some areas.<sup>64</sup> One factor that could dampen the pace of new development is rising building costs, a concern reported by the construction industry.<sup>65</sup>

### **Population growth**

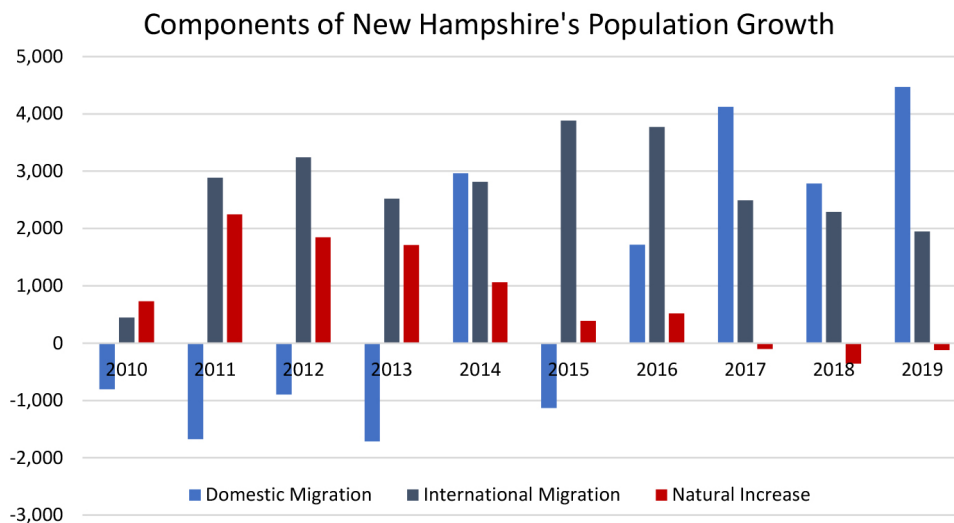
Due to data lags, COVID-19’s full impact on New Hampshire’s population will not be known for several years.<sup>1</sup> However, according to the U.S. Census Bureau, New Hampshire has seen a net gain of residents from other countries and states every year since 2016<sup>66</sup> and gained 5,400 residents between July 2019 and July 2020, the largest population increase in New England.<sup>67</sup> This has helped the state grow even as the population ages and deaths begin to outnumber births (shown as negative “natural increase” in 2017-2019).

Despite this overall growth, many of New Hampshire’s northern and western counties saw population decline in the 2010s.<sup>68</sup> It is an open question whether the buyers who fueled the 2020 real estate boom in these areas will become permanent residents, seasonal residents, or only occasional visitors once the pandemic subsides. Some buyers may not yet know this themselves if, for instance, they are waiting to learn if remote work will be a permanent option for them. Another question is the age and household compositions of recent buyers. An influx of retirees would have different implications for local communities than families with young children. For instance, the former might increase demand for health services while the latter might increase demand for public

education.<sup>69</sup> Unfortunately, 2020 school enrollment numbers, which would normally reveal the presence of new students, are distorted by the sharp increase in homeschooling due to COVID-19.<sup>70</sup> Even as the state's population likely grew, enrollment in the state's public schools fell 5% (far surpassing the 0.8% average annual decline of the previous five years).<sup>71</sup>

### **"Rural renaissance"**

Some commentators suggest that COVID-19, and the sudden, widescale shift to remote work, will herald a "rural renaissance" that rejuvenates areas once plagued by perennial out-migration.<sup>72</sup>



Source: U.S. Census Bureau

Karen Rollins Jackson, Virginia's former Secretary of Technology, writes, "Rural areas see a potentially unparalleled recovery driven by remote work opportunities and a modified return to a pre-industrial agrarian lifestyle... Geographic boundaries have essentially been erased, employers and employees alike are embracing new work models that allow job functions to be done remotely."<sup>73</sup> Indeed, large technology companies such as Facebook, Twitter, and Shopify have indicated their intent to make remote work permanent for many employees.<sup>74</sup>

Other scholars question whether rural areas can overcome the fundamental qualities that have made cities the dominant hubs of commerce and innovation throughout human history. Cities have long provided the physical proximity necessary for large numbers of people with diverse knowledge, skills, and experiences to generate new ideas, inspire new inventions, create new markets, and generally stimulate economic activity. As the world's population has grown, a higher and higher percentage of people have lived in cities.<sup>75</sup>

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Paul Habibi, a professor of real estate at the University of California Los Angeles, does not foresee COVID-19 halting the tide of mass urbanization. “In terms of where people will want their primary residence, I think there are too many arguments in favor of density and urbanization... But at the margins, you might see some increased appetite for homes in more of these remote destinations. For buyers of second homes, there is some rationale as to why they might consider purchasing in a remote location.”<sup>76</sup>

Harvard economist Edward Glaeser, a leading expert on housing and urban development, agrees. He sees only one unlikely scenario that could alter this prediction: “...If, for example, this pandemic lasts for three and four years, if we have another pandemic within the next decade, if we don’t take the steps we need to actually deal with the future and make sure that this basically never happens again. Then all of the advantages of urban proximity that so far are currently a source of pleasure, become a source of peril.”<sup>77</sup>

## CONCLUSION

Overall, the widespread rejuvenation of declining rural communities seems unlikely, but the shift to remote work accelerated by COVID-19 may increase demand in places that offer attractive amenities and relative proximity to urban population centers. Some of this demand may come not from new buyers, but from those who already own a second home in the region but decide to occupy it full-time. This trend deserves watching as relatively small changes in demand by people who currently reside in cities may have large impacts on sparsely populated rural areas.

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## SECTION 11

# Assessment of Local Land Use Regulations in the North Country

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An important aspect of housing supply is the local regulatory scheme under which homes are developed. Land use is regulated at the municipal level ostensibly to protect environmental qualities, such as clean drinking water, as well as to promote harmonious development, thereby reducing conflict between competing uses on neighboring properties. And while these regulations have been developed to achieve these goals, they sometimes inadvertently inhibit or proscribe land uses that the community has through its master plan deemed to be beneficial. They may also fail to meet certain legal tests, recognizing that New Hampshire is not a “home rule” state. Municipalities can only act within the limits of the authority granted to them by state law.

To gain an understanding of the scope and impact of local land use regulations in New Hampshire’s North Country region, this section includes a review of available regulations. This assessment looks at zoning ordinances and subdivision and site plan regulations, focusing specifically on a series of topics: required minimum lot size and road frontage, accessory dwelling units, workforce housing, duplexes and multi-family housing, and manufactured housing.

Of the region’s 50 incorporated municipalities, nine do not have a zoning ordinance. Others were not available for inspection online. As a result, a total of 31 municipalities in the region were reviewed. In addition, Coös County’s 23 unincorporated areas are governed by the county’s zoning ordinance, which was assessed separately.

The purpose of this assessment is to identify some barriers to increased housing development. When reviewing a particular community’s regulations, standards often need to be viewed together, as one regulation might not impose a barrier but for its combination with another (such as a large minimum lot size requirement in concert with a limitation to one single-family structure per lot). The reviews shows that while many communities in the North Country have made significant efforts both to meet legal requirements and to be flexible in what is allowed, there is substantial room for improvement.

**Minimum Lot Size.** The establishment of minimum lot sizes is one of the recognized purposes of zoning, and these standards are usually intended to protect public health by ensuring that there is adequate land capacity to safely accommodate a septic system while also maintaining drinking water quality. In the absence of public water and sewer systems, a large majority of the communities rely on an absolute standard. The most common minimum lot size in any zoning district in a municipality is a 1- or 2-acres, although a few utilize flexible “soil-based” lot sizing, which relies on soil and slope characteristics to determine the minimum land area necessary to accommodate a septic system and well. Some communities require at least 3 acres per lot. Minimum lot size requirements may vary among a municipality’s zoning districts. Several communities require at least 5-acre lots in some of their zoning districts. Those communities with a sewer system typically require 10,000 square feet per lot (roughly ¼ acre).



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**Road Frontage.** The length of a lot's frontage along a publicly maintained road is another common land use regulation, although it does not have a basis in public safety other than to ensure access to a lot. The largest number of North Country communities require at least 200 feet of road frontage, although many require between 50 and 100 feet of frontage. Higher frontage requirements have the effect of dispersing the development of housing over a larger area, which in turn can have a cumulative negative impact on undisturbed wildlife habitat and significantly higher per-unit municipal road maintenance costs.

**Accessory Dwelling Units (ADUs).** ADUs have long been recognized as a technique to provide additional housing opportunities while minimizing impact on the environment and on public infrastructure, such as the need for additional roads. ADUs also provide the property owner with flexibility to meet the needs of a family member, such as an aging parent, or to supply rental income to help meet property maintenance and taxation costs. In 2016, the New Hampshire Legislature enacted a law that requires municipalities to permit the establishment of at least one attached ADU wherever single-family uses are allowed in local zoning. In those communities where attached ADUs are not allowed by zoning, they are allowed under statute.

Most North Country communities' zoning ordinances address attached ADUs, and about half allow them "by right," meaning that nothing more than a building permit is normally required. Roughly a third of the communities allow detached ADUs and over a third also require owner occupancy of either the primary or accessory dwelling unit. This review demonstrates a largely positive response to the ADU law by many North Country communities, which helps to provide housing flexibility for their residents and property owners.

**Multi-Family and Workforce Housing.** In 2008, the NH Legislature enacted the Workforce Housing Law, recognizing that land use regulations in many communities imposed an insurmountable barrier to the development of housing that is more affordable to the state's working families. The law provides municipalities with substantial flexibility, yet it also requires that they allow for the development of housing that is affordable to low- and moderate-income families.

Many communities' land use regulations meet part of the law's obligations by providing standards or incentives for the development of more affordable single-family homes. Many also fail to properly address the law's requirements regarding multi-family housing. The law creates an obligation for communities to assess the collective impact of their land use regulations on a developer's ability to build workforce housing that is economically viable. Although many communities may allow workforce housing, at the same time they frequently impose other requirements that make its development practically infeasible. This is true of many North Country communities.

With regard to multi-family housing, the law requires municipalities to allow at least five housing units per structure. Among North Country communities, there are several that fail to meet this basic requirement, limiting structures to a maximum of two or three units. Beyond that, many communities in the region impose a combination of other standards that make it unlikely for a developer to be able to build multi-family workforce rental housing that is economically viable. Some of these standards include limiting development to one principal structure per lot, requiring large lot sizes for multi-family developments, and imposing other requirements that drive up costs.

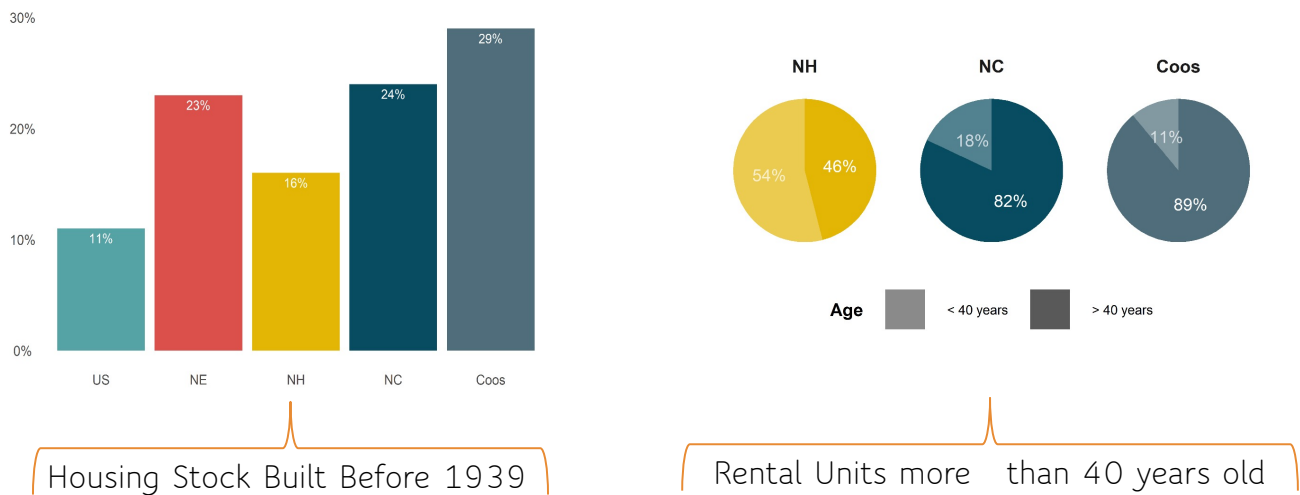
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**Manufactured Housing.** A manufactured home is one that is certified to meet federal design and construction standards. It is transportable on the road and is mounted on a permanent chassis. Like workforce housing, state law requires municipalities to allow the installation of manufactured housing on individual lots, in manufactured housing parks, or in manufactured housing subdivisions. Among the 31 communities assessed, most allow manufactured housing on individual lots and about half allow them in parks and about a third allow them in both. A smaller number also allow manufactured housing subdivisions. Several do not appear to have addressed manufactured housing in their zoning ordinances, so unless that form of housing is otherwise allowed, those communities have failed to comply with legal requirements and may be at risk of legal action by property owners.

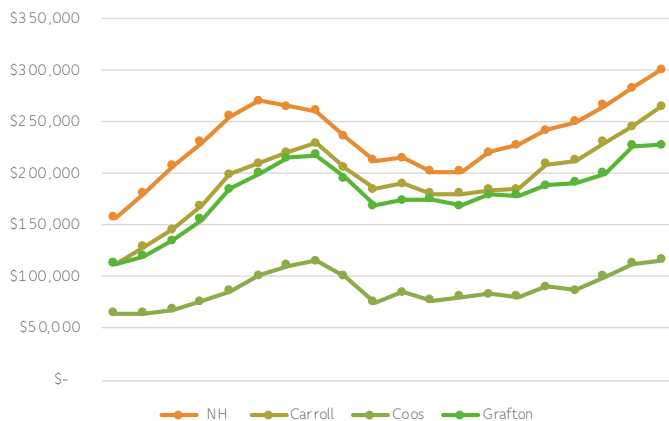
# Appendix A: North Country Housing Focus Group | Municipal Partners 12.3.2020

## ACROSS THE REGION – HOUSING DATA

North County Housing Stock is Relatively Old...



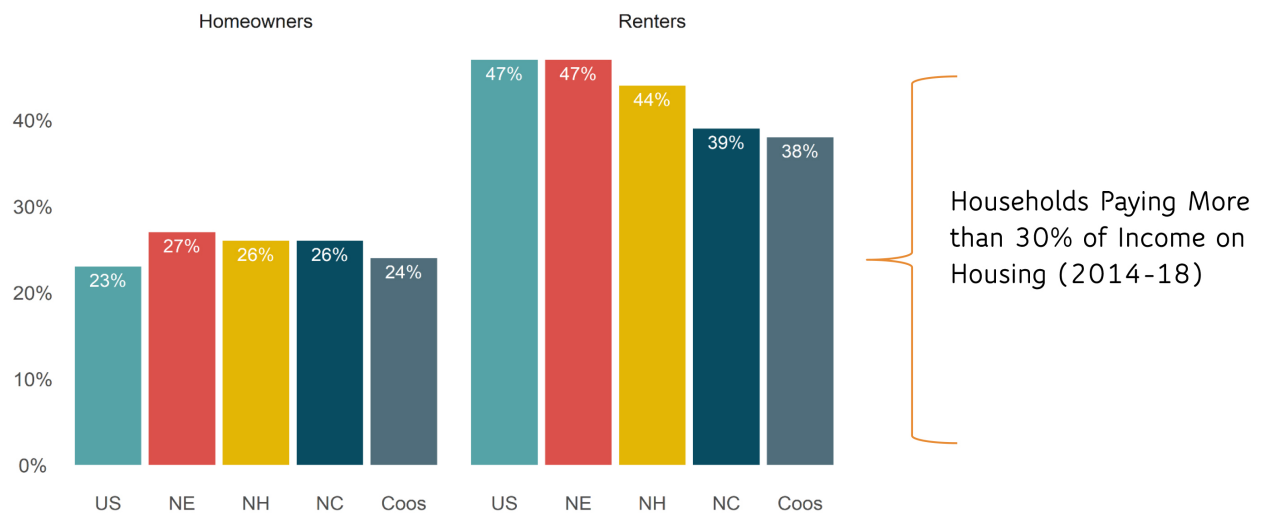
And it is somewhat more affordable when compared with NH as a whole...



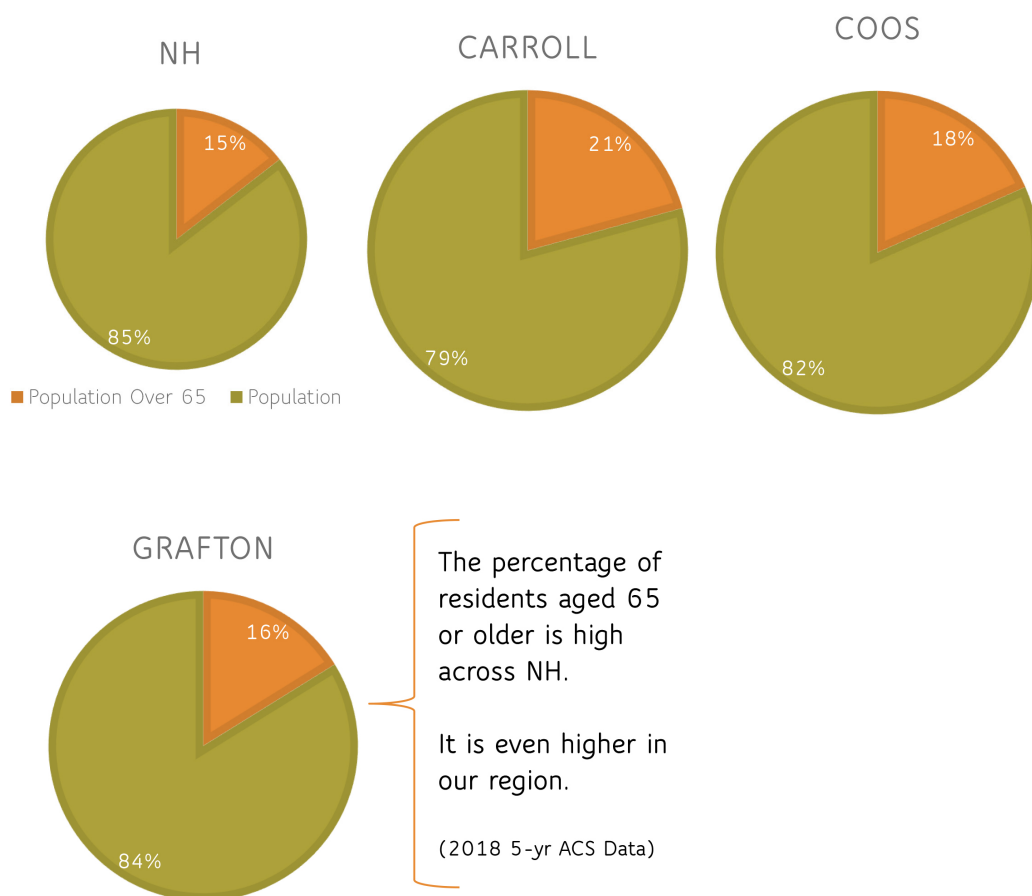
Median Sales Prices (2000 – 2020)

- In 2019 the average cost of a home sold was:
  - \$265,000 in Carroll County
  - \$116,100 in Coos County
  - \$227,000 in Grafton County
- In 2019 the average price of a rental unit was:
  - \$1,046 per month in Carroll
  - \$821 per month in Coos
  - \$1,081 per month in Grafton

But affordability is still a major challenge...



And our population itself is changing...



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## Housing Stock *questions*

WHAT IS THE PACE OF HOUSING CONSTRUCTION IN YOUR TOWN? IF NEW HOUSING IS BEING BUILT, WHERE IS IT?

DOES YOUR COMMUNITY HAVE LARGER SINGLE-FAMILY HOMES TO BE CONVERTED INTO MULTI-UNIT HOUSING?

(LIKE STACKED FLATS, MANOR HOUSES, DUPLEXES, TRIPLEXES)

DOES YOUR HOUSING STOCK PROVIDE SUITABLE OPTIONS FOR SENIORS TO AGE IN THE COMMUNITY?

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## Housing Needs *questions*

Thinking about the number, size (bedrooms), condition, and location of homes (related to services, amenities and jobs)....

DOES YOUR COMMUNITY'S HOUSING STOCK MATCH THE NEEDS OF ITS RESIDENTS TODAY?

WILL YOUR COMMUNITY'S HOUSING STOCK MATCH THE NEEDS OF ITS RESIDENTS IN 10 YEARS?

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## Housing Needs *questions part 2*

WHO HAS THE HARDEST TIME FINDING QUALITY HOUSING IN YOUR COMMUNITY?

What is your biggest concern with housing?

- Age and/or condition of housing stock
- Affordability for local area residents
- New construction trends that don't meet the needs of the local community
- Housing for young adults just starting out
- Housing for working families of modest means
- Housing for aging seniors

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## Housing Challenges & Opportunities *questions*

WHAT HOUSING TYPES WOULD BE MOST EFFECTIVE/SUITABLE IN YOUR AREA?

- FORMAL ASSISTED LIVING FACILITIES
- AGE IN PLACE COMMUNITIES
- MIXED-USE RESIDENTIAL NEAR/ABOVE EXISTING BUSINESSES
- REUSE / CONVERSION OF EXISTING OLDER STRUCTURES FOR NEW HOUSING
- COTTAGE COMMUNITIES
- DUPLEXES & TRIPLEXES
- NEW MULTI-FAMILY APARTMENT BUILDINGS
- NEW SINGLE-FAMILY HOMES ON INDIVIDUAL LOTS
- CLUSTER SUBDIVISIONS
- OTHERS?

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## Housing Challenges & Opportunities

### *questions #2*

WHAT ARE THE BIGGEST BARRIERS TO THE DEVELOPMENT OF HOUSING THAT MEETS LOCAL NEEDS AND IS AFFORDABLE TO YOUR COMMUNITY?

WHAT DO YOU SEE AS THE BEST OPPORTUNITY TO IMPROVE THE HOUSING OPTIONS IN YOUR COMMUNITY?

WHO IS AN ADVOCATE/SUPPORTER OF LOCAL HOUSING NEEDS?

WHO CAN STAND IN THE WAY?

## Closing Questions

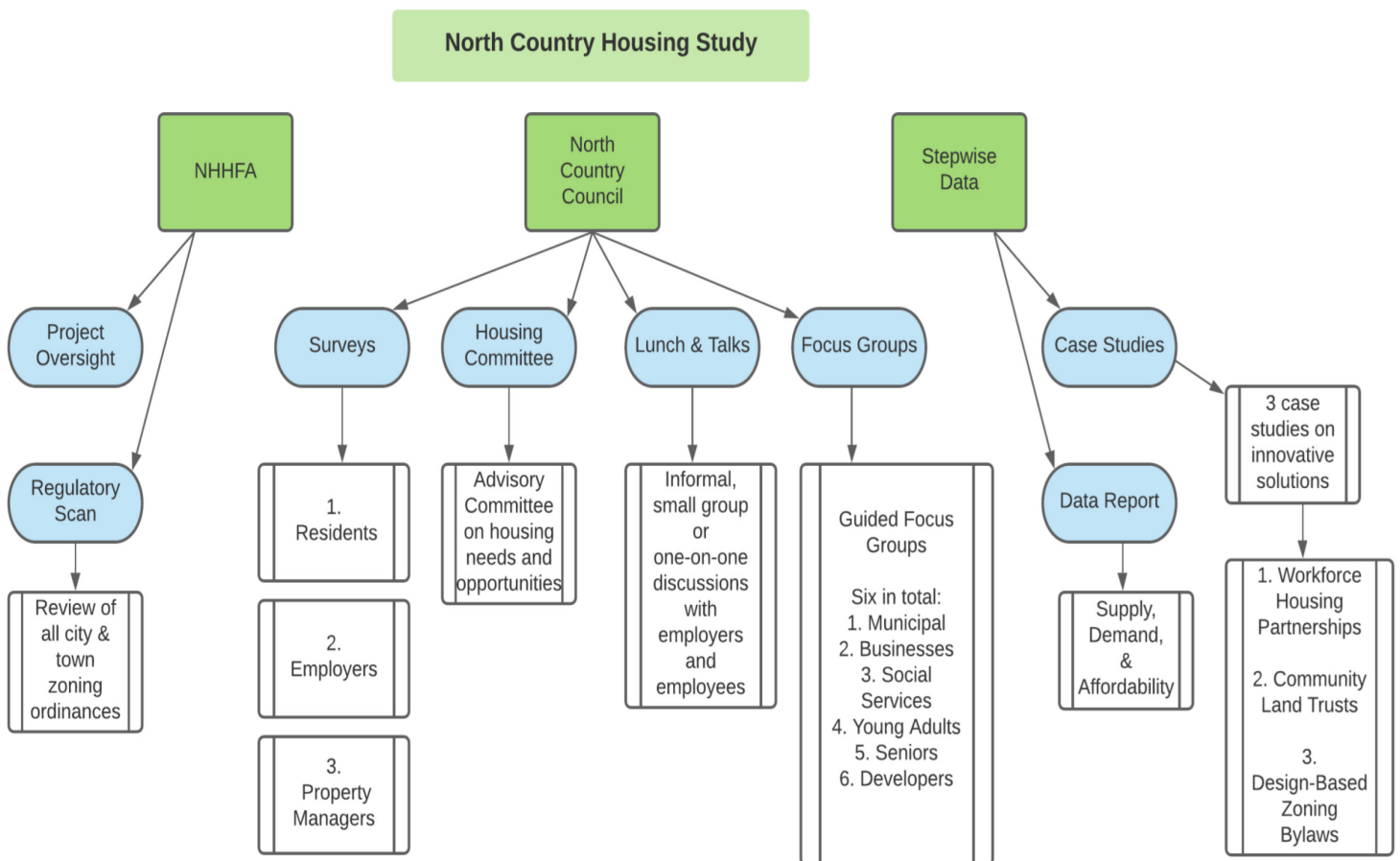
WHAT QUESTION DID WE NOT ASK TODAY THAT WE SHOULD HAVE?

WHO WASN'T IN THE ROOM TODAY WHO CAN HELP THIS DISCUSSION?

DO YOU HAVE ANY QUESTIONS FOR NCC?

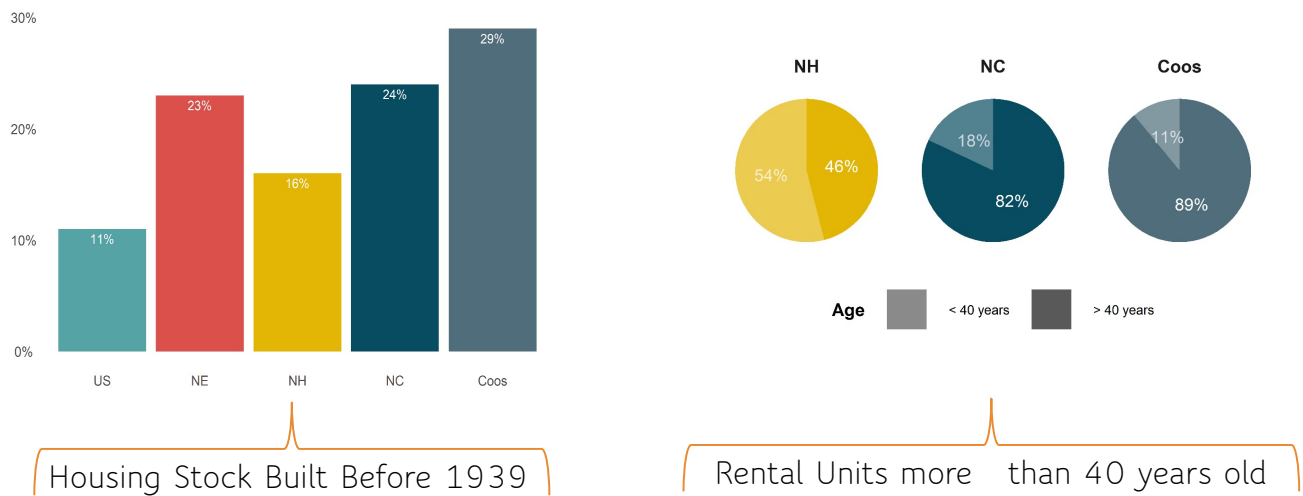
## Appendix B: North Country Housing Focus Group | Business Community 12.9.2020

### ACROSS THE REGION – HOUSING DATA

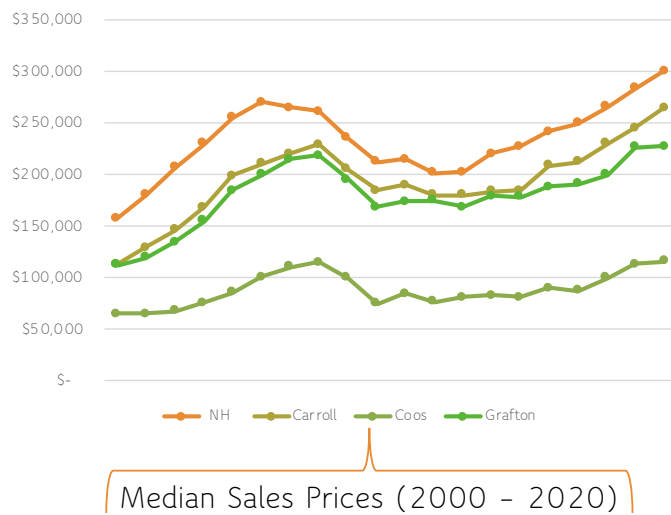




## North County Housing Stock is Relatively Old...

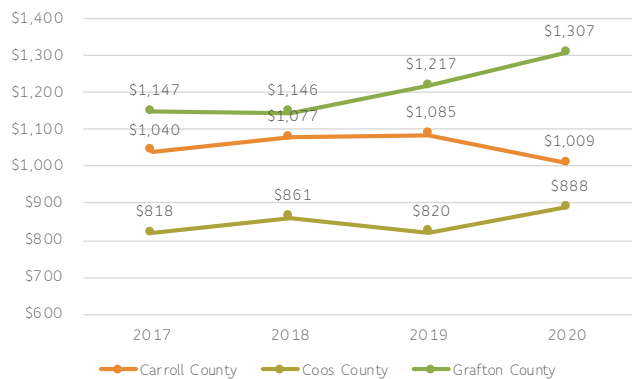


## And while prices of homes have been increasing, they are still lower than NH as whole...

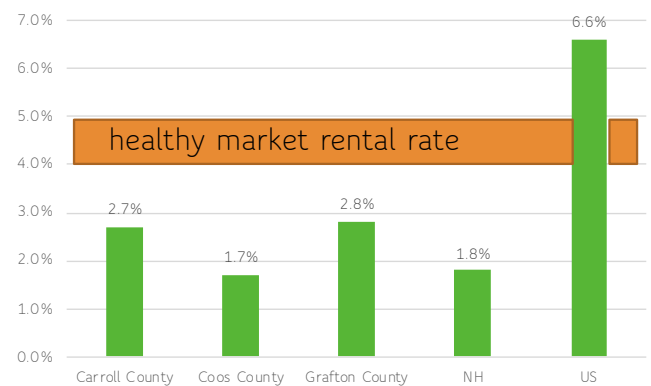


- In 2019 the average cost of a home sold was:
  - \$265,000 in Carroll County
  - \$116,100 in Coos County
  - \$227,000 in Grafton County

This holds true for rental units... however vacancy rates are very low.

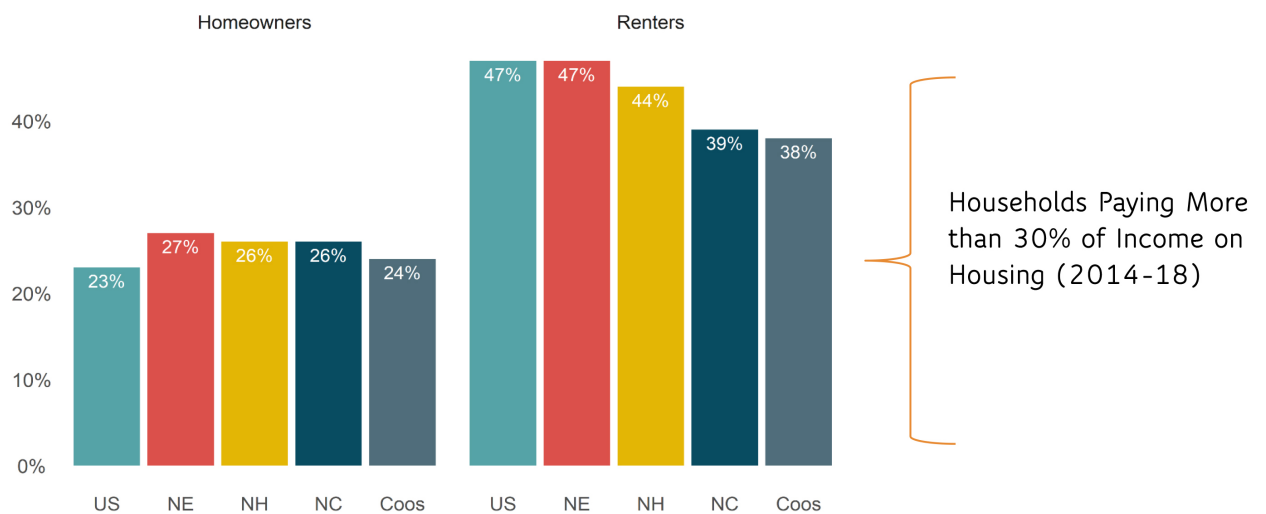


Median Rent for 2BR Units ('17 - '20)



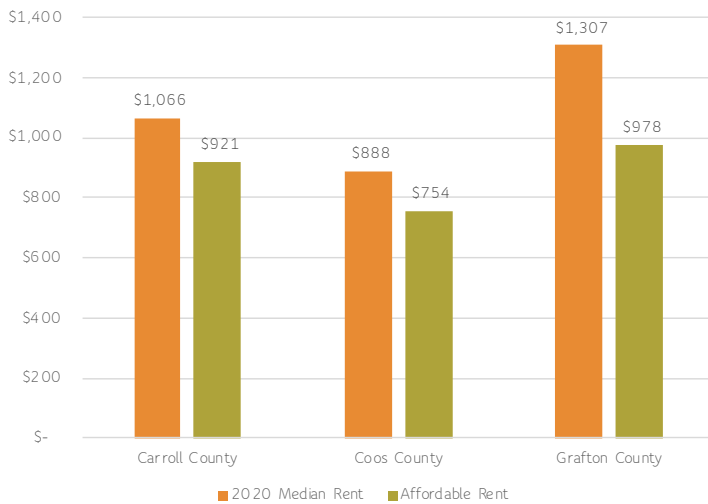
Vacancy Rates in 2020 (all rentals)

And affordability is still a major challenge...



Households Paying More than 30% of Income on Housing (2014-18)

Particularly, when you consider the median incomes for renter households...

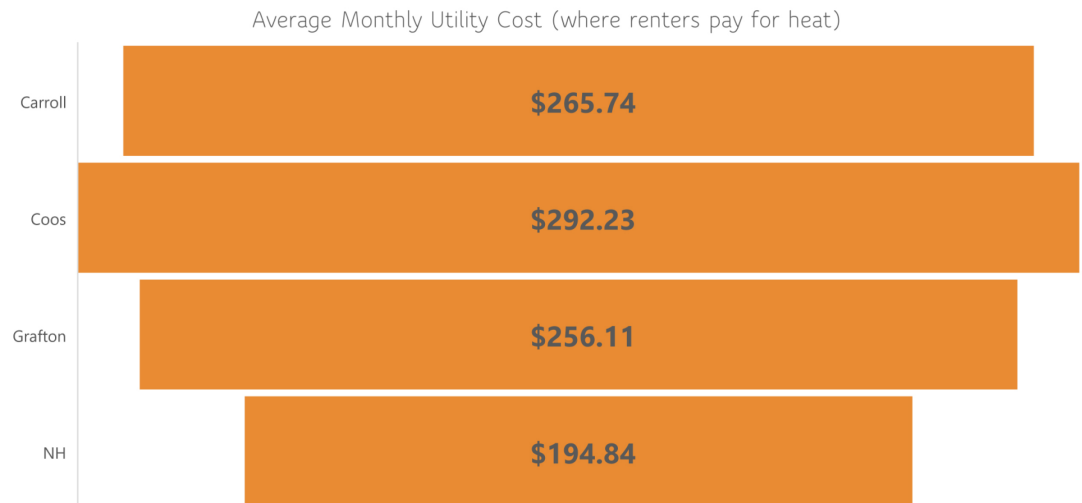


It is clear to see that the cost of rentals are often not affordable to North Country households.

- In Coos County a renter must make **118%** of median renter income
- In Grafton County a renter must make **134%** of median renter income
- In Carroll County a renter must make **117%** of median renter income

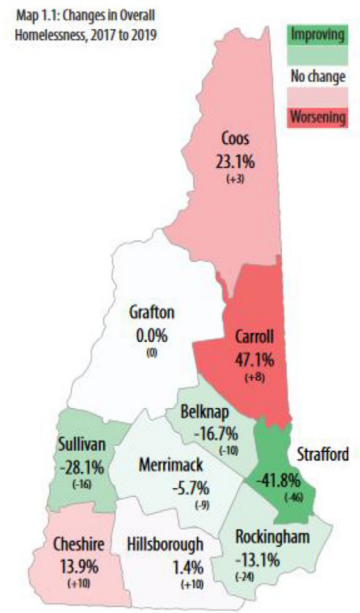
And utility costs...

Which are notably higher than NH as a whole.



In fact, according to data in the [2019 State of Homelessness in NH Report](#), parts of our region we are seeing increases in the number of people who do not have a home at all...

	2017	2018	2019
Carroll County	17	11	25
Coos County	13	15	16
Grafton County	73	72	73



Created by Gan Khoon Lay from Noun Project

## Across the Region – Housing Data

*All of this* means that North Country residents face significant challenges in finding, affording, and maintaining quality housing.

Which impacts the physical and mental health of our people, the success of our businesses and organizations, the make-up of our communities, and the region *as a whole*.

---

## About Your Business / Organization

WHERE IS YOUR BUSINESS LOCATED?

HOW MANY PEOPLE DO YOU  
EMPLOY?

IS THE WORK YOU PROVIDE YEAR-  
ROUND? SEASONAL? FULL-TIME?  
PART-TIME?

---

## About Your Employees Experience

WHERE DO YOUR EMPLOYEES  
LIVE NOW?

IN YOUR OPINION, WHAT IMPACTS  
WHERE EMPLOYEES LIVE MOST?

(THINK ABOUT THINGS LIKE: COST;  
AVAILABILITY; CONDITION; PROXIMITY TO  
FRIENDS AND FAMILY, AMENITIES, WORK,  
RECREATIONAL AREAS, ETC.)

---

## About Your Employees Experiences

DO YOU KNOW OF EMPLOYEES (OR POTENTIAL EMPLOYEES) WHO HAVE HAD TROUBLE FINDING (OR MAINTAINING) A HOME IN THE AREA?

IN YOUR OPINION, WHO HAS THE MOST TROUBLE FINDING HOUSING IN YOUR AREA?

HAS THE NUMBER EMPLOYEES FACING CHALLENGES (OR THE SEVERITY THOSE CHALLENGES) CHANGED OVER TIME?

---

## How Housing Impacts Your Work

WHAT IS THE GREATEST BARRIER TO HOUSING THAT MEETS LOCAL NEEDS IN YOUR AREA?

WHAT DO YOU THINK ARE THE BEST OPPORTUNITIES TO IMPROVING OUR HOUSING MARKET?

---

## How Housing Impacts Your Work

WHAT DO YOU WISH  
THE AVERAGE  
PERSON KNEW  
ABOUT HOW  
HOUSING IMPACTS  
YOUR BUSINESS?

---

## About the Role Your Business Plays

DO YOU PLAY AN ACTIVE ROLE IN EMPLOYEE'S  
HOUSING IN ANY OF THE FOLLOWING WAYS?

- PROVIDE EMPLOYEE HOUSING
- REFERRALS TO LOCAL HOUSING PROVIDERS
- REFERENCES
- KEEP A RENTAL LISTING BOARD AT WORK
- HELP CONNECTING ROOMMATES
- INFORMATION ON WEATHERIZATION OR ENERGY EFFICIENCY RESOURCES
- FINANCIAL SUPPORT (HELP WITH MOVING OR SECURITY DEPOSITS)
- OTHERS...

WOULD YOU BE INTERESTED IN PROVIDING  
ANY OF THESE?

---

## About the Role Your Business Plays

IS THERE SPACE TO ADD  
RESIDENTIAL UNITS WHERE YOUR  
BUSINESS IS LOCATED?

IF SO, IS THIS SOMETHING YOU  
HAVE EVER CONSIDERED?

WHAT WOULD THE BARRIERS BE TO  
BUILDING HOUSING ON THE SAME  
PROPERTY AS YOUR BUSINESS?

## Small Group Wrap-Up

WHAT QUESTION DID WE NOT ASK  
TODAY THAT WE SHOULD HAVE?

WHO WASN'T IN THE ROOM TODAY  
WHO CAN HELP THIS DISCUSSION?

DO YOU HAVE ANY QUESTIONS  
FOR NCC?



---

## FOCUS GROUP CLOSE OUT

*IN SMALL GROUPS WE ASKED:  
WHAT IS THE GREATEST  
BARRIER TO HOUSING IN YOUR  
AREA?*

*NOW WE ASK:  
HOW DO YOU BEST ADVOCATE  
FOR THAT NEED?*

---

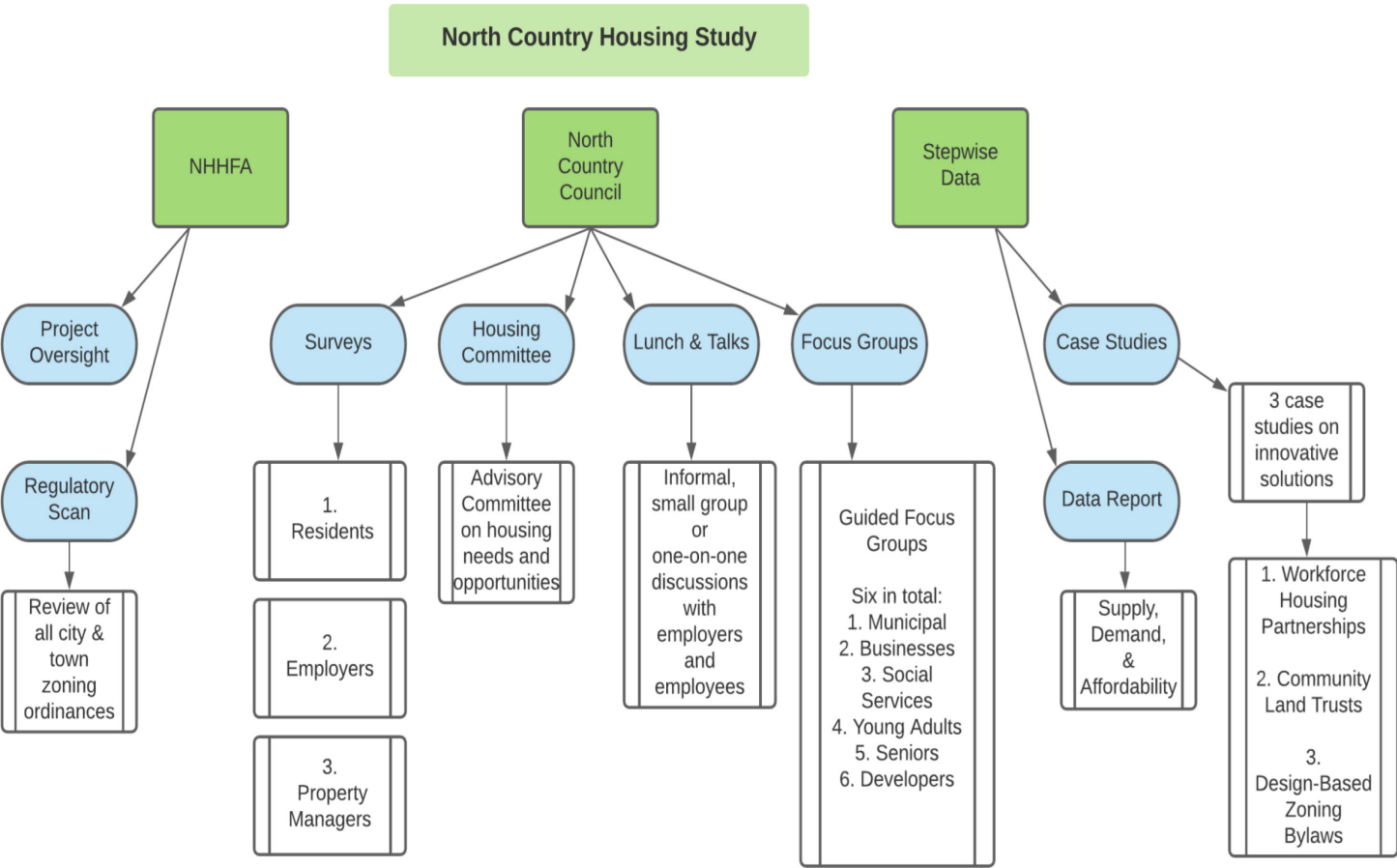
### Want to Keep the Conversation Going?

- ☐ Help Us Spread the Word About 3 Housing Surveys:
    - ☐ Residents: <https://www.surveymonkey.com/r/FD9PZQX>
    - ☐ Employers: <https://www.surveymonkey.com/r/F7SCCK9>
    - ☐ Property Managers: <https://www.surveymonkey.com/r/PX2987V>
  - ☐ Fill Our Focus Groups for:
    - ☐ Young Adults & Working Families
    - ☐ Seniors
    - ☐ Realtors & Lenders
    - ☐ Builders & Housing Producers
  - ☐ Host a Lunch & Talk Conversation at your work place, one-on-one, or with a small group
- Reach out to Kaela Tavares ([ktavares@nccouncil.org](mailto:ktavares@nccouncil.org)) 603-444-6303 ext. 2025

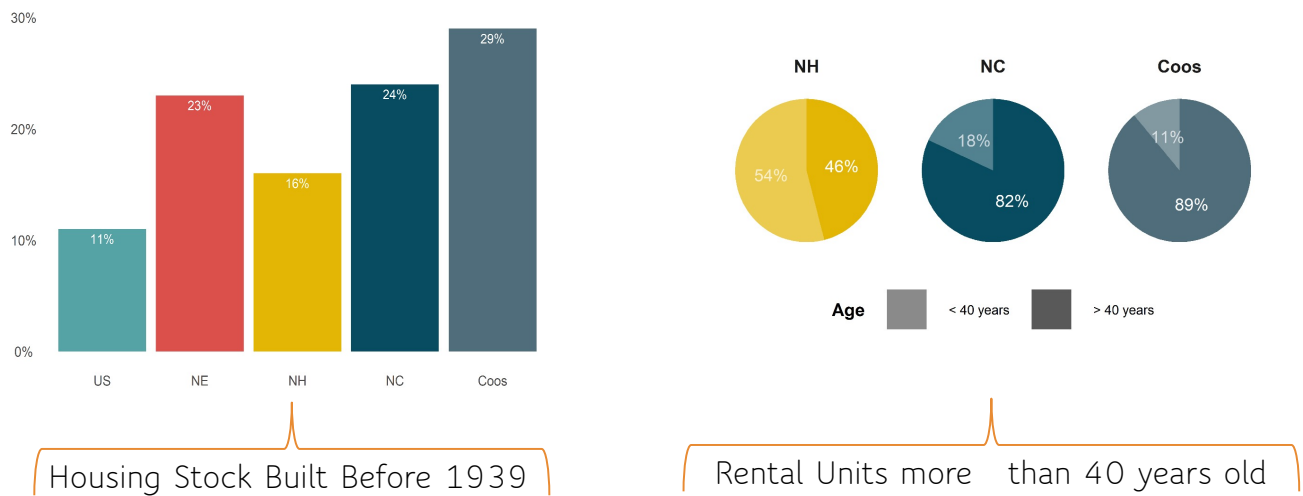
# Appendix C: North Country Housing

## Focus Group | Social Services Providers 12.9.2020

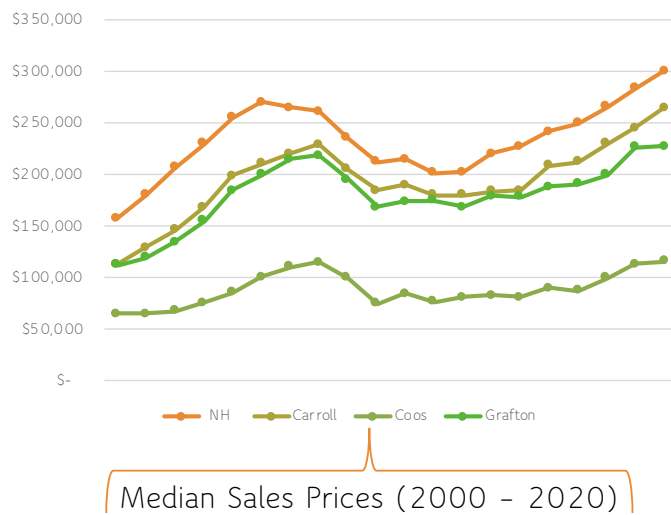
### ACROSS THE REGION – HOUSING DATA



## North County Housing Stock is Relatively Old...

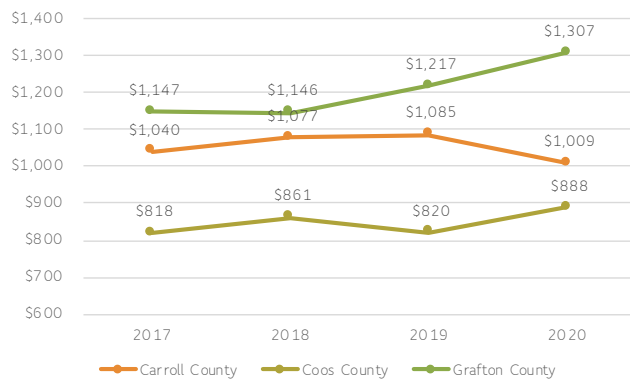


## And while prices of homes have been increasing, they are still lower than NH as whole...

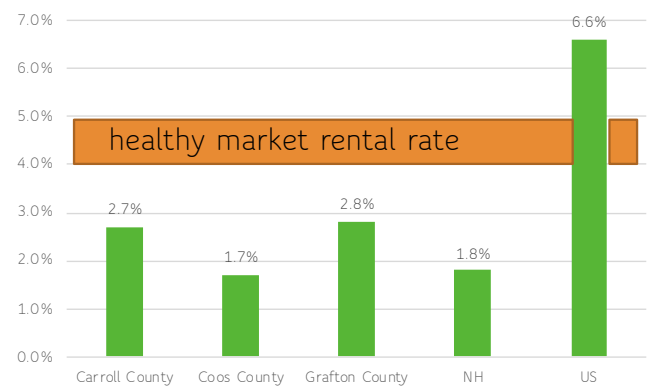


- In 2019 the average cost of a home sold was:
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  - \$227,000 in Grafton County

This holds true for rental units... however vacancy rates are very low.

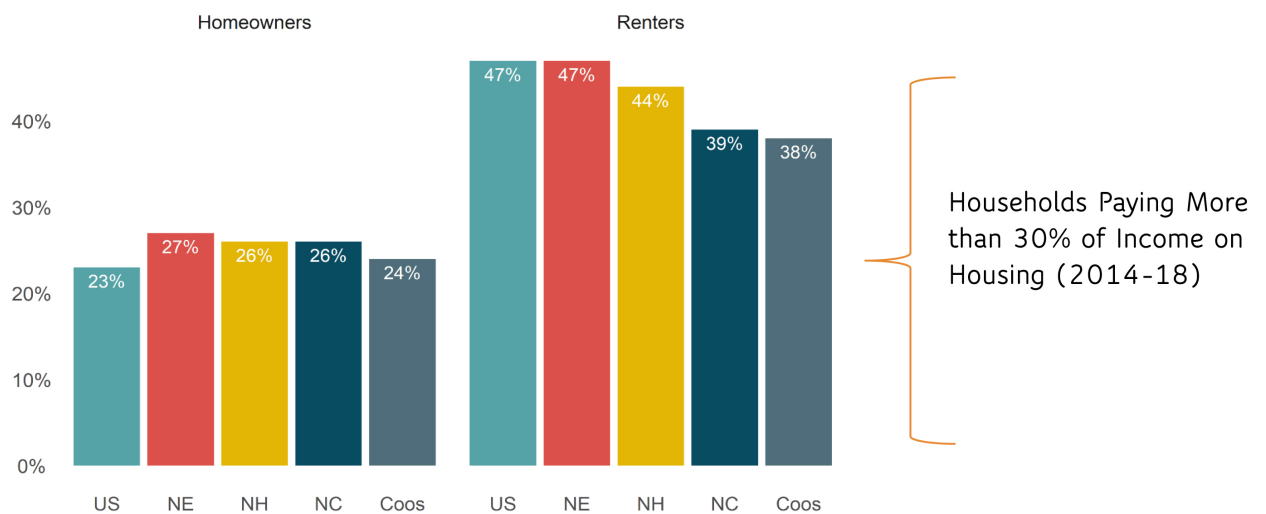


Median Rent for 2BR Units ('17 - '20)

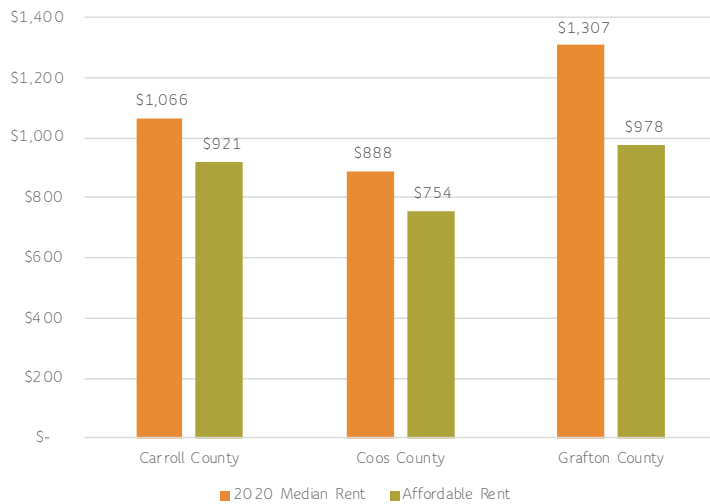


Vacancy Rates in 2020 (all rentals)

And affordability is still a major challenge...



Particularly, when you consider the median incomes for renter households...

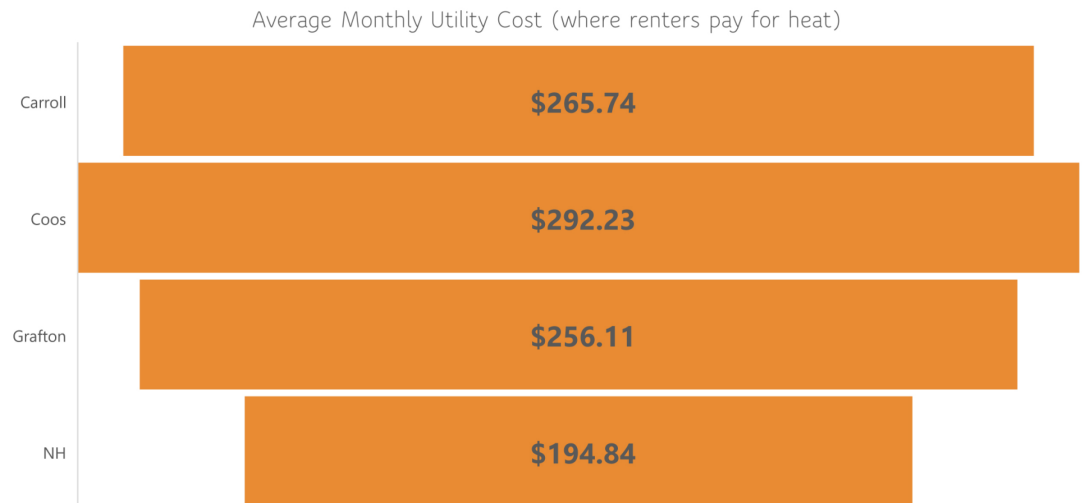


It is clear to see that the cost of rentals are often not affordable to North Country households.

- In Coos County a renter must make **118%** of median renter income
- In Grafton County a renter must make **134%** of median renter income
- In Carroll County a renter must make **117%** of median renter income

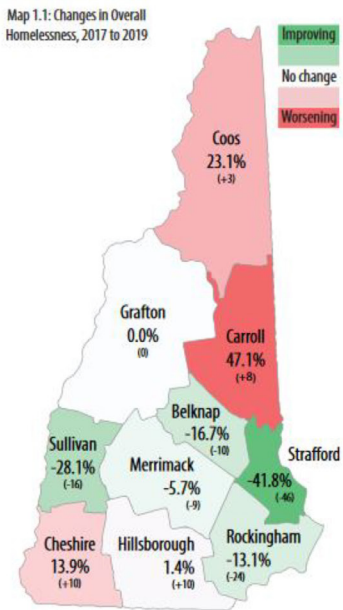
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	2017	2018	2019
Carroll County	17	11	25
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Created by Gan Khoon Lay from Noun Project

## Across the Region – Housing Data

*All of this* means that North Country residents face significant challenges in finding, affording, and maintaining quality housing.

Which impacts the physical and mental health of our people, the success of our businesses and organizations, the make-up of our communities, and the region *as a whole*.

---

## Your Home Today

WHERE DO YOU LIVE TODAY?

HOW LONG HAVE YOU LIVED THERE?

HOW DID YOU END UP LIVING THERE?

---

## About Your Clients Experience

WHERE DO THE PEOPLE SERVED BY YOUR ORGANIZATION LIVE NOW?

IN YOUR OPINION, WHAT IMPACTS WHERE THE PEOPLE YOU WORK WITH LIVE MOST?

(THINK ABOUT THINGS LIKE: COST; AVAILABILITY; CONDITION; PROXIMITY TO FRIENDS AND FAMILY, SERVICES, AMENITIES, WORK, RECREATIONAL AREAS, ETC.)

---

## About Your Clients Experiences

DO YOU KNOW OF CLIENTS WHO HAVE HAD TROUBLE FINDING (OR MAINTAINING) A HOME IN THE AREA?

HAS THE NUMBER PEOPLE YOU WORK WITH FACING CHALLENGES (OR THE SEVERITY THOSE CHALLENGES) CHANGED OVER TIME?

IN YOUR OPINION, WHO HAS THE MOST TROUBLE FINDING HOUSING IN YOUR AREA?

---

## About Your Clients Experiences

Thinking about the number, size (bedrooms), condition, layout (single-story vs. multi-story), and location of homes (related to services, amenities, and jobs).....

DOES YOUR COMMUNITY'S HOUSING STOCK MATCH THE NEEDS OF ITS RESIDENTS TODAY?

WILL YOUR COMMUNITY'S HOUSING STOCK MATCH THE NEEDS OF ITS RESIDENTS IN 10 YEARS?



---

## How Housing Impacts Your Area

WHAT KIND OF HOUSING DO YOU THINK WOULD  
BEST MEET THE NEEDS OF YOUR COMMUNITY?

- FORMAL ASSISTED LIVING FACILITIES
- AGE IN PLACE COMMUNITIES
- MIXED USE RESIDENTIAL NEAR/ABOVE EXISTING  
BUSINESSES
- FORMAL AFFORDABLE HOUSING DEVELOPMENTS
- REUSE / CONVERSION OF EXISTING OLDER  
STRUCTURES FOR NEW HOUSING
- COTTAGE COMMUNITIES
- DUPLEXES & TRIPLEXES
- NEW MULTI-FAMILY APARTMENT BUILDINGS
- NEW SINGLE-FAMILY HOMES ON INDIVIDUAL LOTS
- OTHERS?

---

## How Housing Impacts Your Area

WHAT IS THE GREATEST BARRIER TO  
HOUSING THAT MEETS LOCAL NEEDS  
IN YOUR AREA?

WHAT IS THE BEST OPPORTUNITY FOR  
HOUSING THAT MEETS LOCAL NEEDS  
IN YOUR AREA?

WHAT DO YOU WISH THE AVERAGE  
PERSON KNEW ABOUT HOW HOUSING  
IMPACTS YOUR COMMUNITY?

---

## About the Role Your Organization Plays

DO YOU PLAY AN ACTIVE ROLE IN PEOPLE'S  
HOUSING IN ANY OF THE FOLLOWING WAYS?

- PROVIDE EMPLOYEE HOUSING
- REFERRALS TO LOCAL HOUSING PROVIDERS
- REFERENCES
- KEEP A RENTAL LISTING BOARD AT WORK
- HELP CONNECTING ROOMMATES
- INFORMATION ON WEATHERIZATION OR ENERGY EFFICIENCY RESOURCES
- FINANCIAL SUPPORT (HELP WITH MOVING, SECURITY DEPOSITS, EMERGENCY FUNDS - EVICTIONS)
- LEGAL ASSISTANCE (EDUCATION OR DIRECT ASSISTANCE)
- OTHERS...

DO YOU KNOW OF OR WORK WITH PARTNER  
AGENCIES OR OTHER RESOURCES THAT PROVIDE  
THESE SERVICES?

## Small Group Wrap-Up

WHAT QUESTION DID WE NOT ASK  
TODAY THAT WE SHOULD HAVE?

WHO WASN'T IN THE ROOM TODAY  
WHO CAN HELP THIS DISCUSSION?

DO YOU HAVE ANY QUESTIONS  
FOR NCC?

---

## FOCUS GROUP CLOSE OUT

*IN SMALL GROUPS WE ASKED:  
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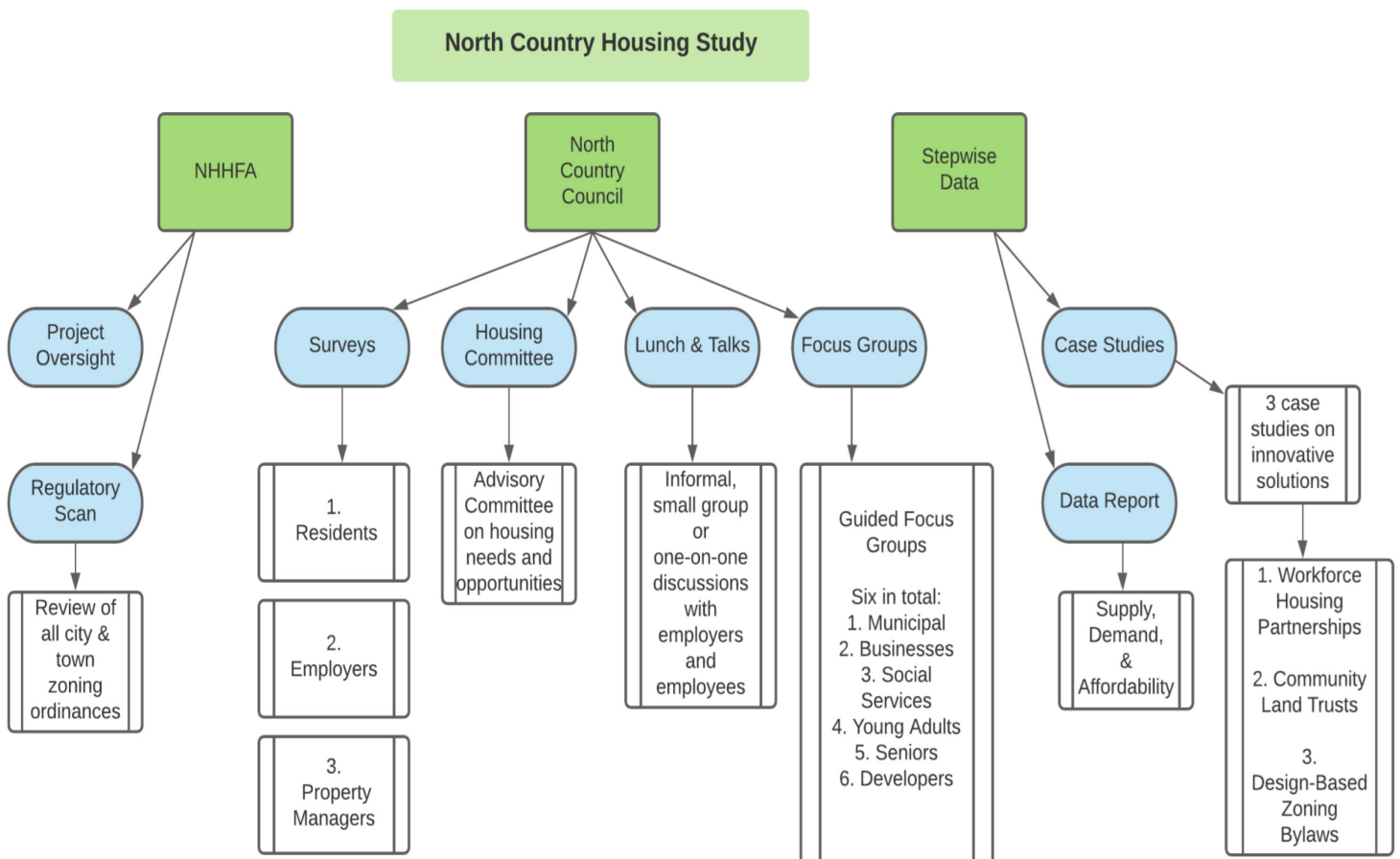
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### Want to Keep the Conversation Going?

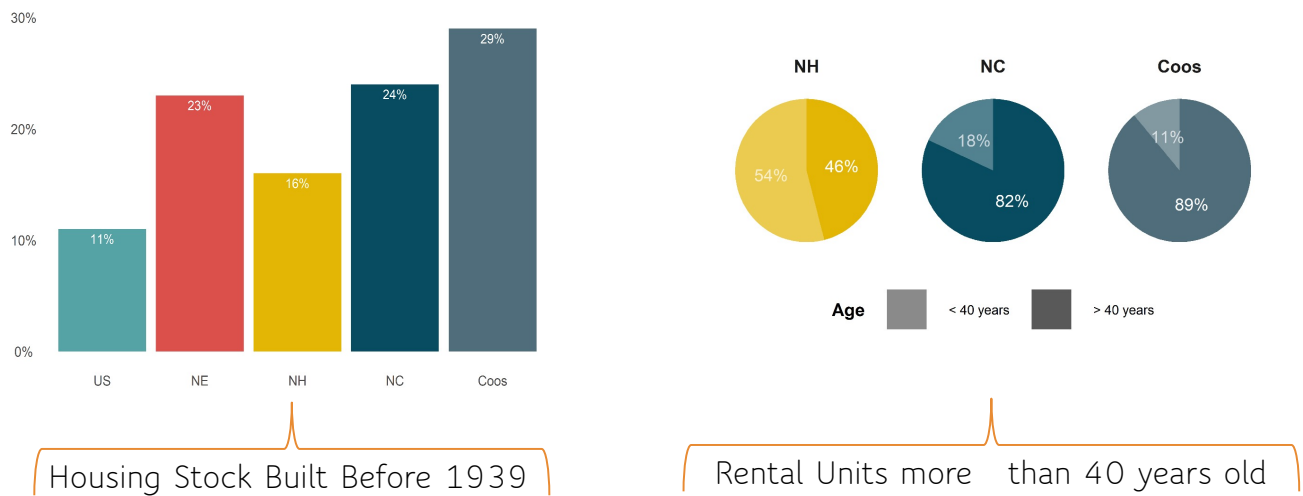
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    - ☐ Property Managers: <https://www.surveymonkey.com/r/PX2987V>
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    - ☐ Young Adults & Working Families
    - ☐ Seniors
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## Appendix D : North Country Housing Focus Group | Senior Citizens 1.4.2021

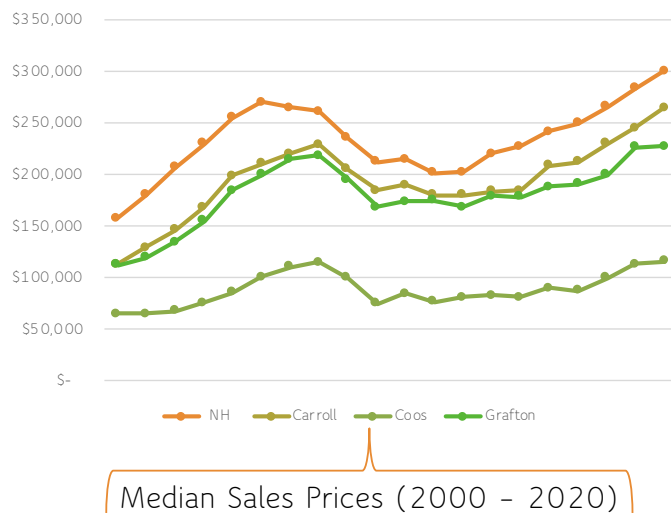
### ACROSS THE REGION – HOUSING DATA



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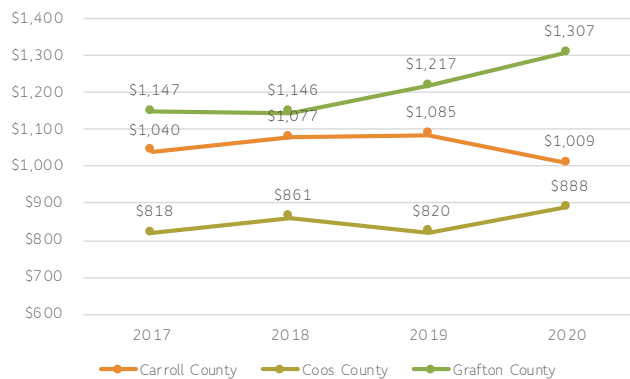


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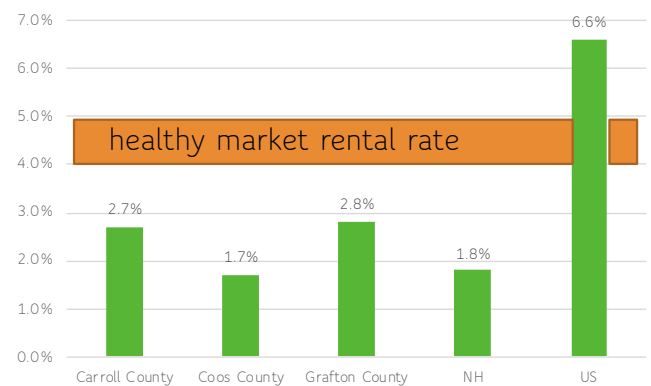


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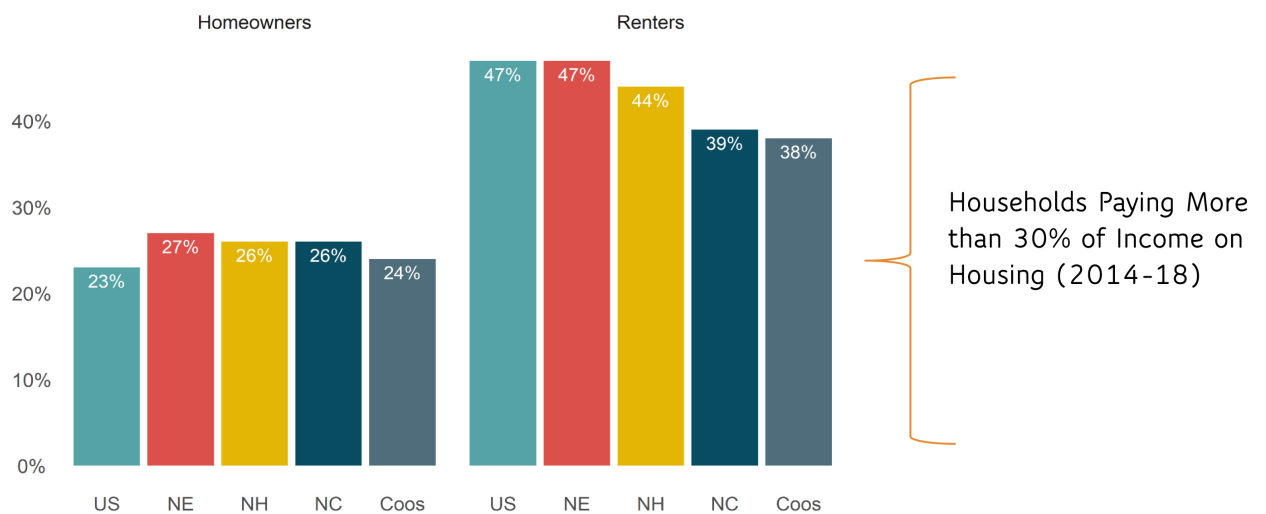


Median Rent for 2BR Units ('17 - '20)



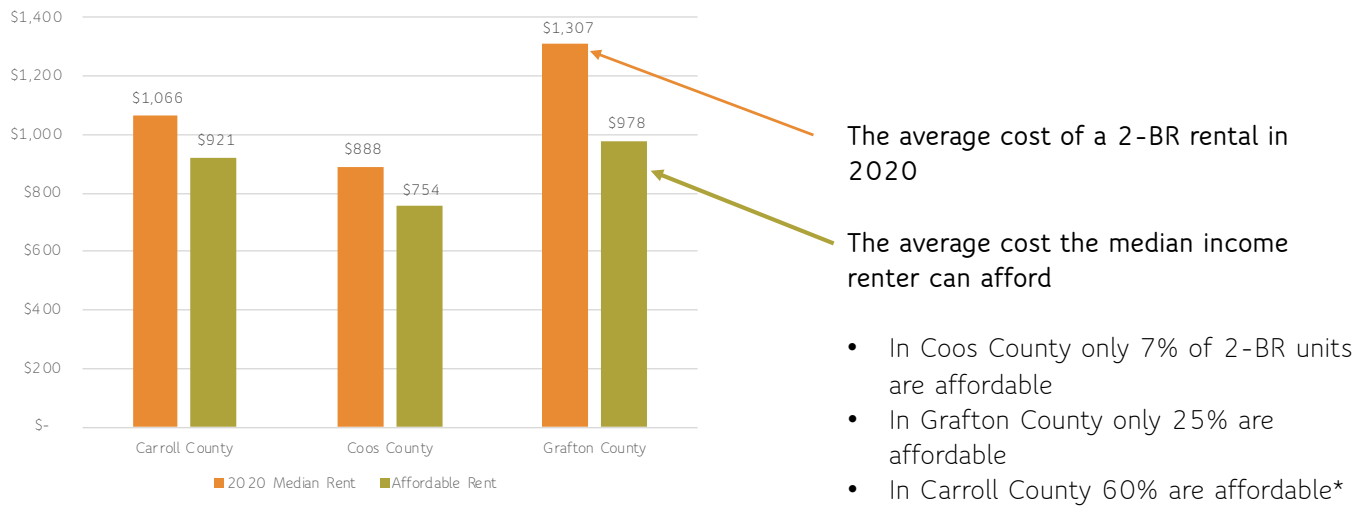
Vacancy Rates in 2020 (all rentals)

And affordability is still a major challenge...



Households Paying More than 30% of Income on Housing (2014-18)

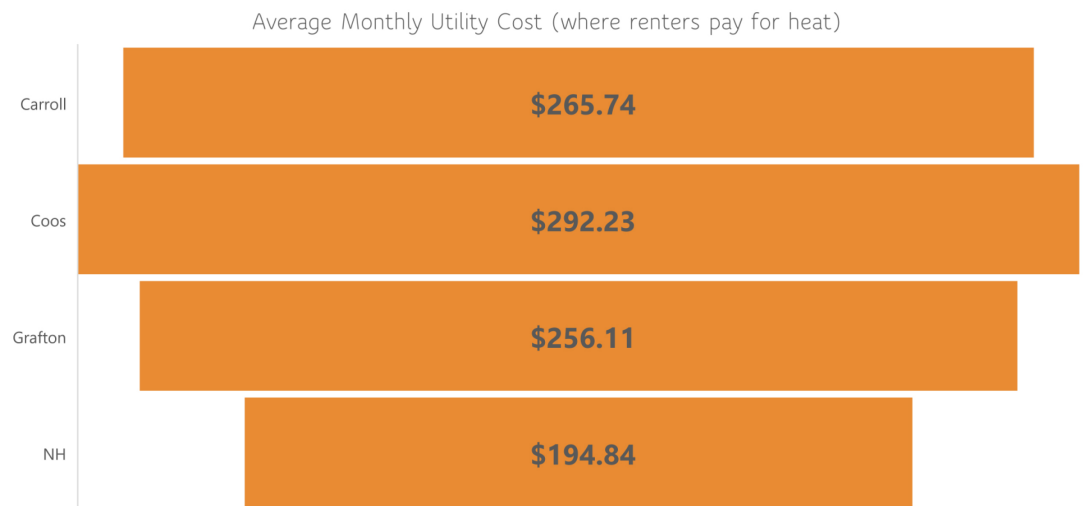
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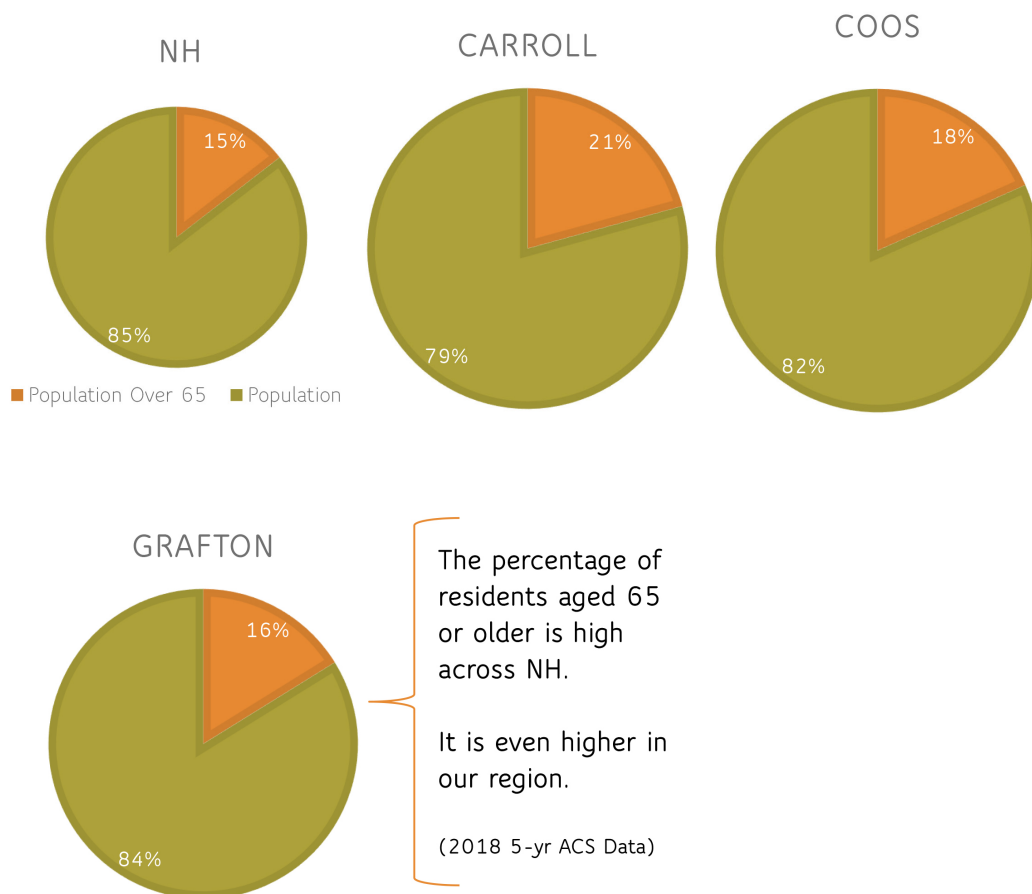
\* Only 1.3% of the survey sample came from Carroll County & Only 2.2% from Coos.

And utility costs...

Which are notably higher than NH as a whole.



And our population itself is changing...



Created by Gan Khoon Lay  
from Noun Project

## Across the Region – Housing Data

*All of this* means that North Country residents face significant challenges in finding, affording, and maintaining quality housing.

Which impacts the physical and mental health of our people, the success of our businesses and organizations, the make-up of our communities, and the region *as a whole*.



---

## Your Home Today

WHERE DO YOU LIVE TODAY?

HOW LONG HAVE YOU LIVED THERE?

HOW DID YOU END UP LIVING THERE?

---

## Current & Future Needs

DOES YOUR CURRENT HOME MEET YOUR NEEDS?

WILL YOUR CURRENT HOME MEET YOUR NEEDS IN 10 YEARS?

---

## Current & Future Needs

HAVE YOU EXPERIENCED CHALLENGES  
FINDING OR MAINTAINING A HOME IN  
YOUR AREA?

---

## Aging in Place

DO YOU INTEND TO *AGE IN PLACE*  
WITHIN YOUR COMMUNITY?

WITHIN YOUR CURRENT HOME?

WHAT ARE THE GREATEST BARRIERS  
TO AGING IN PLACE?

## Characteristics of desirable housing

WHAT CHARACTERISTICS MAKE HOUSING MOST ATTRACTIVE TO YOU?

Size of lot

Size of home

Price

Proximity to services & amenities

Upkeep required

Community events & gatherings

Neighborhood character

Proximity to natural areas

Free-standing vs. shared walls

## New Housing in Your Area

IN YOUR OPINION, WHERE SHOULD NEW HOUSING BE BUILT IN YOUR AREA?

RURAL AREAS OUTSIDE OF TOWN

WITHIN A WALKABLE (OR BIKEABLE) DISTANCE TO VILLAGE CENTERS/DOWN TOWNS

WITHIN EXISTING VILLAGE CENTERS/DOWNTOWN

## Better Ways to Stay

If programs existed to improve options for seniors in the north country which would you be most interested in?



In your  
community

WHAT IS THE MOST  
IMPORTANT THING  
LEADERS SHOULD  
CONSIDER WHEN  
MAKING HOUSING  
POLICY DECISION?

---

## Small Group Wrap-Up

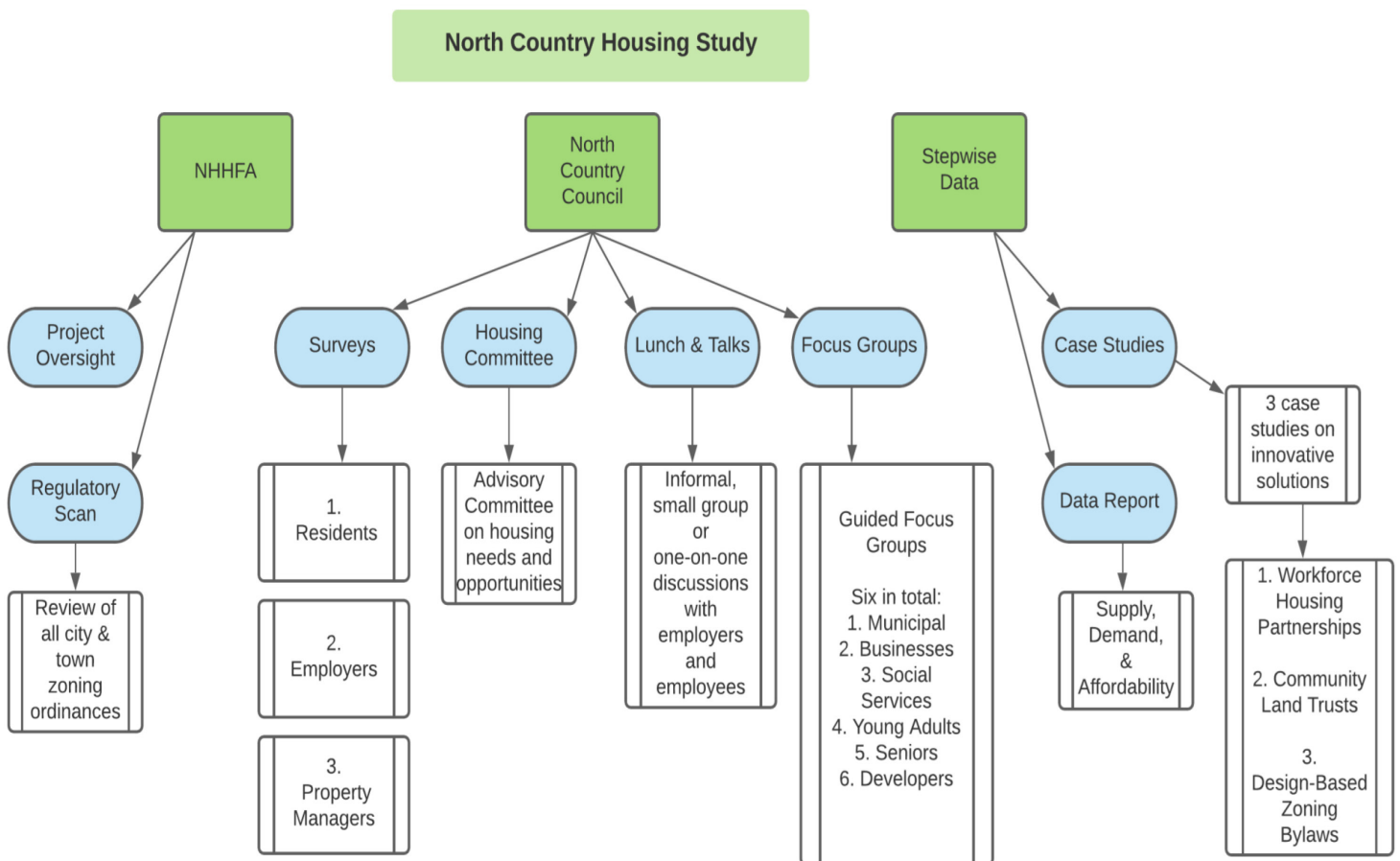
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WHO CAN HELP THIS DISCUSSION?

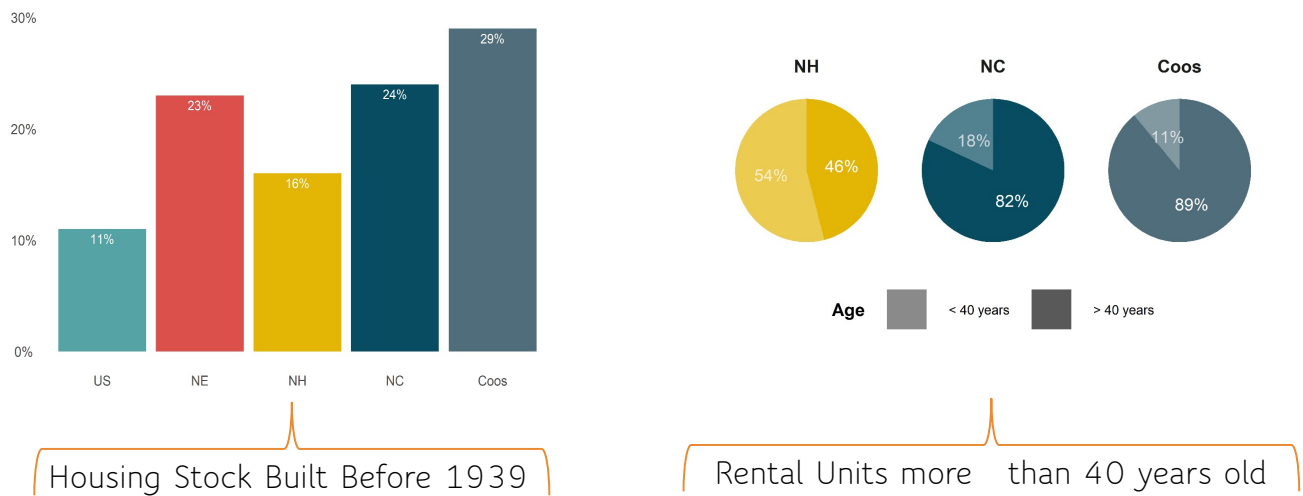
DO YOU HAVE ANY QUESTIONS  
FOR NCC?

## Appendix E: North Country Housing Focus Group | Young Adults 1.21.2021

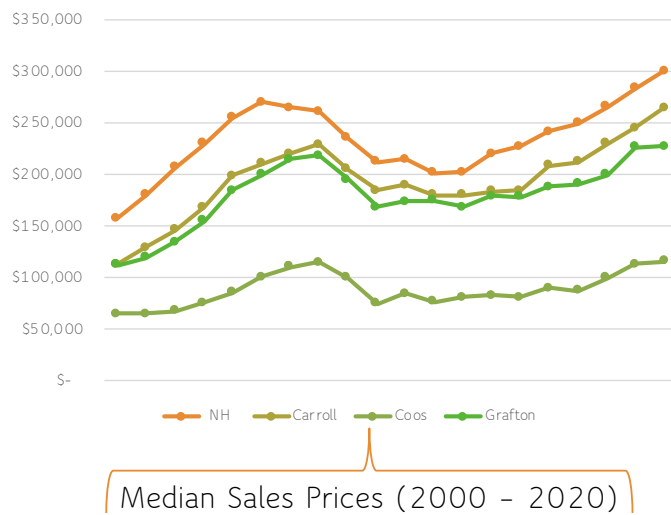
### ACROSS THE REGION – HOUSING DATA



## North County Housing Stock is Relatively Old...

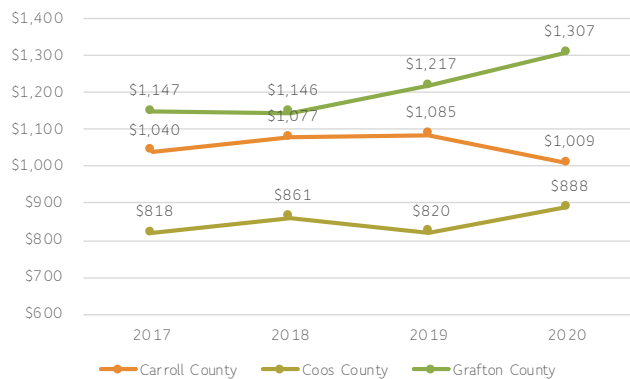


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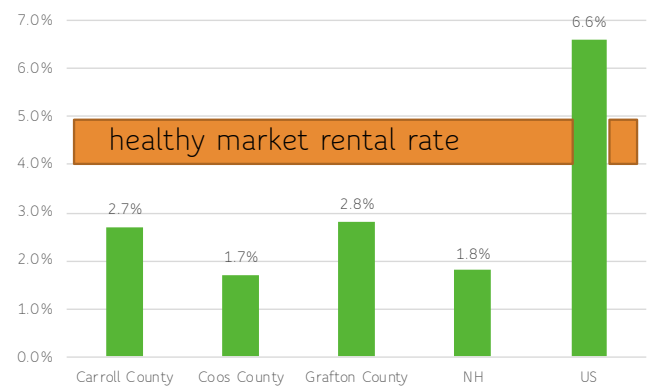


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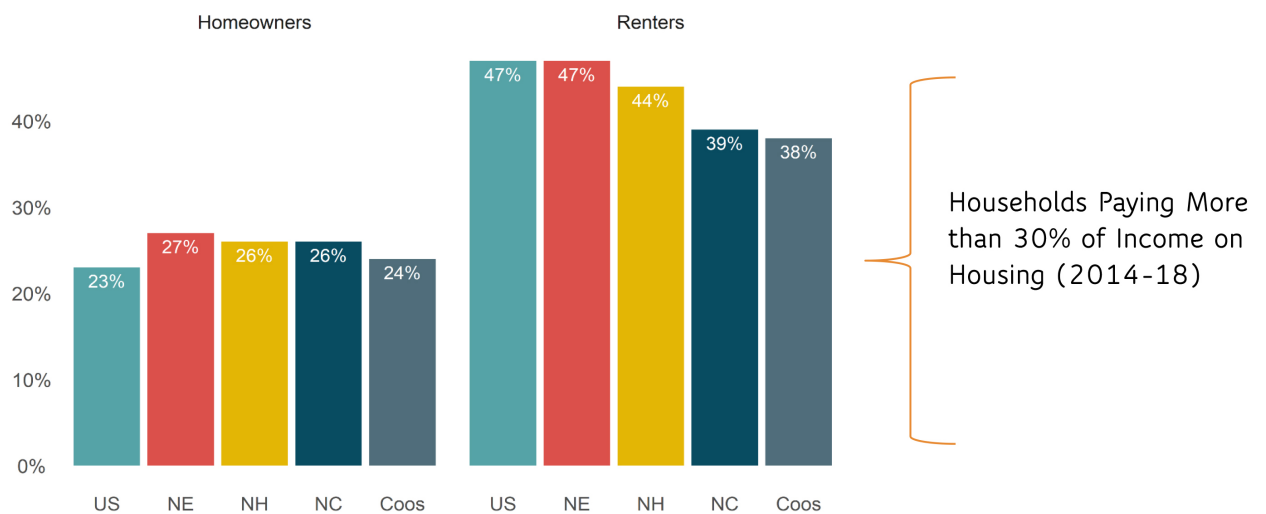


Median Rent for 2BR Units ('17 - '20)



Vacancy Rates in 2020 (all rentals)

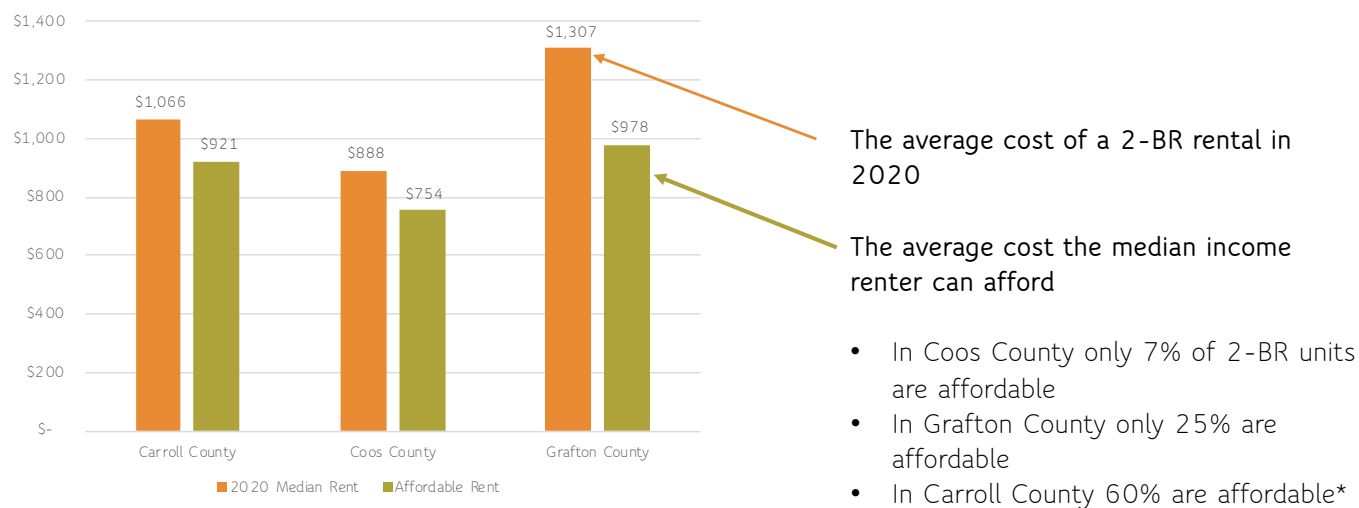
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Households Paying More than 30% of Income on Housing (2014-18)



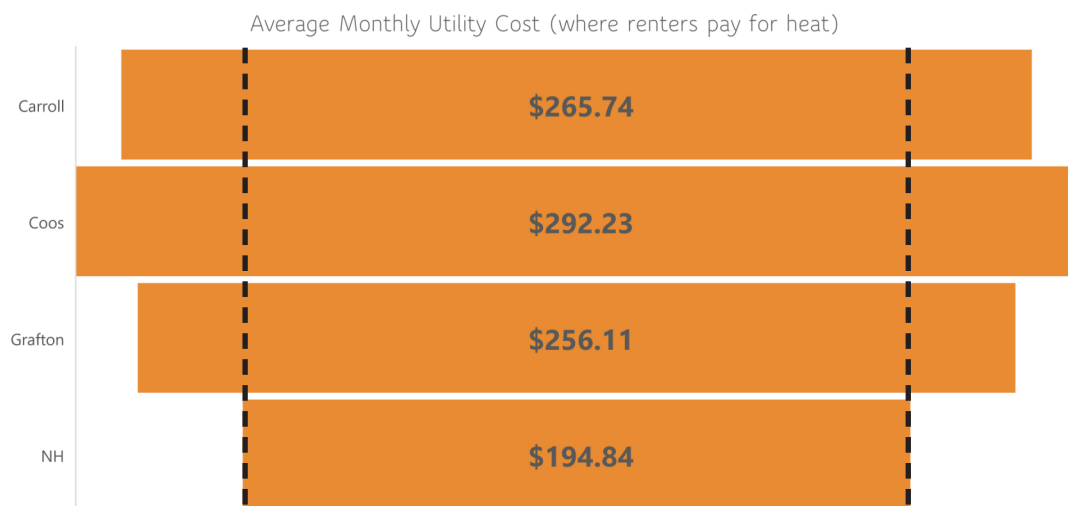
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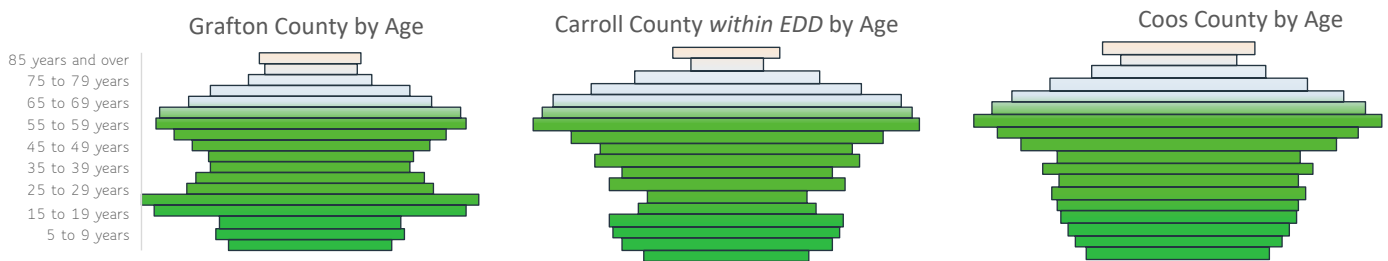
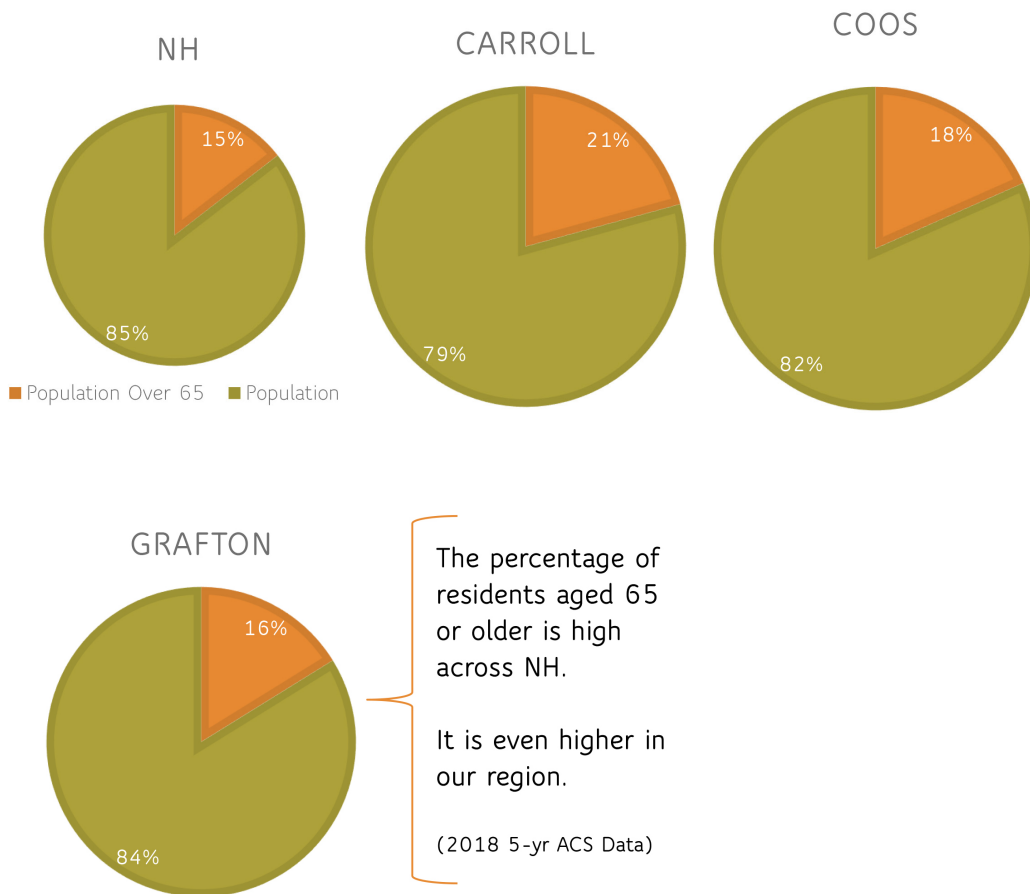
And utility costs...

Which are notably higher than NH as a whole.



---

And our population itself is changing...



Looking at a population by age group shows the balance of young and old people to the workforce

- When the overall shape resembles a ▲ it shows a growing population,
- when is shaped like a ◐ it shows a stable population,
- and when shaped like a ● it shows a constricting or declining population

---

Your Home  
Today

WHERE DO YOU LIVE  
TODAY?

HOW LONG HAVE YOU  
LIVED THERE?

HOW DID YOU END UP  
LIVING THERE?

---

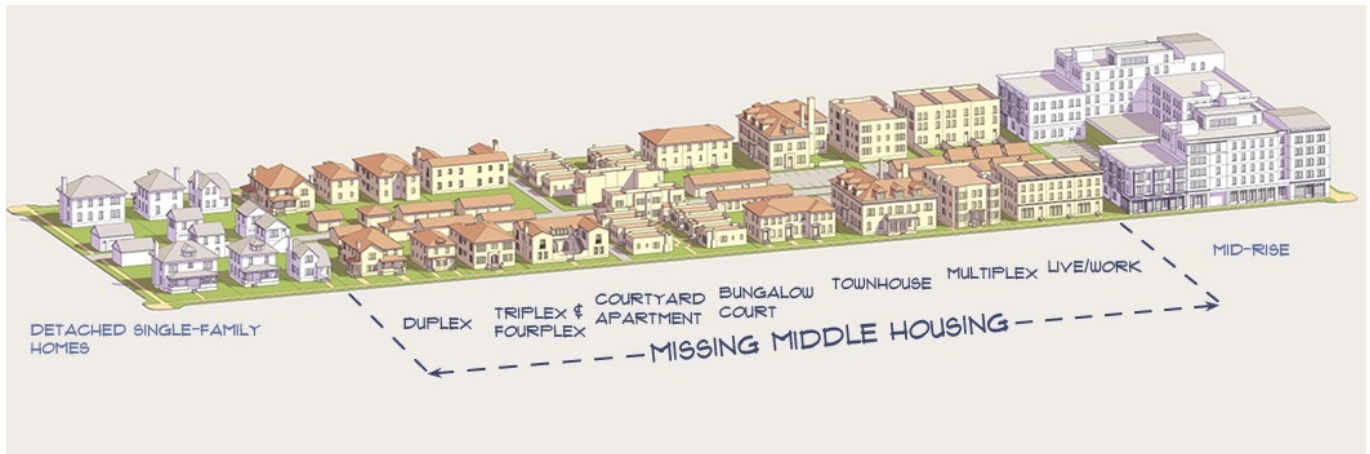
Current &  
Future Needs

DOES YOUR CURRENT HOME  
MEET YOUR NEEDS?

WILL YOUR CURRENT HOME  
MEET YOUR NEEDS IN 10  
YEARS?

---

If not, what housing would better meet your needs (today or in the future)?



---

## Challenges & Decisions

HAVE YOU EXPERIENCED CHALLENGES FINDING OR MAINTAINING A HOME IN YOUR AREA?

WHERE ARE YOU FROM ORIGINALLY? DO YOU INTEND TO STAY IN NORTHERN NH LONG TERM?

HOW MUCH DOES THE SUPPLY, QUALITY, AND TYPE OF HOUSING AVAILABLE IMPACT YOUR DECISION TO STAY IN THE REGION? WHAT ELSE IMPACTS THAT?

## Characteristics of desirable housing

WHAT CHARACTERISTICS MAKE HOUSING MOST ATTRACTIVE TO YOU?

Size of lot

Size of home

Price

Proximity to services & amenities

Upkeep required

Community events & gatherings

Neighborhood character

Proximity to natural areas

Free-standing vs. shared walls

## New Housing in Your Area

IN YOUR OPINION, WHERE SHOULD NEW HOUSING BE BUILT IN YOUR AREA?

RURAL AREAS OUTSIDE OF TOWN

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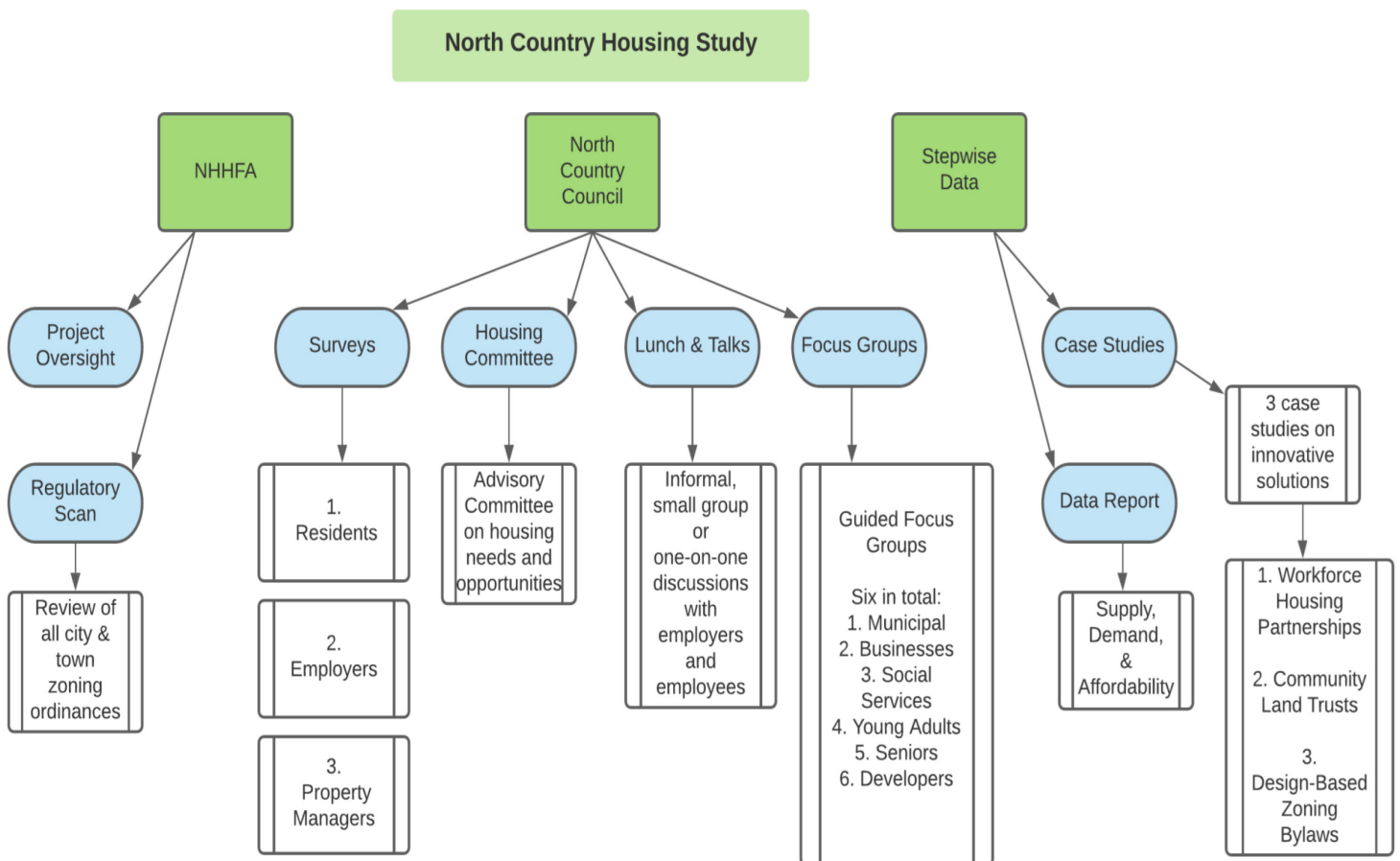
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In your  
community

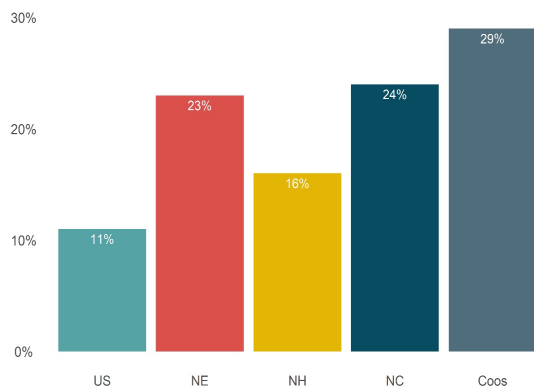
WHAT IS THE MOST  
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CONSIDER WHEN  
MAKING HOUSING  
POLICY DECISION?

## Appendix F: North Country Housing Focus Group | Builders & Developers 1.28.2021

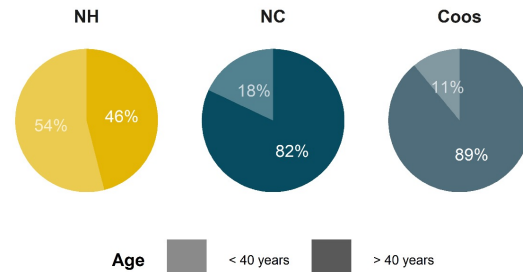
### ACROSS THE REGION – HOUSING DATA



## North County Housing Stock is Relatively Old...



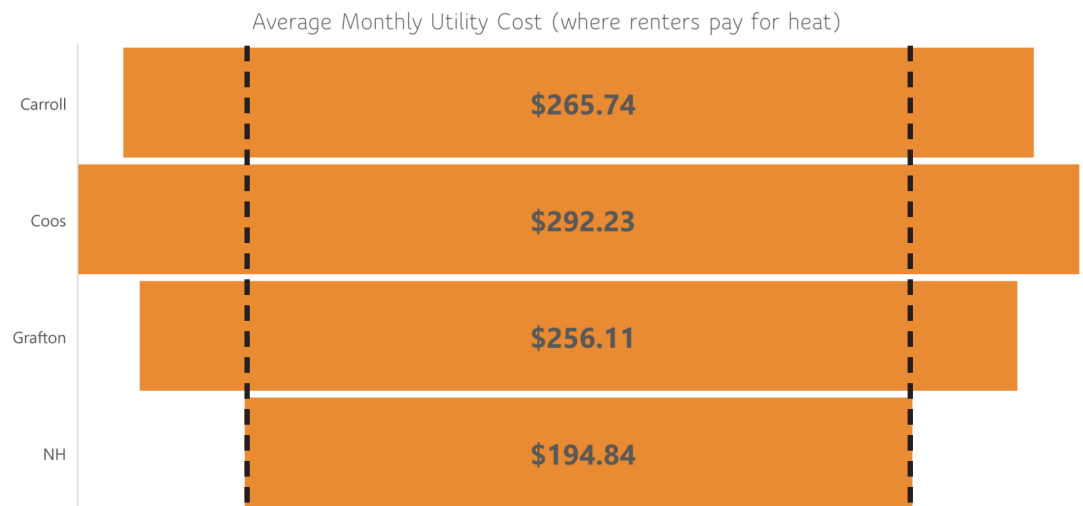
Housing Stock Built Before 1939



Rental Units more than 40 years old

## And utility costs...

Which are notably higher than NH as a whole.





## Building Permits by County 2019

- Coos:
  - SF = 59
  - MF = 11
  - Manuf. = 5
- Grafton:
  - SF = 160 (96)
  - MF = 149 (74)
  - Manuf. = 5 (2)
- Carroll:
  - SF = 200 (87)
  - MF = 54 (37)
  - Manuf. = 7 (2)

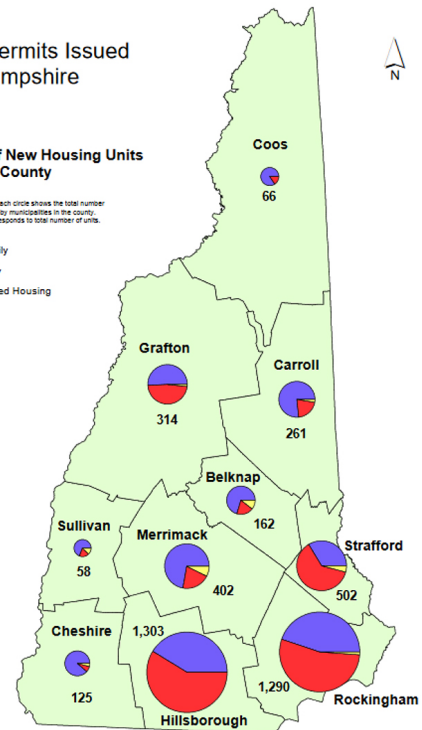
Map 1:  
Building Permits Issued  
in New Hampshire

2019

Distribution of New Housing Units  
Permitted per County

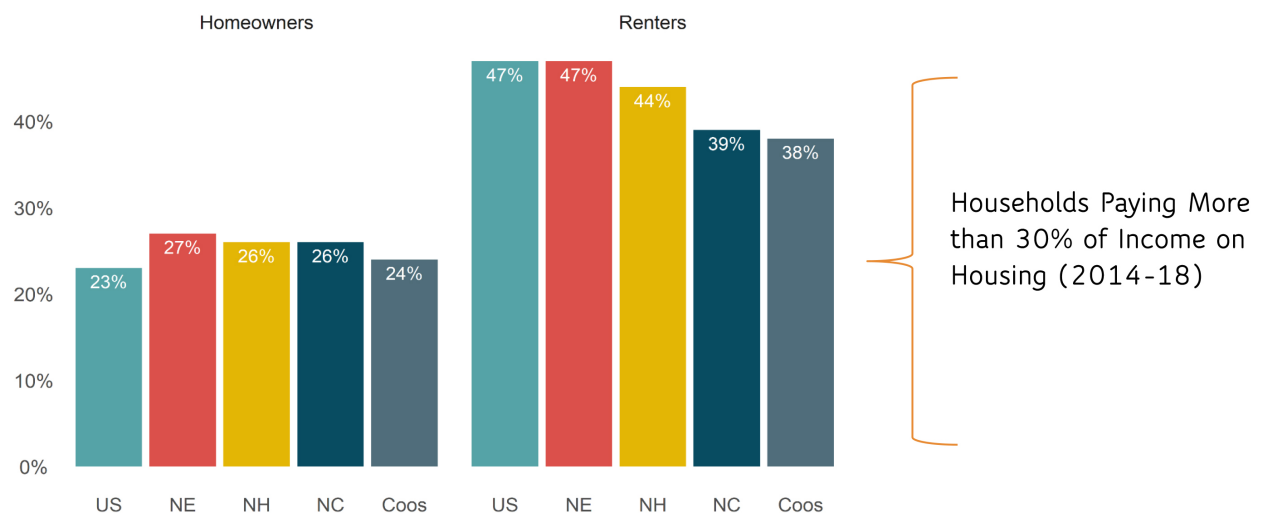
Number next to each circle shows the total number of units permitted by municipalities in the county. Size of circle corresponds to total number of units.

Single Family  
Multi Family  
Manufactured Housing

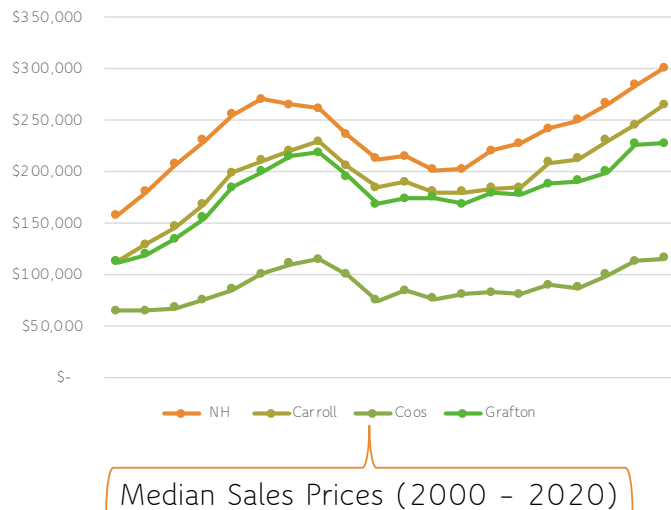


IN our REGION, as of 2019 there are 67,153 housing units. Up from 64,939 (an increase of 2,214)

And affordability is still a major challenge...

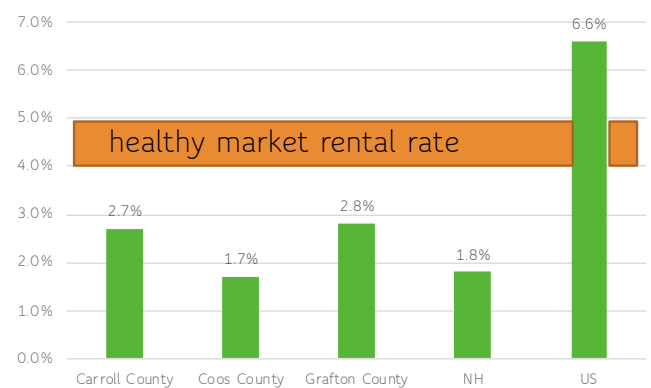
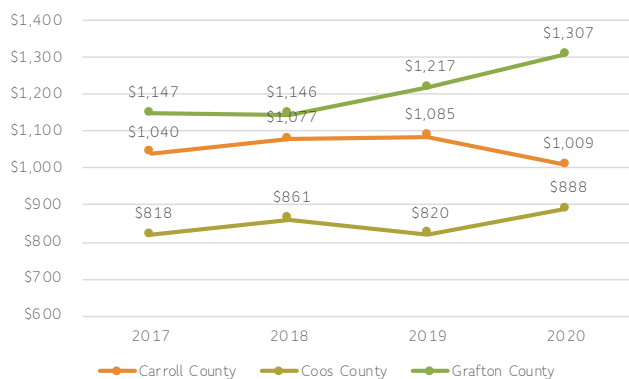


And while prices of homes have been increasing, they are still lower than NH as whole...



- In 2019 the average cost of a home sold was:
  - \$265,000 in Carroll County
  - \$116,100 in Coos County
  - \$227,000 in Grafton County

This holds true for rental units... however vacancy rates are very low.





Created by Gan Khoon Lay  
from Noun Project

## Across the Region – Housing Data

*All of this* means that North Country residents face significant challenges in finding, affording, and maintaining quality housing.

Which impacts the physical and mental health of our people, the success of our businesses and organizations, the make-up of our communities, and the region *as a whole*.

## The Construction & Development Process

WHAT TYPE OF RESIDENTIAL CONSTRUCTION OR DEVELOPMENT DO YOU DO? (NEW, REHAB, RENOVATION, CONVERSION)(SINGLE-FAMILY, MULTI-FAMILY, MIXED-USE)

DO YOU FOCUS ON A PARTICULAR TYPE OF WORK MORE SO THAN OTHERS, IF SO WHY?

FROM FIRST CONCEPT (OR CONTACT) THROUGH FINAL COMPLETION, HOW LONG DOES IT TAKE TO BUILD NEW HOUSING?

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## The Market Today

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## Production & Interest

HOW MANY UNITS DO YOU PRODUCE IN AN AVERAGE YEAR?

HOW DO INQUIRES & DEMAND MATCH UP TO YOUR CAPACITY?

WHO DO YOU MOST OFTEN RECEIVE INQUIRES FROM (LOCAL RESIDENTS, PEOPLE RELOCATING FROM AWAY, SECOND HOMES, ETC)

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## The Market Today

### TYPES OF HOUSING:

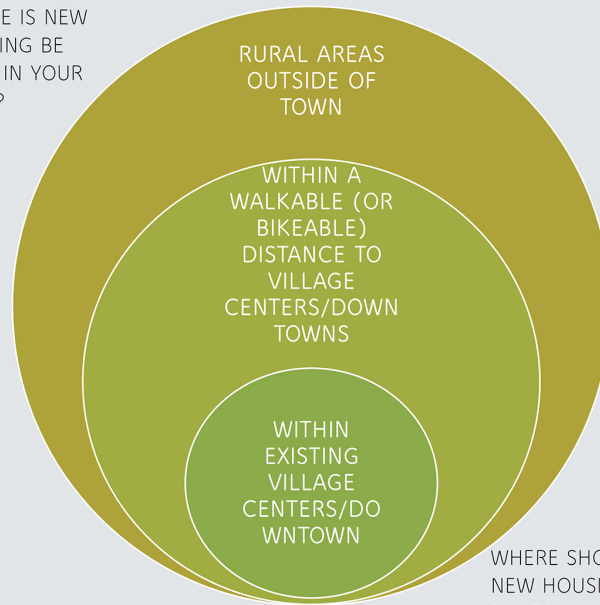
- Accessory Dwelling Units
- Formal assisted living facilities
- Age in place communities
- Mixed-use (residential near/above existing businesses),
- Reuse/conversion of existing older structures
- Cottage communities (groups of small homes),
- Duplexes,
- Single-Family Homes
- New Multi-family apartment buildings

WHAT TYPES OF HOUSING DO YOU SEE THE GREATEST DEMAND FOR?

IS THAT DEMAND CHANGING (DURING COVID, BEFORE)

## New Housing in Your Area

WHERE IS NEW HOUSING BE BUILT IN YOUR AREA?



WHERE SHOULD NEW HOUSING BE BUILT?

## Local Need & Barriers

WHAT DO YOU THINK IS YOUR AREA'S GREATEST HOUSING NEED TODAY?

WHAT DO YOU THINK IT WILL BE IN 10 YEARS?

What are the biggest barriers to the development of housing that meets local needs and is affordable to your community?

---

## Costs of Construction

OVERALL, WHAT WOULD SAY IS THE AVERAGE COST TO DEVELOP A NEW HOUSING UNIT? (THINKING OF YOU THE TYPE YOU PRODUCE MOST OFTEN)

HAS THE COST OF CONSTRUCTION CHANGED OVER TIME?

ARE CHANGES DUE TO: INCREASED LABOR COSTS, PERMITTING, MATERIALS, ETC.

---

## As An Employer

DOES HOUSING IN YOUR AREA IMPACT YOUR ABILITY TO FIND OR KEEP EMPLOYEES OR SUBCONTRACTORS?

---

## An eye toward the future

WHAT POLICIES, PROGRAMS, FUNDING, OR REGULATION CHANGES DO YOU THINK COULD BE USED TO HELP PRODUCE HOUSING THAT MATCHES LOCAL NEEDS AND IS AFFORDABLE TO AREA RESIDENTS

Fewer Restrictions  
on Duplex &  
Multi-Family

Allowing Smaller  
Lots

Pre-Approved  
Plans for  
Accessory Units

More locally  
produced  
materials &  
supplies  
(industry)

More skilled local  
labor (training)

Easier conversions  
of larger homes  
and existing  
buildings

Funding to reduce  
costs on resident

Funding for  
renovations and  
energy efficiency  
upgrades

Clearer and  
simpler permitting

---

## In your community

WHAT IS THE MOST  
IMPORTANT THING  
LEADERS SHOULD  
CONSIDER WHEN  
MAKING HOUSING  
POLICY DECISION?

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## Small Group Wrap-Up

WHAT QUESTION DID WE NOT ASK  
TODAY THAT WE SHOULD HAVE?

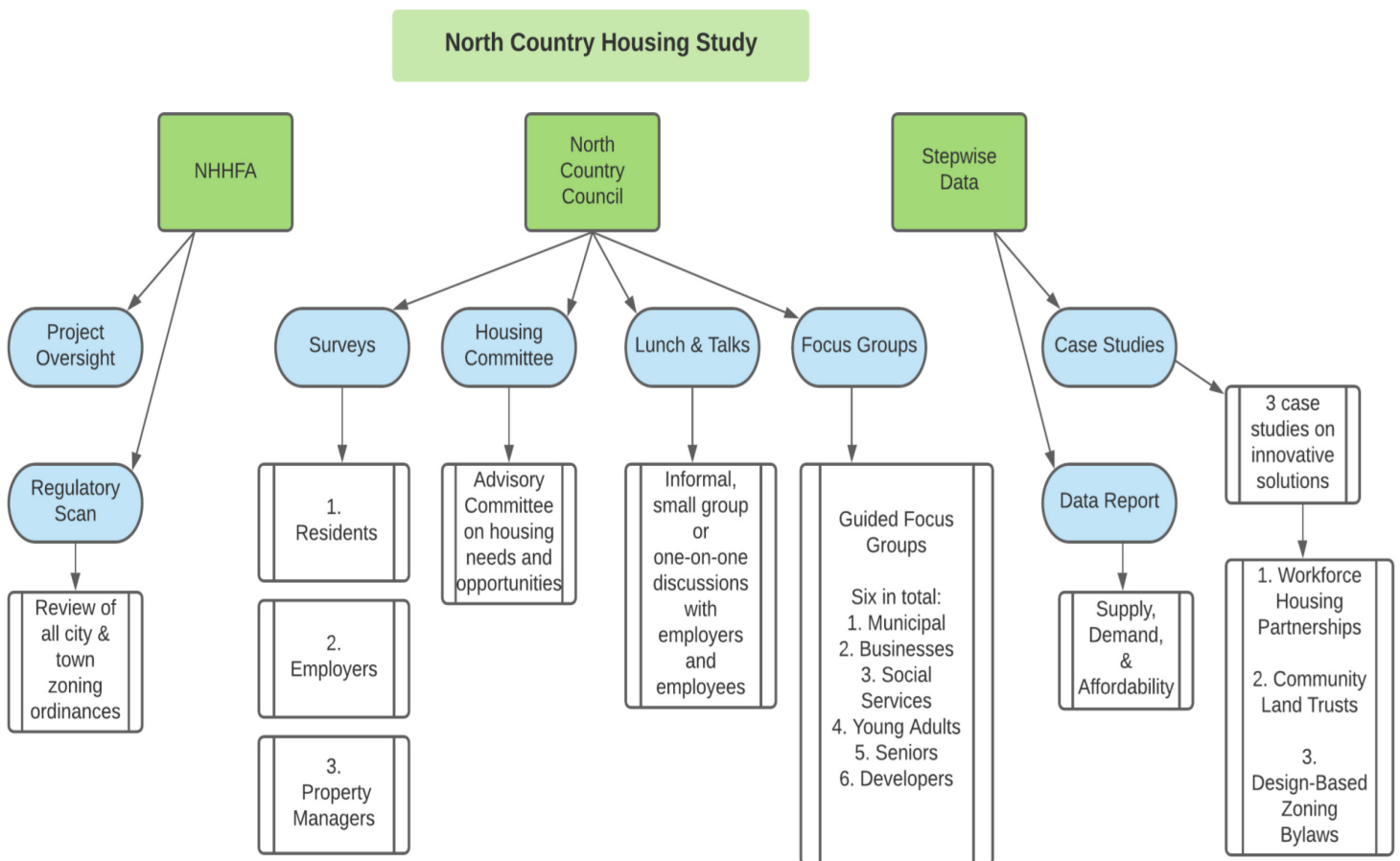
WHO WASN'T IN THE ROOM TODAY  
WHO CAN HELP THIS DISCUSSION?

DO YOU HAVE ANY QUESTIONS  
FOR NCC?

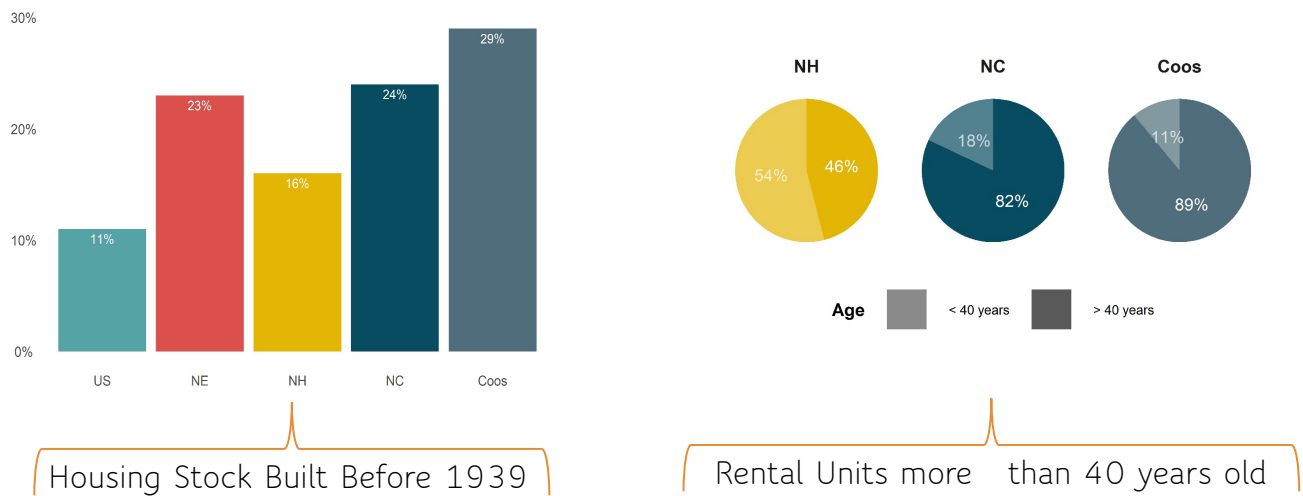


## Appendix G: North Country Housing Focus Group | Realtors & Lenders 2.3.2021

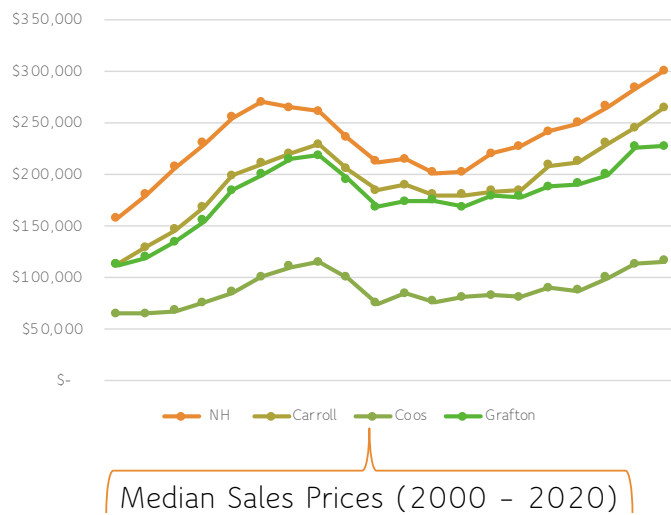
### ACROSS THE REGION – HOUSING DATA



## North County Housing Stock is Relatively Old...

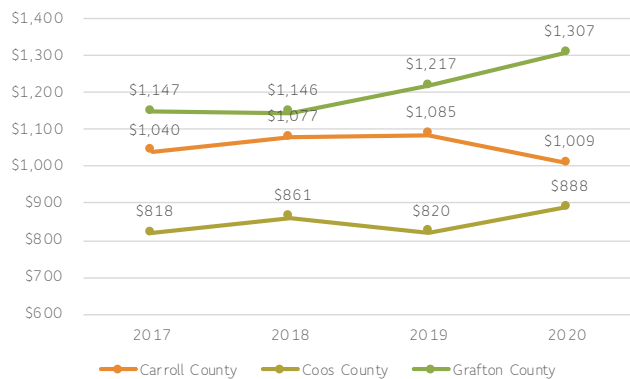


## And while prices of homes have been increasing, they are still lower than NH as whole...

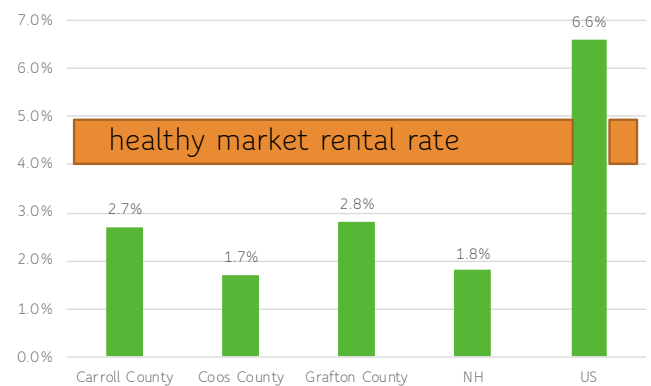


- In 2019 the average cost of a home sold was:
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This holds true for rental units... however vacancy rates are very low.

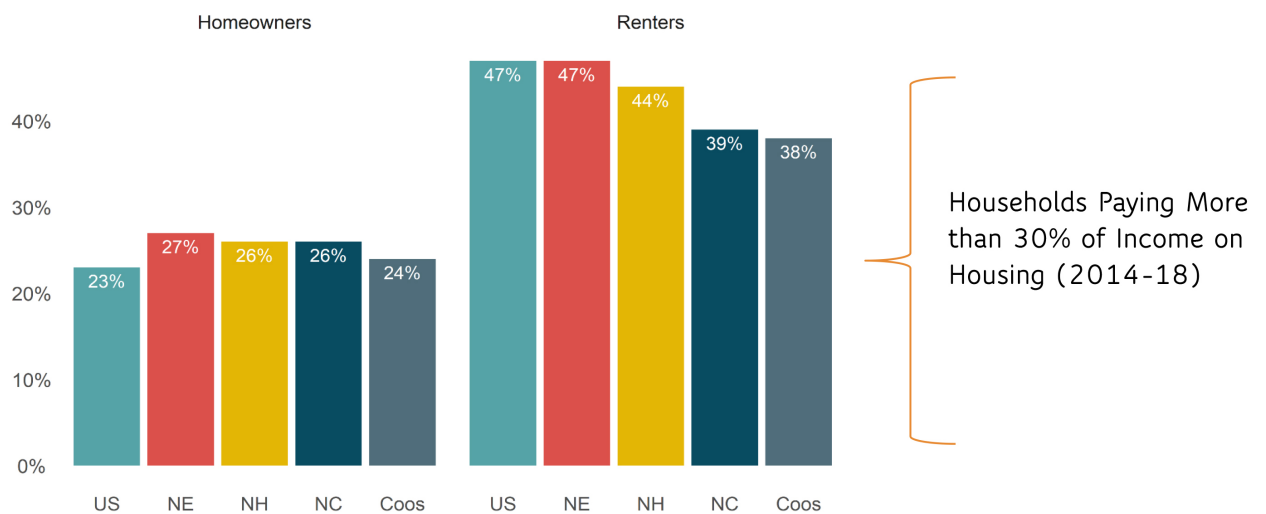


Median Rent for 2BR Units ('17 - '20)



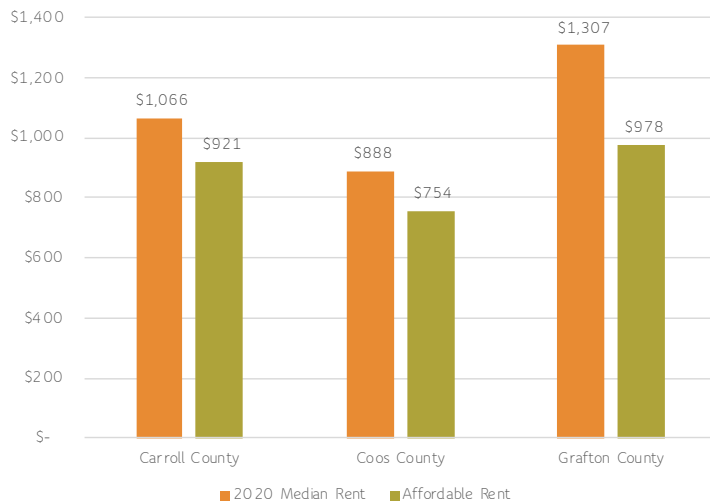
Vacancy Rates in 2020 (all rentals)

And affordability is still a major challenge...



Households Paying More than 30% of Income on Housing (2014-18)

Particularly, when you consider the median incomes for renter households...

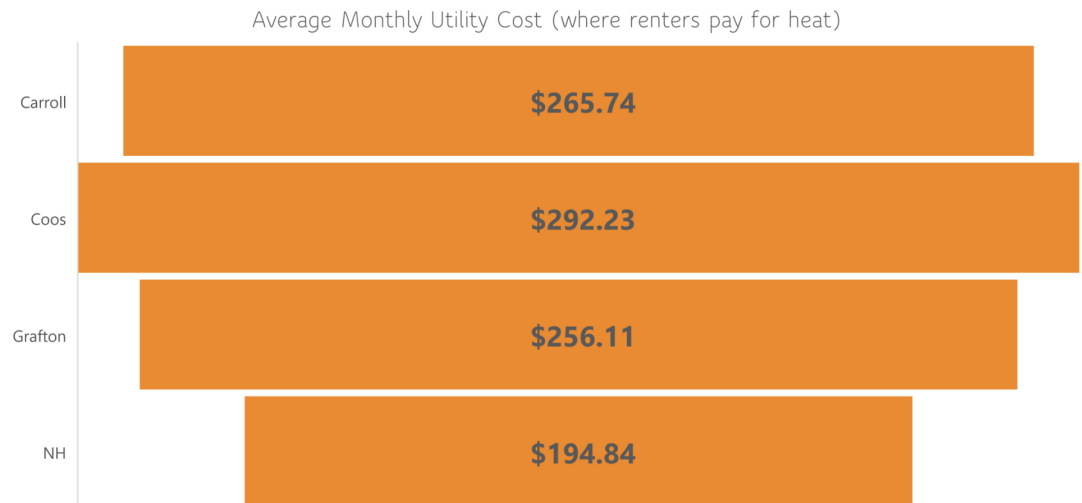


It is clear to see that the cost of rentals are often not affordable to North Country households.

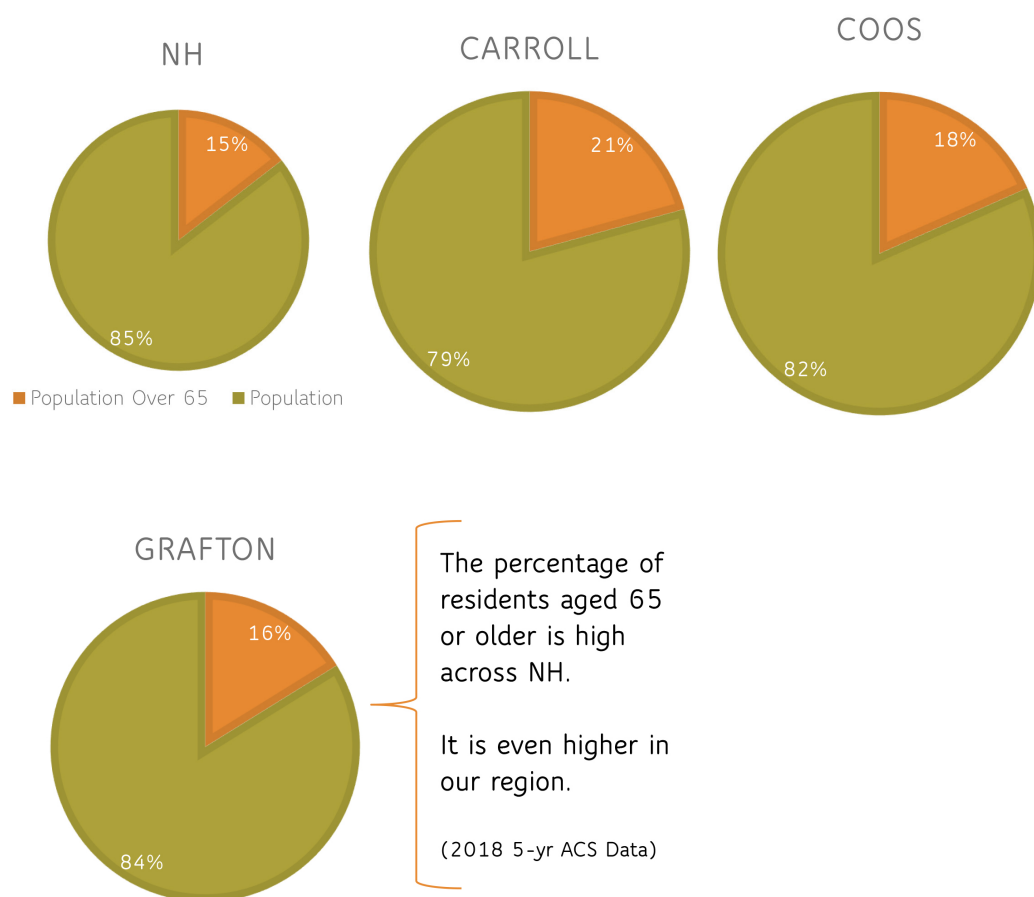
- In Coos County a renter must make **118%** of median renter income
- In Grafton County a renter must make **134%** of median renter income
- In Carroll County a renter must make **117%** of median renter income

And utility costs...

Which are notably higher than NH as a whole.



And our population itself is changing...



Created by Gan Khoon Lay  
from Noun Project

## Across the Region – Housing Data

*All of this* means that North Country residents face significant challenges in finding, affording, and maintaining quality housing.

Which impacts the physical and mental health of our people, the success of our businesses and organizations, the make-up of our communities, and the region *as a whole*.

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## Your Home Today

WHERE DO YOU LIVE TODAY?

HOW LONG HAVE YOU LIVED THERE?

HOW DID YOU END UP LIVING THERE?

---

## About Your Clients Experience

WHERE DO THE PEOPLE SERVED BY YOUR ORGANIZATION LIVE NOW?

IN YOUR OPINION, WHAT IMPACTS WHERE THE PEOPLE YOU WORK WITH LIVE MOST?

(THINK ABOUT THINGS LIKE: COST; AVAILABILITY; CONDITION; PROXIMITY TO FRIENDS AND FAMILY, SERVICES, AMENITIES, WORK, RECREATIONAL AREAS, ETC.)

---

## About Your Clients Experiences

DO YOU KNOW OF CLIENTS WHO HAVE HAD TROUBLE FINDING (OR MAINTAINING) A HOME IN THE AREA?

HAS THE NUMBER PEOPLE YOU WORK WITH FACING CHALLENGES (OR THE SEVERITY THOSE CHALLENGES) CHANGED OVER TIME?

IN YOUR OPINION, WHO HAS THE MOST TROUBLE FINDING HOUSING IN YOUR AREA?

---

## About Your Clients Experiences

Thinking about the number, size (bedrooms), condition, layout (single-story vs. multi-story), and location of homes (related to services, amenities, and jobs)....

DOES YOUR COMMUNITY'S HOUSING STOCK MATCH THE NEEDS OF ITS RESIDENTS TODAY?

WILL YOUR COMMUNITY'S HOUSING STOCK MATCH THE NEEDS OF ITS RESIDENTS IN 10 YEARS?

---

## How Housing Impacts Your Area

WHAT KIND OF HOUSING DO YOU THINK WOULD  
BEST MEET THE NEEDS OF YOUR COMMUNITY?

- FORMAL ASSISTED LIVING FACILITIES
- AGE IN PLACE COMMUNITIES
- MIXED USE RESIDENTIAL NEAR/ABOVE EXISTING
- BUSINESSES
- FORMAL AFFORDABLE HOUSING DEVELOPMENTS
- REUSE / CONVERSION OF EXISTING OLDER
- STRUCTURES FOR NEW HOUSING
- COTTAGE COMMUNITIES
- DUPLEXES & TRIPLEXES
- NEW MULTI-FAMILY APARTMENT BUILDINGS
- NEW SINGLE-FAMILY HOMES ON INDIVIDUAL LOTS
- OTHERS?

---

## How Housing Impacts Your Area

WHAT IS THE GREATEST BARRIER TO  
HOUSING THAT MEETS LOCAL NEEDS  
IN YOUR AREA?

WHAT IS THE BEST OPPORTUNITY FOR  
HOUSING THAT MEETS LOCAL NEEDS  
IN YOUR AREA?

WHAT DO YOU WISH THE AVERAGE  
PERSON KNEW ABOUT HOW HOUSING  
IMPACTS YOUR COMMUNITY?



---

## About the Role Your Organization Plays

DO YOU PLAY AN ACTIVE ROLE IN PEOPLE'S HOUSING IN ANY OF THE FOLLOWING WAYS?

- PROVIDE EMPLOYEE HOUSING
- REFERRALS TO LOCAL HOUSING PROVIDERS
- REFERENCES
- KEEP A RENTAL LISTING BOARD AT WORK
- HELP CONNECTING ROOMMATES
- INFORMATION ON WEATHERIZATION OR ENERGY EFFICIENCY RESOURCES
- FINANCIAL SUPPORT (HELP WITH MOVING, SECURITY DEPOSITS, EMERGENCY FUNDS - EVICTIONS)
- LEGAL ASSISTANCE (EDUCATION OR DIRECT ASSISTANCE)
- OTHERS...

DO YOU KNOW OF OR WORK WITH PARTNER AGENCIES OR OTHER RESOURCES THAT PROVIDE THESE SERVICES?

## Small Group Wrap-Up

WHAT QUESTION DID WE NOT ASK TODAY THAT WE SHOULD HAVE?

WHO WASN'T IN THE ROOM TODAY WHO CAN HELP THIS DISCUSSION?

DO YOU HAVE ANY QUESTIONS FOR NCC?

---

## FOCUS GROUP CLOSE OUT

*IN SMALL GROUPS WE ASKED:  
WHAT IS THE GREATEST  
BARRIER TO HOUSING IN YOUR  
AREA?*

*NOW WE ASK:  
HOW DO YOU BEST ADVOCATE  
FOR THAT NEED?*

---

### Want to Keep the Conversation Going?

- ❑ Help Us Spread the Word About 3 Housing Surveys:
    - ❑ Residents: <https://www.surveymonkey.com/r/FD9PZQX>
    - ❑ Employers: <https://www.surveymonkey.com/r/F7SCCK9>
    - ❑ Property Managers: <https://www.surveymonkey.com/r/PX2987V>
  - ❑ Fill Our Focus Groups for:
    - ❑ Young Adults & Working Families
    - ❑ Seniors
    - ❑ Realtors & Lenders
    - ❑ Builders & Housing Producers
  - ❑ Host a Lunch & Talk Conversation at your work place, one-on-one, or with a small group
- Reach out to Kaela Tavares ([ktavares@nccouncil.org](mailto:ktavares@nccouncil.org)) 603-444-6303 ext. 2025



NEW HAMPSHIRE  
HOUSING

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New Hampshire Housing's mission is to promote, finance and support affordable housing. Established by statute in 1981 as a self-sustaining public corporation, New Hampshire Housing receives no operating funds from state government.