Belmont Housing Analysis: Presentation 1: Housing Market Trends

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Applied Economic Research
Goal:

To provide guiding principles and strategies for managing present and future housing needs. Create a range of housing opportunities and choices.

- Gather information from state and federal statistics on housing needs in Belmont, pay of a Housing Study, if needed.

Source: Belmont Master Plan (2002) page 9.7
Why is This Important

- Housing is town’s largest source of property tax revenue
- Housing generates demand for the majority of town services
- Housing is the largest investment of most households
- Housing consumes the largest portion of developed land
- Housing affordability affects the town and regional economy and labor force
- Range of housing available affects town’s economic composition
- HOUSING IS WHERE WE LIVE!
Study Outline

- Task 1: Housing Market Trends
- Task 2: Housing Affordability
- Task 3: Projected Housing Demand
- Task 4: Policy Implications
Regional Population Has Been Growing, Now at 113,000

Source: Lakes Region Planning Commission
Town’s Population Has Increased Sharply, Nearly Tripling Since 1970

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>2,493</td>
</tr>
<tr>
<td>1980</td>
<td>4,026</td>
</tr>
<tr>
<td>1990</td>
<td>5,796</td>
</tr>
<tr>
<td>2000</td>
<td>6,716</td>
</tr>
<tr>
<td>2005</td>
<td>7,206</td>
</tr>
</tbody>
</table>

Source: US Census and NH OEP
Rising Share of County’s Population Through 1990, Stable Share Since Then

Belmont Share of County’s Population

<table>
<thead>
<tr>
<th>Year</th>
<th>Share of Population</th>
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<tbody>
<tr>
<td>1970</td>
<td>7.7%</td>
</tr>
<tr>
<td>1980</td>
<td>9.4%</td>
</tr>
<tr>
<td>1990</td>
<td>11.8%</td>
</tr>
<tr>
<td>2000</td>
<td>11.9%</td>
</tr>
<tr>
<td>2005</td>
<td>11.9%</td>
</tr>
</tbody>
</table>
Jobs Growing Generally Faster Than Housing

Employment vs. Housing Units
Year Over Year Percent Change

-15.0%
-10.0%
-5.0%
0.0%
5.0%
10.0%
15.0%
20.0%

1993-94
1994-95
1995-96
1996-97
1997-98
1998-99
1999-2000
2000-01
2001-02
2002-03
2003-04
2004-05

Total Housing Units
Total Private Emp
Some Recent Parameters

- Belmont added more people than any other Lakes Region community in the 1980s; was sixth fastest growing in the 1990s.
- Belmont attracts young families—had the sixth lowest median age in the Lakes Region in 2000.
- Belmont had the fourth highest population per square mile in the region in 2000.
- Belmont’s proportion of seasonal housing (11%) was among the fourth lowest in the region in 2000.
Averaging 40 New Housing Units Per Year Recently

New Housing Units Authorized By Permit In Belmont

Source: NH OE
Averaging Just Under 10% of County Total New Units Since 2000

Belmont Share of Belknap County's New Authorized Units

229 New Lots Approved Since 2000

- 2000: Briarcrest, Stonington
- 2004: Interim Growth Ordinance (no approvals)
- 2005: Amily, BBE, Sun Lake
Net of 214 Lots Created Since 2000
(after removing expired subdivision approvals)
Housing Inventory Has Increased More in Past Five Years Than In Previous 10 Years

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<tr>
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</thead>
<tbody>
<tr>
<td>Total Units</td>
<td>2,869</td>
<td>3,113</td>
<td>3,387</td>
<td>244</td>
<td>274</td>
</tr>
<tr>
<td>Occupied Units</td>
<td>2,146</td>
<td>2,641</td>
<td>3,000</td>
<td>495</td>
<td>359</td>
</tr>
<tr>
<td>Vacant Units</td>
<td>723</td>
<td>472</td>
<td>387</td>
<td>(251)</td>
<td>(85)</td>
</tr>
<tr>
<td>Vacant Seasonal</td>
<td>525</td>
<td>351</td>
<td>300</td>
<td>(174)</td>
<td>(51)</td>
</tr>
<tr>
<td>Vacant Year-Round</td>
<td>198</td>
<td>121</td>
<td>87</td>
<td>(77)</td>
<td>(34)</td>
</tr>
</tbody>
</table>
## Belmont Inventory Increase Among All Unit Types

<table>
<thead>
<tr>
<th></th>
<th>1990</th>
<th>2000</th>
<th>2005 Number</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Units</strong></td>
<td>2,869</td>
<td>3,113</td>
<td>3,387</td>
<td>244</td>
</tr>
<tr>
<td><strong>Single Family Units</strong></td>
<td>1,635</td>
<td>1,798</td>
<td>1,992</td>
<td>163</td>
</tr>
<tr>
<td><strong>Multi-family Units</strong></td>
<td>441</td>
<td>453</td>
<td>486</td>
<td>12</td>
</tr>
<tr>
<td><strong>Mobile Home &amp; Other</strong></td>
<td>793</td>
<td>862</td>
<td>911</td>
<td>69</td>
</tr>
</tbody>
</table>
Town Has Disproportionate Inventory of Mobile Homes

Comparative Housing Profile, 2005

- **Belmont**
  - Single Family Units: 59%
  - Multi-family Units: 14%
  - Mobile Home & Other: 27%

- **Belknap**
  - Single Family Units: 73%
  - Multi-family Units: 19%
  - Mobile Home & Other: 8%
Mobile Home Occupancy, 2000, Belmont

- Owner Occupied: 641
- Renter Occupied: 80
- Vacant: 133

90% of Mobile Homes Are Occupied
Vacancy Rate Continues To Drop

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<thead>
<tr>
<th></th>
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<th>2000</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year-Round Occupied+Vacant</td>
<td>2,344</td>
<td>2,762</td>
<td>3,087</td>
</tr>
<tr>
<td>Year-Round Vacant</td>
<td>198</td>
<td>121</td>
<td>87</td>
</tr>
<tr>
<td>Year-Round Vacancy Rate</td>
<td>8%</td>
<td>4%</td>
<td>3%</td>
</tr>
</tbody>
</table>
Median Home Price 10% Below County, 35% Below State Figure: Impacts Ability to Pay for Services

**Median Single Family Home Value, 2000**

- Belmont: $96,300
- Belknap: $109,600
- New Hampshire: $133,300
Belmont Home Prices Double Since 2000 Because of Strong Demand and Lower Interest Rates

Source: NHHFA
Median Price Closely Tracks County Figure

Median Purchase Price of Primary Housing Units

Source: NHHFA

Belmont  Belknap County  New Hampshire
BUT: Distribution Favors Lower Priced Housing in Belmont

Comparative Price Distribution, 2006 (First Nine Months)

Source: NHHFA Purchase Price Index
Housing Stock Is Ageing

Belmont Single Family Homes By Year Built

Number of Units

Source: Assessment records
Equalized Market Value of Single Family Homes
in Belmont, February 2007

Market Value By Year Built


Year Built

Break Even Value

$- $50,000 $100,000 $150,000 $200,000 $250,000 $300,000 $350,000 $400,000
Median Rent is Higher Than County Average, Close to State Average

Median Gross Rent, 2000

- Belmont: $636
- Belknap: $588
- New Hampshire: $646
Median Income is Higher Than County Average, Close to NH Level

Median Household Income, 1999

- Belmont: $47,717
- Belknap: $43,605
- New Hampshire: $49,467
Middle Class Dominates Belmont Income Distribution

**Comparative Household Income Distribution, 1999**

Source: US Census

![Bar chart showing income distribution for Belmont and Belknap for different income brackets in 1999. The chart indicates that the middle class dominates in both places, with a significant portion of households falling within the $50,000-74,999 bracket.](chart)
Poverty Ratio is Lower Than County and State

Percent of Population Below Poverty Level, 1999

- Belmont: 5.7%
- Belknap: 6.5%
- New Hampshire: 6.4%

Source: US Census
Belmont Has Met Its Share of the Need for Subsidy Units

<table>
<thead>
<tr>
<th>Belmont Subsidized Housing Inventory</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Belmont Housing for the Elderly</td>
<td>40</td>
</tr>
<tr>
<td>Belmont Village Apartments</td>
<td>26</td>
</tr>
<tr>
<td>Orchard Hill II</td>
<td>27</td>
</tr>
<tr>
<td>Sandy Ledge Housing</td>
<td>11</td>
</tr>
<tr>
<td>Realty Resources</td>
<td>24</td>
</tr>
<tr>
<td><strong>Total Belmont</strong></td>
<td><strong>40</strong></td>
</tr>
<tr>
<td>% of County Inventory</td>
<td><strong>10%</strong></td>
</tr>
</tbody>
</table>
Most Workers Remain in Region+Concord

Where Belmont Residents Worked, 2000

Laconia  Belmont  Concord  Gilford  Tilton  Meredith  Franklin  Manchester  All Other
Factors Driving the Regional Housing Market

- Housing is, in general, less expensive in the Lakes Region than points south of us.
- The region’s job base has expanded and its economy is healthy.
- The Lakes Region is a favored retirement location, fostering in-migration of older households.
- Housing has been a good investment over the long and short terms.
- But, most of the region’s job growth has been in lower paying occupations, generating a housing affordability crunch.
Observations

- The housing market has been exceptionally strong since 2000:
  - Home prices in Belmont and the region have doubled
  - The pace of new home construction in Belmont has doubled
  - Belknap county is attracting new residents because of its strong economy, lifestyle and housing prices (lower than in southern parts of the state).
- Belmont’s recent growth has been more in line with regional totals
- Belmont is primarily a middle income community.
- Belmont has a healthy mix of housing unit types, but a disproportionate number of mobile homes, and relatively few high-end homes.
- Recent construction has favored upper middle income single family homes.
- Belmont has its “fair share” of low and moderate income residents and subsidy units.
- The sizable increase in subdivision lots applied for in 2005 and approved in 2006, has subsided.
- Key need is to balance the inventory of lower priced housing with more upper middle income housing—this is a pattern that has emerged in recent years and should be encouraged to continue.
- Belmont’s large inventory of manufactured housing (mobile homes) is a concern that should be addressed through standards for new parks.