

**Working as the  
Regional Planning  
Commission and  
MPO for the  
Southern New  
Hampshire Region**

# Housing Needs Assessment 2010

*for the*  
**Southern NH Planning  
Commission Region**



**SNHPC**



# Housing Needs Assessment 2010

*for the*  
Southern NH Planning  
Commission Region

July 2010



*Prepared by the*  
Southern New Hampshire Planning Commission



The preparation of this document has been financed in part by a grant from the State of New Hampshire Office of Energy and Planning through a Targeted Block Grant.





## TABLE OF CONTENTS

Glossary.....	iii
Executive Summary .....	v
Introduction .....	1
<b>Section 1- Existing Housing Supply .....</b>	<b>3</b>
Housing Stock.....	3
Building Permit Activity .....	8
Tenure, Occupancy and Condition .....	10
Assisted Housing Supply.....	14
<b>Section 2- Housing Demand and Projections .....</b>	<b>18</b>
Population .....	18
Projected Population Growth .....	20
Households by Age and Tenure.....	23
Households by Tenure and Income .....	25
Employment.....	27
Housing Unit Projections .....	31
<b>Section 3- Housing Costs and Affordability .....</b>	<b>35</b>
Home Ownership Costs.....	35
Rental Housing Costs .....	42
Income by Tenure and Cost Burden Estimates.....	45
Housing Cost Burden by Age.....	46
<b>Section 4- Meeting Local Housing Needs .....</b>	<b>50</b>
Land Use Development and Regulation.....	51
Federal, State and Local Government Rental Assistance Programs.....	55
Federal, State and Local Government Home Ownership Programs .....	60
<b>Section 5- Distribution of Local 'Fair Share' .....</b>	<b>64</b>
Methodology .....	65
Fair Share Distribution for the SNHPC Region.....	67
<b>Appendix A- Income by Tenure and Housing Cost Burden Estimates</b>	
<b>Appendix B- Housing Supply Projections</b>	

## List of Tables

Table 1- Total Housing Unit Increase in the SNHPC Region 1990, 2000, 2008.....	4
Table 2- Proportion of Housing Unit Types in the SNHPC Region, 2008.....	7
Table 3- Residential Building Permits Issued by Community and Housing Type.....	8
Table 4- Housing Units by Tenure and Occupancy, 2000 .....	11
Table 5- Count of Housing Units by Tenure and Year Built, 2000 .....	12
Table 6- Households by Number of Occupants and Tenure, 2000.....	13
Table 7- Assisted Housing Units in the SNHPC Region, 2010.....	14
Table 8- Summary of Rent Assisted Housing Units in the SNHPC Region, 201.....	17
Table 9- Population of the SNHPC Region, 1990-2008.....	19
Table 10-Total Population by Tenure and Group Quarters, 2000.....	20
Table 11-Population Projections, 2000-2030 .....	22
Table 12-Households by Tenure and Age of Householder, 1990-2000.....	24
Table 13-Income by Tenure in Relevant ACS Samples – 2008.....	26
Table 14-Covered Employment within Each Municipality, 1998-2008 .....	28
Table 15-Labor Force, 1998-2008.....	29
Table 16-Commuting Patterns, 2000.....	30
Table 17-Comparative Dwelling Unit Projections 2000-2015 .....	32
Table 18-Residential Real Estate Sales: Average Prices and Number of Sales, 2006-2008 .....	37
Table 19-Median Monthly Rent by the Number of Bedrooms, 2008 .....	45
Table 20-Median Area Family Income (MAI), 2008 .....	46
Table 21-Estimated SNHPC Owner Cost Burden by Age Group .....	48
Table 22-Estimated SNHPC Renter Cost Burden by Age Group.....	49
Table 23-Estimated Proportionate Fair Share Workforce Housing Need, SNHPC Region, 2008 & 2015.....	69

## List of Figures

Figure 1- Distribution of Housing Stock by Type .....	6
Figure 2- Trends in Building Permits by Unity Type for the SNHPC Region, 1990-2008 .....	9
Figure 3- Median Price of Primary Homes for the SNHPC Region, 1990-2009 .....	36
Figure 4- Purchase Price Trends SNHPC Region 2008, All Homes .....	38
Figure 5- Purchase Price Trends SNHPC Region 2008, Existing Homes .....	39
Figure 6- Purchase Price Trends SNHPC Region 2008, New Homes .....	40
Figure 7- Purchase Price Trends SNHPC Region 2008, Condominiums .....	41
Figure 8- Median Monthly Rental Costs for the SNHPC Region.....	43
Figure 9- Rental Costs and Vacancy Rates in Selected SNHPC Communities .....	44

## List of Maps

Map 1- Southern New Hampshire Planning Commission Region.....	2
Map 2- Housing Units in the SNHPC Region, 2008.....	3
Map 3- Percent Change in Housing Units for the SNHPC Region, 1980-2008 .....	5
Map 4- Projected Change in Population for the SNHPC Region, 2000-2030.....	25



## Glossary

**Group quarters** – living quarters that are not classified as separate dwelling units. These living situations include dormitories, correctional facilities, group homes, nursing homes and most licensed care facilities. The population residing in them is called the group quarters population. The population living in group quarters is not included when measuring average household size (persons in households divided by total households).

**Households** – the number of occupied dwelling units. Households are divided into two categories of tenure: homeowners and renters.

**Total Housing Units** – all dwelling units (occupied, vacant, and seasonal/vacation use)

**Vacancy Rate** – the number of vacant for rent or vacant for sale units available for year round occupancy as a percentage of the year round housing stock (occupied units plus vacant for rent or for sale units). Some vacancies are desirable to enable mobility and choice within the housing market. Therefore year round housing supply needs exceed the number of households.

**Year-round Housing Stock** – occupied units plus those available for sale or rent for year round use.





## Executive Summary

This Regional Housing Needs Assessment report has been completed by the Southern New Hampshire Planning Commission (SNHPC) in accordance with RSA 36:47, II. This report has been written as an update to the 2005 SNHPC Regional Housing Needs Assessment and is also meant to aid member communities in complying with RSA 674:2, III (l).

In 2008 (effective January 1, 2010) the New Hampshire legislature enacted RSA 674:59 which codifies the case of *Britton v. Chester*, 134 N.H. 434 (1991), where the Court determined that the state's planning and zoning statutes called for every municipality to provide a reasonable and realistic opportunity for the development of housing that is affordable to low and moderate income households, and particularly for the development of multi-family structures.

This Assessment looks at the regional housing needs for all levels of income to determine what exists and what is needed in the future. A regional fair share analysis is included in this assessment in order to provide guidance to the communities in the region, so that they can begin their own assessments of the status and need for workforce housing in their individual communities.

### Recent Housing Trends

The economic downturn of the late 1980s caused residential purchase prices to plummet, rents to stabilize, and vacancy rates to increase. Much of this was due to over speculation and construction levels that exceeded demand. The region's housing market began to recover around 1994, at which time housing costs began to increase and vacancy rates decrease. High levels of in-migration during the 90s further increased housing demand levels. Housing developers, however, continued to build new units at a slower rate than demand required. The result of this was a shortage of housing units affordable to all income levels, particularly low to moderate-income families.

In late 2007 it was determined that the United States economy was having a financial crisis and was in what is now called the "Great Recession." This recession continues today into 2010 and has had great impacts on every sector of the economy including the housing market. The housing market crash started just before the Great Recession was confirmed and the downturn has affected many different industries. New construction is at the lowest levels it has been since records have been kept for the regional housing needs assessment, starting in the 70's. Recovery will be slow and the impacts of the housing market crash and Great Recession will be felt for many more years to come.

### Housing in the SNHPC Region

Since 2000, numerous changes have taken place in the SNHPC region. The number of dwelling units in the region has increased by 9,783 from January of 2000 through December of 2008, approximately a 10.14 percent increase. There are now approximately 106,293 dwelling units in the SNHPC region (2008). All communities in the region contributed to

this growth, some seeing higher increases than others. Bedford had the greatest percent increase in units (85.7 percent) and Manchester had the least (9.83 percent).

Single-family residences continue to be the predominant type of units constructed in the region. Of the 9,783 residential building permits issued from 2000 through 2008, 6,319 were for single-family homes. Permits issued for single family and duplex/multi-family housing have decreased dramatically in this time period, starting in 2004-2005. Permits for manufactured housing have remained relatively constant, with an increase in 2008 to 153 from 20 in 2007.

The region's population increased by an estimated 12,953 persons from 2000 to 2008. This is an increase of 5.2 percent. Population projections indicate the region's population will continue to be centered around Manchester. However, the most significant increases are predicted for the outlying communities of Weare, Hooksett, and Londonderry.

The average purchase price of a new home in the region during the first half of 2009 was \$221,000. Averages ranged from a high of \$392,500 in Bedford to a low of \$208,750 in Manchester. The cost of renting an apartment in the region has also increased in the past few years. The median monthly rent, across the region, has risen approximately 47 percent from \$659 in 1998 to \$971 in 2008. The highest rents can be found in Bedford, Hooksett, and Londonderry, all over \$1,300 per month.

For individuals who have difficulty attaining homeownership or affording the rent on a home, the number of rent-assisted units in the region has increased slightly since 1998, bringing the total number of units from 3,096 in 1998 to 3,993 in 2010. However, it must be noted that 79.19 percent of these rent-assisted units are located in Manchester and 44 percent of those units are reserved for elderly or senior households.

Within the SNHPC region it is estimated that there are 30,845 moderate or lower income households paying 30 percent or more of their monthly income to gross rent. Moderate or lower income households are defined as those at or below 80% of the area median family income. These figures are anticipated to increase to approximately 33,711 households by the year 2015.

For 2008, it is estimated that of the 101,446 total households (occupied units) in the SNHPC region, there are an estimated 49,913 affordable or workforce housing units, or 49 percent of the total households. For 2015, it is estimated that there will be 110,867 total households in the region and consistent with the estimated 49 percent in 2008, the estimated workforce housing units will number 54,548. The fair share analysis in section 5 distributes these units to the thirteen communities in the region based on their 2008 share of the region's total housing units.



## Introduction

This Regional Housing Needs Assessment report has been completed by the Southern New Hampshire Planning Commission (SNHPC) in accordance with RSA 36:47, II which states that:

“...each regional planning commission shall compile a regional housing needs assessment, which shall include an assessment of the regional need for housing for persons and families of all levels of income. The regional housing needs assessment shall be updated every 5 years and made available to all municipalities in the planning region.”

This report has been written as an update to the 2005 SNHPC Regional Housing Needs Assessment and is also meant to aid member communities in complying with RSA 674:2, III (l), which states that a town’s master plan may include:

“A housing section which assesses local housing conditions and projects future housing needs of residents of all levels of income and ages in the municipality and the region as identified in the regional housing needs assessment performed by the regional planning commission pursuant to RSA 36:47, II, and which integrates the availability of human services with other planning undertaken by the community.”

This document contains an analysis of current housing supply (Section 1), demand (Section 2), and affordability (Section 3) within the SNHPC region. Primarily, data used in this report is from the 1990 and 2000 U.S. Censuses and the American Community Survey. However, figures for 2008 are estimates rather than primary data (e.g. census data). These estimates have been carefully calculated and are considered representative of the current housing trends in the SNHPC region.

Section 4 presents techniques for meeting local housing needs. This outlines land use development and regulatory approaches available to municipalities, as well as Federal and State government rental and home ownership assistance programs to provide fair and affordable housing to residents of the SNHPC region.

Section 5 is an update of the SNHPC fair share allocation model that estimates the current and future affordable housing estimate in the SNHPC region and its estimated fair share distribution among member communities. The distribution method has been revised since the 2005 Housing Needs Assessment to reflect the recent workforce housing statute and its definitions. Rockingham Planning Commission<sup>1</sup> formulated the new methodology used here in 2010.

Knowledge of the current availability, affordability, quality and type of housing, as well as projected population and employment growth, can be used to predict future housing needs.

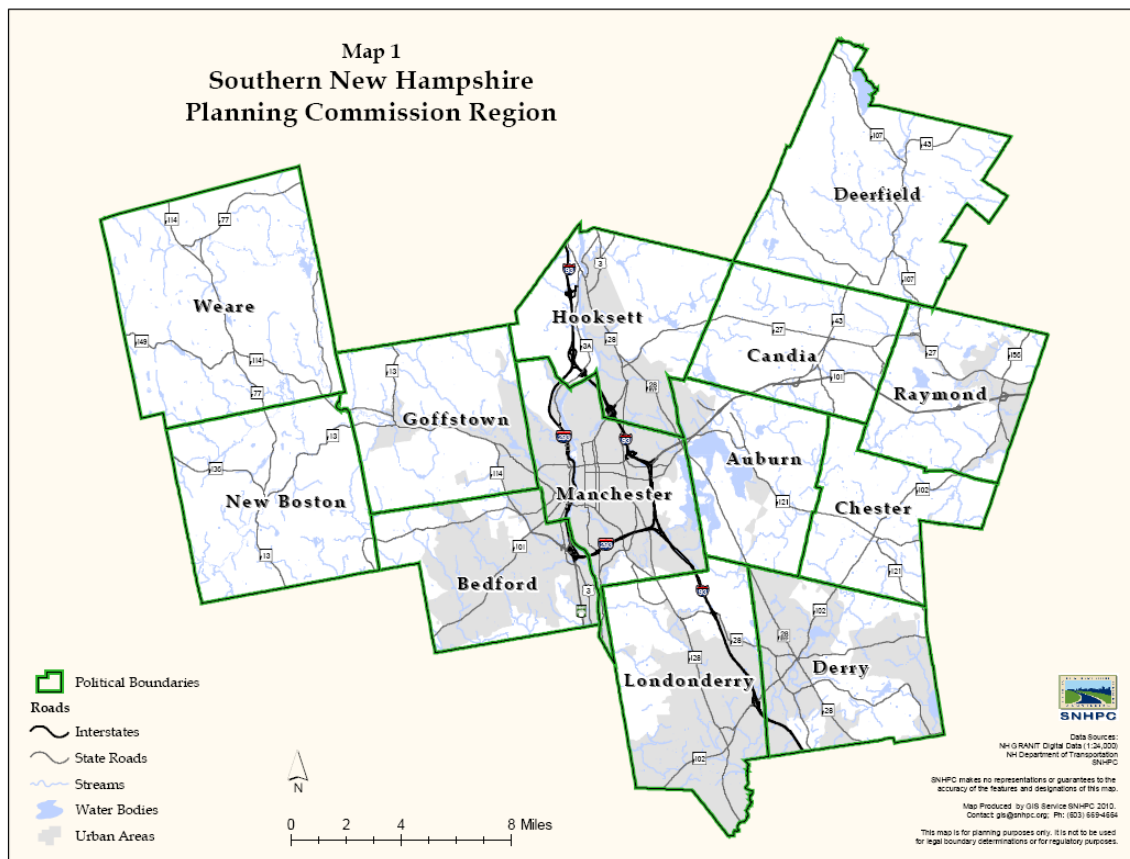
---

<sup>1</sup> *Regional Housing Needs Assessment*. Rockingham Planning Commission. October 31, 2008.

Further, this information can be used to help establish and carry out policies that address and seek to improve the quality of life within the region.

There are certain factors that have an enormous impact on the demand and supply of housing in an area. First, the supply and cost of housing are influenced by the availability of necessary infrastructure such as public water and sewer, and access to transportation routes. In addition, employment opportunities and income levels factored in with the cost of housing and consequently people's ability to afford adequate housing must be evaluated. These factors have both shaped and influenced the state of housing within the SNHPC region and will continue to in the future.

There are thirteen communities which comprise the Southern New Hampshire Planning Commission: Auburn, Bedford, Candia, Chester, Deerfield, Derry, Goffstown, Hooksett, Londonderry, Manchester, New Boston, Raymond and Weare. These communities are segments of Hillsborough, Merrimack and Rockingham counties. Generally, low-density residential development has characterized growth in the region's outlying communities, while areas of higher density development occur in the core communities surrounding the City of Manchester, which lies at the center of the SNHPC region and is the largest city in the state.



Source: Southern New Hampshire Planning Commission

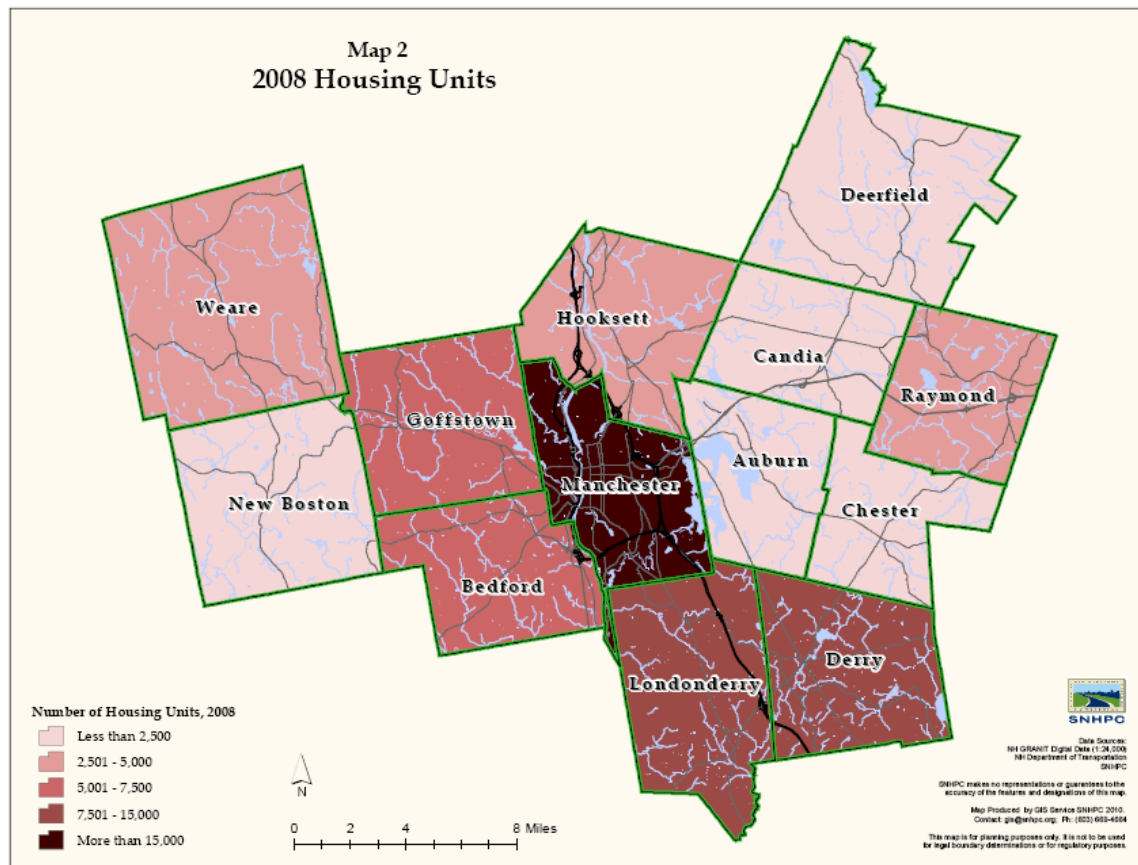


## Section 1- Existing Housing Supply

Many factors influence housing supply, which include, but are not limited to, the quantity of housing units or stock, construction of new housing, tenure and occupancy choices, condition of the existing stock, variety of housing prices, and anticipated future need of housing. There are other factors, which are not covered in this section of the report, such as land use regulations, availability of suitable land for new housing construction, access to infrastructure, availability and cost of labor and construction, and new construction technology, which may also affect the existing and/or future supply of housing.

### Housing Stock

The thirteen-community SNHPC region, as of 2008, hosts 106,293 housing units<sup>2</sup>. These are comprised of single-family, two-family or duplex, or multi-family homes, as well as condominiums and manufactured homes. This is just about 17 percent of the homes in the State of New Hampshire. The region's communities vary in size from Candia, the smallest, with an estimated 1,519 units in 2008 to Manchester, the largest, with 48,722 units (Map 2).



Source: Southern New Hampshire Planning Commission

The housing stock of the region was analyzed using information from the 1990 and 2000 U.S. Censuses and data collected by the New Hampshire Office of Energy and Planning

<sup>2</sup> 2008 data was the most current when this Housing Needs Assessment was started.

(Table 1). The total number of housing units increased by 19,059 units or roughly 22 percent between 1990 and 2008 in the SNHPC Region. All communities in the region experienced varying degrees of growth during the 1990 to 2000 and 2000 to 2008 periods. The Town of Bedford experienced the greatest increase from 1990 to 2000 (54 percent increase). Most recently from 2000 to 2008, New Boston had the greatest increase at approximately 31 percent.

The greatest numerical increase in housing units from 1990 to 2008 occurred in Manchester (+4,361 units), Bedford (+3,562 units), and Londonderry (+1,838 units). The communities with the lowest numerical increase in units were Candia (+327 units), Auburn (+485), and Deerfield (+518 units). Nearly 46 percent of the region's housing units were located in Manchester in 2008, compared to 51 percent in 1990. During the 18 years examined here, the communities immediately bordering Manchester – Auburn, Bedford, Goffstown, Hooksett, and Londonderry, in addition to the town of Derry – accounted for approximately 59 percent of the region's housing unit increase. Manchester and the surrounding six towns, listed above, accounted for 86 percent of the regions housing units in 2008. The outlying towns of Candia, Chester, Deerfield, New Boston, Raymond, and Weare represented the remaining 14 percent. The total increase in housing units for the whole region between 1990 and 2008 was 19,059 and there are now an approximate 106,293 housing units in the SNHPC region.

**Table 1**  
**Total Housing Unit Increase SNHPC Region, 1990, 2000 and 2008**

Municipality	Number of Housing Units			1990-2000		2000-2008	
	1990	2000	2008	Increase	Percent Change	Increase	Percent Change
Auburn	1,355	1,622	1,840	267	19.70%	218	13.44%
Bedford	4,156	6,401	7,718	2,245	54.02%	1,317	20.57%
Candia	1,192	1,384	1,519	192	16.11%	135	9.75%
Chester	924	1,247	1,568	323	34.96%	321	25.74%
Deerfield	1,227	1,406	1,745	179	14.59%	339	24.11%
Derry	11,869	12,735	13,340	866	7.30%	605	4.75%
Goffstown	5,022	5,798	6,397	776	15.45%	599	10.33%
Hooksett	3,484	4,307	5,120	823	23.62%	813	18.88%
Londonderry	6,739	7,718	8,577	979	14.53%	859	11.13%
Manchester	44,361	45,892	48,722	1,531	3.45%	2,830	6.17%
New Boston	1,138	1,462	1,913	324	28.47%	451	30.85%
Raymond	3,350	3,710	4,385	360	10.75%	675	18.19%
Weare	2,417	2,828	3,449	411	17.00%	621	21.96%
<b>SNHPC Region</b>	<b>87,234</b>	<b>96,510</b>	<b>106,293</b>	<b>9,276</b>	<b>10.63%</b>	<b>9,783</b>	<b>10.14%</b>

Sources: 1990 U.S. Census SF1-H1

2000 U.S. Census SF1-H1

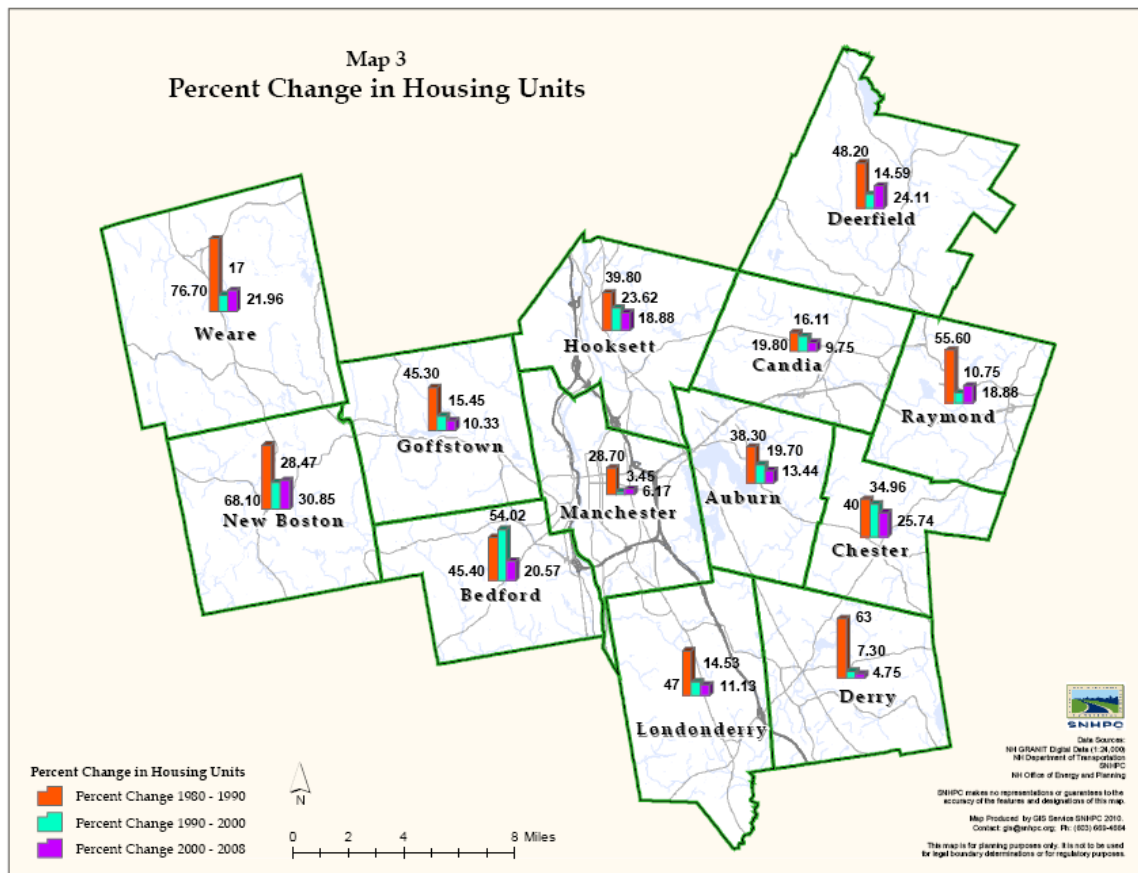
NHODEP Current Estimates and Trends in New Hampshire's Housing Supply, 2008



Map 3 compares the percentage change in housing units for the periods 1980 to 1990, 1990 to 2000 and 2000 to 2008. This map illustrates the trends in housing development that took place in the region over the past 28 years.

The mid 1980s were a period during which housing construction soared and, propelled by a strong economy, the housing market boomed. Conversely, the onset of the 1990s ushered in a decline in the creation of housing as a period of recession set in and the demand for new housing units dropped. The mid to late 90's and early 00's saw a recovery and another upswing in the housing market and just recently we have seen a substantial drop again from the recession that started in late 2007.

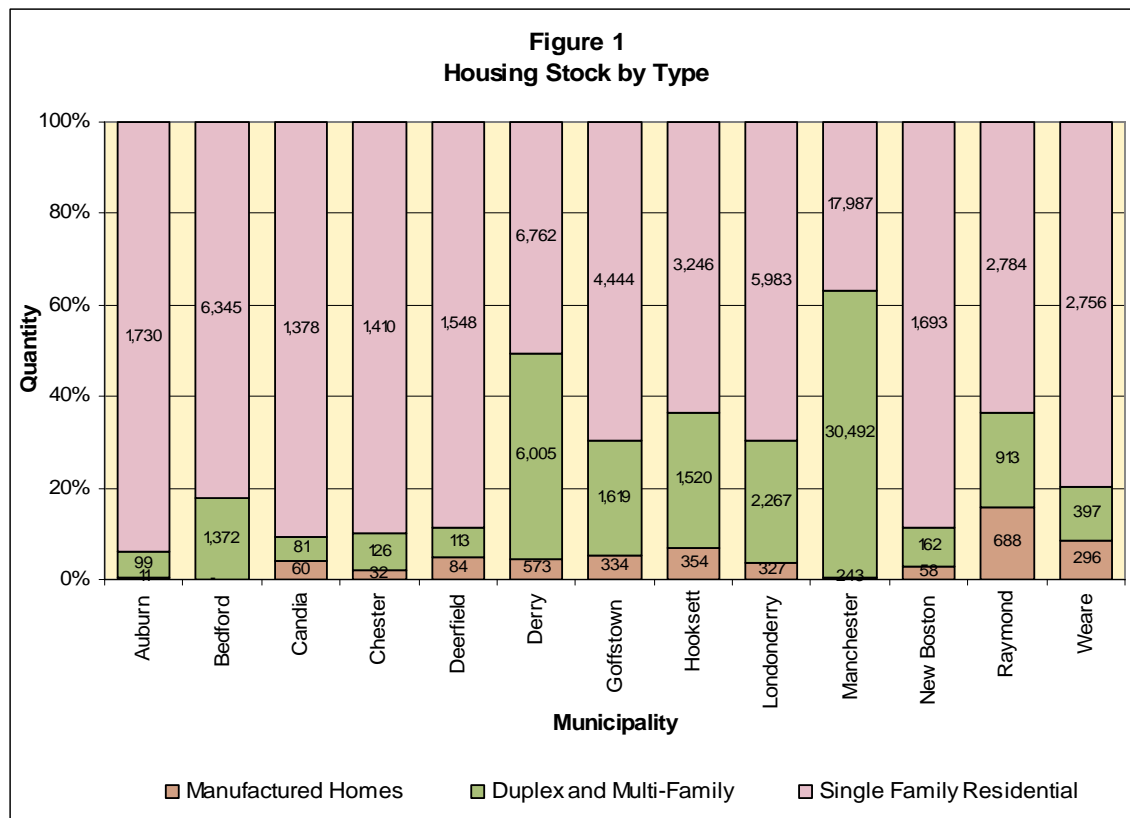
In terms of absolute numbers, there were a total of 23,033 housing units created in the region from January 1980 to January 1990, 9,276 units built from January 1990 to January 2000, and 9,783 units built from January 2000 to December 2008. This equates to an average of 2,303 housing units per year for 1980 to 1990, 928 units per year for 1990 to 2000, and 1,223 units per year for 2000 to 2008.



Source: Southern New Hampshire Planning Commission

Figure 1 depicts the 2008 distribution of housing unit types and the 1990 to 2008 percent increase of the housing types in each municipality. Manufactured housing saw the lowest increases when compared to two and multi-family housing and single-family housing. With the exception of Auburn, Bedford, Deerfield, Derry and Manchester, single-family housing had the greatest increases in each community. The highest single-family increases occurred in New Boston with an increase of 80.1 percent; in Chester, that rose by 76.3 percent; and in Bedford, that rose by 64.7 percent. The data also indicate that during the 18-year period, single family housing units received the greatest construction emphasis in the SNHPC region, increasing by 33.9 percent.

From 1990 to 2008, the stock of duplexes and multi-family housing units within the SNHPC region grew at a relatively slow rate with three exceptions. Bedford had the greatest percent increase in duplex and multi-family housing with a change of 404.4 percent and the highest absolute increase with 1,100 units created. Behind Bedford were the communities of Weare and Deerfield, which experienced increases of 73 percent and 57 percent respectively for duplex and multi-family housing.



Source: NHOEP Current Estimates and Trends in New Hampshire's Housing Supply, 2008



Throughout the region, the total number of mobile homes increased by 7.8 percent from 2000-2008. The majority, or 53 percent of the mobile homes found in the region, are located in Raymond, Derry and Hooksett. Since 1990, Manchester has experienced the greatest increase in its number of mobile homes, which grew from 105 units in 1990 to 243 units in 2008 for a 131.4 percent increase.

When Table 2 is examined, it shows that, overall, single family housing units in the Southern New Hampshire Planning Commission area represent 54.63 percent of all housing units in the region. Duplex and multi-family units account for 42.49 percent of the living accommodations, while mobile homes and other housing types provide 2.88 percent of all housing units. The total quantity of all housing units in the region was 106,293 in 2008. Also evident from this table is that the SNHPC region contains 17.4 percent of the total housing units found in the State. The SNHPC region has 118 single family units per square mile, opposed to the State as a whole, which has 43 single family units per square mile. For duplex and multi-family, the SNHPC region has 92 units per square mile, opposed to the State, which has 21 units per square mile. For mobile homes and other housing the SNHPC region has 6 units per square mile, opposed to the State, which has 4 units per square mile. Overall, the SNHPC region has 216 units per square mile, opposed to the State, which has 68 units per square mile. This shows the density of the region compared to the State as a whole.

**Table 2**  
**Proportion of Housing Unit Types in the SNHPC Region, 2008**

Geographic Area	Single Family			Duplex and Multi-Family			Mobile Homes and Other Housing			Total Units	
	Quantity	Percent of Geographic Area	Units per Sq.Mi.	Quantity	Percent of Geographic Area	Units per Sq.Mi.	Quantity	Percent of Geographic Area	Units per Sq.Mi.	Quantity	Units per Sq.Mi.
SNHPC Region	58,066	54.63%	118	45,166	42.49%	92	3,060	2.88%	6	106,293	216
State of New Hampshire*	385,662	63.30%	43	184,294	30.25%	21	39,297	6.45%	4	609,253	68

Source: "Current Estimates and Trends in New Hampshire's Housing Supply 2008" NH OEP

### Building Permit Activity

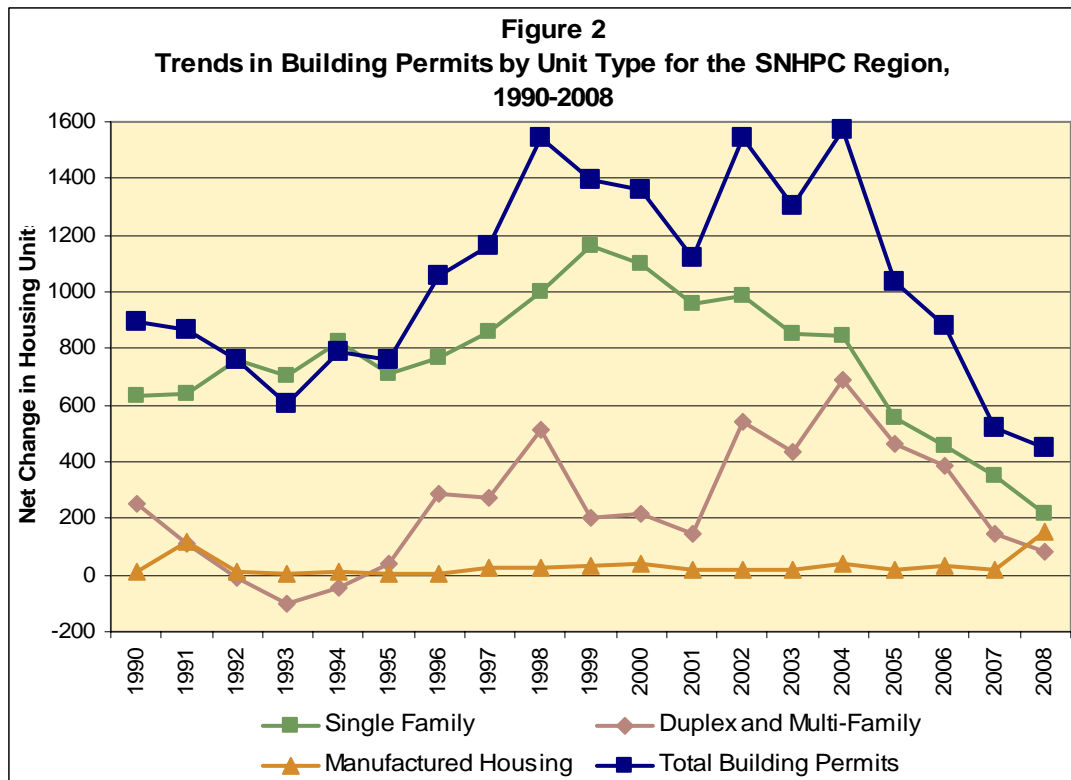
The issuance of building permits for both construction and demolition can give an indication of housing activity within a region (Table 3). Between 2000 and 2008, building permits were issued for an increase of 9,783 housing units within the Southern New Hampshire Planning Commission area. Upon reviewing the annual records of permits issued, it appears that the early 1990s (1990-1995) was a time of slower construction activity. For those years, there was an average of 779 new dwelling units permitted each year, with a high of 895 in 1990 to a low of 606 in 1993. From 1996 through 2005 there were increases in the numbers of permitted units. There was an average of 1,228 units permitted each year, ranging from 998 in 2002 to 1,569 in 2004. Since peaking in 2004, the number of permits issued has declined dramatically and in 2008 the Southern New Hampshire region saw only 449 new building permits issued, the lowest it has seen in its history of record-keeping (started in 1970).

**Table 3**  
**Residential Building Permits Issued by Community and by Housing Type**  
**SNHPC Region, 2000-2008**

Municipality	Number of Building Permits Issued			
	Single Family	Duplex & Multi-Family	Mobile Homes	Total
Auburn	215	3	0	218
Bedford	1,017	299	1	1,317
Candia	117	3	15	135
Chester	297	18	6	321
Deerfield	317	20	2	339
Derry	415	172	18	605
Goffstown	468	64	67	599
Hooksett	605	120	88	813
Londonderry	595	267	-3	859
Manchester	942	1,806	82	2,830
New Boston	425	21	5	451
Raymond	436	218	21	675
Weare	470	90	61	621
<b>SNHPC Region</b>	<b>6,319</b>	<b>3,101</b>	<b>363</b>	<b>9,783</b>

Source: NH OEP "Current Estimates and Trends in NH's Housing Supply"  
 Data covers January 2000 through December 2008

The four communities that saw the most activity in residential construction during this eight-year period were Manchester, Bedford, Hooksett, and Londonderry that combined to produce 59.5% of the total building permits issued. The communities of Candia, Auburn, and Chester saw the least amount of building permit activity with +135 permits, +218 permits and +321 residential building permits issued in these areas, respectively.



Not surprisingly, the majority of residential permits issued from 1990 to 2008 were for single-family homes (Figure 2). The issuance of single-family building permits across the SNHPC region peaked in 1999 with 1,159 permits, up from 631 permits in 1990. The number fell to 215 permits in 2008. From January 2000 through December 2008, the greatest numbers of single-family building permits were issued in the communities of Bedford (1,017), Manchester (942), Hooksett (605) and Londonderry (595). During the same period, communities with the least number of permits were Candia (117), Auburn (215), and Chester (297).

There have been two periods of increased activity for duplex and multi-family housing in the past 18 years. Building permits for duplex and multi-family construction seemed to reach their peak at 514 in 1998 and then declined until 2001 when just 143 building permits for this type of construction were issued. From 2002 to 2004 this type of construction drastically increased and reached a peak of 686 building permits issued in 2004 and has been steadily declining ever since.

From 2000 through 2008, 58 percent of the 3,101 building permits issued for duplex and multi-family housing units were issued in Manchester. Bedford, which issued 299 permits, and Londonderry, which issued 267 permits for this housing type, accounted for 18 percent of duplex and multi-family building permits issued. The eleven remaining communities with some duplex and multi-family building permits issued in the region accounted for the remaining 24 percent of permits.

While other communities in the region remained relatively consistent in the construction of duplex and multi-family units, the town of Bedford and New Boston both experienced an infusion of growth with this housing type between 1990 and 2008. In 1990, Bedford had 272 duplex and multi-family housing units in town; by 2000, this number had increased to 1,065, and by 2008 it increased to 1,372 units, a huge increase of 404.4 percent. Condominiums comprise a large proportion of this construction. As of 2008, Bedford is not anticipated to continue at these large growth rates given near build out conditions of the Town, especially for multi-family construction, under current zoning regulations. For the town of Weare, there were 229 duplex or multi-family units in 1990 increasing to 397 by 2008, for an increase of 73 percent. The other communities in the region had only slight increases or decreases in this type of construction during this time period.

The majority of mobile homes and other types of housing in the region are concentrated in relatively few communities. In 2008, 22 percent of the region's mobile homes were located in Raymond. Derry saw the greatest increase of manufactured homes from 1990, 16 percent of the region's manufactured homes, to 2008 with 18.7 percent. The percentages dropped significantly after Derry, with the next largest percentage in 2008 of the region's mobile homes being located in Hooksett (11.6 percent), Goffstown (10.9 percent), Londonderry (10.7 percent), and Manchester (7.94 percent).

Approximately 62 percent of the manufactured home permits issued between 1990 and 2008 were issued in Manchester and approximately 53 percent in Derry. Following Derry, Weare had 42 percent of the manufacturing home permits and then Hooksett with 38 percent and Goffstown with 37 percent. The rest of the towns in the region had only slight increases or decreases in manufactured home permits during this time period.

### **Tenure, Occupancy and Condition**

The housing market is comprised of ownership and rental units, homes, either occupied or vacant. The supply of rental housing, in addition to owner occupied housing, provides a diverse stock of housing affordable to varying income levels. Typically, vacancy rates are at about 1.5 percent for owner occupied housing and approximately 5 percent for rental housing in a desirable or balanced market condition. Low vacancy rates, indicative of a housing shortage, drive up rental costs and home purchase prices, whereas, high vacancy rates tend to lead to lower prices. Table 4 shows the distribution of all housing units by occupancy and tenure as well as vacancy status.

In 2000 approximately 36 percent of all occupied housing units in the SNHPC region were rental units. With the exception of Manchester where 54 percent of all occupied housing units were rental units, the region's communities are predominantly characterized by owner occupied housing units. Chester, in 2000, had the greatest share of owner occupied housing units, at 93 percent of all occupied housing units in the Town. From 1990 to 2000, SNHPC communities consistently maintained their proportions of owner and rental occupied housing. Regional estimates for owner and renter occupied housing units in 2008 can be found in the Housing Supply Projections produced by BCM Planning for this report, Appendix B.



**Table 4**  
**Housing Units by Tenure and Occupancy, 2000**

Municipality	Owner Occupied	Renter Occupied	Vacant for Sale	Vacant for Rent	Rented/ Sold Unoccupied	Seasonal or Migrant Workers	Other Vacant
Auburn	1,460	120	3	5	3	15	16
Bedford	5,507	744	43	23	25	34	25
Candia	1,255	104	3	4	6	5	7
Chester	1,129	85	9	4	0	11	9
Deerfield	1,098	127	24	10	10	120	17
Derry	7,978	4,349	43	101	24	154	86
Goffstown	4,505	1,136	25	24	11	70	27
Hooksett	3,304	843	41	39	20	17	43
Londonderry	6,637	986	11	22	21	17	24
Manchester	20,367	23,880	97	764	145	244	395
New Boston	1,244	190	8	5	2	11	2
Raymond	2,724	769	22	24	12	135	24
Weare	2,278	340	22	15	3	153	17
<b>SNHPC Region</b>	59,486	33,673	351	1,040	282	986	692

Sources: 2000 U.S. Census SF1-H4 and H5

Vacancy rates are calculated by dividing the number of vacant for sale or for rent units by the total of owner occupied and vacant for sale units or renter occupied and vacant for rent units. Other units, such as those that are awaiting occupancy (rented or sold and unoccupied), seasonal or vacation homes, and other forms of vacant housing, are not calculated in the vacancy rate as they do not contribute to the available year-round housing supply.

Vacancy rates<sup>3</sup> in 2000 for the SNHPC region were at 0.6 percent for owned housing, 3.1 percent for rental housing, and 1.6 percent for all housing. This is down from 2.3 percent for ownership units in 1990, 11.6 percent for rental units and 6 percent for all housing. The region has shifted from relatively high vacancy rates in 1990 to low rates in 2000. For 2008, it is estimated that the vacancy rate for owner-occupied housing is 2.5 percent and it is projected to be 2.1 percent in 2015.<sup>4</sup>

Areas of particular concern are the extremely low vacancy rates among owned units in Candia (0 percent), Deerfield (0 percent), and Londonderry (0.1 percent). While in the case of Candia and Deerfield this may be attributed to the existing low numbers of housing units this is not the case for Londonderry. The only communities in 2000 with owner vacancy rates over 1 percent were Auburn (1 percent), Weare (1.6 percent), and Hooksett (1.8 percent).

<sup>3</sup> Vacancy rates are calculated using data from the 2000 and 1990 U.S. Census Summary File 1, Table H5.

<sup>4</sup> 2008 and 2015 vacancy rates estimated in Housing Supply Projections, BCM Planning, Appendix B.

The lowest renter vacancy rates in 2000 were Auburn with 0 percent and Goffstown at 2.6 percent. Six communities had rental vacancy rates between 2.5 and 3.4 percent and five communities were over 5 percent. The two highest communities were Candia at 10.3 percent and Chester with 15.8 percent.

The age of residential buildings can help describe the potential housing needs for a region. In general, a large proportion of older residences may serve as an indication of the need for rehabilitation and/or renovation. In addition, an analysis of older units may also reveal that certain community districts have a high degree of historic significance. In order to preserve the housing supply represented by older buildings, municipalities may need to focus on inspections, maintenance, and upgrading of these units throughout the municipality. The counseling of owners as to funding sources and assistance could easily be a part of the program to retain housing in older structures.

**Table 5**  
**Count of Housing Units by Tenure and Year Built, 2000**

Municipality	Owner Occupied					Renter Occupied					Total Percent Pre 1940
	1980- 2000	1960- 1979	1940- 1959	Pre 1940	Percent Pre 1940	1980- 2000	1960- 1979	1940- 1959	Pre 1940	Percent Pre 1940	
Auburn	725	448	168	120	8.2%	11	31	12	65	54.6%	11.7%
Bedford	3,010	1,837	437	246	4.4%	604	24	41	52	7.2%	4.8%
Candia	482	395	72	305	24.3%	13	36	29	27	25.7%	24.4%
Chester	599	238	55	237	21.0%	15	37	10	23	27.1%	21.4%
Deerfield	572	266	57	201	18.3%	21	36	33	39	30.2%	19.6%
Derry	4,112	2,522	507	836	10.5%	1,564	1,983	279	524	12.0%	11.0%
Goffstown	1,989	1,093	674	751	16.7%	287	283	138	426	37.6%	20.9%
Hooksett	1,655	1,075	314	262	7.9%	359	219	105	158	18.8%	10.1%
Londonderry	3,523	2,706	222	205	3.1%	380	474	77	36	3.7%	3.2%
Manchester	4,895	3,731	5,684	6,051	29.7%	5,311	5,389	4,225	8,961	37.5%	33.9%
New Boston	792	197	43	214	17.2%	63	33	17	75	39.9%	20.2%
Raymond	1,227	1,053	138	307	11.3%	372	151	96	149	19.4%	13.1%
Weare	1,328	580	70	300	13.2%	148	107	35	50	14.7%	13.4%
SNHPC Region	24,909	16,141	8,441	10,035	16.9%	9,148	8,803	5,097	10,585	31.5%	22.1%

Source: 2000 U.S. Census SF3-H36

The statistics show that, as of 2000, 22.1 percent of all housing units in the SNHPC region are at least 60 years old. At 33.9 percent, Manchester contains the largest number of units that were built before 1940. Communities having the lowest percentage of housing units constructed before 1940 are Londonderry at 3.2 percent and Bedford at 4.8 percent.

Across the SNHPC region 16.9 percent of all owner occupied housing units predate 1940. Manchester's greatest percentage of owner occupied housing was built pre-1940, nearly 30 percent of all homes in the City, and this is the greatest within the region. Manchester also had the least share of housing built since 1980, only 24 percent of its housing stock. Londonderry's housing stock has the smallest percentage of pre-1940 homes (3.1 percent),



the greatest percent of their homes being built since 1980 (52 percent). New Boston had the greatest proportion of its homes built since 1980 with nearly 64 percent of its owner occupied homes.

A greater share of renter occupied homes in the SNHPC region were built prior to 1940, 22.1 percent, compared to owner occupied homes. Auburn has the greatest share of its rental stock built pre-1940, 54.6 percent, while the least share of its rental stock, 9.2 percent has been built since 1980. New Boston had the second highest share of its stock built before 1940, with nearly 40 percent, and Manchester had 37.5 percent of its rental stock greater than 60 years old in 2000.

**Table 6**  
**Households by Number of Occupants and Tenure, 2000**

Municipality	Owner Occupied				Renter Occupied			
	1-2 Persons	3-4 Persons	5-6 Persons	7+ Persons	1-2 Persons	3-4 Persons	5-6 Persons	7+ Persons
Auburn	625	649	169	17	77	34	8	1
Bedford	2,496	2,321	642	48	582	136	21	5
Candia	573	544	127	11	61	37	6	0
Chester	462	483	164	20	44	32	7	2
Deerfield	495	439	143	21	69	47	11	0
Derry	3,383	3,431	1,068	96	2,892	1,225	214	18
Goffstown	2,322	1,730	417	36	800	275	53	8
Hooksett	1,747	1,254	281	22	554	248	34	7
Londonderry	2,583	3,004	976	74	577	321	78	10
Manchester	11,559	6,999	1,612	197	16,954	5,360	1,344	222
New Boston	581	508	147	8	106	73	10	1
Raymond	1,336	1,045	304	39	468	243	53	5
Weare	975	987	295	21	184	121	31	4
SNHPC Region	29,137	23,394	6,345	610	23,368	8,152	1,870	283

Source: 2000 U.S. Census SF1-H15

Nearly half (49 percent) of all owner occupied households in the SNHPC region had only one or two members living within the same home. 39.3 percent of all owner occupied households had three or four members and 10.7 percent had five or six persons. These 29,739 households represent the Region's families with children, relatives, or other individuals living together in a home owned by that household.

Predominantly, only one or two persons occupy the SNHPC region's renter occupied households. Single persons, young couples, empty nesters, and retirees compose this 69.4 percent of renter occupied housing. Families and other households with more than two members make up 24.2 percent of renter occupied households with three to four members, 5.6 percent of households with five to six persons, and less than 1 percent of households with more than 7 residents.

### Assisted Housing Supply

A listing of assisted housing provides an indication of the existing inventory of designated affordable housing units in the region. Assistance is in the form of rental subsidies, low-income loans, vouchers covering all or a portion of the housing allowance, and/or mortgage payment assistance to encourage the development of units for low-income households. Table 7 summarizes housing that has been financially assisted with public funds to assure that affordable housing units are provided to qualifying households. The source of public assistance and the primary population that is served by the housing units are described.

**Table 7**  
**Assisted Housing Units in the SNHPC Region, 2010<sup>5</sup>**

Municipality	Property Name	Type	# of Units (Acc)*	Type of Finance Assistance
Bedford	Carleton Crossing Pine Village Estates	Elderly	28	LIHTC, RHS 515
		Elderly	24 (3)	TE Bonds
Deerfield	Deerfield Elderly	Elderly	20 (2)	HOME, LIHTC, PBA
Derry	Abbott House	Elderly	22 (3)	TE Bonds, HFDA
	Derry Meadows	Elderly	50 (5)	-
	Franklin Village	Family	98	LIHTC
	Nutfield Heights	Elderly	73 (56)	HUD 236, LMSA
	Pillsbury Square	Elderly	28 (3)	HUD 202
	The Fairways	Elderly-Family	170 (16)	TE Bonds, LIHTC
Goffstown	Edward J. Roy Apartments	Elderly	60 (6)	TE Bonds
	Meetinghouse at Goffstown	Elderly	38	LIHTC, Bonds
	Placid Woods	Elderly	25 (14)	RHS 515
Hooksett	Birchwood	Family	32	RHS 515
	Hollyberry Hill/Hooksett Eld.	Elderly	44 (5)	TE Bonds
	Merrimack Heights	Family	65 (2)	LIHTC
	West View Terrace	Elderly	28	LIHTC, RHS 515
Manchester	428 Cedar Street	Family	2	HUD PH
	Amoskeag Millyard Apartments	Elderly-Family	48	HUD 221(d)4
	Amoskeag Residence	Family	8 (2)	HUD 202
	Antoinette Hill Apartments	Special Needs	23 (23)	HUD 202
	Beech Hill Park	Family	288 (14)	LIHTC, TE Bonds
	Benoit Housing	Elderly	150 (8)	HUD PH
	Brown School	Elderly	34	HUD PH, Sec 8
	Carpenter Center	Special Needs	96 (14)	HUD 202

<sup>5</sup> New Hampshire Housing Finance Authority, "Directory of Assisted Housing," February 2010.



**Table 7 (cont)**  
**Assisted Housing Units in the SNHPC Region, 2010**

	Cedar Beech	Family	24 (24)	HOME, LIHTC, AHF
<b>Municipality</b>	<b>Property Name</b>	<b>Type</b>	<b># of Units (Acc)*</b>	<b>Type of Finance Assistance</b>
Manchester	Cedar House	Elderly	30 (3)	TE Bonds
	Countryside Village	Elderly-Family	90	TE Bonds
	Courtyard Apartments	Elderly	24 (24)	HUD 202
	Derryfield Village	Elderly	28	HUD 202
	Douglas Street	Family	7	LIHTC, HOME
	Douglas Street House	Special Needs	9 (8)	HUD 202
	Elm Street I	Family	40 (40)	HOME, LIHTC, TE Bonds
	Elm Street II	Family	28 (28)	AHF, LIHTC
	Elmwood Gardens	Elderly-Family	200 (10)	HUD PH
	Family Mill	Family	33 (33)	CDBG, LIHTC
	Family Willows	Family	29	CDBG, LIHTC
	Fr. Louis Ramsey House I	Elderly	26 (1)	TE Bonds
	Fr. Louis Ramsey House II	Elderly	32 (2)	TE Bonds
	Frances Warde House	Elderly	26 (3)	HUD 202
	Gale Home	Elderly	37 (3)	HUD PH, Sec 8
	Gov. Gallen Apartments	Elderly	95 (10)	HUD PH
	Hillview & Hillview II	Family	96	LIHTC
	Jospahat T. Benoit Development	Elderly	102 (5)	HoDag
	Kalivas Highrise	Elderly	100 (10)	HUD PH
	Kelly Falls Apartments	Elderly-Family	132 (4)	HUD PH
	Langdon Mill	Family	20 (1)	CDBG, LIHTC
	Malvern & Merrimack Streets	Family	4	HUD PH, Sec 8
	Meetinghouse at Riverfront	Elderly	25 (102)	HOME, LIHTC, TE Bonds
	Merrimack Place	Family	16 (16)	LIHTC, HOME
	MHRA Acquisition and Rehabilitation	Family	19 (1)	HUD PH
	Millyard Families II	Family	19 (2)	AHF, HOME, LIHTC
	Millyard Transitional Housing	Family	12 (1)	CDBG, LIHTC
	Mountain View Apartments	Family	6	LIHTC
	Old Wellington Family Apts	Family	90	LIHTC
	O'Malley Highrise	Elderly	100	HUD PH
	Pariseau Highrise	Elderly	100 (1)	HUD PH
	Pearl Street School	Family	12 (1)	LIHTC, CDBG
	Phoenix Apts	Family	14	LIHTC, HOME
	Piscataquog River Family Hsing	Family	120 (17)	LIHTC

**Table 7 (cont)**  
**Assisted Housing Units in the SNHPC Region, 2010**

	Piscataquog River Senior Hsing	Elderly	30 (17)	LIHTC
<b>Municipality</b>	<b>Property Name</b>	<b>Type</b>	<b># of Units (Acc)*</b>	<b>Type of Finance Assistance</b>
Manchester	Rev. Raymond Burns Highrise	Elderly	121 (13)	HUD PH
	Rimmon & Gates	Family	6	HUD PH
	Scattered Sites	Elderly	108	HUD PH
	Scattered Sites	Family	32	HUD PH
	School & Third	Family	16 (1)	AHF
	Sidora's Terrace	Family	72	LIHTC
	Silver Mills	Family	57	LIHTC, HOME
	Stella Arms Apts	Family	66	LIHTC
	Straw Mansion	Family	33	LIHTC, HOME
	Sundance Village	Elderly	41 (3)	HUD 202
	The Way Home	Family	7 (1)	HOME, Private Grants
	Three Corners	Family	20 (20)	LIHTC, HOME
	Tree Street Renewal	Family	23 (23)	AHF, HOME, LIHTC
	Varney School Apartments	Elderly	78	TE Bonds
	Wellington Hill	Family	58	TE Bonds
Raymond	Jewett Building	Elderly	6	-
	Ledgewood Commons	Elderly	24 (2)	HUD 202

**Finance Source Acronyms:**

NHHFA-	New Hampshire Housing Finance Authority
AHF-	Affordable Housing Trust Fund
CDBG-	Community Development Block Grant
LIHTC-	Low Income Housing Tax Credit Program
RHS 515-	Rural Development (Farmers Home Administration) 515 rental production program
TE Bonds-	Tax-Exempt Bond financed projects
HUD-	U.S. Department of Housing and Urban Development
HUD PH-	The HUD Public Housing Program
HoDAG-	HUD's Housing Development Action Grant Program
HOME-	The HUD HOME investment partnership program to fund the development of affordable rental housing.
Sect 8-	Section 8 Rental Subsidy Program
Sect 8 PBA-	Housing assistance payments dedicated to housing development through Project Based Section 8 Tenant Rental System.
HUD 202, 236, and 221(d)4-	HUD housing programs providing direct below market rate mortgage financing or interest rate subsidies for development of multifamily rental housing targeted to specific populations.

Note: The number of units listed above reflects the number of rent assisted units within the facility and in some cases may be less than the total number of housing units.

\* The number of assisted units that are also handicap accessible is listed in parenthesis.

Of the thirteen communities that comprise the Southern New Hampshire Planning Commission Region, only Bedford, Deerfield, Derry, Goffstown, Hooksett, Manchester and Raymond have rent-assisted housing facilities. With a total of 3,162 units in 2010, up from



2,362 units in 1998, 79.19 percent of the rent-assisted housing units in the region are located in Manchester. The 457 units available in Derry are split nearly evenly between elderly households (173) and elderly-family units (170) with the remaining units devoted to strictly family (98 units) and special needs (16). All of the 52 rent-assisted units in Bedford and the 123 units in Goffstown are available exclusively to elderly households. Hooksett has approximately 4.23 percent of the region's rent-assisted housing units, of which 72, or 43 percent, are available to the elderly, while the remaining 97 or 57 percent are available to family households. Deerfield and Raymond have 20 and 30 units, respectively, or combine to just over 1 percent of the region's rent-assisted housing units, solely for elderly households. (See Table 8).

Within the Southern New Hampshire Planning Commission region, a total of 3,993 units in 2010, up from 3,076 units in 1998, has been reserved for eligible residents who have rent or purchase affordability cost limits. Of this 2010 total, 1,737, or 43.5 percent of the units, are set aside solely for the elderly and 1464, or 36.7 percent of units, are meant to be used only by family households. Elderly-family units number 640 or 16 percent and the remaining 152, or 3.8 percent of units, are for special needs or group home use.

Three-hundred and two, or about 7.6 percent of units, are in place to accommodate elderly handicapped individuals. For handicapped families, there are 225 units, or approximately 5.6 percent of places, available. For Elderly-family units, 30 or 0.7 percent are handicapped accessible and just over 1 percent of the assisted housing units that exist are available to house those who are handicapped and need group home, congregate, transitional, and special needs housing.

**Table 8**  
**Summary of Rent Assisted Housing Units in the SNHPC Region, 2010**

<b>Municipality</b>	<b>Total Elderly Units (Accessible)*</b>	<b>Total Family Units (Accessible)*</b>	<b>Total Elderly-Family Units (Accessible)*</b>	<b>Total Special Needs Units (Accessible)*</b>	<b>Percent of Regional Total</b>
Auburn	0	0		0	0.00%
Bedford	52 (3)	0		0	1.30%
Candia	0	0		0	0.00%
Chester	0	0		0	0.00%
Deerfield	20	0		0	0.50%
Derry	173 (67)	98	170 (16)	16	11.04%
Goffstown	123 (20)	0		0	3.08%
Hooksett	72 (5)	97 (2)		0	4.23%
Londonderry	0	0		0	0.00%
Manchester	1,287 (205)	1269 (223)	470 (14)	136 (47)	79.19%
New Boston	0	0		0	0.00%
Raymond	30 (2)	0		0	0.75%
Weare	0	0		0	0.00%
<b>SNHPC Region</b>	<b>1737 (302)</b>	<b>1464 (225)</b>	<b>640 (30)</b>	<b>152 (47)</b>	<b>100.00%</b>

Source: New Hampshire Housing Finance Authority, "Directory of Assisted Housing," February 2010 \*Accessible units are included in the total number of units

## Section 2- Housing Demand and Projections

Housing demand, as addressed in this report, focuses on the demographic and economic factors that drive housing demand within the SNHPC region. The main contributors are the current population and expected growth, the number of households, their ages and tenure, as well as employment levels. Changes in any of these factors will change the demand for housing within the region.

### **Population**

Comprehensive knowledge about regional population characteristics and trends is an integral element when assessing housing needs in an area. The population size and composition not only dictate the number of homes needed, it is a factor that will affect the requirements placed on community facilities and services such as electricity, sewage, and transportation. An appropriate awareness of the number of people in a region facilitates planning for a suitable amount of housing.

Population indicators are helpful statistics that complement affordability information and contribute to informed housing decisions such as the number of housing units needed to be built to house residents and where that housing should be located to best meet the needs of the population. The accompanying table (Table 9) shows the total population of the Southern New Hampshire Planning Commission region for 1990 and 2000 and estimates for 2008.

The SNHPC region contained an estimated 261,791 individuals in 2008 according to the NHOEP. When compared with the 1990 Census figures, the greatest numerical change in population for a municipality occurred in Manchester, which saw its population increase by 8,822 between 1990 and 2008. With a 71.72 percent population increase during the eighteen-year period, Chester experienced the greatest percent increase, followed closely by Bedford with a 65.62 percent increase. The community that appeared to undergo the least percent change in population was Manchester, with an estimated rise of almost 8.88 percent. Overall, the SNHPC region had a 20.93 percent increase in population during the eighteen-year period compared with the State of New Hampshire which saw a 18.6 percent change.

These population growth figures parallel housing growth data for the same period. Similar to the percent increase in population, Bedford and Chester experienced the greatest percent change in housing units during the eighteen-year period with increases of 75 percent and 61 percent, respectively. The community with the least percent changes in population or dwelling units (5 percent) between 1990 and 2008 was the city of Manchester.



**Table 9**  
**Population Estimates for the SNHPC Region, 1990-2008**

Municipality	Population			1990-2000		2000-2008	
	1990	2000	2008	Increase	Percent Change	Increase	Percent Change
Auburn	4,085	4,682	5,085	597	14.61%	403	8.61%
Bedford	12,563	18,274	20,807	5,711	45.46%	2,533	13.86%
Candia	3,557	3,911	4,085	354	9.95%	174	4.45%
Chester	2,691	3,792	4,621	1,101	40.91%	829	21.86%
Deerfield	3,124	3,678	4,366	554	17.73%	688	18.71%
Derry	29,603	34,021	34,071	4,418	14.92%	50	0.15%
Goffstown	14,621	16,929	17,605	2,308	15.79%	676	3.99%
Hooksett	9,002	11,721	13,483	2,719	30.20%	1,762	15.03%
Londonderry	19,781	23,236	24,567	3,455	17.47%	1,331	5.73%
Manchester	99,332	107,006	108,154	7,674	7.73%	1,148	1.07%
New Boston	3,214	4,138	5,129	924	28.75%	991	23.95%
Raymond	8,713	9,674	10,825	961	11.03%	1,151	11.90%
Weare	6,193	7,776	8,993	1,583	25.56%	1,217	15.65%
<b>SNHPC Region</b>	<b>216,479</b>	<b>248,838</b>	<b>261,791</b>	<b>32,359</b>	<b>14.95%</b>	<b>12,953</b>	<b>5.21%</b>

Sources: 1990 and 2000 U.S. Census

NH Office of Energy and Planning Population Estimates for 2008 population

Note: 1990 and 2000 are 100 percent count data whereas 2008 is an estimate.

**Table 10**  
**Total Population by Tenure and Group Quarters, 2000**

Municipality	Occupied Housing		Group Quarters	
	Owner Occupied	Renter Occupied	Institutional	Non-Institutional
Auburn	4,396	279	0	7
Bedford	16,370	1,459	375	70
Candia	3,659	252	0	0
Chester	3,532	224	0	36
Deerfield	3,333	323	0	22
Derry	24,141	9,649	160	71
Goffstown	12,513	2,397	417	1,602
Hooksett	8,996	1,901	0	824
Londonderry	20,750	2,476	0	10
Manchester	53,228	51,086	1,442	1,250
New Boston	3,659	472	0	7
Raymond	7,823	1,841	0	10
Weare	6,894	881	0	1
SNHPC Region	169,294	73,240	2,394	3,910

Sources: 2000 U.S. Census SF1-H11 and P37

Sixty-eight percent of the SNHPC regional population lives in owner occupied housing. There is 29.4 percent of the population living in rental housing. The remaining 2.6 percent of the population lives in group quarters, either institutional (1 percent) or non-institutional (1.6 percent). Institutional group homes include persons living in correctional facilities, nursing homes, or mental hospitals. Non-institutional group quarters include college dormitories, group homes, shelters, military bases, rooming houses and hotels or motels.

The City of Manchester, unlike the other twelve communities in the region, has just over half of its population living in forms of housing other than owner occupied units. Much of this population can be attributed to the City's high proportion of rental housing to owner occupied housing units, as well as being home to numerous nursing homes, the county jail, and several universities and colleges. Similarly, Derry has just over 28 percent of its population living in rental units that make up approximately 45 percent of Derry's housing stock. Goffstown and Hooksett's high non-institutional group quarter populations are attributed to Saint Anselm College and Southern New Hampshire University being respectively located in each town.

### Projected Population Growth

The New Hampshire Office of Energy and Planning (formerly the Office of State Planning) has been preparing projections or forecasts of future population for the state and its political subdivisions since at least 1964. The projections have been used by a wide variety of government agencies and private interests to guide public policy, gauge market potential and estimate future target populations. The projections can be applied directly and unaltered to guide public or private endeavors. The projections can also serve as a *beginning*, or point of



departure, in developing further projection efforts or refining existing ones. The OEP encourages the use of these projections to evaluate other projections. The U.S. Bureau of the Census has projected New Hampshire's population independently from the Office of Energy and Planning (OEP).

These projections, Update: November 2006, is the third iteration based on the 2000 U.S. Census. Previous OEP projections were published in December 2002 and September 2004. The three sets of projections combine census data with birth and death data from the NH Bureau of Vital Records to develop survival and fertility rates and age-specific migration rates. The births and deaths span the nineties and allow rates to be specific to New Hampshire. Those rates are used once again in this update.

Only the county crude migration rates were changed for Update: November 2006.

Based on the OEP projections, the greatest percent increase in growth between 2000 and 2030 is anticipated to occur in Hooksett (36.71 percent) and Weare (25.99 percent). As a percentage of the total, nearly 75.55 percent of the region's new residents will be located in Bedford, Derry, Goffstown, Londonderry, and Manchester, with a combined total of 32,070 new residents over the 30-year period. Thus, it is evident that population will continue to be centered in and around Manchester, Derry and Londonderry, with the most significant increases in the outlying areas.

**Table 11: Population Projections, 2000-2030**

Municipality									2005-2030			
	Census		Projected						Absolute Change	Percent Change	Growth Rate	2030 Percent of Total
	1990	2000	2005	2010	2015	2020	2025	2030				
Auburn	4,085	4,682	5,180	5,360	5,600	5,790	5,980	6,170	990	19.11%	0.55%	1.94%
Bedford	12,563	18,274	20,740	21,810	23,080	23,940	24,810	25,400	4,660	22.47%	0.64%	8.00%
Candia	3,557	3,911	4,110	4,250	4,430	4,570	4,710	4,840	730	17.76%	0.51%	1.52%
Chester	2,691	3,792	4,620	4,790	5,020	5,220	5,410	5,590	970	21.00%	0.60%	1.76%
Deerfield	3,124	3,678	4,270	4,420	4,620	4,780	4,940	5,100	830	19.44%	0.56%	1.61%
Derry	29,603	34,021	34,660	36,560	37,860	38,980	39,730	40,430	5,770	16.65%	0.48%	12.73%
Goffstown	14,621	16,929	17,800	18,600	19,480	20,260	21,030	21,800	4,000	22.47%	0.64%	6.87%
Hooksett	9,002	11,721	13,240	14,330	15,330	16,360	17,420	18,100	4,860	36.71%	1.05%	5.70%
Londonderry	19,781	23,236	24,670	26,210	27,340	28,440	29,540	30,580	5,910	23.96%	0.68%	9.63%
Manchester	99,332	107,006	109,970	112,400	115,230	117,620	120,050	121,700	11,730	10.67%	0.30%	38.32%
New Boston	3,214	4,138	4,970	5,190	5,450	5,690	5,930	6,160	1,190	23.94%	0.68%	1.94%
Raymond	8,713	9,674	10,640	11,010	11,470	11,840	12,210	12,560	1,920	18.05%	0.52%	3.96%
Weare	6,193	7,776	8,850	9,280	9,790	10,240	10,700	11,150	2,300	25.99%	0.74%	3.51%
<b>Total</b>	<b>216,479</b>	<b>248,838</b>	<b>263,720</b>	<b>268,974</b>	<b>281,986</b>	<b>294,149</b>	<b>306,341</b>	<b>317,548</b>	<b>53,828</b>	<b>20.41%</b>	<b>0.58%</b>	<b>100%</b>

Source: NHOEP



### Households by Age and Tenure

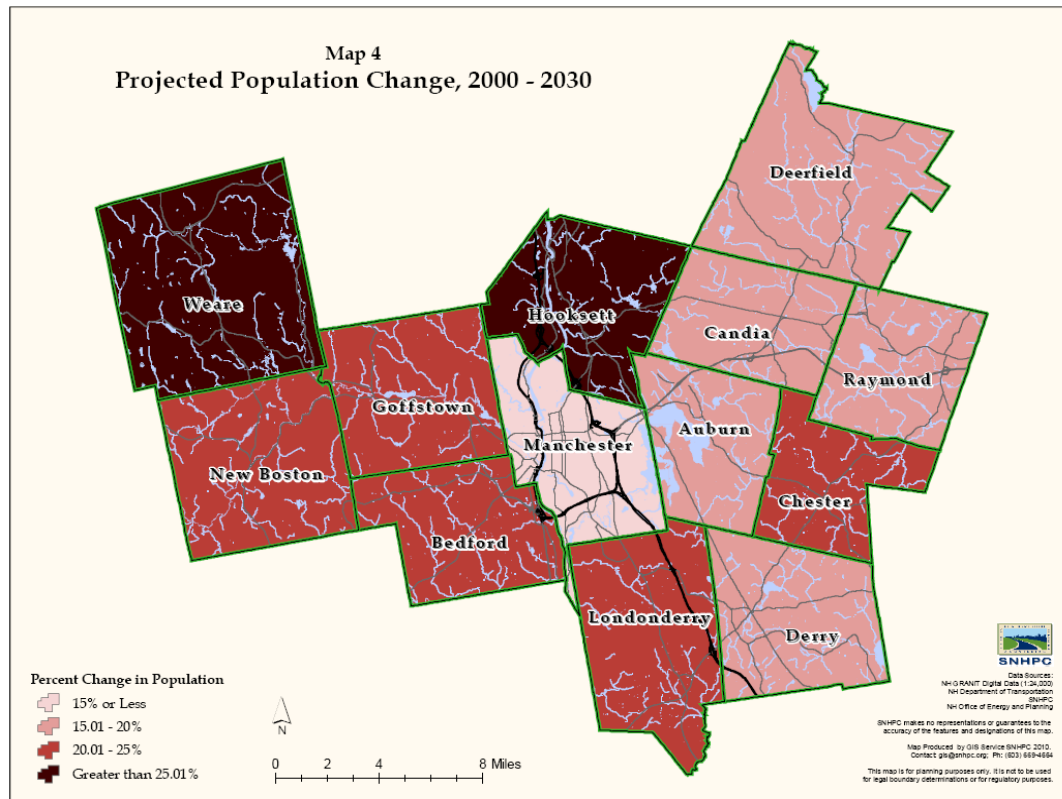
Overall, the greatest increase in the region's population from 1990 to 2000 occurred in the fifty-five to sixty-four year cohort with renters having a slightly larger percent increase (30.2 percent) than owners (23.7 percent). The only exception was the City of Manchester which actually lost 7 percent of its owner occupied households aged fifty-five to sixty-four. Possible explanations include moving out of the City or shifting to rental housing, which saw a 16 percent increase for that age group. The communities of Bedford, Candia, Londonderry, New Boston, and Weare all had increases greater than 150 percent in age fifty-five to sixty-four renter households. Recent trends in the construction of age restricted, fifty-five plus, multi-family housing may explain these increases.

Owner occupied households for the fifteen to fifty-four year cohort increased at a greater percentage than did renter households of the same age, with increases of 18.9 and 11.8 percent, respectively. Changes in renter occupied households for this age level ranged from a nearly 10 percent decrease in Chester to a 204.6 percent increase in Bedford. The high increase in Bedford can be explained by multi-family housing construction growth during the mid to late nineties. However, construction of multi-family housing has recently come to a near halt due to near build out conditions of appropriately zoned land and a change in zoning districts.

For households aged sixty-five or older, there was little change in the number of renter occupied households and a 17 percent increase in owner occupied households. The most significant increase in owner occupied households, among those age sixty-five or older, were in the communities of Bedford and Londonderry, with increases of 79 and 52.6 percent, respectively. Among renter occupied sixty-five plus households, greatest increases were actualized in Chester (125 percent) and Weare (142.9 percent). Given the large number fifty-five to sixty-four year cohort households, large increases can be anticipated in the sixty-five plus group in 2010. Estimates for 2008 Households by age and tenure can be found in the Housing Supply Projections developed by BCM Planning for this update, Appendix B.

**Table 12**  
**Households by Tenure and Age of Householder, 1990-2000**

Municipality	1990 Census			2000 Census			Percent Change 1990-2000		
	15 to 54 years	55 to 64 years	65 and over	15 to 54 years	55 to 64 years	65 and over	15 to 54 years	55 to 64 years	65 and over
Owner Occupied									
Auburn	937	123	132	1,107	198	155	18.1%	61.0%	17.4%
Bedford	2,681	559	480	3,713	935	859	38.5%	67.3%	79.0%
Candia	814	123	139	932	173	150	14.5%	40.7%	7.9%
Chester	582	103	93	830	169	130	42.6%	64.1%	39.8%
Deerfield	690	99	116	815	158	125	18.1%	59.6%	7.8%
Derry	5,512	632	617	6,191	973	814	12.3%	54.0%	31.9%
Goffstown	2,525	579	674	3,004	614	887	19.0%	6.0%	31.6%
Hooksett	1,716	388	447	2,232	507	565	30.1%	30.7%	26.4%
Londonderry	4,569	504	424	5,080	910	647	11.2%	80.6%	52.6%
Manchester	10,677	3,053	4,841	12,438	2,836	5,093	16.5%	-7.1%	5.2%
New Boston	716	85	103	955	181	108	33.4%	112.9%	4.9%
Raymond	1,691	253	370	1,996	365	363	18.0%	44.3%	-1.9%
Weare	1,506	157	201	1,853	219	206	23.0%	39.5%	2.5%
SNHPC Region	34,616	6,658	8,637	41,146	8,238	10,102	18.9%	23.7%	17.0%
Renter Occupied									
Auburn	95	8	7	98	9	13	3.2%	12.5%	85.7%
Bedford	173	17	87	527	58	159	204.6%	241.2%	82.8%
Candia	73	3	8	81	10	13	11.0%	233.3%	62.5%
Chester	71	9	4	64	12	9	-9.9%	33.3%	125.0%
Deerfield	80	6	8	111	7	9	38.8%	16.7%	12.5%
Derry	3,358	214	434	3,525	368	456	5.0%	72.0%	5.1%
Goffstown	728	64	189	779	104	253	7.0%	62.5%	33.9%
Hooksett	574	42	86	654	63	126	13.9%	50.0%	46.5%
Londonderry	813	39	37	810	104	72	-0.4%	166.7%	94.6%
Manchester	16,105	1,770	3,892	18,052	2,054	3,774	12.1%	16.0%	-3.0%
New Boston	132	5	13	157	17	16	18.9%	240.0%	23.1%
Raymond	599	39	47	617	64	88	3.0%	64.1%	87.2%
Weare	244	9	7	295	28	17	20.9%	211.1%	142.9%
SNHPC Region	23,045	2,225	4,819	25,770	2,898	5,005	11.8%	30.2%	3.9%



Source: Southern New Hampshire Planning Commission

### Households by Tenure and Income

BCM Planning, LLC has produced estimates of the number of households by tenure and income for the SNHPC area using the U.S. Census Bureau American Community Survey (ACS) data for 2008. Please see Appendix A for this report.

Table 13 from Appendix A, Table 3 shows the Income by Tenure in Relevant ACS Samples from BCM Planning's model. The total owner-occupied households for the SNHPC estimating area is 62,241 with the top three owner-occupied household income brackets being \$100,000 to \$149,999 (22.68 percent), \$50,000 to \$74,999 (20.24 percent) and \$75,000 to \$99,999 (18.64 percent). For income relative to weighted area median family income (AMFI) for the SNHPC region, the majority of owner-occupied households are over 100 percent AMFI (54.03 percent of households). In terms of workforce housing owners or those earning 100 percent or less of the AMFI (according to NH RSA 674:58), 45.97 percent of owner-occupied households fall under this income threshold (under \$78,780).

For renter-occupied households the total is 29,531 for the SNHPC estimating area, with the top three renter-occupied household income brackets being \$50,000 to \$74,999 (18.96 percent), \$35,000 to \$49,999 (14.80 percent) and \$25,000 to \$34,999 (13.74 percent). For income relative to weighted AMFI for the SNHPC region, the majority of renter-occupied households are less than 100 percent AMFI (82.68 percent). In terms of workforce housing renters or those earning 60 percent or less of the AMFI for a family of three (according to NH RSA 674:58), 55.15 percent of the renter-occupied households fall under this income threshold (under \$42,700).

**Table 13 (Appendix A, Table 3)**  
**Income by Tenure in Relevant ACS Samples: TENURE BY HOUSEHOLD INCOME IN**  
**THE PAST 12 MONTHS (IN 2008 INFLATION-ADJUSTED)**

Tenure and Income Estimated for 2008	Manchester NH Metropolitan NECTA	Derry	Londonderry	Total for SNHPC Estimating Area	SNHPC Estimating Area Income Distribution by Tenure
<b>Total Households:</b>	<b>71,194</b>	<b>12,326</b>	<b>8,252</b>	<b>91,772</b>	
<b>Owner occupied:</b>	<b>46,085</b>	<b>8,733</b>	<b>7,423</b>	<b>62,241</b>	<b>100.00%</b>
Less than \$5,000	412	38	50	500	0.80%
\$5,000 to \$9,999	362	58	129	549	0.88%
\$10,000 to \$14,999	1,012	77	143	1,232	1.98%
\$15,000 to \$19,999	829	201	41	1,071	1.72%
\$20,000 to \$24,999	1,344	175	161	1,680	2.70%
\$25,000 to \$34,999	2,318	731	453	3,502	5.63%
\$35,000 to \$49,999	4,112	1,053	558	5,723	9.19%
\$50,000 to \$74,999	10,116	1,285	1,199	12,600	20.24%
\$75,000 to \$99,999	8,588	1,848	1,164	11,600	18.64%
\$100,000 to \$149,999	10,026	1,969	2,120	14,115	22.68%
\$150,000 or more	6,966	1,298	1,405	9,669	15.53%
<b>Income Relative to Weighted AMFI for SNHPC Region</b>					
\$23,634 <30%	3,592	501	480	4,573	7.35%
\$31,512 <40%	5,468	1,025	819	7,313	11.75%
\$39,390 <50%	7,068	1,550	1,090	9,709	15.60%
\$47,268 <60%	9,640	2,141	1,433	13,215	21.23%
\$63,024 <80%	15,659	3,002	2,160	20,821	33.45%
\$78,780 <100%	21,804	3,897	2,910	28,611	45.97%
Over 100%	24,281	4,836	4,513	33,630	54.03%
<b>Under \$78,780 Workforce Owners</b>	21,804	3,897	2,910	28,611	45.97%
(HUD 100% Workforce AMFI) %	47.3%	44.6%	39.2%	46.0%	
<b>Renter occupied:</b>	<b>25,109</b>	<b>3,593</b>	<b>829</b>	<b>29,531</b>	<b>100.00%</b>
Less than \$5,000	884	48	44	976	3.31%
\$5,000 to \$9,999	1,732	319	0	2,051	6.95%
\$10,000 to \$14,999	2,093	183	0	2,276	7.71%



Table 13 Cont (Appendix A, Table 3)

\$15,000 to \$19,999		2,192	197	90	2,479	8.39%
\$20,000 to \$24,999		1,991	212	0	2,203	7.46%
\$25,000 to \$34,999		3,330	529	198	4,057	13.74%
\$35,000 to \$49,999		3,666	597	109	4,372	14.80%
\$50,000 to \$74,999		4,759	737	103	5,599	18.96%
\$75,000 to \$99,999		2,320	335	20	2,675	9.06%
\$100,000 to \$149,999		1,705	420	241	2,366	8.01%
\$150,000 or more		437	16	24	477	1.62%
<b>Income Relative to Weighted AMFI for SNHPC Region</b>						
\$23,634	<30%	8,348	901	134	9,383	31.77%
\$31,512	<40%	11,060	1,303	263	12,627	42.76%
\$39,390	<50%	12,411	1,615	320	14,346	48.58%
\$47,268	<60%	15,220	1,976	421	17,618	59.66%
\$63,024	<80%	18,367	2,469	495	21,331	72.23%
\$78,780	<100%	20,998	2,873	547	24,417	82.68%
	Over 100%	4,111	720	282	5,114	17.32%
<b>Under \$42,700</b>	<b>Workforce Rent</b>	14,104	1,794	388	16,286	55.15%
(HUD 60% AMFI - 3 Persons)	Workforce %	56.2%	49.9%	46.8%	55.1%	

Data Set: 2006-2008 American Community Survey 3-Year Estimates (Table B25118)

### Employment

Typically, where there is employment and labor force increases there will also be housing unit increases to accommodate the new employees in a locality. However, job losses will indicate an increased vacancy rate, the need for more affordable housing options, or an increase of persons with a high housing cost burden.

Table 14 details the number of jobs located in each SNHPC community, as calculated by New Hampshire Employment Security. The SNHPC region was home to 109,238 jobs in 1998, grew to 117,156 (7.2 percent increase) in 2000 and then to 124,089 (5.9 percent increase) in 2008. Communities with the greatest percent job increase from 1998 to 2008 were Auburn (88.3 percent), Chester (61.8 percent), Weare (47.6 percent), and Candia (41.8 percent).

**Table 14**  
**Annual Average Covered Employment within Each Municipality, 1998-2008**

Municipality	1998			2000			2008			1998-2000 change Total	2000-2008 change Total	1998-2008 change Total
	Private Sector	Govern- ment	Total	Private Sector	Govern- ment	Total	Private Sector	Govern- ment	Total			
Auburn	804	116	920	870	116	986	1,577	155	1,732	7.2%	75.7%	88.3%
Bedford	12,886	593	13,480	12,667	611	13,278	13,303	1,051	14,354	-1.5%	8.1%	6.5%
Candia	461	104	565	494	108	602	689	112	801	6.5%	33.1%	41.8%
Chester	198	87	285	249	86	335	264	196	461	17.5%	37.6%	61.8%
Deerfield	270	102	373	318	131	449	269	171	440	20.4%	-2.0%	18.0%
Derry	7,395	801	8,196	7,869	944	8,813	7,163	1,080	8,243	7.5%	-6.5%	0.6%
Goffstown	2,339	560	2,899	2,523	538	3,061	2,420	1,134	3,554	5.6%	16.1%	22.6%
Hooksett	5,672	465	6,137	6,264	491	6,755	7,497	607	8,105	10.1%	20.0%	32.1%
Londonderry	8,924	931	9,855	10,221	987	11,208	12,705	1,241	13,945	13.7%	24.4%	41.5%
Manchester	55,209	7,231	62,440	59,386	7,418	66,804	59,990	7,387	67,378	7.0%	0.9%	7.9%
New Boston	354	108	462	369	105	474	467	180	647	2.6%	36.5%	40.0%
Raymond	2,189	369	2,558	2,771	387	3,158	2,428	424	2,853	23.5%	-9.7%	11.5%
Weare	777	291	1,068	928	305	1,233	1,132	444	1,576	15.4%	27.8%	47.6%
<b>SNHPC Region</b>	<b>97,478</b>	<b>11,758</b>	<b>109,238</b>	<b>104,929</b>	<b>12,227</b>	<b>117,156</b>	<b>109,904</b>	<b>14,182</b>	<b>124,089</b>	<b>7.2%</b>	<b>5.9%</b>	<b>13.6%</b>

Sources: 1998 figures- NH Community Profiles, 2008 Edition New Hampshire Employment Security

2000 figures- NH Employment Security, Local, State and County data for 2000

2008 figures- City and Town Profiles, NH Employment Security



**Table 15**  
**Labor Force, 1998-2008**

Municipality	1998			2000			2008			1998-2000 change employed	2000-2008 change employed	1998-2008 change employed
	Civilian Labor Force	Employed	Unemploy- ment Rate	Civilian Labor Force	Employed	Unemploy- ment Rate	Civilian Labor Force	Employed	Unemploy- ment Rate			
Auburn	2,643	2,579	2.4%	2,728	2,667	2.2%	3,163	3,067	3.0%	3.4%	15.00%	18.9%
Bedford	9,150	8,988	1.8%	9,466	9,296	1.8%	11,435	11,113	2.8%	3.4%	19.55%	23.6%
Candia	2,186	2,125	2.8%	2,253	2,197	2.5%	2,629	2,551	3.0%	3.4%	16.11%	20.0%
Chester	1,996	1,946	2.6%	2,308	2,249	2.6%	2,718	2,630	3.2%	15.6%	16.94%	35.1%
Deerfield	2,168	2,111	2.6%	2,228	2,173	2.5%	2,301	2,221	3.5%	2.9%	2.21%	5.2%
Derry	19,268	18,522	3.9%	22,161	21,401	3.4%	20,033	19,153	4.4%	15.5%	-10.50%	3.4%
Goffstown	8,932	8,718	2.4%	9,263	9,016	2.7%	10,274	9,959	3.1%	3.4%	10.46%	14.2%
Hooksett	5,604	5,472	2.4%	5,812	5,660	2.6%	8,112	7,833	3.4%	3.4%	38.39%	43.1%
Londonderry	13,057	12,706	2.7%	13,521	13,142	2.8%	14,587	14,050	3.7%	3.4%	6.91%	10.6%
Manchester	57,027	55,481	2.7%	58,829	57,385	2.5%	61,851	59,196	4.3%	3.4%	3.16%	6.7%
New Boston	2,188	2,152	1.6%	2,283	2,240	1.9%	3,031	2,943	2.9%	4.1%	31.38%	36.8%
Raymond	5,286	5,080	3.9%	6,085	5,869	3.5%	6,100	5,826	4.5%	15.5%	-0.73%	14.7%
Weare	4,043	3,968	1.9%	4,205	4,104	2.4%	5,259	5,084	3.3%	3.4%	23.88%	28.1%
<b>Total</b>	<b>133,548</b>	<b>129,848</b>	<b>2.8%</b>	<b>141,142</b>	<b>137,399</b>	<b>2.7%</b>	<b>151,493</b>	<b>145,626</b>	<b>3.9%</b>	<b>5.8%</b>	<b>5.99%</b>	<b>12.2%</b>

Source: Nnetwork by NH Employment Security, Labor Force, Employment and Unemployment Data

Table 15 details the number of working residents age sixteen or older, labor force that lives in each SNHPC community, as well as, the unemployment rate for each. Changes in the region's labor force were similar to changes in local employment. From 1998 to 2000, the number of employed persons rose from 129,848 to 137,399, a 5.8 percent increase. From 2000 to 2008, the number of employed persons rose by 6 percent, to 145,626 persons. However, despite the increase in employed persons from 2000 to 2008 there was an even greater increase in the employable labor force, rising from 141,142 persons in 2000 to 151,493 persons in 2008, a 7.3 percent increase. This caused the unemployment rate to rise from 2.7 percent in 2000 to 3.9 percent in 2008.

The greatest increases in labor force from 1998 to 2008 were located in the communities of Hooksett (43.1 percent), New Boston (36.8 percent), and Chester (35.1 percent). The lowest levels of change were in the communities of Derry (3.4 percent), Deerfield (5.2 percent) and Manchester (6.7 percent). This low level of labor force change can indicate that while a community may see an increase in the number of jobs, people are choosing to live outside that community and commute.

Approximately 66 percent of the region's population commutes out of town. Municipalities with the greatest percent of residents commuting out of town are Candia (89 percent), Auburn (87 percent), and Weare (85 percent). Table 16 describes residents commuting out of town for each municipality. Most all communities have more than 73 percent of their population commuting out to Manchester or other large municipalities within twenty to thirty-five minutes away.

**Table 16**  
**Commuting Patterns, 2000**

Municipality	Commuting Out of Town- 2000					Average Commuting Time
	Number of Residents	Percent of Residents	Most Common Commute To	Second Most Common Commute To	Third Most Common Commute To	
Auburn	2,312	87.44%	Manchester	Londonderry	Hooksett	26.7
Bedford	6,674	73.62%	Manchester	Nashua	Merrimack	27.2
Candia	1,960	89.25%	Manchester	Hooksett	Bedford	28.3
Chester	1,686	83.76%	Manchester	Derry	Salem	32.2
Deerfield	1,602	83.92%	Manchester	Concord	Raymond	33.9
Derry	14,515	79.53%	Salem	Manchester	Londonderry	31.1
Goffstown	6,971	78.22%	Manchester	Bedford	Nashua	26.1
Hooksett	4,992	79.43%	Manchester	Concord	Bedford	25.7
Londonderry	9,772	78.08%	Manchester	Nashua	Derry	29.7
Manchester	26,139	47.69%	Nashua	Bedford	Londonderry	21.3
New Boston	1,940	83.95%	Manchester	Goffstown	Nashua	32.7
Raymond	4,344	82.29%	Manchester	Exeter	Londonderry	31.6
Weare	3,516	85.34%	Manchester	Concord	Goffstown	35.1
Total	86,423	66.32%				

Source: U.S. Census 2000 MCD-to-MCD Worker Flow Files, State of New Hampshire, Residence MCD



## Housing Unit Projections

Housing projections are important for local and regional planning purposes to help predict how much land will be needed for increased residential development, and where that development should be located.

For this report, Bruce Mayberry of BCM Planning, LLC has produced “projections of regional housing supply needs for the period 2008 to 2015 for the SNHPC area. The purpose of the projections is to help anticipate the amount of housing production that would need to take place to accommodate projected populations growth, expected age shifts in the population, and to provide enough housing to satisfy the housing demands of a larger area labor force under a range of employment growth assumptions” (BCM Planning, Appendix B).

BCM Planning’s work includes a demographic model that projects population, households and tenure by age group. Part 2 of BCM Planning’s work includes a “comparison of housing production needs under the population-based assumptions to alternative projections that reflect alternative employment growth scenarios.” In the employment-based projection, it is assumed that expanding employment would result in demand for additional housing in proportion to required labor force growth.

“Long-term projections based on the relationship of employment and labor force to the total housing market is difficult, given the significant shift in the age distribution of the population. However, the range of projections shown, in the context of historical growth, should provide reasonable estimates for anticipating regional housing supply needs.

The population-based production model indicates a need for about 1,300 housing units per year to be produced in the region to meet demands from household growth and reasonable vacancy reserves. Projections that assume area employment growth averaging 0.74 percent per year indicate a need for 1,345 to 1,504 units per year in the region. (Average annual employment growth from 2000-2008 was about 0.74 percent in the SNHPC area).

The employment growth scenarios both assume that the resident labor force would need to rise in relation to growth in local employment opportunities, requiring more housing to meet that demand within the SNHPC region.”

Housing production at about 1,346 units per year would be consistent with the average of the long-term historical housing levels within the SNHPC region, and with the population-based and historical employment growth assumption.

The following table from BCM Planning’s Housing Supply Projections (Appendix B) shows the SNHPC regional 2008 estimated supply and 2015 projected supply needed under growth assumptions using the 3 different models.

HOUSING PRODUCTION NEEDS - SNHPC REGION - 2008-2015				
Tenure Group	Year 2015 Projected Supply Need - SNHPC Area			
	Models with Age Detail		General Employment Model	Average
	NHOEP Population Based with BCM Headship Model	Employment Growth 0.74% Per Year (2000-08 Rate)	Employment Growth 0.74% Per Year (2000-08 Rate)	
Year 2008 Estimated Housing Supply (Year Round Units Only)				
Ownership	66,723	66,723	66,723	66,723
Rental	37,290	37,290	37,290	37,290
Total	104,013	104,013	104,013	104,013
Year 2015 Projected Supply Needed Under Growth Assumptions				
Ownership	72,439	73,304	72,605	72,782
Rental	40,732	41,237	40,825	40,931
Total	113,170	114,541	113,430	113,714
Change in Supply 2008-2015				
Ownership	5,716	6,581	5,882	6,060
Rental	3,442	3,947	3,535	3,641
Total	9,157	10,528	9,417	9,701
Average Annual Units Required 2008-2015				
Ownership	817	940	840	866
Rental	492	564	505	520
Total	1,308	1,504	1,345	1,386

Table 16, BCM Planning Housing Supply Projections, Appendix B

Please see Appendix B for data tables and analysis of the housing projections for the SNHPC region through 2015.

Previous housing unit projections conducted by the Southern New Hampshire Planning Commission were calculated assuming the historical annual average increase in units from 1970 through the present (2007, excluding outliers) would remain constant into the future. Projections were calculated at five-year intervals and were completed at the community and traffic zone level. This method will be utilized by the SNHPC in 2010 to complete the "Regional Transportation Plan (August 2010) and the Transportation Improvement Program, FY 2011-2014" and the most recent projections done in 2008 yielded 111,184 dwelling units for 2015. This method, of constant projection of the historical increase was developed to meet the needs of transportation modeling at SNHPC, which required dwelling unit projections to be completely independent of population or employment projection data. Data from NH OEP's "Current Estimated and trends in New Hampshire's Housing Supply" was used for dwelling unit estimates from 1970 through 1999. Actual Building permit data collected by SNHPC from the municipalities in the region was used for 2000-2007. Table 17 shows the 2015 projection using this method.



Table 17 compares the results of the various methods and distributes regional totals based on each community's 2000 share of the total; SNHPC's traditional method of projecting the constant historical average and the three new projections of BCM Planning's regional models presented in Appendix B, and then averages the four results for each community. The constant historical average method was computed at the municipal level and then summed to reach the region's total. This figure considers availability of land for future development, development constraints, and local zoning and development regulations. The three BCM Planning projections were computed at the regional level first and municipal results were derived by SNHPC from redistributing the total based on each community's 2000 share of the total.

**Table 17**  
**Comparative Dwelling Unit Projections, 2000-2015**

Municipality	2000 U.S. Census	2015					2000-2015 Change		
		SNHPC Constant Historical Average	NHOEP Pop Based Headship Model	Emp Growth 0.74% p/year w/Age Detail	Emp Growth 0.74% p/year w/o age detail	Average all 4 Projection Methods	Total	Percent	growth rate
Auburn	1,622	1,971	1,902	1,925	1,906	1,926	304	18.7%	1.73%
Bedford	6,401	8,138	7,506	7,597	7,523	7,691	1,290	20.2%	1.85%
Candia	1,384	1,635	1,623	1,643	1,627	1,632	248	17.9%	1.66%
Chester	1,247	1,705	1,462	1,480	1,466	1,528	281	22.6%	2.05%
Deerfield	1,406	1,857	1,649	1,669	1,652	1,707	301	21.4%	1.96%
Derry	12,735	13,447	14,933	15,114	14,968	14,616	1,881	14.8%	1.39%
Goffstown	5,798	6,596	6,799	6,881	6,814	6,773	975	16.8%	1.57%
Hooksett	4,307	5,882	5,050	5,112	5,062	5,277	970	22.5%	2.05%
Londonderry	7,718	9,214	9,050	9,160	9,071	9,124	1,406	18.2%	1.69%
Manchester	45,892	50,196	53,814	54,466	53,938	53,103	7,211	15.7%	1.47%
New Boston	1,462	2,002	1,714	1,735	1,718	1,792	330	22.6%	2.06%
Raymond	3,710	4,759	4,350	4,403	4,360	4,468	758	20.4%	1.88%
Weare	2,828	3,782	3,316	3,356	3,324	3,445	617	21.8%	1.99%
<b>SNHPC Region**</b>	<b>96,510</b>	<b>111,184</b>	<b>113,170</b>	<b>114,541</b>	<b>113,430</b>	<b>113,081</b>	<b>16,571</b>	<b>17.2%</b>	<b>1.60%</b>

Sources: U.S. Census, SNHPC, BCM Planning (appendix B)

\*\*Total year round housing units

While the various methods created only slight variations at the municipal level for most communities, each projection method factors in different values, which are all equally important in determining future quantities of housing units. Thus, the final projection is the average of the four methods at 113,081 households for 2015. This final average represents a projected annualized growth rate of 1.60% percent for the SNHPC region from 2000-2015.

Derry and Manchester represent the greatest anticipated numerical increases, +1,881 and +7,211 units, respectively. At the same time, these two communities also represent the two

lowest percent increases in the region with increases of approximately 14.8 percent and 15.7 percent, respectively. The Town of Derry also has a growth ordinance that has been in effect since 1999, which has been factored in to the SNHPC Constant historical average projection, but not the BCM Planning projections and thus is not considered a factor in the average of the four projections. The communities projected to have the highest percent increases in the region are Chester and New Boston at 22.6%, with Hooksett following at 22.5%.



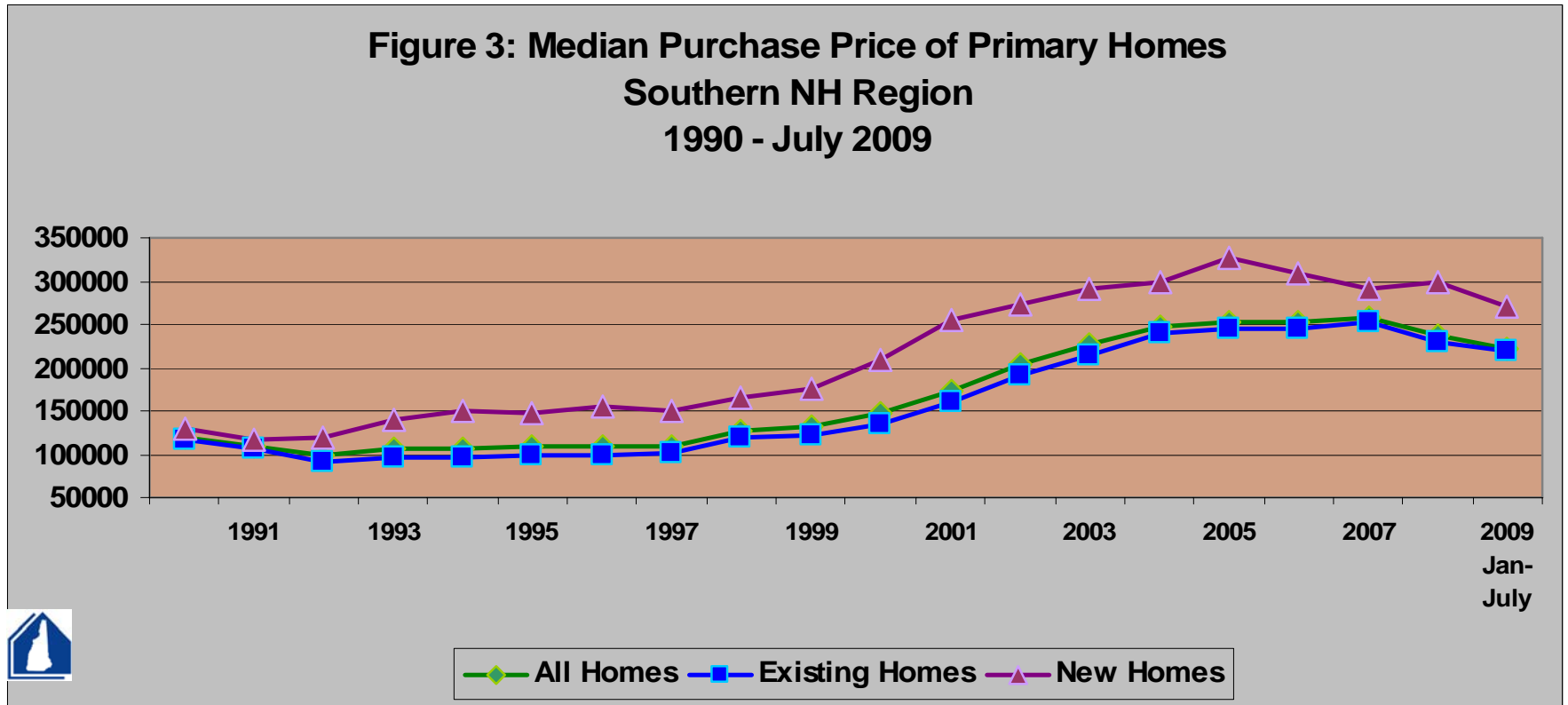
## Section 3 - Housing Costs and Affordability

An unusually strong economy and unprecedented population growth in the mid-1980s pushed housing values to levels in 1990 that were two-to-three times their market value ten years earlier. High housing demand, resulting from the influx of new businesses, job increases, higher salaries and more people, caused demand to outstrip supply, resulting in a rapid increase in housing prices. Developer and builder response to this demand was high levels of new construction, which eventually led to a housing surplus in the early 1990s and a subsequent drop in home values. Housing prices in the region continued to fall through 1992 and in 1993 began a slow and gradual increase until 1999.

From 2000 through 2005, house prices continued to reach unprecedented levels. Rent prices paralleled housing purchase prices with percent cost increases having about a one-year lag, from 1990 through 2002 at which time rents temporarily leveled off while housing prices continued to rise through 2005. Some contributing factors to these high housing costs include, but are not limited to, increased financing capabilities, low interest rates, low vacancy rates and limited stock of available housing for purchase, anticipation of resale profits, and in-migration of wealthier persons purchasing retirement or vacation homes. Since 2005, house prices have steadily declined, dropping the most significantly from 2007 through the present, due to the economic recession and the housing market crash that started in late 2007 and continues presently.

### Home Ownership Costs

To demonstrate the recent decline in house prices, according to the Office of Federal Housing Enterprise Oversight's Housing Price Index calculations, the State of New Hampshire, in the fourth quarter of 2009, ranked number twenty-four in the nation for housing purchase prices over the last year with an index of -0.54 percent and -5.95 percent over the last five years among the fifty states and Washington, DC. The Manchester Metropolitan Statistical Area (MSA), which includes eight SNHPC communities, had ranked 188 of 220 ranked MSAs across the country, over the last year with an index of -5.32 percent and -5.95 percent over the last five years. New Hampshire Housing Finance Authority data indicates the SNHPC region had a -6.4 percent in the median purchase price of primary homes from 2008-2009 and from 2004-2009 the percent change was -11.04 percent. Figure 3 depicts the breakdown of home prices over time by the type of home.



Source: NHHFA



**Table 18**  
**Residential Real Estate Sales**  
**Average Prices and Number of Sales for the SNHPC Region, 2006-2008<sup>6</sup>**

Municipality	2006	2007	2008	Percent Increase 2006-08
	Median Purchase Price	Median Purchase Price	Median Purchase Price	Median Purchase Price
Auburn	\$330,000	#N/A	#N/A	#N/A
Bedford	\$410,000	\$380,000	\$392,500	-4.27%
Candia	#N/A	#N/A	#N/A	#N/A
Chester	\$330,000	\$342,000	#N/A	#N/A
Deerfield	#N/A	#N/A	#N/A	#N/A
Derry	\$233,500	\$227,900	\$215,000	-7.92%
Goffstown	\$243,000	\$235,000	\$225,000	-7.41%
Hooksett	\$235,000	\$248,000	\$255,000	8.51%
Londonderry	\$260,000	\$285,000	\$275,840	6.09%
Manchester	\$226,000	\$224,800	\$208,750	-7.63%
New Boston	\$350,000	\$302,000	#N/A	#N/A
Raymond	\$259,900	\$234,900	\$232,000	-10.73%
Weare	\$267,000	\$262,500	\$220,000	-17.60%
<b>SNHPC Region</b>	<b>\$253,600</b>	<b>\$257,000</b>	<b>\$236,000</b>	<b>#N/A</b>

Source: NHHFA Purchase Price Trends

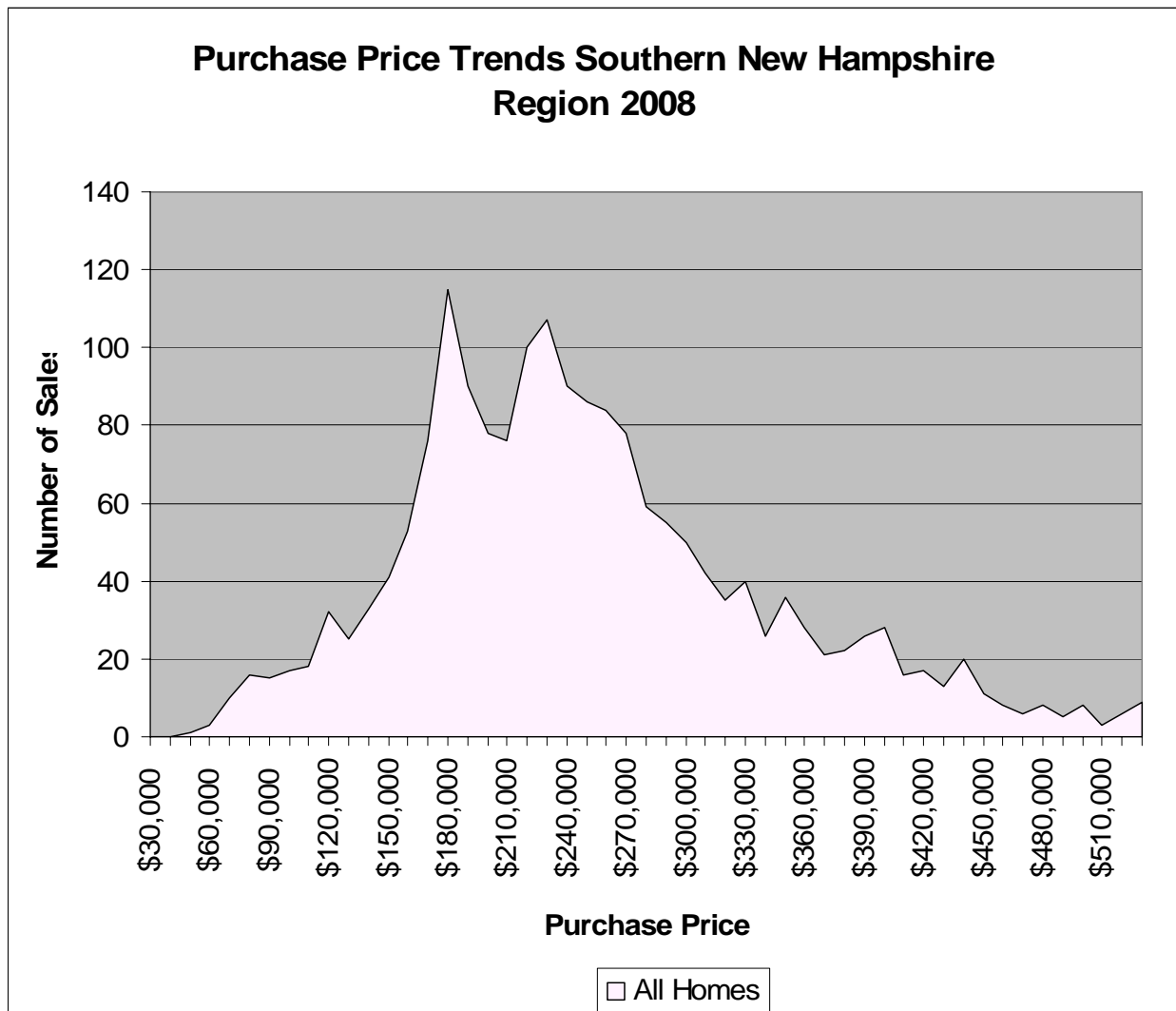
Note: The above averages and counts were calculated from a database of all residential transactions in the region including single, two, and multi-family residential, condominiums, and manufactured houses. Figures above may vary from those reported in the SNHPC Real Estate Tracking Reports as the reports are calculated using transactions from October through September, whereas the figures above are from January to December of each year.

Calculations based on a sample size of less than 50 are highly volatile and not considered valid. A "p" following a year indicates a preliminary number.

The 2006 through 2008 average purchase price of residential properties, including single family, multi-family, manufactured homes, and condominiums, in the Southern New Hampshire Planning Region are depicted in Table 18. The average purchase price of a home in 2008 ranged from a low of \$208,750 in Manchester to a high of \$392,500 in Bedford. The average purchase price for homes in the region was \$236,000. Municipalities with the highest purchase prices and whose homes were above the regional average purchase price were: Bedford, Hooksett, and Londonderry. Purchase Price trends were not available for the towns of Auburn, Candia, Chester, Deerfield and New Boston for 2008 due to a small sample size.

<sup>6</sup> Data through 2008 is shown as the baseline for data in this report is the year 2008. Since the start of this report data for 2009 is now available and the SNHPC region Median Purchase Price is \$212,000 for all units for 2009.

Figure 4: Purchase Price Trends Southern New Hampshire Region 2008, All Homes

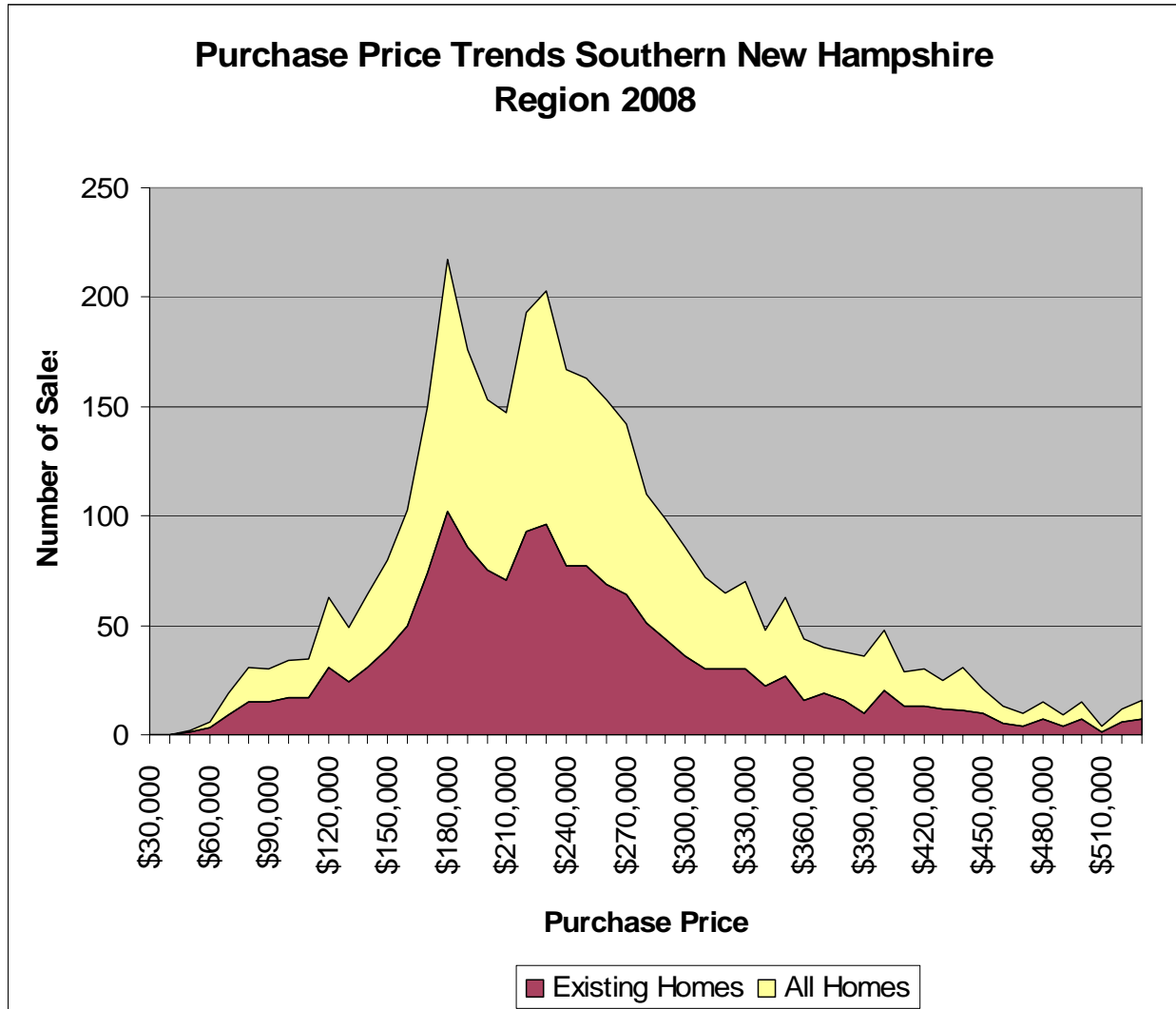


Source: NHHFA

Figure 4 shows the 2008 purchase price trends for the Southern New Hampshire Region for all homes. The number of sales refers to the number out of a sample size of 1,920. The greatest number of sales in 2008 was in the \$180,000 - \$230,000 range, with \$180,000 being the peak a slight dip and then another peak at \$230,000. Compared to 2005, where the range of greatest number of sales was \$200,000 - \$250,000, with the peak being at \$200,000.



**Figure 5: Purchase Price Trends Southern New Hampshire Region 2008, Existing Homes**

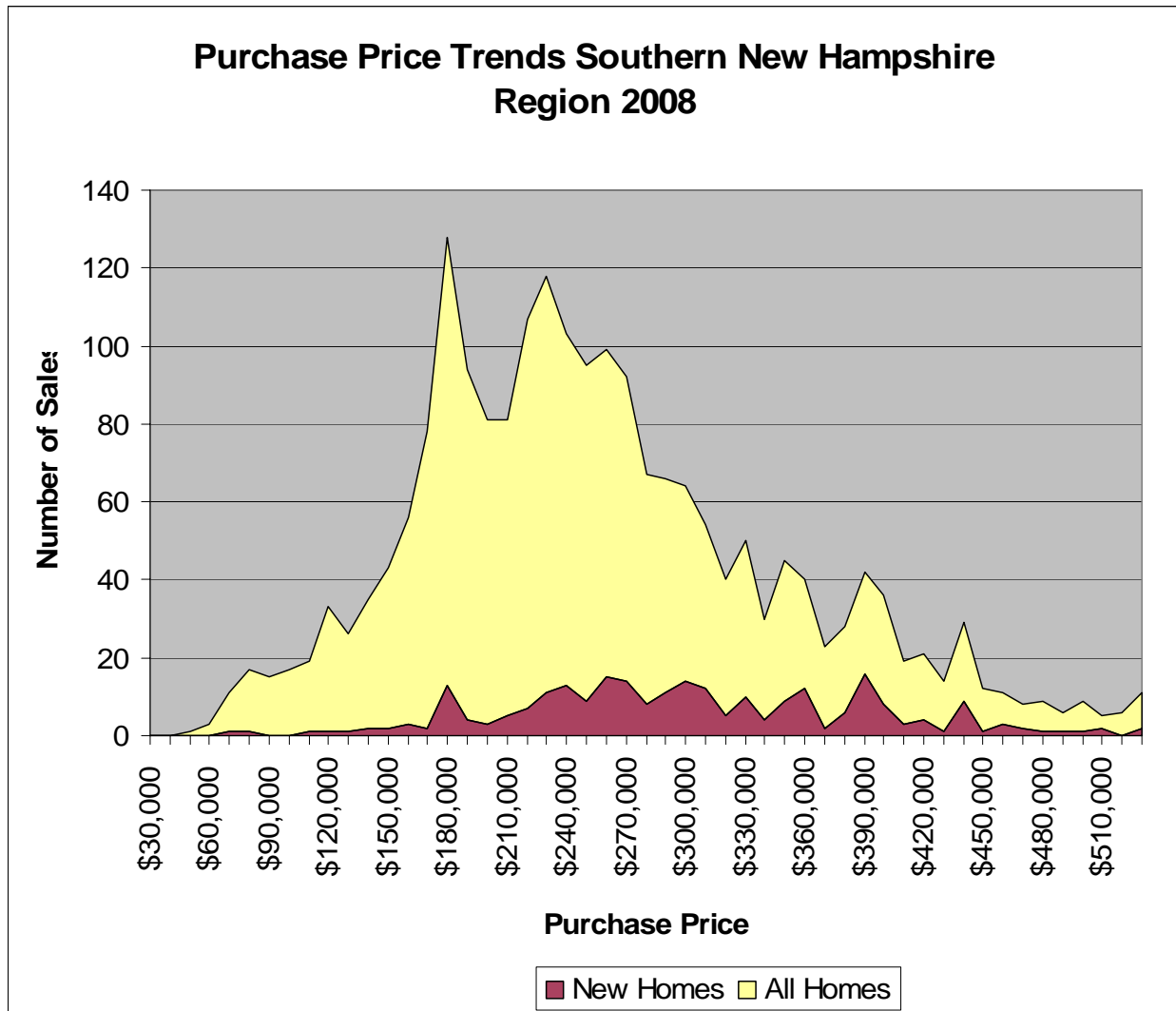


Source: NHHFA

Figure 5 shows the 2008 purchase price trends for the Southern New Hampshire Region for existing homes compared to all homes. The number of sales refers to the number out of a sample size of 1,647. Similar to all homes, the greatest number of sales in 2008 for existing homes was in the \$180,000 - \$230,000 range, with \$180,000 being the peak a slight dip and then another peak at \$230,000. This similarity is due to the sample size of existing homes being the greatest out of the total 1,920.

Compared to 2005, the range of greatest number of sales for existing homes was \$200,000 - \$250,000, with peaks at \$230,000 and \$250,000.

**Figure 6: Purchase Price Trends Southern New Hampshire Region 2008, New Homes**



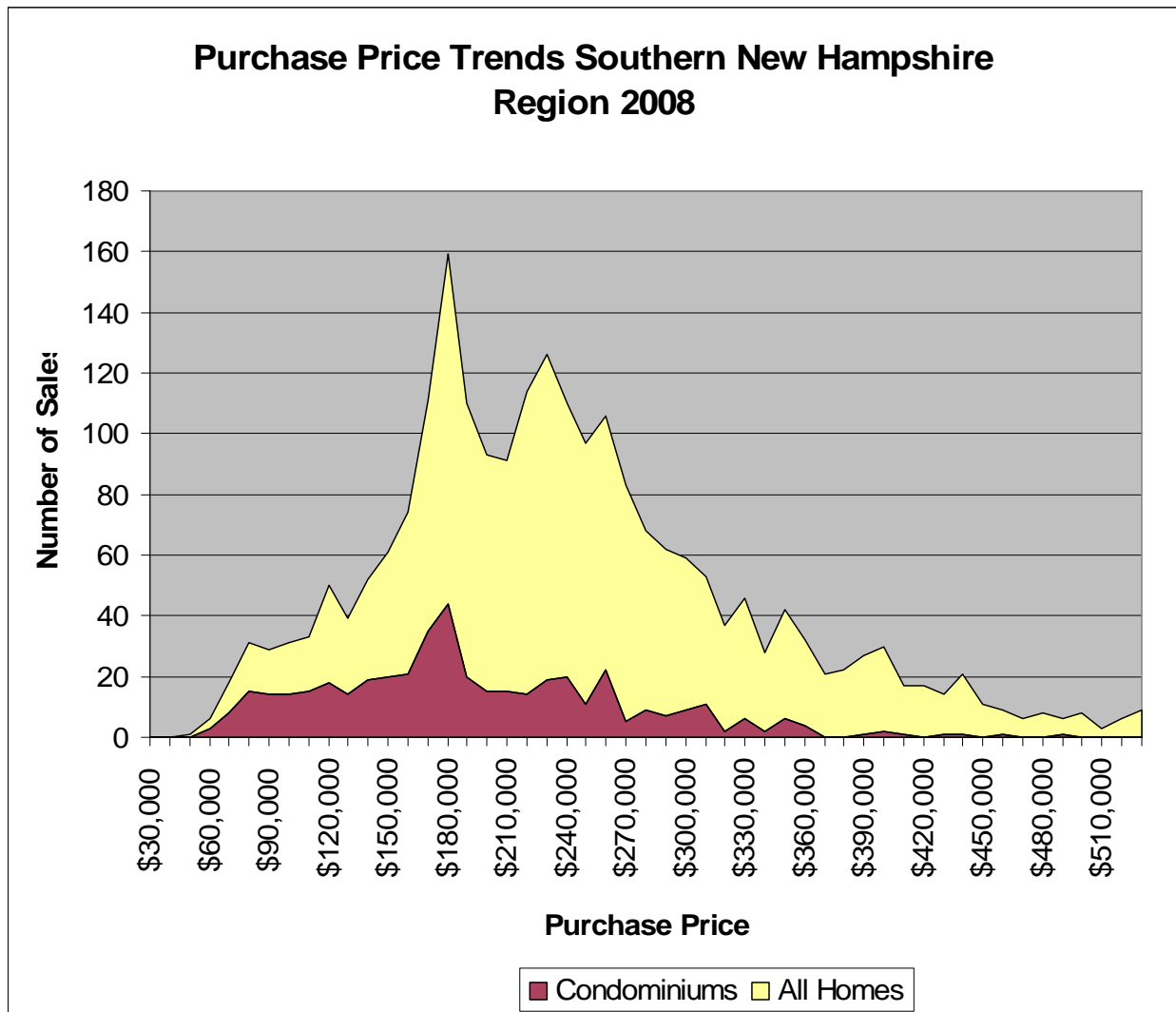
Source: NHHFA

Figure 6 shows the 2008 purchase price trends for the Southern New Hampshire Region for new homes compared to all homes. The number of sales refers to the number out of a sample size of 273. There were a number of peaks in sales for new homes in 2008 with a broad range. The first peak is at \$180,000, and then several more at \$240,000, \$260,000, \$300,000, \$330,000, \$350,000, \$390,000, \$440,000 and then \$540,000.

2005 had a similar pattern for new homes with the greatest number of sales being in the \$180,000 - \$200,000 range and then several more peaks at \$290,000, \$330,000, \$350,000, \$400,000 and \$440,000.



**Figure 7: Purchase Price Trends Southern New Hampshire Region 2008, Condominiums**



Source: NHHFA

Figure 7 shows the 2008 purchase price trends for the Southern New Hampshire Region for condominiums compared to all homes. The number of sales refers to the number out of a sample size of 446. The greatest number of sales in 2008 for condominiums was \$180,000 as the peak and then two more slight peaks at \$240,000 and \$260,000.

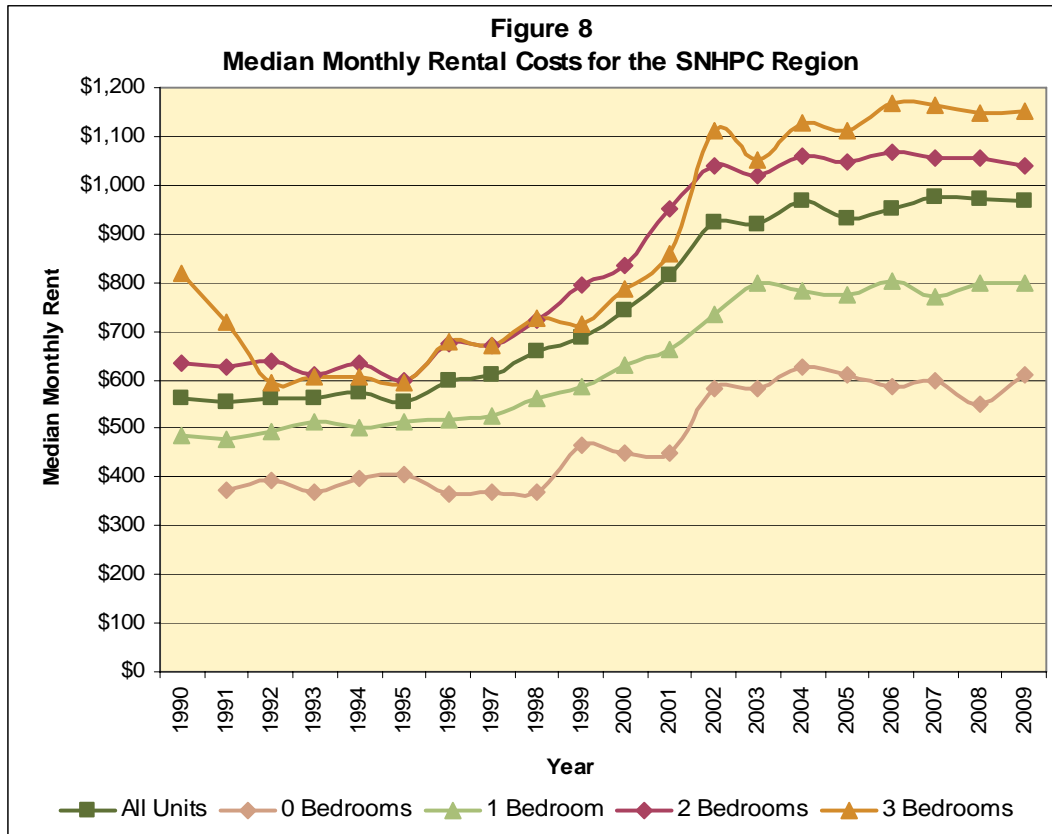
The greatest number of sales in 2005 for condominiums was in the \$170,000 - \$200,000 range, with \$200,000 being the peak. There were also slight peaks at \$100,000 and \$130,000 for condominiums in 2005.

**Rental Housing Costs**

Along with the provision of appropriate and adequate owner occupied housing, rental costs are also an important affordability factor and can function as an indicator of the development of housing in a community. According to the annual Residential Rental Cost Survey conducted by the New Hampshire Housing Finance Authority for 2009, current rental levels have exhibited a marked increase since 1990, 71.9 percent.

For all rental units, the median gross rent fluctuated between 1990 and 1995, when it finally reached its lowest, nearly 2 percent below the 1990 median rent. Gross rent as is calculated here is the measure of rent charged by the landlord plus allowances for each utility paid by the tenant. From 1995 through 2004, rent costs rose rapidly, paralleling residential purchase prices. Median gross rent increased nearly 75 percent from 1995 through 2004. From 2005 through the present median gross rent has been steady with a slight decrease in 2005, a slight increase in 2006 and 2007 and then slight decreases in 2008 and 2009.

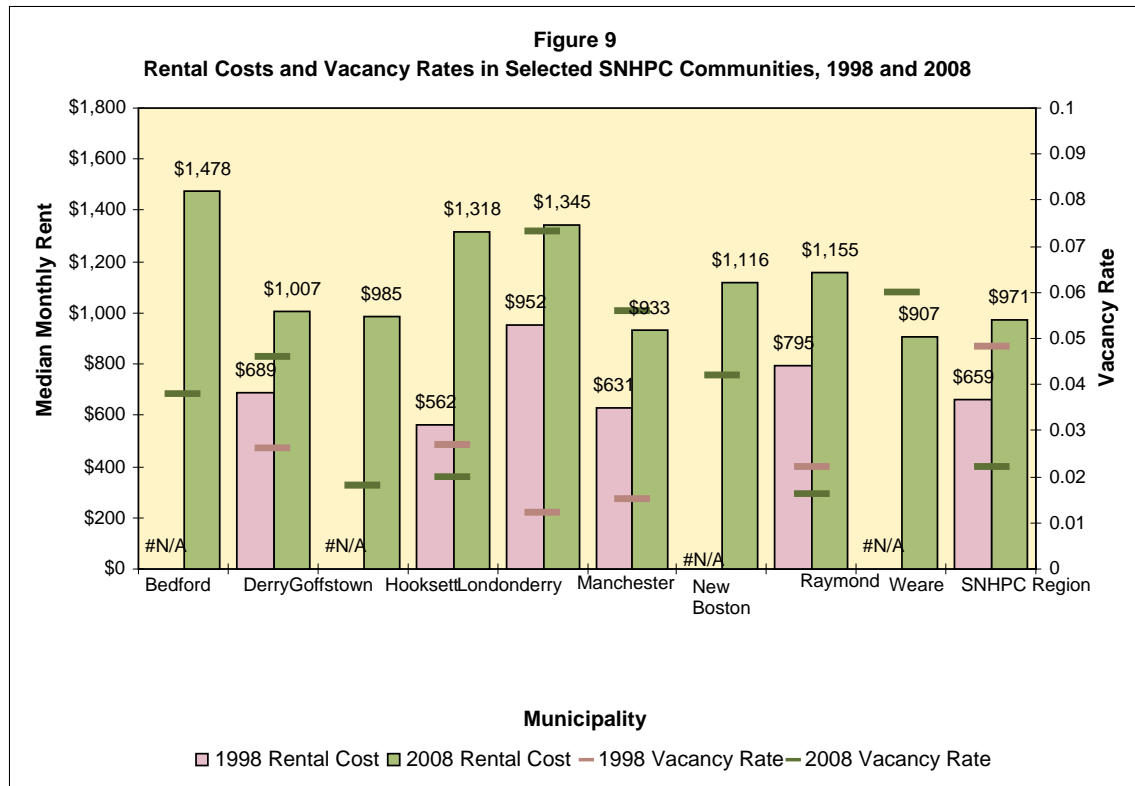
Figure 5 shows the current rising costs of rental housing by number of bedrooms provided. There were not enough four bedroom units tracked in the SNHPC region to provide reliable data in this report; therefore, the few four bedroom units that are surveyed are included in the results of all rental units but are not presented separately. Studio apartments or zero bedroom units, one-bedroom units and two-bedroom units all increased in price at relatively similar rates. Studio apartment gross rents increased 63 percent from 1990 to 2009, one-bedroom apartments increased 64 percent as well, and two-bedroom apartments, 64.5 percent. Three-bedroom apartment gross rent has been more volatile than the others and increased slightly less with a 40 percent increase from 1990 to 2009.



Source: NHHFA

Rental cost data is not available on a town-by-town basis for all SNHPC communities; no data is available for Auburn, Candia, Chester, and Deerfield given the limited number of rental units surveyed in each community. From 1998 to 2008 median rental costs rose from \$659 to \$971, a 47.3 percent increase in the region. The vacancy rate decreased from 4.80 percent to 2.2 percent. This is very low compared to the ideal rental vacancy rate of 5 percent recommended by the New Hampshire Housing Finance Authority.

The region's highest median rents were in Bedford, Londonderry and Hooksett at \$1,478, \$1,345, and \$1,318, respectively. Rental units in these communities were typically larger, with more bedrooms. High costs may also be attributed to construction of new "luxury" and age-restricted rental units.



Source: NHHFA



Table 19 shows the median monthly rent based on the number of bedrooms. Again data is not available for the towns of Auburn, Candia, Chester, and Deerfield. For any other community that may not have data presented, the sample of rental units was too small (fewer than 10 units) to accurately represent costs.

**Table 19: Median Monthly Rent by Number of Bedrooms, 2008<sup>7</sup>**

Municipality	All Units	0 Bedroom Units	1 Bedroom Units	2 Bedroom Units	3 Bedroom Units	4+ Bedroom Units
Auburn	N/A	N/A	N/A	N/A	N/A	N/A
Bedford	\$1,478	N/A	\$1,192	\$1,563	N/A	N/A
Candia	N/A	N/A	N/A	N/A	N/A	N/A
Chester	N/A	N/A	N/A	N/A	N/A	N/A
Deerfield	N/A	N/A	N/A	N/A	N/A	N/A
Derry	\$1,007	N/A	\$797	\$1,192	\$1,608	N/A
Goffstown	\$985	N/A	\$846	\$1,084	N/A	N/A
Hooksett	\$1,318	N/A	N/A	\$1,376	N/A	N/A
Londonderry	\$1,345	N/A	N/A	\$1,263	N/A	N/A
Manchester	\$933	\$542	\$780	\$983	\$1,142	\$1,344
New Boston	\$1,116	N/A	N/A	\$1,116	N/A	N/A
Raymond	\$1,155	N/A	\$911	\$1,293	N/A	N/A
Weare	\$907	N/A	N/A	\$907	N/A	N/A
<b>SNHPC Region</b>	<b>\$971</b>	<b>\$550</b>	<b>\$797</b>	<b>\$1,057</b>	<b>\$1,148</b>	<b>\$1,367</b>

Source: NHHFA Residential Rental Cost Survey, June 2009

N/A: Data is not available for the towns of Auburn, Candia, Chester, and Deerfield. Otherwise, N/A indicates the sample size was less than 10 and too small for a reliable measure of rent.

### Income by Tenure and Cost Burden Estimates – SNHPC Region

Estimates for income by tenure and cost burden for the SNHPC region can be found in the Income by Tenure and Housing Cost Burden Estimates report developed by BCM Planning for this update in Appendix A, page 8. The total owner occupied and renter occupied households for 2008 and 2015 are inputs from Table 18 in the Housing Supply Projections report developed by BCM Planning, found in Appendix B.

The commonly accepted monthly housing cost as a percent of gross monthly income is 30 percent. This is also defined in RSA 674: 58 as the threshold to “affordable” housing. In the SNHPC region, according to the 2008 American Community Survey (ACS), total owner-occupied households with a housing cost burden of 30 percent or more is estimated at 24,131 for 2008 with the potential to increase to 26,371 by 2015. Total renter occupied households with a housing cost burden of 30 percent or more is estimated at 17,080 for 2008 with the potential to increase to 18,668 by 2015. Together this totals 41,211 households

<sup>7</sup> 2008 data is shown as the baseline for data in this report is the year 2008. Since the start of this report data for 2009 is now available and the SNHPC region Median Rental Price for all units in 2009 is \$968 (NHHFA June 2009 Residential Rental Cost Survey)

in the SNHPC region in 2008 with a housing cost burden of 30 percent or more. This is almost 41 percent of the region's estimated total households for 2008.

Table 20 outlines the Area Median Family Income (AMFI) for the communities in the SNHPC region. Eleven of the thirteen SNHPC communities are within Primary Metropolitan Statistical Areas (PMSAs). County level data is used for communities not within a PMSA: New Boston and Deerfield.

**Table 20**  
**2008 Median Area Family Income (MAI) Limits**

Area	Median Family Income
Manchester, NH PMSA	\$76,400
Auburn, Bedford, Candia, Goffstown, Hooksett, Londonderry, Manchester, Weare	
Lawrence, MA - NH PMSA	\$80,600
Chester, Derry, Raymond	
Hillsborough County	\$74,000
New Boston	
Western Rockingham County	\$90,600
Deerfield	

Source: HUD

Table 8, Appendix A, shows the distribution of households as a percent of the median area income. Moderate income is defined as 80 percent of the median area income; low income is 50 percent of median area income, and very low income 30 percent.

In 2008 it is estimated that Eighty-three percent of all renter occupied households make less than the median area income. Seventy-two percent of the renter-occupied households make less than 80 percent of the AMFI. Almost forty-nine percent of renting households make less than 50 percent of the AMFI and thirty-two percent of renting households make less than 30 percent of the AMFI.

This is in contrast to 46 percent of owner occupied households earning less than the AMFI and only 16 percent earning less than 50 percent.

From 2008 to 2015 it is estimated that there will be a 9 percent increase in the number of renter occupied households and a 9.3 percent increase in owner occupied households.

### **Housing Cost Burden by Age**

While some households may find housing affordable at their income level, many households are paying more than 30 percent of monthly income toward housing. Tables 21 and 22 on the following pages show estimates of the number of households in the region by age group and their associated housing cost burden. These tables are from the Income by Tenure and



Housing Cost Burden Estimates report developed by BCM Planning for this update and can be found in Appendix A.

For owner households under 65, 36.5 percent are paying 30 percent or more of monthly income towards housing costs and 26.6 percent are paying 35 percent or more. For owner households over 65, 37.5 percent are paying 30 percent or more and 29.3 percent are paying 35 percent or more. Together, owner households of all ages in the region who are paying 30 percent or more is at 36.7 percent and for 35 percent or more it is at 27.1 percent. This is a large portion of the owner households in the region who have a high housing cost burden.

For renter households, there are even higher percentages of the region paying 30 percent and 35 percent or more for monthly housing costs. For renters under 65, 45.2 percent are paying 30 percent or more and 35 percent are paying 35 percent or more. For renters 65 and over, 51.5 percent are paying 30 percent or more. That is more than half of the 65+ population with a high housing cost burden. For renters 65 and over paying 35 percent or more it is at 42.4 percent. Together, renter households of all ages in the region who are paying 30 percent or more is at 46.3 percent and for 35 percent or more it is at 36.2 percent. This shows us that a very large portion of our renter households have a high housing cost burden in our region.

**Table 21 – Estimated SNHPC Owner Cost Burden by Age Group (Table 10, Appendix A)**

Estimate of SNHPC Area Homeowners by Age Group with High Housing Cost Burden		Total Households by Age and Tenure Based on Headship Model	
		2008	2015
<b>Homeowners Under 65</b>	<b>% of Homeowners Under 65 - Manchester NECTA + Derry &amp; Londonderry 2008 ACS Data</b>	<b>53,286</b>	<b>54,417</b>
Less than 20.0 percent	32.8%	17,465	17,836
20.0 to 24.9 percent	17.4%	9,256	9,452
25.0 to 29.9 percent	13.1%	6,981	7,129
30.0 to 34.9 percent	9.9%	5,273	5,385
35.0 percent or more	26.6%	14,189	14,490
Not computed	0.2%	122	125
Percent 30% +	36.5%	19,462	19,875
Percent 35% +	26.6%	14,189	14,490
<b>Homeowners 65 and Over</b>	<b>% of Homeowners 65 and Over - Manchester NECTA + Derry &amp; Londonderry 2008 ACS Data</b>	<b>12,436</b>	<b>17,066</b>
Less than 20.0 percent	41.2%	5,118	7,024
20.0 to 24.9 percent	13.0%	1,615	2,217
25.0 to 29.9 percent	8.2%	1,024	1,406
30.0 to 34.9 percent	8.2%	1,022	1,402
35.0 percent or more	29.3%	3,640	4,995
Not computed	0.1%	16	22
Percent 30% +	37.5%	4,662	6,397
Percent 35% +	29.3%	3,640	4,995
<b>All Homeowner Households</b>		<b>65,722</b>	<b>71,483</b>
Less than 20.0 percent		22,583	24,860
20.0 to 24.9 percent		10,871	11,669
25.0 to 29.9 percent		8,005	8,535
30.0 to 34.9 percent		6,295	6,787
35.0 percent or more		17,829	19,485
Not computed		138	147
Paying 30% +		24,124	26,272
Paying 35% +		17,829	19,485
	Percent of All Owners By Payment Ratio	% of All Owners 2008	% of All Owners 2015
	Less than 20.0 percent	34.4%	34.8%
	20.0 to 24.9 percent	16.5%	16.3%
	25.0 to 29.9 percent	12.2%	11.9%
	30.0 to 34.9 percent	9.6%	9.5%
	35.0 percent or more	27.1%	27.3%
	Not computed	0.2%	0.2%
	Percent 30% +	36.7%	36.8%
	Percent 35%+	27.1%	27.3%

Source: *Income by Tenure and Housing Cost Burden Estimates*, BCM Planning, Appendix A



**Table 22 – Estimated SNHPC Renter Cost Burden by Age Group (Table 11, Appendix A)**

Estimate of SNHPC Area Renters by Age Group with High Gross Rent Burden		Total Households by Age and Tenure Based on Headship Model	
		2008	2015
<b>Renters Under 65</b>	<b>% of Renters Under 65 - Manchester NECTA 2008 ACS Data</b>	<b>29,690</b>	<b>30,829</b>
Less than 20.0 percent	24.2%	7,187	7,462
20.0 to 24.9 percent	16.0%	4,765	4,948
25.0 to 29.9 percent	11.4%	3,389	3,519
30.0 to 34.9 percent	10.3%	3,051	3,168
35.0 percent or more	35.0%	10,381	10,779
Not computed	3.1%	918	953
Percent 30% +	45.2%	13,432	13,947
Percent 35% +	35.0%	10,381	10,779
<b>Renters 65 and Over</b>	<b>% of Renters 65 and Over - Manchester NECTA 2008 ACS Data</b>	<b>6,034</b>	<b>8,023</b>
Less than 20.0 percent	19.2%	1,161	1,544
20.0 to 24.9 percent	9.0%	544	723
25.0 to 29.9 percent	14.1%	850	1,130
30.0 to 34.9 percent	9.0%	546	725
35.0 percent or more	42.4%	2,559	3,403
Not computed	6.2%	374	497
Percent 30% +	51.5%	3,105	4,128
Percent 35% +	42.4%	2,559	3,403
<b>All Renters</b>		<b>35,724</b>	<b>38,852</b>
Less than 20.0 percent		8,348	9,006
20.0 to 24.9 percent		5,309	5,671
25.0 to 29.9 percent		4,239	4,649
30.0 to 34.9 percent		3,597	3,893
35.0 percent or more		12,940	14,182
Not computed		1,292	1,450
Paying 30% +		16,537	18,075
Paying 35% +		12,940	14,182
	All Renters By Payment Ratio	% of All Renters 2008	% of All Renters 2015
	Less than 20.0 percent	23.4%	23.2%
	20.0 to 24.9 percent	14.9%	14.6%
	25.0 to 29.9 percent	11.9%	12.0%
	30.0 to 34.9 percent	10.1%	10.0%
	35.0 percent or more	36.2%	36.5%
	Not computed	3.6%	3.7%
	Percent 30% +	46.3%	46.5%
	Percent 35% +	36.2%	36.5%

Source: *Income by Tenure and Housing Cost Burden Estimates*, BCM Planning, Appendix A

## **Section 4 - Meeting Local Housing Needs**

The region's housing needs are broad and encompass a wide range of income groups and family types. Several methods for meeting these diverse housing needs are described in the following section, including alternative incentives that can be provided through innovative local land use regulation as well as various state and federal government programs. Communities that are currently updating, or planning to update, their master plans should provide a housing section in accordance with RSA 674:2 III (l). The housing section of the master plan should contain the following:

1. An inventory, assessment, and analysis of relevant population and housing characteristics for the municipality in relation to adjacent municipalities and the region. This should include housing price, income, and housing type information.
2. Consideration of the housing needs of the elderly, disabled, single persons and other specific household types.
3. Specific goals, recommendations and strategies to provide for the community's existing housing needs, and a reasonable share of the region's future housing needs for households of all income levels.

Communities should take time to evaluate zoning ordinances, subdivision regulations, site plan regulations and other local codes to ensure they provide reasonable opportunities for the development of housing, for all income levels and family types, based on the goals and recommendations contained in the master plan. Enabling the development of a diverse housing base through local land use regulations and planning efforts alone, however, cannot provide for the full range of housing needs, particularly for very low-income groups and residents with special housing needs. Each community should attempt to further address all levels of housing need by utilizing the expertise and assistance of citizens groups, municipal staff, non-profit housing groups, state agencies and local and regional planning commissions.

Municipalities may use several regulatory mechanisms to provide a wide range of housing types depending on available infrastructure support. These include provisions for single-family homes at various densities, two family housing, multi-family housing, manufactured housing, and other innovative land use controls. Each of these housing types can be developed at market purchase price or rental rates for the general public, or for specialized housing needs, lower-income groups, first-time home buyers, elderly households, handicapped households, or for temporary emergency shelter. Several techniques that can be employed to meet these needs are outlined on the following pages.



## Land Use Development and Regulation

The State of New Hampshire's RSA 674:21 grants municipalities the right to implement various innovative land use controls to incite new and positive development that conforms to State smart growth principals. The following outlines several of these innovative controls that can assist towns promote new low to moderate income housing through regulation, as well as a few other options that are available.

**Inclusionary Zoning:** Inclusionary zoning or housing programs are a means of encouraging, or requiring, private developers to provide housing for moderate, low-, and very low-income households. Inclusionary housing functions by granting zoning exemptions and density bonuses to developers that permit them to build at a higher density if a portion of the proposed development is reserved for elderly, handicapped, or targeted lower-income households.

Inclusionary housing provisions are only applicable in municipalities willing to use density bonuses as a housing development incentive for a recognized community need. Most inclusionary housing programs are voluntary. Depending on the zoning ordinance, developers interested in applying for a density bonus apply either to the local zoning board of adjustment or to the planning board.

The percentage of units that must be reserved for target groups varies, based on need and feasible incentive. State of Massachusetts ordinances range between a requirement of 5 to 40 percent, depending on the municipality and on the type of housing provided. For example, the Town of Lexington requires developers seeking a rezoning either:

- donate 5 percent of the units to the local housing authority for very-low-income households, or
- 15 percent for purchase by the local housing authority at HUD allowable costs for the Boston Metro area, or
- 25 percent to be set aside as moderate-income units, or
- 40 percent for middle-income household purchase.

Generally, a two-to-one ratio between added-market-rate units and below-market-rate units is recommended; one below-market-rate unit for each two additional units allowed over the existing permitted density. Some ordinances require a portion of new rental development units contain at least three bedrooms in addition to requiring that a certain percentage of the units be reserved for target groups.

Most ordinances require the below-market-rate units to be provided within the development site (hence the term “inclusionary”). The units may be smaller than market-rate units, and may lack some amenities, but may not be recognizably different from the other units in the development. However, ordinances may allow below-market-rate units to be either clustered together or distributed throughout the complex.

Since below-market units are provided on-site, the maintenance, management and marketing of the units remains a private responsibility. Local ordinances usually include a provision requiring that below-market units, whether rental or owner-occupied, remain at below-market levels for a fixed period. The time can vary from 10 to 99 years, with 20 years being

typical. Municipalities have the responsibility of ensuring that below-market units remain at target levels. This is particularly difficult for below-market-rate owner-occupied housing as the resale of the property must be regulated to ensure that a low- or moderate-income family can purchase the unit, while allowing the seller to capture some equity from the property. In most cases, the monitoring of inclusionary housing programs is the responsibility of a local housing authority, community development department, or planning department.

One obstacle encountered in inclusionary housing development is with incentive provision administration. In addition, some municipalities may encounter difficulty or resistance when amending zoning ordinances to provide for density bonuses. Several benefits can be associated with inclusionary housing. Below-market-rate units in inclusionary housing programs are typically built, managed, and maintained by private developers. An additional advantage is the housing needs of most family types, including various age and income groups, can be accommodated within a single residential development, with only minimal public-sector involvement.

Clustered Housing: Cluster housing provisions allow alternative design patterns which group housing units together, with reduced lot size, frontage, and setback requirements while committing a percent of the land to open space. The individual house lot or private yard area dedicated to each unit is smaller than in conventional developments; the overall density is approximately the same. Density is the relationship of the development's total land area of the development, including common areas, to the total number of units, rather than considering only the amount of land dedicated to each individual unit. Cluster developments are sometimes referred to as “planned residential developments,” “planned unit developments,” or “open space developments.”

Cluster ordinances are often designed to function as overlay zones and may be restricted to certain zoning districts or portions of the community. Approval to vary from the area requirements of the underlying zone must be granted by the planning board, zoning board of adjustment, or both. Most ordinances in the region calculate permitted densities by a formula that subtracts wetlands and steep slopes from the total land area to determine the buildable area, and then divides the remaining land by a minimum area-per-unit requirement.

Cluster developments can be designed for single family homes, duplexes, multi-family housing or a mixture of housing types, depending on the specifics of the ordinance. As cluster developments use smaller lots than those required under conventional subdivision requirements and concentrate houses on the area of the site with the most potential for development, cluster design can allow for additional savings. The land saved from each individual lot is assembled to create common open space serving the entire development. In this way utility runs are kept to a minimum, and materials and construction costs for expensive street pavement, sidewalks, and curbs and gutters are saved.

Cluster is an ideal way of allowing development to occur with a minimum of disruption to the natural environment and is generally a far more efficient use of land than conventional grid development. Whereas conventional grid developments tend to divide land into numerous individual parcels, cluster development allows large and often contiguous areas to remain open and undeveloped. In this way, wildlife habitats are better preserved, and large areas can be set aside for both active and passive recreational uses. Cluster can provide for a



wide variety of housing types, for a diversity of households and lifestyles, and a range of income groups.

Cluster housing can be developed in rural, suburban, and urban areas. Since overall densities are not usually higher than those allowed in the underlying zone, public water and sewer may not be prerequisites for cluster development. Many developments utilize community septic systems or wells. The adoption of inclusionary zoning, along with a cluster housing provision, could be a highly effective means of providing affordable housing.

Village Plan Alternative Subdivision: The intent of village plan alternative subdivision is to promote a more efficient and economical method of land development. Similar to cluster development, it strives to consolidate physical development to reduce the cost and need for new roads, utilities, and infrastructure while preserving open space when possible.

When a developer chooses, and is approved, to use this development tool, the entire developed area must be confined to twenty percent of the site. A recorded easement shall reserve the remaining land, limiting future construction on the land to farming operations, forest management and conservation uses.

The submission and approval process remains the same as a conventional subdivision. However, the review process is to be expedited. The village plan alternative subdivision must still comply with existing subdivision regulations related to emergency access, fire prevention, and public health and safety codes. Underlying regulations on setbacks, lot sizes, and density do not apply to this type of subdivision.

The Innovative Land Use Guide<sup>8</sup> has a Village Design Model Ordinance that municipalities may use to assist them in developing a village plan alternative subdivision. This model ordinance has been specifically formulated for use by New Hampshire communities and closely follows provisions of the State Statutes. Additionally, design guidelines have been formulated to ensure the use of this ordinance leads to the creation of traditional New England village style architecture.

Unlike cluster developments, the village plan alternative subdivision allows for a careful mixing of uses, allowing for the integration of commercial properties. Were this to be combined with inclusionary zoning it would be a highly effective tool for the provision of low-income housing.

---

<sup>8</sup> NHDES, NHARPC, NHOEP, NHMA. Innovative Land Use Planning Techniques. October 2008.

Accessory Dwelling Unit Standards: An accessory dwelling or housing unit is generally defined as a small additional unit located within what is otherwise a single family home. Accessory apartments are increasingly allowed in traditional single family zoning districts as a means of providing inexpensive housing, usually for older or younger single relatives, in high-priced housing areas. Since these units are frequently intended for related individuals, they are often known as “in-law apartments” or “granny flats.” Elderly relatives are the most common occupants of such units. Although typically accessory units are within a single family home, the conversion of other buildings or the construction of a small detached home on the same lot is sometimes allowed.

Accessory apartments allow elderly individuals to maintain a degree of independence while still receiving the support of family members. Where student housing is scarce, accessory dwelling units can provide a housing alternative within a family setting. For older or younger homeowners, the modest rent that may be received for such a unit may make home ownership a possibility that would otherwise not exist. Restrictive provisions keep the unit from being rented as a traditional apartment, thus maintaining the single family character of the area. Furthermore, because such units are usually not separated from the principal residence, they can readily be re-incorporated into the main dwelling.

Municipal zoning ordinances may permit accessory housing by right in certain zones, in all residential zones, or by special exception. Accessory unit provisions set the maximum number of square feet permitted to discourage more than one resident per unit, and do not allow a separate entrance, although some provide for an entrance to the side or rear. Frequently, separate mailboxes and addresses are not permitted. It is essential that provisions be included in the ordinance to maintain the single-family character of the area.

Elderly Housing Zones: Increasingly, elderly housing zones are a means by which communities are addressing the need for specialized housing for the elderly (usually in the form of multi-family housing) without allowing for general multi-family housing or overall increases in density. These usually take the form of overlay zones and function in a way similar to that of cluster ordinances. In most cases, elderly housing ordinances provide for a far higher density than allowed in the underlying zone, and contain a separate set of regulations and restrictions for the elderly district.

Group Homes: Group homes are an important means of providing housing for the elderly and special-needs groups such as de-institutionalized individuals, the homeless, handicapped, and other persons. Generally, a group home is a single-family residence that houses several unrelated individuals with common needs in a family-type setting. A typical home provides individual or shared bedrooms with common living areas.

A provision for group homes usually requires that a community amend its zoning ordinance to provide a definition of "family" that allows a group home to be placed in a single family area. Since group homes are not subdivided, they are not considered to be multi-family housing. For example, an ordinance may define "family" to include ten unrelated elderly, handicapped or de-institutionalized individuals in addition to the traditional definition for zoning purposes, provided that the home is not subdivided and that the individuals live together as a single housekeeping unit. Group homes could also be considered under a special exception provision.



Group homes can provide a housing alternative for a wide range of special housing needs that are often difficult to address. By allowing individuals with common needs to live as a single housekeeping unit, the individuals benefit from the support of the group while living in a neighborhood setting. For the elderly, group housing can provide an affordable housing alternative while providing the security of having other residents within the house. For de-institutionalized individuals, a group home can provide for the transition between dependent living and independent living. The community benefits, since several special housing needs can be addressed without significant public participation. Private, non-profit groups are able to address the housing needs of several groups through the purchase of a single family home.

**Manufactured Housing:** Manufactured housing includes trailers or mobile homes as defined in RSA 674:31. State legislation mandates (RSA 674:32) all municipalities to provide reasonable opportunities for the siting of manufactured housing. Towns must either provide opportunity for manufactured home parks and individual lots in subdivisions or manufactured housing to occur on individual residentially zoned lots in most, if not all, residential zones.

In addition to their reliability, efficiency, and low cost, manufactured housing can also save on construction time. These housing types are suitable as infill units whenever lots are available; and they can fit in as single-family houses on their own lots in conventional neighborhoods. Manufactured housing parks can provide an important housing opportunity for low-and moderate-income groups. Since only the unit is purchased and the installation site (lot) is rented, the housing cost is relatively low. Mobile homes on individual lots, or in subdivisions, are a limited form of affordable housing due to the very high land costs within the region. Although a manufactured home on its own lot may only cost ten percent less than a conventional home on a similar lot, the cost savings can make the difference in affordability for many moderate- and middle-income families.

**Multi-Family Housing:** Multi-Family Housing is defined as a building or structure containing 5 or more dwelling units, each designed for occupancy by an individual household. State legislation mandates (RSA 674:59) all municipalities to provide reasonable opportunities for the development of workforce housing, including rental multi-family housing.

Multi-family housing provides an important housing opportunity for low and moderate income groups. This type of housing also provides important opportunities for renter-occupied households in need of affordable housing. This type of housing can be used in conjunction with smart growth principles for mixed-use developments to promote sustainability as well.

### **Federal, State and Local Government Rental Assistance Programs**

Within the State of New Hampshire, most rental housing programs are administered through the New Hampshire Housing Finance Authority (NHHFA) and the U.S. Department of Housing and Urban Development (HUD). The New Hampshire Community Loan Fund, Manchester Housing and Redevelopment Authority, Manchester Neighborhood Housing Services, and the Derry Housing and Redevelopment Authority offer additional programs.

Housing Choice Voucher Program: Formerly called Section 8 Vouchers, this program is HUD's largest program to assist very low-income, elderly, and handicapped households afford "decent, safe, and sanitary" housing. The intent of the program is to provide federal housing assistance to households without building government-owned and operated housing. Families are able to rent, lease or purchase privately owned housing of their choice provided it passes a quality standard inspection. Housing Choice Vouchers in the State of New Hampshire are administered by NHHFA. The program has seven different vouchers, including: Tenant Based Vouchers, Vouchers for People with Disabilities, Conversion Vouchers, Family Unification Vouchers, Project Based Vouchers, Welfare-to-Work Vouchers, and Homeownership Vouchers.

Tenant Based Housing Choice Vouchers: Tenant Based Vouchers provide a direct subsidy to the owner of rental housing on behalf of the renter. This payment allows low-income families to occupy privately owned and maintained housing units without spending over 30 percent of their total annual household income for shelter. Very low-income, elderly, and disabled persons earning less than 30 percent of the median area income are eligible for subsidies. However, there are limited funds available through NHHFA for households earning 50 percent or less of the MAI. Households qualify for subsidy amounts based on their annual income and fair market rent guidelines established by HUD.

NHHFA administers the tenant-based vouchers for New Hampshire communities without a local housing authority. Only Derry and Manchester have a local housing authority in the SNHPC region. Since this type voucher is a part of the Housing Choice Voucher program, households must select their residence from the community's existing rental stock. The dwelling unit must meet specified housing quality standards as defined by the NHHFA or local housing authority.

Project Based Vouchers: The public housing authority may grant Housing Choice Project Based Vouchers to specific housing units or developments. Housing authorities may use up to 20 percent of its Housing Choice Voucher funds for this purpose. Housing unit owners must agree to rehabilitate substandard units, construct units in a new development, or designate a certain percent of units in an existing approved development. Owners enter into a contractual agreement with the housing authority specifying which units are to be subsidized, pending inspection approval by the authority, and the funding term. The housing authority refers renters from its Housing Choice Voucher waiting list to owners with project-based vouchers when vacancies become available. Vouchers will cover the difference between 30 percent of the accepted family's income and the unit's gross rent.

Conversion Vouchers: This form of Housing Choice Voucher provides funding to public housing authorities when the demolition, rehabilitation, or conversion of existing public housing will displace tenants. Additionally, Conversion Vouchers assist tenants in Project Based Voucher assisted housing. Before a housing authority may demolish or rehabilitate a public housing development, it must first submit all plans to HUD, submit a Housing Choice Voucher application, and be granted approval. Tenants will then be granted Conversion Vouchers that are used like the renter Housing Choice Vouchers described above.



Vouchers for People with Disabilities: There are three types of vouchers available for persons with disabilities: mainstream vouchers, designated housing vouchers, and certain development vouchers. Mainstream vouchers are directed to families of all ages with a disabled person. Designated housing and certain development vouchers are for non-elderly families who may be eligible to live in public housing or receive assistance, and require the level of care that a nursing home or other elderly facility may provide; however, they do not qualify for residence due to their age.

Family Self Sufficiency Program: The Family Self Sufficiency Program (FSS) is a subsidiary program of the Housing Choice Voucher program to help families achieve economic independence and self-sufficiency. NHHFA offers this program as the GOAL Gaining Opportunities and Learning)/FSS Program. In order to participate, families must be receiving a Housing Choice Voucher and the head of household is willing to participate in a structured program. Participants in this program, with the assistance of Authority staff or contracted providers, develop an individual case plan that outlines a series of goals necessary for the family to achieve economic self sufficiency. The provision of subsidized housing stabilizes the FSS participants and allows them to focus their energy to develop and improve their employment and life skills required to sustain economic independence. Authority staff helps families find appropriate skill building, self-improvement, and educational opportunities to meet their employment and family independence goals.

Hope for Elderly Independence (HOPE-IV): The Hope-IV Program combines Housing Choice Voucher rental assistance with supportive services to assist frail, very low-income seniors remain in independent living. A HOPE-IV Service Coordinator, through local service providers, coordinates services such as meal preparation, personal care, homemaking, and transportation. This program is limited to public housing agencies that were selected to participate in the original program demonstration. HUD has not provided new funding for this program since 1993.

HOPE VI: HOPE VI has been HUD's greatest mechanism to revitalize the most distressed public housing projects in the nation since 1993. The program provides grants for physical improvements, management improvements, and social and community services to address resident needs. Any public housing authority that operates public housing units may apply for HOPE VI funds. HUD grants the public housing authority flexibility to structure its HOPE VI project to best suit the needs of the project and community.

Community and Supportive Services: The Supportive Services Program, offered by HUD, provides technical assistance and training to help residents become self-sufficient. Supportive services allow public housing authorities to provide continued assistance to original public housing residents when the HOPE VI revitalization process is begun. Service programs must assist residents in securing living wage employment, life improvement, and housing relocation if required.

Emergency Housing Program: The Emergency Housing Program, offered by NHHFA, is designed to assist eligible households with short-term assistance for rental payments when municipalities are unable to offer assistance. The program will be able to assist approximately 25 households at any one time, with an average assistance of three months. Participants must be New Hampshire residents and must be in imminent danger of eviction

due to financial difficulty. All other potential sources of assistance must be explored and exhausted and the total household income must be 50 percent or less of the area median income.

Accessing Community Choices for Everyone with Supportive Services (ACCESS): ACCESS is a NHHFA program that provides rent assistance and home ownership opportunities to persons under sixty-one years, with a disability, and transitioning into more independent living arrangements. ACCESS helps these individual successfully move out of nursing homes, residential care, assisted living, or community residences to a lower level of care.

Low Income Housing Tax Credit Program (LIHTC): NHHFA administers the LIHTC program in New Hampshire. The Tax Reform Act of 1986 created this program to promote the construction of new low-income multi-family housing opportunities. Annually, each state is allocated funds equal to \$1.75 (as of 2002) per person to be allocated to the rehabilitation, new construction, or acquisition of housing that meets the specified program guidelines. Credits are allocated semi-annually on a competitive basis. Accepted projects receive federal income tax credits for ten years based on the percent of all units set aside for low-income households. The program's minimum standard is 20 percent of all units must be dedicated to households earning 50 percent or less than MAI or 40 percent of units for households earning 60 percent or less than of MAI.

LIHTC has promoted development by investor-limited partners, who exchange project equity for tax credits, rather than construction by public agencies. Tax credit equity had become the greatest contributor to low-income housing production in New Hampshire, funding on average 35 percent of project costs, and reducing the need for direct public subsidies.

HOME Rental Housing Production Program: This NHHFA program provides permanent deferred mortgage loans on the construction of low and very-low income housing, payable on resale, refinancing, or default of the loan. HOME fund grants are distributed semi-annually on a competitive basis to both for-profit and non-profit agencies with some funds reserved exclusively for use by community housing development organizations. This program has approximately \$2,000,000 available annually, which can fund between sixty to seventy units, across the State, each year. The program's minimum standard is 20 percent of all units must be dedicated to households earning 50 percent or less than MAI or 40 percent of units for households earning 60 percent or less than of MAI.

Affordable Housing Trust Fund: The Affordable Housing Trust Fund is a New Hampshire based project with funds appropriated by the General Court administered by NHHFA. Funds are replenished through program income, tax-exempt bond fees, earnings, and occasionally additional State appropriations. The fund provides below market rate loans and grants to support rental housing, group homes, and manufactured housing cooperatives. Fifty percent of units created in a project receiving Affordable Housing Trust Funds must be affordable to households earning 80 percent or less than the MAI. Frequently Affordable Housing Trust Funds are combined with other more restrictive funding sources.

Tax Exempt Bond Financing: NHHFA can issue private tax-exempt bond to for-profit agencies constructing multi-family housing. Thirty percent of units created must be reserved



for households earning 50 percent or less than the MAI or 50 percent of units allocated to households earning 60 percent or less than the MAI. NHHFA imposes rent restrictions of the designated units for the longer of fifteen years or the life of the bond.

Special Needs Housing Program: This program provides permanent financing to organizations looking to provide social services and housing to low to very low-income persons with special needs such as transitional housing, crisis shelters, handicapped or disabled housing, HIV and AIDS, and drug or alcohol rehabilitation housing. NHHFA funds these projects from a combination of HOME program and the Affordable Housing Trust Fund. Special Needs Housing Program NHHFA funds are limited to \$550,000 annually.

Community Development Block Grant (CDBG): The New Hampshire Community Development Finance Authority administers CDBG, a HUD program. Affordable housing and rehabilitation funds are available to municipalities to purchase, rehabilitate, expand, or improve the supply and condition of low and moderate-income housing. Grant funds may be subcontracted to for-profit and non-profit agencies for the same purposes.

Rural Rental Housing Program: The Rural Rental Housing Program (Section 515) is part of the U.S. Department of Agriculture's (USDA) Rural Development. Farmers Home Administration formerly administered these projects to support affordable housing and community development in rural areas. The Rural Rental Housing Program provides direct competitive loans to for-profit and non-profit agencies to construct, rehabilitate, or acquire multi-family housing units for very low to moderate-income households.

HUD Section 202 Supportive Housing for the Elderly Program: Section 202 expands the supply of elderly housing with supportive services for very low-income persons, including the frail. The program provides private non-profit sponsors interest free capital advances to finance the construction, rehabilitation, or acquisition of housing as well as providing rent subsidies to make the units affordable. The program provides opportunities for the elderly to live independently in an environment with supportive services they may need, including cleaning, cooking, transportation, among other services.

HUD Section 221(d) 4 Mortgage Insurance for Rental and Cooperative Housing: Section 221(d)4 insures mortgage loans to for-profit organizations (Section 221(d)3 functions the same for non-profit organizations) for the construction or substation rehabilitation of multi-family rental or cooperative housing for moderate-income households, the elderly, and handicapped. The Federal Housing Administration insures the mortgages. Housing projects must contain five or more units and there are no income limits set on tenants.

Additional HUD Multi-Family Programs: Similar to Section 202 described above, HUD also offers Section 811 Supportive Housing for Persons with Disabilities. HUD offers many other Federal Housing Administration (FHA) Mortgage Insurance Origination programs that have not been implemented in the SNHPC region at this time, dedicated to the creation of Multi-Family Housing. These include:

- Section 207- Rental Housing and Manufactured Home Parks
- Section 213- Cooperative Units

- Section 220- Rental Housing for Urban Renewal and Concentrated Development Areas
- Section 223(d)- Two-Year Operating Loss Loans
- Section 207/223(f)- Purchase of Refinancing of Existing Multi-Family Housing Projects
- Section 231- Rental Housing for the Elderly
- Section 232/223(f)- Nursing Homes, Board and Care and Assisted-Living Facilities
- Section 234(d)- Construction or Substantial Rehabilitation of Condominium Projects
- Section 241(a)- Supplemental Loan Insurance for Multi-Family Rental Housing
- Section 542(b)- Qualified Participating Entities Risk-Sharing Program
- Section 542(c)- Housing Finance Agency Risk-Sharing Program

### **Federal, State and Local Government Home Ownership Programs**

Similar to rental housing programs, home ownership programs in the State of New Hampshire are typically HUD or NHHFA administered. However, the list of home-ownership programs is not nearly as extensive as rental programs. The following outlines several common programs in use across the region and the State to help families decrease their dependency on rental housing and make the initial step toward purchasing their first home.

Housing Choice Voucher Homeownership Option: Participants in the Tenant Based Housing Choice Voucher program may elect to use their vouchers toward home-ownership if they are first time home buyers. NHHFA provides guidance to tenants looking to participate in this program if the tenant meets a strict set of guidelines and has completed a pre-assistance homeownership counseling program. Approved families may then purchase a manufactured home, single-family home, or condominium provided it passes a housing quality inspection.

Voucher Assisted Mortgage Option (VAMO): NHHFA's Voucher Assisted Mortgage Option allows very low-income families to use Housing Choice Vouchers to help meet their monthly mortgage costs for a limited term of fifteen years if the mortgage is for twenty years or more or ten years of assistance for shorter terms. There is no assistance term limit for elderly or disabled households. VAMO follows NHHFA's Single Family Mortgage Program guidelines (below) and targets participants in the Family Self Sufficiency and Housing to Work programs. Borrowers must participate in a first-time home buyer education program.

Single Family Mortgage Program: The Single Family Mortgage Program provides 30-year mortgages with below market interest rates, options with points or with no points, low down payment requirements, cash assistance grants, and other flexible underwriting criteria. With the exception of NHHFA designated “target areas,” participants must be first-time home buyers. Borrowers must meet certain income limits and must purchase housing that does not surpass set price limits.

Participating banks, mortgage companies, and credit unions throughout the state originate loans. Federal Housing Administration (FHA), Veteran's Administration (VA), Rural Development, and Private Mortgage Insurance loans qualify under NHHFA's Single Family



Mortgage Program. For VA loans, the loan amount (including the VA funding fee) can be up to the purchase price limit.

Cash Assistance Option: NHHFA provides an optional grant, equal to 2 percent of the loan value, to participants in the Single Family Mortgage Program. The grant defrays the cost of down payment, closing costs, and prepaid escrows at the time of purchase. The borrower must contribute 1 percent of the purchase price from his or her own funds, without gift assistance. The 2 percent grant does not require repayment unless the loan is paid off within the first forty-eight months. After that time the full amount of the grant is forgiven. All guidelines set in the Single Family Mortgage Program are applicable to the Cash Assistance Option as well.

Purchase/Rehabilitation Program: The Authority also offers a Purchase/Rehabilitation Program that helps new home buyers purchase a home in need of repairs. This program can provide up to \$25,000 to make livability improvements to the buyer's new home.

2-Under Option: The 2-Under Option is an alternative to the Single Family Mortgage Program available to households earning 60 percent or less than the statewide median income. Loans are offered to first time home buyers through NHHFA's list of participating lenders. The program functions by providing a subsidy to reduce the Single Family Mortgage Program interest rate by 2 percent for the first three years of the loan and then by 1 percent for the following two years. The subsidy must be repaid if the property is sold within the first ten years, or forgiven after ten years. The program follows the same guidelines as the Single Family Mortgage Program with some additional requirements.

Philip S. Rader Divorced Borrower Initiative: Eligible borrowers with minor children may be able to refinance their mortgages and thus retain their homes following a divorce under this program. Participants must meet NHHFA's income limits and the property value must not exceed specified purchase prices.

Emergency Home Repair Loan (EHRL): The Emergency Home Repair Loan provides assistance to borrowers when an emergency occurs that is not covered by insurance. Participants must have an existing loan through NHHFA's Single Family Mortgage Program. Loans of up to \$15,000 are available with an affordable interest rate and a maximum term of fifteen years. Loans are originated directly by NHHFA.

Manufactured Housing Replacement Program: The Manufactured Housing Replacement Program allows families living in NHHFA approved manufactured housing cooperatives to replace their existing unit with a newly manufactured one. New homes must meet the National Manufactured Housing Construction and Safety Standards Act of 1974 and pass an inspection to ascertain all program requirements have been met. This program is directly administered by NHHFA.

Home of Your Own Program (HOYO): Working with the New Hampshire Division of Mental Health and Developmental Services, New Hampshire Developmental Disabilities Council and New Hampshire Community Loan Fund (HNCLF), NHHFA provides mortgage funding and other support to assist lower income persons with developmental disabilities achieve the goal of home ownership.

HomeAccess: The HomeAccess program assists low and moderate-income households (other than those who qualify for HOYO) make their new or existing home handicap accessible for a permanently disabled household member. New properties purchased while using this program must meet NHHFA's Single Family Mortgage Program (SFMP) Guidelines and the household income must be equal to the lesser of NHHFA's SFMP limits or the State median income. Eligible households may borrow up to \$25,000 with a low-interest loan, repaid over fifteen years, to make accessibility improvements.

American Dream Program: The American Dream Program is a collaborative between NHHFA and HUD and provides low-income first time home buyers the greater of up to 6 percent of the home's sale price or \$10,000 to be used for a down payment or closing costs. NHHFA's participating lenders administer loans and mortgages must be processed through NHHFA's Single Family Mortgage Program. There are no interest charges on the grant and it does not have to be repaid unless the mortgage is paid off in less than ten years. The program follows the same guidelines as the Single Family Mortgage Program with a few additional requirements.

Section 5(h) Homeownership: The section 5(h) homeownership program, administered by HUD, provides a flexible mechanism for public housing authorities to sell public housing units to low-income families. The program establishes an arrangement that benefits both the buyer and the selling agency. The program benefits both parties by providing an affordable option to achieve homeownership for low-income households while allowing housing authorities to sell developments that may no longer be viable or efficient to run.

First-Time Home Buyer Seminars: New Hampshire Housing Finance Authority created these seminars to educate first time homebuyers on the complicated and often confusing process of purchasing a home. These free seminars bring together professionals to present information and are offered at various locations throughout New Hampshire. Each seminar covers six topics in two sessions. Seminars include presentations by a real estate broker, attorney, home inspector, lender, credit bureau, and an education representative who will speak about budgeting and financial management.

Home Keeper Program: The New Hampshire Home Keeper Mortgage is a reverse or home equity conversion mortgage designed to benefit older home owners who are looking for opportunities to receive beneficial use of their home equity. Persons who are 62 years of age or older, and own their own homes free and clear or with little outstanding debt may be eligible to participate.

The program offers three different types of loan terms:

- Tenure Payment Plan- which provides equal monthly payments to the borrower which continue as long as the recipient remains in the home;
- Line of Credit- which provides for payments to be made to the borrower whenever the borrower requests a disbursement from the lender; and
- Modified Tenure Payment Plan- which combines the characteristics of a tenure payment plan with those of a credit payment plan.



Home Keeper Loans are originated by NHHFA and then purchased by Fannie Mae. The mortgage is an adjustable rate loan and Fannie Mae, depending on market conditions, determines the interest rate. Full repayment of the loan is not due until the borrower sells or permanently moves from the property or dies.

Reverse Mortgage Counseling: For individuals and families considering the Home Keeper Program or a reverse mortgage, NHHFA provides one hour counseling sessions to review alternatives to a reverse mortgage, the financial implications, tax consequences, and eligibility changes for state and federal programs. These sessions are informational only and no final decisions are made at that time.

Note: Information contained in Section IV “Meeting Local Housing Needs” was derived from the New Hampshire Housing Finance Authority and U.S. Department of Housing and Urban Development's web sites during September of 2004 and updated in April of 2010. All information should be verified with the administering agency to assure it is still current.

## Section 5 - Distribution of Local 'Fair Share'

An unusually strong economy and unprecedented population growth in the mid-1980's pushed housing values to levels in 1990 that were two-to-three times their market value ten years earlier. High housing demand, resulting from the influx of new businesses, job increases, higher salaries and more people, caused demand to outstrip supply, resulting in a rapid increase in housing prices. For the majority of the population whose income kept pace, this presented no problem and increased their net worth. However, many people lacking appropriate education, training, and experience found only limited job opportunities and modest wages during this period. Affordable housing soon became a critical issue for a substantial segment of New Hampshire's residents.

As a result of this shortage of affordable housing units, beginning in 1988 regional planning commissions were required to establish a housing needs assessment that reviews housing for families of all income levels. One suggested component of the housing needs assessment is a fair share distribution analysis, which projects the estimated future need for affordable housing across the region. Table 23 presents the estimated proportionate fair share workforce housing need for the Southern New Hampshire Planning Commission region.

### Background

Adequate, affordable housing for everyone is an important factor that is vital to the welfare and security of those residing in the SNHPC region. In 2008 (effective January 1, 2010) the New Hampshire legislature enacted RSA 674:59, which states that

"I. In every municipality that exercises the power to adopt land use ordinances and regulations, such ordinances and regulations shall provide reasonable and realistic opportunities for the development of workforce housing, including rental multi-family housing. In order to provide such opportunities, lot size and overall density requirements for workforce housing shall be reasonable. A municipality that adopts land use ordinances and regulations shall allow workforce housing to be located in a majority, but not necessarily all, of the land area that is zoned to permit residential uses within the municipality. Such a municipality shall have the discretion to determine what land areas are appropriate to meet this obligation. This obligation may be satisfied by the adoption of inclusionary zoning as defined in RSA 674:21, IV (a). This paragraph shall not be construed to require a municipality to allow for the development of multifamily housing in a majority of its land zoned to permit residential uses."

It is also important to note the definitions in RSA 674:58, where affordable housing is defined as "housing with combined rental and utility costs or combined mortgage loan debt services, property taxes and require insurance that do not exceed 30 percent of a household's gross annual income." Multi-family housing is defined as "a building or structure containing 5 or more dwelling units." Workforce housing is defined as "housing which is intended for sale and which is affordable to a household with an income of no more than 100 percent of the median income for a 4-person household for the metropolitan area or county in which the housing is located as published annually by the United States Department of Housing and Urban Development. Workforce housing also means rental housing which is affordable to a household with an income of no more than 60 percent of the median income for a 3-



person household for the metropolitan area or county in which the housing is located as published annually by the United States Department of Housing and Urban Development. Housing units that exclude minor children from more than 20 percent of the units, or in which more than 50 percent of the dwelling units have fewer than two bedrooms, shall not constitute workforce housing for the purposes of this subdivision.”

## Methodology<sup>9</sup>

The previous edition of the Housing Needs Analysis (2005) prepared by the Commission calculated the low to moderate (LMI) housing needs distribution based on fair share allocation models produced by Bruce Mayberry for the New Hampshire Housing Finance Authority (NHHFA). This model distributed renter occupied moderate and low-income housing need for 2000, primarily derived from the 2000 U.S. Census, and projected housing supply for the year 2010.

Due to the recent legislation the methodology for the distribution of fair share analysis has changed to reflect the definitions in the new statute. The distribution developed reflects the town-level estimates of the current and reasonably foreseeable future workforce housing need, as defined in RSA 674:58-59.

Table 23, page 69, distributes the total workforce housing units estimated for the region in Table 9, Appendix A, by BCM Planning to each community in proportion to their share of the housing units in the region. The workforce housing estimate is stated as a total number for each community and does not distribute the housing estimate between owner vs. renter units. Determining these ratios is left up to the community to determine, based on their local knowledge and data on owner and rental units. Each community can utilize this analysis to determine the distribution of owner vs. renter housing units as appropriate for their community. It should also be noted that adequate and accurate rental data does not exist to provide guidance to the region and each municipality. It will have to be the responsibility of each municipality to determine their rental/owner housing status and to collect that data in their community going forward in order to determine if they are meeting their fair share of the regional workforce housing estimated distribution for both owners and renters.

The housing numbers shown in Table 23 represent the total proportionate distribution per town, **including any existing housing that fits within the affordability definitions. It is likely that some communities in the region already have the indicated number of units that are affordable within these income limits, while many others may not.** This analysis makes no attempt to ascertain whether a community is presently meeting its proportionate share of the regional workforce housing need. It states what the estimated distribution is today (2008) and what it is estimated to be in 2015. It is the responsibility of each community to determine whether or not their existing housing stock supplies the number of units, both owned and rented, to meet their share of the region’s workforce housing fair share distribution.

---

<sup>9</sup> Methodology derived from the Rockingham Planning Commission Regional Housing Needs Assessment. October 2008.

A housing affordability analysis is an exercise that each community should undertake in order to make this determination. Town assessor databases can be used to estimate the number of homes that have an assessed value that is less than the maximum purchase price of homes needed to qualify as “workforce housing” (see table 23, pg. 68 for estimated maximum purchase and rental prices in the SNHPC region). The New Hampshire Housing and Finance Authority has an affordability calculator on their website that can be used to determine this maximum purchase price as well. If the number meeting this criteria is equal to or greater than that shown on Table 23 (for current conditions – 2008) the town can be assumed to be meeting its proportionate share for **owner** housing. SNHPC can conduct, as requested by each municipality, an owner-occupied affordable housing audit. This audit does not address rental data and that piece will need to be collected and analyzed by each individual community. In addition, NHHFA retained BCM Planning in 2003 to create a model for conducting a statewide housing needs assessment (that could be used on a regional basis). Part of this work was also to create a model for distributing that need.<sup>10</sup>

Determining rental values is more difficult, as this information is not collected or maintained comprehensively at the town level. NHHFA provides some useful data, especially for larger communities, in its annual rental price survey. For others it may be necessary to use NH Housing’s County, regional or HUD HFMA estimates of rental prices, together with locally derived estimates of the number of rental units available in order to determine how many workforce housing qualified units exist in the community.

While it is important for communities to periodically evaluate whether they are meeting their fair share of the region’s estimated workforce housing distribution, it should be understood that with respect to RSA 674:59, it is only necessary to demonstrate that they are providing reasonable and realistic opportunities for the development of workforce housing. A community needs only to demonstrate that they reach or exceed their fair share if the community intends to claim that it has met its fair share obligations and is therefore exempt from certain aspects of the new law.

The significance of this methodology is that it represents one means of establishing an estimate of the number of standard affordable housing units, from a theoretical standpoint, that would be needed to accommodate workforce housing income households by the year 2015. This calculation allows communities five years beyond the publication of this report to plan for needed increases in the distribution of workforce housing units in the region.

The estimate produced by using the fair share models should be considered as a guide or goal for each community striving to increase the housing supply and provide decent, affordable housing for all levels of income. It provides a mechanism by which each community can assess its fair share need relative to other communities in the Southern New Hampshire region. Further, it provides a framework for the establishment of a cohesive affordable housing policy at the regional level.

---

<sup>10</sup> See Appendix 2 of that report available at:  
[http://www.nhhfa.org/rl\\_docs/housingdata/housing\\_needs\\_assessment/Appendix2.pdf](http://www.nhhfa.org/rl_docs/housingdata/housing_needs_assessment/Appendix2.pdf)



**Table 23:**  
**Proportionate Fair Share Work Force Housing Estimate**  
**Southern New Hampshire Planning Commission Region**  
**2008 and 2015**



Table 23 – Proportionate Fair Share Workforce Housing Estimate



A	B	C	D	E	F	G	H	I	J	K
Community	2008 Housing Units	Town Share of Regional Housing Units	HUD HMFA Area	HMFA 100% Median Income (4-person Household) <sup>11</sup>	Max. Monthly Payment, Owner	HMFA 60% Median Income (3-person Household) (11)	Max Monthly Payment, Renter	Estimated Workforce Households		Increase in Workforce Households 2008-2015
								2008	2015	
Auburn	1,840	1.7%	Western Rockingham	\$90,600	\$2,265	\$48,900	\$1,223	864	944	80
Bedford	7,718	7.3%	Manchester	\$76,400	\$1,910	\$41,520	\$1,038	3,624	3,961	337
Candia	1,519	1.4%	Western Rockingham	\$90,600	\$2,265	\$48,900	\$1,223	713	780	66
Chester	1,568	1.5%	Western Rockingham	\$90,600	\$2,265	\$48,900	\$1,223	736	805	68
Deerfield	1,745	1.6%	Western Rockingham	\$90,600	\$2,265	\$48,900	\$1,223	819	896	76
Derry	13,340	12.6%	Lawrence MA-NH	\$80,600	\$2,015	\$43,500	\$1,088	6,264	6,846	582
Goffstown	6,397	6.0%	Manchester	\$76,400	\$1,910	\$41,520	\$1,038	3,004	3,283	279
Hooksett	5,120	4.8%	Merrimack Co	\$69,900	\$1,748	\$37,800	\$945	2,404	2,628	223
Londonderry	8,577	8.1%	Western Rockingham	\$90,600	\$2,265	\$48,900	\$1,223	4,028	4,402	374
Manchester	48,722	45.8%	Manchester	\$76,400	\$1,910	\$41,520	\$1,038	22,879	25,003	2,125
New Boston	1,913	1.8%	Hillsborough Co	\$74,000	\$1,850	\$39,960	\$999	898	982	83
Raymond	4,385	4.1%	Lawrence MA-NH	\$80,600	\$2,015	\$43,500	\$1,088	2,059	2,250	191
Weare	3,449	3.2%	Manchester	\$76,400	\$1,910	\$41,520	\$1,038	1,620	1,770	150
TOTAL	106,293	100.0%	NA	NA	NA	NA	NA	49,913	54,548	4,635

TABLE KEY		
Column	Explanation	
A	RPC Community	
B	Total number of households, (single, multi, and manufactured), OEP estimate.	
C	Town's share of the region's (13 town RPC region) total households.	
D	The town's federally assigned HUD-Fair Market Rent Area Housing Market	
E	HUD Fair Market Rent Area's "100%" Median Area Income (MAI) for a 4-person family. Amount called out in SB 342	
F	Maximum payment (mortgage, Insurance and taxes) for a ownership unit to qualify as Workforce Housing	
G	60% of HUD Fair Market Rent Area's Median Area Income (MAI) for a 3-person family. Amount called out in SB 342.	
H	Maximum payment (Rent and Utilities) for a rental unit to qualify as Workforce Housing	
I	Estimated Workforce Housing need for 2008	
J	Estimated Workforce Housing need for 2015	
K	Increase in Workforce Housing need between 2008 and 2015	

INCOME LIMIT CALCULATION			
HOME OWNERSHIP			
100% MAI, 4 pers. Hshld (11)		Est. Max Purchase <sup>12</sup>	
		10% down	20% down
W-Rock	\$90,600	\$304,092	\$334,694
Lawr MA-NH	\$80,600	\$270,531	\$297,643
Manchester	\$76,400	\$256,475	\$282,081
Hillsborough Co	\$74,000	\$248,399	\$273,189
Merrimack Co	\$69,900	\$234,499	\$257,997
HOME RENTAL			
60% MAI, 3 pers. Hshld (11)		Estimated Max Rent/mo.	
W-Rock	\$48,900	\$1,222	
Lawr MA-NH	\$43,500	\$1,087	
Manchester	\$41,520	\$1,038	
Hillsborough Co	\$39,960	\$999	
Merrimack Co	\$37,800	\$945	

<sup>11</sup> 2008 HUD FY 2008 Median Family Income (MFI) data

<sup>12</sup> Derived using the NHHFA affordability calculator and default assumptions: estimated maximum using 30% of income, 30 year mortgage at 5.75%, 1% loan origination, \$800 closing costs, PMI and estimated taxes and insurance





## **Appendix A: Income by Tenure and Housing Cost Burden Estimates**





## **Appendix B: Housing Supply Projections**

