



The 2022 Housing Landscape: New Challenges, No Easy Answers



June 2022

OVERVIEW

- What's happening in the housing market & why?
 - Housing Market Update
 - 2021 / 2022 Residential Rent Survey – out in July
- What's being done to improve the situation?
- Why is it still so difficult?
- What more can we do?
- Comments - Q&A

OUR MISSION & IMPACT

Support, finance and promote affordable housing



NEW HAMPSHIRE HOUSING HAS...

- Helped more than 50,000 families purchase their own homes
- Providing financing to create 16,000+ multi-family housing units
- Provided direct assistance to tens of thousands of NH households

LAST YEAR NEW HAMPSHIRE HOUSING...

- Financed more than 1,300 units of multi-family rental housing
- Monitored operations of thousands of units of rental housing we financed
- Administered federally funded rental assistance for 9,000 households statewide
- Helped 1,300+ families purchase a home through mortgage and other programs

HOUSING CHALLENGES

- **Rising home prices, increasing rents – low inventory of homes for sale and apartments to rent**
- **Mismatch of housing stock for a changing demographic & economy**
 - ❑ Demand for similar types of housing (older & younger)
 - ❑ What are the housing options we have now?
 - ❑ What do current and future residents of the region need?
 - ❑ What do we allow?
- **Local resistance to housing development**
- **Economic conditions & influences**
 - Supply, demand, interest rates, insufficient inventory
 - Need at least 20,000 new units
- **A range of solutions is needed**

IMPEDIMENTS TO HOUSING DEVELOPMENT



LUMBER
Development costs



LABOR
Workforce
availability



LAND
Finite, but intensity
of use is variable



LOANS
Financing



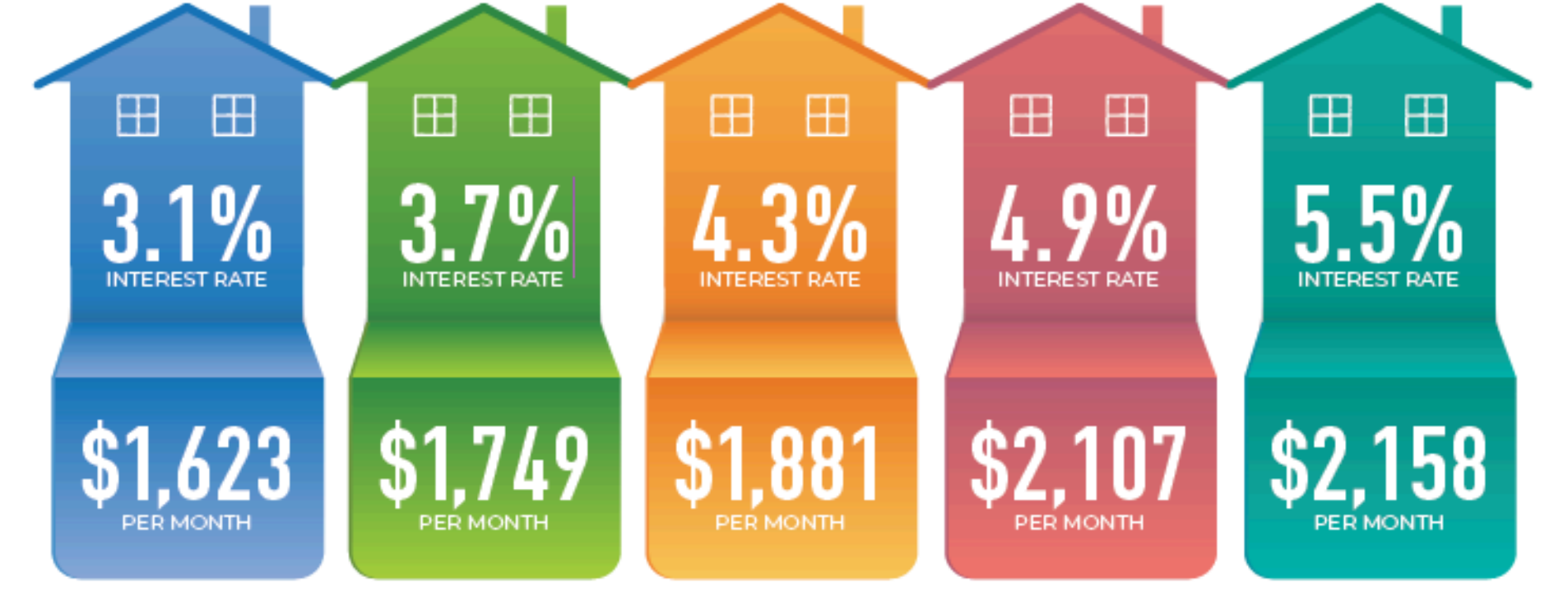
LAWS
Regulatory practices

A LOOK AT THE CURRENT HOUSING MARKET

- Interest Rates
- Inventory of Homes for Sale
- Median Sales Price
- New Construction - Building Materials
- Where Homebuyers Are Coming From
- Residential Rental Market

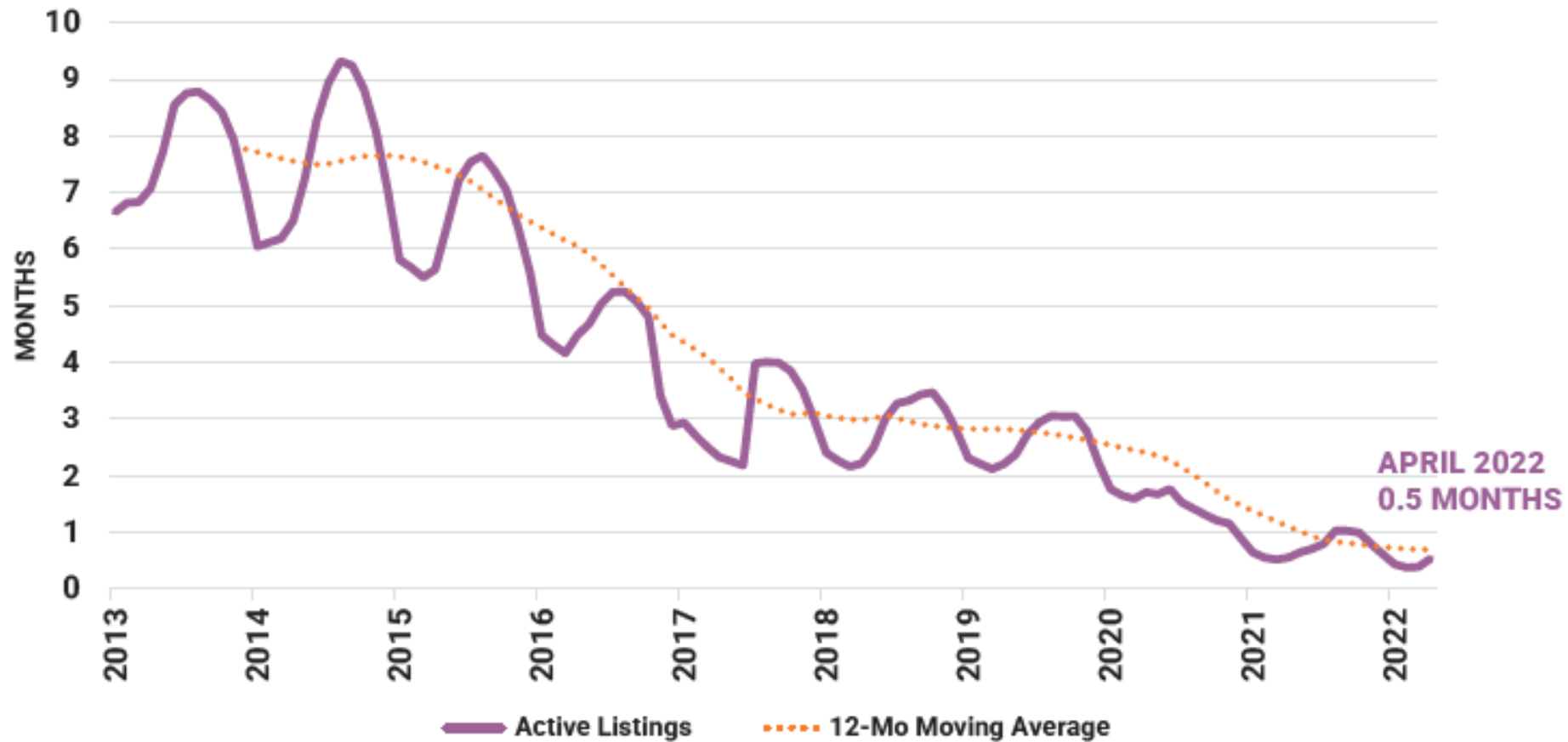
INTEREST RATES

INTEREST RATE AND PAYMENTS CALCULATED BASED ON
\$400,000 HOME WITH 5% DOWNPAYMENT



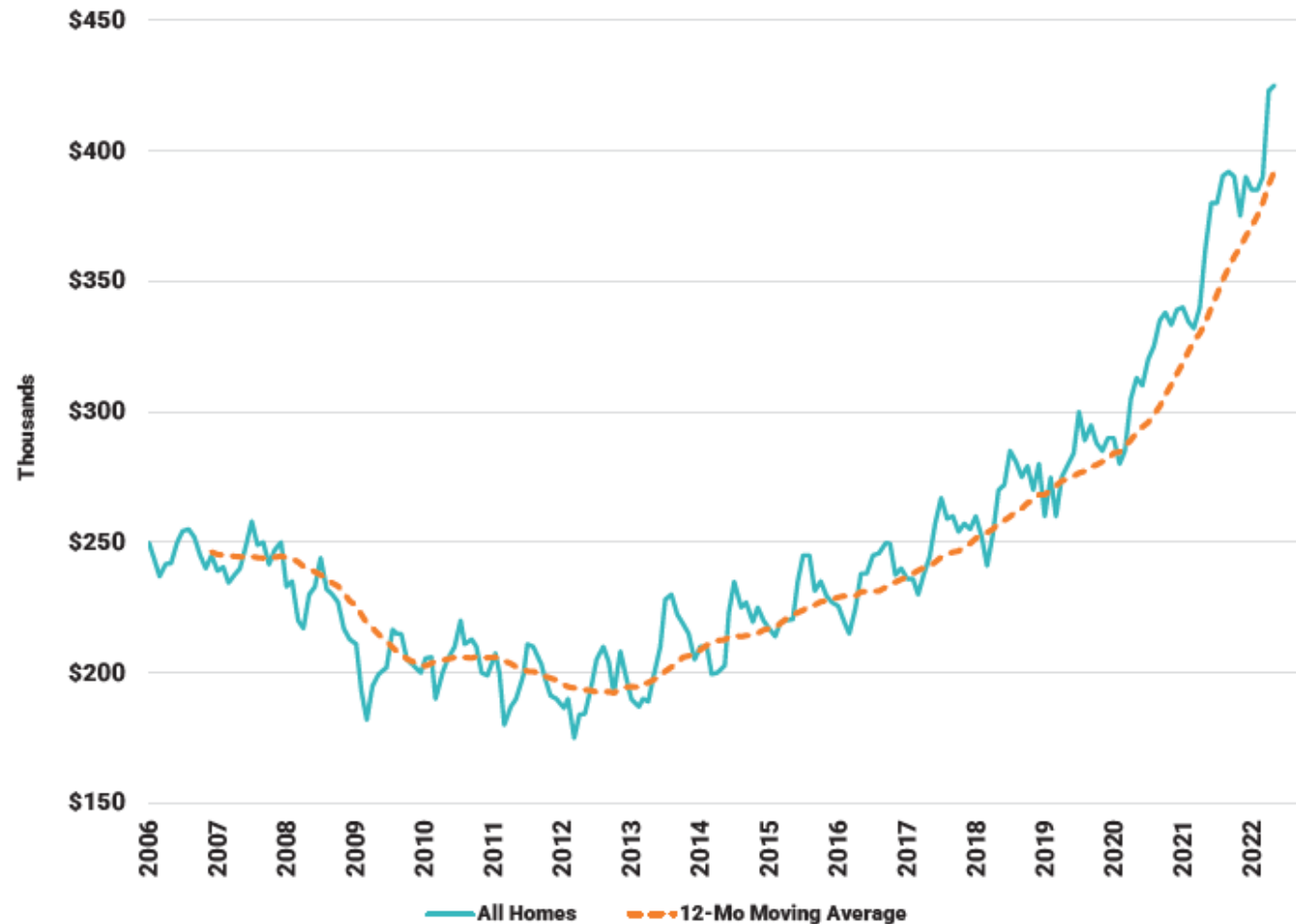
In December 2021, interest rates were 3.1%; in May 2022, they were 5.23%.

HOUSING INVENTORY



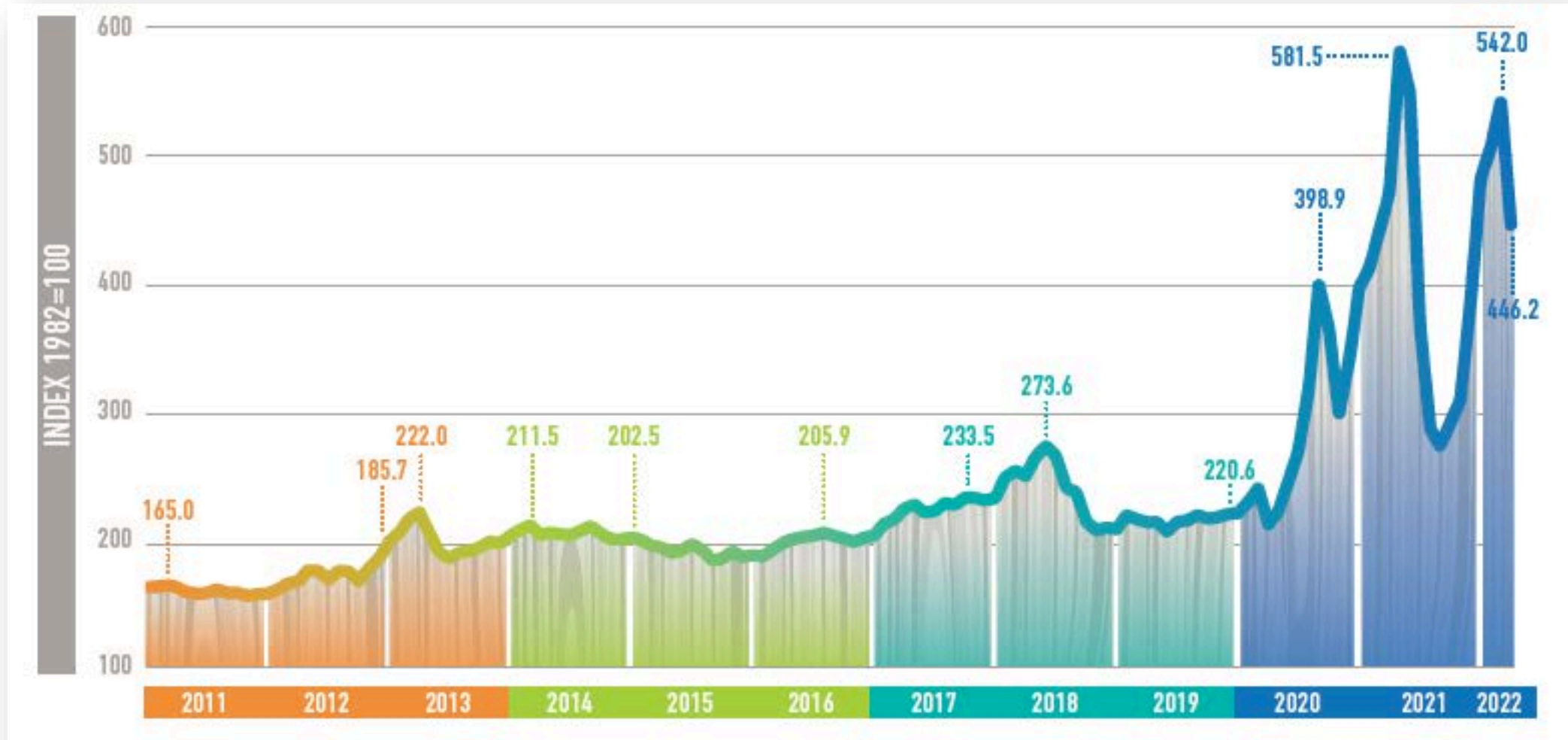
It would take less than one month to sell off all active listings given current pace of sales, a decrease of 38% in comparison to April 2020. A balanced market has 6 months of inventory.

MEDIAN SALES PRICE



In April, the median sales price hit a record high of \$425,000, which is over 17% higher than April 2021, and 36% higher than April 2020.

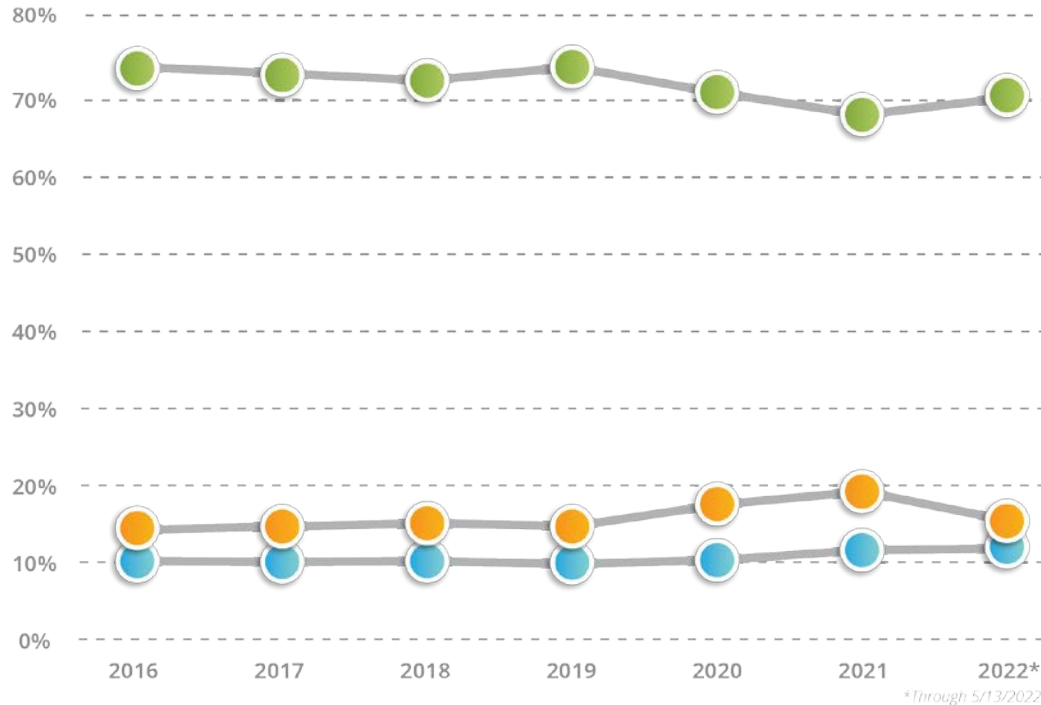
BUILDING MATERIALS



In April 2022, lumber prices were down 23% from peak in May 2021.

WHERE DO BUYERS COME FROM?

STATE	2016	2017	2018	2019	2020	2021	2022*
NH	74.7%	74.6%	73.7%	74.8%	71.5%	68.4%	71.3%
MA	14.7%	14.9%	15.7%	14.9%	17.8%	19.0%	15.8%
OTHER	10.6%	10.5%	10.6%	10.3%	10.7%	12.6%	13.0%



All other states/countries



Massachusetts



New Hampshire

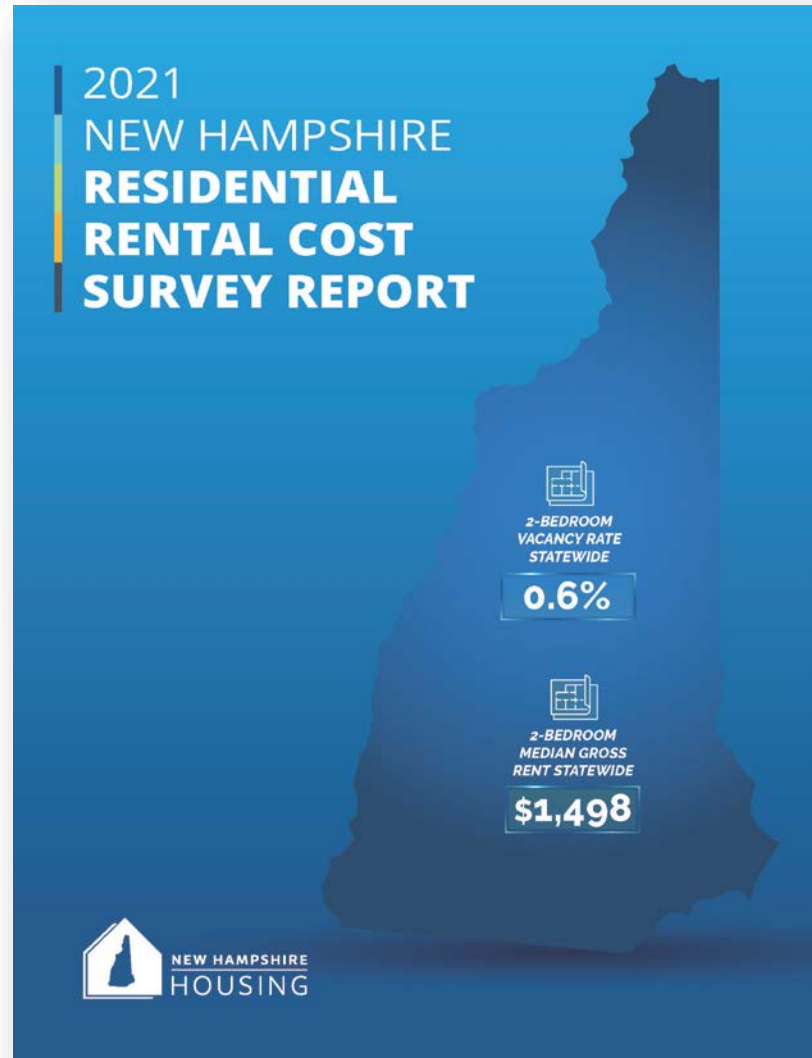
Modest increase in buyers from “away”

Most buyers are local to their own markets

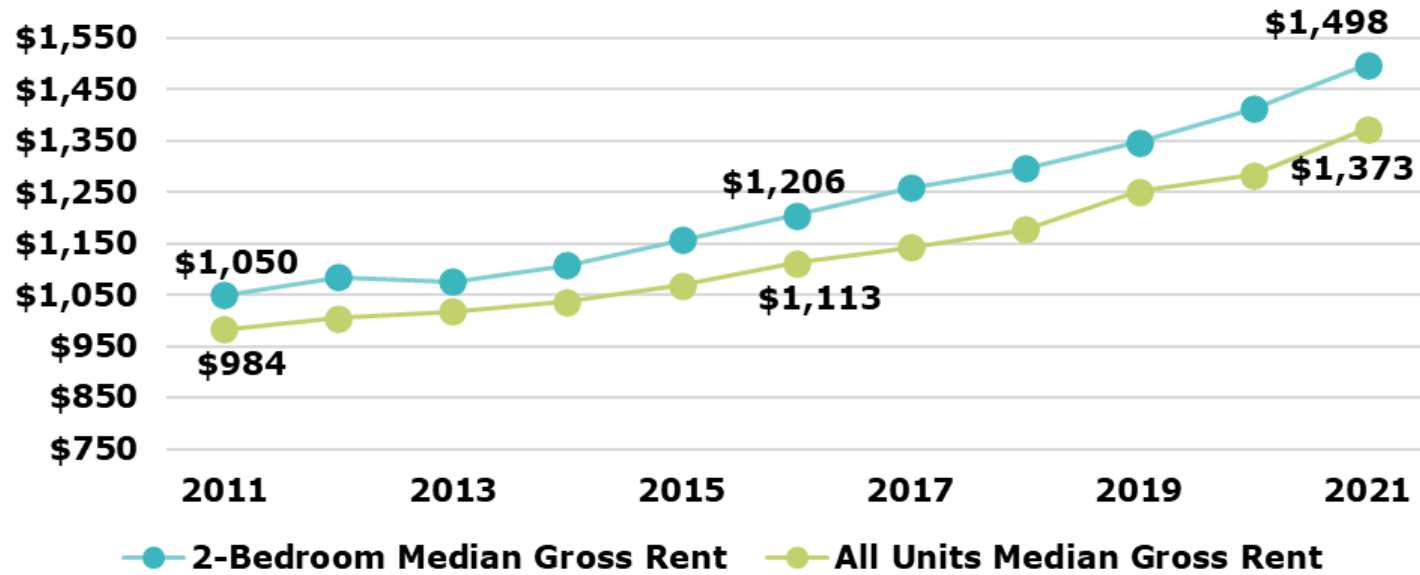
Regional Influences

- Dartmouth College / Dartmouth Health
- Lakes
- Mountains
- Boston

RESIDENTIAL RENTAL MARKET SURVEY



MEDIAN GROSS RENTAL COST



2-BR \$1,498 ▲ 6% from last year

5-year change ▲ 24%

ALL \$1,373 ▲ 7% from last year

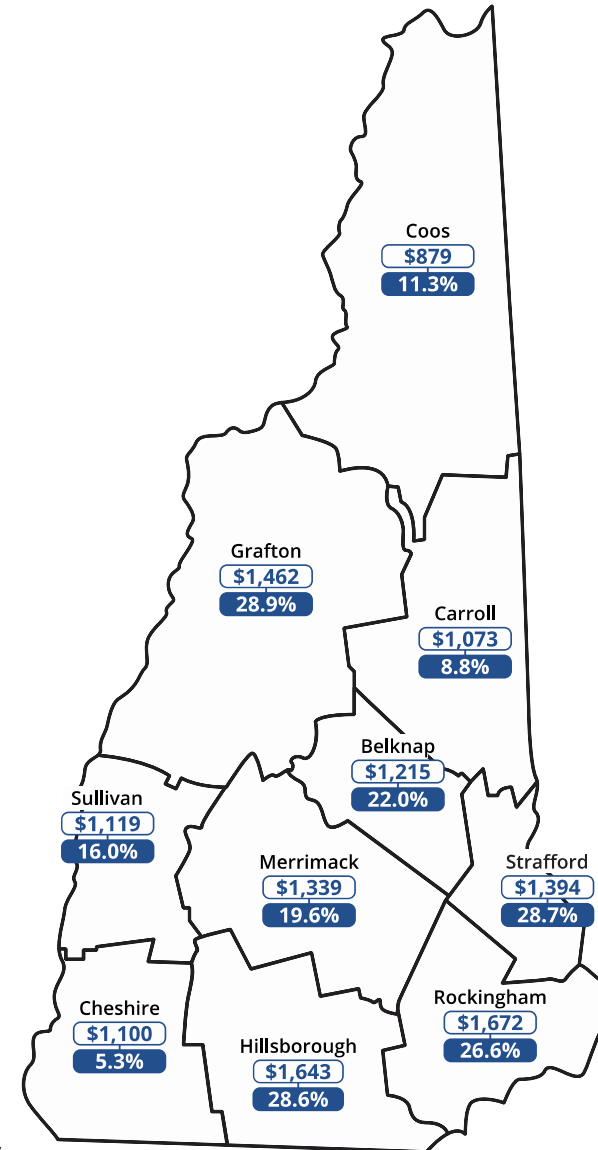
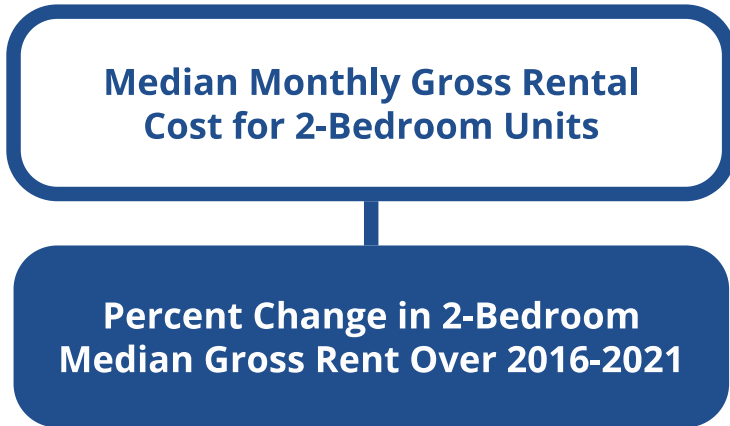
5-year change ▲ 23%



Source: NH Housing 2021 Annual Residential Rental Cost Survey

MEDIAN MONTHLY GROSS RENT & PERCENT CHANGE

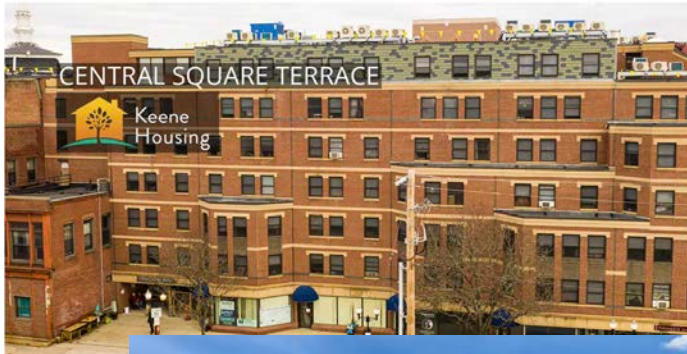
2-bedroom units, 2016 - 2021



EFFORTS TO IMPROVE HOUSING MARKET STRESSES

- Legislative action
 - HB 1661 passed with elements of the Community Toolkit
 - Housing Appeals Board
- Accessory Dwelling Units study
- InvestNH funds
- Employer-Assisted Housing
- Zoning Atlas - St. Anselm College Center for Ethics in Society
- NHERAP & NH HAF
- Financing of multi-family rental housing

MULTI-FAMILY HOUSING FUNDED BY NH HOUSING



KEENE – CENTRAL SQUARE

- 90 apartments for persons with disabilities or seniors

KEENE – RAILROAD SQUARE

- 24 units

CLAREMONT - SULLIVAN HOUSE

- 28 beds for formerly incarcerated needing substance use disorder support services

WALPOLE – ABENAKI SPRINGS APARTMENTS I & II

- 44 units – modular construction

LEBANON – TRACY COMMUNITY HOUSING

- 29 units – Net Zero energy efficiency designation

PROGRAMS FOR STRUGGLING RENTERS & HOMEOWNERS



NHERAP has helped more than 19,000 households and paid \$165 million to landlords, utility companies, and other vendors on behalf of eligible applicants



Provides up to \$20,000 for eligible homeowners struggling to pay their mortgage, property taxes, and utilities

JOINING FORCES TO ENCOURAGE CHANGE

- Important local and regional efforts
- Some efforts in SWRPC area:
 - Charrette in Temple to include housing
 - Monadnock Housing Roundtable-regional effort
 - Monadnock Interfaith Project-researching a Housing Trust
- Get educated and help combat housing myths
- Questions & comments

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