

An aerial photograph of a rural town in Vermont, showing a main road, a church, various houses, and a large forested area in the background.

TOWN OF LONDONDERRY, VT

Housing Needs Assessment & Strategy

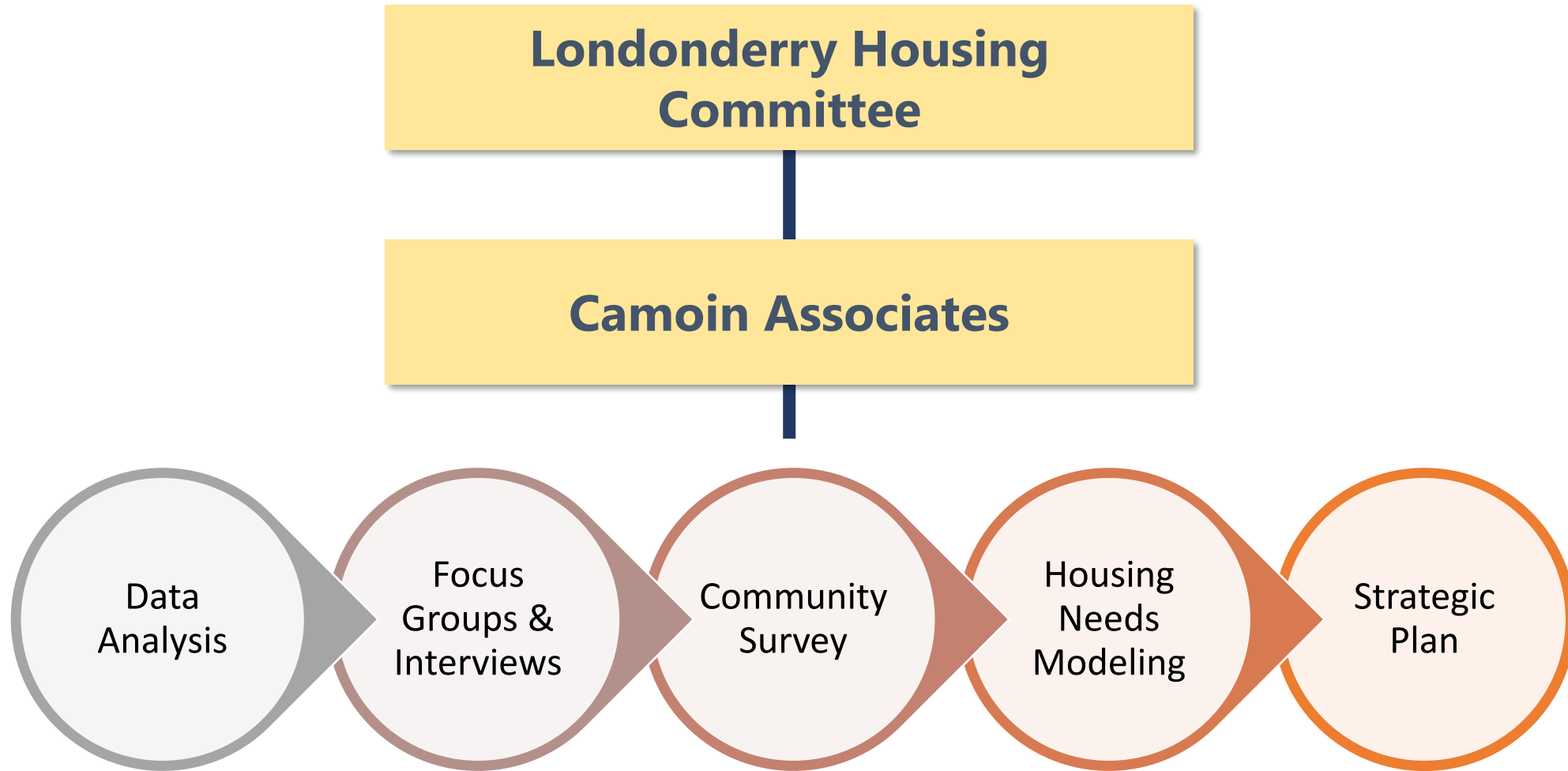
Presentation – April 2023

AGENDA

1. Study Overview
2. Data Analysis Highlights
3. Community Survey Highlights
4. Key Themes
5. Strategy Recommendations

Study Overview

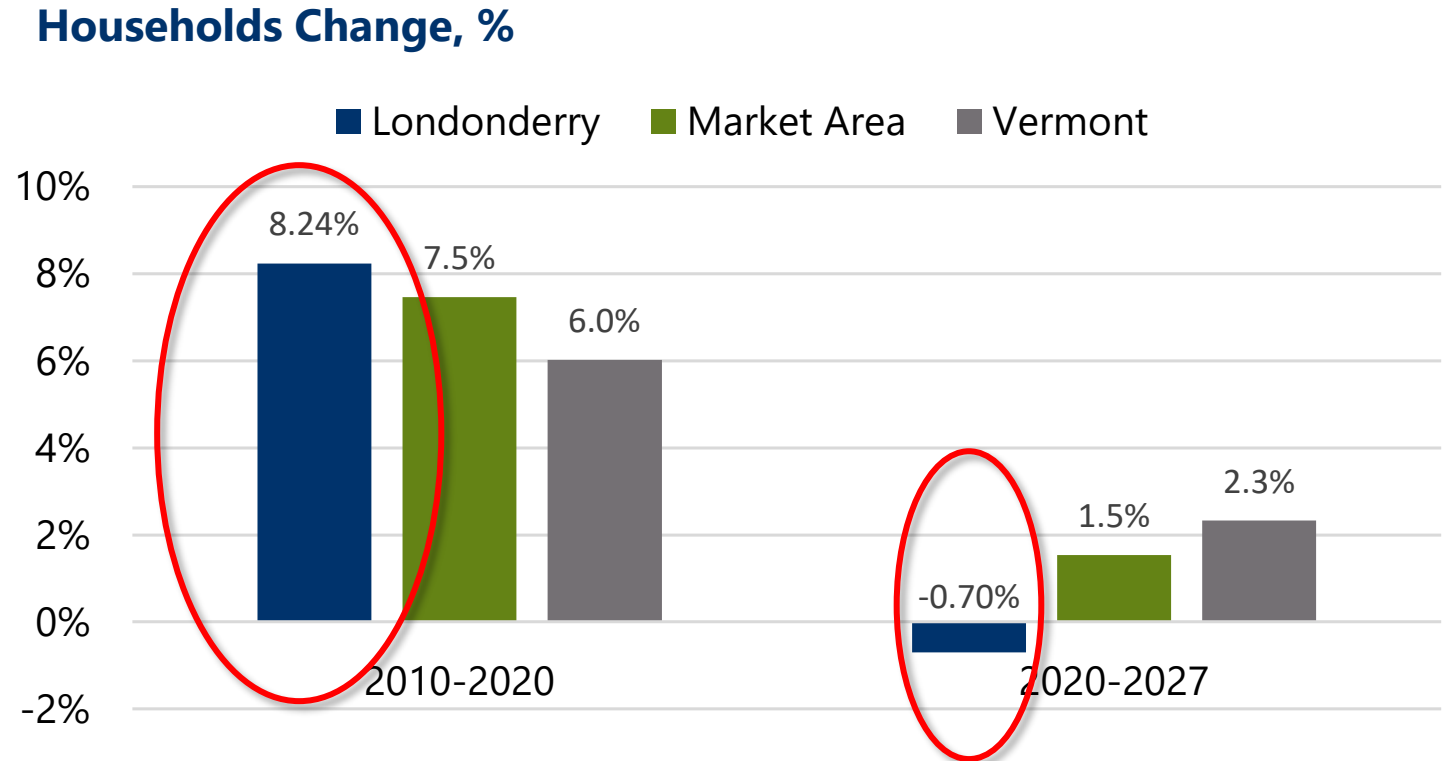
Study Overview



Data Analysis Highlights

Key Data Findings: Demographics

**Slowdown of
(permanent)
population growth
and potential
future decline**



Source: Esri

Key Data Findings: Demographics

➤ **Notable declines
in proportion of
population age
35-54**

+

➤ **Notable
increase in
proportion age
65-84**

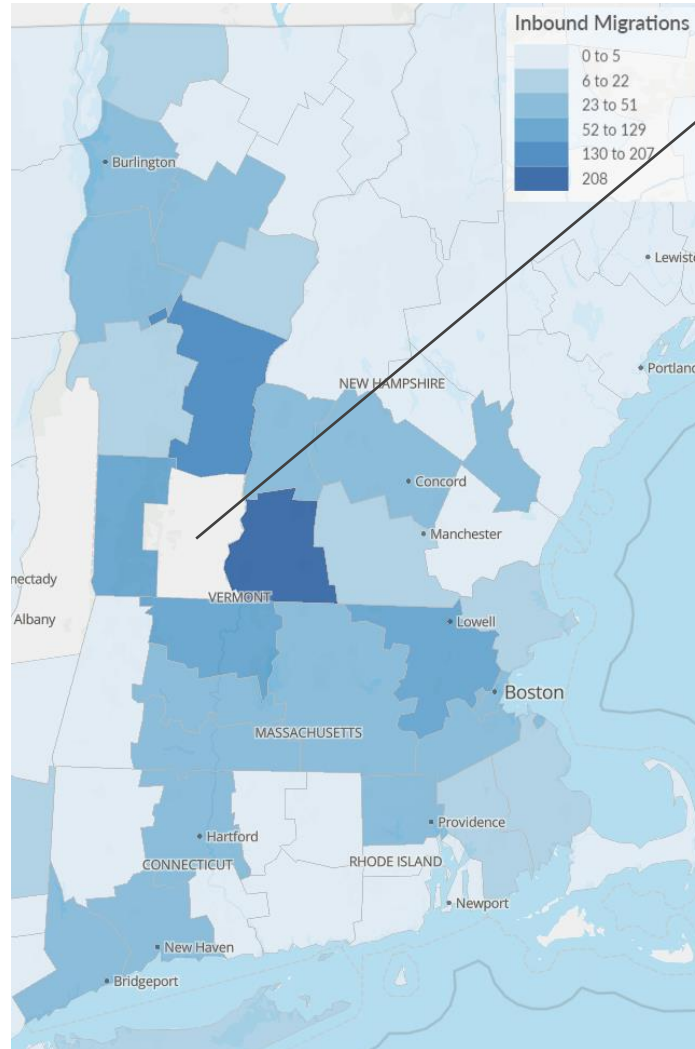
Population By Age Cohort, 2010 vs 2022

Description	Londonderry		
	2010	2022	Change
0 - 4	5.2%	4.6%	-0.6%
5 - 9	5.3%	5.2%	-0.1%
10 - 14	4.9%	5.5%	0.6%
15 - 24	10.0%	7.9%	-2.1%
25 - 34	9.2%	10.3%	1.1%
35 - 44	14.0%	10.8%	-3.2%
45 - 54	17.1%	14.3%	-2.8%
55 - 64	16.1%	17.2%	1.1%
65 - 74	10.9%	14.9%	4.0%
75 - 84	5.3%	7.4%	2.1%
85 +	2.0%	2.0%	0.0%
Total	100.0%	100.0%	

Source: Esri

Key Data Findings: Demographics

But recent migration shifts could change trajectory

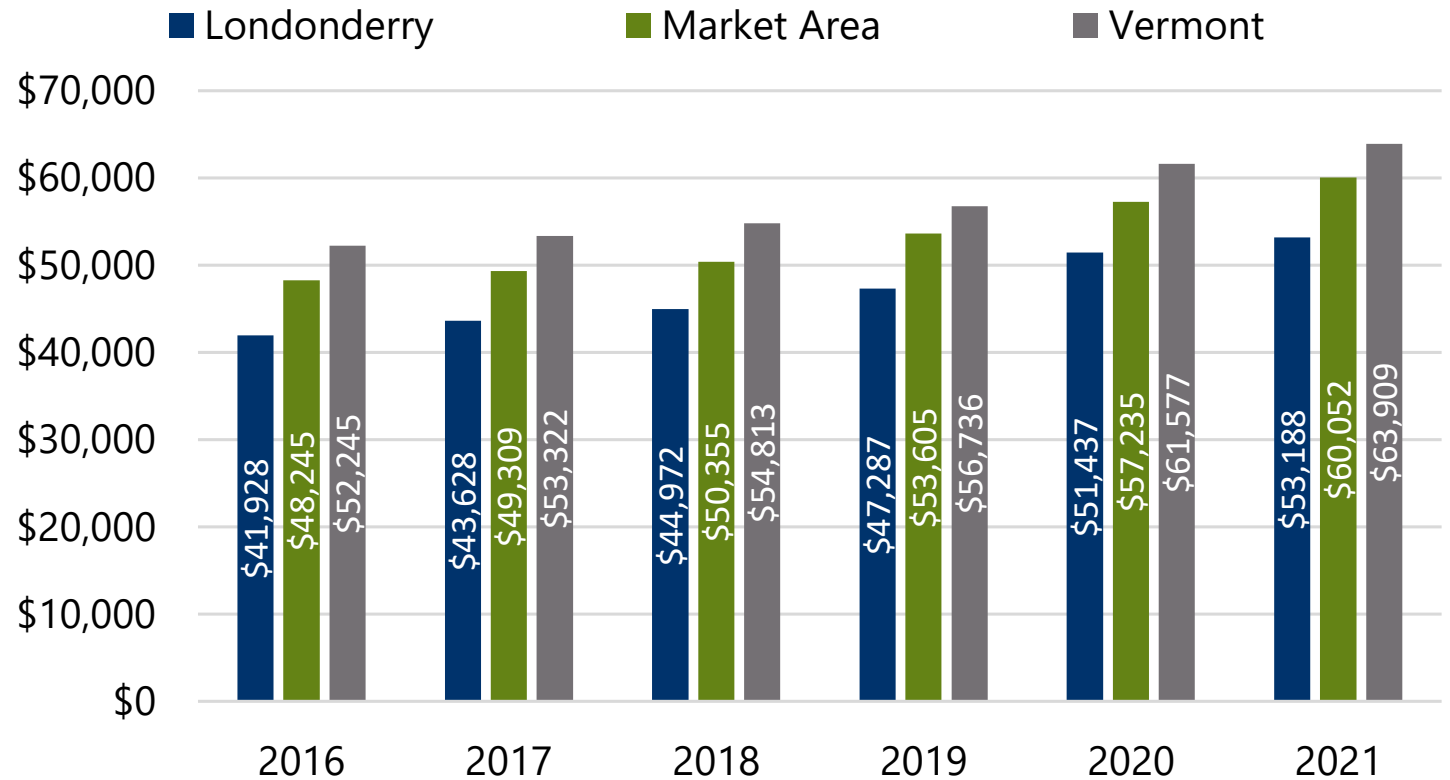


Net In-Migration
to Windham
County of 403 in
2020

Key Data Findings: Economy

➤ **Local jobs consistently lower wage on average**

Average Earnings Per Worker



Source: Lightcast

Key Data Findings: Economy

➤ **More than half of the most common local jobs have median annual earnings under \$40,000/year**

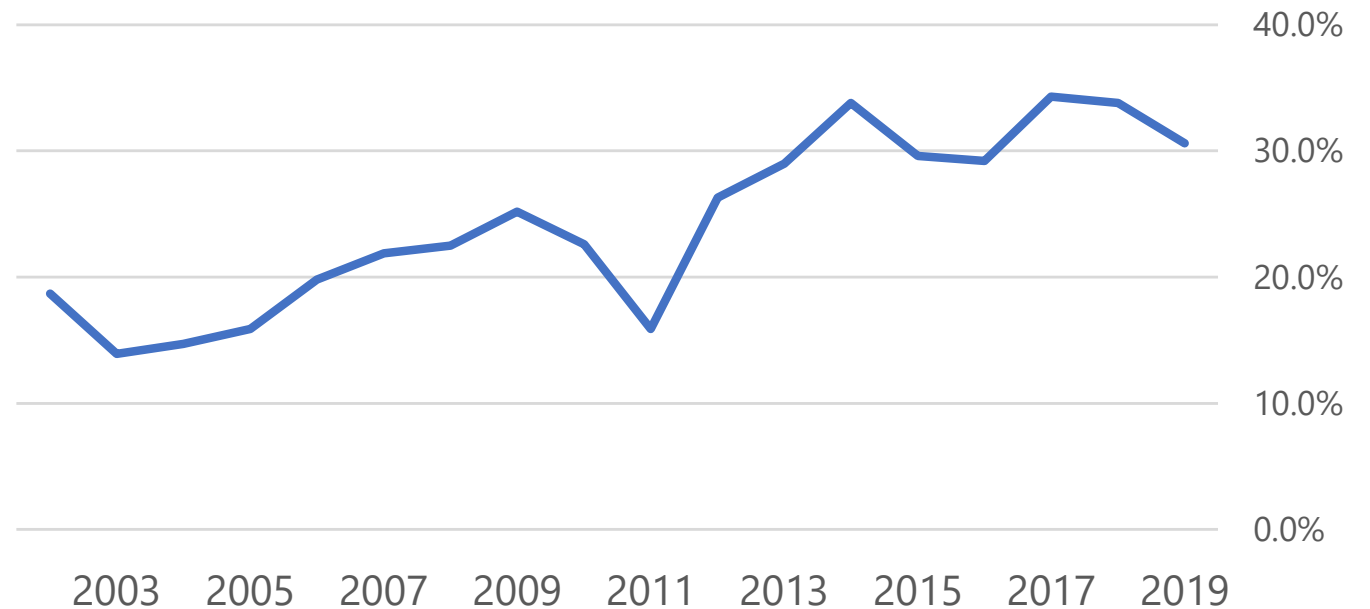
Top 25 Employment Occupations, 5 Digit SOC, 2021

SOC	Description	2016 Jobs	2021 Jobs	Avg. Annual Earnings	Median Annual Earnings
37-3011	Landscaping and Groundskeeping Workers	77	84	\$ 37,833	\$ 34,648
37-2012	Maids and Housekeeping Cleaners	110	54	\$ 30,430	\$ 27,711
41-2011	Cashiers	64	45	\$ 28,287	\$ 28,886
51-7041	Sawing Machine Setters, Operators, and Tenders, Wood	40	43	\$ 39,345	\$ 39,319
51-3092	Food Batchmakers	33	42	\$ 40,765	\$ 38,696
11-1021	General and Operations Managers	18	39	\$ 90,544	\$ 76,401
47-2061	Construction Laborers	27	34	\$ 40,439	\$ 36,708
53-3032	Heavy and Tractor-Trailer Truck Drivers	40	34	\$ 50,643	\$ 48,451
49-9071	Maintenance and Repair Workers, General	44	30	\$ 42,555	\$ 43,703
47-2031	Carpenters	25	27	\$ 47,849	\$ 40,985
51-9111	Packaging and Filling Machine Operators and Tenders	26	26	\$ 35,616	\$ 35,597
41-2031	Retail Salespersons	25	24	\$ 36,644	\$ 30,395
53-7062	Laborers and Freight, Stock, and Material Movers, Hand	29	23	\$ 35,823	\$ 35,963
53-7065	Stockers and Order Fillers	19	22	\$ 31,566	\$ 28,891
35-3031	Waiters and Waitresses	65	22	\$ 33,631	\$ 29,161
35-3023	Fast Food and Counter Workers	47	21	\$ 29,930	\$ 29,396
43-3031	Bookkeeping, Accounting, and Auditing Clerks	36	21	\$ 45,794	\$ 46,216
45-4022	Logging Equipment Operators	4	19	\$ 44,352	\$ 42,175
51-1011	First-Line Supervisors of Production and Operating Workers	22	19	\$ 61,119	\$ 60,170
25-9045	Teaching Assistants, Except Postsecondary	15	18	\$ 34,472	\$ 34,528

Key Data Findings: Economy

- **Low percentage of local workers live in the community BUT trend is improving**

Percent of Londonderry Workers Living in Londonderry, 2003-2019



Key Data Findings: Existing Housing

- 43% of all housing is seasonal (vacation)
- Number of seasonal units grew by 32% over 2010-2020 decade
- 46% of housing units owned by those with out of state mailing address

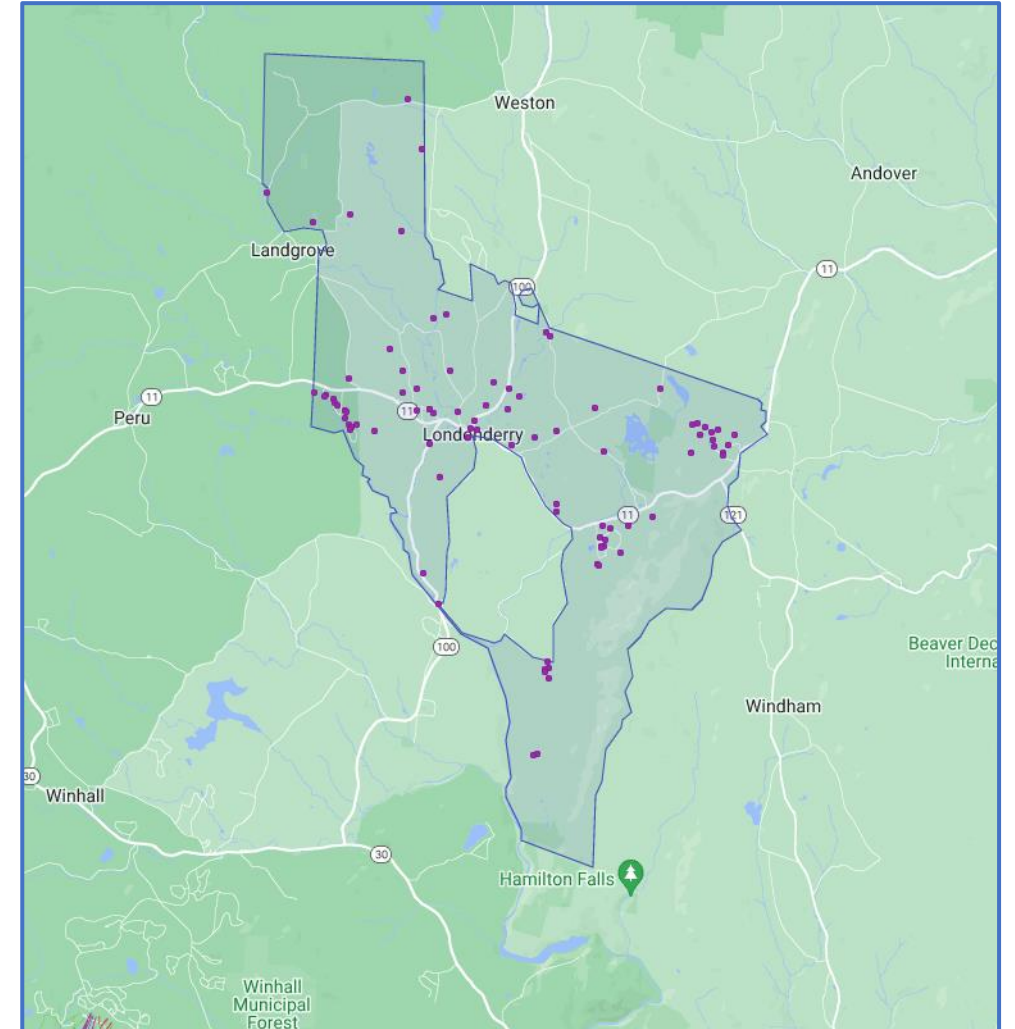
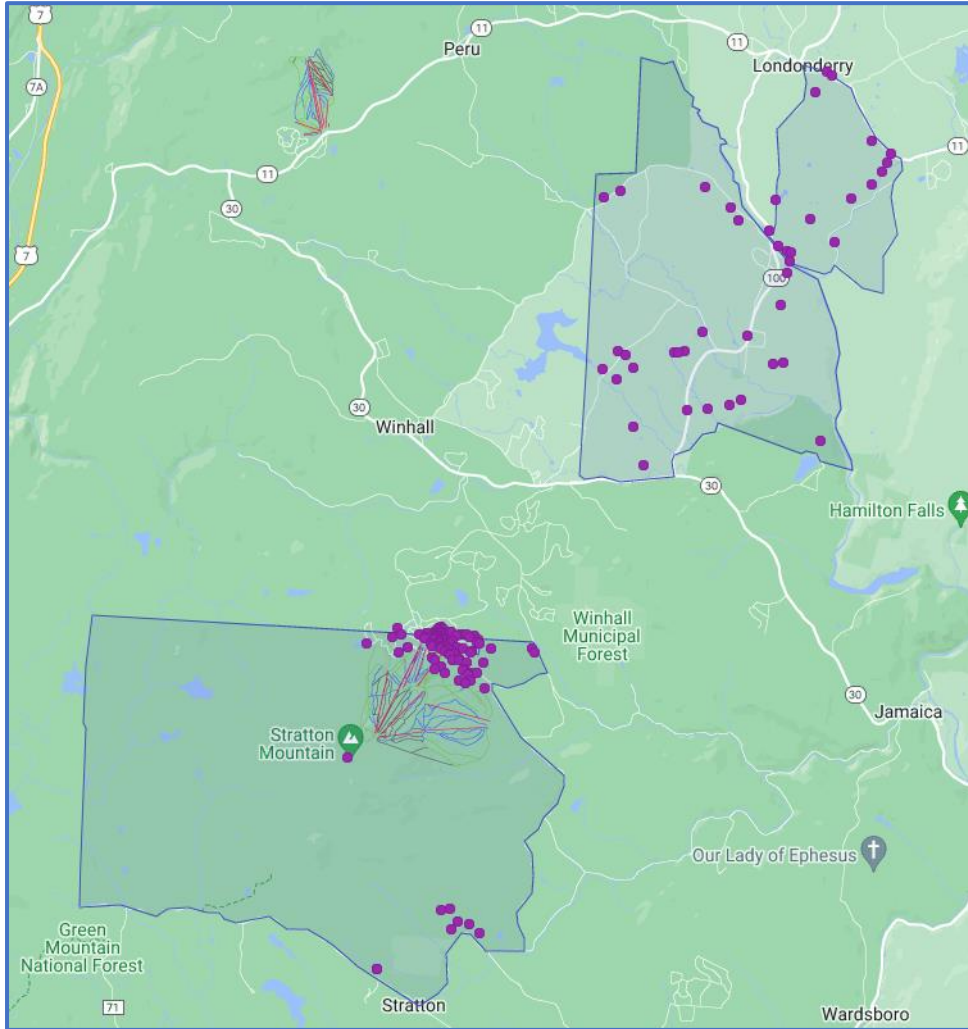
Vacancy Status, Londonderry

	Units			Units Change		% Change	
	2010	2015	2020	2010 - 2015	2015 - 2020	2010 - 2015	2015 - 2020
For seasonal, recreational, or occasional use	487	733	641	246	-92	51%	-13%
Other vacant	66	67	71	1	4	2%	6%
For sale only	15	19	23	4	4	27%	21%
Sold, not occupied	15	0	0	-15	0		
For rent	22	32	13	10	-19	45%	-59%
Rented, not occupied	17	14	0	-3	-14	-18%	
% Of Units For seasonal, recreational, or occasional use	78%	85%	86%				
Total:	622	865	748	243	-117	39%	-14%

Source: ACS

Key Data Findings: Short Term Rentals

➤ Short-Term Rentals



Key Data Findings: Short Term Rentals

➤ **306 Active Rentals (Q3, 2022)**

➤ **62% increase in active listings over 3 years**

➤ **43% to 47% are full-time**

Active Rental Key Metrics For Housing Market Area

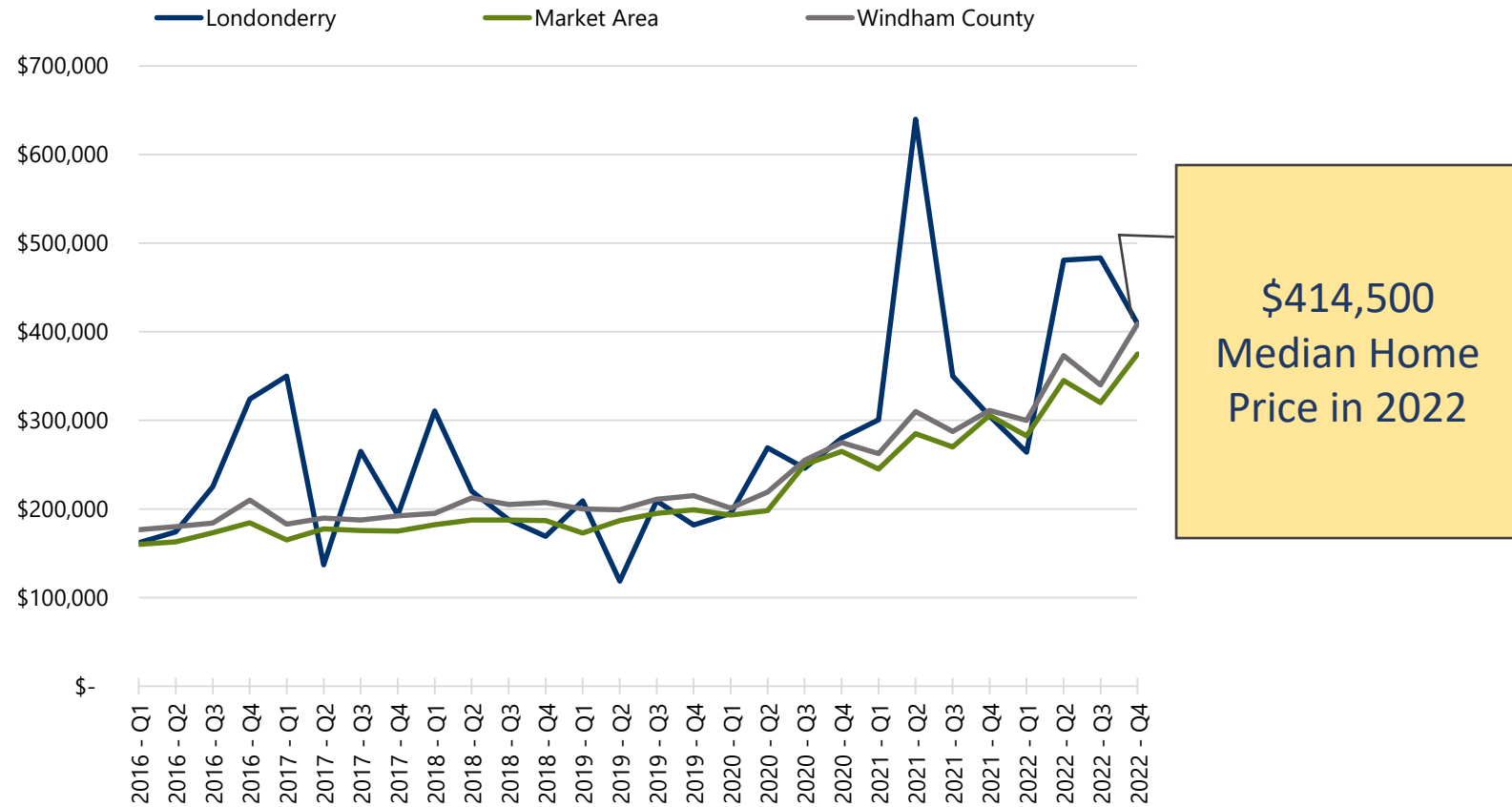
	Active Rentals	Active Rentals, Change 2019,Q3 -	Active Rentals, Change % 2019,Q3 -	% Entire Home	% Available Full Time	Occupancy Rate	AVG Rate	Median Monthly Revenue
Market	2022,Q3	2022,Q3	2022,Q3	2022,Q3	2022,Q3	2022,Q3	2022,Q3	2022,Q3
Londonderry	 116	+49	 73%	100%	47%	56%	\$343	\$4,308
South Londonderry	 190	+68	 56%	99%	43%	52%	\$446	\$4,872
Bondville	 292	+101	 53%	93%	40%	52%	\$562	\$6,360
Jamaica	 147	+32	 28%	96%	54%	61%	\$353	\$4,426
Chester	 114	+33	 41%	86%	54%	60%	\$310	\$3,750
Peru	 96	+24	 33%	96%	42%	47%	\$390	\$4,218
Wardsboro	 75	+31	 70%	97%	51%	52%	\$371	\$4,050
Weston	 40	+5	 14%	92%	61%	56%	\$262	\$3,855
Grafton	 35	+5	 17%	93%	61%	48%	\$236	\$2,844
Townshend	 29	+13	 81%	96%	45%	47%	\$281	\$3,017
West Townshend	 24	+2	 9%	100%	45%	53%	\$271	\$3,335

Source: AirDNA

Key Data Findings: Existing Housing

- **Dramatic Home Price Increases in Recent Years**
- **68% Increase from 2016-2022 (Wages increased only 27%)**
- **57% Increase from just 2020-2022**

Median Sales Price By Quarter
Residential Properties



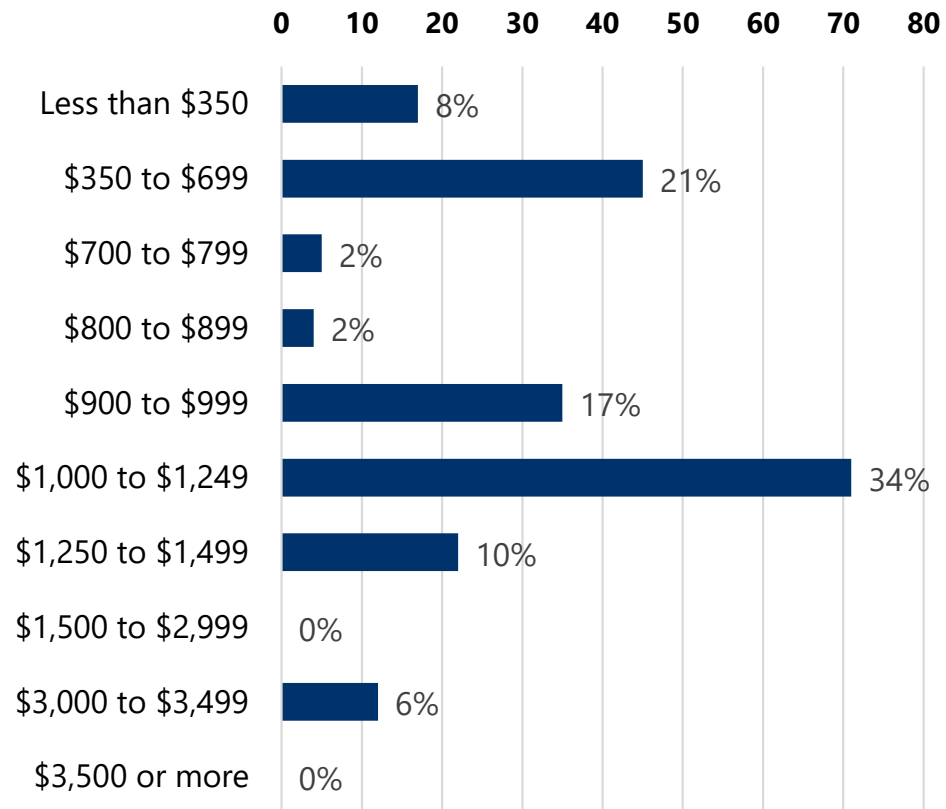
Source: MLS
(thru Oct '22)

Key Data Findings: Existing Housing

➤ **Rents relatively more affordable (but a small portion of the housing stock)**

Renter-occupied Housing Units By Gross Rent

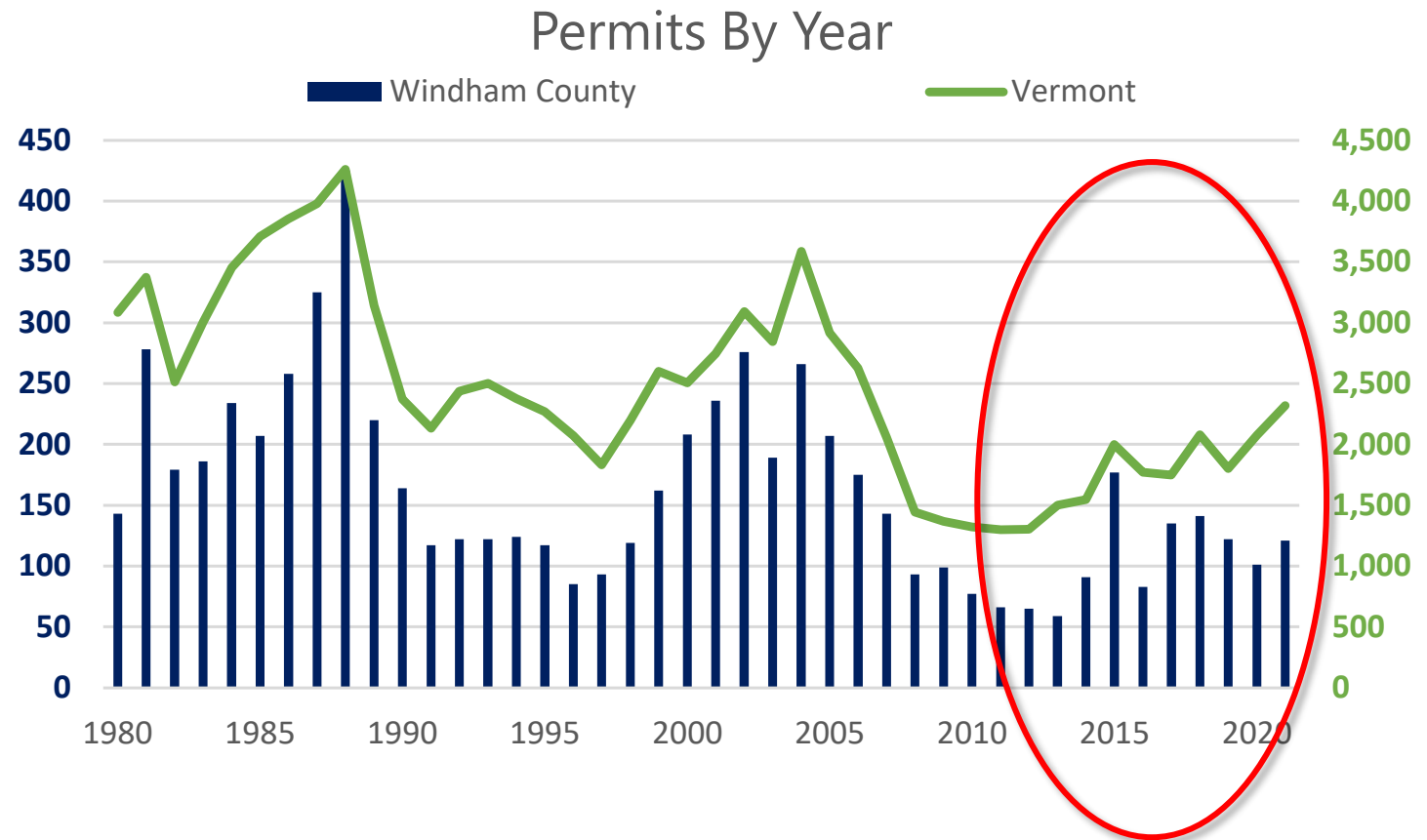
Median Rent: \$999, AVG Rent: \$989



Source: ACS 2020

Key Data Findings: Existing Housing

- **General slowdown in the pace of housing development**



Housing Needs

Housing Needs: **Attainability Gap**

- **Typical Households Vs. Typical Housing Prices**
- **Illustrative of affordability issues**
- **Typical households needs \$64,000 in additional income to afford typical home**

Home Affordability Gap: Housing Prices vs. Income Levels

	Londonderry
Median Sale Price	\$414,500
Down Payment of 10%	\$41,450
Loan Amount	\$373,050
Principal & Interest Pmt (30 Year Fixed Rate at 6.5%)	\$2,346
Est. Property Tax	\$684
Est. Insurance and Utilities	\$265
Total Monthly Payment	\$3,295
Household Income Threshold (annual)	\$131,783
Median Household Income	\$67,639
Income Gap	\$64,144
Affordable Home Price Based on Median Income	\$257,551
Home Price Affordability Gap	\$156,949

Source: Camoin Associates

Housing Needs: Attainability Gap

➤ **Affordability still a challenge with 2-earner households**

Home Affordability Gap: Housing Prices vs. Median Earnings

Description	Singe Earner Household	2-Earner Household
Londonderry Median Sale Price	\$414,500	
Down Payment of 10%	\$41,450	
Loan Amount	\$373,050	
Principal & Interest Pmt (30 Year Fixed Rate at 7.1%)	\$2,346	
Est. Property Tax	\$684	
Est. Insurance and Utilities	\$265	
Total Monthly Payment	\$3,295	
Household Income Threshold (annual)	\$131,783	
Median Earnings	\$46,031	\$92,062
Income Gap	\$85,752	\$39,721
Affordable Home Price Based on Earnings	\$175,274	\$350,547
Home Price Affordability Gap	\$239,226	\$63,953

Source: Camoin Associates

Housing Needs: Modeling (Quantification)

Cost-Burdened
Households

Displaced
Workers

“Missing”
Workers

Living in
Substandard
Housing

Underhoused/
Overcrowded

Housing Needs: Focus on Cost Burdened

34% of Households in Londonderry are Cost Burdened
(vs. 31% in Vermont)

Cost Burdened Households By Tenancy and Income, 2021

Description	Londonderry			Vermont		
	Owner-Occupied	Renter-Occupied	Total	Owner-Occupied	Renter-Occupied	Total
Less than \$20,000	30	26	56	11,349	13,792	25,201
\$20,000 to \$34,999	24	21	45	11,727	10,564	22,314
\$35,000 to \$49,999	98	13	111	8,323	5,502	13,913
\$50,000 to \$74,999	38	0	38	8,890	3,521	12,338
\$75,000 or more	8	11	19	6,431	807	7,350
Total	199	71	269	46,721	34,187	81,117

Note: totals may not sum due to rounding

Source: ACS 5-Year

Key Findings: Needs Analysis

- **299-315 “Households in Need of New/Improved/Alternative Housing”**
- **Or “Interventions Needed”**
- **Not necessarily number of units needing to be built**

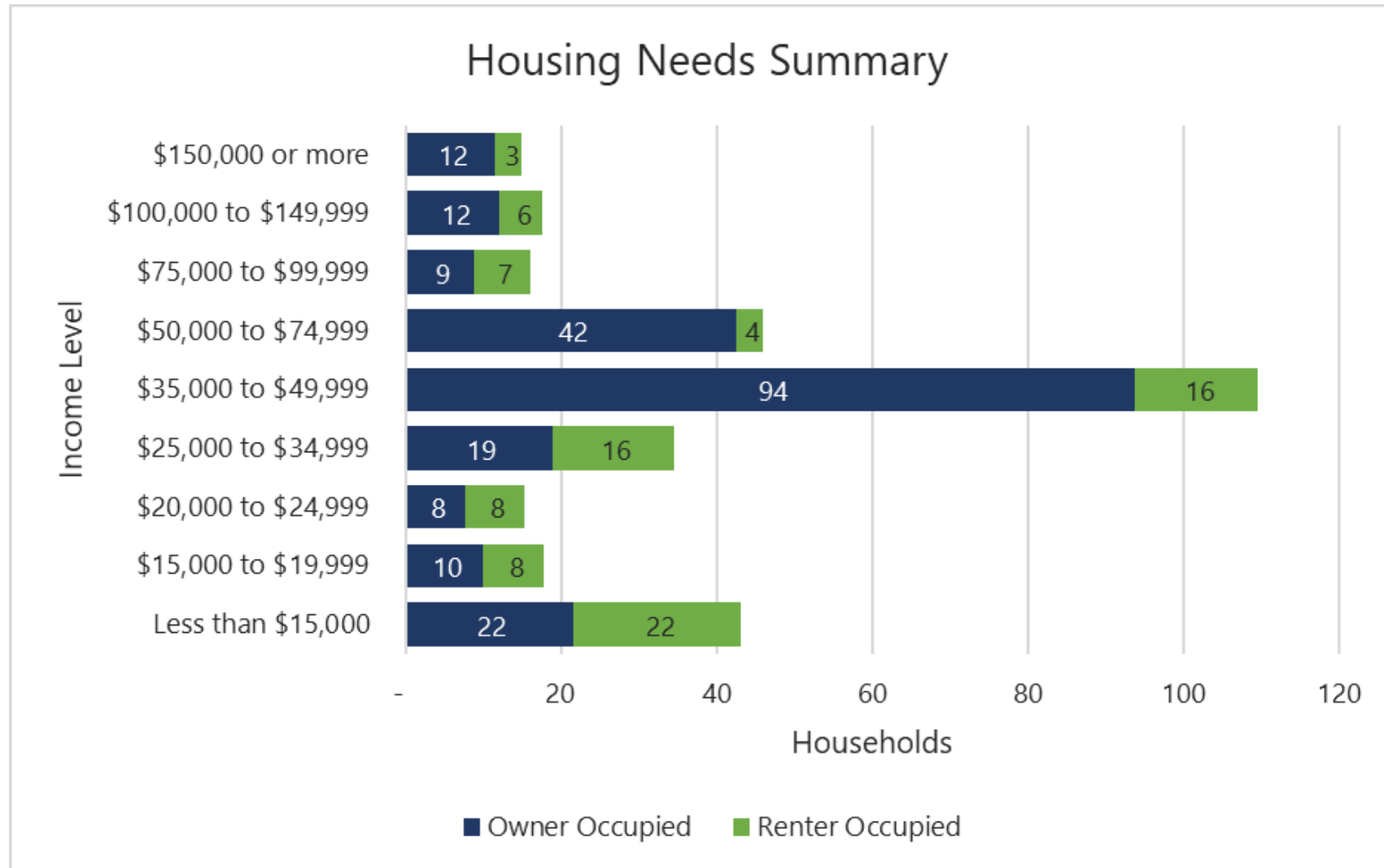
Summary of Housing Need, By Category and Tenancy (Households)

Description	Owner-Occupied		Renter-Occupied		Total	
	Count	Percent	Count	Percent	Count	Percent
Cost Burdened	136	43%	53	17%	189	60%
Senior Households	17	5%	7	2%	24	8%
Workforce: Displaced Workers	24	8%	10	3%	34	11%
Workforce: Missing Workers	9	3%	3	1%	13	4%
Underhoused and Overcrowded	28	9%	11	4%	40	13%
Obsolete and Substandard	12	4%	4	1%	16	5%
Total (Low Estimate)	215	68%	84	27%	299	
Total (High Estimate)	227	72%	88	28%	315	

Source: Camoin Associates

*Cost burdened does not include cost burdened seniors in this table

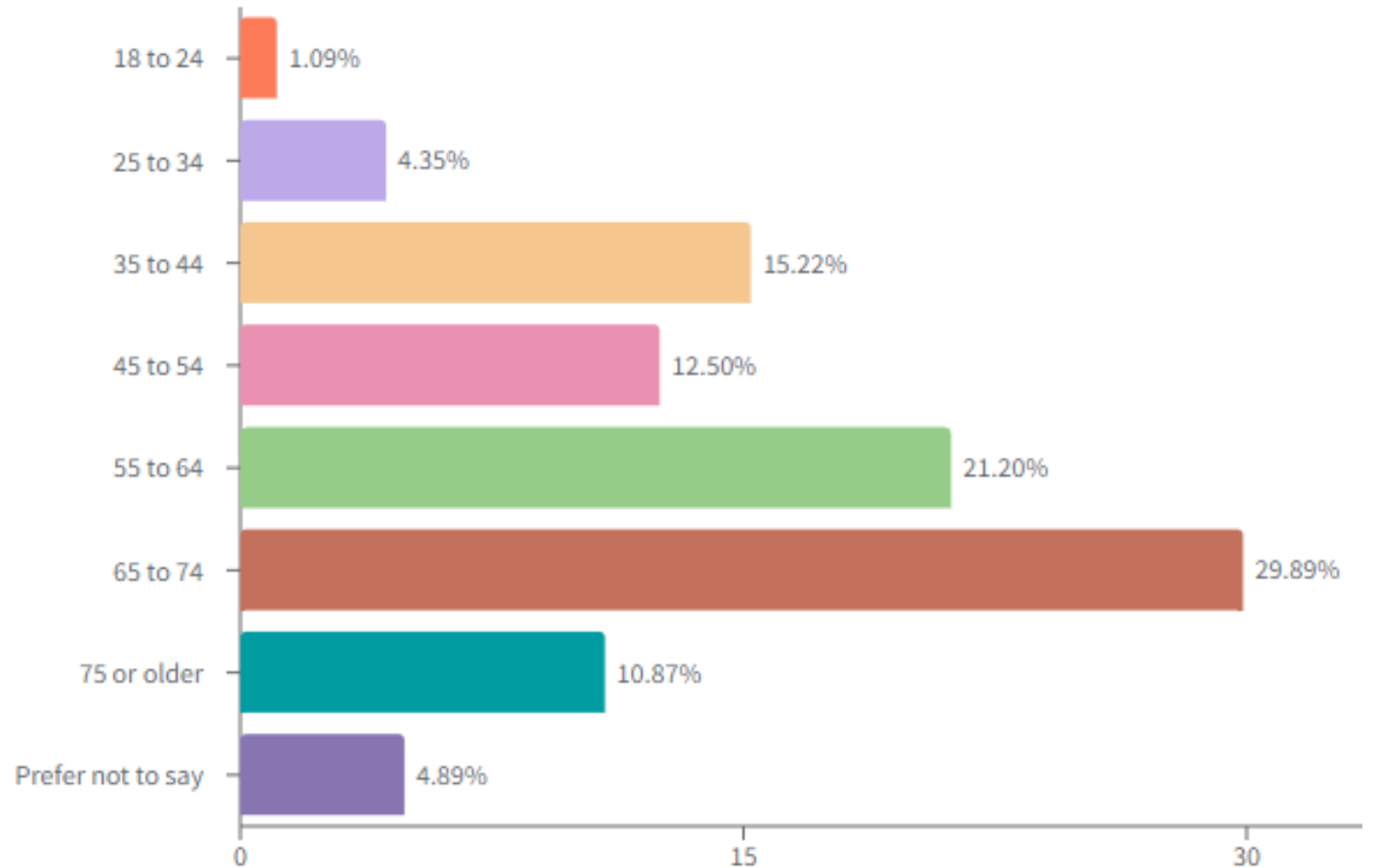
Key Findings: Needs Analysis



Community Survey Results

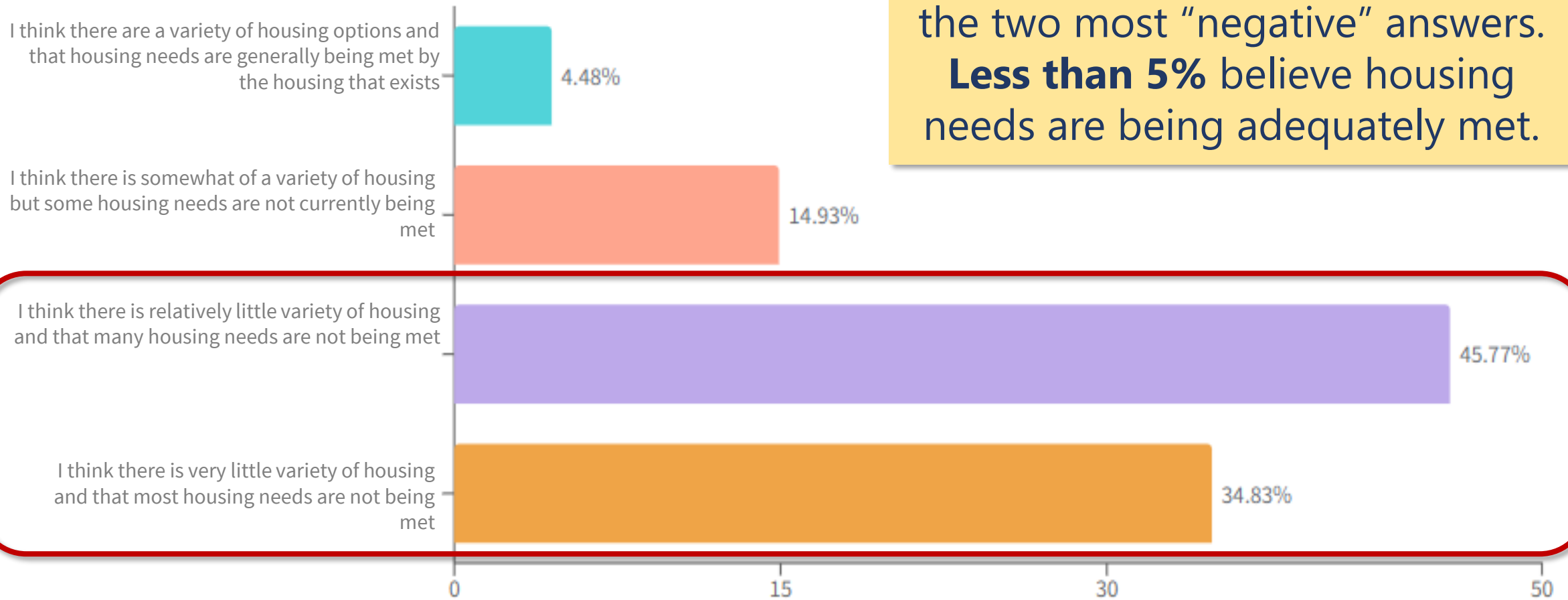
Community Survey: Who Took the Survey?

304
Responses



Community Survey: Key Findings

Which statement most accurately reflects how you feel about the housing options in the Town of Londonderry?



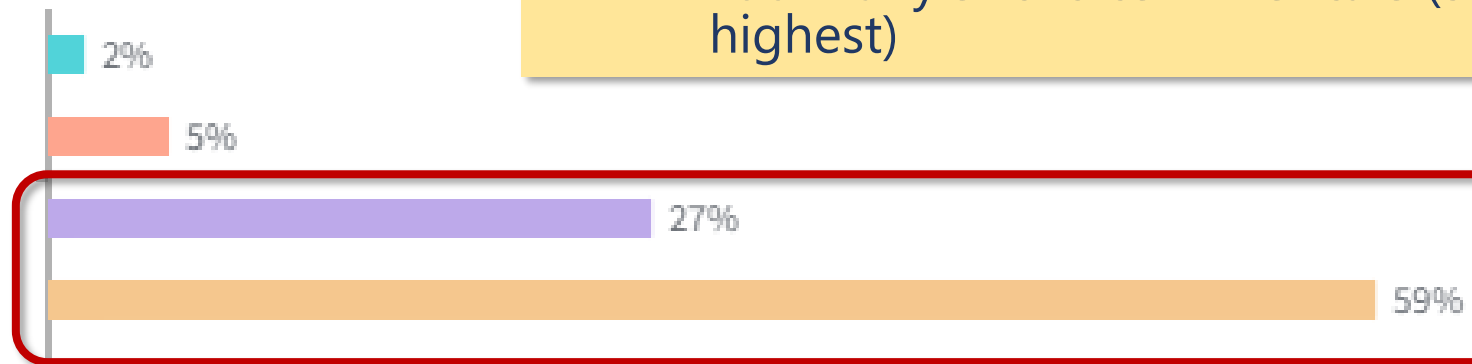
Community Survey: Key Findings

On a scale of 1 to 4 (least Important to most important) please rank how important each housing issue is in the Town of Londonderry. (10 Options)

Aside from “present living arrangement” the most common responses were:

- **Prices not affordable** for people to live and work in the area (59% ranked highest)
- Lack of available **quality rentals** (43% ranked highest)
- Too many **short-term rentals** (37% ranked highest)

Prices not affordable for people to live and work in the area



■ 1 (Not a very important issue) ■ 2 (only somewhat of an important issue) ■ 3 (an important issue) ■ 4 (one of the most important issues)

Community Survey: Key Findings

What do you find most challenging about your current living situation?

#1: Cost of Property Taxes (19%)

#4: Lack of Reliable Internet (7%)

#2: Cost of Cost of Utilities (10%)

#5: Far From Family/Friends/Social Groups (7%)

#3: In Need of Repairs I cannot Afford (9%)

#6: Too Rural/Far From Services and Businesses (6%)

*19% Reported "No Significant Challenges"

Community Survey: Key Findings

In 5 years, what type of housing do you think will best suit your needs?

#1: Small Single-Story Single-Family Home (15%)

#2: Large multi-story single-family home (9%)

#3: Retirement Community (7%)

#4: Tiny House (6%)

#5: Own and Live in Multi-Family Building (4%)

#6: Assisted Living (2%)

*49% Reported "Present Living Arrangement"

Community Survey: Key Findings

What Should be Done?

The strategies with the highest support included:

- Programs to assist with the renovation/improvement of existing housing (**45%** rated highest)
- Allow accessory dwelling units and tiny homes (**43%** rated highest)
- Changes to zoning to increase flexibility in housing types (**41%** rated highest)
- Limiting short term rentals (**39%** rated highest)

Overall Key Themes

Key Themes

Key Finding #1: SHIFTING BALANCE BETWEEN SEASONAL AND YEAR-ROUND RESIDENTS

Key Finding #2: HOUSING PRICE INCREASES OUTPACING WAGE AND INCOME GROWTH

Key Finding #3: SHORT TERM RENTALS ADVERSELY IMPACTING HOUSING MARKET

Key Finding #4: LIMITED OPTIONS FOR CHANGING EMPTY NESTER/SENIOR HOUSING NEEDS AND PREFERENCES

Key Finding #5: WORKFORCE HOUSING SHORTAGE IS CONSTRAINING LOCAL ECONOMIC AND BUSINESS VITALITY

Key Themes

Key Finding #6: NEED FOR SEASONAL WORKER HOUSING OPTIONS

Key Finding #7: HOUSING CHALLENGES ARE DISPLACING WORKERS OUT OF THE COMMUNITY

Key Finding #8: MANY HOUSEHOLDS ARE COST BURDENED BY HOUSING EXPENSES.

Key Finding #10: CRITICAL CHALLENGES TO BUILDING NEEDED HOUSING.

Key Finding #11: WITHOUT ACTION TO ADDRESS HOUSING ISSUES, LONDONDERRY WILL CONTINUE TO SHIFT TOWARDS BEING A MORE SEASONAL COMMUNITY.

Housing Strategy

Housing Strategy: Goals

Goal 1: Grow Capacity to Address Local Housing Needs

Goal 2: Sustain and Grow the Number of Homes Owned and Occupied by Local Workers

Goal 3: Expand the Number of Quality Long-Term Rental Units

Goal 4: Assist Local Residents and Workers to Acquire Local Housing

Housing Strategy: Strategies

Goal 1: Grow Capacity to Address Local Housing Needs

ID	Task	Priority Level	Timeframe	Resource Level
1A	Adopt Housing-Friendly Zoning By-Laws	Highest	Immediate	Moderate
1B	Undertake a public education campaign about the housing needs in Londonderry	Highest	Immediate	Low
1C	Establish a working group to guide implementation of the housing strategy	Highest	Immediate	Low
1D	Explore options for a local housing fund and dedicated funding sources	High	Immediate	Moderate
1E	Continue to pursue funding for infrastructure to support housing development	High	Ongoing	Low
1F	Build a coalition of local, regional, and state partners to implement a "priority workforce housing development project."	Moderate	Mid-Term	Moderate

Housing Strategy: Strategies

Goal 2: Sustain and Grow the Number of Homes Owned and Occupied by Local Workers

ID	Task	Priority Level	Timeframe	Resource Level
2A	Adopt short term rental regulations that strike a balance between seasonal and year-round housing	Highest	Immediate	Low
2B	Create "downsizing" options in the community for empty nesters and seniors	High	Ongoing	Moderate
2C	Plan for a priority workforce housing development project	Moderate	Mid-Term	High
2D	Explore a voluntary deed restriction program	Moderate	Long-Term	High

Housing Strategy: Strategies

Goal 3: Expand the Number of Quality Long-Term Rental Units

ID	Task	Priority Level	Timeframe	Resource Level
3A	Support the use and creation of Accessory Dwelling Units (ADUs) and conversion of single-family homes to multifamily	Highest	Immediate	Moderate
3B	Create a property improvement funding mechanism	High	Mid-Term	High
3C	Establish a Lease to Locals program	High	Mid-Term	High
3D	Inventory existing affordable units and identify opportunity to expand onsite	Moderate	Mid-Term	Moderate

Housing Strategy: Strategies

Goal 4: Assist Local Residents and Workers to Acquire Local Housing				
ID	Task	Priority Level	Timeframe	Resource Level
4A	Engage employers in creating solutions to housing challenges	Highest	Immediate	Moderate
4B	Explore creating a housing assistance program	High	Mid-Term	High
4C	Promote home sharing in the community	High	Mid-Term	Moderate
4D	Create an online “Living in Londonderry” portal with housing resources	High	Ongoing	Low

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TOWN OF LONDONDERRY, VT

Housing Needs Assessment & Strategy

Presentation – April 2023