

# Housing New Hampshire's Workforce

Prepared for the New Hampshire Workforce Housing Council

[www.workforcehousingnh.com](http://www.workforcehousingnh.com)

Presentation to Strafford Regional Planning Commission

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# Overview of Study

## ▶ The Data

- **Key Trends in Housing in New Hampshire**
  - 1990 – 1996
  - 1996 – 2001
  - 2001 – 2005

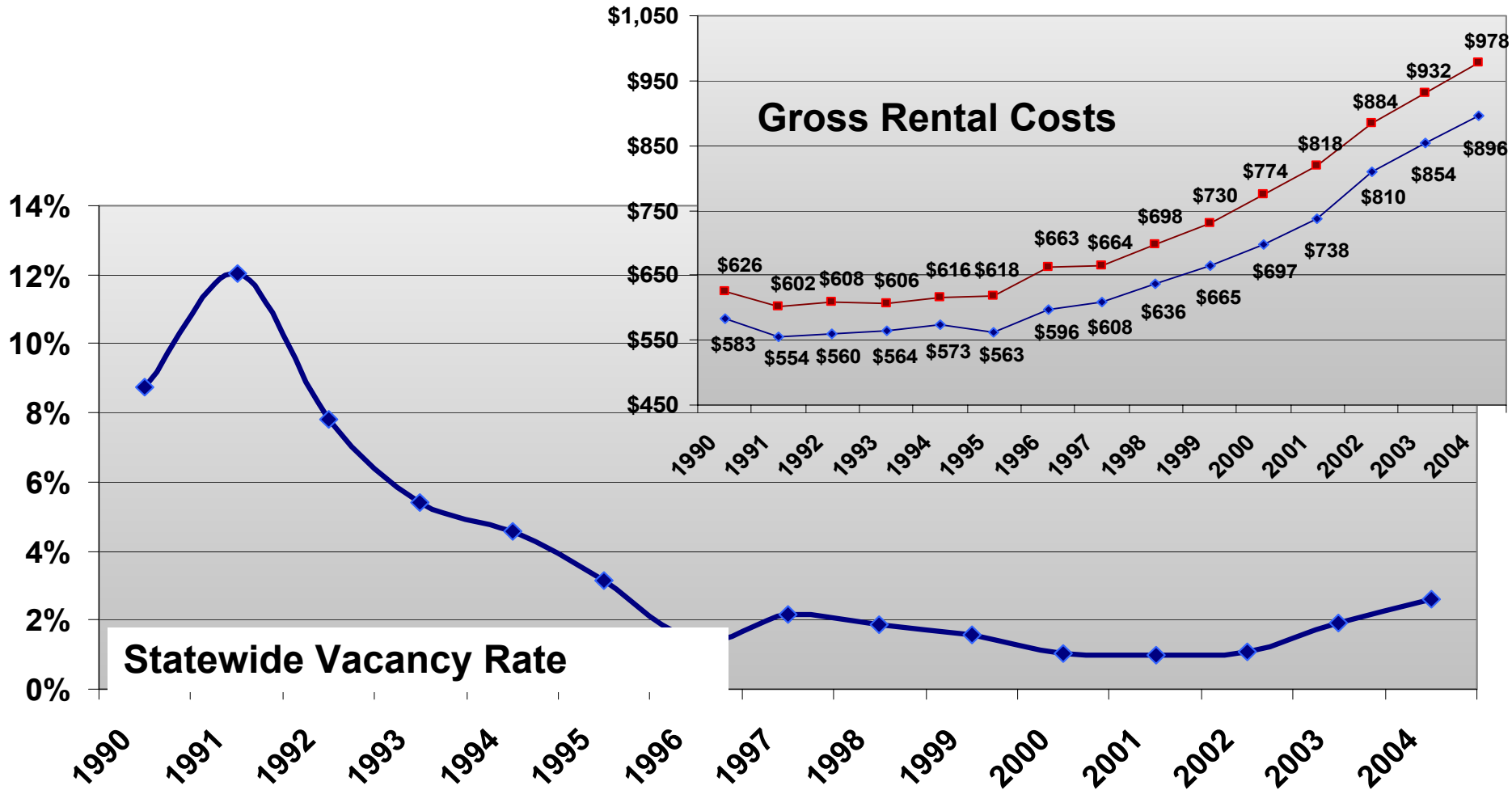
## ▶ The Literature

- **Market Forces**
- **Non-market Forces**

## ▶ The Estimated Economic Impacts to New Hampshire

- **Employment**
- **Income**
- **Gross State Product**
- **Sales**
- **Tax Revenues**

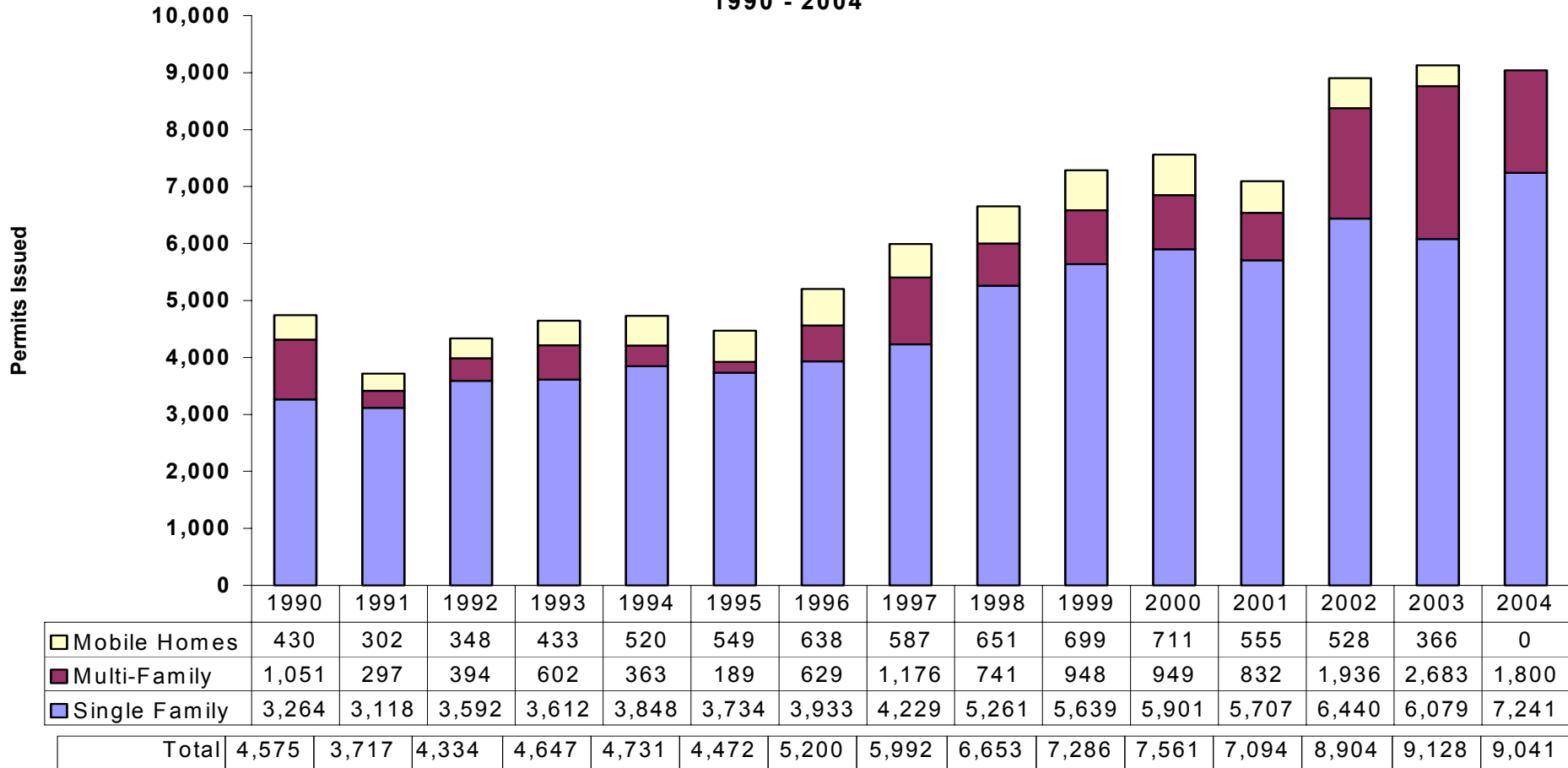
# Vacancy Rates and Rental Costs



Source: New Hampshire Housing Finance Authority Annual Rental Surveys.

# New Hampshire Residential Building Permits 1990 - 2004

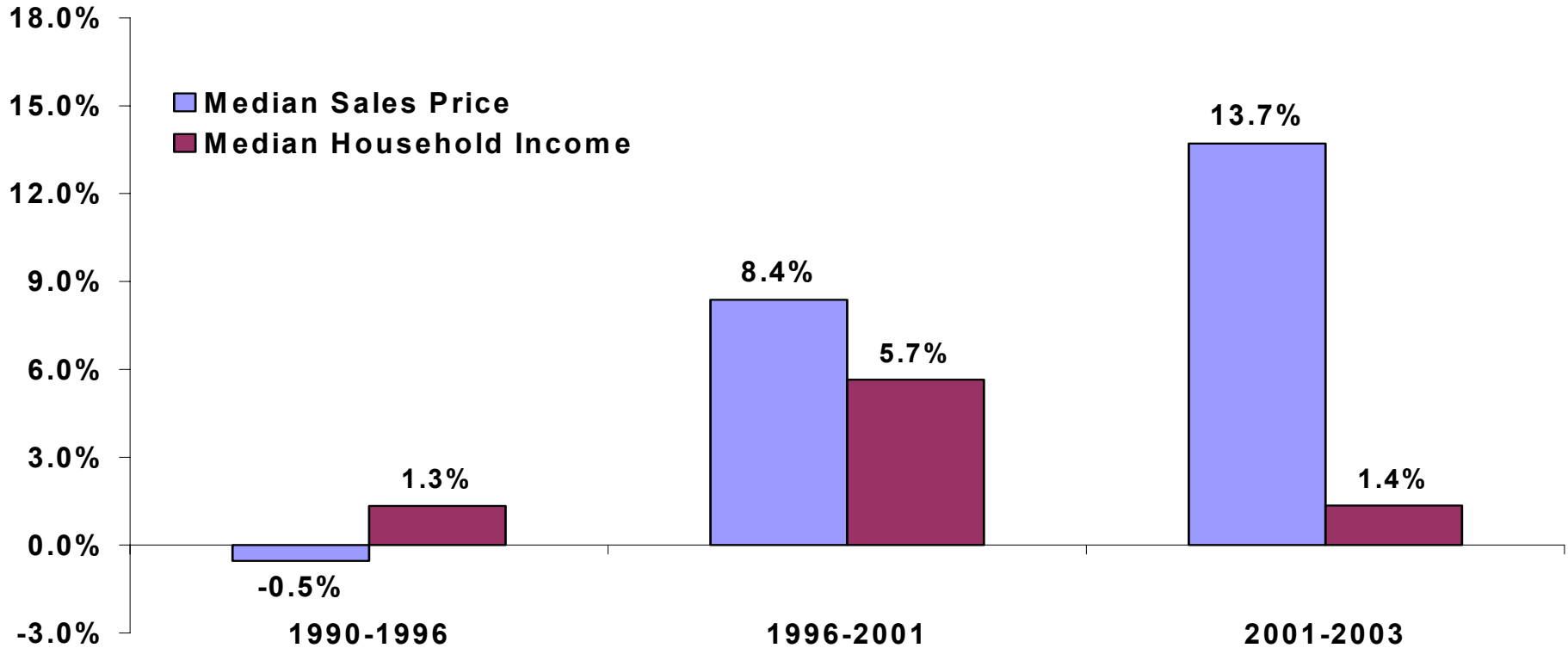
Permits Issued for Residential New Construction in New Hampshire  
1990 - 2004



Sources and Notes: Dr. Shapiro, Gallagher, Callahan and Gartrell, "Housing New Hampshire's Workforce," March 2005 for the New Hampshire Workforce Housing Council. U.S. Census Bureau and New Hampshire Housing Finance Authority. Data for mobile homes is not reported by the U.S. Census Bureau for 2004.

# Home Sale Prices vs. Household Income

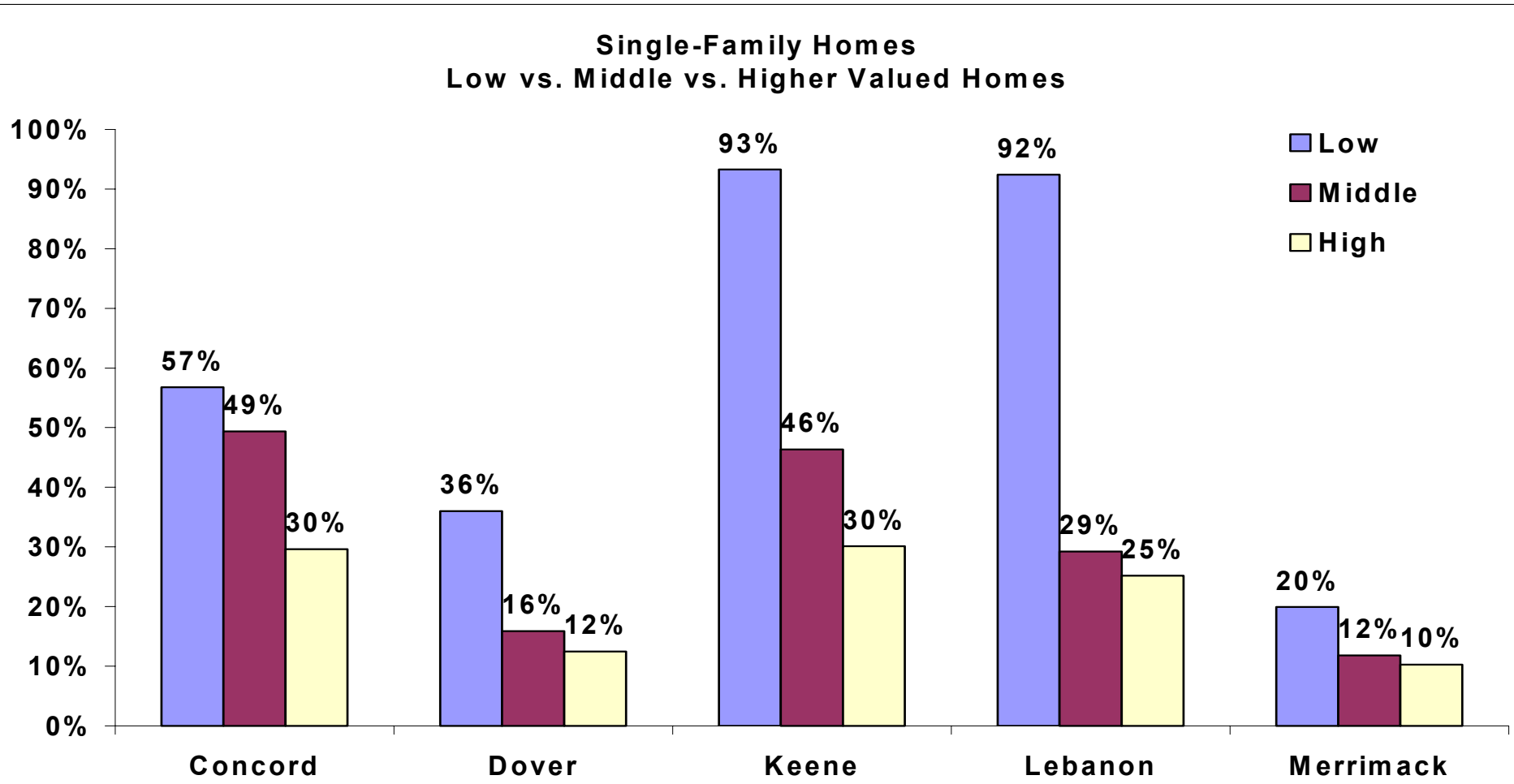
**Average Annual Growth in Median Sales Price v. Median Household Income  
Statewide**



Sources and Notes: Dr. Shapiro, Gallagher, Callahan and Gartrell, "Housing New Hampshire's Workforce," March 2005 for the New Hampshire Workforce Housing Council. U.S. Census Bureau and the New Hampshire Housing Finance Authority. Median Sales Price growth rates are based on sales data for all housing units (existing, new, condo, and noncondo), on a multi-year rolling average basis. Growth rates for Median Sales Price and Median Household Income are compound nominal growth rates.

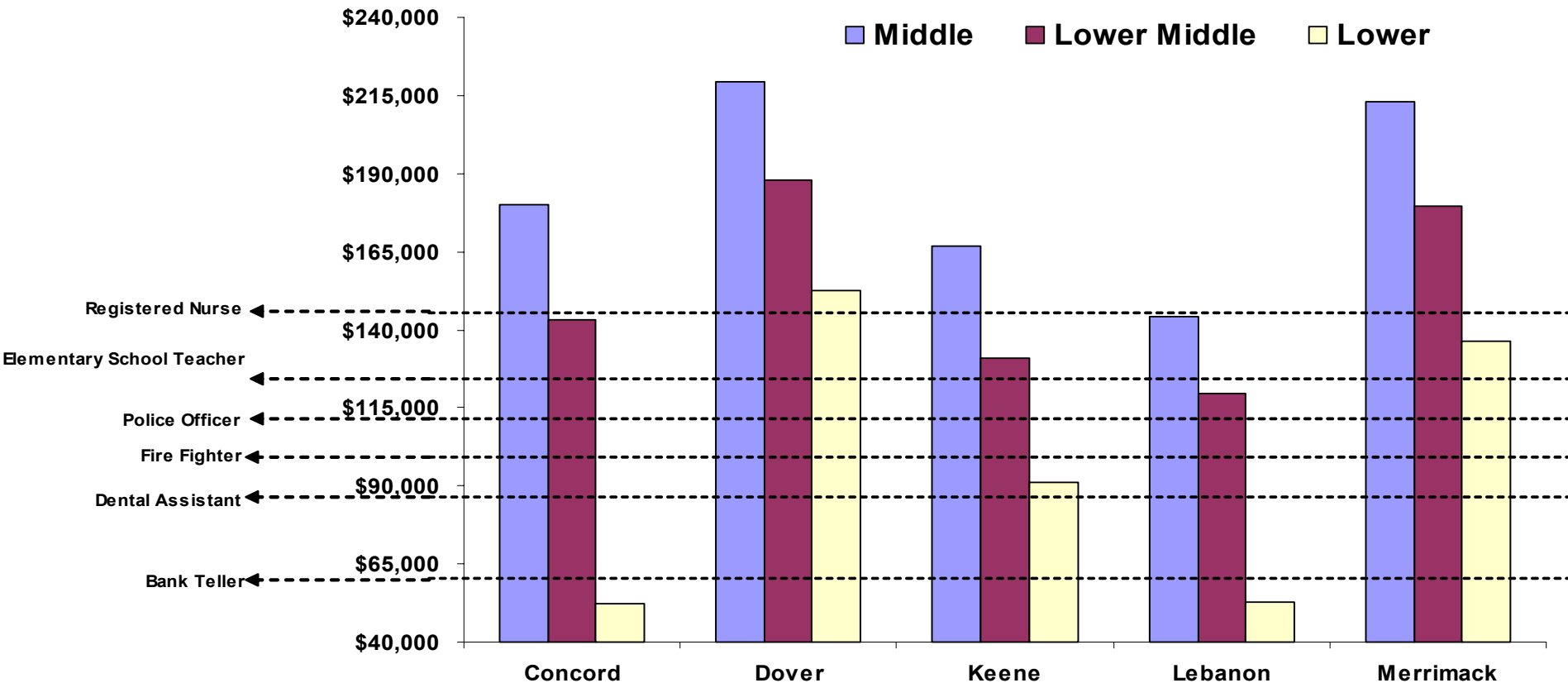
# Changes in Assessment

## 2000 - 2005



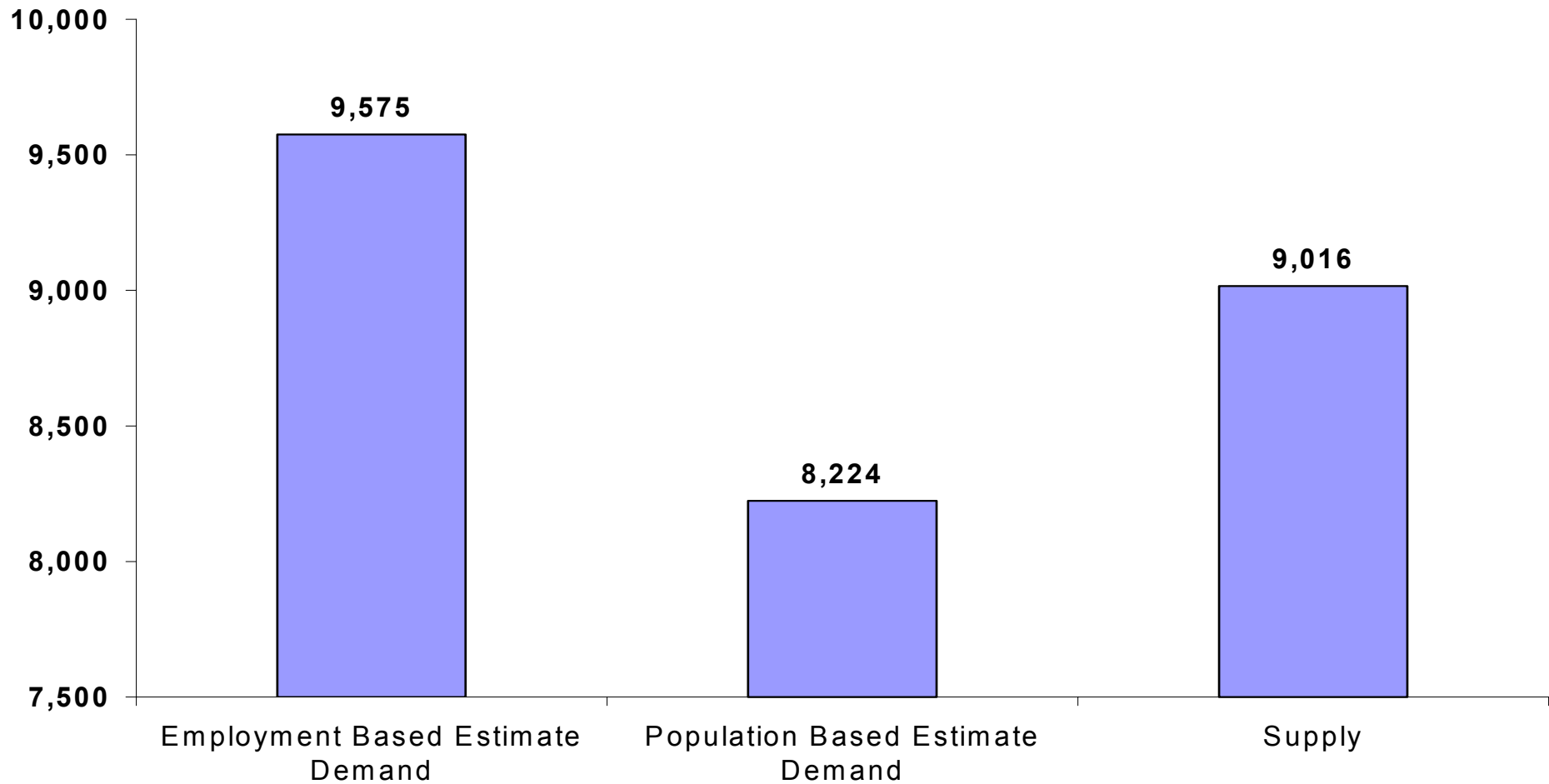
Sources and Notes: Dr. Shapiro, Gallagher, Callahan and Gartrell, "Housing New Hampshire's Workforce," March 2005 for the New Hampshire Workforce Housing Council. Assessment Divisions of selected communities. Years for previous and current assessments differ across the communities, but all are between 2000 and 2005.

# Affordability of Workforce Housing



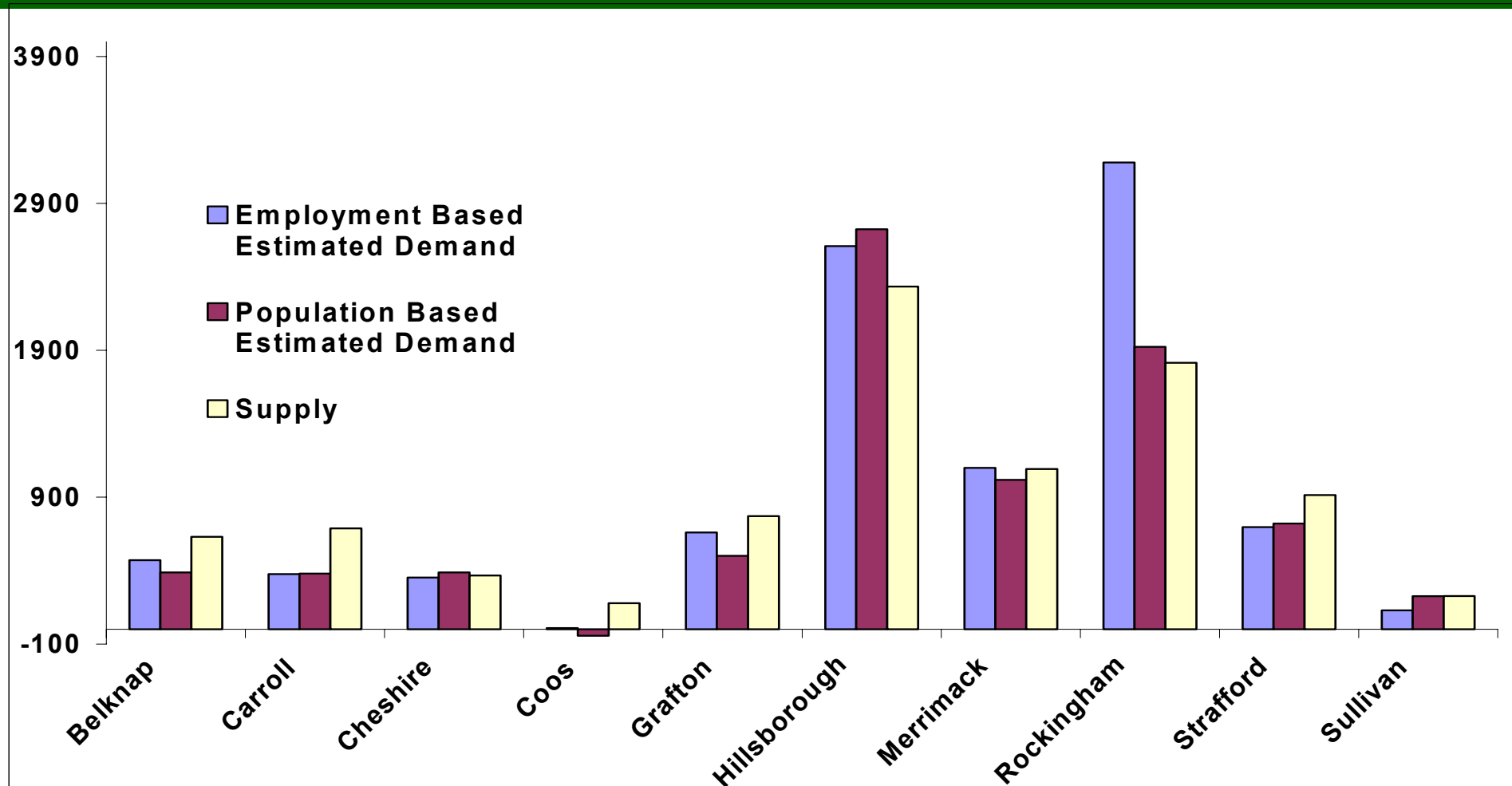
Sources and Notes: Dr. Shapiro, Gallagher, Callahan and Gartrell "Housing New Hampshire's Workforce" March 2005 for the Workforce Housing Council. New Hampshire Economic Labor Market Information Bureau. New Hampshire Occupational Employment and Wages, January 2005, based on the November 2003 survey by the Occupational Employment Statistics (OES) Program. Assessment Divisions of selected communities. Years for previous and current assessments differ across the communities, but all are between 2000 and 2005. Dotted lines represent the affordable home value for a household with one income earner at the statewide average salary for that occupation. Affordability calculated here as three times annual income - actual affordability depends on specific income, interest rates, property taxes, debt ratios, household wealth, and etc. Middle, Lower Middle, and Lower refer to the Median House Value (for all homes) in that quintile.

# Aggregate Housing Demand vs. Housing Supply Forecasted Annual Statewide



Sources and Notes: Dr. Shapiro, Gallagher, Callahan and Gartrell "Housing New Hampshire's Workforce" March 2005 for the New Hampshire Workforce Housing Council. Bruce Mayberry for the New Hampshire Housing Finance Authority, *New Hampshire Housing Needs Study*, July 2003. U.S. Census Bureau. Supply is based on average residential permits issued in 2002 and 2003, and includes second homes and age-restricted homes.

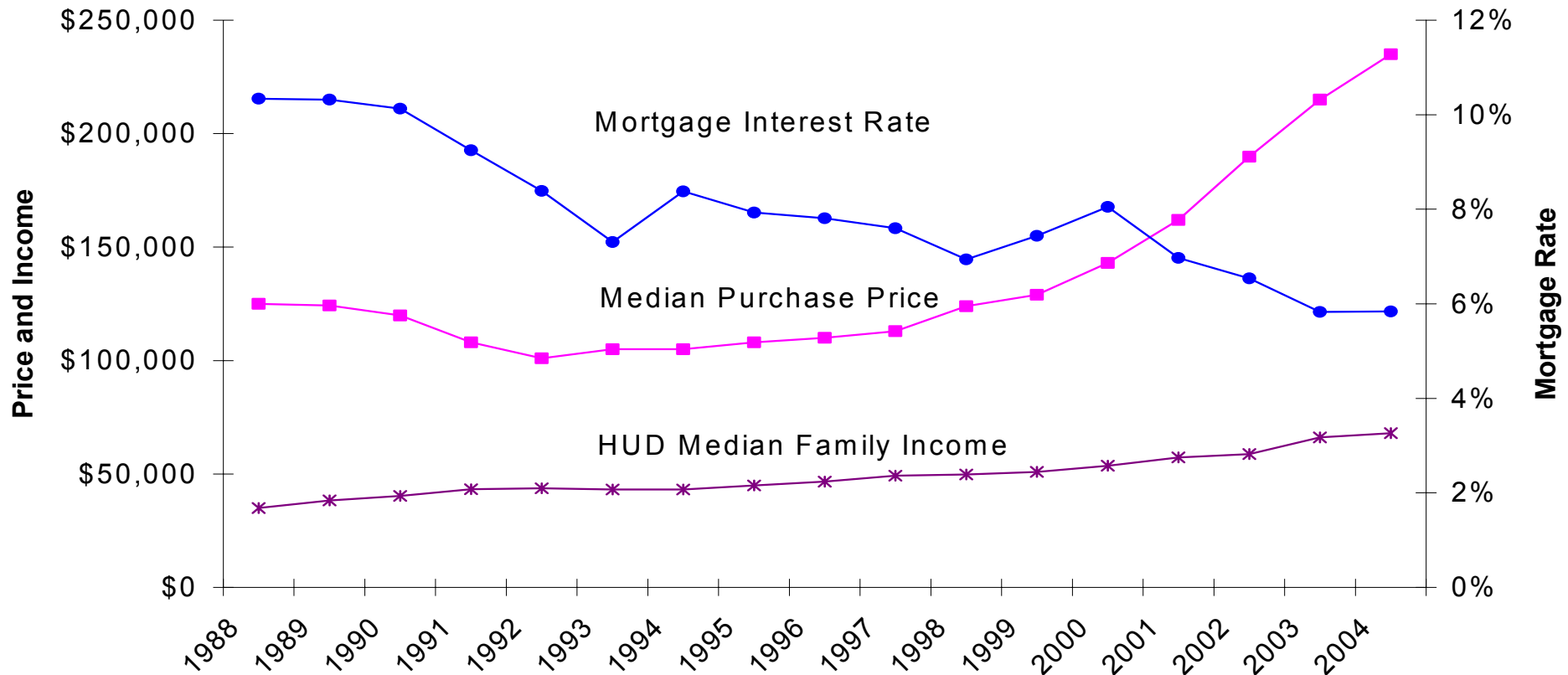
# Forecasted Housing Demand vs. Housing Supply Annual, By County



Sources and Notes: Dr. Shapiro, Gallagher, Callahan and Gartrell "Housing New Hampshire's Workforce" March 2005 for the New Hampshire Workforce Housing Council. Bruce Mayberry for the New Hampshire Housing Finance Authority, *New Hampshire Housing Needs Study*, July 2003. U.S. Census Bureau. Supply is based on average residential permits issued in 2002 and 2003, and includes second homes and age-restricted housing.

# Purchase Price, Family Income, and Interest Rates 1988 - 2004

Median Purchase Price, Median Family Income and Mortgage Interest Rates



Sources and Notes: Dr. Shapiro, Gallagher, Callahan and Gartrell "Housing New Hampshire's Workforce" March 2005 for the New Hampshire Workforce Housing Council. New Hampshire Housing Finance Authority Purchase Price Database. Mortgage Interest Rates from Freddie Mac Survey.

# New Hampshire Employer Opinion Polls

## 2002 and 2005

### Percent of Employers that Agree or Strongly Agree with Views on Housing Supplies and Costs

	2002 Poll	2005 Poll
<b>Short Supply of Available Rental Housing</b>	93%	81%
<b>Rental Housing Prices High Relative to Incomes</b>	93%	96%
<b>Short Supply of Homes for Sale</b>	77%	52%
<b>Home Purchase Prices High Relative to Incomes</b>	96%	96%

Sources and Notes: Dr. Shapiro, Gallagher, Callahan and Gartrell, "Housing New Hampshire's Workforce" March 2005 for the New Hampshire Workforce Housing Council. New Hampshire Housing Finance Authority Employer Opinion Poll, 2005. ERA Masiello Group Employer Opinion Poll, 2002.

# New Hampshire Employer Opinion Polls

## 2002 and 2005

### Percent of Employers Reporting that Housing Issues Impacted Their Business

Business Aspect	Frequently		Frequently & Sometimes	
	2002 Poll	2005 Poll	2002 Poll	2005 Poll
Wage Pressure	21%	35%	70%	75%
Extended Commutes	15	24	62	76
Community Involvement	6	14	35	45
Relocation of New Hires	19	14	55	47
Local Recruitment	3	11	35	48
Industry Competitiveness	12	10	36	42
Employee Morale	8	9	43	61
On Call Response	7	8	26	36
Talent Retention	4	6	27	40
Internal Relocation Acceptance	7	5	23	31
Employee Productivity	2	3	24	40

Sources and Notes: Dr. Shapiro, Gallagher, Callahan and Gartrell, "Housing New Hampshire's Workforce" March 2005 for the New Hampshire Workforce Housing Council. New Hampshire Housing Finance Authority Employer Opinion Poll, 2005. ERA Masiello Group Employer Opinion Poll, 2002.

# Non-Market Factors

- ▶ Examples of Regulatory Policies and Practices which Impact Housing Supply
  - Minimum Lot Size
  - Building Permit Limitations
  - Growth Management Ordinances
  - Impact Fees
  - Infrastructure Upgrades

# Estimating Aggregate Economic Impacts

- ▶ 2 Models (REMI, RIMS II)
- ▶ 3 Approaches (Housing Expenditures, Housing Prices, Construction)
- ▶ Sensitivity Analysis

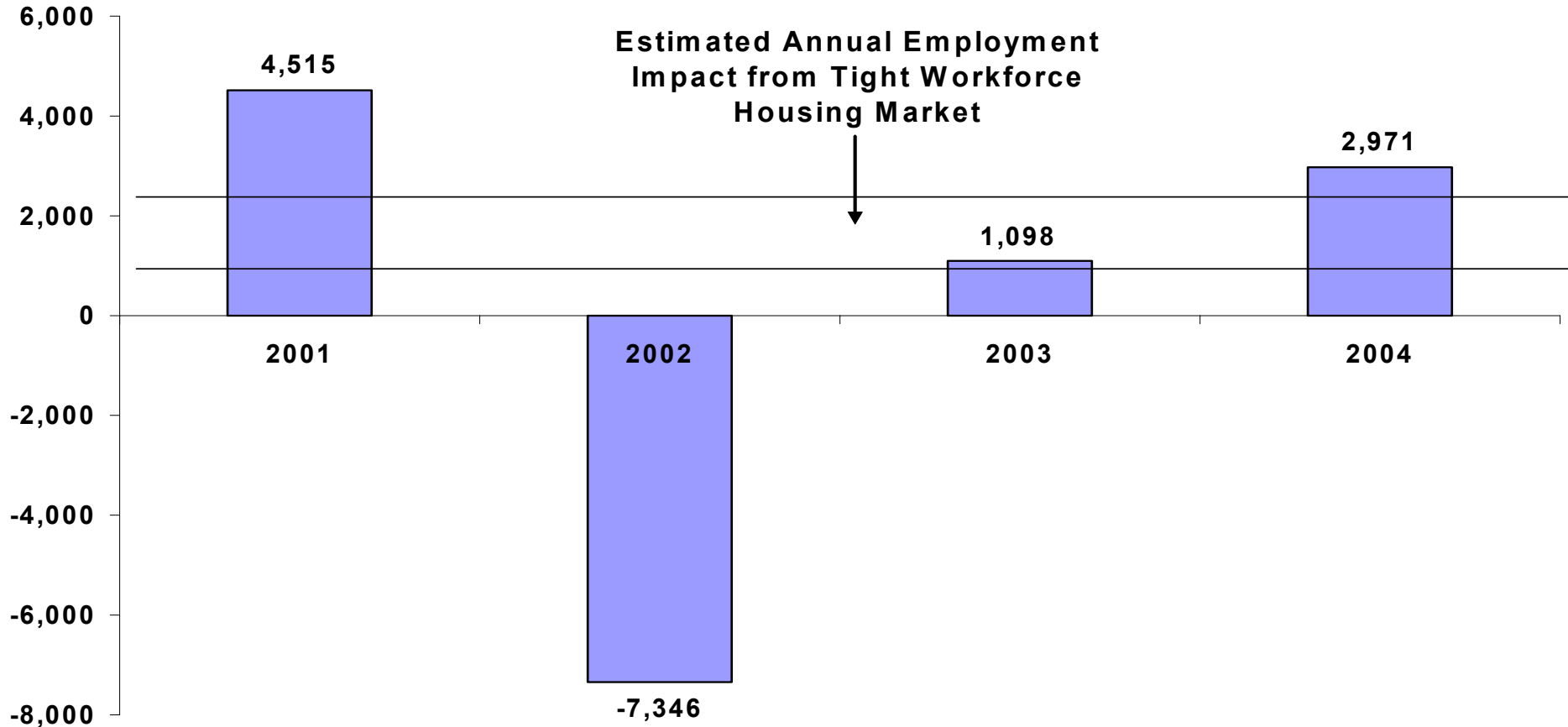
# Results

## Estimated Annual Increases in Key Economic Indicators (Millions of 2004 Dollars)

Indicator	Range
<b>Jobs</b>	1,342 – 2,766
<b>Personal Income</b>	\$57 - \$121
<b>Gross State Product</b>	\$110 - \$253
<b>Residential Investment</b>	\$27 - \$128
<b>Other Investment</b>	\$14 - \$43
<b>Sales</b>	\$158 - \$412
<b>State and Local Tax Revenues</b>	\$21 - \$33

Sources and Notes: Dr. Shapiro, Gallagher, Callahan and Gartrell, "Housing New Hampshire's Workforce" March 2005 for the New Hampshire Workforce Housing Council.

# Average Employment Growth in New Hampshire 2001 - 2004



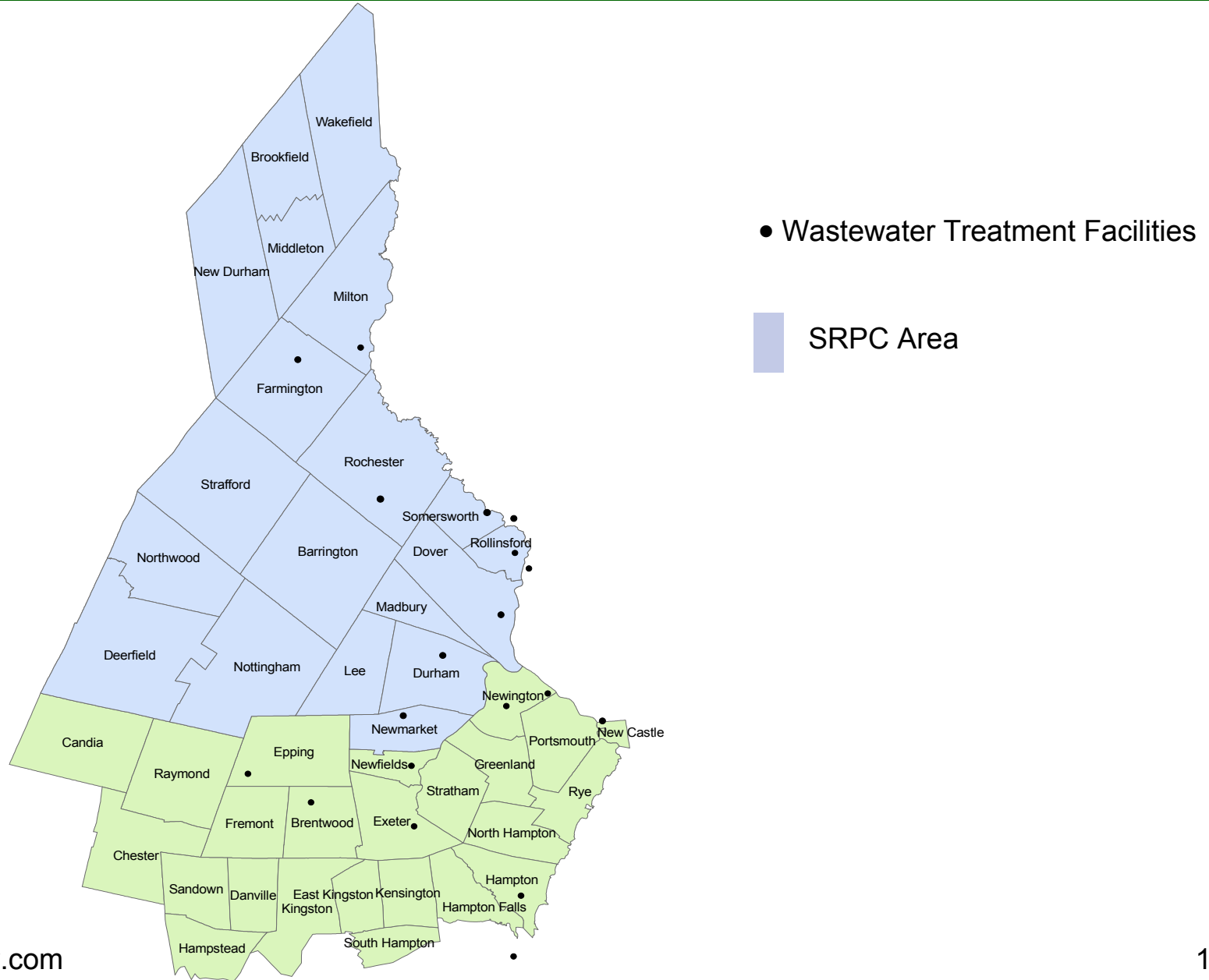
Sources and Notes: Dr. Shapiro, Gallagher, Callahan & Gartrell calculations from data from New Hampshire Economic Labor Market Information Bureau. 2004 Quarters 1 and 2 only compared to 2003 average. Since employment growth improved in the second half of 2003, actual employment growth year over year, if trends continue, will be significantly higher. Covered Employment Only.

# New Hampshire Seacoast Wastewater Management Study

- ▶ 2-year study
- ▶ Great Bay Estuary Commission
- ▶ \$1 million-dollar study; NH DES Project Administrator
- ▶ Study Team



# Map of Study Area



# Overview of Study

- ▶ Phase I: Data Collection, Preliminary Findings Report
- ▶ Phase II: Alternatives Report
- ▶ Phase III: Recommended Option(s) Final Report

# Estimated Growth in Residential Housing Units 2000 to 2004

Statewide	8%
SRPC	10%
SRPC - Communities Hosting WWTF	9%
SRPC - Communities without WWTF	13%

\* 75 percent of new housing starts in New Hampshire rely on septic systems (NH DES).

# Growth in Housing Prices Versus Growth in Average Weekly Wages for SRPC Area

<b>Community</b>	<b>Growth in Median Purchase Prices for all Homes 1996 to 2003</b>	<b>Growth in Employment 1993 to 2003</b>	<b>Growth in Average Weekly Wages 1993 to 2003</b>	<b>Ratio of Purchase Price Increases to Weekly Wage Increases</b>
Barrington	127%	60%	62%	2.0
Brookfield	128%			
Dover	116%	8%	49%	2.3
Durham	127%	22%	26%	4.9
Farmington	141%	-31%	23%	6.2
Lee	104%	119%	94%	1.1
Madbury	93%	126%	108%	0.9
Middleton	151%	76%	58%	2.6
Milton	154%	127%	62%	2.5
New Durham	146%	88%	165%	0.9
Newmarket	179%	42%	39%	4.6
Northwood	147%	63%	40%	3.7
Nottingham	127%	60%	43%	2.9
Rochester	113%	12%	53%	2.1
Rollinsford	146%	-23%	45%	3.2
Somersworth	101%	5%	38%	2.7
Strafford	156%	81%	51%	3.1
Wakefield	89%	54%	34%	2.6

# Related New Hampshire Studies

- ▶ Regional Septage Treatment System Feasibility Study

[www.des.state.nh.us](http://www.des.state.nh.us)

- ▶ Assessment of Ground-Water Resources in the Piscataqua River and Coastal Watersheds, Southeastern New Hampshire

<http://nh.water.usgs.gov/CurrentProjects/>

# For more information

- ▶ For more information on these projects, please visit the following websites:

[www.workforcehousingnh.com](http://www.workforcehousingnh.com)

[www.gcglaw.com](http://www.gcglaw.com)

[www.coastalclear.org](http://www.coastalclear.org)