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2010 VERMONT HOUSING NEEDS ASSESSMENT

Highlights

This assessment was conducted by Vermont Housing Finance Agency for the Vermont Department of Economic, Housing and Community Development, with financial and technical support from the Vermont Housing & Conservation Board, Vermont Agency for Human Services, and Vermont State Housing Authority.

Based on national and state data, this assessment estimates current housing needs in Vermont and projects trends for the next five years. Results focus on housing needs among the state's 55,000 lower income households that have incomes at or below \$41,000, approximately 80% of the state median.

[An explanation of the study's methodology is online.](#)

Prepared by staff of
**VERMONT HOUSING
FINANCE AGENCY**

Written by
Leslie BLACK-PLUMEAU

Reviewed by
Maura COLLINS

Designed by
Craig BAILEY

Cover photo: Sam Falzone
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HIGHLIGHTS

As this report was prepared, the U.S. economy was in a deep recession. By conventional measures Vermonters appear better off than residents of the many states with double-digit unemployment rates and widespread home foreclosures. Although higher than it has been in the last 20 years, Vermont's unemployment rate has remained well below the national average. Similarly, Vermont's foreclosure rate is currently half that of the U.S. as a whole.

Despite this good fortune relative to other states, Vermont's lower income households fare no better in their quest for affordable housing. In the U.S. and Vermont, most households with incomes at or below 80% of the median pay unaffordable housing expenses. At least a fifth of all lower income households pay more than half of their incomes for housing, leaving few resources for other necessities.

The current environment of economic uncertainty creates unique challenges for reports like this that strive to assess current and projected housing needs of different types of households. The recession is unlikely to cause major changes for long-term trends such as the growth of Vermont's aging population, its racial composition, or the age of its housing stock. However, some indicators included in this report, such as household incomes, vacancy rates, and housing prices, are likely to be more volatile in times of economic instability. Frequent monitoring of state level data will be critical to formulating timely and accurate policy responses in these uncertain times.

- The number of households living in Vermont is expected to continue a trend of expansion through 2014, but at a slower rate than the national average. Vermont's growth rate now is less than half that experienced in the state during 1980-2000.¹
- All of Vermont's household growth is due to expansion among the population aged 55 and older, most of whom own their homes, rather than rent. The number of households headed by younger people is expected to fall slightly by 2014.²
- Vermont's housing stock is dominated by older, owner-occupied homes. About 44% of the housing stock is comprised of year-round, owner-occupied homes built before 1950. A third of all rental and owned homes in the state were built before 1950, when lead-based paint was almost universally used.³
- The supply of housing in Vermont is uniquely constrained in comparison to other states. The vacancy rate among owner homes was 1.6% in 2008 — fourth lowest in the country. Although the vacancy rate among Vermont's rental homes was the lowest in the country in 2008, it has increased recently according to quarterly data for 2009.⁴ High development costs and regulatory constraints are commonly considered contributors to the slow rate of home building in Vermont. The current recession has caused a further drop in the number of building permits issued.⁵
- An estimated 62%, or 27,000, of the lower income renter households living in Vermont (with incomes less than \$41,000) lack housing they can afford without spending more than 30% of their income for their housing expenses. About 13,000 of these households pay an extremely challenging 50% or more of their income housing expenses.⁶
- About 26,000 lower income Vermonters own their homes and have mortgages. An estimated 82%, or 21,000, of these households have mortgage payments and other housing expenses

that consume more than 30% of their incomes. Just over 7,000 of these households pay more than 50% of their incomes for their mortgage and other housing expenses.⁷

- Although population growth projections in Vermont are fairly modest, about 5,000 rental units and 8,000 owner homes will likely need to be constructed between 2009 and 2014 to accommodate new households and replace units aging out of the stock.⁸ This would require doubling the current rate of construction activity in the state.⁹
- Sixteen percent of all Vermonters have at least one disability.¹⁰ Vermont-based research suggests that these households experience more impediments to housing choice and discrimination in the home buying market than their non-disabled counterparts.¹¹
- An estimated 5,400 Vermonters were homeless at some point during 2008.¹² During a one-day count in January 2009, 46% of people who were homeless were children and adults in families, including 754 children under 17 (28% of all people counted that day).¹³

The 2010 Vermont Housing Needs Assessment was conducted by Vermont Housing Finance Agency for the Vermont Department of Economic, Housing

and Community Development, with financial and technical support from the Vermont Housing and Conservation Board, Vermont Agency for Human Services, and Vermont State Housing Authority. Based on national and state data, this assessment estimates current housing needs in Vermont and projects trends for the next five years. The study focuses on housing needs among the state's lower income households (i.e. those earning less than 80% of the median), but also examines the unique challenges facing other special populations (such as the elderly and extremely low income households making less than 30% of the median).

The Vermont Housing Needs Assessment of 2010 examines housing issues in the following seven areas:

- Demographic Trends Among Vermont Households
- Vermont's Housing Stock Challenges
- Affordable Homeownership Options for Lower Income Vermonters
- Availability of Affordable Rental Housing for Lower Income Vermonters
- Vermont's Growing Number of Elders
- Vermonters with Special Needs
- Race, Ethnicity, and Housing

More detailed discussion is provided in separate fact sheets on each of these topics.

1 VHFA analysis based on information from U.S. Census Bureau — Census of Population & Housing 2000 and American Community Survey 2005 and estimates provided by Nielsen Claritas.

2 Based on estimates provided by Nielsen Claritas, 2009.

3 [American Community Survey 2005-7, tables B25003, B25004, and B25036](#). US Census Bureau.

4 [Housing Vacancy Survey](#). US Census Bureau. October 2009.

5 [VHFA analysis of U.S. Census Bureau housing unit estimates](#) and [building permit estimates](#). July 2009.

6 VHFA analysis of data provided by Nielsen Claritas and [American Community Survey 2005-7, Tables B25106 and B25070](#). US Census Bureau.

7 VHFA analysis of [American Community Survey 2005-7, Tables 25101 and 25091](#). US Census Bureau.

8 VHFA analysis of estimates provided by Nielsen Claritas, the Vermont Emergency Shelter Grant Program, and the U.S. Census Bureau (housing vacancy estimates).

9 VHFA analysis of building permit data from the U.S. Census Bureau and the Vermont Directory of Affordable Rental Housing.

10 [American Community Survey 2005-7, Table S1801](#). US Census Bureau.

11 [Analysis of Impediments to Fair Housing](#). VT Department of Economic, Housing and Community Development. Page 11.

12 [Report for Calendar Year 2008](#). VT Interagency Council on Homelessness Information and Analysis subcommittee. May 2009. Page 3.

13 [2009 Point in Time Report](#). Vermont Coalition to End Homelessness. April 2009. Pages 3 and 7.