

Housing Demand in the Mad River Valley

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Presentation to the MRPVD Steering Committee
April 30, 2020

Background

- Commissioned by MRVPD and the Towns of Waitsfield, Warren & Fayston
- Goal
 - Build on previous efforts to provide a deeper understanding of housing need & market demand

2017 MRV Housing Study an overview



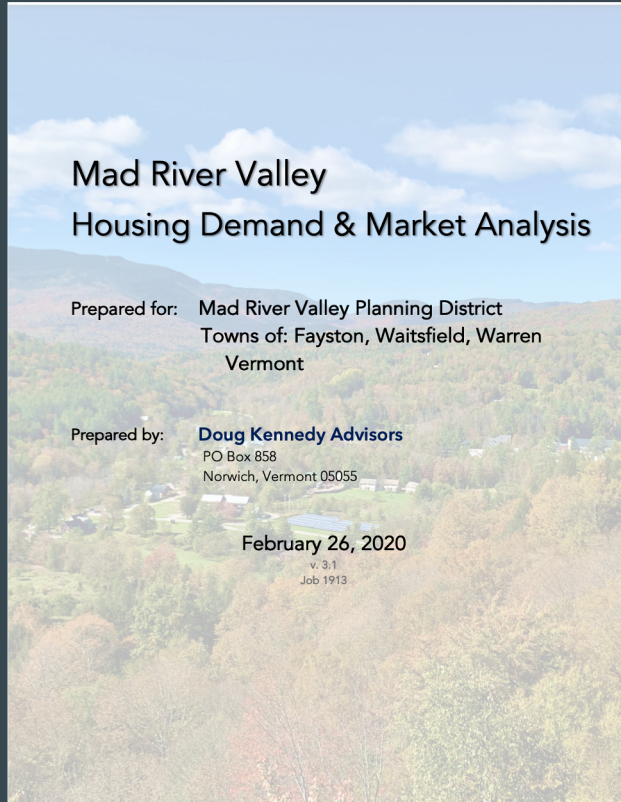
Affordable housing in the Mad River Valley
...a key to future economic vitality



MAD RIVER VALLEY
PLANNING DISTRICT

“Carrying out a program of planning for the future of the Mad River Valley, directed toward the physical, social, economic, fiscal, environmental, cultural and aesthetic well being of the member Towns and its inhabitants.”

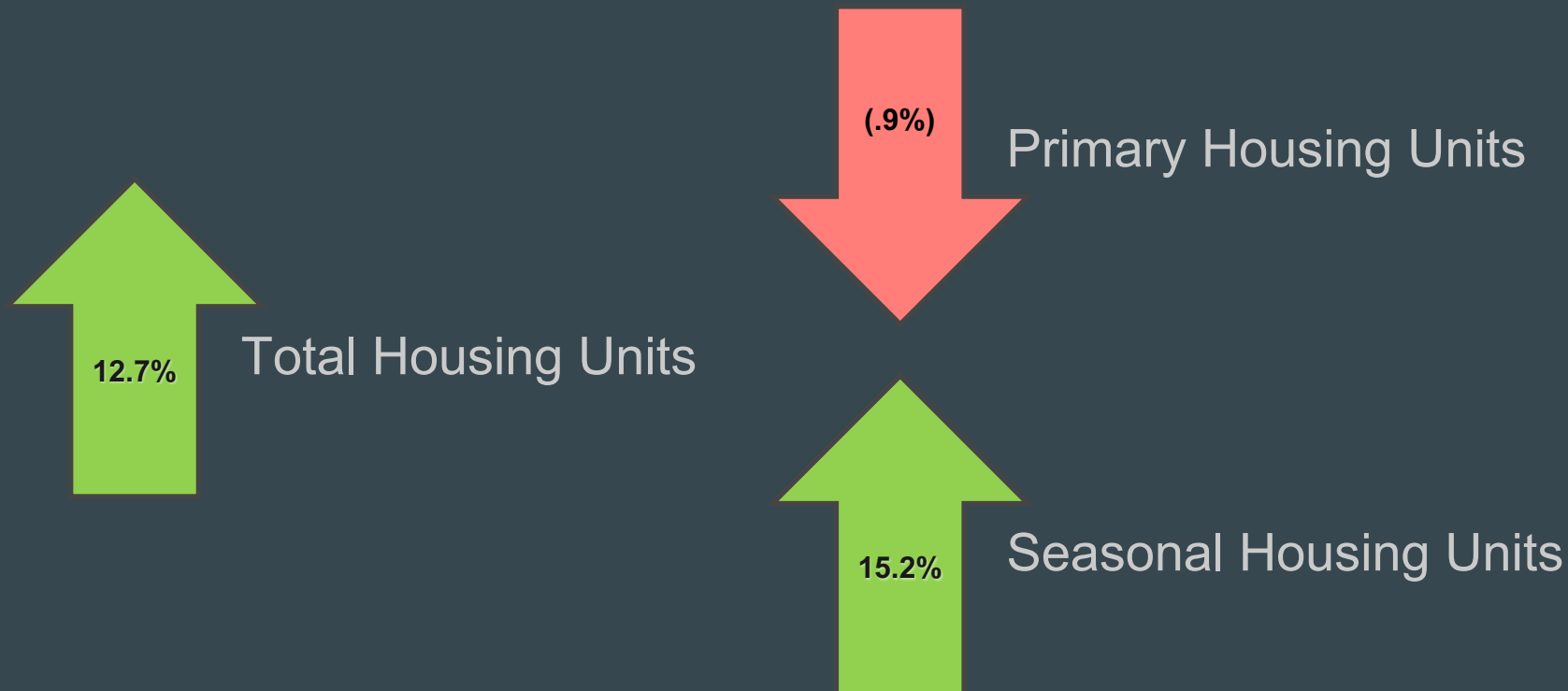
Scope



- Project
 - Quantitative analysis of
 - Demographic, housing & other regional data
 - Qualitative analysis
 - Local perspectives, including employers
 - Recommendations
 - Development projects that meet market demand
- Geographic
 - Primary Market
 - Fayston, Waitsfield & Warren
 - Secondary Market:
 - Duxbury, Moretown, Waterbury & Granville

PLACE

Place - Housing Units in the Primary Market ('10-'17)



Place – Household size vs Home size ('17)

HOUSEHOLD SIZE:

2 People or Less



70%

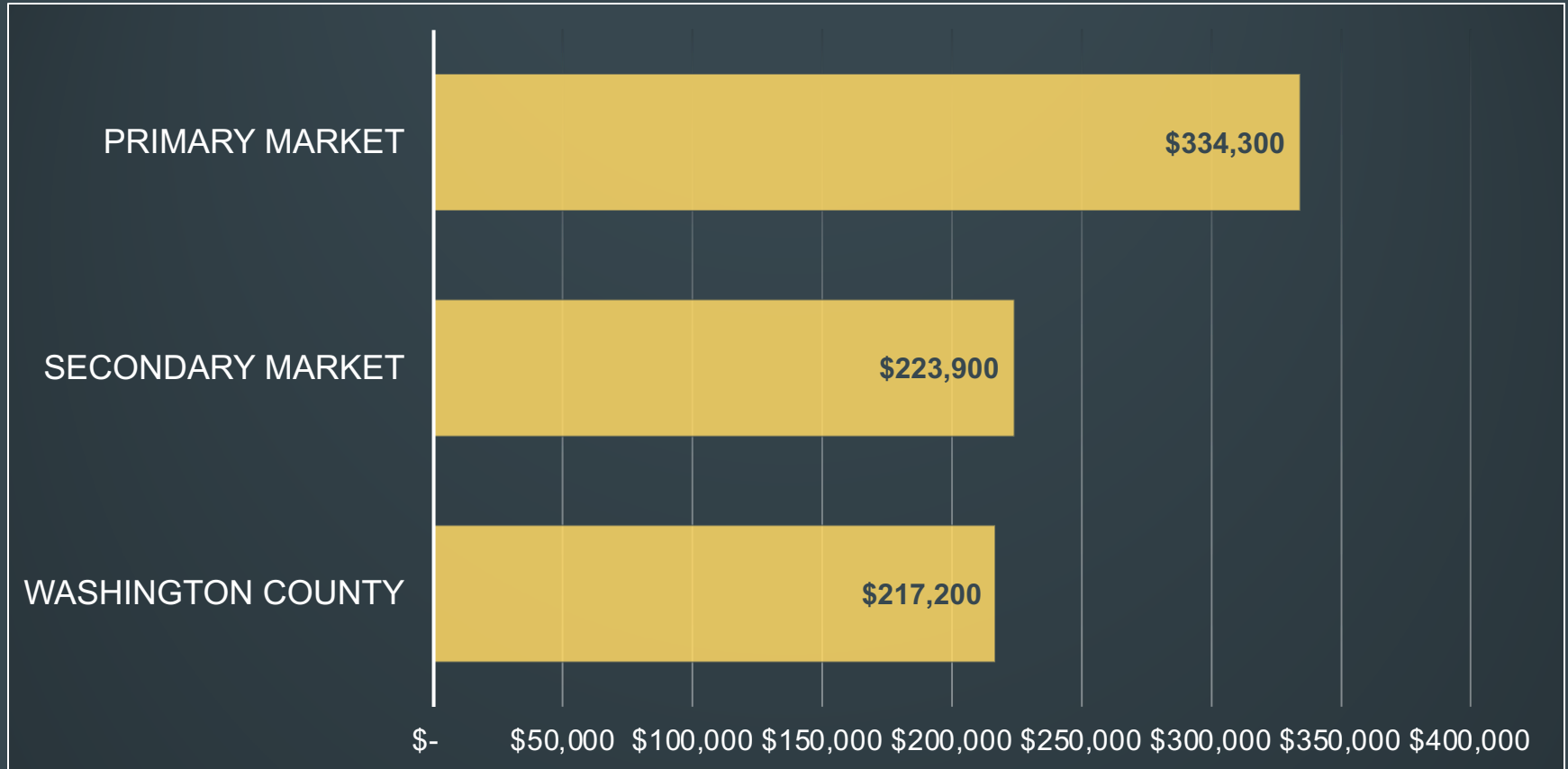
HOME SIZE:

2 Bedrooms or Less

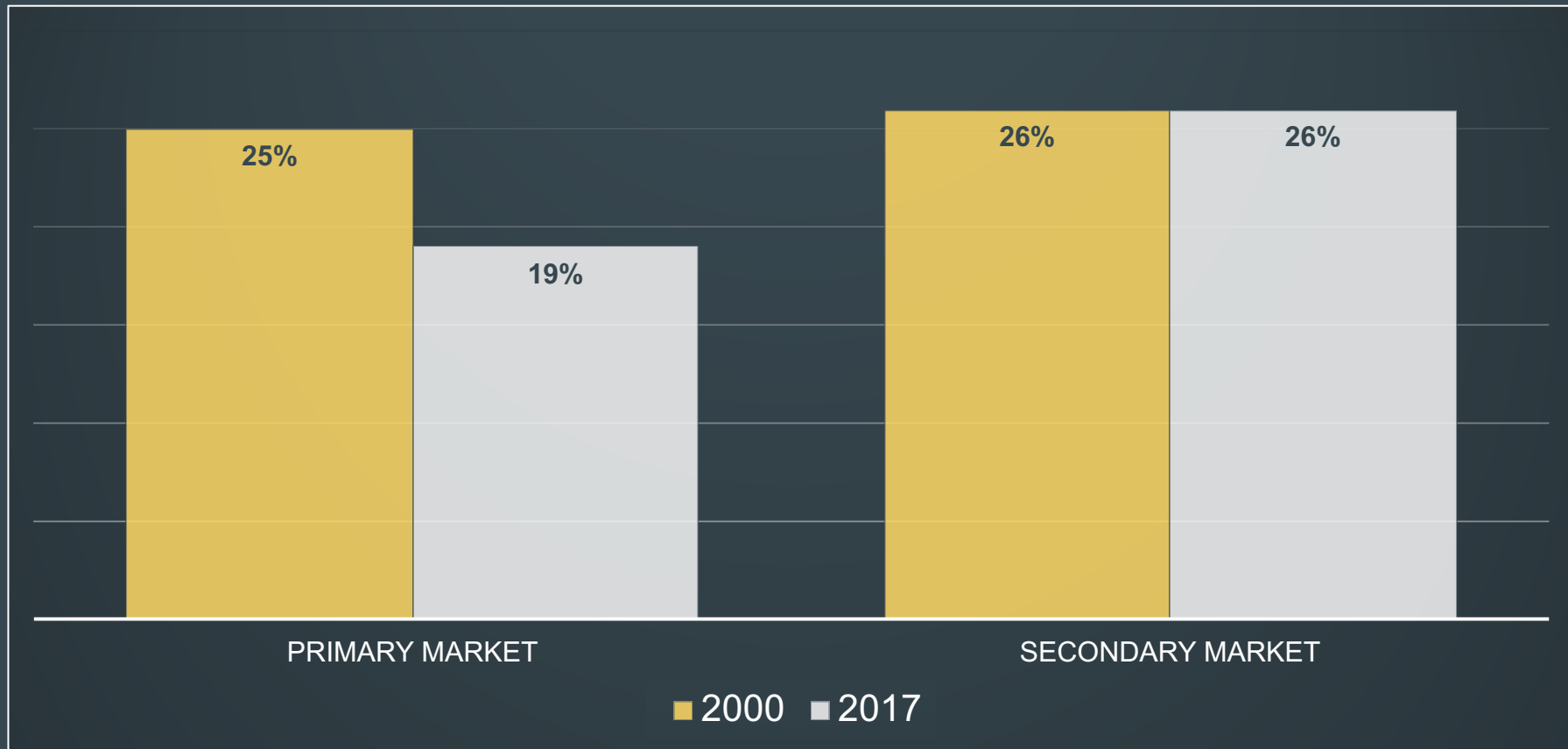


32%

Place – Median Value of Owner-Occupied Units ('17)



Place - Rental Units as % of Occupied Units ('00-'17)



Place

- Limited existing infrastructure
- High cost of development
- High transportation costs outside of village centers



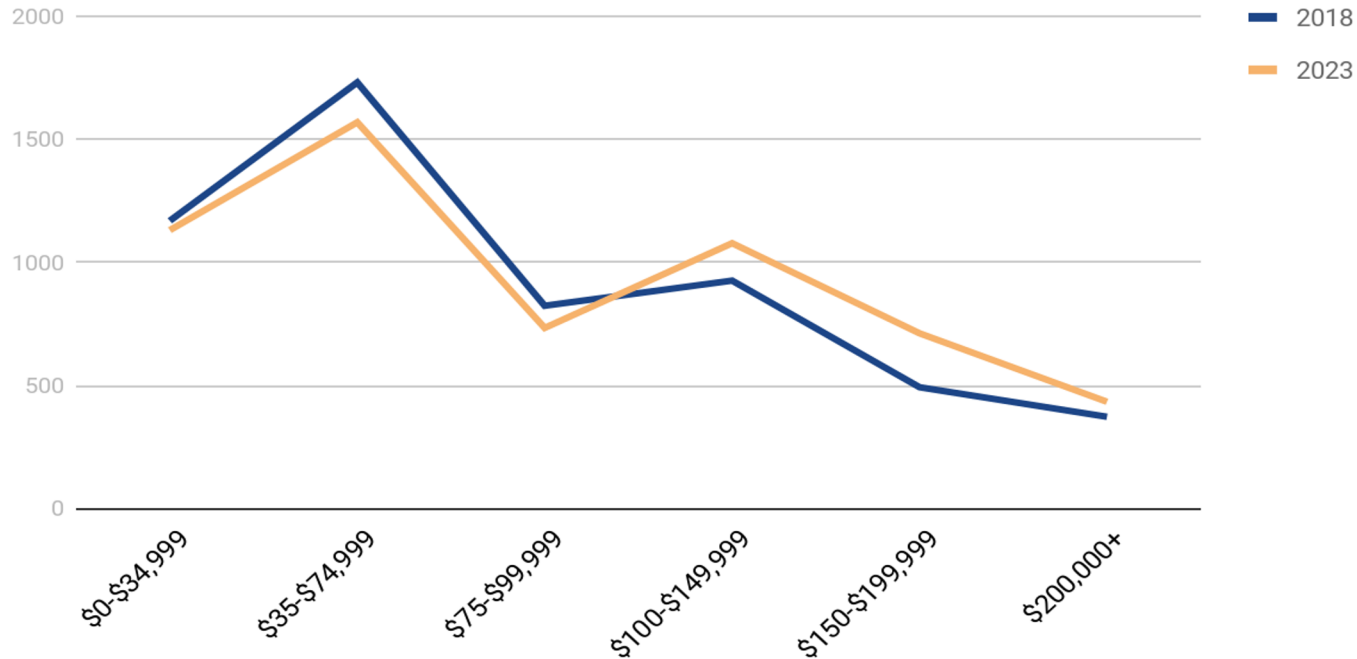
Place - Key Take-Aways

- ☆ Seasonal housing accounts for the entirety of recent housing supply growth.
- ☆ Mismatch between household size & housing size in the Valley.
- ☆ Portion of rental stock available to year-round residents (19%) is inconsistent with an employment base that includes a substantial number of lower to moderate income service workers.
- ☆ 1% rental vacancy, signaling a severe lack of supply.
- ☆ Ownership housing in the three MRV towns is expensive. Its median value of \$335k is 46% higher than the county as a whole.

PEOPLE

People – Age & Income -> greatest predictors of housing behaviors

Projected Population Change by Income



People - Projected Change in Number of Households by Age/Income ('18-'23)

<i>Young/ Lower Income</i>	<i>Middle-Aged/ Lower Income</i>	<i>Older/ Lower Income</i>
(3)	(112)	+70
<i>Young/ Moderate Income</i>	<i>Middle-Aged/ Moderate Income</i>	<i>Older/ Moderate Income</i>
(14)	(307)	+58
<i>Young/ Higher Income</i>	<i>Middle-Aged/ Higher Income</i>	<i>Older/ Higher Income</i>
+50	+212	+172

People - Projected “Movers” by Summary Groupings (“23)

<i>Young/ Lower Income</i>		<i>Middle-Aged/ Lower Income</i>		<i>Older/ Lower Income</i>	
Movers	% of Market	Movers	% of Market	Movers	% of Market
82	16%	45	9%	43	8%
<i>Young/ Moderate Income</i>		<i>Middle-Aged/ Moderate Income</i>		<i>Older/ Moderate Income</i>	
Movers	% of Market	Movers	% of Market	Movers	% of Market
124	24%	88	17%	31	6%
<i>Young/ Higher Income</i>		<i>Middle-Aged/ Higher Income</i>		<i>Older/ Higher Income</i>	
Movers	% of Market	Movers	% of Market	Movers	% of Market
34	7%	57	11%	9	2%

People – Waitsfield Average Annual Wage by Industry



Worker 1

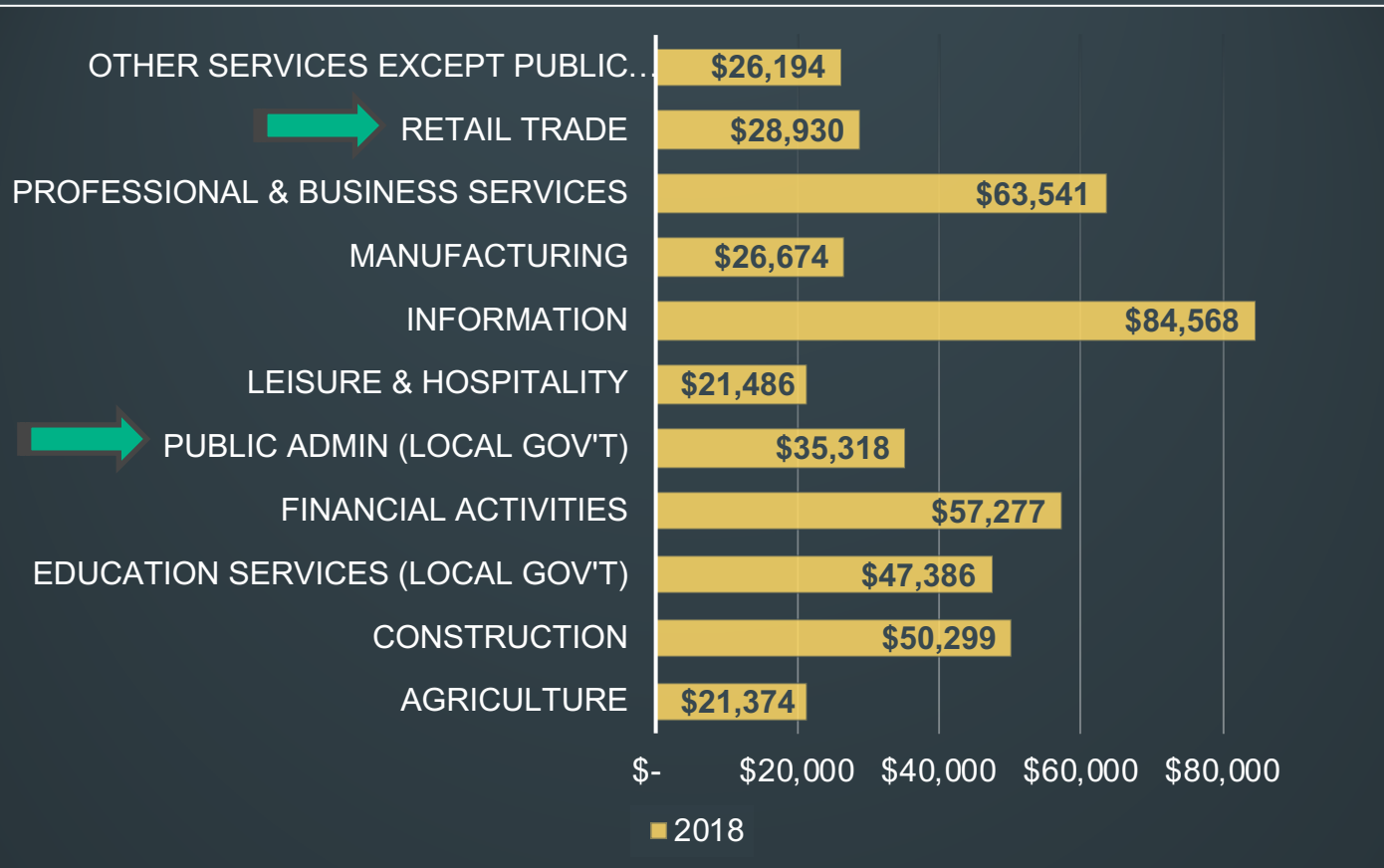
- Retail Trade
- \$28,930

Worker 2

- Public Administration
- \$35,318

Total HH Income

- \$64,248



People - Key Take-Aways

- ☆ MRV has a significantly older population than the surrounding region and projections show this trend will continue.
- ☆ Households headed by a person up to 34 years of age will account for 47% of the housing market in 2023
- ☆ Majority of MRV employees work in lower-wage industries.
 - ☆ 68% of workers make less than \$40,000/year
- ☆ An increasing number of MRV residents are higher-wage earners. Households with income above \$150,000/year increased by 55% between 2010-2017.
- ☆ MRV labor force is shrinking.

PLACE + PEOPLE = HOUSING

Housing – What's affordable?

Affordable Housing:

- < 30-35% of income

- Median annual income for 2-person household:
 - \$62k
- Affordable home based on median income (30%):
 - \$225k
- Median value home in the MRV:
 - \$334k

Housing – Present Unmet Need

AMI		<30%	30-50%	50-60%	60-80%	80-100%	100-120%	120-140%
Household Income 2 Person		\$18,900	\$31,500	\$37,800	\$50,400	\$63,000	\$75,600	\$88,200
Age Bracket	35>	27	19	8	20	14	12	
	35-64	36	20	26	23	19	16	
	65+	69	34	8	8	4	5	
	Total	132	73	42	51	37	33	
Affordable House \$		\$66,000	\$110,000	\$134,500	\$179,500	\$225,000	\$271,000	\$326,500
# of Single Family Homes Sold in market, 2019		1	2	2	5	7	16	27

Housing - Key Take-Aways

- ☆ 148% of median income is required to afford the median home.
- ☆ Current data show a community that has a severe lack of rental and home ownership opportunities for households who are younger than age 65 or make less than \$100,000.
- ☆ Current need is weighted more heavily toward rental units for young & middle-aged households (below \$75k HH income for a family of two).
- ☆ Approx. 153 households with housing need are expected to seek a housing change in the next year (below \$75k HH income for a family of two).

OUTLOOK

Outlook – Market Demand Approach

1. Rental

- Households with incomes below \$63,000 (<100% AMI)
- Annual average 'lease-up' rate of 31 family and 11 senior households
- **Workforce Rental Housing**
- **Senior Rental Housing**

2. Ownership

- Households with incomes ranging from \$66,000-110,000 (120-140% AMI)
- Approx. 10-15 young & middle-aged renter households will seek a housing change in the next year
- **Ownership Project Oriented Toward 1st Time Buyers**

Outlook – 2017 Housing Study Approaches



Planning & Infrastructure



Regulatory



Development

Conclusion

- Current housing shortage is changing the MRV's demographics.
- To maintain middle-income, working-class population, steps need to be taken.
- Creation of new units is key, as is infrastructure focused in community identified locations.
- Short-term steps include modifications to existing housing stock & innovative projects.
- For the Mad River Valley community to thrive, bold steps must be taken to provide more housing options.