



# RPC Newsletter

Upper Valley Lake Sunapee Regional Planning Commission  
 77 Bank Street, Lebanon, NH 03766 Tel. (603) 448-1680 www.uvlsrpc.org

**Spring  
2002**

## Inside This Issue

Meetings, Trainings & Announcements	2
Transportation News	3
Around the UVLSRPC Region	4
Main Street News	5
Special Section: UVLSRPC Services	6-7
Staff News & Biographies	10-11
Did You Know...?	12

## SAVE THE DATE!

**Upper Valley  
Lake Sunapee  
Regional Planning  
Commission  
Annual Meeting**

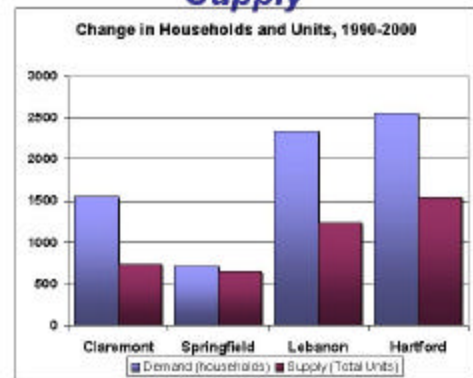
**June 19, 2002**

*More information on  
Page 2*

## The Housing Shortage : Seeking Regional Solutions

**T**hree-bedroom house, \$2300/month, not including utilities. Four-bedroom house, \$3000/month plus utilities. Believe it or not, these are not typical prices from Boston or California, but rental listings in the Hanover/Lebanon area. With average weekly wages in the Lebanon area at \$649, more than one wage earner per household is essential, as one whole paycheck is needed just to pay the rent. Apartments are somewhat less expensive than houses, but very scarce.

### Demand Has Outstripped Supply



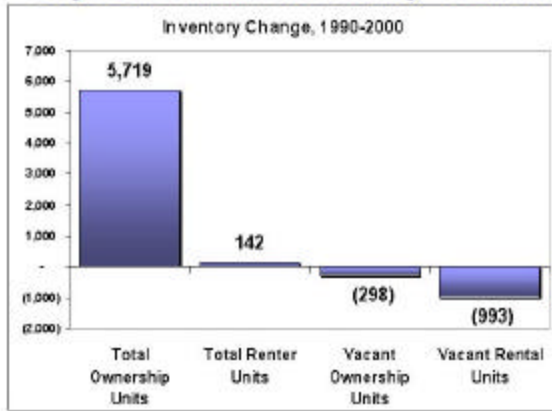
What happened to make home prices rise so sharply, and apartments so hard to find? How many people have been affected by this apparent market imbalance? What has happened to those who can't afford housing at all? Why are we starting to hear that day care centers, after-school programs and nursing homes can't find workers to meet growing demands? How many homes would it take to meet the demand? What can we expect the next ten years to look like?

To help us answer these questions and better understand the magnitude of the current problem, the Upper Valley Lake Sunapee Regional Planning Commission contracted with nationally renowned economist Russ Thibeault, President of Applied Economic Research, to perform an assessment of the housing needs of the Upper Valley. The study area includes three Labor Market Areas (LMAs): Hartford-Lebanon-Hanover, Claremont, and Springfield, VT. This delineation both recognizes that the geographic area most relevant to housing is the area within which the majority of people commute to work, and enables an exploration of whether the housing shortage in the Hartford-Lebanon-Hanover area has affected nearby job centers Claremont, NH, and Springfield, VT. UVLSRPC worked with a consortium of NH and VT agencies, Twin Pines Housing Trust, and neighboring regional planning commissions, Southern Windsor County RPC and Two Rivers-Ottawaquechee Regional Commission, to raise funds for the needs assessment and to ensure that the scope meets the needs of each organization as a basis for future work.

*(Continued on page 2)*

(Continued from page 1)

**Very Low Rental Inventory Growth**



Source for all graphs: Applied Economic Research

*When households are forced to pay too much for shelter, money is taken away from other essentials such as nutritious food, maintaining a reliable vehicle to get to work, and providing suitable daycare and health insurance for our families...*

The study shows what many of us had surmised: that while many of us were benefiting from the booming economy associated with Dartmouth College, Dartmouth-Hitchcock Medical Center and the area's high technology spin-off businesses, relatively few houses and almost no apartments were being built to house those moving to the area to fill the new jobs. Prices simply followed the basic laws of economics—the few housing units available were in very high demand, so builders, owners and landlords were able to increase prices substantially and still fill their units.

Most of the area's vacant units, some substandard, were occupied to meet the demand. The condition of housing continues to be a problem for the Claremont job center. It appears that housing demand has not "spilled over" from the Hartford-Lebanon-Hanover area enough to support higher levels of housing investment.

In addition, the study estimates that just over one thousand formerly seasonal

vacation units were converted to year-round occupancy. We have yet to explore the effects of this loss on our tourist economy.

The Upper Valley Housing Needs Assessment estimates that the housing market imbalance has led to approximately 4,800 renter households in the Hartford-Lebanon-Hanover LMA and 1,900 in the Claremont LMA that are currently unable to afford the median cost of a two-bedroom rental unit. Thibeault notes that a typical teacher or police/fire officer earning \$30,000/year can afford to purchase a \$75,000 home, while a household earning the median income in the Hartford-Lebanon-Hanover LMA can afford a \$125,000 home. But the average home price in the area is about \$170,000. The problem continues to worsen as in the past few years the average home price has increased almost three times faster than the average income.

**Imbalance: Rental Costs and Wages/Income**



When households are forced to pay too much for shelter, money is taken away from other essentials such as nutritious food, reliable transportation to get to work, and appropriate daycare and health insurance for families.

(Continued on page 3)

(Continued from page 2)

Vermont's Economic & Policy Resources Inc. performed economic forecasts for the study area's labor market areas as part of this project. Given these forecasts, Thibeault tells us that if the Upper Valley community chooses to support the highest potential job growth over the next decade, we will need to provide about 9,700 additional residential units to the current housing stock. This would mean twice as many units as were built in the area during the 1990s, and a substantial number of them would need to be rental units, about 1,800 in the Hartford-Lebanon-Hanover area. (By comparison, only 142 new rental units were added to the entire study area in the past decade.) *One-third of these residential units are needed now just to bring the market back into balance for those already living and working here.*

Thibeault warns us that on the opposite end of the spectrum, a continuation of the housing production rates of the 1990s, 8,500 fewer new jobs will be supported and, of course, the current affordability problem would remain. In between lie a range of growth rates balancing job growth with housing production, and wage levels with housing costs.

Our job as regional planners is to facilitate opportunities to work toward a regional consensus on how best to bring residential development into balance with economic development. This means facing tough questions about what rate of growth is of the most benefit to area residents and where we should be encouraging that growth the most.

- ◆ Should we try to slow economic growth in one job center and speed it up in another?
- ◆ Should we all be working together to try to enhance the growth of smaller outlying town centers?

- ◆ What pattern of growth will be most likely to work with a transportation system that is best for our environment?
- ◆ What will different rates and patterns of growth mean for property taxes?
- ◆ What can our cities and towns do to protect important resources and community character, and still be welcome places for builders looking to do their share to help?
- ◆ What can we do to substantially increase help for our neighbors who have been forced out of the market entirely and depend on our donation of time or money to the housing trusts or homeless shelters?

The update of the Upper Valley Lake Sunapee Regional Plan will provide an opportunity to discuss many aspects of the problem, and to focus our attention on the interrelationships among issues.

**For a free copy of the Upper Valley Housing Needs Assessment summary report or to find out how you can help us work toward solutions, contact Tara Bamford at 603-448-1680.**



*One of the next steps toward a better understanding of the impacts of this imbalance from a geographic perspective will be to analyze changes in commuter patterns later this year when the US Census place of work and travel time to work data are available. In a future issue of our newsletter, we will examine this relationship between the housing shortage and sprawl and what "smart growth" means for the Upper Valley.*

### Affordability Suffers

