

NH Housing Needs NHHFA Housing Conference

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NEW HAMPSHIRE
HOUSING

In A Nutshell

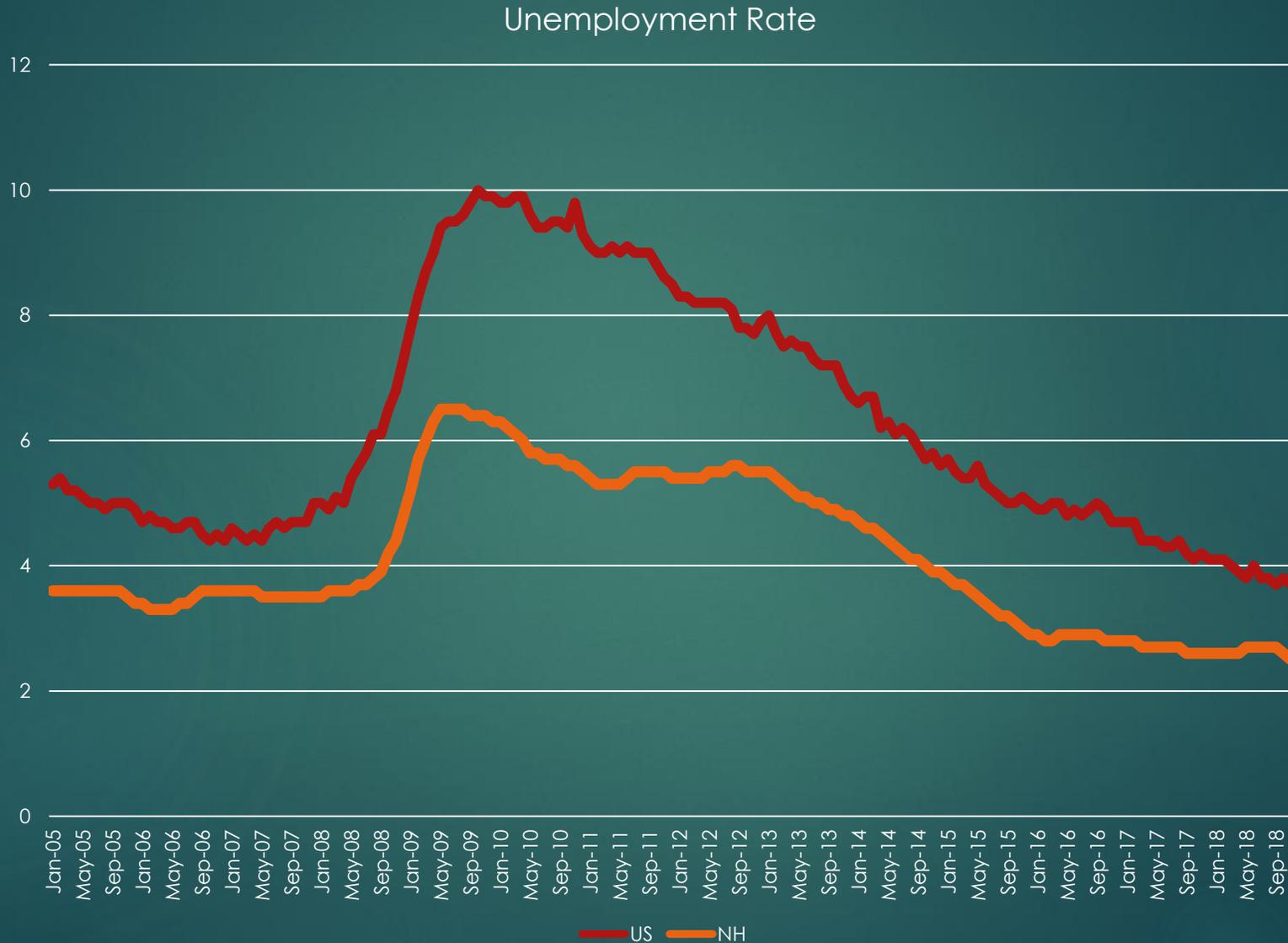
- ▶ The NH Economy is Growing, Generating Demand for More Housing;
- ▶ But, There is a Pronounced Housing Shortage in The State;
 - ▶ Inventory of Existing Units is Near All-Time Low
 - ▶ Rental Vacancies Almost Non-Existent
 - ▶ Pace of New Construction is Well Below What is Needed
- ▶ Current Shortage is About 20,000 Units, Including About 15,000 Ownership Units
 - ▶ This is about 5 Years of Production at Recent Pace
- ▶ Despite Strong Economy and Income Growth, Housing Affordability is Deteriorating: Higher Mortgage Rates, Higher Prices

A Growing Economy

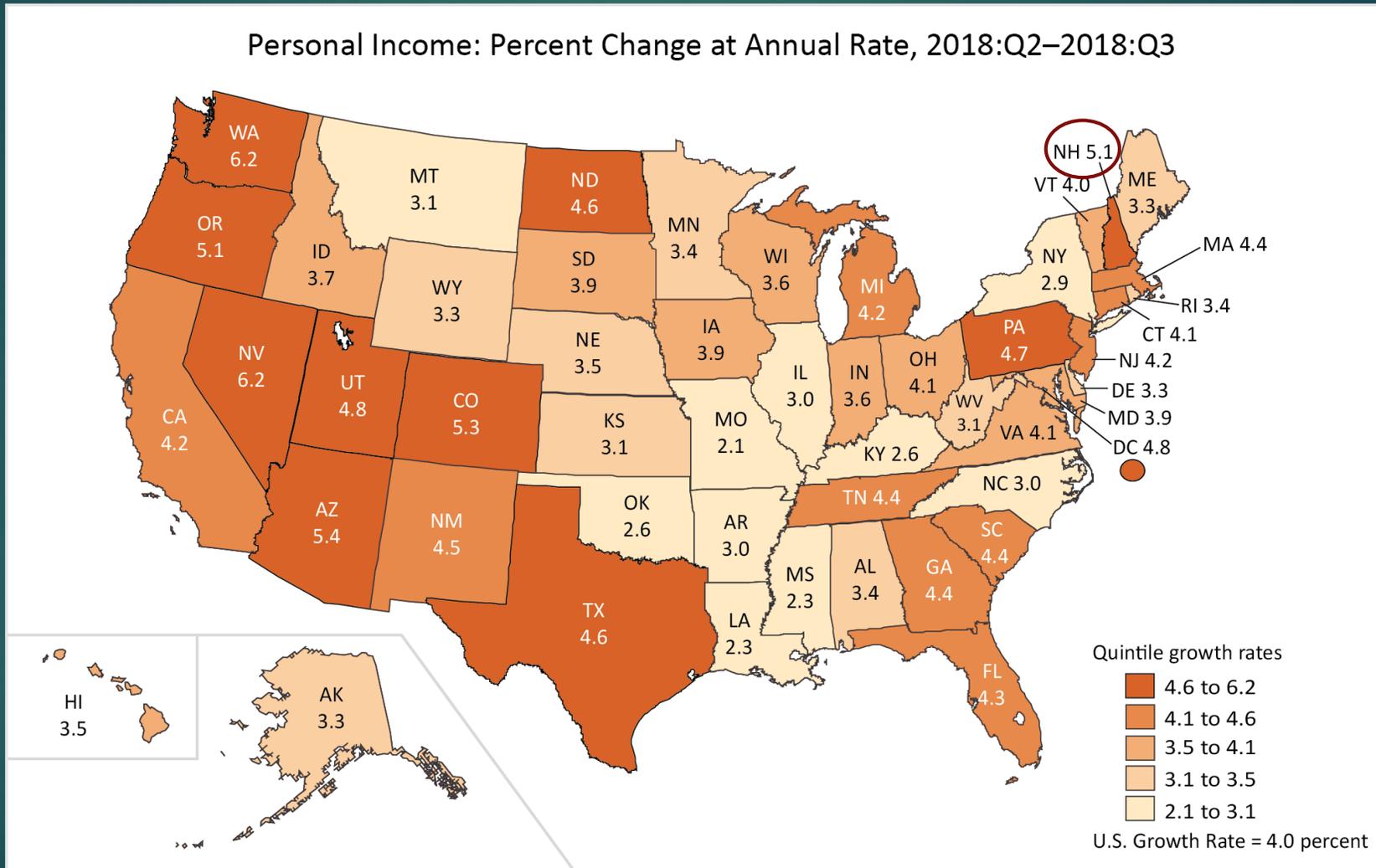
Pace of NH Job Growth Remains Strong



Unemployment Rate at 2.4% Essentially Lowest in the Country



Personal Income Up 5.1% Annual Rate, Fastest East of Colorado, and Faster Than in Recent Years (more jobs, better quality jobs)

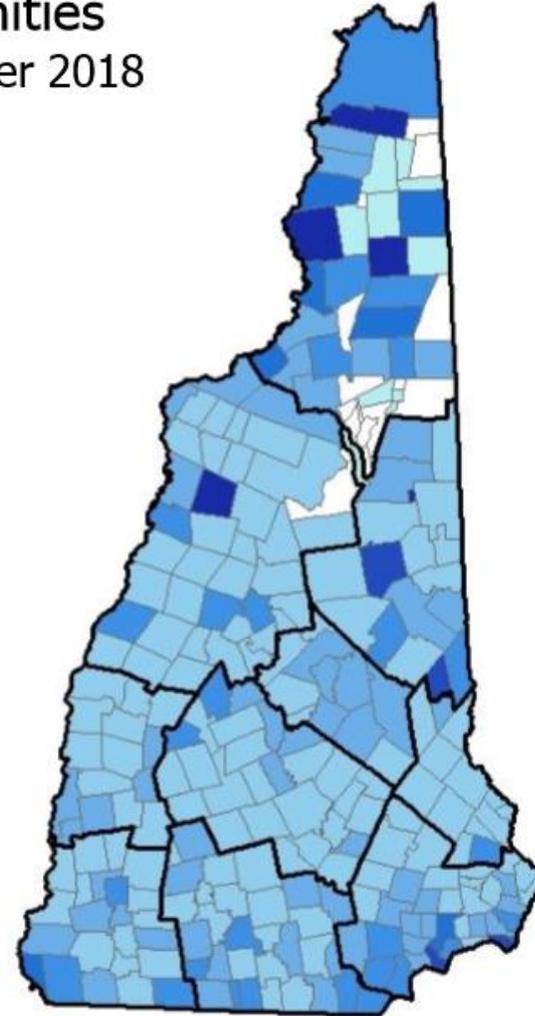
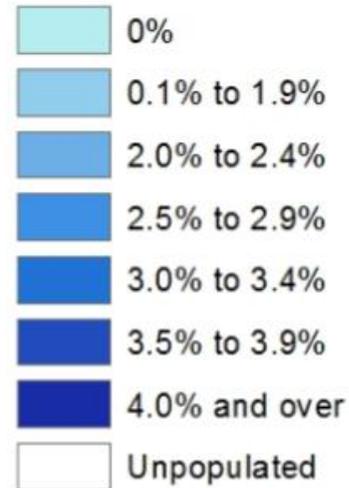


Unemployment Rates are Low Throughout the State

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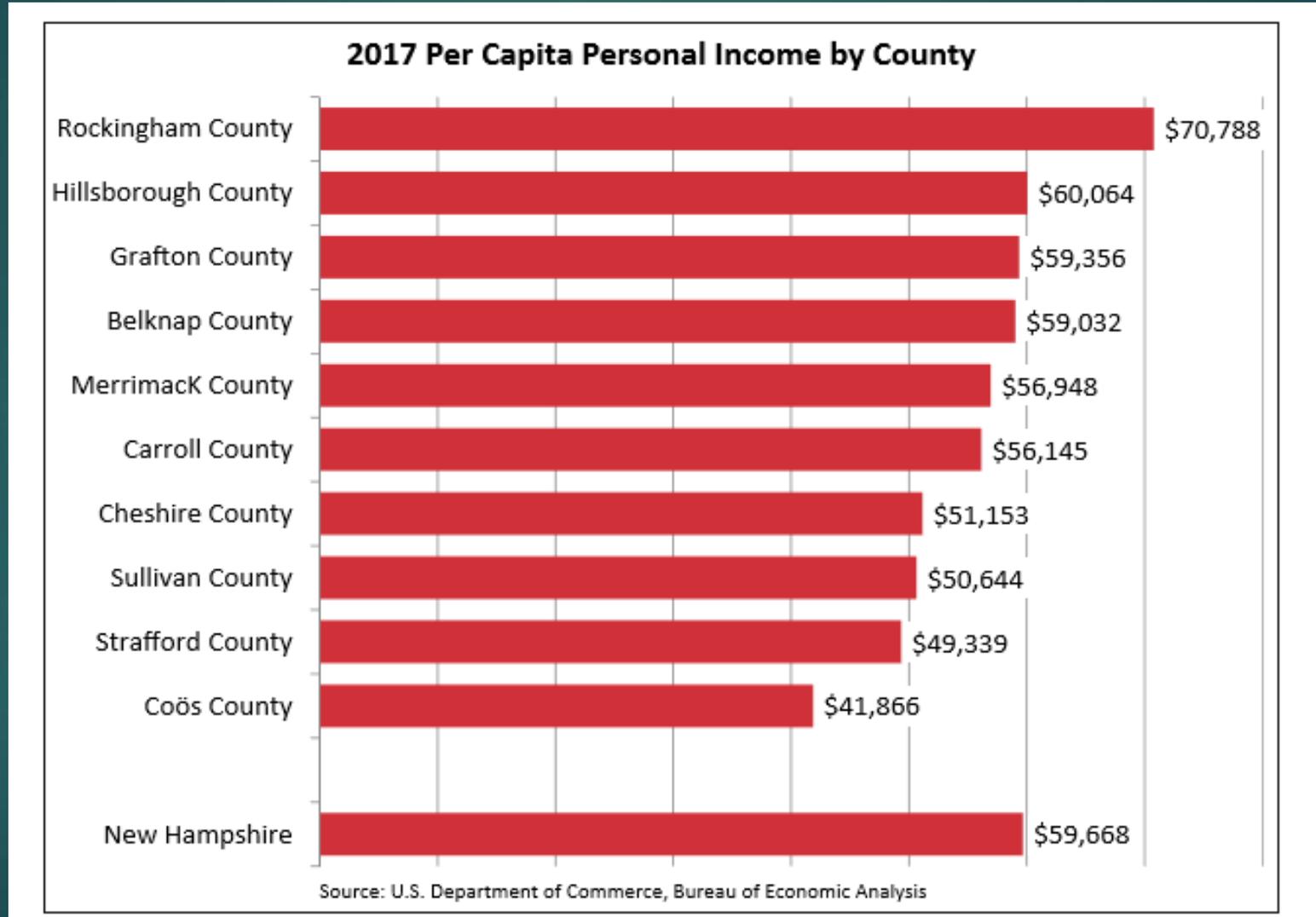
Unemployment Rates for NH Communities Preliminary, Not Seasonally Adjusted - December 2018

New Hampshire Rate = 2.1%
preliminary, not seasonally adjusted



Source: Economic & Labor Market Information Bureau, NHES 24-January-19
Next Scheduled Update: February-19

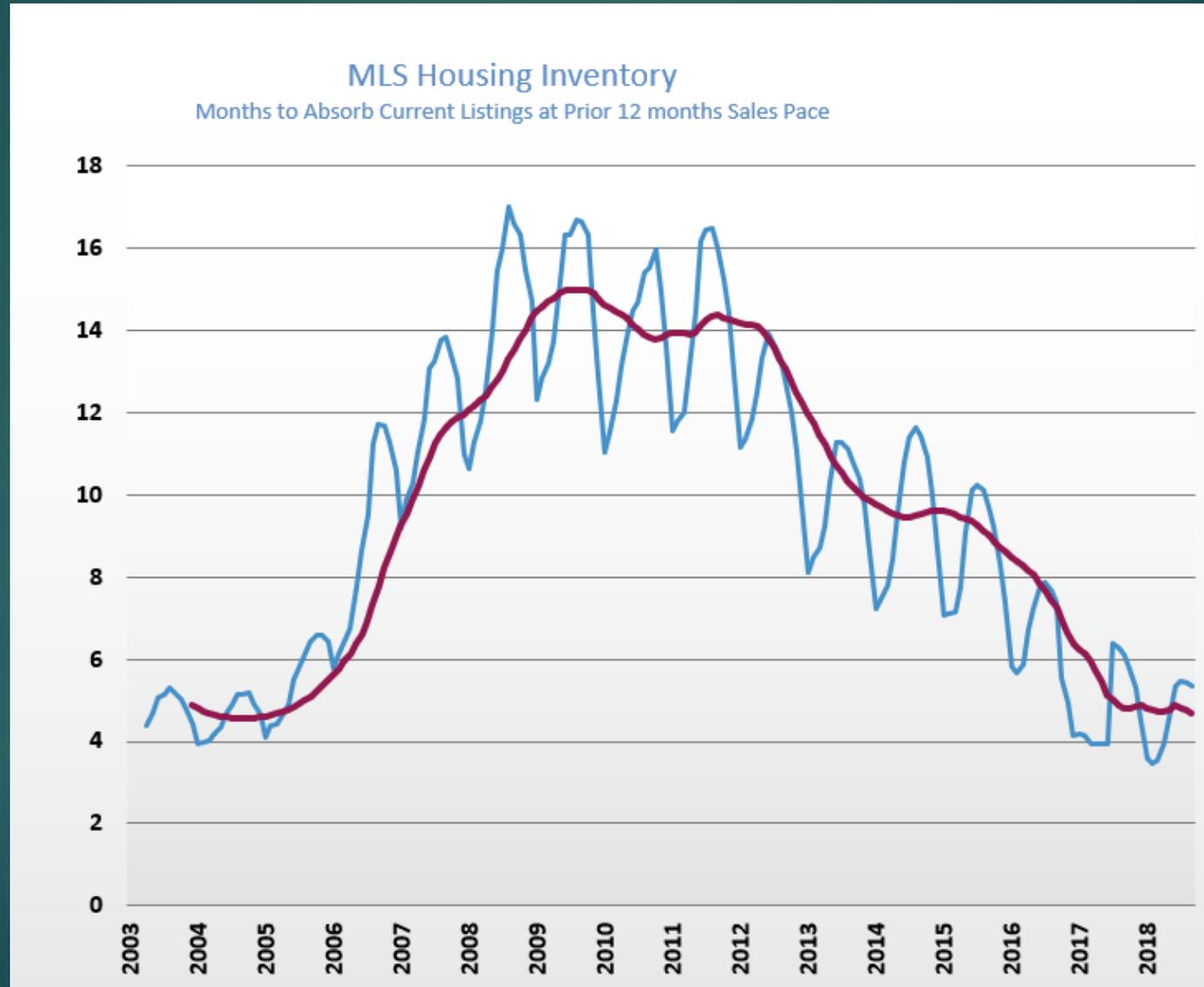
There is Extreme Income Variance By County, Influencing Housing Affordability



A Tight Housing Market

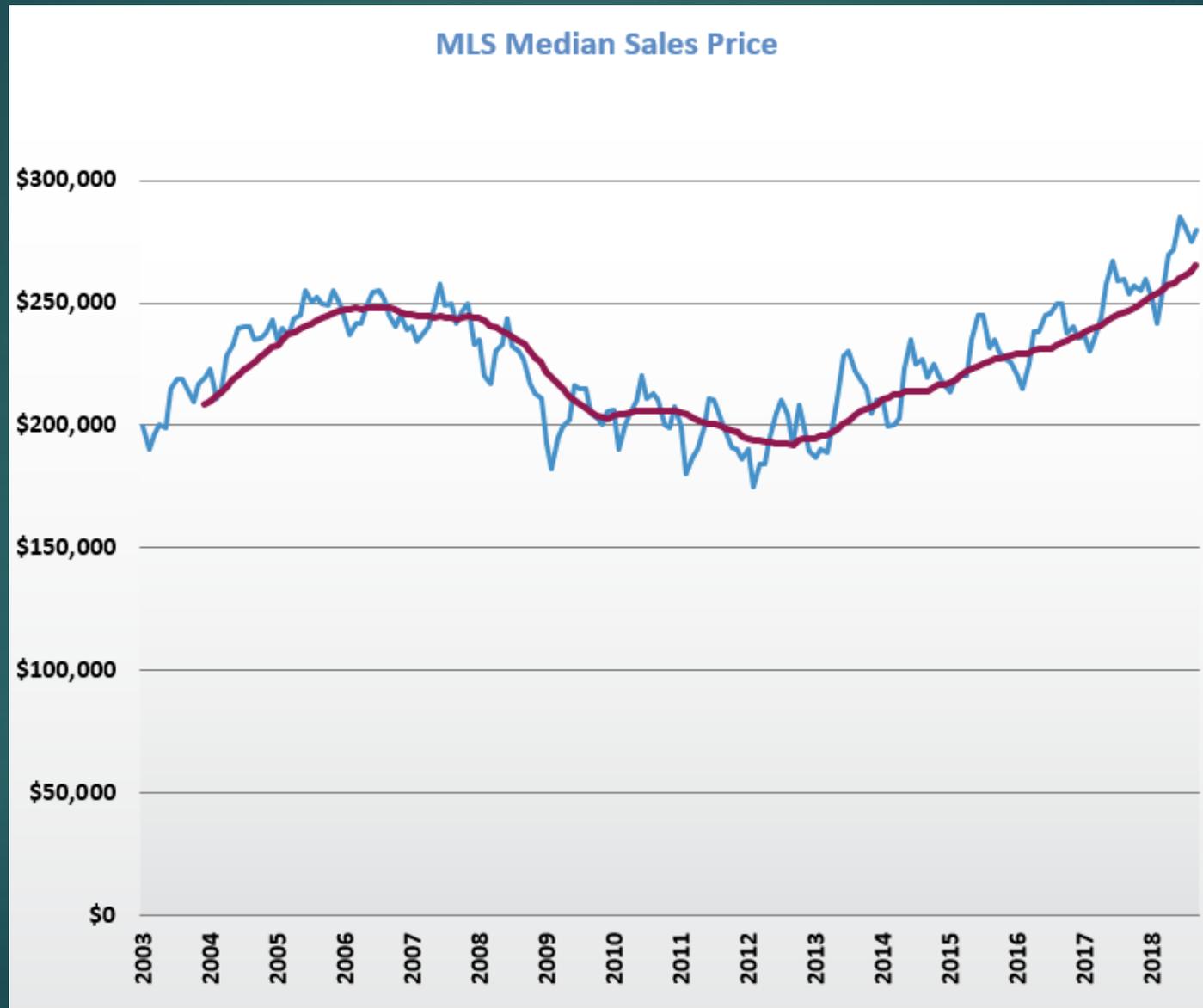
Effective For-Sale Inventory is 5 Months: Signaling Shortage

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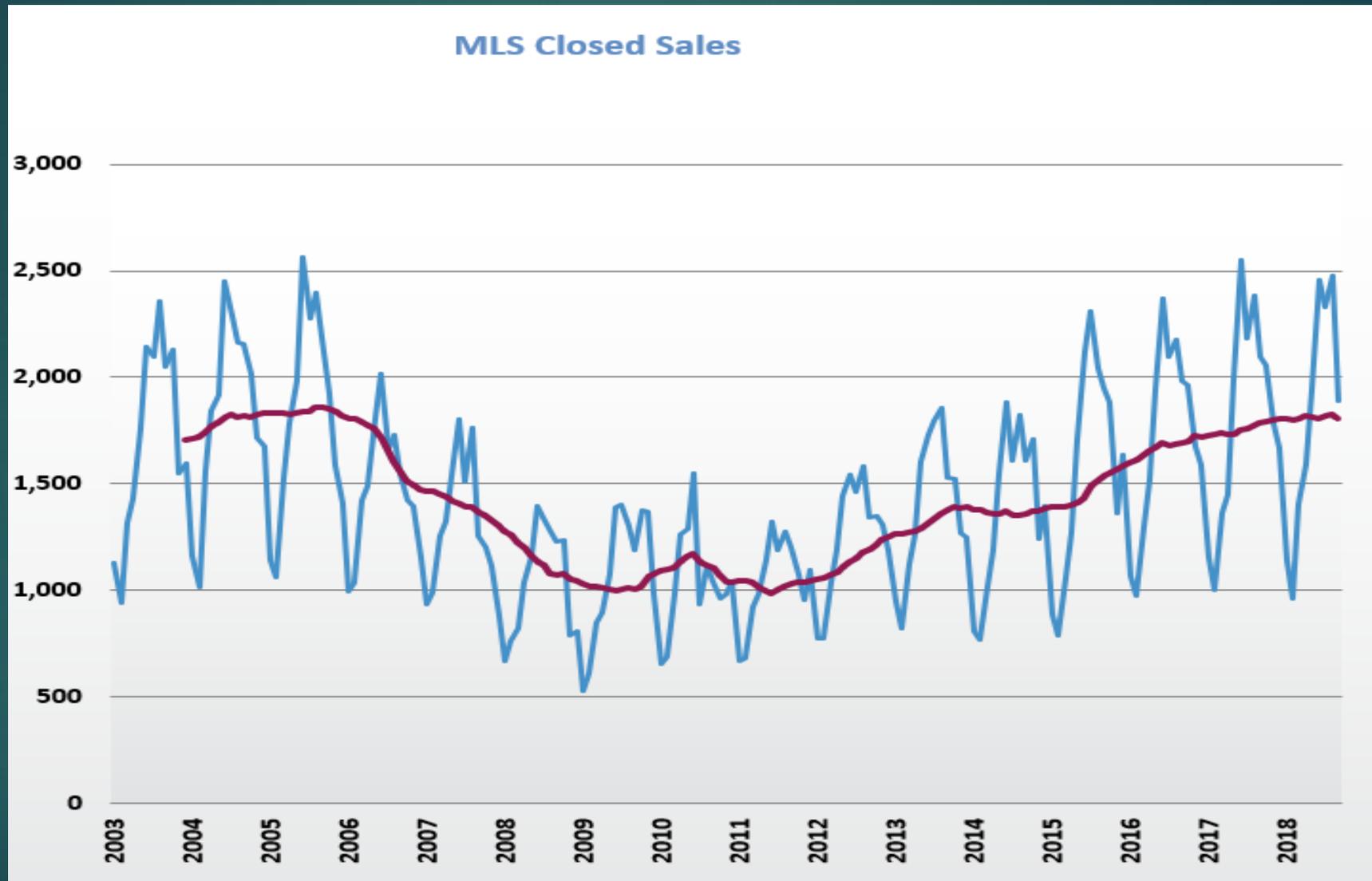
Prices Continue to Rise

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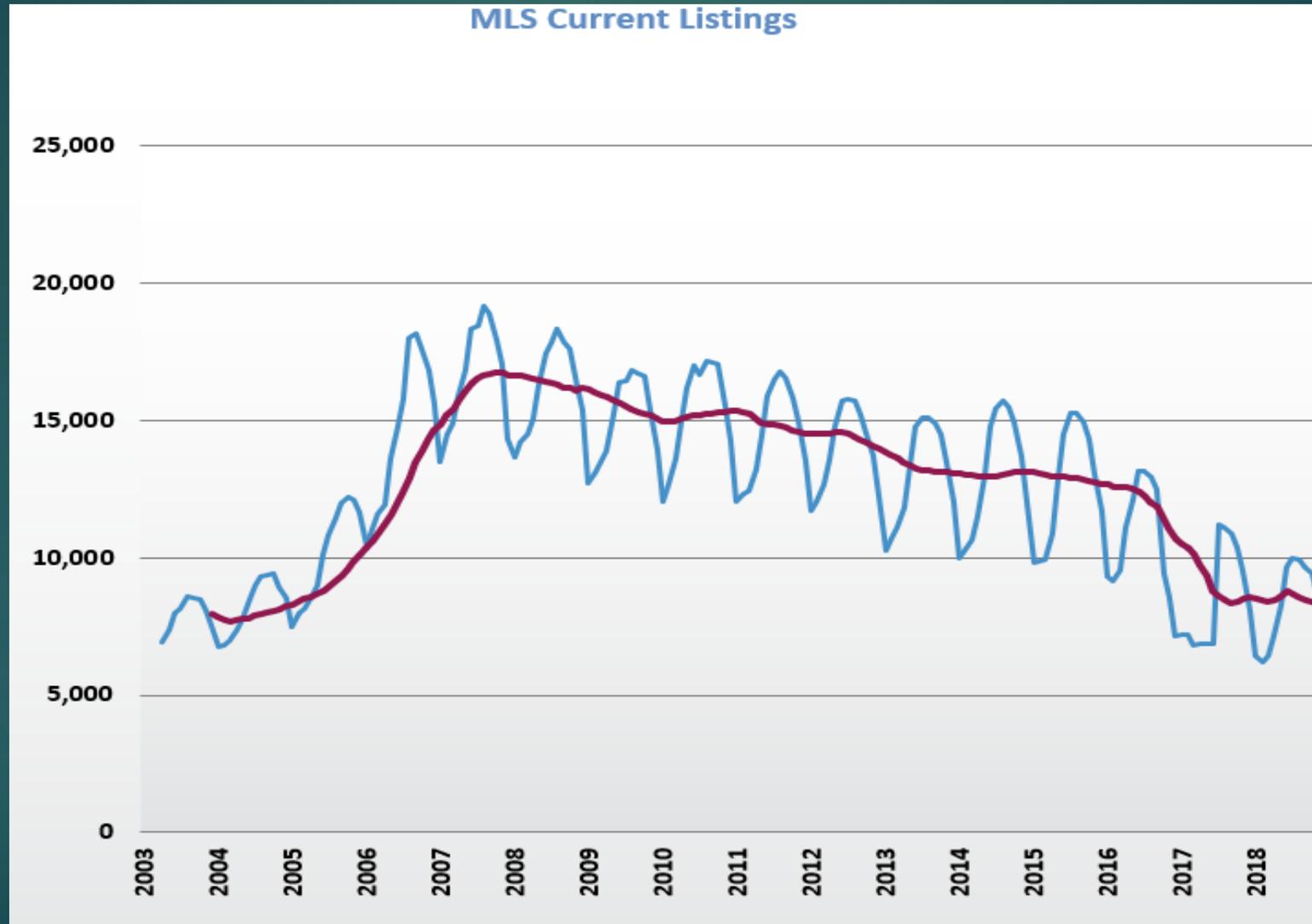


Number of NH Sales Flattens Out Recently

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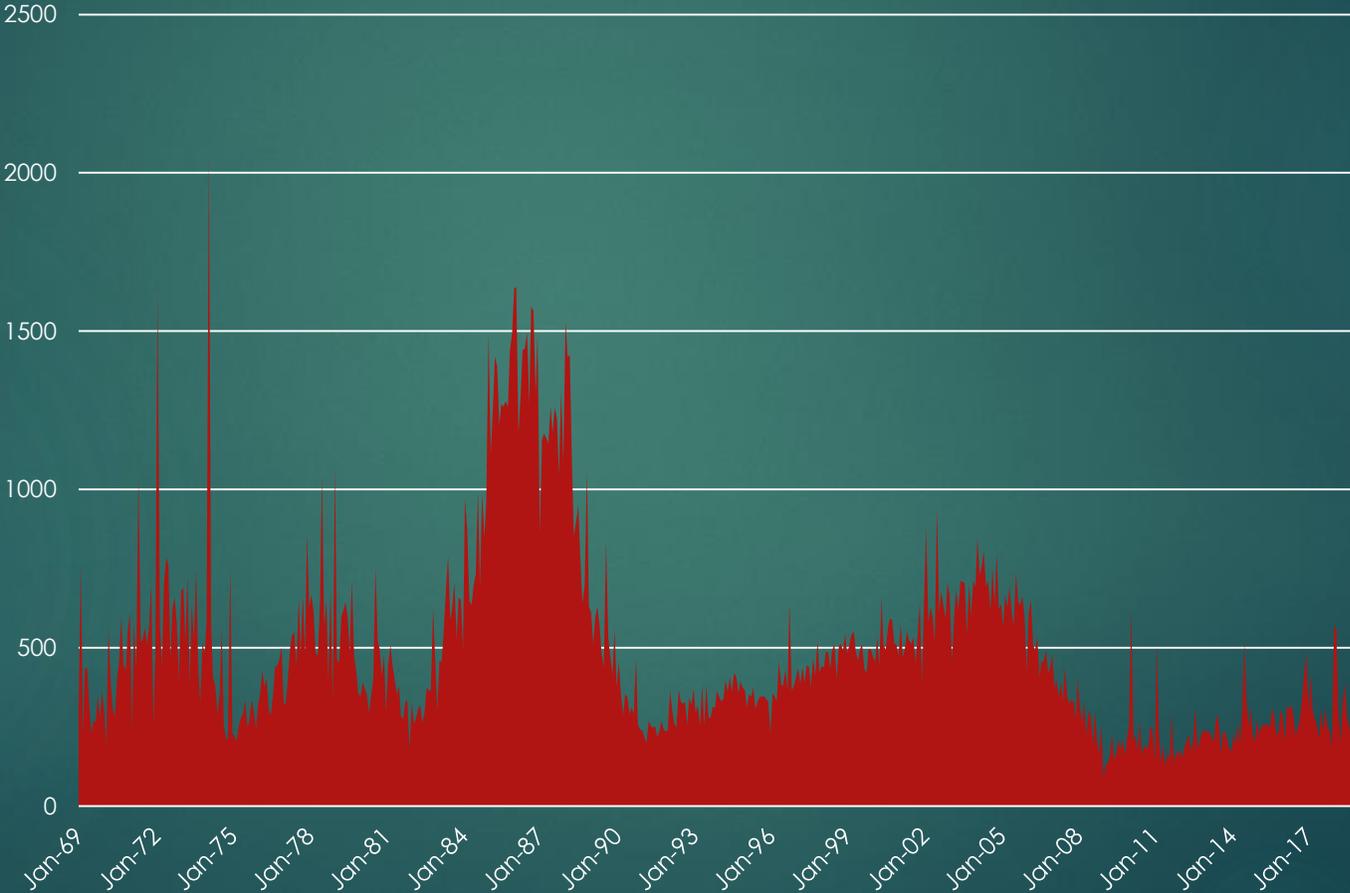


Shortage of Listings May Be A Factor in Slower Sales, Along with Rising Costs



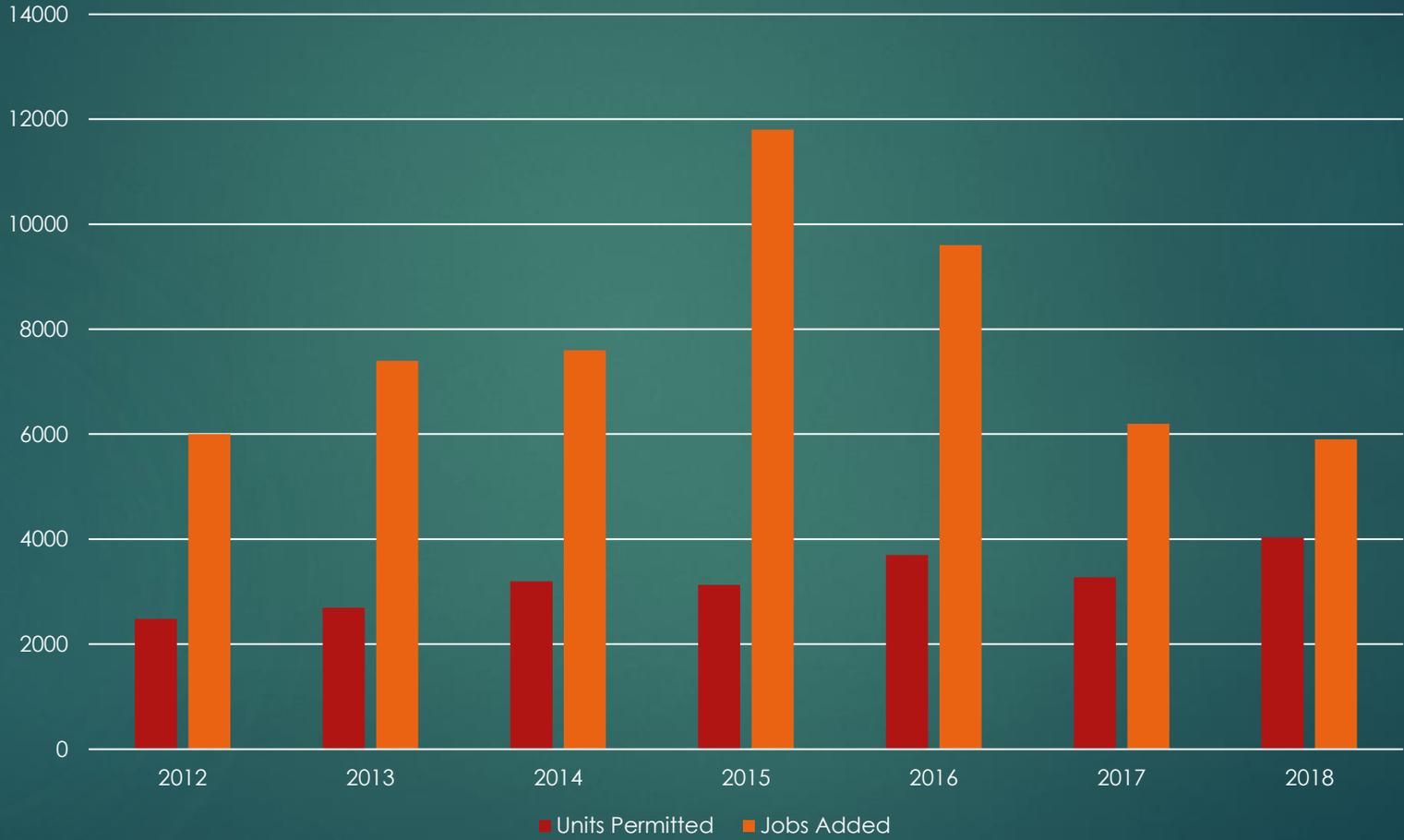
Number of New Housing Permitted is Sub-Par, Lowest in Decades Despite Strong Recent Job Growth

NH New Housing Units Permitted



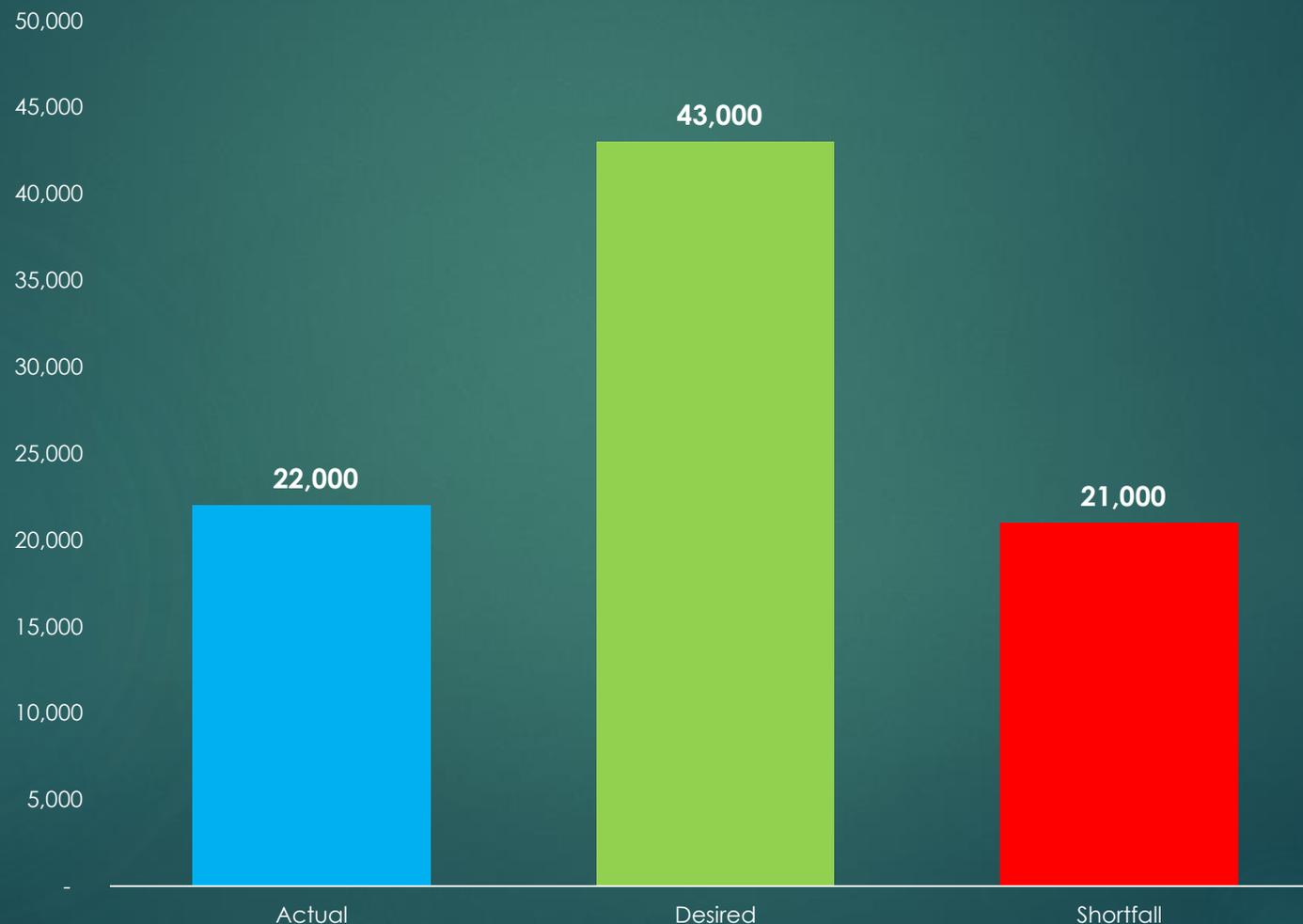
Construction Shortfall Relative to Job Growth Generates Cumulative Rising Housing Shortage

Job Growth and New Units Permitted



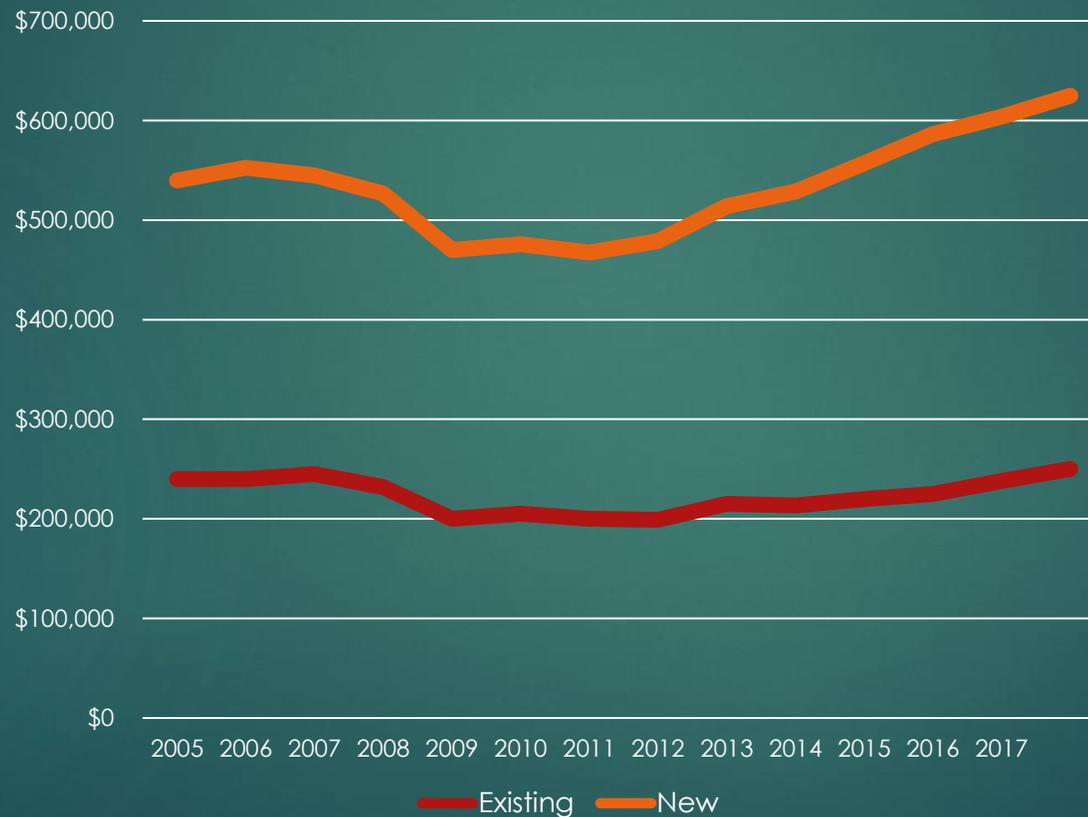
Since 2012 Shortfall Is About 15,000-20,000 Units to Meet Job Growth and Provide Adequate Choice--, Including About 10,000-15,000 Ownership Units

Actual and Desired Units



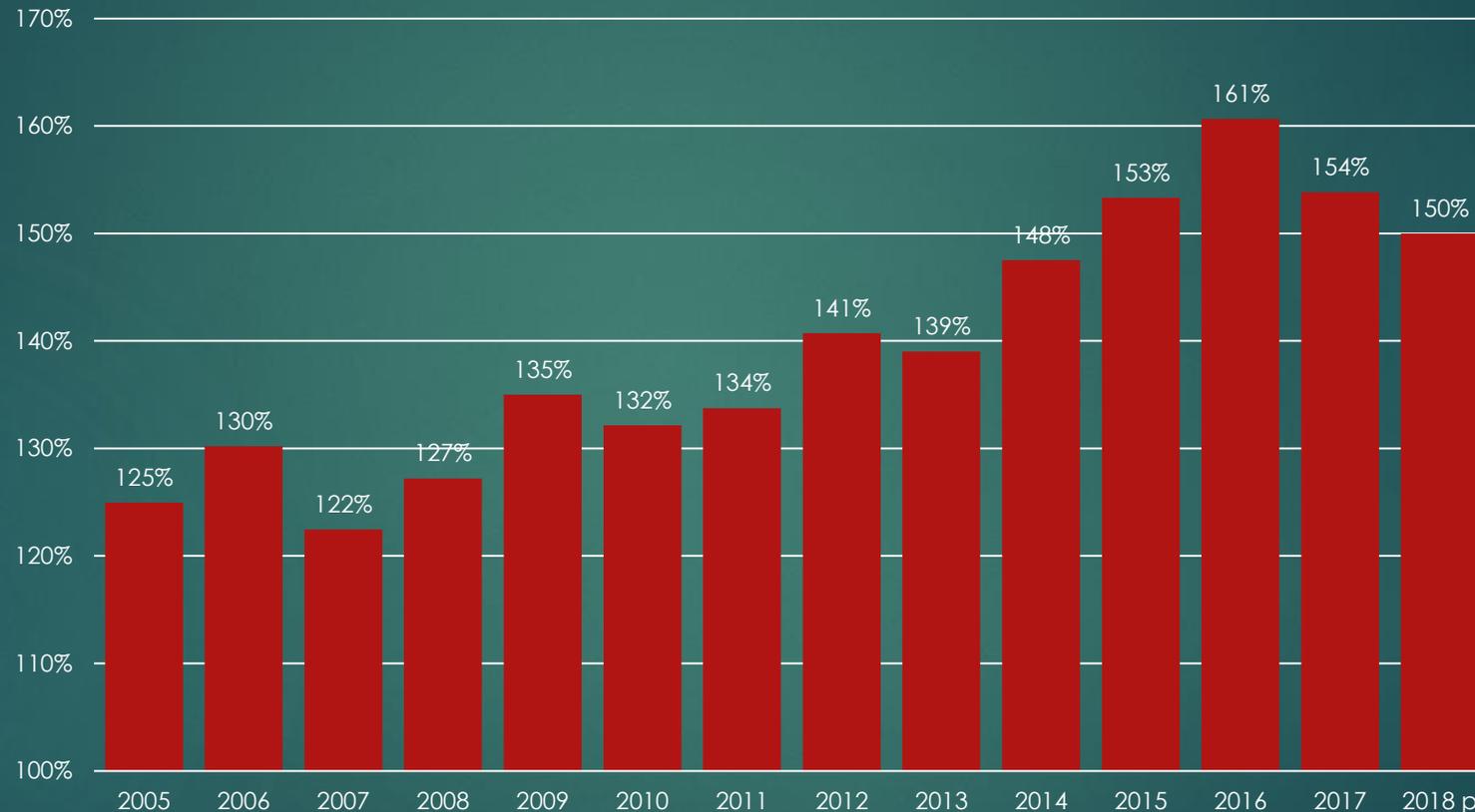
Median Price of New Homes Outstrips Existing Home Prices, Blunting Affordability of New Units

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Gap Between Median Price of New and Existing Homes Widens

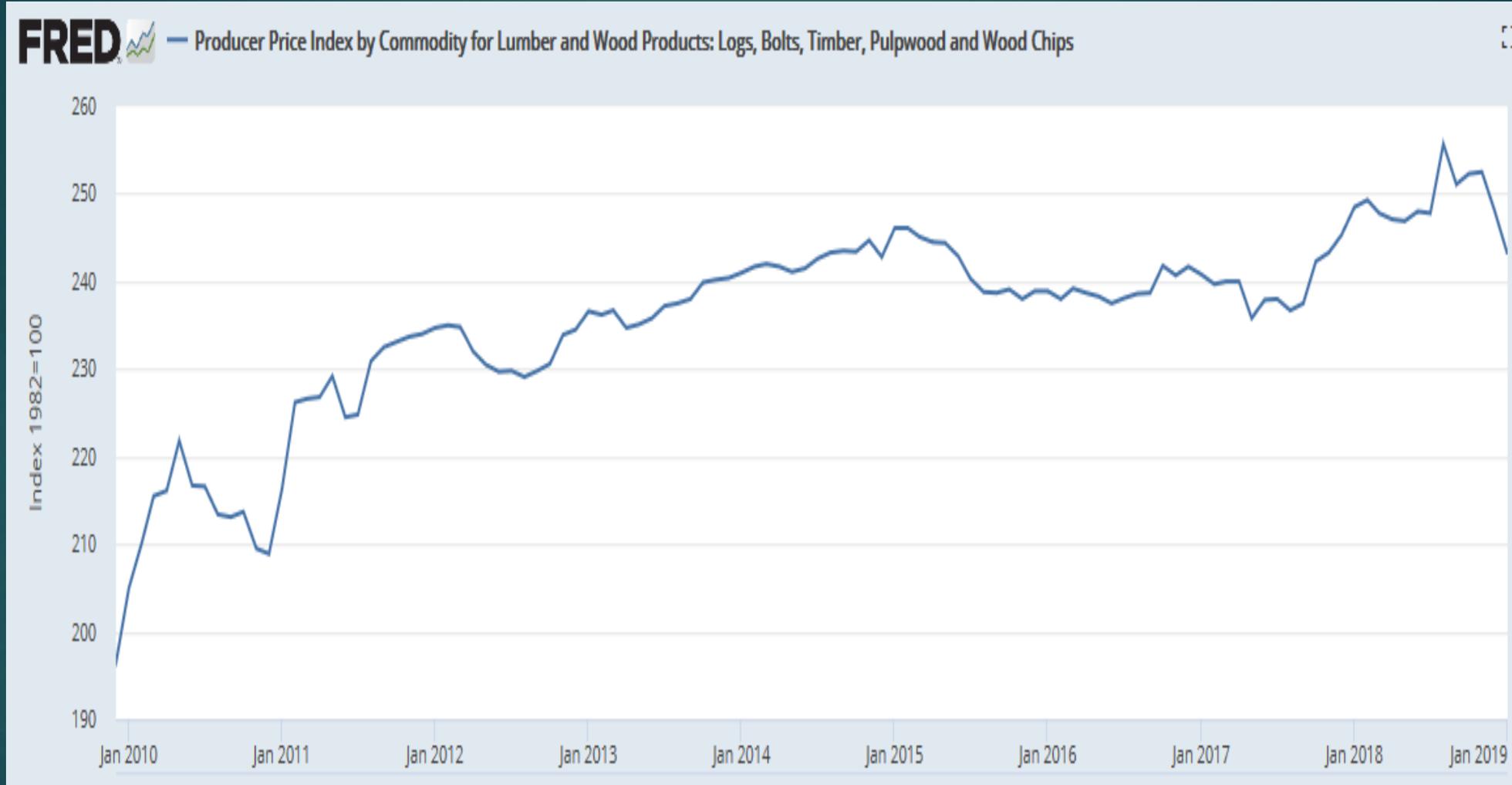
Median Price of NH New Versus Existing Homes



// home prices new and existing

Lumber Prices Up 30% Since 2010 (Fires, Tariffs)

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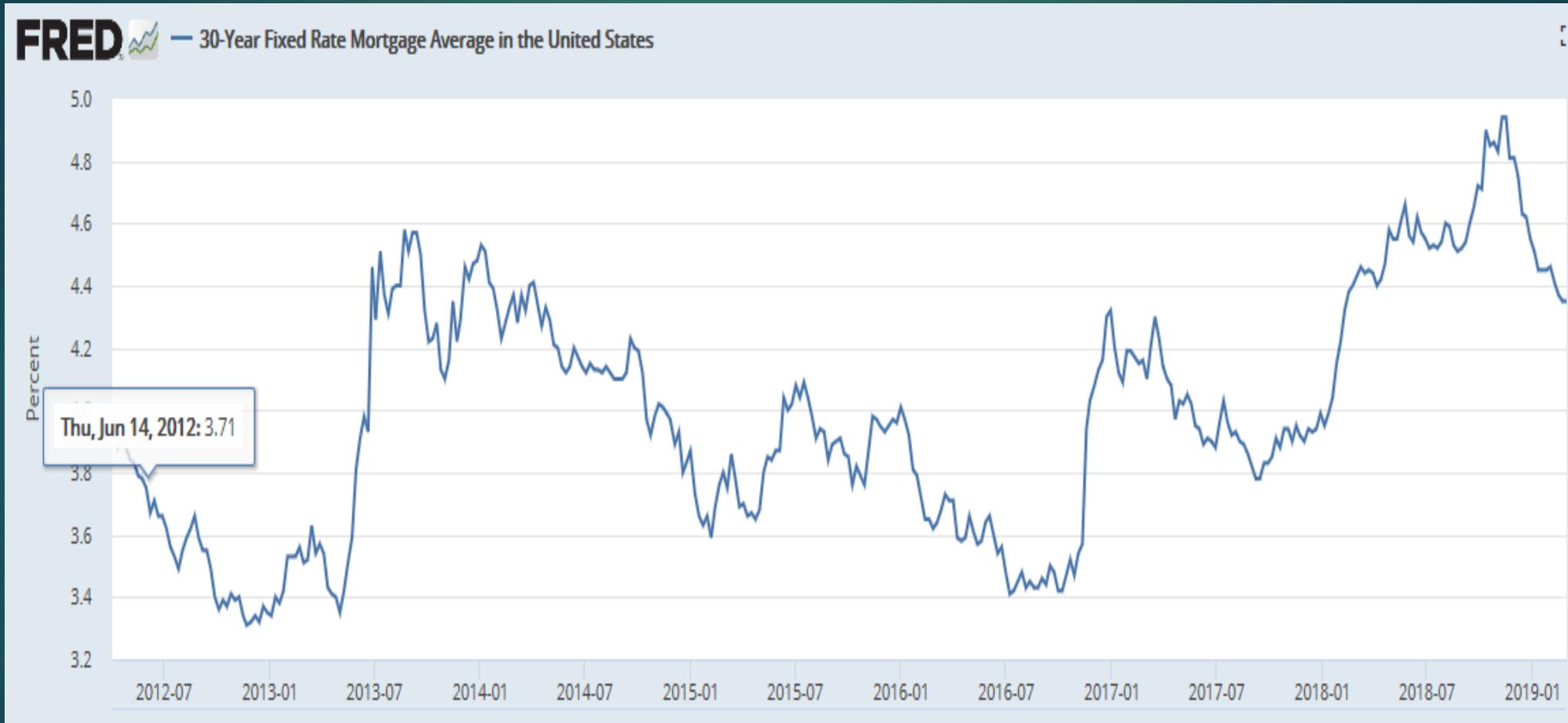


Construction Wages Rise Faster than Overall Consumers, Contributing to Rising Costs

Change 2012-17		
	Construction	All Sectors
Wages	19%	14%
Jobs	19%	7%

Some Relief: Mortgage Rates Ease From 2018's 5% Peak, But Still Highest Since 2013

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Mortgage Payment Jumps: Higher Prices, Higher Mortgage Rates= Lower Affordability

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	2012	2018	Change
Annual Mortgage Payment Existing Housing	\$10,000	\$14,000	40%
Annual Mortgage Payment New Housing	\$14,000	\$21,000	50%