

New Hampshire ECONOMIC CONDITIONS

January 2019

New Hampshire Housing

According to the 2013-2017 American Community Survey from the U.S. Census Bureau, there were an estimated 627,619 total housing units in New Hampshire.¹ During that period, the homeowner vacancy rate was 1.3 percent and the rental vacancy rate was 4.3 percent. However, the volume of housing units is not distributed evenly throughout the state's ten counties. Coös County had the smallest share, 3.4 percent, of the state's total housing units, while

Hillsborough County had the largest share, with 27.0 percent.

The volume of housing units among the counties follows the distribution of New Hampshire's population, with the exceptions of Cheshire and Carroll Counties, which are inverted. Carroll County had 6.5 percent of housing units and 3.6 percent of total population, while Cheshire County had 5.6 percent of housing units and 5.7 percent of total population.

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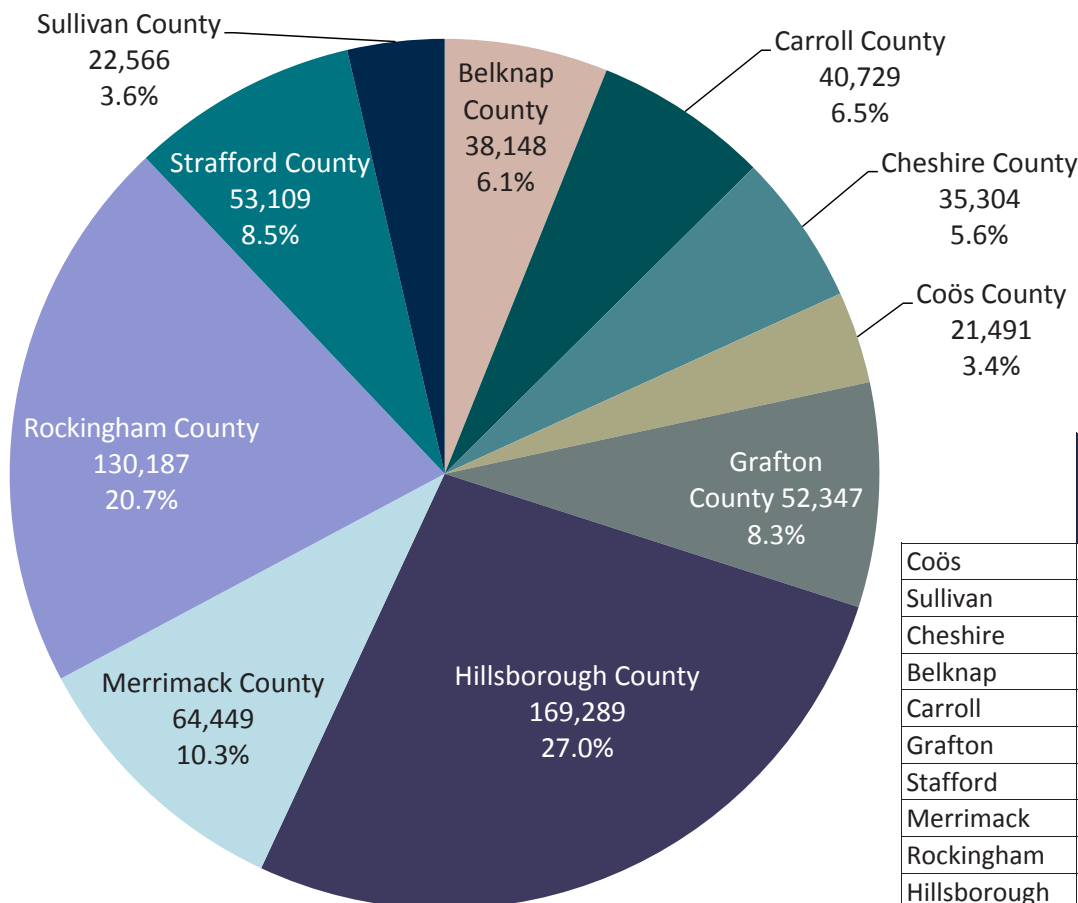
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Share of New Hampshire Total Housing Units by County



New Hampshire
County Share of
Housing | Population

County	Housing Share (%)	Population Share (%)
Coös	3.4%	2.4%
Sullivan	3.6%	3.2%
Cheshire	5.6%	5.7%
Belknap	6.1%	4.5%
Carroll	6.5%	3.6%
Grafton	8.3%	6.7%
Stafford	8.4%	9.5%
Merrimack	10.3%	11.1%
Rockingham	20.7%	22.7%
Hillsborough	27.0%	30.5%

Source: 2013-2017 American Community Survey 5-Year Estimates, Table CP04: COMPARATIVE HOUSING CHARACTERISTICS

¹ 2013 – 2017 American Community Survey 5-Year Estimates, Table CP04: Comparative Housing Characteristics. The most recent data available for all counties in New Hampshire.

Comparisons of the Median Purchase Prices of Housing among New Hampshire Counties

In 2018, the median residential purchase price in New Hampshire was \$251,000. There are various types of housing, from new and existing homes to single homes and condominiums.² While housing statistics typically include only units with two bedrooms, for this discussion, all bedroom sizes have been included, helping to provide a broader view of purchase prices.

The four counties with the largest shares of both population and of housing stock, Rockingham, Hillsborough, Merrimack, and Strafford Counties, also had the highest median purchase prices, ranging from \$239,933 in Merrimack County to \$326,000 in Rockingham County.

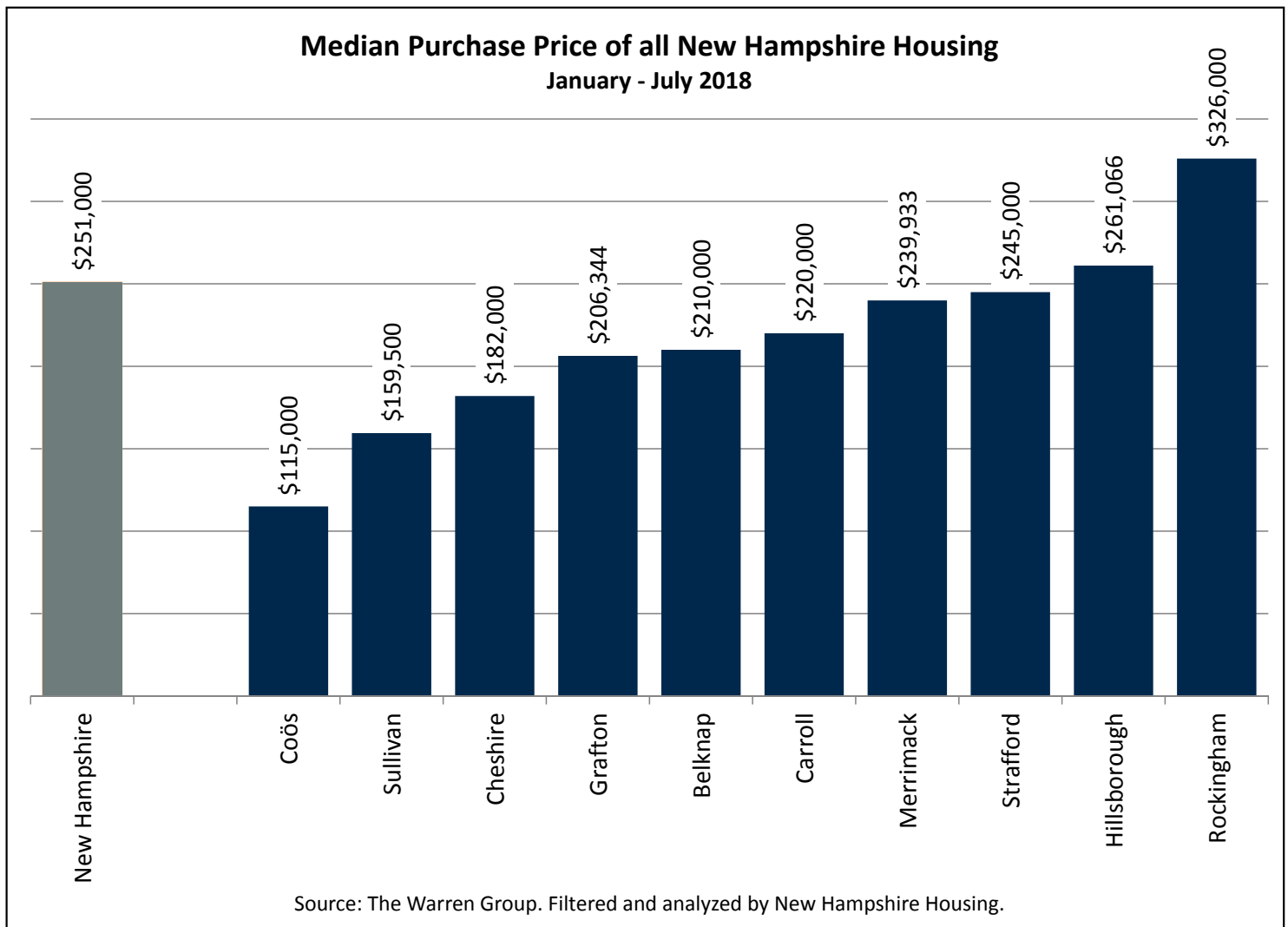
The median purchase price in the three counties with the smallest share of housing units, Coös, Sullivan, and Cheshire Counties, had the lowest median purchase prices, all below

the statewide median of \$251,000. The purchase prices in these three counties ranged from \$115,000 in Coös County to \$182,000 in Cheshire County.

Belknap and Carroll Counties had fairly similar shares of housing units, around six percent, while each also had fairly small shares of population, less than five percent. The median purchase prices of \$210,000 in Belknap County and \$220,000 in Carroll County surpassed the price of \$206,344 in Grafton County, which had both a larger share of housing units as well as a larger share of population. These three counties had the largest shares of vacant housing units identified as occupied for seasonal, recreational, or occasional use only.³

Comparisons of Housing Rental Costs among New Hampshire Counties

In 2018, the results of the Rental Cost Survey conducted by the New Hampshire Housing Finance Authority indicated the median monthly gross rent for two bedroom units in



² Data include only homes for primary occupancy, data do not include land, multifamily homes, seasonal or vacation property, or manufactured homes.

³ U.S. Census Bureau, 2013 – 2017 American Community Survey 5-Year Estimates. Table: B25004 Vacancy Status. <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

	Median Rent 2018	Change 2008	Change 2008 to 2018	2008 Adjusted by CPI	Revised Change 2008 to 2018
Belknap County	\$1,071	\$927	15.5%	\$1,067.54	0.3%
Carroll County	\$1,077	\$935	15.2%	\$1,076.75	0.0%
Cheshire County	\$1,068	\$1,052	1.5%	\$1,211.49	-11.8%
Coös County	\$861	\$639	34.7%	\$735.88	17.0%
Grafton County	\$1,146	\$871	31.6%	\$1,003.05	14.3%
Hillsborough County	\$1,368	\$1,082	26.4%	\$1,246.04	9.8%
Merrimack County	\$1,160	\$1,019	13.8%	\$1,173.49	-1.1%
Rockingham County	\$1,456	\$1,182	23.2%	\$1,361.20	7.0%
Strafford County	\$1,174	\$965	21.7%	\$1,111.30	5.6%
Sullivan County	\$971	\$836	16.1%	\$962.74	0.9%
New Hampshire	\$1,296	\$1,044	24.1%	\$1,202.28	7.8%

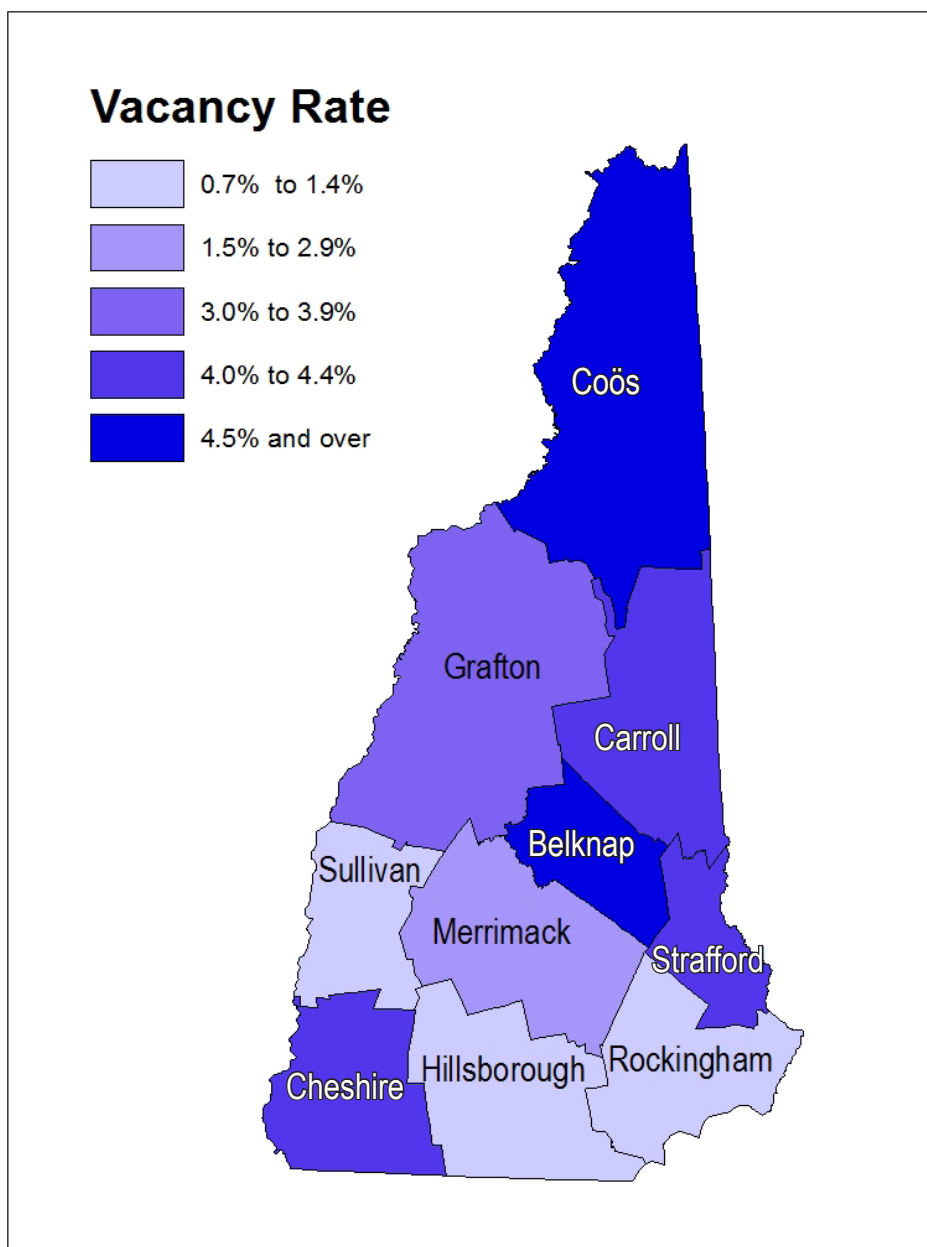
Source: New Hampshire Housing's Annual Residential Rental Cost Survey

New Hampshire was \$1,296.⁴ Comparing the gross rent of \$1,044 to gross rent in 2018 without adjusting for inflation was an increase of just over 24 percent. Adjusted for inflation, the 2008 median monthly gross rent would be \$1,202,⁵ showing a 7.8 percent increase when compared to the 2018 gross rent.

However, the same comparison conducted by county provided very different results. The median monthly gross rent for two bedroom units in five counties were either short of inflationary effects or barely matched them, while median rental costs in the other five counties showed statistically significant increases after adjusting for inflation.

The unadjusted over-the-decade increases of 1.5 percent in Cheshire County and 13.8 percent in Merrimack Counties, translated to -11.8 percent and -1.1 percent change, respectively, when 2008 median rents were adjusted for inflation. In Belknap, Carroll, and Sullivan Counties, the unadjusted increases of between 15 and 16 percent barely matched costs when adjusted for inflation.

Even with the lowest median rental cost in 2018, rental costs in Coös County had the largest percent increase over the period, regardless of adjustment for inflation. The increase in median gross rent in Coös County was followed by Grafton, Hillsborough, Rockingham, and Strafford Counties.



⁴ New Hampshire Housing Finance Authority. *New Hampshire Housing's Annual Residential Rental Cost Survey*

⁵ U.S. Department of Labor, Bureau of Labor Statistics, *CPI Inflation Calculator*. Period from June 2008 to June 2018. https://www.bls.gov/data/inflation_calculator.htm

Discussing the change over the period lends a different perspective to the rental costs by county than simply comparing median rental costs themselves.

Rental Units Vacancy Rates

In 2018, New Hampshire’s vacancy rate for all rental units was 2.1 percent. Similar to highest median purchase prices, the lowest vacancy rates were reported in the two southernmost counties, Hillsborough and Rockingham Counties, along with Sullivan County.

The next lowest vacancy rates, less than 3.0 percent, were in Merrimack County and vacancy rates in Grafton County were just shy of 4.0 percent.

The vacancy rate in three counties, Carroll, Cheshire, and Strafford were reported between 4.0 and 4.5 percent and only two counties, Coös and Belknap had 5.0 percent or higher vacancy rates for all rental units.

National Comparisons of Affordability - Housing Opportunity Index (HOI)

The Housing Opportunity Index (HOI) for a given area is defined as the share of homes sold in that area that would have been affordable to a family earning the local median

income as published by the Department of Housing and Urban Development, based on standard mortgage underwriting criteria. Therefore, there are two major components -- income and housing cost.⁶ Due to the small population in New Hampshire, only two metropolitan areas met the size qualifications to be included in the index: Rockingham and Strafford Counties, and Manchester-Nashua metropolitan areas.

In 3rd Quarter 2018, the index for the Manchester-Nashua, NH area was ranked 96 out of 239 metropolitan areas nationally in the Affordability Rank, and 25th in the region, with 71.7 percent of homes available in the affordable price range. At the same time, the Rockingham County-Strafford County, NH area index ranked 116th nationally, and 33rd in the region. According to the results from the National Homebuilders’ Association, 67.4 percent of houses were available within the affordable range.

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Housing Opportunity Index: 3rd Quarter 2018					
By Affordability Rank					
Metro Area	HOI 3rd Qtr 2018 Share of Homes Affordable for Median Income	2018 Median Family Income (000s)	3rd Qtr 2018 Median Sales Price (000s)	3rd Qtr 2018 Affordability Rank	
				National	Regional
Manchester-Nashua, NH	HOI 3rd Qtr 2018 71.7	2018 94.1	3rd Qtr 2018 265	3rd Qtr 2018 96 25	
Rockingham County-Strafford County, NH ^{^^^}	67.4	101.3	295	116 33	

^{^^^} Indicate Metropolitan Divisions. All others are Metropolitan Statistical Areas.

Source: National Association of Home Builders

⁶ National Association of Homebuilders. Rank of one (1) indicates most affordable. <https://www.nahb.org/en/research/housing-economics/housing-indexes/housing-opportunity-index.aspx>