

# Demographics and Housing

*Housing and demographics analyses provide a context for and discussion of change within the Town of Durham. This chapter examines both historic trends and future projections of population change, economic growth, and housing.*

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# Our Vision

*In 2025 and beyond, Durham is home to an increasingly diverse population, drawn by rich cultural and natural resources, the University of New Hampshire, and outstanding access to the Seacoast region of New Hampshire. Durham provides affordable housing opportunities in safe, healthy, and dynamic neighborhoods for all; from working families, to the elderly, professionals of all ages, retirees, and students. Driven by a strong base of young families within the community and region, Oyster River Cooperative District continues to maintain high education standards while sustaining stable enrollment rates. Existing and new housing stock is both environmentally conscious and “Durham-compatible”, meaning that it provides high-quality, attractive spaces to owners and renters while balancing itself with Durham’s rich natural and historic resources and assets. Vibrant public and private spaces have been created through innovative partnerships between the Town of Durham and the University of New Hampshire.*

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# Qualifications

The Demographics and Housing chapter is intended to provide a “30,000-foot” level analysis of trends related to housing demand and supply, population demographics, and basic economic characteristics. Comparative analyses between the Town of Durham, Strafford Regional Planning Commission planning region, and State of New Hampshire are provided as a contextual tool for informing readers. While this chapter does provide a snapshot view, it is not a comprehensive study.

Findings are based largely on 2010 decennial Census 100% Count datasets, with support from American Community Survey 2012 5-Year Estimates. However, several locally produced datasets including, but not limited to, the 2014 Student Housing Tally, 2014 Assessing Data, and 2011 Town Wide Market Analysis (Development Concepts, Inc.) were employed. American Community Survey Estimates, as a sample-derived dataset, present high margins of error and therefore limited accuracy. However, in many instances these data represent the best available information, and are therefore the basis for many elements of analysis within this chapter.

Additional difficulties with American Community Survey and decennial Census datasets arise in University communities with large transient student populations. The 2011 Town Wide Market Analysis anecdotally notes Boston’s population margin of error as 100,000 people, a product of its many universities. As a result, estimates related to demographics, housing, and economic characteristics should be treated carefully by those reviewing this document.

This chapter is intended to provide decision makers with the best possible available information for making choices for Durham. The above qualifications represent why the datasets included may not be precise enough to arrive at definitive and/or conclusive results. The analyst’s interpretation of these datasets must be considered when reviewing this chapter, though data analysis best practices were utilized.

## Geographic Definitions

### Portsmouth-Rochester, NH

#### HFMR Area

HUD Fair Market Rent Area or HFMR is a data analysis geography for use in regional housing analyses. The Portsmouth-Rochester HFMR is comprised of: Brentwood, East Kingston, Epping, Exeter, Greenland, Hampton, Hampton Falls, Kensington, New Castle, Newfields, Newington, Newmarket, North Hampton, Portsmouth, Rye, Stratham, Barrington, Dover, Durham, Farmington, Lee, Madbury, Middleton, Milton, New Durham, Rochester, Rollinsford, Somersworth, and Strafford.

### Strafford County

Strafford County is located in the southeastern portion of the State of New Hampshire, to the west of Maine and north of Massachusetts.

### Strafford Region

The Strafford Region is comprised of 18 communities ranging from Wakefield in the north, Northwood to the west, Newmarket to the south, and Rollinsford to the east.

### State of New Hampshire

New Hampshire is located within the New England region. Bounded by Maine, Massachusetts, Vermont, and Canada, it is the fifth smallest state by land area and ninth smallest by population.

# Foundation

The following is a summary of relevant comments and input submitted during the 2011 Visioning Forum and 2011 Master Plan Survey, completed by the Town of Durham. Results of these engagement opportunities form the foundation of this Housing and Demographics chapter while providing a lens of public perception and interest surrounding these topics.

## 2011 Visioning Forum

### What Do We Look Like?

- Too homogenous
- Housing stock for students is high quality
- Durham does care about how students feel welcome here
- Has marked lack of affordable housing for those with “typical” jobs
- Lack of starter homes, losing population in homes
- Taxes are onerous for young families
- Smaller homes often go to landlords rather than families
- Quality of housing is deteriorating
- Need to emphasize elderly housing
- Loss of historic homes to rental uses
- Great to have student housing, but must be more compatible

### What Will We Look Like?

- Have a presence of a community-based agency to advocate for housing
- Balances new housing with the environment
- Will have housing policies committed to keeping young people here
- Durham and UNH will undertake a joint housing initiative
- Will be a variety of housing options for all types/sizes of households
- Increased presence of workforce housing

## 2011 Master Plan Survey

### Support for:

- Promotion of affordable and attractive housing options
- Continuing the redevelopment of existing structures
- Providing local employment opportunities
- Allow more flexibility for in-law apartments
- Expanding family rental housing opportunities
- Providing more affordable housing for:
  - Working individuals and families
  - Young families
  - Seniors
- Having diverse mix of housing options in downtown area
- Creating housing with shared community facilities
- Pursuing multi-unit housing outside of downtown area
- Policies that allow seniors on limited or fixed income to stay in Durham

Support for housing types:	
Single-Family	84%
Two-Family	66%
Multi-Family	38%
Apartment Buildings	41%
Townhouses	67%
Condominiums	67%
Senior Housing	69%
Conversion of owner-occupied to apartments	22%
Manufactured Homes	24%
Manufactured Homes/Mobile home parks	7%
Conservation Subdivisions	78%

# Population Characteristics

*Population demographics shape the nature and rate at which changes occur within a community. By conducting an analysis of historic trends, existing conditions, and future projections, Durham seeks to arrive at well-articulated planning goals for its land, housing, infrastructure, and services. The Population Characteristics element of the master plan incorporates diverse datasets related to population, enrollment, employment, and income in an effort to paint a rich mosaic of Durham's diverse population.*

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# Historic Population Trends

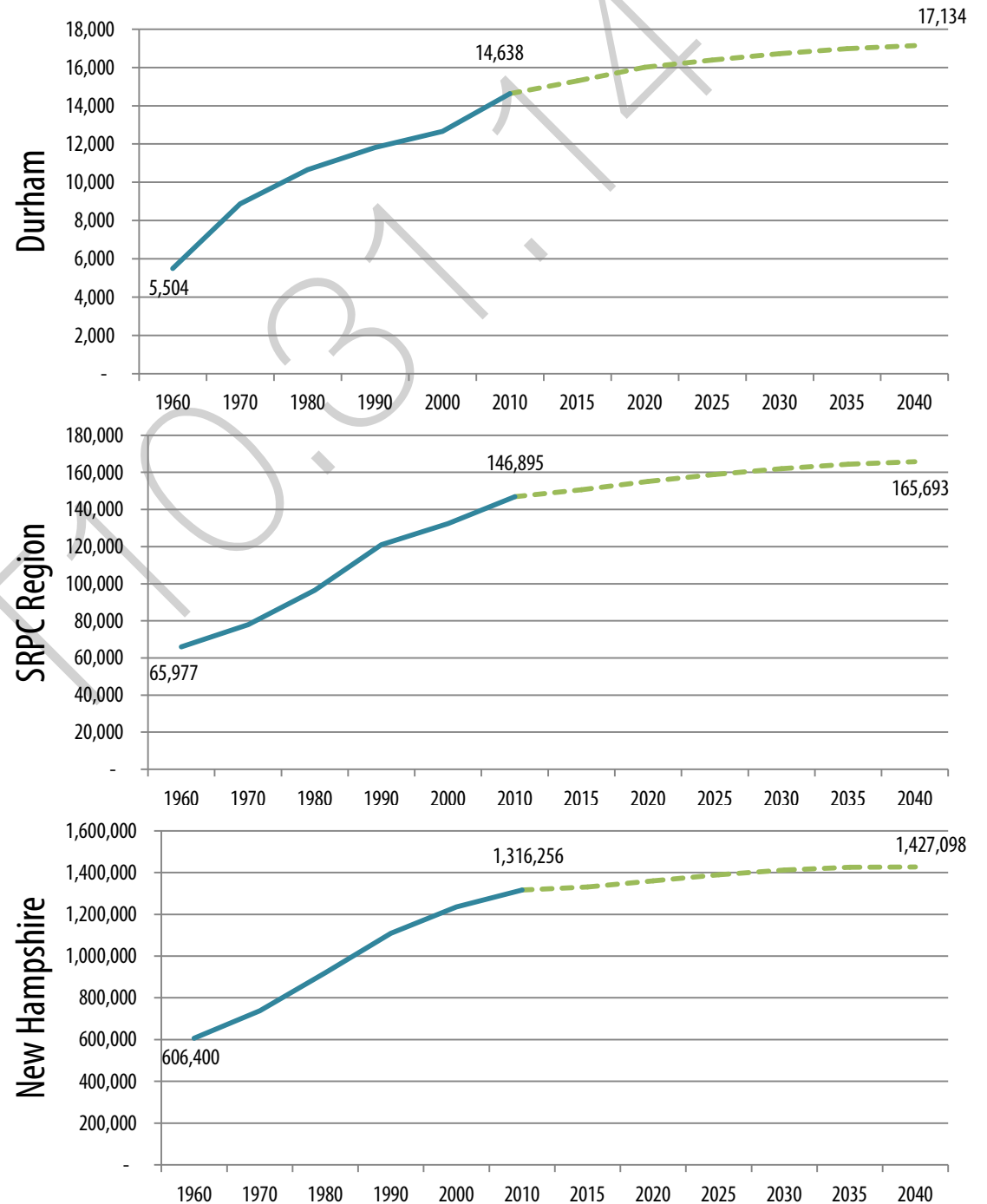
For the purposes of this analysis, Census population figures, including both full-time residents and part-time residents (students) are utilized.

In the years between 1960 and 2010 Durham’s total population (full-time residents and student population) grew at a relatively consistent yet high rate. In this fifty year period Durham grew by 165%, an average of 1,800 residents per decade. Rapid growth occurred not only in Durham, but also in adjacent communities and the State of New Hampshire, which grew by 123% and 117% respectively. Nevertheless, the Durham growth rate was significantly higher, placing additional strain on the community to provide services for a rapidly increasing population.

As of the 2010 Census Durham’s total population was just shy of 15,000. The 2011 Town Wide Market Analysis performed by Development Concepts, Inc. estimates that approximately 58-60% is University of New Hampshire students. Therefore, Durham’s full-time resident population is estimated to be between 5,855 and 6,148 individuals.

Historic and Projected Population 1960-2040

Source: RLS, OEP, Census



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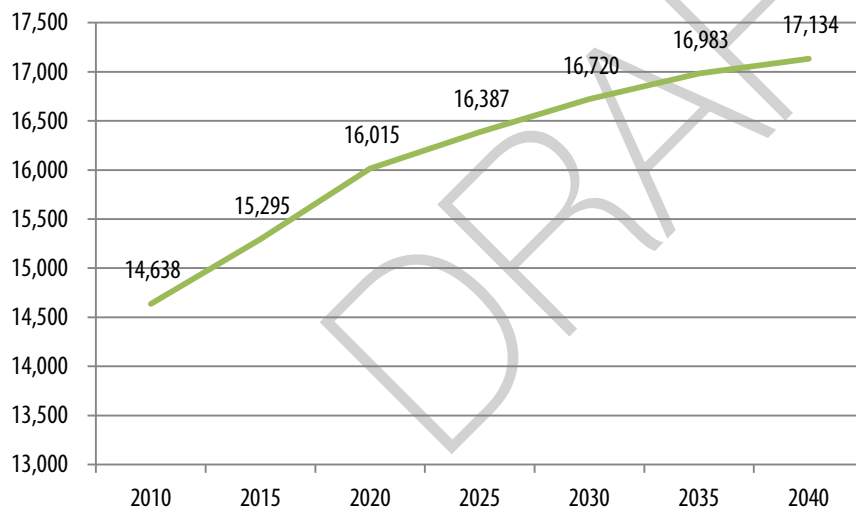
# Projected Population Trends

Population projections are paramount for gathering a complete picture of possible future demand on housing, infrastructure, and services within a community. The Office of Energy and Planning, in partnership with New Hampshire's nine Regional Planning Commissions, completed population projections in the spring of 2014 on both a county and municipal level through year 2040. The methodology for these projections can be found at right.

These projections estimate that Durham is expected to grow by an average of 832 residents per decade through 2040. Between 2010 and 2040, this will result in an overall growth of 17% in population, which is nearly twice the projected rate for the State of New Hampshire during the same period. On a broader geography, the Strafford region is and will continue to be the fastest growing region in the state, and is expected to grow on pace with Durham, a 13% increase in the 30-year projection period.

## Durham Projected Population

Source: OEP, RLS



## Methodology: Municipal Population Projections

*The projections are done in five-year intervals, and are consistent with the county population projections in the report titled: State of New Hampshire, Regional Planning Commissions, Office of Energy and Planning - County Population Projections, 2013 By Age and Sex.*

*The method used to develop these municipal level projections starts with the above forecast for total population for each county in New Hampshire. Because these numbers are controlled to the county and state projections, these numbers are considered reasonable in the aggregate as well as at the local level.*

*Next, the town/city share of county population in the 2010 Census (with the Census revisions) was developed and compared to the 2000 Census share of county population for each town/city in that county.*

*This analysis revealed that the share of each municipality's population (relative to the county) has been changing over time. To confirm the observed trend, municipal shares of the county population were examined for the Census years 1970, 1980, and 1990. That analysis confirmed the observed trend in changing shares over time.*

*The methodology used to allocate the county population projections to the municipalities assumes that the 2000 to 2010 shift in share (municipality as a share of the county) will continue into the year 2020. The method attempts to account for a community's share of the county's recent population change, rather than assuming an unchanging share of the county's total population.*

*Next, that share of the municipality's population relative to the county's population is frozen at the 2020 share level (held constant) through the remaining 20 year projection period (2020 to 2040).*

Source: NH Office of Energy and Planning

# University of New Hampshire Enrollment

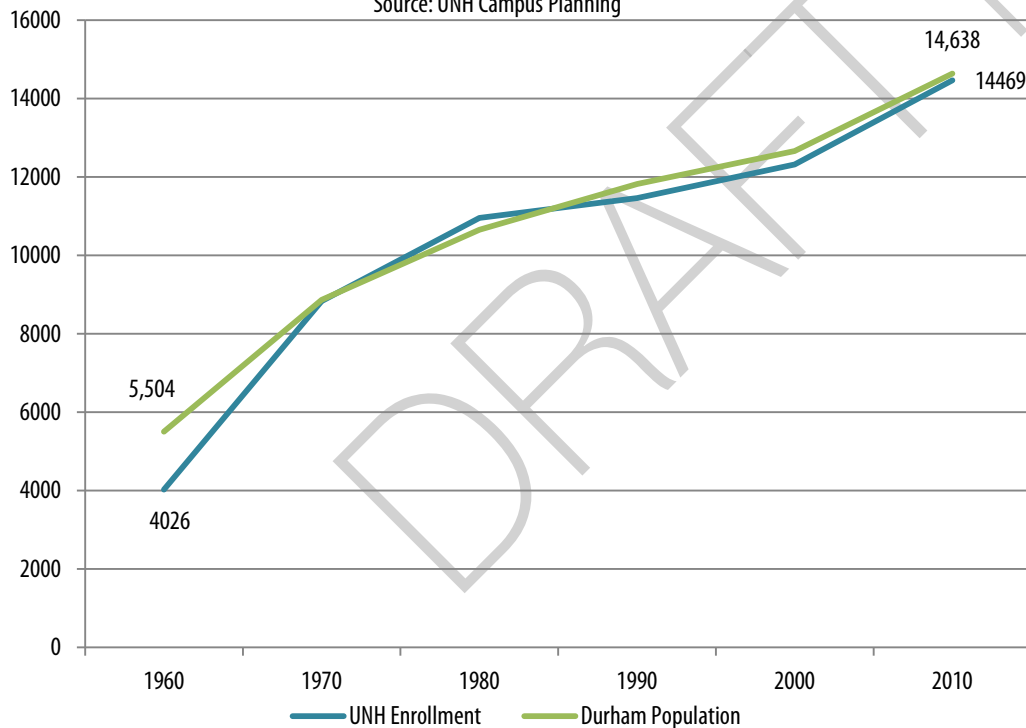
The University of New Hampshire, which accounts for between 55-60% of Durham's nearly 15,000 residents, has grown in parallel with Durham's full-time resident population, as displayed below. Between 1960 and 2010, UNH experienced a 259% increase in enrollment while Durham grew by 166%. Despite this disparity, both grew by around 10,000 in absolute value. A sharp increase occurred between 1960 and 1970, leveled between 1970 and 2000, and experienced higher growth between 2000 and 2010.



The University typically projects a 0.5% growth in enrollment annually. However, emerging education alternatives to traditional classroom-based learning represent a possible catalyst for stabilization, or even a decrease, in enrollment in future years.

### Historic UNH Enrollment

Source: UNH Campus Planning



Quick Fact: 2013 UNH Enrollment: 14,954

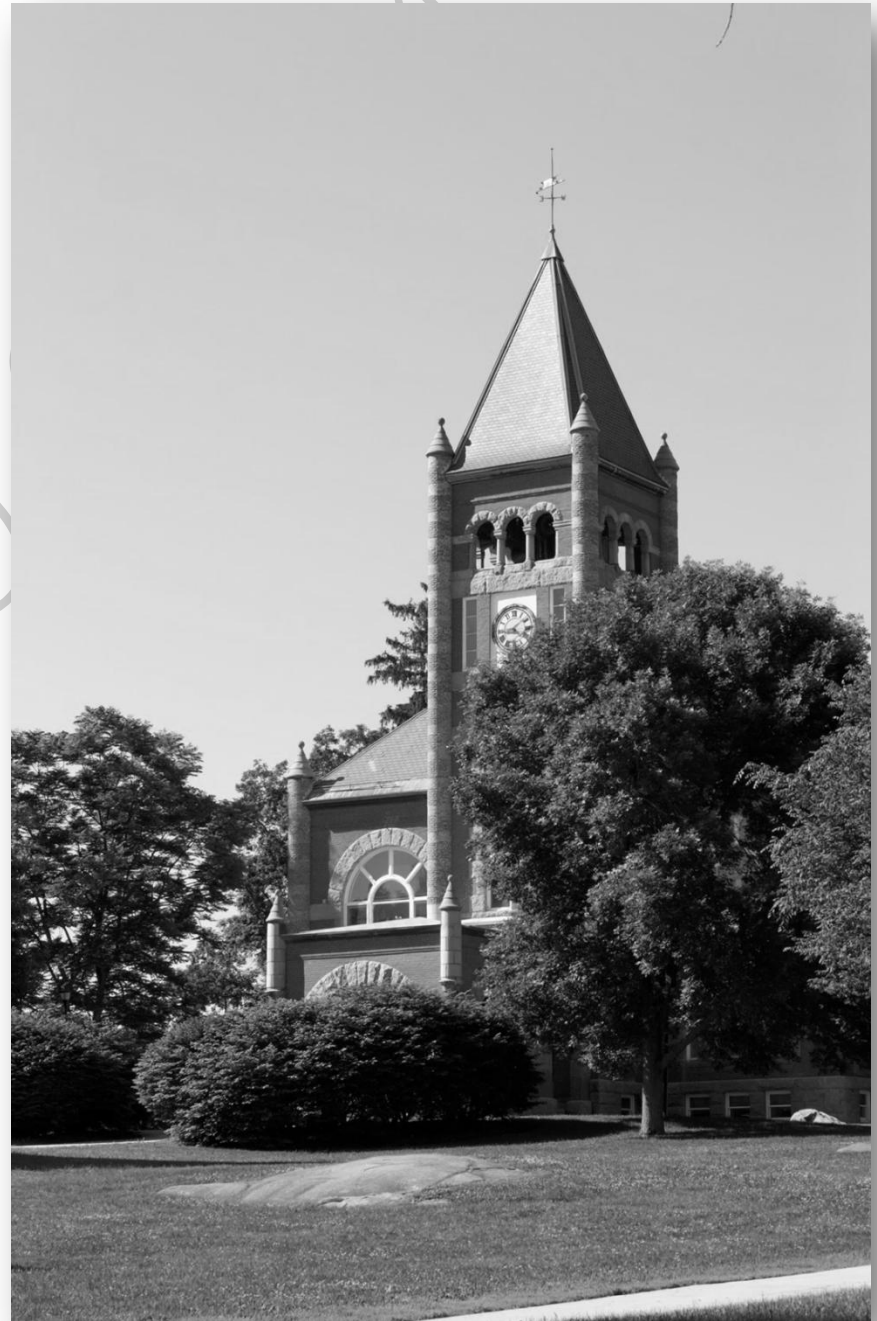


Photo: Thompson Hall, University of New Hampshire, Olivier Aumage

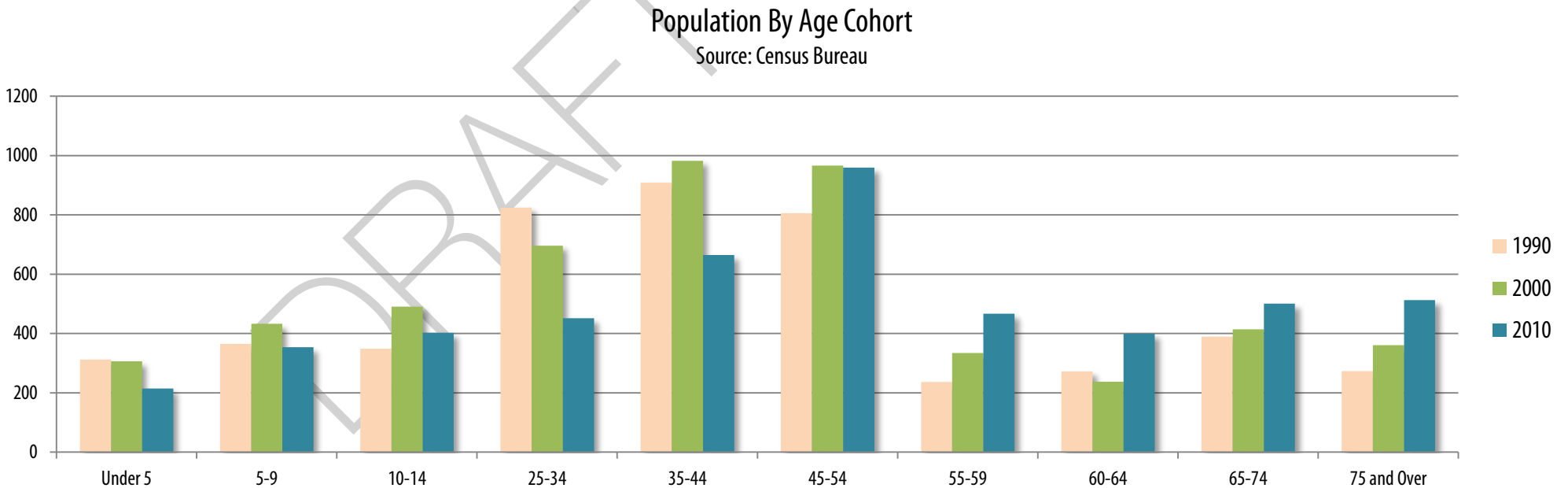
# Age Characteristics

Durham’s age characteristics are highly unique because of the Town’s ‘college-town’ profile. According to 2010 Census data, nearly 67% of the total population are between the ages of 15 and 24. However, these estimates include student population and therefore are not appropriate for age cohort analysis. As a result, these highly volatile cohorts were removed from the “Population by Age Cohort” chart below. It should be noted that there is a fairly significant cohort of full-time residents within the 15-19 age cohort: high-school students.

Two trends are revealed in the chart below. First, between 1990 and 2010, Durham experienced a noticeable drop in 25-44 age individuals. Second, in the same period, the Town witnessed an increase in 55+ age population. This aging population trend is occurring across many of New Hampshire’s communities. Dubbed the ‘silver tsunami’ by demographers and planners, this ‘tsunami’ is the product of the shifting of baby-boom generation individuals into older age cohorts. With the noticeable decrease in 25-44 age individuals, those typically having school-age children, a drop in 0-14 age population occurred, particularly in the decade between 2000 and 2010.

Age Cohort	Population	Percentage
Under 5	214	1%
5-9	353	2%
10-14	402	3%
15-19	4222	29%
20-24	5490	38%
25-34	451	3%
35-44	664	5%
45-54	959	7%
55-59	466	3%
60-64	399	3%
65-74	500	3%
75 and Over	512	3%
<b>Total</b>	<b>14638</b>	<b>100%</b>

Source: Census Bureau



## Population, School-Enrollment, and Housing

Two observable demographic shifts are occurring not only in Durham, but across much of New Hampshire, and the nation. Though some states have been able to endure changing age demographics by attracting heavy in-migration from immigrant populations, New Hampshire's population is rapidly aging while communities are experiencing a observable decline in families, children, and school enrollment. As part of its 2012 *Housing and School Enrollment in New Hampshire: 2000-2010-A Decade of Change* study, New Hampshire Housing and Finance Authority suggests that demographics can have a greater influence on enrollment figures than housing growth/construction. In the decade between 2000 and 2010, New Hampshire communities gained nearly 45,000 housing units, but lost nearly 21,600 school enrollees. Of the state's 161 school districts, 130 experienced a decline in enrollment, including ORCSD.

In 2000, Durham, like many other communities in the State, attempted to address the cost of educating new students coming from new housing unit construction. New housing unit construction was heavily discouraged in the 2000 iteration of the Master Plan, while the provision of age-restricted senior housing was addressed as a goal by the community. In 2014 the demographic playing field has changed. Family households are in decline with a rapidly growing number of housing units occupied by only one person or multiple unrelated individuals living together to minimize costs. Despite construction of new single-family homes and multi-family units in some New Hampshire communities, these projects typically produce only .64 and .17 students per unit respectively. Declining or stagnating enrollment, once considered a goal of some communities like Durham, is now costing taxpayers more as they work to pay for fixed education costs like maintenance and staffing. Furthermore, state-funding, often based on a student-enrollment funding formula, is also declining.

With slow growth projected for much of New Hampshire, enrollment numbers are not expected to return to 1990-2000 levels. Many school districts now have a surplus of capacity that must be addressed. Communities must begin to take action to improve the overall fiscal health of their education system by addressing the provision of affordable and attractive family housing stock that will increase property tax revenues. Durham is no exception.

**Quick Fact: 130 of 161 NH's school districts experienced a decline in enrollment between 2000 and 2010**

Source: Housing and School Enrollment in New Hampshire: 2000-2010-A Decade of Change

*"Towns may not refuse to confront the future by building a moat around themselves and pulling up the drawbridge. They must develop plans to insure that municipal services, which normal growth will require, will be provided for in an orderly and rational manner. Any limitations on the expansion must not unreasonably restrict normal growth."*

Source: Wayne Britton v. Town of Chester

# School Age Population

As of 2014 ORCSD had 2,058 classroom/non-tuition enrollees. According to 2013 projections, enrollment will continue to decline through 2015 to a level below 2,000 students. It is expected that this trend will continue within Durham at an accelerated rate as the community ages. In the 20-year period between 1990 and 2010, Durham's school age population, defined as 19 and below, increased by more than 700. However, taking into account population and increases in UNH enrollment at ages 17, 18, and 19, school age children actually represent a small percentage of total population. Children age 0-9 actually decreased by 16%, a result of fewer families with young children.

SRPC has developed Durham ORCSD enrollment projections to a horizon year of 2040 in parallel with OEP estimates. These projections account for a decrease in 25-55 population (those cohorts typically having families) and an observed decline in overall enrollment between 2000 and 2010. Those projections are presented on page 13.

## Quick Fact: ORCSD Enrollment Decline 2000-2012: -14%

Source: ORCSD

Oyster River Cooperative School District Enrollment  
Source: ORCSD

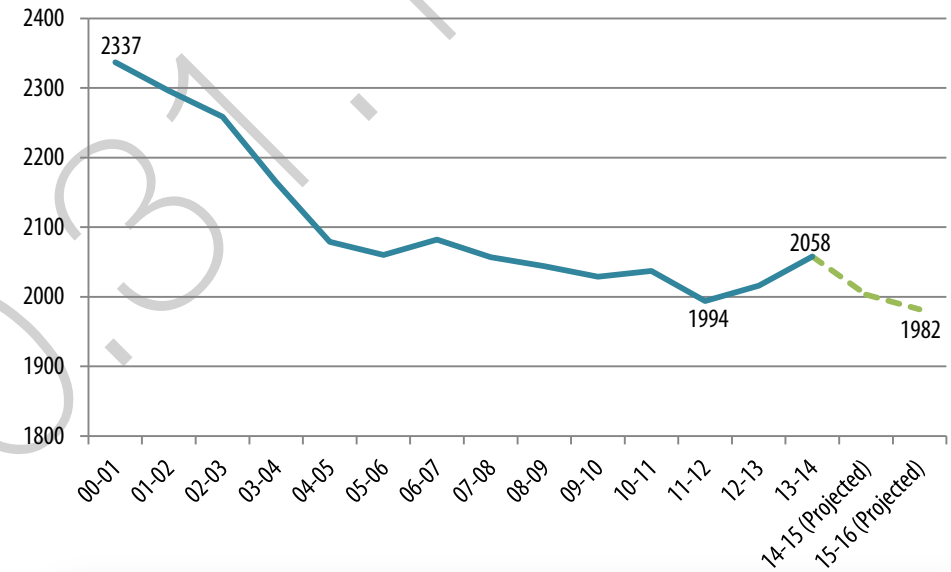


Table 2: School Age Children

	1990	2000	2010	Total Change 1990-2010	Percent Change 1990-2010
Under 5	312	306	214	-98	-31%
5-9	364	432	353	-11	-3%
10-14	348	490	402	54	16%
15-19	3464	3161	4222	758	22%

### Definition: Oyster River Cooperative School District

*"The Oyster River Cooperative School District serves the contiguous Town communities of Durham, Lee, and Madbury..."*

Source: orcsd.org



Photo: Oyster River High School, Larry Clow (wirenh.com)

# Enrollment Projections

The projections below for Durham enrollment in the Oyster River Cooperative School District are intended to account for the decline in young families as well as change in population anticipated by the OEP 2010-2040 projections. For a detailed methodology describing the assumptions and equations used here, please see the box at right.

Unlike the OEP municipal level projections that show moderate growth for the community out to 2040, SRPC's Durham enrollment projections suggest a loss in enrollment that continues until 2015. After 2015, enrollment numbers are projected to increase at a slow pace until the final study year of 2040. Between 2010 and 2040 Durham's 17% total population projected growth rate will be contrasted by a growth rate of only 4% overall in enrollment.

Durham's 2000 Master Plan anticipated a growth rate of 38.7% in Durham enrollment (410 students) by year 2010. Durham actually experienced a 12% loss in enrollment. Furthermore, the 2000 Master Plan, expected an increase of 80% by year 2020 to 1,910 students. SRPC projections estimate that by 2020 Durham will enroll only 907 students.

For more information, please see the Existing Land Use chapter.

## Methodology: Durham ORCSD Projections

### Enrollment Projection Methodology:

*Strafford Regional Planning Commission, in an effort to understand the potential long-term implications of decreasing Oyster River Cooperative School District enrollment from Durham, completed enrollment projections to year 2040 on a 5-year basis. These projections were built using the work of the New Hampshire Office of Energy and Planning, RLS Demographics, and New Hampshire nine Regional Planning Commissions.*

*The first step in the projection process was to understand the change in family-age population (25-54 year old individuals) from 2000 to 2010. SRPC discovered that Durham had lost 21.6% of its total family-age population in this period. In order to create 5-year a projection, this percentage was then halved, resulting in a -10.8% 5-year growth rate in families. For the purposes of the projections, SRPC assumed that a 10.8% loss in family age population will occur on a 5-year period out to 2040.*

*As a next step, SRPC determined the 2010 ratio of family age population to total Durham population. Approximately 14% of Durham's total population qualifies within these cohorts. For the purposes of the projections, SRPC assumed a 14% family population make up, out to year 2040.*

*With the previous elements complete, SRPC calculated future Durham ORCSD enrollment by multiplying the OEP total population projection by the both 14% family-total population ratio and -10.8% growth rate to determine family age population. This family age population was then multiplied by the previous 5-year period's ration of family-age population to enrollment. For example:*

$$2015 \text{ OEP Population Projection: } 15,295$$

$$15,295 * .14 = 2,167 \text{ (family-age population with no loss)}$$

$$2,167 * .89221 = 1,933 \text{ (family-age population with 10.8% loss)}$$

$$1,933 * (929/2074) = 866 \text{ (family age population multiplied by ration of students to family-age population from 2010)}$$

$$\text{Durham ORCSD 2015 Enrollment} = 866 \text{ Students}$$

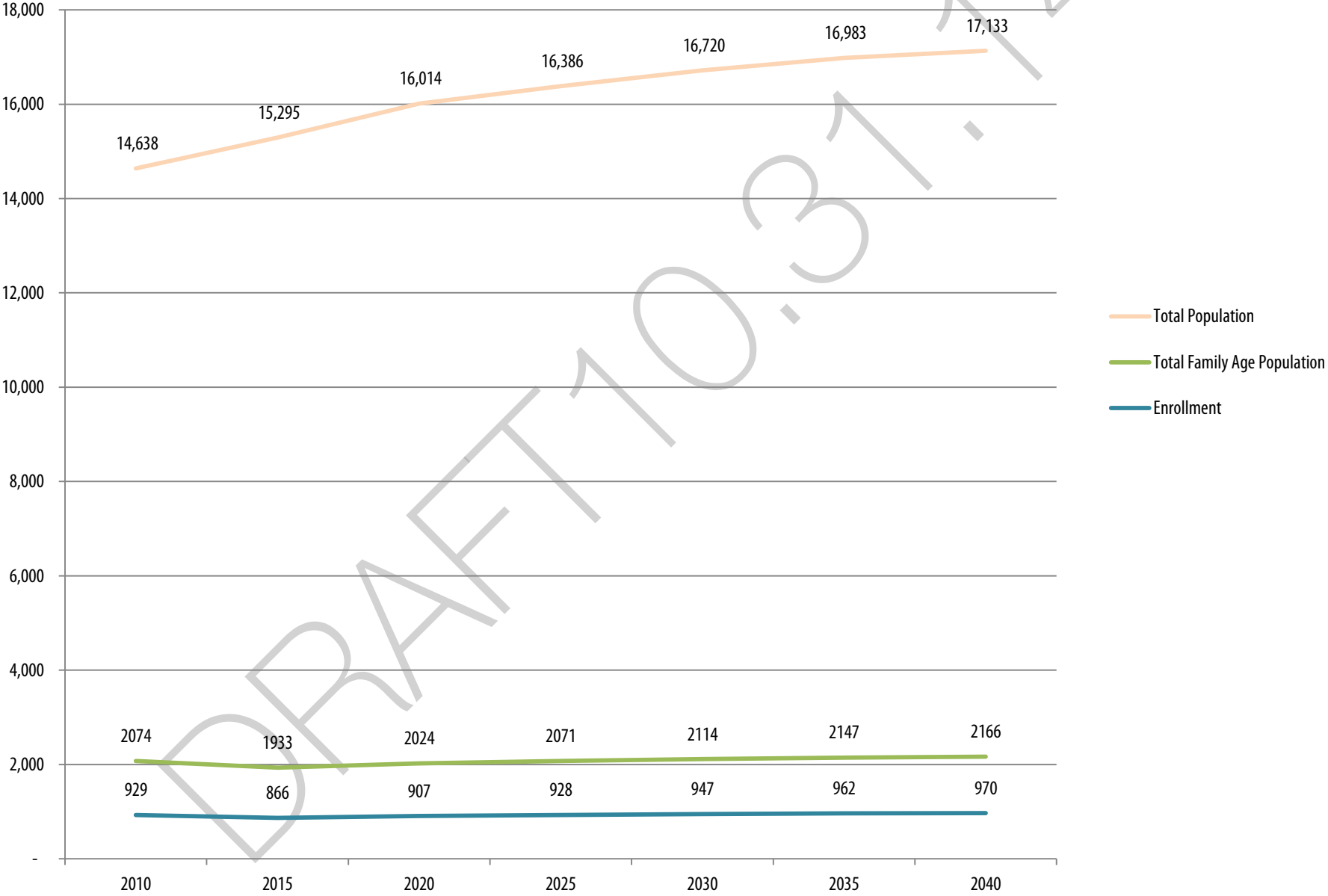
Source: SRPC

**Table 3: School Enrollment Projection**

	2010	2015	2020	2025	2030	2035	2040	Percent Change	Absolute Change
Total Population	14,638	15,295	16,014	16,386	16,720	16,983	17,133	17%	+2,495
Total Family Age Population	2074	1933	2024	2071	2114	2147	2166	4%	+92
Enrollment	929	866	907	928	947	962	970	4%	+41

# Durham ORCSD Enrollment Figures

Source: ORCSD, SRPC, OEP



# Housing

*Elements of this component are based upon the population and income characteristics and projections detailed above. An intimate understanding of the relationship between housing, demographic, and income traits is integral in gaining a complete picture of the past, present, and future of Durham. Within this section you will find information related to housing availability, affordability, quality, suitability, and of course, viability. Together these elements forge a strong foundation upon which goals and recommendations for the future of Durham's housing stock can be built.*

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## Households Type

Durham's existing housing stock is on its surface diverse in composition. As of 2010, the town was comprised of 1,713 owner-occupied units and 1,247 renter occupied units as identified by the Census Bureau. A 60:40 ratio is high both regionally and statewide. However, composition data is not truly representative of full-time resident renter and owner values because of a large volume of student rental housing. In total, 96% of Durham's housing stock is occupied, with a vacancy rate of only 4%. In the period between 1990 and 2010, nearly 600 housing units were added, of which around 2/3 were owner-occupied units, likely single family homes.

## Household Size

Household size changes from 1990 to 2010 indicate, in concert with population statistics, that Durham has experienced a change in demographics moving towards older, smaller households. While experiencing 70% and 31% growth in 1 and 2 person households respectively between 1990 and 2010, there was only a 21% and 14% growth in 3-Person and 4-Person households (those typically indicative of families).



Photo: Cottages of Durham, Chris Luker

**Table 4: Housing Unit Type**

	1990	2000	2010	Total Change 1990-2010	Percent Change 1990-2010	Composition 2010
Total Housing Units	2508	2923	3092	584	23%	100.00%
Occupied Units	2392	2882	2960	568	24%	95.73%
Vacant Units	116	41	132	16	14%	4.27%
Owner-Occupied Units	1357	1628	1713	356	26%	55.40%
Renter-Occupied Units	1035	1254	1247	212	20%	40.33%

Source: Census Bureau

## Household Size *(continued)*

Renter households have remained relatively static, though 2010 composition figures show a heavy concentration in the 1-Person and 2-Person sizes, likely young couples or graduate students. Interestingly, units greater than 4-Persons in size decreased in count from 1990 to 2010. This can be attributed to a decrease in interest from students for large-household living, smaller family size trends, or simply fewer large families.



## Family Households

There has been an observable change in family households in the study period between 1990 and 2010 decennial censuses. Of the 2,365 total households reported in the 1990 Census, 61% were self-identified as family households. Twenty years later, 2010 Census figures reveal that only 52% of total households are now of the 'family' type. This 10% decrease in families during the study period represents the larger trend of population loss in the 25-44 age cohorts, those that traditionally represent family-age individuals.

**Table 5: Household Size**

	1-Person	2-Person	3-Person	4-Person	5-Person	6-Person	7-Person	Total
<b>Owner-Occupied Units</b>								
2010	268	675	319	299	118	31	3	1713
2000	234	608	290	332	124	35	5	1628
1990	158	517	264	262	122	26	8	1357
<b>2010 Owner-Occupied Unit Composition</b>								
	16%	39%	19%	17%	7%	2%	0%	
<b>Renter Occupied Units</b>								
2010	477	336	220	149	33	20	12	1247
2000	347	264	207	265	72	92	7	1254
1990	338	289	145	170	52	31	10	1035
<b>2010 Renter-Occupied Unit Composition</b>								
	38%	27%	18%	12%	3%	2%	1%	

Source: Census Bureau

**Table 6: Family Households**

	Family Households	Total Households	Percentage Family
1990	1447	2365	61%
2000	1581	2882	55%
2010	1544	2960	52%

Source: Census Bureau

**Quick Fact: Durham has experienced nearly a 10% loss in family households from 1990-2010**

# Housing Unit Vacancy

The Town has exhibited variable housing unit vacancy numbers, dropping from 116 vacant units in 1990, to only 41 units, a 65% decline. In the years between 2000 and 2010, including the economic crisis of the mid-late 2000's, vacancy grew by over 200% to nearly 132 vacant units. Despite this variability, vacancy type has remained somewhat static in the 20-year study period. Some anomalies include: a large decrease in "for rent" units in 2000, very high number of "seasonal, recreational, or occasional use" vacancies in 2000, and high number of "rented, sold, not occupied" vacancies in 2000.

**Table 7: Housing Unit Vacancy by Type**

	Total Housing Units	Vacant Housing Units	Vacancy Type					
			For Rent	For Sale	For seasonal, recreational, or occasional use	For migratory workers	Other vacant	Rented, Sold, not occupied
2010	3092	132	31%	16%	18%	0%	27%	8%
2000	2923	41	10%	17%	42%	0%	15%	24%
1990	2508	116	35%	21%	9%	0%	16%	13%

Source: Census Bureau

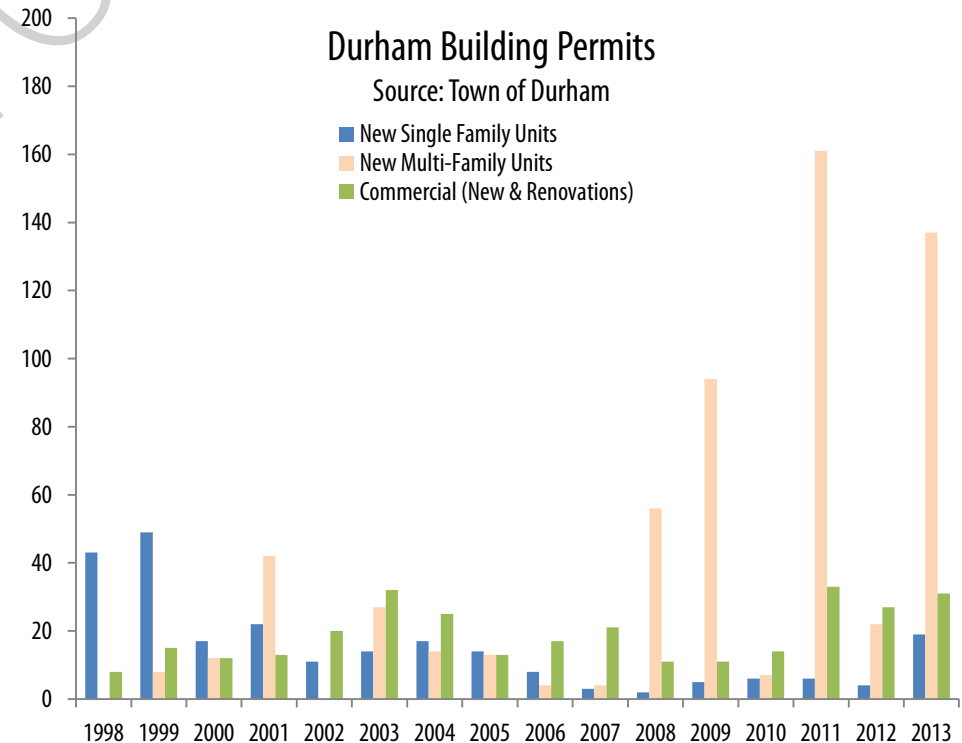
In conclusion, 1990 and 2010 decennial Census figures are very consistent by vacancy type while 2000 appears quite different.

# Building Permits and Development Patterns

In the past 15 years, Durham has experienced highly variable single- family and multi-family construction. Town of Durham building permit data show greater than 20 constructed units in the following years: 1998, 1999, and 2001. Single-family home construction reached a near standstill in the years of the economic crisis between 2006 and 2010.

On the heels of the 2000 Master Plan iteration, Durham adopted zoning to control single-family and multi-family development within the community. The result was a sharp decline in multi-family housing development. Following the housing market crash of the 2000's, increased interest in the development of student housing in Durham and the zoning changes in the Office, Research and Light Industry (ORLI) and Multiunit Dwelling/Office Research (MUDOR) districts created favorable conditions for developers, leading to large-scale, multi-unit residential developments in those areas.

Commercial permits, both new construction and renovation projects, remained relatively static during the 15-year study period, with small peaks in 2003 and 2011.



**Durham Building Permits**

Source: Town of Durham

- New Single Family Units
- New Multi-Family Units
- Commercial (New & Renovations)

# Home Values

Quick Fact: Durham's Median Home Value is approximately \$315,300

Source: Durham Assessing Database

According to the Town of Durham assessing database, Durham has approximately 1,570 single-family housing units. It is important to note that this count differs from 2010 Census count of 1,713 owner-occupied units. The average lot size for single family homes is approximately 2.7 acres. Housing stock age varies, though the average year of construction for single-family units is 1963 and median construction year is 1972. Assessing data also indicate a median total parcel and structure value of approximately \$315,300.

The chart below, extracted from Durham assessing data, represents a scatter plot of home values within the community. The majority of housing units, with parcel and structure, fall between \$200,000 and \$500,000 in value. However, all values range between a low of \$117,200 and a high of \$1,567,100. Few units fall between \$117,200-\$200,000 and \$500,000-\$1,567,100, the extreme areas of the range.



Photo: Homes of Durham, Town of Durham Planning Department

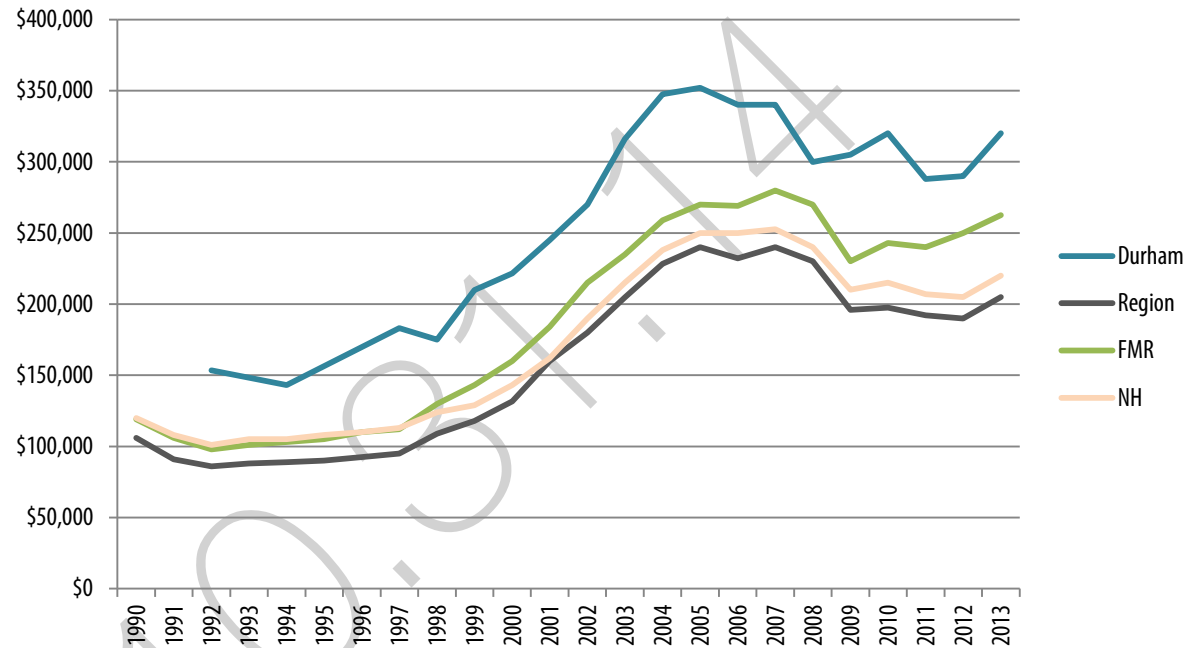


# Purchase Prices

Unfortunately, local assessing data cannot be used to compare Durham to state, regional, and housing area historic annual statistics; New Hampshire Housing Finance Authority datasets do allow for this analysis, and are used in the chart at right. Durham has maintained, in all historic data, higher median home values than all three comparison geographies. The Strafford region, which includes Strafford County, southern Carroll County, and northern Rockingham County communities, has consistently represented the lowest home values of these geographies. In 2004, a gap of greater than \$100,000 existed between Durham and regional values. The HUD area, including wealthier Rockingham County towns and cities, is closest in values to Durham. Interestingly, the 2013 median purchase price of \$320,000 is extremely close to the Durham assessing database median home value of \$315,300.

## Annual Median Purchase Prices

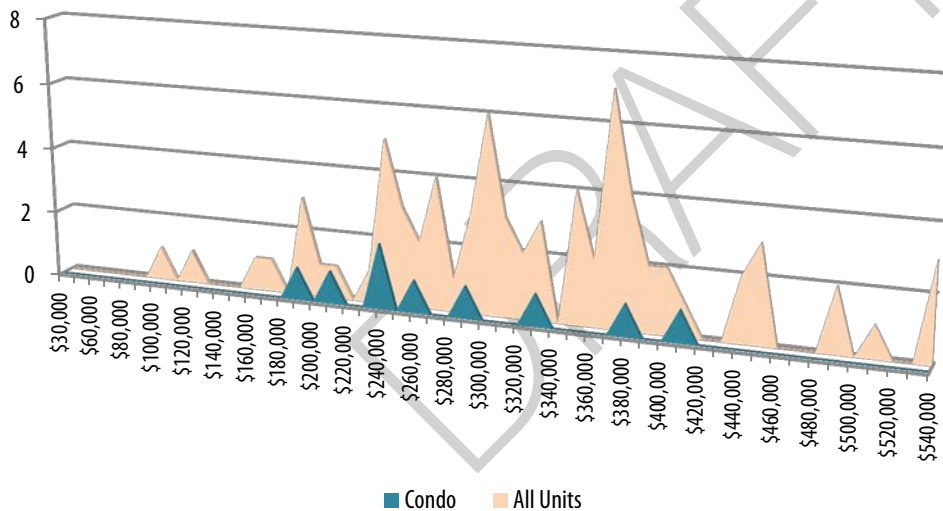
Source: NHHFA



## Purchase Price Frequency

New Hampshire Housing Finance Authority records a majority of home purchases/sales within each community including both single-family and condominium units. These data provide an opportunity for a snapshot-in-time analysis of the existing housing market. In 2013, 72 total purchases ranged from a minimum of \$90,000 to a maximum of \$510,000. In concert with Durham assessing data, the majority of sales occurred between the \$180,000 and \$460,000 range, with few outliers. The most frequent purchase price for the year 2013 was \$370,000.

According to New Hampshire Housing Finance Authority data condominium purchase prices ranged from \$190,000 to \$410,000, with a concentration at the \$240,000 price.



# Rental Cost

New Hampshire Housing Finance Authority, in its annual rental cost survey, collects sample data from landlords related to monthly rental prices. Unfortunately, NHHFA's sampling process excludes seasonal and student housing rentals. NHHFA's data illustrate a very affordable Durham rental market in comparison to the Strafford region, Portsmouth-Rochester HFMR, and State of New Hampshire. As of 2013, Durham's annual median rental costs were 19% lower than that of the region. However, in 2002, Durham's rental costs were 81% of the regional value, a testament to the high variability in NHHFA's sampling.

As a substitute for the NHHFA sample dataset, SRPC conducted a web-based rent sampling for new commercial student housing in downtown and peripheral areas of the community. Results indicate that values for 2-8 Bedroom apartments range from \$1,598 per month to \$6,040 per month - more than \$5,000 above the affordability range for rental units in the area. Similarly, per bed values in these units range from \$689 - \$1,069 per month.

### Annual Median Rental Prices

Source: NHHFA



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# New Hampshire's Workforce Housing Law

The cost to purchase a home or rent an apartment in Durham has risen substantially over the past decade and continues to remain considerably higher than comparable costs within the region, state, and HUD Fair Market Rent area. A shortage of affordable housing has continued to be an issue of concern in Durham, as well as the region and the southeastern area of New Hampshire for more than twenty years. Housing affordability is a concern from both social and economic perspectives. If households are required to pay a large portion of their incomes for housing it could result in a shortage of funds for other critical needs, such as food, health care, heating, etc. Furthermore, if inadequate affordable housing is available, it can adversely affect the area's businesses and public agencies by reducing the supply of workers required to fill a variety of needed job skills.

In effort to address these issues, the New Hampshire Legislature enacted new legislation in 2008 requiring all communities to support the creation of workforce housing through their land use regulations. New Hampshire Revised Statutes Annotated (RSA) 674:59, Workforce Housing Opportunities, states the following:

*"... ordinances and regulations shall provide reasonable and realistic opportunities for the development of workforce housing, including multifamily housing. In order to provide such opportunities, lot size and overall density requirements for workforce housing shall be reasonable. A municipality that adopts land use ordinances and regulations shall allow workforce housing to be located in a majority, but not necessarily all, of the land area that is zoned to permit residential uses with the municipality."*

## Defining Affordability

In the State of New Hampshire, affordability is defined as housing expenses when utilities and rent, or mortgage payments including utilities and insurance, are below 30% of the median household income. Further, in the RSAs, workforce housing is defined as housing for sale or rent, where homes for purchase are "affordable to a household with an income of no more than 100 percent of the median income for a 4-person household for the metropolitan area or county in which the housing is located" and rentals are "affordable to a household with an income of no more than 60 percent of the median income for a 3-person household for the metropolitan area or county in which the housing is located". The median incomes for 3 and 4-person respectively are defined by Fair Market Rent (HFMR) areas, or metropolitan and non-metropolitan counties set by Housing and Urban Development (HUD).

*Affordable Workforce Housing Rent Amount (including utilities) for Portsmouth-Rochester HFMR Area:*

$$\text{Rent (per month)} = \frac{((\text{household median income (3-person)} * 60\%) * 30\%)}{12 \text{ months}}$$

$$\frac{((\$79,300 * 60\%) * 30\%)}{12 \text{ months}} = \$1,189.5 \text{ per month}$$

*Affordable Workforce Housing Home Payment Amount (including mortgage, insurance and utilities) for Portsmouth-Rochester HFMR Area*

$$\text{Housing Expenses (per month)} = \frac{((\text{household median income (4-person)} * 100\%) * 30\%)}{12 \text{ months}}$$

$$\frac{((\$88,100 * 100\%) * 30\%)}{12 \text{ months}} = \$2,202.5 \text{ per month}$$

# Home Affordability Study

To qualify as workforce housing, owner-occupied units must be “affordable to a household with an income of no more than one hundred (100%) percent of the median income for a four person household” (RSA 674:58.IV). Affordable is further defined as housing units that do not exceed 30 percent of a household’s gross annual income in combined mortgage loan debt services, property taxes and required insurance (RSA 674:58.I).

The US Department of Housing and Urban Development (HUD) specified the income threshold for a four person household in the Portsmouth-Rochester HFMR, which includes Durham and the following communities: Brentwood, East Kingston, Epping, Exeter, Greenland, Hampton, Hampton Falls, Kensington, New Castle, Newfields, Newington, Newmarket, North Hampton, Portsmouth, Rye, Stratham, Barrington, Dover, Farmington, Lee, Madbury, Middleton, Milton, New Durham, Rochester, Rollinsford, Somersworth, and Strafford.

Thus, to be considered Workforce Housing, the purchase price of a house must be affordable to a household earning no more than \$84,300. To better understand the cost of owner-occupied housing in Durham, this report also assesses units affordable to households making 80% and 60% of the above stated HUD median.

**Table 8: Portsmouth-Rochester HFMR Median Income Values**

Percent of 4-Person Owner Occupied Median Household Income	Income Value
100%	\$84,300
80%	\$63,900
60%	\$52,860

To address affordability, housing units in Durham that are affordable to households making between \$52,860 and \$84,300 annually will be examined. To determine what value would be affordable for households making between \$52,860 and \$84,300 the NHHFA’s Affordability Calculator was utilized. The calculator for a home purchase was set to include: a 3.041% tax rate (Durham’s 2013 rate), \$10,000 cash on hand, a 5% interest rate on a 30 year loan, and; a 0.5% home insurance rate

The NHHFA Affordability Calculator’s purchase price of \$230,311 or less was then compared against the Total Value of each owner-occupied unit in the Assessor’s database. Tables X thru X detail the number and percentage of affordable units for both single-family homes, and condominiums, the primary housing unit types.

**Table 9: Durham Affordable Purchase Price**

Percent of 4-Person Owner Occupied Median Household Income	Affordable Purchase Price
100%	\$230,311
80%	\$189,786
60%	\$146,893

Source: NHHFA Affordability Calculator

**Quick Fact: Portsmouth-Rochester HFMR 4-Person Median Income = \$84,300**

Source: US Department of Housing and Urban Development

## What You Said: “Increased presence of workforce housing”

Source: 2011 Visioning Forum

Of the 1,505 single-family homes in Durham, 7.4% or 111 properties would be affordable to a household earning the median household income for a 4-Person owner-occupied unit. Within Durham, as well as many other similar communities, the majority of affordable housing units fall between 81% and 100% of median income.

Of the 65 existing condominiums in Durham, 78% or 53 units qualify as affordable to households earning 100% of the median household income. However, unlike in the single-family home analysis, nearly 34% of all condominium units are affordable to those earning less than or 60% of the area median 4-person owner-occupied household income.

Of all 1,570 owner-occupied housing units (single-family and condominium) within the Durham Assessing Database, 12.5% are considered affordable to a four-person household making \$84,300 or less annually. However, only 3.5% of all such units are affordable to those earning 60% or less than the median household income.

### Table 10: Durham Affordable Single-Family Homes

Percent of 4-Person Owner Occupied Median Household Income	Affordable Purchase Price Range	Number of Affordable Single Family Homes	Percentage Affordable Single Family Homes
100%	\$189,786-\$230,311	111	7.4%
80%	\$146,893-\$189,786	23	1.5%
60%	\$0-\$146,893	9	0.6%
	Total Affordable Single Family Homes	143	9.5%

Source: Durham Assessing Database

### Table 11: Durham Affordable Condominiums

Percent of 4-Person Owner Occupied Median Household Income	Affordable Purchase Price Range	Number of Affordable Condominiums	Percentage Affordable Condominiums
100%	\$189,786-\$230,311	21	30.9%
80%	\$146,893-\$189,786	9	13.2%
60%	\$0-\$146,893	23	33.8%
	Total Affordable Condominiums	53	77.9%

Source: Durham Assessing Database

### Table 12: Durham Affordable Housing Units

Percent of 4-Person Owner Occupied Median Household Income	Affordable Purchase Price Range	Number of Affordable Housing Units	Percentage Affordable Housing Units
100%	\$189,786-\$230,311	132	8.4%
80%	\$146,893-\$189,786	32	2.0%
60%	\$0-\$146,893	32	2.0%
	Total Affordable Housing Units	196	12.5%

Source: Durham Assessing Database

**Quick Fact: 12.5% of Durham’s Owner-Occupied Housing Units qualify as Affordable Housing**

# Rent Affordability Study

The costs of renting a dwelling unit, with utilities, in the Durham, SRPC region, HFMR, and State of New Hampshire are discussed in this section. The Town of Durham has no available comprehensive rental price database. However, the NHHFA conducts an annual

Residential Rental Cost Survey throughout New Hampshire which provides specific rental data for Durham. The NHHFA Cost Survey does not include seasonal, part-time, or student housing units. The table above shows median rental costs for the year 2013 for 1, 2, and 3 bedroom units in addition to all size rental units. Though Durham has consistently demonstrated higher home values than most regional communities, its monthly rental costs for full-year occupancy remain below regional aggregates for all unit sizes but 1-bedroom units.

**Table 13: Durham Gross Monthly Rental Costs**

	All Units	1-Bedroom Units	2-Bedroom Units	3-Bedroom Units
Durham	\$953	\$753	\$1,005	\$1,213
Region	\$967	\$745	\$1,012	\$1,395

Source: NHHFA

To qualify as workforce housing under the state statute, rental units must be “affordable to a household with an income of no more than sixty (60%) percent of the median income for a three person household” (RSA 674:58.IV). Furthermore, the RSA’s defined affordable

rental units are defined as units that do not exceed 30 percent of a household’s gross annual income in combined rental and utility costs (RSA 674:58.I). The HUD specified income threshold for a three person household in the Portsmouth-Rochester HFMR for 2013 was \$47,580. Therefore, to consider a rental unit affordable in Durham the median annual costs would have to be less than \$14,274.

**Table 14: Durham Gross Annual Rental Costs**

	All Units	1-Bedroom Units	2-Bedroom Units	3-Bedroom Units
Durham	\$11,436	\$9,036	\$12,060	\$14,556
Region	\$11,604	\$8,940	\$12,144	\$16,740

Source: NHHFA

According to the Residential Rental Cost Survey data, Durham’s median rental prices for 1-bedroom and 2-bedroom are below the \$14,274 threshold. However, 3-bedroom unit median rental cost is not considered affordable by definition, exceeding the threshold by some \$300. When looking inclusively at all units in Durham, the rent costs are affordable at some 20% below the affordability threshold.

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# Severe Housing Problems

Comprehensive Housing Affordability Strategy (CHAS) data is provided by the US Department of Housing and Urban Development in order to relay the necessity for housing assistance. These data examine severe housing problems as grouped into four categories; incomplete kitchen facilities, incomplete plumbing facilities, more than 1.5 persons per room, and the cost burden greater than 50%. Cost burden is explained as the ratio of housing costs to household income. This differs for renters and owners. For renters housing costs includes gross rent, which is contract rent plus utilities. For owners housing costs include mortgage payment, utilities, association fees, insurance, and real estate taxes.

Durham has the highest percentage of severe housing problem for renters among the communities in the Strafford region, including the sampling at right. This may be attributed to the number of students in the Town as this tends to be correlated with lower household income and more individuals per room.

## Household Cost Burden

As defined above, cost burden is the ratio of housing costs to household income dependent on different factors for renting versus owning (see diagram at right). HUD considers housing cost a 'problem' if housing payments are between 30% and 50% of the respective household's income. If payments are greater than 50% of household income, the cost burden is viewed as a 'severe problem'. The table at far right illustrates the percentage of households whose cost burden is considered a housing problem (30 to 50% cost burden) or a severe housing problem (cost burden of 50% or more).

### Renters: Factors in Rental Cost

- Rent
- Utilities

### Home Owners: Factors in Housing Cost

- Mortgage Payment
- Utilities
- Association Fees
- Insurance and Real Estates Taxes

**Table 15: Percentage of Households with 1 of 4 Severe Housing Problems**

	Owner	Renter
Barrington	6%	4%
Dover	6%	10%
<b>Durham</b>	<b>8%</b>	<b>23%</b>
Madbury	10%	7%
Newmarket	7%	10%
Northwood	9%	1%
Rochester	6%	10%
Rollinsford	9%	9%

Source: CHAS, HUD 2006-2010

**Table 16: Housing Cost Burden**

	Housing Cost Burden >30% < 50%		Housing Burden >50%	
	Owner	Renter	Owner	Renter
Barrington	17%	3%	5%	3%
Dover	13%	12%	6%	9%
<b>Durham</b>	<b>7%</b>	<b>7%</b>	<b>8%</b>	<b>18%</b>
Madbury	19%	5%	6%	7%
Newmarket	11%	8%	7%	9%
Northwood	20%	1%	8%	1%
Rochester	16%	8%	6%	8%
Rollinsford	16%	1%	9%	9%

Source: CHAS, HUD 2006-2010

Renters facing a cost burden of 50% or more are most frequent in Durham. This result however, is skewed heavily by large student population living in Durham with very low household incomes and therefore high cost burden ratios. Nine percent of rental households in Dover, Newmarket, and Rollinsford have a cost burden greater than 50%, or one which HUD would classify as a severe housing problem.

# Student Housing Development

Preferences for housing among University students have evolved greatly in the last ten years. Current students, commonly grouped into what are known as Millennials, are expressing much different expectations from those of their Baby-Boom and Generation X parents. Unlike Baby-Boomers who shared bedrooms, bathrooms, and other amenities, Millennials seek private accommodations that offer selectively shared social gathering space and are willing to pay for it. In fact, one survey of students indicates that only 3.2% of respondents would prefer 'traditional' dormitory-style housing; the most popular housing-type is mixed-use apartments with retail on the first floor and within close proximity to the campus. *University Business Magazine* identified six key trends in student housing: privatization, privacy, live & learn, safety and security, going green, and perhaps most importantly: luxury. The definition of "amenity" too has changed. In contrast with traditional amenities, new apartment and suite style housing developments are offering private bedrooms, private bathrooms, large kitchens, high-speed internet access, and luxurious common areas with ample recreation opportunities. Housing has become a very important marketing tool for higher education institutions when recruiting students. In order to compete with other colleges and universities, schools like UNH must strategically diversify their on-campus housing stock, a task that has proved challenging for many state funded higher education institutions. State institutions like the University of New Hampshire are under extreme pressure to maximize the use of limited financial resources as a result of decreased government funding of higher education. The result is a lucrative market opportunity for private housing developers in communities like Durham.



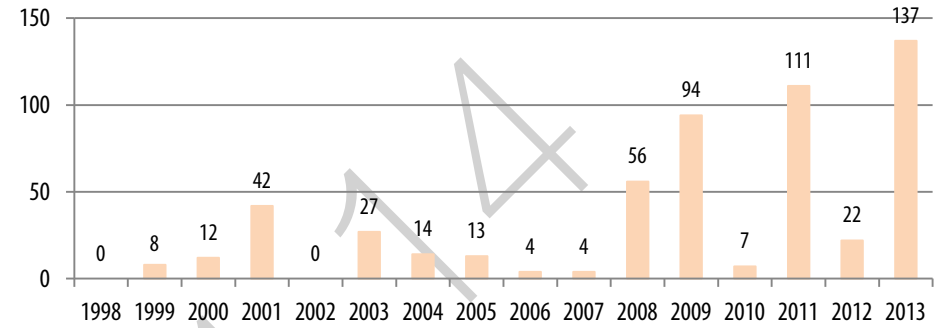
Photo: New Student Housing Development, Town of Durham Planning Department

The University of New Hampshire, as of October 2013, has approximately 12,531 undergraduate and 2,411 graduate students enrolled. In order to house these students, the University provides 7,180 beds of undergraduate housing and 333 beds of family/graduate housing. Therefore, 57% of undergraduates can and do reside on-campus and 14% of all graduate students can reside on-campus. What results is 5,351 undergraduate and 2,078 graduate students who require some form of off-campus housing. Historically, these students occupied rental housing units in downtown single-family homes in Durham or affordable rental units in Dover and Newmarket serviced by COAST and Wildcat transit agencies. However, following the recession of the mid-late 2000's, millennial student housing preference began to demand newer and more luxurious housing than the existing housing stock.

**Quick Fact: 57% of undergraduate and 14% of all graduate students UNH students can and do reside on-campus**

Large-scale private student housing development began in 2008, following the initial real-estate market crash and concomitant decrease in construction. For the purposes of analyses, multi-family housing unit development building permit data and Durham’s Student Housing Tally were utilized. In 2008, approximately 56 multi-family housing units were developed in the Town of Durham, most of which were designed as student housing. Between 2008 and 2013, building permit data suggests that 427 multi-family housing units were constructed, the majority of which were student-targeted.

## Multi-Family Housing Unit Development



## Recent Student Housing Development Patterns

A significant portion of recent large-scale student housing development has taken place in the ORLI and MUDOR zones on the western side of the community. Of the large student housing developments (those greater than 100 beds) constructed post 2008, more than half of the occupant capacity is within the ORLI and MUDOR zones. Two of the town’s 400+ unit developments are within these areas: The Cottages and The Lodges at West Edge.

A primary driver of this development pattern occurring in the periphery of Durham is the “3-Unrelated Rule” and its effect on unrelated tenant rental property housing density. The rule states:

*“A Single or Duplex Family Dwelling occupied only by unrelated tenants is limited to no more than 3 maximum unrelated tenants; but no more than 1 tenant for every 300 square feet of habitable floor area. . . In Multi Unit Dwellings (3 or more units) rental apartment properties, the limit is 1.5 tenants per 300 square feet of habitable floor area in the ORLI and MUDOR Zoning Districts and 1 tenant per 300 square feet of habitable floor area in all other Zoning Districts.”*

**Table 17: Unrelated Housing Unit Dwelling Density**

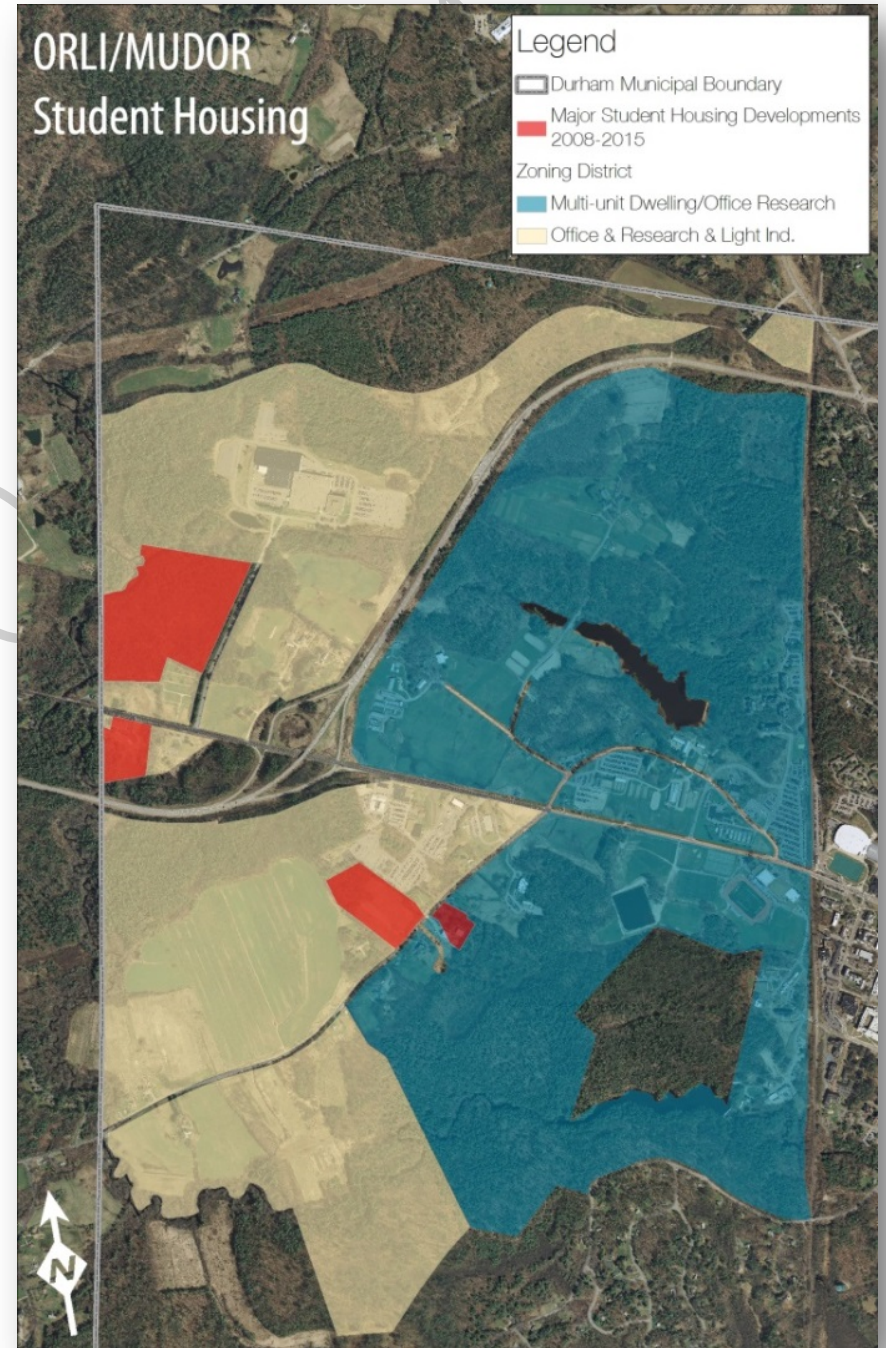
Single-Family	1
Duplex or Townhouse	1
Apartment (Except in MUDOR/ORLI)	1
<b>Apartment (MUDOR/ORLI)</b>	<b>1.5</b>
Accessory Apartment	1.5
Rooming/Boarding	2
Dormitory	3
Fraternity/Sorority	2
Nursing Home	2
Elderly	1.5

Source: Town of Durham Planning Department

The rule resulted in a decrease in occupancy in single-family home rental apartments. However, because of its implications in relation to the ORLI and MUDOR districts, those zones became extremely attractive to commercial student housing developers, resulting in these large developments.

It should be noted that the MUDOR and ORLI developments do not offer the level of access of older student housing and dormitory living in the Durham downtown area. An alternative student housing market exists in the Central Business district based on stricter density requirements of 1 tenant per 300 square feet of habitable floor area. These smaller developments have occurred at an equally rapid rate since 2008 as the large peripheral developments, but have contributed much less bed volume than the downtown student housing projects. Additionally, while MUDOR and ORLI developments have been new construction projects, Central Business district student housing developments are redevelopment/repurposing projects.

# Recent Student Housing Development Patterns (continued)



## Student Housing Tally Findings

Maintained by Durham’s Planning Department, the Student Housing Tally provides data on both existing and planned student housing developments within the Town of Durham. The table at right includes planned and constructed major/ minor developments in the period from 2009-2015.

The Tally estimates that Durham is currently home to 876 dwelling units within 92 existing student housing developments. Collectively, these provide a total of 2,114 bedrooms for 2,993 occupants, resulting in the density of approximately 1.42 occupants per bedroom. The Tally also includes placeholders for 6 planned housing developments that could provide housing for 1,252 additional occupants by 2015. Some of these added units will be re-development of existing space in downtown Durham.

Existing and planned developments together represent a combined off-campus housing stock capacity of 4,245 occupants. This capacity is intended to serve the 5,351 undergraduate and 2,078 graduate students who require some form of off-campus housing. Under this assumption, 57% of Durham’s off-campus housing demand is currently accommodated. However, Dover and Newmarket have historically provided ample affordable student housing opportunities for upperclassmen and graduate students. As supply begins to approach demand, it’s anticipated that Durham’s student housing supply could have implications on the housing market in these adjacent communities who depend upon University of New Hampshire student investment. Collaborative partnerships with these communities could be vital in developing a strategy for future housing needs on a regional level.

**Table 18: Major Private Off-Campus Student Housing Developments Since 2010**

Year	Development Name	Address	Number of Beds	Number of Bedrooms	Zone
2010	Bryant Park West	262 Mast Road	145	N/A	MUDOR
2010	University Downtown	2-10 Jenkins Court	N/A	60	CB
2012	University Downtown	9 Madbury Road	N/A	72	CB
2012	The Cottages of Durham	100 Clubhouse Street	619	N/A	ORLI
2013	Rivers Edge Apartments	277 Main Street	114	N/A	ORLI
Developments currently under construction					
2014	The Lodges at West Edge	259 Mast Road	460	N/A	ORLI
2015	Madbury Commons	17-21 Madbury Road	525	N/A	CB
2015	Orion Student Housing	25-27 Main Street	197	179	CB
TOTAL			2,060	311	

Source: Town of Durham

**Table 19: Minor Private Off-Campus Student Housing Developments Since 2009**

Year	Development Name	Address	Number of Beds	Number of Bedrooms	Zone
2010	Rosemary Lane Apts.	22 Rosemary Lane	32	16	CB
2010	14 Jenkins Court	14 Jenkins Court	12	12	CB
2011	Grange Hall Apartments	37 Main Street	36	32	CB
2013	Kostis Enterprises, LLC	10 Pettee Brook Lane	68	68	CB
Developments currently under construction					
2014	Ballard Building	1 Madbury Road	N/A	42	CB
Proposed developments, not yet approved					
2014	Pauly’s Pockets	49-51 Main Street	34	N/A	CB
TOTAL			170	182	

Source: Town of Durham

## Senior/Age Restricted Housing

New Hampshire is experiencing a shift in population demographics. This change is driving a shift in housing preference among both older and younger generations, one that may result in a misalignment between housing supply and demand in coming decades. Furthermore, the economic crisis of the late 2000's has transformed the 'traditional' homeownership path by complicating the financing procurement process. New Hampshire's housing market, between 1960 and 2010, was largely controlled by the high rate of in-migration of Baby Boom-age individuals to the state. Now, population projections indicate slowing growth and rapidly aging demographics, a trend that communities must plan and prepare for. Durham understands that several trends are emerging:

- ∴ *Home ownership is declining.* Declining in-migration, an unstable housing market, and difficulty in procuring financing have each contributed to a declining attractiveness of owning a home. In particular, seniors are experiencing liquidity challenges as they attempt to downsize and relocate, while simultaneously, student-debt burden and wage quality make ownership for younger populations problematic.
- ∴ *Housing Preferences are evolving.* Young population demand has shifted from ownership towards more flexible housing arrangements such as renting. Older populations, with average household sizes of approximately 1.5 persons, are downsizing from large 3+ bedroom homes to 1 and 2 bedroom units closer to community centers. Together, these preference shifts are causing demand shortage for larger, more rural homes and a supply shortage for smaller, more flexible spaces.
- ∴ *Existing housing stock is not flexible.* It is expected that construction rates will decline alongside slowing population growth in New Hampshire's communities. Competition between older and younger generations for single-family homes and rental units in or adjacent to community center areas will create excessive demand on a limited housing stock supply in these areas. One solution is the repurposing of existing space. However, communities must take proactive steps to ensure that ordinances and regulations allows for innovative repurposing, rehabilitation, and expansion.
- ∴ *Senior housing is a concern.* The aging of the Baby Boom generation is expected to result in the doubling of our senior population by 2015. In parallel, housing unit occupancy by seniors will double, requiring a revisit to how we design and retrofit our housing for seniors with and without disabilities. Though a high percentage of seniors are interested in 'aging in place', this choice could become strained by increasing taxes and real estate costs, increased prevalence of disability combined with decrease in 'caregiver' population, and a decrease in median household income. Statewide figures estimate that median incomes for seniors are just over half that of all households.
- ∴ *Seniors choose to 'age in place'.* Despite anecdotal evidence suggesting the seniors migrate to southern, warmer climates, only 3% of New Hampshire's seniors move annually. A 2010 AARP survey of 45 and older indicated that 86% of respondents would "like to stay in their current residence as long as possible". However, the ability of seniors to remain

What You Said: "Policies that allow seniors on limited or fixed income to stay in Durham"

Source: 2011 Master Plan Survey



Photo: Emeritus at Sprucewood, senioradvisor.com

in their community is directly related to factors such as income, healthcare, housing stock, and housing cost burden. Nearly 45% of the State’s senior population classify themselves as having one disability. Of those, 18% report that their disability makes independent living challenging. Historically, social agencies have played a key role in ensuring that seniors are able to remain independent, though predicted funding shortages could lead to widespread cuts in these services. As indicated above, seniors, despite often having more assets, tend to make one-half the state’s median income and pay more than 30% of that towards housing costs. Of paramount interest to the Town of Durham is the fact that more than 75% of the state’s senior population lives in suburban or rural areas; these areas typically lack access to key services and amenities such as healthcare and food. As a result, down-sizing seniors are searching for housing in downtown areas with close proximity to these vital services. Unfortunately, much of the existing community-center housing stock is older and not ‘senior-friendly’.

∴ *Assisted living demand will rise.* NHHFA’s Senior Housing Perspectives report estimates demand for nursing home beds will increase by more than 50% by 2025 (state nursing homes are currently at 100% capacity). In parallel, demand for assisted living units is expected to grow from 4,400 to 7,400 in the next 15 year period, a 68% increase.

## Durham’s Senior Population

Durham has seen a change in rental and owner composition in the 55 and over age cohort. Between 2000 and 2010, the senior households within rental housing units saw a 3% increase in 55-64 age population, a negligible increase in 65-74 renting, 2.6% in 75-84 year olds, and a 4.8% increase in population greater than 84 years old.

Owner-occupancy by seniors also increased in the 10-year period, with almost a 7% growth in 55-64 age homeownership (Baby-Boomers). Other senior age cohorts experienced low to negligible growth.

While there are trends towards higher rental occupancy among senior populations, this is not present in the data because the increases presented are the result of a higher share of population being in these cohorts, not a true increase in renting.

**Table 20: Percentage of Renter-Occupied Units occupied by 55+ Population**

	55-64 years	65-74 years	75-84 years	>84 years
2010	5%	3.1%	5.6%	5.5%
2000	2%	2.7%	3%	0.7%

Source: Census Bureau

**Table 21: Percentage of Owner-Occupied Units occupied by 55+ Population**

	55-64 years	65-74 years	75-84 years	>84 years
2010	24.6%	15.5%	9.9%	4%
2000	18%	13%	10%	2.7%

Source: Census Bureau

# Senior/Elderly Housing in Durham

Durham’s zoning ordinances define elderly housing as:

*“Housing principally used, designed or adapted for use by elderly citizens, fifty-five (55) years of age and older who are capable of living independently, and complying with the design requirements of the Architectural Barrier Free Design Code for the State of New Hampshire, as amended. “Elderly housing” may be single family residences, duplex residences, or multiunit residences and can be contained in a single building or groups of buildings and may include dwelling units that do not include services for the residents and/or congregate housing that includes services such as meals, housekeeping, recreational programs and related management support systems.”*

According to a survey completed by the Town of Durham Planning Department in 2006, Durham had, at the time, 239 units of age restricted housing within the community. Of these, 76 are included in NHHFA’s Directory of Assisted Housing. The remaining 163 units are split: 107 restricted rental units and 92 age restricted owner units; all of which are condominiums. Though nearly 10 years have passed since the completion of this survey, SRPC estimates that few if any age-restricted units have been added. It can be confirmed that as of 2014, Durham maintains 76 Assisted Housing Units according to current NHHFA data. Church Hill Apartments consists of 36 units and Bagdad Woods Apartments consists of 40 units, most of which are HUD subsidized. Both developments are open to persons age 62 and older, and handicapped persons of all ages. Very low income and low income applicants must be considered first. Residents are charged 30% of their income (minus medical expenses if over 3% of income). These developments are highly competitive; both currently have full waiting lists. The remaining 163 age-restricted owner and renter units are part of two significant senior housing developments: Spruce Wood and Brookside Common.

**Table 22: 2006 Age-Restricted Housing Survey Data**

Age Restricted Housing Units in 2006	Age Restricted Units in New Hampshire Housing's Directory of Assisted Housing	Age Restricted Housing Units in 2006	Housing Units for 55 and Older
239	76	239	239
Age Restricted Housing Units in Assisted Living Facilities	Age Restricted Rental Units	Age Restricted Owner Units	Age Restricted Condominium Owner Units
40	107	92	92

Source: NHHFA

**Table 23: Assisted Housing Units**

Development Name and Address	Housing Type	Total Units	Assisted Units	Handicap Accessible Units
Bagdad Woods	Elderly	40	40	4
Church Hill Apartments	Elderly	36	28	2

Source: NHHFA

**Table 24: Other Senior Housing Units**

Development Name and Address	Housing Type	Total Units	Assisted Units	Handicap Accessible Units
Spruce Wood	Elderly	~80 Beds	UNK	UNK
Brookside Common	Elderly	UNK	UNK	UNK

Source: SRPC

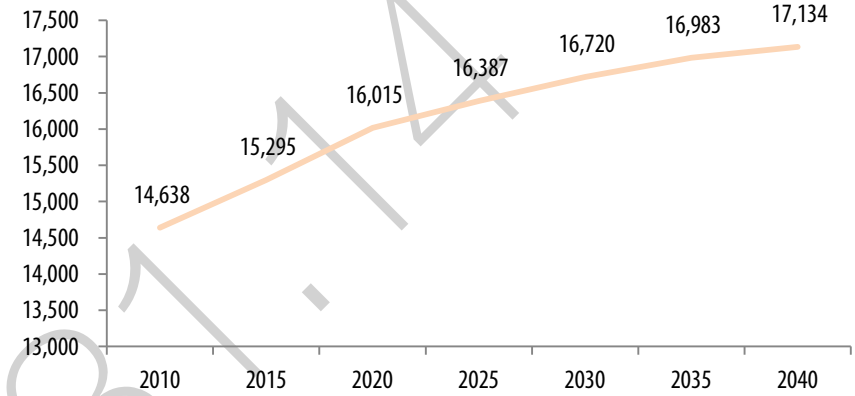
# Housing Unit Projections

As previous sections suggest, Durham is expected to grow at a steady rate for the next 30 years. The question then becomes: how does Durham’s housing stock change to adapt to this increase in population, either through the repurposing of existing buildings or new construction. But just how many new units will really be required?

As of the 2010 Census, Durham’s average household size of all units was 4.73 persons per household. With the assumption that this household size remains constant out to 2040, and a population growth of 2,496 individuals, SRPC estimates that Durham will need approximately 527 new housing units to accommodate the expected population growth. Projecting existing housing stock composition data results in an occupancy-type of 292 new owner-occupied housing units and 213 new renter-occupied units (accounting for a 4% vacancy rate). Care should be taken in the consideration of this estimate as not all population growth is likely to be new residents, some more natural increases in existing Town population may also occur.

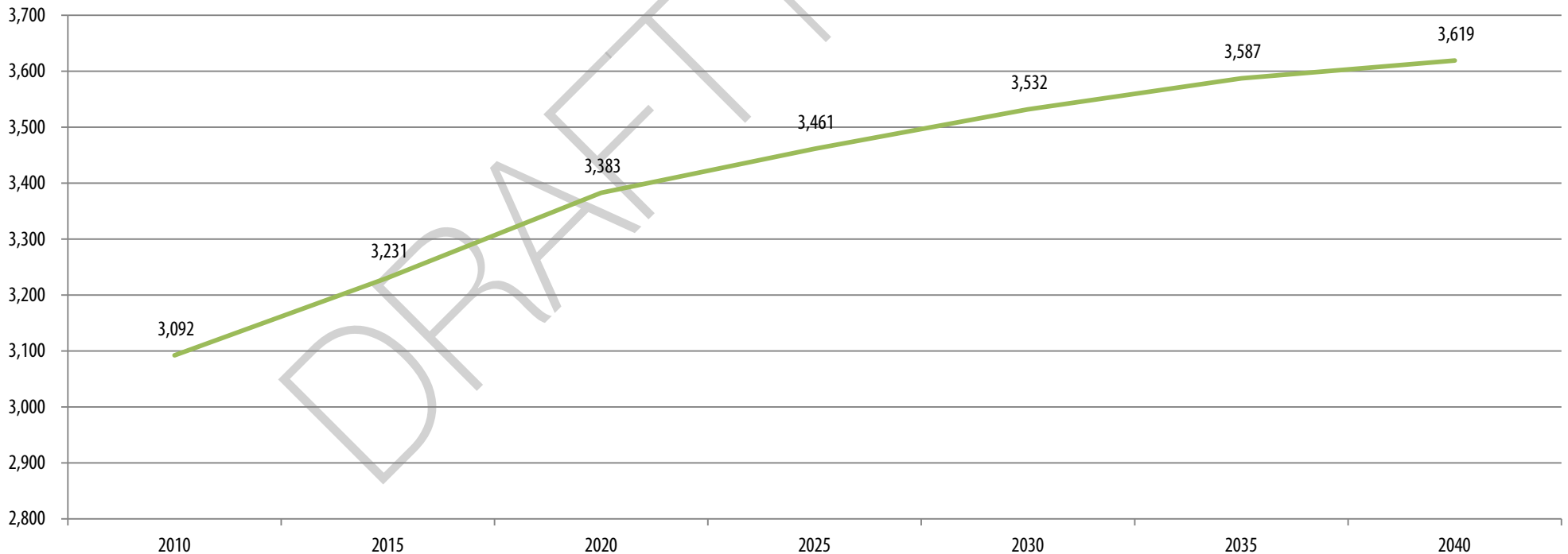
## Durham Projected Population

Source: Census, OEP, SRPC



## Durham Projected Housing Units

Source: Census, OEP, SRPC



# Key Conclusions

1. Durham has experienced consistently strong population growth over the past five decades, with an overall growth rate of 165%. In absolute terms, Durham total population grew from 5,504 individuals in 1960 to 14,638 in 2010 according to decennial Census figures. Of these, SRPC estimates that approximately 55-60% of the Census population is University of New Hampshire students. Therefore, Durham's full-time resident population is estimated to be between 5,855 and 6,587 individuals.
2. Population projections for the next three decades indicate slow growth, with an expected total population growth rate by 2040. The Strafford region, including Durham, is projected to be the fastest growing region in the state, with a projected growth rate of 13% to 2040. However, when compared to 1960-2010 population trends, 2010-2040 growth appears miniscule.
3. Growth rates are also impacted by slowing University of New Hampshire enrollment increases. Stabilization and even stagnation of enrollment rates due to education alternatives, such as online learning, could result in far lower population growth rates than expected by projections. Currently, the University of New Hampshire plans for 0.5% enrollment growth annually.
4. Durham, in concert with the State of New Hampshire, is experiencing a shift in age characteristics of its population. In the two decades between 1990 and 2010, Durham experienced a large increase in 55+ age population and a substantial drop in 25-44 age individuals. These changes have resulted in a significant decline of 14% in Oyster River Cooperative School District enrollment from 2000 to 2014. Furthermore, Durham has seen a 30% decrease in 5 and under age population from 1990 to 2010, resulting in direct impacts on ORCSD enrollment. SRPC enrollment projections indicate that Durham-only ORCSD enrollment will continue to decline until 2015 despite steady population growth. Though Durham is expected to grow by 17% between 2010 and 2040, Durham based ORCSD enrollment is projected to increase by only 4% because of declining family-age population and children. These projected demographics could impact other youth services and resources while increasing the need for services that target seniors to allow for them to age-in-place.
5. Durham, in contrast with the State of New Hampshire and Strafford planning region, has an above average median household income at \$72,176. However, because of the large University of New Hampshire student population, Durham's per-capita income figures are below those of both the region and state at \$25,664. All economic characteristic data lack precision because of the high variability presented by the large student population component of Durham.
6. Durham is an economic engine for the region as the home to the region's largest employer: the University of New Hampshire. Outside of the University, Durham is home to few employment opportunities for those in manufacturing, business, and/or information industries.
7. Durham is anomalous in that although it contains a major regional employment engine, it's estimated that some 94% of residents commute elsewhere for work. Of the 6% that work within Durham, many work at the university in some capacity. Out-commuting residents tend to be fall into one of two categories: those that travel to adjacent communities for lower-wage retail and service industry jobs (typically students) and those commuting to distant cities for higher-paying positions. Interestingly, 91% of individuals employed within Durham actually commute from outside of the community.
8. Durham is very highly educated. A staggering 72% of its residents above the age of 25 hold a bachelor degree or higher.

9. Durham maintains a diverse existing housing stock, with around 60% of its 3,092 housing units being owner-occupied units, and 40% renter-occupied. Durham's housing unit growth in the last 20 years has been largely residential-single family, adding nearly 600 units during that period. Despite the economic crisis of the 2000's, Durham has been fortunate to maintain relatively low vacancy rates, as evidenced by a 4% vacancy rate as of 2010 Census figures.
10. Family composition of households, in parallel with 25-44 age population and enrollment decreases, has declined by almost 10% in the last 20 years.
11. In the past 15 years, Durham has experienced highly variable single- family and multi-family construction growth. Single-family construction projects were concentrated in 1998, 1999, and 2011 whereas multi-family unit construction erupted in 2008 and peaked in 2013 with the approval and construction of several multi-unit developments.
12. Durham's housing stock includes 1,505 total single family housing units, comprised of single-family homes and condominiums. The average lot size for single family homes is approximately 2.7 acres. Housing stock age varies, though the average year of construction for single-family units is 1963 and median construction year is 1972. Assessing data also indicate a median total parcel and structure value of approximately \$315,300.
13. Though high median home and parcel values are indicative of a strong demand and strategic growth with Durham in recent decades, these values have the potential to exclude many individuals and families because of their lack of affordability. Durham is aware of the possible short and long-term impacts of a non-affordable exclusive housing market on community and regional socio economics. Although Durham allows for the construction of "workforce housing" as mandated in state statutes, additional actions will likely need to be taken to attract affordable housing development and/or repurposing.
14. Annual median purchase price data indicate that Durham's housing stock is consistently more expensive for purchase than the Strafford planning region, HUD housing area, and State of New Hampshire. In 2013, total home and condominium purchases ranged from a minimum of \$90,000 to a maximum of \$510,000.
15. Although rental survey data collected from New Hampshire Housing Finance Authority suggest that Durham's rental housing market is affordable in the context of the region and state, web-based rent sampling for new commercial student housing units indicates that values range from \$1,598 per month – \$6,040 per month.
16. Of Durham's 1,570 owner-occupied housing units, 12.5% are affordable to a 4-person household making 100% of the area median family income. 09.5% of single-family homes are affordable while 77.9% of condominiums qualify.
17. NHHFA rental survey data indicate that Durham's rental housing market is quite affordable, with the majority of 2013 sampled units falling 20% below the annual affordability threshold mark of \$14,274. However, because of NHHFA's sampling protocols, more expensive student housing rentals are not included in surveying resulting in inaccurate estimates.
18. Comprehensive Housing Affordability Strategy (CHAS) data suggest that nearly 1 in 4 rental and 1 in 10 owner households in Durham are suffering from the effects of one severe housing problem. Severe problems include: incomplete kitchen facilities, incomplete plumbing facilities, more than 1.5 persons per room, and the cost burden greater than 50%. Cost burden data reveal that nearly 1 in 10 owner-occupied units are burdened by expending more than 50% of their median household income toward housing costs annually, primarily students.
19. Population projections out to 2040 suggest Durham may require as many as 527 additional housing units. Projecting existing housing stock composition data results in an occupancy-type of 292 new owner-occupied housing units and 213 new renter-occupied units (account for a 4% vacancy rate). Care should be taken in the consideration of this estimate as not all population growth is likely to be new residents ,some more natural increases in existing Town population will occur.

20. Though housing unit projections may be fairly accurate, the aging of Durham's population is one demographic trend that makes projections rather volatile. With a relatively high amount of uncertainty around how those within the baby-boom generation will retire and adapt their housing, it's difficult to say how the 'silver tsunami' will impact the Durham housing market.
21. Currently, UNH is capable of housing 57% of its total graduate and under-graduate students. Though the demand of the remaining 43% was historically accommodated by single-family homes in the downtown and surrounding core area, as well as by rental housing units Dover and Newmarket, a strategic change in Durham's zoning led to a multi-family housing boom in Durham's rural west-side in the mid-to-late 2000's. These large-scale developments, combined with smaller developments in the Central Business District, now provide housing for 57% of this remaining demand. Today, development continues; and as supply begins to approach demand, it's anticipated that Durham's student housing supply could have implications on the housing market in adjacent communities.

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# Goals and Recommendations

This section outlines the goals and recommendations associated with the key conclusions of this chapter that are intended to strategically guide the Town's housing and community development efforts over the coming decade. It's important to note that the goals and recommendations below are not prioritized. Below each goal you will find related key conclusions from the previous section of this chapter that form the respective goal's foundation.

## *Provide an adequate supply of affordable housing in Durham*

Key Conclusions References: 13, 14, 15, 16, 17, 18, 19

### a) Planning Policies

1. Apply smart growth principles when siting future affordable housing developments with the community by increasing density in the downtown area while restricting development in the peripheral areas of the Town
2. Prioritize projects that incorporate workforce housing units into single and multi-family developments that target median incomes individuals and families
3. Promote accessory apartments as a viable option for downsizing seniors and for young families and households seeking starter homes
4. Consider the simplification of the conservation subdivision ordinance to streamline process
5. Promote the construction of single-family starter homes
6. Promote repurposing and/or redevelopment of vacant and deteriorating housing stock into vibrant multi-family and condominiums that do not provide one bathroom per bedroom amenities

### b) Zoning Changes

1. Analyze the effectiveness of the conservation subdivision/workforce housing ordinance (165-107 II)
2. Ensure zoning measures, such as density requirements, do not prevent the construction and/or provision of affordable housing
3. Explore the reduction of minimum lot sizes in the four residential districts (20,000 in Residence A, 40,000 in Residence B, 150,000 in Residence C/Rural)
4. Consider using density bonuses to incentivize the construction of affordable housing by developers
5. Conduct a comprehensive regulatory audit to ensure balanced community growth

### c) Partnership and Organization

- a. Continue to monitor affordability in the context of the SRPC regional housing needs as defined by NH RSA 674: 58-61
  1. Support the formation of a local non-profit housing trust that advocates for and constructs affordable/workforce housing units
  2. Strengthen partnerships with New Hampshire Housing Finance Authority (NHHFA) and Workforce Housing Coalition of the Greater Seacoast who advocate for and work with residents with more limited financial means in obtaining high quality, affordable housing

## *Increase diversity by attracting young professionals and families to the Town*

Key Conclusions References: 4, 6, 7, 10

### a) Housing Diversity and Quality

1. Support the conversion of older student housing stock in traditional neighborhoods into attractive and affordable single-family and condominium units that provide an opportunity for multi-generational housing uses
2. Support mixed use developments that generate multi-generational interest
3. Develop multi-unit, mixed use housing in the CB, CH, and PO districts aimed at young professionals and families
4. Continue strict enforcement of measures that limit student-only occupation of rental units:
  - a. 3-Bedroom limit on multi-family development
  - b. Limits on basement apartments

### b) Retention and Attraction

1. Create marketing tools through the Planning/Community Development/Economic Development department that target individuals between the ages of 20 and 40
2. Develop a live, work, play, and stay program focused on retaining alumni and younger residents that includes: a periodic assessment of needs, increased housing options, and the establishment of other services and amenities geared towards younger residents
3. Foster development of a vibrant downtown with services and amenities that increase social capital

### c) Economic Opportunity

1. Provide high-quality local employment opportunities that provide liable wages and economic prosperity for young professionals and working families (see Economic Development Chapter)
2. Ensure regulations and zoning provide opportunities for business development in the downtown and commercial core as well as in peripheral community areas

## *Integrate Smart Growth principles into redevelopment and new construction housing projects*

Key Conclusions References: 7, 4, 12, 19

### a) Future redevelopment and development siting

1. Encourage higher density development in the downtown area
2. Plan for development in a manner that maximize the use of existing infrastructure and reduces need for new roads, services, and facilities
3. Promote linkages and integration between neighborhoods, community facilities, and places of employment
4. Encourage housing development and redevelopment in downtown mixed-use areas that promote live, work, and play lifestyles
5. Prioritize areas for development of new housing units based on existing and planned infrastructure access
6. Provide mixed-use developments that provide housing for seniors and younger residents in close proximity to shopping and services and encourage multi-generational neighborhoods

7. Encourage infill development within established neighborhoods that is compatible with current land uses, compatible in scale with surrounding areas, and adequately supported by public utilities and the existing transportation system
- b) Environmental compatibility
1. Plan for an anticipated ~175 new housing units per decade in a way that will not adversely impact environmental and fiscal health of the community
  2. Encourage environmental compatibility of new construction projects during site plan review and planning board approval process
  3. Encourage sustainable and energy-efficient design of new housing units
  4. Encourage sustainable and energy-efficient retrofitting of existing housing units

*Continue to provide and maintain high quality on and off campus student housing/Carefully monitor student housing stock*

Key Conclusions References: 3, 11, 18, 21

- a) Future student housing development, redevelopment , and repurposing
1. Support the conversion of older student housing stock into condominiums or other attractive, multi-generational housing uses that do not increase unit count but increase unit quality
  2. Continue to work alongside the University to monitor enrollment projections and their understand their impact on student housing stock in Durham and adjacent communities
  3. Work collaboratively with University to strategically plan new on-campus housing construction and improvements.
  4. Convert small and mid-sized homes currently occupied by students in traditional residential neighborhoods into attractive space for downsizing seniors and younger families/professionals.
  5. Continue to leverage new student housing strategically in the Central Business, Church Hill, and Professional Office districts through the use of mixed-use development
- b) Existing student housing stock maintenance and monitoring
1. Maintain quality of downtown single-family home student housing, specifically in historic properties through inspection programs
  2. Continue maintenance of Student Housing Tally by Durham Planning Department

## *Maintain existing single, multi-family, and condominium housing stock*

Key Conclusions References: 2, 9, 11, 12, 18, 19

### a) Traditional neighborhood character

1. Preserve and enhance the integrity and quality of existing residential neighborhoods
2. Consider transportation safety measures that reduce speeding, commuter routes or cut-through traffic that may adversely affect street use or the character of existing residential neighborhoods
3. Explore solutions that mitigate the deterioration of historic properties within the Historic District
4. Continue to strictly enforce the three unrelated individuals per dwelling unit rule in an effort to preserve residential neighborhoods, insure safe and sanitary housing conditions, and help control overcrowding of housing units

### b) Neighborhood compatibility

1. Stabilize neighborhoods adjacent to commercial and multi-unit uses through the establishment of regulations and ordinances that create transitional yards, vegetative buffers, architectural screens, and control of transportation access
2. Strictly monitor the effectiveness and enforcement of the Durham Noise Ordinance and Disorderly Housing Ordinance as a means of mitigating noise and light pollution
3. Annual outreach to and education of residents and students on the Durham Noise Ordinance and Disorderly Housing Ordinance
4. Encourage developers to work with adjacent neighborhood residents to understand the community's concerns prior to formalizing development plans
5. Provide adequate buffers between multi-unit housing and other residential areas
6. Ensure that new construction within or adjacent to existing neighborhoods is compatible with current land uses, compatible in scale with surrounding areas, and is adequately supported by public utilities and the existing transportation system

## *Create and maintain attractive and affordable senior housing*

Key Conclusions: 4, 19, 20, 22

### a) Retention and Attraction

1. Partner with the University to develop senior housing/alumni housing close to the campus and downtown
2. Explore the services needed to allow residents to remain in their larger single family homes in rural areas
3. Develop a live, play, and stay program focused on resident retention for seniors that includes: a periodic assessment of needs, more neighborhood-based services geared toward seniors, expanded transportation services, increased housing options, and the establishment of other amenities geared towards older populations.

### b) Future Senior Housing siting

1. Find ways to site senior housing in the downtown area in a way that avoids noise and light pollution

2. Provide an opportunity for repurposing underdeveloped sites in the downtown area for elderly housing
  3. Explore changes to Durham Business Park zoning that would allow senior housing development
  4. Support the development of affordable senior housing in the downtown that provides access to vital services and amenities
  5. Actively encourage senior housing development on lands most suitable, such as locations within walking distance to downtown, and those served by existing infrastructure
  6. Encourage multi-generational neighborhoods and developments
- c) Zoning Changes
1. Consider allowing senior multi-family housing by right in the Central Business district
  2. Consider an incentive-based zoning ordinance provision that allows for increased density for development reserved for senior citizens

### *Maintain competitive edge of Oyster River Cooperative School District*

Key Conclusions: 2, 4, 10

- a) Funding
1. Revisit the assessment and student-based funding formula and investigate other formula types utilized across the state of New Hampshire
  2. Consider waiving school impact fees on properties reserved for seniors, age 62 and older.
- b) Cooperation
1. Work with Oyster River Cooperative School District to develop a long-range capital improvements plan that will accommodate projected enrollment change in the District
- c) Attraction and Retention
1. Address declining enrollment and impact of added tuition enrollment on that trend
  2. Focus on attracting young families to Durham and other contributing communities

# Measures and Benchmarks

Each Chapter of this updated Master Plan identifies ways to benchmark and collect measurements to track progress toward the goals in this Chapter over the next ten years or so (until the next Master Plan is prepared).

**Table 25: Housing and Demographics Chapter Measures and Benchmarks**

Measure	2014 Master Plan Measurement
% Total Durham population that are full-time residents (Estimate)(2010)	55-60%
% Population Growth Rate (10-Year) (2010)	16%
% UNH Enrollment Growth Rate (10-Year) (2010)	17%
% Total Durham population between the ages of 25 and 44 (including student population)(2010)	8%
% Total Durham population above the age of 55 (including student population) (2010)	13%
#Durham ORCSD Enrollees (2010)	929
# Total ORCSD Enrollees (2014)	2,058
# Dollars Median Household income (All-resident) (2012)	\$72,176
# Dollars Per Capita income (All-resident) (2012)	\$25,664
% All Residents with Per Capita incomes at or below the poverty line (Estimate) (2012)	29%
% Unemployment Rate (2012)	3.9%
% Employed residents working in Durham (2012)	6%
% Employed residents commuting out of Durham (2012)	94%
% Workers in Durham commuting from outside of Durham (2012)	91%
% Residents with a Bachelor's degree or higher (2012)	72%
% Ratio of owner-occupied units to renter-occupied units (2010)	58:42
# Average household size (2010)	4.73
# Family households (2010)	1544
% Change in family household composition (10-year period) (2010)	-3%
% Vacant housing units (2010)	4%
# New single family units per decade (2003-2013)	98
# New multi-family units per decade (2003-2013)	539
# Dollars median home value of single family units (2014)	315,300
# Acres average lot size of single family homes	2.7
# Year average construction year	1963



# Dollars median annual purchase price for single family home	370,000
% Single family homes qualifying as affordable under state statute	12.5%
# On-campus student housing beds provided by UNH	7,180
#Student housing developments in Student Housing Tally (existing and approved)	92
#Student housing units in Student Housing Tally (existing and approved)	876
# Student housing bedroom in Student Housing Tally (existing and approved)	2,114
#Student housing beds in Student Housing Tally (existing and approved)	2,993
# Age-restricted senior housing developments (2006)	4
# Age-restricted senior housing units (2006)	239
% Housing unit growth rate (10-year)	6%

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# Pointers to Other Sections

Durham's demographics, housing, and economic conditions affect and are affected by all activities within the community. The considerations raised in this Chapter are repeated in other chapters of the Master Plan. See especially the following chapters:

1. Agricultural Resources for a discussion of:
  - a. *(Pending)*
  
2. Community Character for a discussion of:
  - a. *(Pending)*
  
3. Commercial Core for a discussion of:
  - a. *(Pending)*
  
4. Cultural Resources for a discussion of:
  - a. *(Pending)*
  
5. Economic Development for a discussion of:
  - a. *(Pending)*
  
6. Energy for a discussion of:
  - a. *(Pending)*
  
7. Existing Land Use for a discussion of:
  - a. *(Pending)*
  
8. Future Land Use for a discussion of:
  - a. *(Pending)*
  
9. Historic Resources for a discussion of:
  - a. *(Pending)*

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10. Natural Resources for a discussion of:

*a. (Pending)*

11. Public Facilities for a discussion of:

*a. (Pending)*

12. Transportation for a discussion of:

*a. (Pending)*

13. University Relations for a discussion of:

*a. (Pending)*

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