

Town of Bennington Housing Needs Assessment

Energizer Reuse Study

1. Executive Summary

As a parallel effort to determining reuse opportunities for the Energizer Factory site, a housing needs assessment was conducted. This housing needs assessment applies to opportunities for the Energizer Factory site, but also provides data that demonstrates the type and number of housing units that are most in need in Bennington. The results of this analysis can be used to support the reuse of the Energizer Factory, as well as guide future efforts to expand and diversify the housing product in Bennington to better serve existing and future residents.

Overall, the Housing Needs Assessment identified housing as a critical issue facing the Town of Bennington with housing issues adversely impacting households across the age and income spectrum. Approximately 1,056 households are in need of new or rehabilitated housing or more appropriate housing situations in the Town of Bennington including 604 renter households and 452 homeowner households.

The key findings of the housing needs assessment are summarized below:

Bennington’s housing stock is relatively dated and many residential properties need some degree of rehabilitation. Approximately one-third of the Town’s housing stock predates 1940, a greater proportion than found in both Bennington County and Southern Vermont, and only 6% of the Town’s housing stock was built after 2000. Interviews indicate that the age of the housing stock has contributed to a lack of quality among many older units and widespread need for rehabilitation. However, many owners of properties in need of rehabilitation lack the means to undertake significant improvements.

The pace of housing development has been very low, contributing to pent up demand for new housing. The Town’s housing stock grew by only 1% in the decade between 2010 and 2019 adding only 65 units during this time. While there has been some more recent development, the sluggish pace of housing development has contributed to unmet demand in the community.

Demographics indicate a shift towards smaller household sizes. Demographic trends over the past decade have shown a decline in larger households living in the community, which suggests that there may be growing demand and need for smaller units, particularly rental units for 1 and 2-person households. However, the research suggests that the lack of attainable quality housing for larger households and families is likely contributing to this trend. This indicates there is likely an unmet need for housing geared towards these households.

Bennington is seeing growth in seasonal housing. The number of vacant housing units in the Town grew by approximately 166 units from 2010 through 2019 while the number of seasonal units grew by 186, which has largely driven the increase in “vacant” units, as seasonal units are classified as vacant. The increase in seasonal units indicates a greater number of households living in the community for only part of the year, which suggests the community may be attracting retirees who would like to live in the area due to its high quality of life and/or existing full-time residents are shifting towards being seasonal/part-time residents.

Growth in short-term rentals (STRs) may pose a long-term threat to year-round housing supply. Along with the growth in seasonal housing, there has been an increase in short term rentals (STR) in the

Bennington Region from 2018 to 2021. The economics of STRs for property owners outweigh the benefit from long-term rentals based on typical rental rates and occupancy levels and may therefore attract more property owners to rent units on a short-term basis rather than to long-term tenants, which may further constrain the supply of rental units in the community, which are already in short supply.

Housing affordability is a significant issue in the community with many households overburdened by housing costs. Approximately 41% of renter households are cost-burdened (based on the proportion of income spent on housing) and nearly half of those households are considered severely cost burdened. While homeowner households are less burdened, approximately 31% are still overburdened by housing costs. Many of the jobs in the community do not offer wages that are high enough to afford quality housing in the community, which has resulted in many households spending more than what is considered reasonable and appropriate on housing (30% of income).

Overall, there are 1,056 households that need new or different housing that aligns with their preferences and financial circumstances. This does not necessarily indicate that the Town needs this many new housing units built as this need can be met in a number of ways including rehabilitation of housing, assistance programs, and other approaches.

HOUSING NEED BY INCOME LEVEL			
Income Level	Number of Households	%	Maximum Housing Payment/Mo.
<\$15,000	397	38%	\$375
\$15,000-\$24,999	208	20%	\$375-625
\$25,000-\$34,999	105	10%	\$625-875
\$35,000-\$49,999	138	13%	\$875-1,250
\$50,000-\$74,999	39	4%	\$1,250-1,875
\$75,000-\$99,999	74	7%	\$1,875-2,500
\$100,000-\$149,999	62	6%	\$2,500-3,750
\$150,000 +	34	3%	\$3,750 +
TOTAL	1,056	100%	

Source: Camoin 310
 Note: Based on low estimates of demand analysis.

There is a significant housing need across a broad spectrum of population segments. Housing issues are facing population groups across both the age and income spectrum, including the following:

- **The local workforce:** Generally those of working age earning between \$30,000 and \$60,000. Quality housing units, particularly rentals, are in extremely short supply for those in this income bracket, which has resulted in many choosing to live in locations outside of the Town and commute to their job or live in less-desirable housing that may be lower quality and/or represent a burden (requiring spending more than a reasonable proportion of income on housing).

- **Seniors:** Both active seniors and those requiring assisted living facilities have very limited housing options in the community. Local seniors prefer to stay in the community as they age; however, there are few options for housing to downsize into (requiring less maintenance, etc.). As a result, many seniors are remaining in their single-family homes, which is contributing to low rates of turnover among owner-occupied homes and contributing to low levels of for-sale home availability for families.
- **Young professionals:** There is also a housing need for professionals earning above \$60,000 that can afford quality rental units with market-rate rents but are not able to do so because there is virtually no supply of these types of units. Strong leasing and demand at the recently developed Putnam Block are a reflection, in part, of this unmet need.
- **Low-income households:** The Town of Bennington also has a notable number of low-income households in need of housing or housing that better aligns with their needs. There are long wait lists for existing affordable units in the Town, which currently cannot meet the full need for affordable units in the community. Both seniors and single parents were identified as particular household types in need of affordable housing.
- **“Empty Nesters”:** These households, generally 55-65, represent another need in the community. There is evidence that these relatively more affluent households are seeking homes in the area as they begin to transition into retirement.

Several housing types are needed to meet demand. To address the identified need, several types of housing will be needed in the community as detailed below.

- **Market Rate Apartments:** Quality new construction rental units can generally achieve price points approaching \$2 per square foot (approximately \$1,400 to \$2,000 per month depending on unit size). These types of modern, quality apartments are sought after by both young professionals that do not have children as well as empty nesters and active seniors looking to downsize into low-maintenance but high-amenity housing.
- **Independent Living Facilities (Seniors):** These types of facilities can range in design but are generally “apartment-style” units restricted to seniors with common areas for socializing and, in some models, for dining.
- **Assisted Living Facilities (Seniors):** These facilities differ from independent living facilities by providing nursing care, housekeeping, and often meal preparation. While these seniors are not able to live independently, they also do not require the higher level of care provided by a skilled nursing facility (“nursing home”).
- **Owner-Occupied Condominium/Townhouse Units.** This type of owner-occupied housing product would be attractive to several key population segments in the community. These include young professionals and young families as well empty nesters and active seniors looking to downsize. Townhouse units may be a particularly good fit, providing a small yard space for pets, gardening, and other outdoor uses.

- **Cooperative Housing.** This type of housing is owned jointly by all residents so that each individual or family does not have to qualify for a loan, but rather purchases a share in the nonprofit corporation that owns the property. Residents can build a small amount of equity on their share. This type of housing provides an alternative for those who would like to own but may not be able to qualify for a loan or have the means to make a down payment.
- **Workforce and Low-Income Apartments.** The Town has an unmet need for quality rental units at price points for those with low incomes as well as those earning “workforce” level wages. Households in both of these income categories cannot afford market-rate and need housing specifically targeted to their means.

2. Introduction

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With many different issues at play, housing can be a very complicated and charged topic. Construction costs, regulatory environment, cost and availability of land, and more can impact the supply of housing, all of which are highly challenging in Vermont. Wages, transportation, remote work, family size, type of housing desired, quality of life, and more all play a role in the demand for housing. This analysis considers these factors and determines the number of units that are most in demand, based on the current and projected population in Bennington.

It should be noted that this analysis does not wholly consider the role of the COVID-19 pandemic on housing trends, as the eventual impact is not fully understood yet. In addition, the analysis does not include the potential changes in population that could occur if more housing (or different housing) was available and would be suitable for people who are currently unable to find what they want. Instead, it looks at the demographic trends of the recent years combined with interviews and public input to forecast near future demand for housing in various price points and unit types. Policy changes, major residential developments, or continued adjustments from the pandemic could all lead to a shift in the demographic and economic trends that would create demand for a different residential product to align with community needs.

This document was put together in coordination between the Bennington County Regional Commission and Camoin Associates. In addition to data collected from Esri Business Analyst Online, Camoin Associates interviewed key individuals in the community, received input from the public via an online survey, and participated in a public meeting. The following report includes the following sections: demographic and economic trends analysis, housing supply analysis, housing market trends, and a housing needs analysis.

3. Demographic and Economic Trends

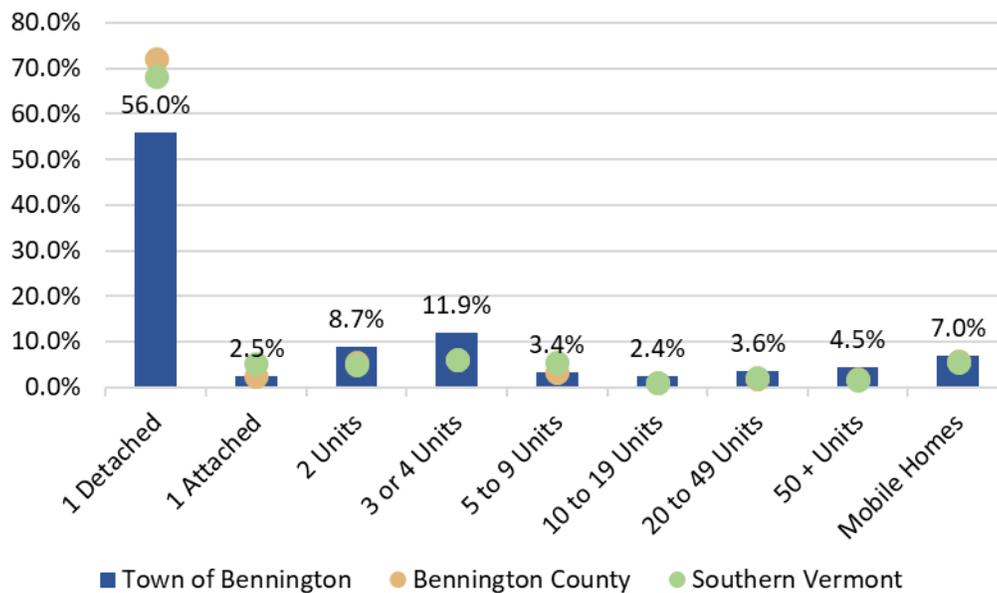
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4. Housing Supply Analysis

Housing Units

The majority of the town’s housing stock is in single family detached units, 56%, however, the proportion of single-family properties is a small portion of the housing stock relative to the county and southern Vermont Region (Windham and Bennington Counties). Approximately 12% of units are found in buildings with 3-4 units, 8.7% of units are in 2-unit structures, and 7% of housing is in mobile homes. The housing stock in Bennington is slightly more diverse than in the county or the southern Vermont region

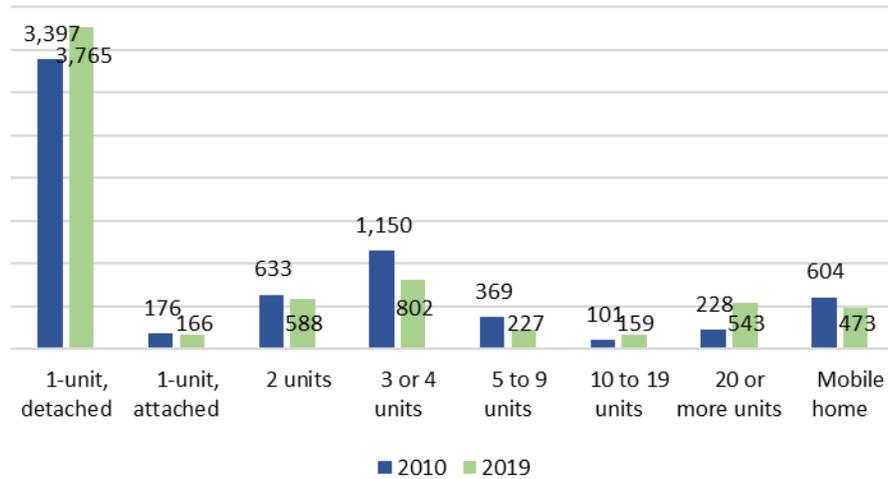
HOUSING UNITS BY STRUCTURE, 2019



Source: Esri

Between 2010 and 2019, the Town’s housing stock increased by only 1% from 6,658 units to 6,723 units, an increase of only 65 or an average of 6 to 7 units per year. While there has been an increase in single family detached units, smaller multifamily housing units have decreased (structures with between 2 and 9 units). Units in structures with 10 or more units have increased within this timeframe, and the number of mobile homes has decreased. The sluggish pace of housing development has contributed to a mismatch between housing supply and demand, resulting in pent up housing demand that is currently not being met in the community. The following chart shows the change in housing units by size of residential buildings (for example, there were 633 units found in 2-unit duplex properties in 2010 which declined to 588 units in 2-unit buildings in 2019).

BENNINGTON HOUSING UNITS, 2010 & 2019

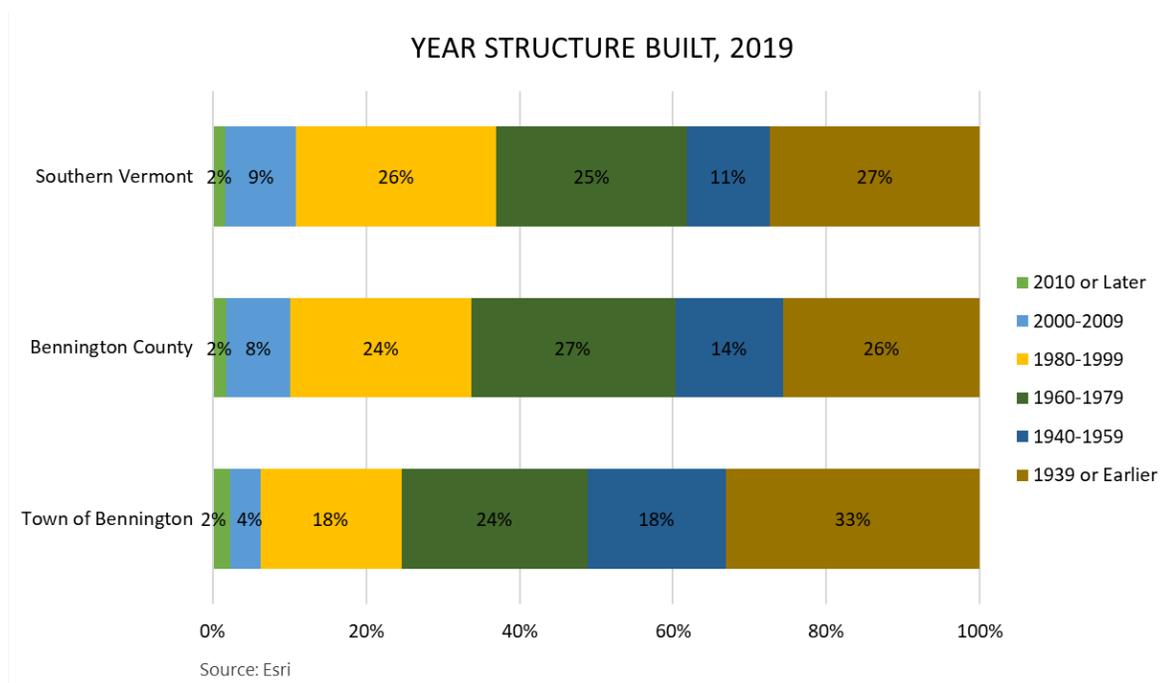


Source: ACS 5-Year Estimates

Housing Age

The Town’s housing stock is relatively old with the highest proportion of Bennington’s housing units having been built in 1939 or earlier (33%). Approximately 75% of Bennington’s housing stock was built before 1980. Comparatively, Bennington’s housing stock trends older compared to the county and region. Only 2% of Bennington’s housing stock has been built after 2010 which indicates market, supply, and/or regulatory issues preventing housing from being built.

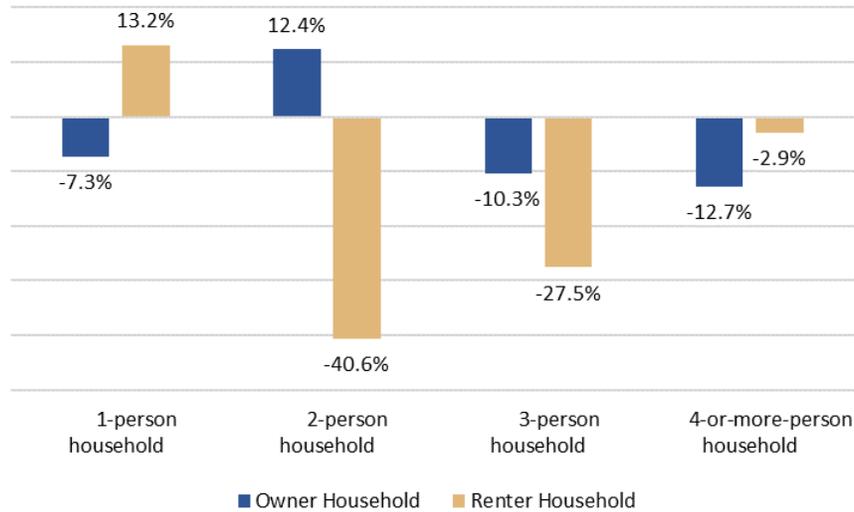
The median year built for residential structures is 1972 in Southern Vermont, 1970 in Bennington County, and 1959 in the Town of Bennington. This makes the median age of a house in Bennington 62 years old. An aging housing stock can lead to disinvestment in upkeep resulting in a poorer quality in the overall housing stock, so efforts that address housing upkeep and revitalization will be key in strategy development.



Housing Occupancy

Housing tenure has shifted towards smaller households from 2010 to 2019. Only 1-person renter households and 2-person owner households have increased during this timeframe. This points to shifting demand for smaller units to accommodate a younger and childless generation and an older age cohort without dependents. It also suggests that larger households and families may not be finding suitable housing in the Town and are therefore living in other communities because of the lack of housing options geared towards their needs. Interviews suggest that this is a contributing factor to this demographic shift as well as the conversion of single-family properties into multiple rental units.

**TOWN OF BENNINGTON CHANGE IN
HOUSEHOLDS BY TENURE AND SIZE, 2010-2019**



Source: ASC 5-Year Estimates

Housing occupancy from 2010 to 2019 has shifted to include more vacant and seasonal houses, with owner- and renter-occupied housing in decline.

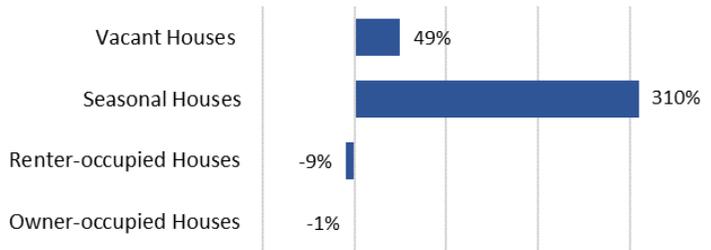
BENNINGTON OCCUPANCY OVERVIEW

	2010		2019	
	#	%	#	%
Owner-occupied Houses	3,723	56%	3,673	55%
Renter-occupied Houses	2,539	38%	2,302	34%
Seasonal Houses	60	1%	246	4%
Vacant Houses	336	5%	502	7%
Total	6,658	100%	6,723	100%

Source: ACS 5-Year Estimates

Renter occupied housing has declined by 9% and owner-occupied housing has declined by 1%. Conversely, vacant housing has increased by 49% and seasonal houses have increased by 310% from 336 in 2010 to 502 in 2019.

CHANGE IN HOUSING OCCUPANCY, 2010-2019

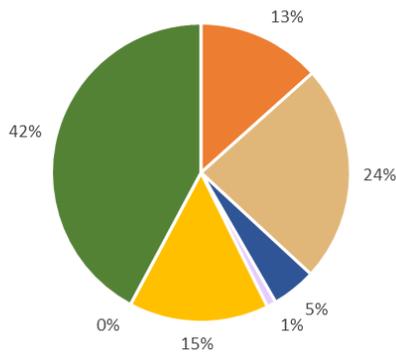


Source: ACS 5-Year Estimates

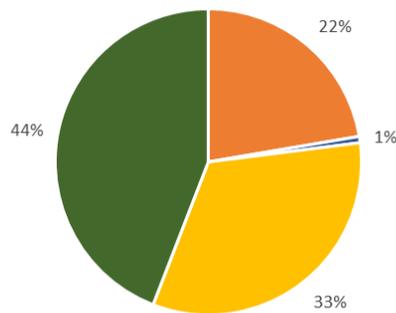
Vacant properties are shifting towards more seasonal use. Seasonal properties are those only lived in for occasional or part-time usage. Often these properties are rented short term through such platforms as Air BNB and VRBO. The change in short term rentals is discussed in the following section. The increase in seasonal units indicates a greater number of households living in the community part of the year, which suggests the community may be attracting retirees who would like to live in the area due to its high quality of life and/or existing full-time residents are shifting towards being seasonal/part-time residents.

There is also an increase in “other vacant” properties. These properties include those that the owner does not want to rent or sell, are being used for storage, are owned by a person who is in a nursing home or with family, or are being repaired, foreclosed on, or being settled for an estate. They could also be delinquent or abandoned properties.

VACANCY STATUS, 2010



VACANCY STATUS, 2019

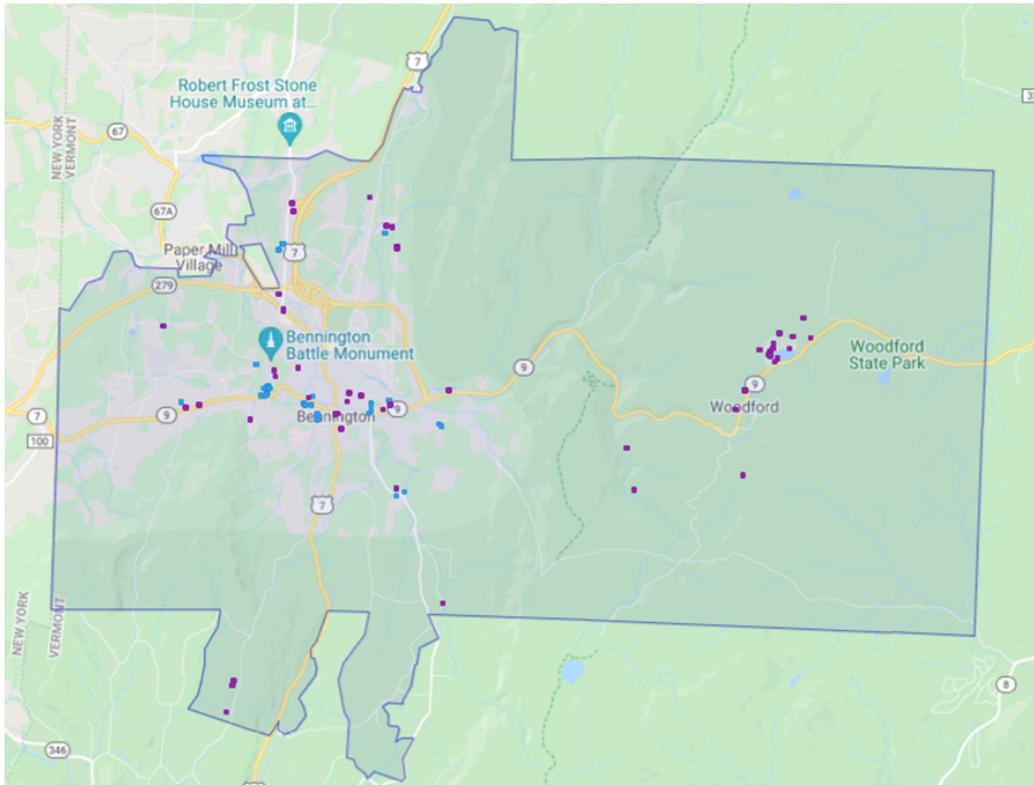


- For rent
- Rented, not occupied
- For sale only
- Sold, not occupied
- For seasonal use
- For Migrant workers
- Other vacant

Source: ACS 5-Year Estimates

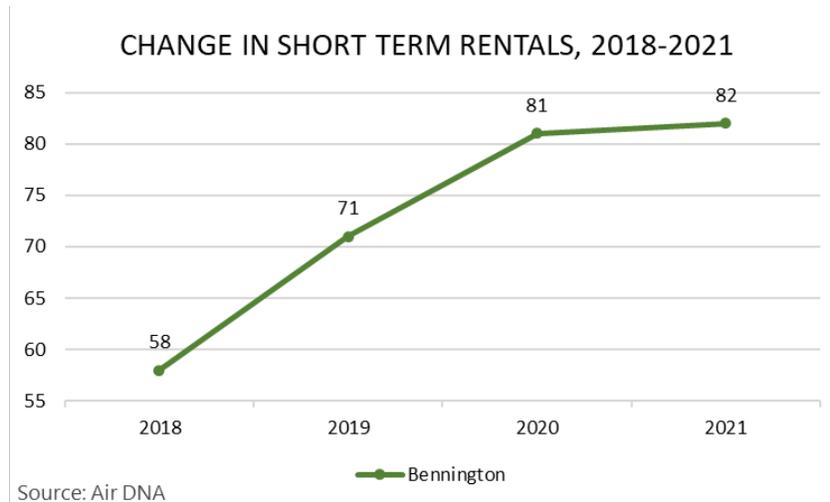
Short Term Rentals

Short term rental data comes from Air DNA, which defines the Bennington region below. Purple dots indicate the location of each short-term rental. There is a cluster in the Town of Bennington and another cluster near Woodford State Park.



Short term rentals in Bennington. Source: Air DNA

From 2018 to 2021, short term rentals have increased by 41% from 58 to 82. While 82 units only represent 1.2% of the total housing stock, there tends to be a correlation between tourist economies and an impact from short term rentals. As the tourism economy continues to be built out in the area, there is the potential to bring additional visitors and create greater demand for short term rentals.



The revenue generated for property owners from short term rentals is significantly higher than what could be captured from renting monthly, so there is little market incentive to shift short-term rentals to year-round units on a purely monetary basis. Short term rentals do require more cleaning, communicating with guests, and upkeep.

Overall, removing units from the year-round rental stock can constrict the supply of rental housing and put upward pressure on housing costs.

SHORT TERM RENTAL OVERVIEW

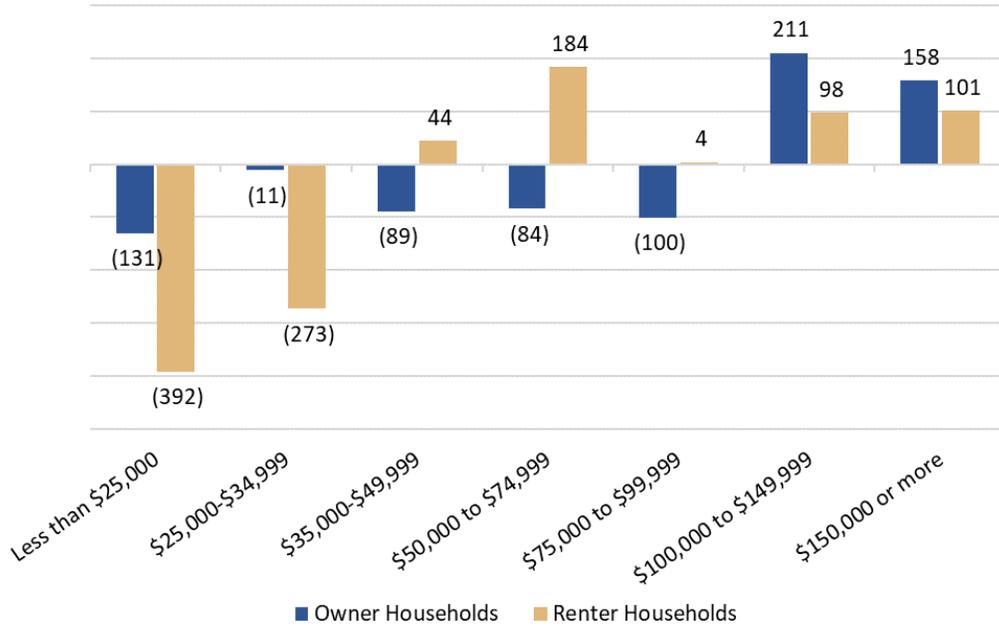
Average Daily Rate	\$	198
Occupancy Rate		68%
Revenue	\$	2,564
Entire Home Rentals		66%

Source: Air DNA

Affordability

Median household income in the Town of Bennington is \$68,388 for homeowners and \$34,156 for renters. Between 2010 and 2019, there has been an increase in renters earning \$35,000 and up, while there was an increase in homeowners earning over \$100,000. All other income cohorts saw a decline. This could indicate a shift in housing preference to renting even if affording a home is possible.

CHANGE IN HOUSEHOLD INCOME BY TENURE BY NUMBER OF HOUSEHOLDS, 2010-2019

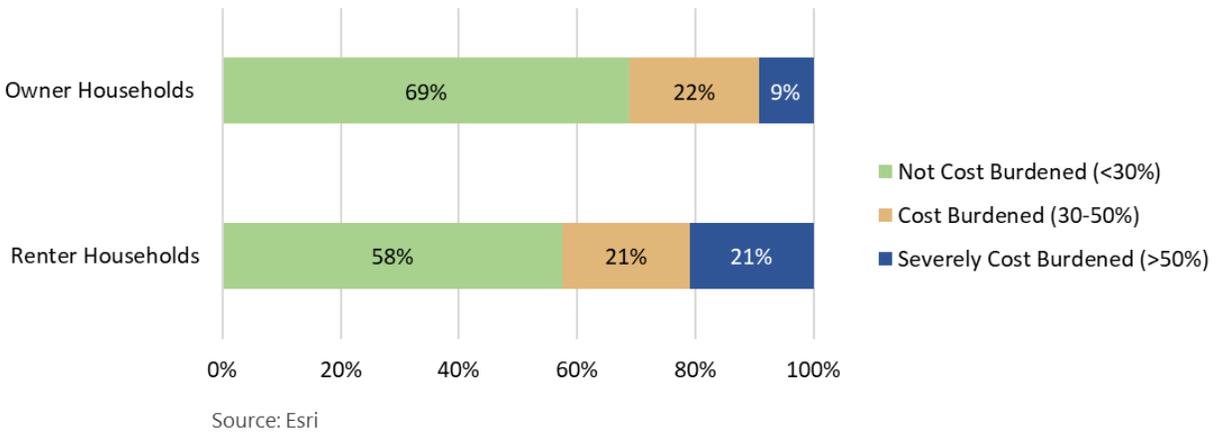


Source: ASC 5-Year Estimates

Housing is no longer considered affordable when more than 30% of household income is spent on housing. Paying more than 30% of income on housing is termed “cost burdened.” When more than 30% of income is spent on housing it leaves less money for other necessities such as food, transportation, childcare, etc.

Renter households are the most cost burdened segment, with 41% paying more than 30% of their income on housing. Of these, 21% of renters are severely cost burdened, paying more than 50% of their income on housing. This points to a need for housing that is more reasonably priced for most renters. Owner households are less cost burdened, with only 31% paying more than 30% of their income on housing.

**TOWN OF BENNINGTON COST BURDENED OWNER VS. RENTER
HOUSEHOLDS, 2019**



The following table provides a summary of overburdened households in the Town of Bennington based on housing tenure (renter vs. owner-occupied) and age of householder (note that minor discrepancies exist between the data from Esri above and data from the U.S. Census Bureau below).

The results show households with “householder” age 35 to 64 are experiencing the greatest housing burden. Approximately 60% of renters and 32% of homeowners in this age range are cost burdened. Seniors (age 65-plus) are also significantly burdened with over one-in-four senior renters being overburdened. The proportion of senior homeowners that are overburdened is even greater at over 30%. Detailed tables are provided on the following page.

Overburdened Households by Tenure and Age

Age Range	Renter Households			Homeowner Households		
	# of Households	% of Renter Households	% of Renters in Age Group	# of Households	% of Owner Households	% of Owners in Age Group
Householder 15 to 24 years	107	4.6%	32.2%	0	0.0%	0.0%
Householder 25 to 34 years	85	3.7%	20.3%	67	1.8%	26.0%
Householder 35 to 64 years	593	25.8%	60.0%	666	18.1%	32.1%
Householder 65 years and over	144	6.3%	25.6%	406	11.1%	30.5%
Total	929	40.36%		1,139	31.0%	88.6%

Source: American Community Survey 2019 5-Year Estimates

Renter Cost Burden by Age: Town of Bennington		
	Households	Percent of Renter Households
Householder 15 to 24 years:	332	14.4%
Less than 20.0 percent	89	3.9%
20.0 to 24.9 percent	15	0.7%
25.0 to 29.9 percent	83	3.6%
30.0 to 34.9 percent	28	1.2%
35.0 percent or more	79	3.4%
Not computed	38	1.7%
Householder 25 to 34 years:	419	18.2%
Less than 20.0 percent	140	6.1%
20.0 to 24.9 percent	91	4.0%
25.0 to 29.9 percent	87	3.8%
30.0 to 34.9 percent	15	0.7%
35.0 percent or more	70	3.0%
Not computed	16	0.7%
Householder 35 to 64 years:	988	42.9%
Less than 20.0 percent	166	7.2%
20.0 to 24.9 percent	78	3.4%
25.0 to 29.9 percent	119	5.2%
30.0 to 34.9 percent	65	2.8%
35.0 percent or more	528	22.9%
Not computed	32	1.4%
Householder 65 years and over:	563	24.5%
Less than 20.0 percent	207	9.0%
20.0 to 24.9 percent	79	3.4%
25.0 to 29.9 percent	108	4.7%
30.0 to 34.9 percent	45	2.0%
35.0 percent or more	99	4.3%
Not computed	25	1.1%
Total:	2,302	100.0%

Source: American Community Survey 2019 5-Year Estimates

Homeowner Cost Burden by Age: Town of Bennington		
	Households	Percent of Renter Households
Householder 15 to 24 years:	3,673	100.0%
Less than 20.0 percent	8	0.2%
20.0 to 24.9 percent	8	0.2%
25.0 to 29.9 percent	0	0.0%
30.0 to 34.9 percent	0	0.0%
35.0 percent or more	0	0.0%
Not computed	0	0.0%
Householder 25 to 34 years:	258	7.0%
Less than 20.0 percent	140	3.8%
20.0 to 24.9 percent	27	0.7%
25.0 to 29.9 percent	24	0.7%
30.0 to 34.9 percent	15	0.4%
35.0 percent or more	52	1.4%
Not computed	0	0.0%
Householder 35 to 64 years:	2,077	56.5%
Less than 20.0 percent	979	26.7%
20.0 to 24.9 percent	283	7.7%
25.0 to 29.9 percent	139	3.8%
30.0 to 34.9 percent	224	6.1%
35.0 percent or more	442	12.0%
Not computed	10	0.3%
Householder 65 years and over:	1,330	36.2%
Less than 20.0 percent	533	14.5%
20.0 to 24.9 percent	299	8.1%
25.0 to 29.9 percent	88	2.4%
30.0 to 34.9 percent	35	1.0%
35.0 percent or more	371	10.1%
Not computed	4	0.1%
Total:	3,673	100.0%

Source: American Community Survey 2019 5-Year Estimates

To illustrate affordability challenges in the Town of Bennington, the following table details the housing costs for a typical (median priced home as of 2021) and the household income needed to afford such a home. As shown below, a median priced home of approximately \$190,000 would require a median household income of roughly \$48,000 to afford. Nearly 50% of households in the Town of Bennington fall below this threshold and would not be able to afford a typical median priced home without being overly burdened.

Illustrative Home Affordability Analysis

Median Home Sale Price (2021)	\$187,950
Down Payment (10%)	\$18,795
Mortgage Amount	\$169,155
Monthly Mortgage Payment (30 years at 3.5%)	\$760
Estimated Additional Monthly Housing Costs*	\$439
Total Monthly Housing Cost	\$1,198
Household Income Affordability Threshold	\$47,933
Renter Households Below Threshold	1,329
Owner Households Below Threshold	1,565
Percent of All Households Below Threshold	48.4%

*Includes Property Tax, Private Mortgage Insurance, and Insurance

A similar analysis below indicates that households need to have an annual income of approximately \$33,000 to afford a median priced rental unit in the Town of Bennington. For a single individual working an hourly wage job, an hourly wage of nearly \$16 would be needed while working full time to afford a median priced rental. Working part-time would require a wage of over \$21 per hour if working three-quarters time or nearly \$32 an hour if working half-time. The majority (74%) of renter households (1,876) in the Town have annual incomes that fall below this threshold.

Illustrative Rent Affordability Analysis

Monthly Median Rent (2019)	\$826
Yearly Rent	\$9,912
Household Income Threshold	\$33,040
Hourly Wage Threshold (full-time)	\$15.88
Hourly Wage Threshold (3/4-time)	\$21.18
Hourly Wage Threshold (1/2-time)	\$31.77
Renter Households Below Income Threshold	1,876

Source: Esri; Camoin

The top ten employment sectors and occupations are outlined in the following tables. For each, we see a range of rents and home prices given the average earnings per job, ranging from the mid \$600s to over \$2,000 per month for rent and between \$93,000 and \$315,000 for home prices. Note that the people who hold these jobs do not necessarily live in the Bennington area (ZIP Code 05201). The data indicates that the wage level for many of the industries and occupations are insufficient for workers to be able to afford typical (median-priced) homes and rental units. It should also be noted that median priced housing units in the community are not necessarily of high quality and that the limited supply of higher quality housing stock is priced above median levels.

TOP TEN EMPLOYMENT SECTORS, BENNINGTON AREA

	2021 Jobs	Avg. Earnings Per Job	Affordable Monthly Rent	Affordable Home Price
Health Care and Social Assistance	2,749	\$61,441	\$1,536	\$219,433
Retail Trade	1,303	\$42,068	\$1,052	\$150,245
Government	1,196	\$60,721	\$1,518	\$216,860
Manufacturing	1,065	\$67,220	\$1,681	\$240,072
Educational Services	924	\$35,854	\$896	\$128,050
Accommodation and Food Services	472	\$26,234	\$656	\$93,693
Other Services (except Public Administration)	322	\$30,351	\$759	\$108,397
Construction	275	\$46,975	\$1,174	\$167,767
Professional, Scientific, and Technical Services	214	\$88,759	\$2,219	\$316,997
Finance and Insurance	200	\$79,110	\$1,978	\$282,537

Source: Emsi

Note: Bennington is defined in this analysis by the following ZIP Codes: 05201.

TOP TEN OCCUPATIONS, BENNINGTON AREA

	2021 Jobs	Avg. Earnings Per Job	Affordable Monthly Rent	Affordable Home Price
Healthcare Practitioners	1,110	\$78,546	\$1,964	\$280,521
Office and Administrative Support	1,027	\$41,902	\$1,048	\$149,651
Educational Instruction and Library	952	\$56,875	\$1,422	\$203,124
Sales and Related Occupations	910	\$41,313	\$1,033	\$147,547
Production Occupations	739	\$38,995	\$975	\$139,269
Management Occupations	592	\$88,105	\$2,203	\$314,662
Healthcare Support Occupations	591	\$33,332	\$833	\$119,043
Food Preparation and Serving Related	567	\$32,302	\$808	\$115,365
Transportation and Material Moving	506	\$37,699	\$942	\$134,639
Community and Social Service	437	\$46,560	\$1,164	\$166,284

Source: Emsi

Note: Bennington is defined in this analysis by the following ZIP Codes: 05201.

Community Housing Needs Survey Findings

A communitywide housing survey was conducted to gain additional insights into current housing issues and needs facing the community. The following findings from the community housing survey indicate the following characteristics and preferences among Bennington residents.

Survey Respondent Overview

- 40% of survey respondents have two people in their household. 20% are in a household of one, 16% are in a household of three, and 13% are in a household of three.
- 66% of respondents own their home year-round while 25% rent year-round. 3% are part time residents who own their home.
- 32% pay between \$1,000 and \$1,499 in either rent or mortgage. 19% pay less than \$500 and 13% pay 13%.

Housing Challenges

- The cost of property taxes was cited as the most challenging aspect of their current residence, 37% of respondents. 27% cited cost of utilities, 26% need repairs they cannot afford, and 20% have too much upkeep.
- The most critical housing issues cited by survey respondents was lack of available rentals, prices that are not affordable for those that live and work in the area, and that property taxes are too high.
- 58% of respondents feel that because there is a lack of housing at the right price point businesses are negatively impacted as a result.
- When choosing what factors are most important to living somewhere, 67% chose the community and neighborhood feel, 50% chose the quality of the housing, 47% chose access to goods and services, and 35% chose walkability.
- 70% of respondents feel the recently closed Energizer facility represents an opportunity for housing. The most common type of housing they would like to see developed was low-to-moderate income rentals (53%), workforce housing (47%), and senior housing (38%).

5. Housing Market Trends

Nationwide, new and existing homes are selling at their fastest pace since 2006. The COVID-19 pandemic created pent-up demand for housing of all types and the high cost of construction materials has decreased new home supply and increased sales of existing homes.¹ Lower interest rates are also contributing, as well as shifts in where Millennials are moving. People are looking for smaller cities and towns which, in large measure, provide a lower cost of living, more space, access to recreation, good schools, and, for some, a higher quality of life.

Buyers are showing more interest in smaller cities and rural places for multiple reasons; working from home is becoming more commonplace, the COVID-19 rate was lower in these locations and deemed safer, and out-of-town buyers with relatively higher salaries have more purchasing power for larger houses and properties. Meanwhile, the lures that draw people to urban areas in the first place – particularly proximity to a wide variety of amenities and other social activities – still creates a strong pull.²

While traditionally rural communities have favored homeownership over renting, rental housing is becoming more important as rural economies are shifting. Rental demand is being generated by an increase in seasonal tourism bringing immigrant and young adult labor in need of housing. In addition, the aging population on fixed incomes is increasing and this population is looking to downsize yet stay in the same community. However, fewer tradespeople and construction workers combined with the increasing cost and lower availability of building materials make building additional units challenging and more expensive than ever.^{3,4}

Multifamily Rental Trends

Using CoStar⁵ data from Bennington County, we gain a better understanding of how the multifamily market has shifted over the last 10 years. While CoStar provides the best available data on multifamily market trends, it does not have information on every multifamily property in Bennington and therefore does not provide a full inventory, but is helpful in understanding market trends.

Since 2011, multifamily units have stayed stagnant at 318 units until recently with the addition of 24 units from the Putnam Block in downtown Bennington.

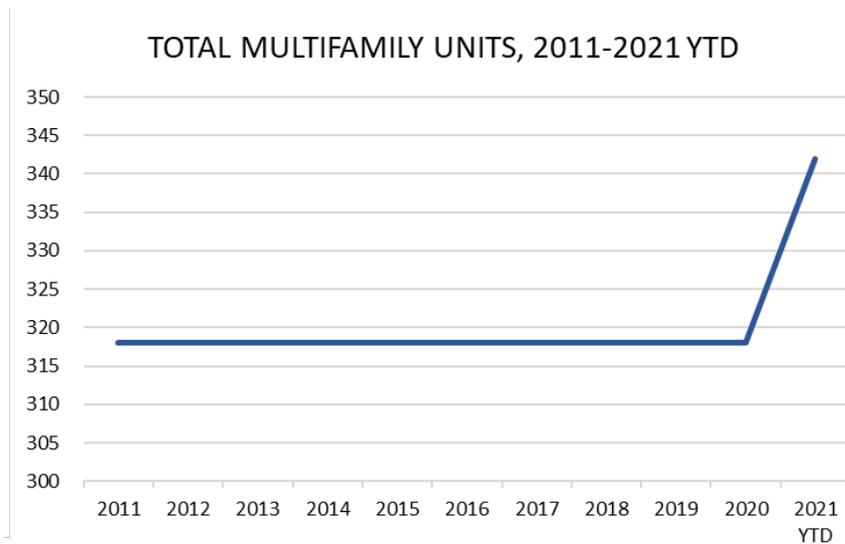
¹ <https://www.us.jll.com/en/trends-and-insights/research/housing-and-real-estate-demand>

² <https://www.mansionglobal.com/articles/sellers-in-remote-areas-of-u-s-should-consider-keeping-their-listings-on-the-market-214116>

³ <https://archive.curbed.com/2019/4/2/18291233/rent-apartment-rural-affordable-housing>

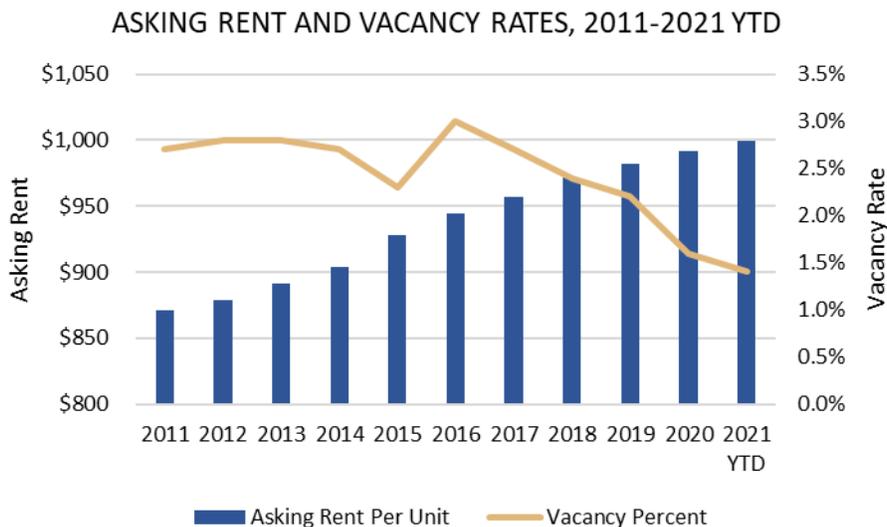
⁴ [us.jll.com/en/trends-and-insights/research/housing-and-real-estate-demand](https://www.us.jll.com/en/trends-and-insights/research/housing-and-real-estate-demand)

⁵ CoStar is the leading source of commercial real estate intelligence in the U.S. It provides a full market inventory of properties and spaces—available as well as fully leased—by market and submarket. CoStar data is researched and verified by the industry’s largest professional research team. CoStar’s team makes calls to property managers; reviews court filings, tax assessor records, and deeds; visits construction sites; and scans the web to uncover nearly real-time market changes.



Source: CoStar

Asking rents have consistently gone up in this same timeframe, from \$871 per unit in 2011 to \$999 in 2021. This 15% increase has happened at the same time vacancy rates have decreased, from 2.7% in 2011 to 1.4% in 2021. This tells us the lack of supply is not a new issue due to the pandemic, but an issue that has been consistent within the region. Generally, a 5% rental vacancy rate is a healthy rate to allow for choice and movement within the market. Therefore, the current rental vacancy indicates an extremely tight market and the existence of rental demand that is not currently being met in the market. New rental units are needed to restore a healthy balance in the market and meet this unmet demand.



Source: CoStar

Looking at the current multifamily properties within the Town of Bennington specifically, there is generally lower quality and older stock except for the newly completed Putnam Block. Interviews conducted as part of this study also indicated that there is a significant lack of quality rental units

available in the market. The following table shows the multi-family properties tracked by CoStar, along with their building class and other information. There are only two Class A multifamily properties in Bennington, however, the units at 113 Depot Street property are not currently available.

MULTIFAMILY PROPERTIES IN BENNINGTON, VT

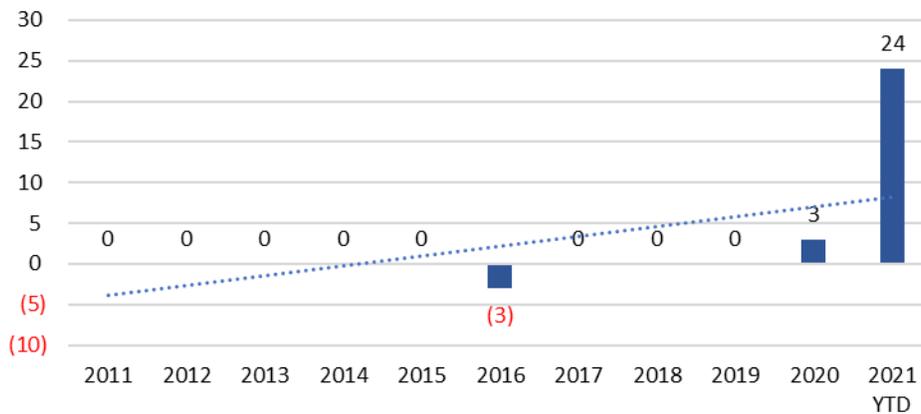
Property Name	Number Of Units	Building Class	Avg Unit SF	Vacancy %	Year Built/Renovated
Putnam Block/101-109 South St	24	A	NA	NA	2021
Applegate Apartments/250 Applegate Dr	104	B	980	NA	1973
250 Benmont Ave	12	C	NA	2.2	NA
Colonial Apartments/100 W Main St	23	C	893	6.1	NA
302 Pleasant St	6	C	NA	2.2	NA
209 Washington Ave	2	NA	750	2.4	1900
312 Beech St	5	C	748	2.2	1900
123-131 Benmont Ave	5	C	822	2.2	1900
113 Depot St	82	A	953	NA	2021
710 Main St	4	C	740	2.2	1930
301 North St	5	C	748	2.2	NA
123 Pleasant St	4	C	748	2.2	1920
324 Pleasant St	10	B	NA	2.2	NA
34 West Rd	4	C	748	2.2	NA
Total Units	290				

Source: CoStar

The following graph outlines the net absorption of units from 2011 to year-to-date in 2021. Net absorption is the total amount of space that tenants physically moved into less the total amount of space that tenants physically moved out of. Net absorption changes due to supply changes such as removal of units on the market due to renovation or demolition, or an increase in the delivery of units from new construction; changes can also be due to demand impacts such as a major employer hiring, firing, or moving locations, a decrease in population, or change in housing preferences. Positive net absorption means more units were leased than were made available on the market. Negative net absorption indicates more units were vacated and placed on the market than were leased up.

Net absorption in the region has been flat as little has been added to the market. The strong absorption of the new Putnam Block units in 2021 indicates that the market can likely support additional multifamily units.

NET ABSORPTION, 2011-2021 YTD



Source: CoStar

For Sale Market Trends

Within the Town of Bennington, the housing market is on par with national trends. The May 2021 *Market Data Report* for Bennington City report from the Vermont Association of Realtors® outlines the most recent happenings within the residential real estate market:

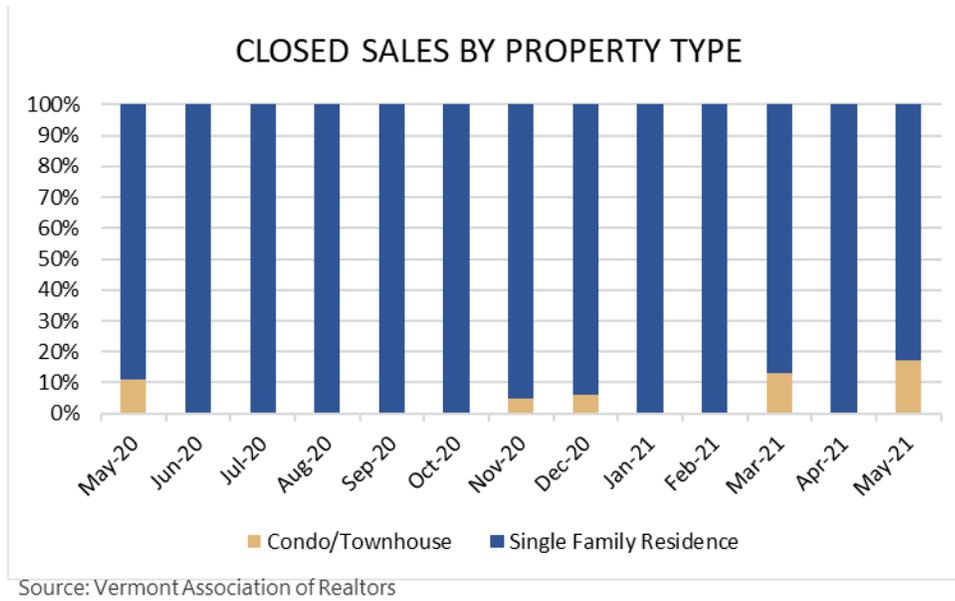
Inventory | As of the end of May 2021, the number of months of inventory was down 92.2%. There were just 0.8 months of residential property inventory during this month, compared to 9.6 months of inventory a year prior.

Days on the Market | The median number days on the market was 37 in May 2021 compared to 222 days in May 2020, a reduction of 83.3%.

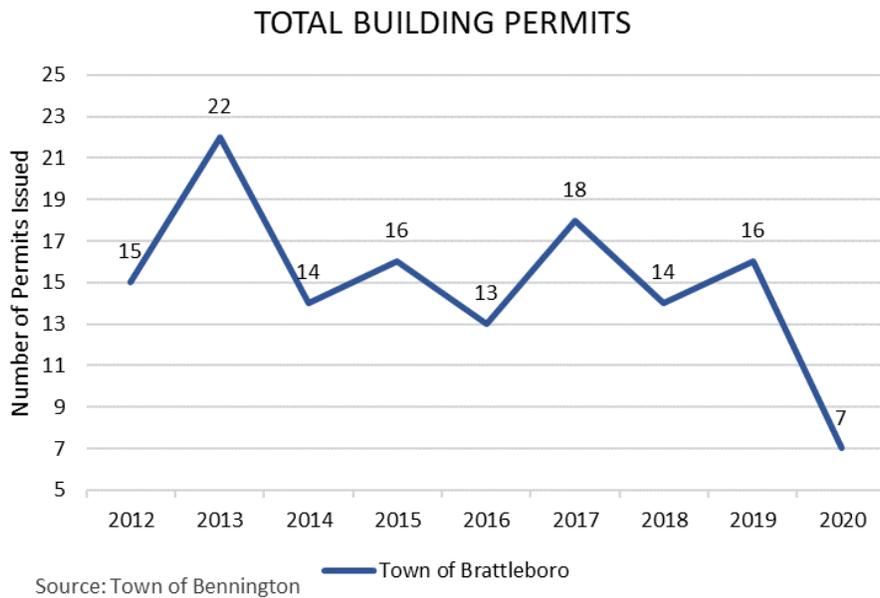
Prices | The median listing price has increased 3.9% year over year from May 2020 to May 2021, with a current median listing price at \$169,900. The median sales price, however, has jumped 34.3% in the last year from \$139,900 to \$187,950.

Sales | Sales are up 62.5% YTD compared to 2020, 94 compared to 64. However, pending sales volume is down 55.3% year over year, indicating a slowing of the market.

Property Type | The predominant type of home being sold is single family units. The following graph illustrates

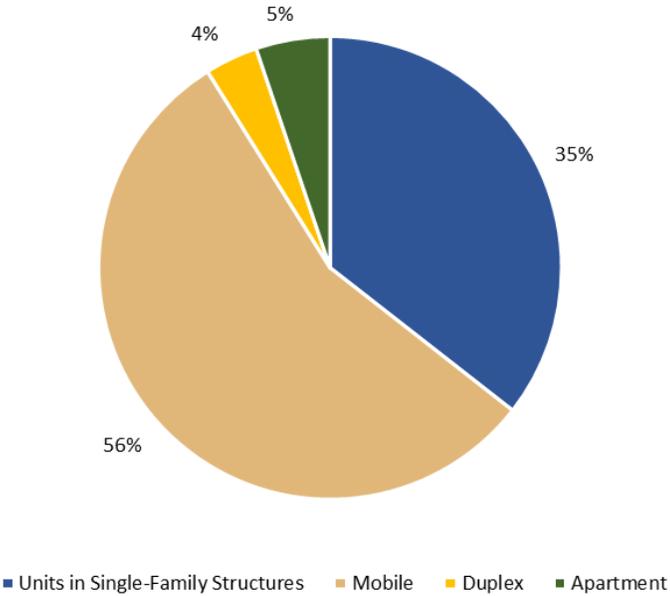


Building permits in the Town of Bennington ranged between 13 and 22 annually from 2012 to 2019. In 2020 this dipped to seven, most likely due to the pandemic.



The majority of permits were issued to mobile home units, 56%. Single-family structures comprised 35% of the units, 5% were issued for apartments and 4% were for duplexes. The allocation of these units over time has been consistent with no shift in what type of buildings are being built in the town.

BUILDING PERMITS BY UNIT TYPE, TOWN OF BENNINGTON, 2012-2020



Source: Town of Bennington

6. Housing Needs Analysis

We look at both projected and current need for housing in Bennington and the region when appropriate. The housing need in Bennington is generated primarily from projected household growth, current living situations that may not be ideal, replacement of older housing stock, workers in Bennington but who live elsewhere, and households that are cost burdened. The Housing Needs Analysis identifies the *households* in need of new and/or different housing within the Town and does not necessarily represent market demand or need for new housing *units* in the Town as this need can be addressed in a variety of ways including rehabilitation, various types of assistance programs, policy changes, and other approaches in addition to the development of new housing.

Key Demographic Trends Driving Future Housing Needs

The following demographic characteristics and trends are impacting housing, but also may be effects of housing challenges in the community.

- **Declining Population Trends.** The overall population in the Town of Bennington has and is expected to decline. From 2010 to 2021 the population declined 4.8%. From 2021 to 2026 the population is expected to further decline by 2.1%.
- **Loss of Family Households.** With family households driving the overall household decline (compared to nonfamily households which are growing regionally) and nonfamily households primarily comprised of one person (79.5%), there is a market demand for smaller-sized units.
- **Need for Housing at Both Ends of the Spectrum.** Nonfamily households make 85% less than family households. This points to a need for lower-priced units for this growing segment of the community as well. At the same time, people with higher incomes are turning to rentals at a faster rate than homeownership.
- **Growing Senior Population.** The overall population is shrinking, yet those aged 65 and up are rising in numbers. There is also a projected increase in householders over the age of 65. This points to an increased need for senior housing.
- **A significant number of local workers live outside the community.** Approximately 59% of Bennington’s workforce commutes to work, a proportion that has slowly climbed over the past decade.
- **Growing Seasonal Homes.** The number of seasonal houses in Bennington increased by 310% from 2010 to 2019. The desirability of the community among seasonal residents may indicate a potential for additional housing development.
- **Many Households Overburdened.** 42% of renters are paying over 30% of their income on housing, with 21% of these paying more than 50%. This points to a large demand for lower-income housing.

Change in Households

The Town of Bennington is expected to lose 120 households from 2021 to 2026 and the county is expected to lose 213. Note: these projections are largely based on historical changes in households and do not reflect pandemic-related changes in Bennington or Bennington County. Among income cohorts, those households making less than \$75,000 are expected to decline while there will be increases in those making \$75,000 and up.

BENNINGTON POPULATION CHANGE, 2021-2026

	<25	25-34	35-44	45-54	55-64	65-74	75+	Total
<\$15,000	(8)	(17)	(9)	(17)	(41)	(19)	15	(96)
\$15,000-\$24,999	(5)	(9)	(7)	(12)	(19)	(10)	12	(50)
\$25,000-\$34,999	(5)	(7)	(7)	(3)	(20)	(3)	10	(35)
\$35,000-\$49,999	(6)	1	(5)	(17)	(28)	(11)	20	(46)
\$50,000-\$74,999	4	5	(1)	(25)	(19)	15	23	2
\$75,000-\$99,999	0	3	5	(9)	(4)	12	11	18
\$100,000-\$149,999	0	9	8	(1)	0	19	22	57
\$150,000-\$199,999	0	7	6	3	2	(2)	3	19
\$200,000+	0	1	2	(4)	(2)	5	9	11
Total	(20)	(7)	(8)	(85)	(131)	6	125	(120)

Source: Esri

BENNINGTON COUNTY POPULATION CHANGE, 2021-2026

	<25	25-34	35-44	45-54	55-64	65-74	75+	Total
<\$15,000	(8)	(25)	(18)	(43)	(94)	(42)	37	(193)
\$15,000-\$24,999	(9)	(24)	(16)	(34)	(59)	(41)	18	(165)
\$25,000-\$34,999	(10)	(21)	(17)	(24)	(61)	(26)	27	(132)
\$35,000-\$49,999	(11)	(11)	(21)	(47)	(89)	(36)	58	(157)
\$50,000-\$74,999	6	(8)	(7)	(71)	(84)	49	75	(40)
\$75,000-\$99,999	(1)	5	21	(21)	(36)	37	53	58
\$100,000-\$149,999	0	22	35	2	13	79	78	229
\$150,000-\$199,999	0	15	14	5	18	18	19	89
\$200,000+	0	1	17	2	4	36	38	98
Total	(33)	(46)	8	(231)	(388)	74	403	(213)

Source: Esri

Living Arrangements

Living arrangement data from the American Community Survey shows where people are currently living in the Town of Bennington. Based on these living arrangements we can determine if there is potential demand for additional housing.

Those aged 18-34 and living with others (not a spouse or partner) we call “underhoused,” as they could be living with multiple people or parents to save money to buy a home or be unable to find a suitable place to rent. While 64% of those 18-34 are underhoused, this figure is 35% among the entire population. We conservatively estimate 5-10% of this population would seek alternate arrangements if available, a demand for 105 to 209 units.

To assess senior housing needs, we examine those over the age of 65 who are living alone. This population may have the ability to live independently with access to services, family, and other resources. However, as this population ages, they may need to move to housing that provides additional services. Approximately 33% percent of those aged 65 and over live alone compared to 19% of the entire adult population. Again, we conservatively estimate 5-10% of the population over 65 currently living alone need some variety of senior housing, a demand of 48 to 97 units.

LIVING ARRANGEMENTS, TOWN OF BENNINGTON

	Age 18-34		Age 65+		Total Adult	
	#	% of Age Cohort	#	% of Age Cohort	#	% of Adult Population
Lives Alone	168	5%	967	33%	2,092	19%
Living with Spouse	470	14%	1,390	48%	4,252	38%
Living with Unmarried Partner	532	16%	59	2%	958	9%
Living with Parents	964	30%	5	0%	1,143	10%
Living with Other Relatives	563	17%	268	9%	1,678	15%
Living with Other Nonrelatives	567	17%	200	7%	1,132	10%
Total 18-34 Living with Others (non spouse/partner)	2,094	64%	-	-	3,953	35%
Total 65+ Living Alone	-	-	967	33%	2,092	19%
Total	3,264	100%	2,889	100%	11,255	100%

Source: ACS 5-Year Estimates, Camoin 310

NEED FROM LIVING ARRANGEMENTS

	Total	Est. Low	Est. High
		Demand (5%)	Demand (10%)
Age 18-34 Living with Others	2,094	105	209
Age 65+ Living Alone	967	48	97

Source: ACS 5-Year Estimates, Camoin 310

Severely Overburdened Households

For the quantified housing needs estimate, only those households considered “severely burdened” are included. These households are currently spending more than 50% of their annual income on housing costs and are therefore in need of more affordable housing. This likely underestimates the need among cost burdened households as a portion of homes spending between 30% and 50% of annual income on housing are also likely in “need” of more affordable housing. As shown below, there are a total of 696 severely burdened households in need of more affordable housing.

Severely Overburdened Households by Income Level and Tenure (Town of Bennington)

Income Level	Renter	Homeowner	Total
Less than \$20,000	405	156	561
\$20,000 to \$35,000	40	57	97
\$35,000 to \$50,000	15	24	39
\$50,000 to \$75,000	0	0	0
\$75,000 or more	0	0	0
Total	460	236	696

Source: Camoin; American Community Survey 2019 5-Year Estimates

Replacement

Each year, a small portion of housing stock becomes obsolete or uninhabitable through disaster, deterioration, demolition, or conversion to non-residential use. Considering the loss of units due to replacement is necessary to accurately display a projection in housing needs. Replacement need is strongly correlated with the age and conditions of the existing housing supply and tends to be housing for those households with the lowest income levels. Nationally, there is an estimated average annual loss of 0.3% across the housing stock, with the majority occurring within the lower valued properties.

Carrying this loss across the five-year period from 2020 to 2025 results in 1.5% of the housing units being obsolete within the market area. In total, an estimated 101 households are living in housing units will need to be replaced in the Town of Bennington. Housing units that are on the verge of being replaced are typically occupied by households in the lower income brackets. Demand is distributed at the current owner and renter ratios per income bracket.

REPLACEMENT DEMAND SUMMARY

Income Level	Owner	Renter	Total
<\$15,000	11	60	71
\$15,000-\$24,999	6	14	20
\$25,000-\$34,999	5	5	10
Total	22	79	101

Source: ACS 5-Year Estimates, Camoin 310

Commuter Housing Need

Almost 60% of workers commute to Bennington for work representing 4,513 workers. Interviews indicate that the lack of quality and attainable housing in the Town is one of the primary reasons that workers choose to live outside of the community. Therefore, with the right housing product it is expected that a portion of these “in-commuters” would choose to live in the town.

It is conservatively estimated that 5% to 10% of existing in-commuters could be drawn to live in the Town if the right housing were available (i.e., 5% to 10% of current workers in the Town are currently displaced because of the lack of suitable housing). This indicates potential housing need for approximately 226 to 451 households. It is anticipated that accommodating this need would be spread over a period of time as not all of these in-commuters would immediately relocate with the availability of new housing.

COMMUTER HOUSING NEED SUMMARY

Income Level	5%	10%
Under \$25,000	0	0
\$25,000 to \$34,999	35	70
\$35,000 to \$49,999	110	220
\$50,000 to \$74,999	29	58
\$75,000 +	52	103
Total	226	451

Source: Emsi, ACS 5-Year Estimates, Camoin 310

Townwide Needs Summary

Overall, a total of 1,056 households are in need of new housing or more appropriate housing situations in the Town of Bennington including 604 renter households and 452 homeowner households.

HOUSING NEED SUMMARY RENT VS. OWN

Source of Need	Rent	Own	Total
Projected Household Change	(125)	5	(120)
Current Living Arrangements	94	59	153
Severely Overburdened	460	236	696
Obsolete Housing Stock	79	22	101
Potential Commuter Demand	97	128	226
TOTAL	604	452	1,056

Source: Camoin 310

Note: Based on low estimates of demand analysis.

The housing need is also broken down by income level in the following table with the greatest housing need for low-income households with annual incomes under \$15,000.

HOUSING NEED BY INCOME LEVEL

Income Level	Number of Households	%	Maximum Housing Payment/Mo.
<\$15,000	397	110%	\$375
\$15,000-\$24,999	208	58%	\$375-625
\$25,000-\$34,999	105	29%	\$625-875
\$35,000-\$49,999	138	38%	\$875-1,250
\$50,000-\$74,999	39	11%	\$1,250-1,875
\$75,000-\$99,999	74	21%	\$1,875-2,500
\$100,000-\$149,999	62	17%	\$2,500-3,750
\$150,000 +	34	9%	\$3,750 +
TOTAL	1,056	100%	

Source: Camoin 310

Note: Based on low estimates of demand analysis.

7. Interview Findings

The key findings and themes from the interviews conducted for the Housing Needs Assessment are provided below:

- **Housing is a critical issue in Bennington with a severe mismatch between needs and the available housing stock.** Overall, interviews indicated that the housing situation in Bennington has reached near crisis-level with a substantial mismatch between the housing types and affordability that is needed versus the town's current housing stock and availability of housing.
- **The Town is severely lacking market rate rental housing:** the inventory of quality market rate housing is very low and insufficient to meet current demand. The vacancy rate for quality units is essentially zero.
- **Housing is difficult to find for workers moving into the area:** Local employers report that housing is a recruitment issue and that new employees have difficulty finding suitable housing and often have to settle for less desirable housing and/or live outside of the community and commute to their job. Many workers are looking to rent initially but are not able to find quality rental units. Overall, workforce housing was identified as a critical issue facing Bennington.
- **Retirees are attracted to Bennington:** There has been an increase in those nearing-retirement or recently retired households moving into the area, including those looking for housing to live in the area seasonally/part-time.
- **Very significant need for senior housing:** Both independent living and assisted living facilities are seen as being needed in the Town of Bennington. Seniors currently have no options to downsize into, but if they did it would open up additional inventory. Most area seniors want to stay within the community. Active senior/independent living and assisted living facilities were specifically identified as needs.
- **Housing needed at both ends of the income spectrum:** There is a need for affordable, workforce, and market-rate housing as there is a mismatch between supply and demand for households of all income levels.
- **The lack of needed housing is attributable in large part to the economics of housing development:** Little housing development has been occurring because rental rates do not support the relatively high construction costs of housing development. As a result, it is difficult to finance projects and achieve a reasonable return on investment for the private sector.