

## Affordable housing falls short of demand

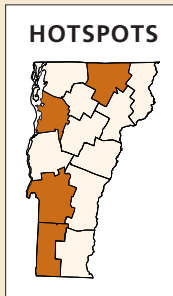
Scenic views and open spaces are easy to find in Vermont. But if you are part of the state's moderate- to low-income population, finding a home you can afford that is close to your job can prove to be a challenge.

This issue pits multiple Vermont interests in a struggle for priority: preserving natural resources and green spaces, pursuing profitable development projects, attracting and retaining the workers who power the state's economy, managing the length of commutes, and meeting baseline housing needs.

### the FACTS

#### What's "affordable" in Vermont?

- Affordable housing, as defined by the U.S. Department of Housing and Urban Development (HUD), must account for less than 30% of a household's total expenses. A full-time, full-year minimum wage job in Vermont would pay \$14,790, with 30% of this amount equal to approximately \$4,437 or \$370 per month.
- In Vermont, 43,000 families experience a "severe burden," spending more than 50% of their income on housing and utilities. Vermonters in this situation outnumber those in any other state in New England. The Vermont figure also exceeds the national average.<sup>15</sup>
- Nearly every major source of state and federal government support related to housing has declined significantly in recent years.<sup>16</sup>



#### Rental homes

- The availability of rental homes in Vermont is 4.7% of total rental stock—a figure lower than that of any other state in the nation. The Vermont Housing Council estimates a current statewide shortage of 21,000 affordable rental units. The shortage is especially acute in Chittenden, Orleans, Bennington and Rutland counties.
- Nearly half of the available rentals are 50 years old or older, with those that are most affordable in a state of great disrepair.
- While Vermont's minimum wage of \$7.53 per hour compares favorably with that of other states, renters would need to earn almost twice as much to afford fair market rent for a two-bedroom apartment, which has increased by 29% in the past decade to \$723 per month.
- Despite great demand for affordable rental housing, units stand empty because some applicants with sufficient income to pay rent may not be able to provide a security deposit, and they may also need basic guidance on financial management and credit.

#### Home ownership

- Healthy housing markets have a 3% vacancy rate among non-rental homes. Vermont's rate in this category is 0.8%—the fourth lowest in the nation, helping drive prices beyond the grasp of low- to moderate-income families.
- Over the past decade, the median purchase price of a home has risen 87%, with a 10% increase between the years 2004 and 2005. To afford a home in such a market, an individual or family would have to earn \$65,000 annually, yet 73% of Vermont households have annual incomes lower than that.<sup>17</sup>