

# Housing Needs Assessment for Sullivan, NH

Sullivan Housing Task Force and Ivy Vann AICP, CNU-A | May 2023

## Executive Summary

This assessment was performed as part of a Housing Opportunity Grant to assess what kind of housing is currently available in Sullivan and what is likely to be built under current zoning, as well as to consider the match or mismatch between the existing housing stock and town demographics.

1. Sullivan's primary form of housing is single family detached: 90% of all units
2. Single family detached is the most expensive form of housing
3. Two-thirds of Sullivan's households are one or two person households
4. The median age in Sullivan is 45; 41% of residents are over 50.
5. Under current zoning big houses on big lots are the most likely housing to be built
6. Median household income in Sullivan is \$83,750
7. Most jobs do not pay enough to allow purchasing or renting a home in Sullivan
8. Sullivan does not currently meet the state statute for workforce housing

This housing needs assessment is meant to identify changes the Town may want to consider making to its land use regulations so that our unique character is preserved while creating better housing options for existing and new residents.

This project is being supported, in whole or in part, by federal award number SLFRP0145 awarded to the State of New Hampshire by the U.S. Department of the Treasury.

# Housing Needs Assessment for Sullivan, NH

Sullivan Housing Task Force and Ivy Vann AICP, CNU-A | May 2023

As part of Sullivan’s consideration of possible changes to its zoning code to allow for more housing choice in the town it is necessary to create a picture of what housing is currently available, what housing is not available, and what housing may be needed in the future. This is an analysis of current conditions, including the town’s current land use regulations, and demographics paired with projections for housing needs going forward.

## Demographics

Sullivan’s population is 650 persons, according to the American Community Survey data from the 2020 national census. There are 338 women, and 312 men. Residents are 93% white, with a few persons identifying as Asian or Hispanic, and an additional few who identified as more than one race.

### Population by age cohort

0-9	10-19	20-29	30-39	40-49	50-59	60-69	70-79	80+
84	45	58	71	117	104	97	52	19

The town’s population has remained virtually unchanged since the 1990 census. Median age in Sullivan is 45, identical to the state as a whole. New Hampshire has the second oldest median age, after Maine.

## Income

Median household income in Sullivan is \$83,750. 17% of individuals are living within 150% of poverty, defined as an income of \$37,290 for a family of 3.

## Household composition

According to data collected by the Southwest Regional Planning Commission, Sullivan has 294 households. Two-thirds of Sullivan’s households, 213, are one or two person households; 48 are three-person households; and 33 are four or more person households.

## Housing availability according to the 2020 US Census

Total housing units in Sullivan 314  
 Single family units, detached or attached 263  
 Units in 2-4 unit Multi-family structure 22  
 Mobile homes and other housing units 25

Between 2000 and 2020 37 housing units were added; between 2010 and 2020 5 housing units were added.  
 These numbers include 20 unoccupied units.

## Housing availability and income

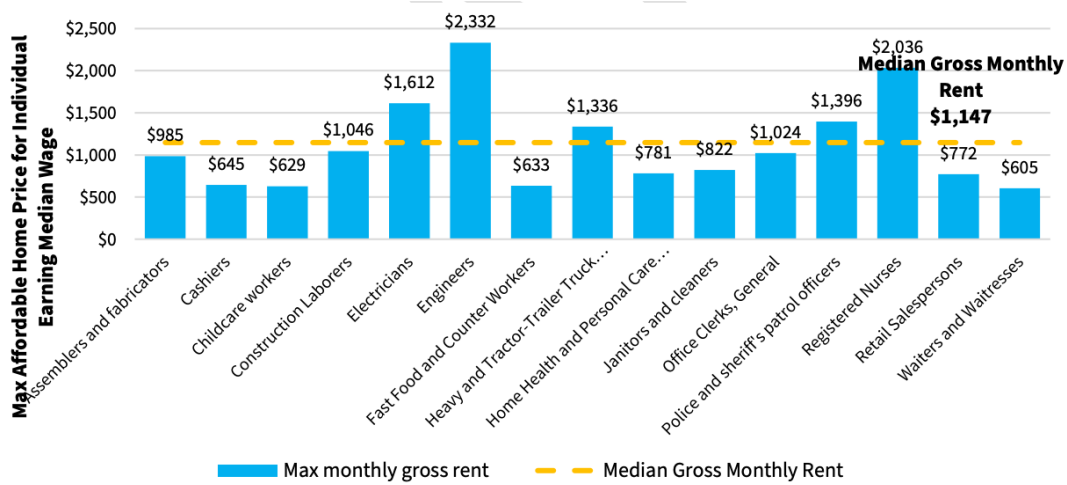
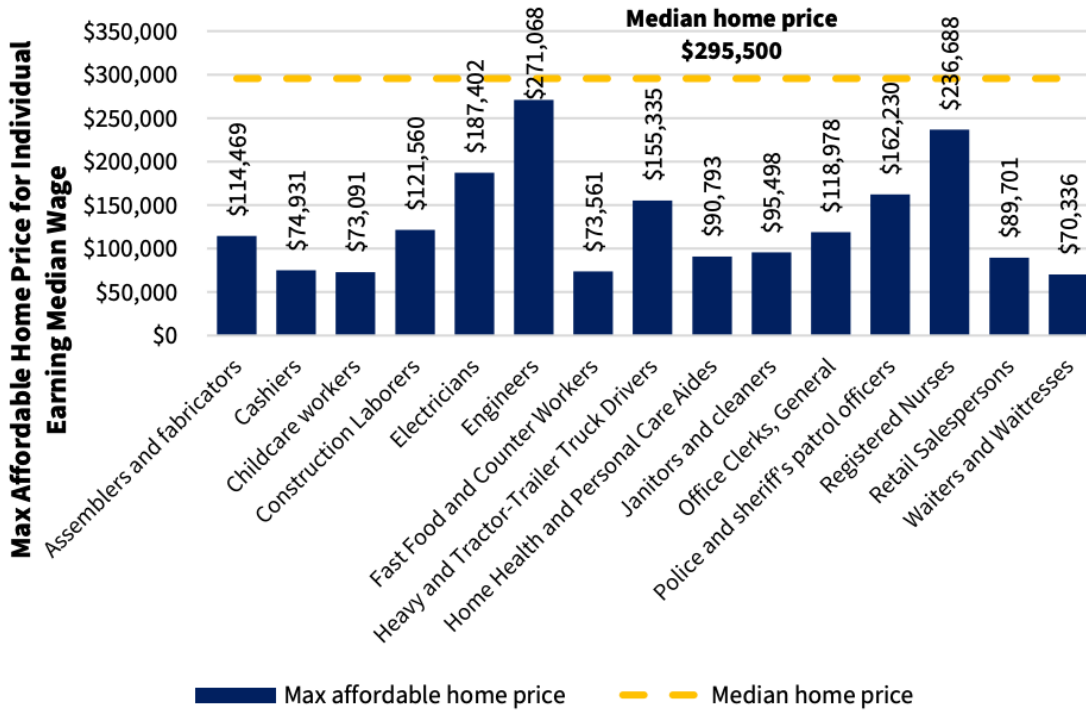


Figure 51: Affordability by Occupation, Southwest Region. Sources: New Hampshire Housing Finance Authority (Median Gross Rent) and Economic and Labor Market Information Bureau (Employment and Wages)

## Home and Rent Affordability by Occupation and Wages

Maximum affordable rent and affordable house prices are based on area median rents and house prices. It is likely that both of these costs have risen since this analysis was done; according to the Southwest Regional Planning Commission the median home price in our region is \$295,500 and since no rentals are available we can only assume that they are considerably more expensive than assumed here. It is possible that Sullivan's median house price is somewhat less, but since there were only two houses on the market at the time this report was written it is very difficult to be sure of that. Zillow lists Sullivan's average home value at \$310,516, up 7.2% over the past year.

What we see is that almost none of these workers can afford to live in Sullivan. Median household income in Sullivan is \$83,750.



*Figure 50: Affordability by Occupation, Southwest Region.*  
 Sources: MLS Data (Median Sold Price, Southwest Region 2022) and Economic and Labor Market Information Bureau (Employment and Wages)

### Transportation costs

In rural areas transportation costs are a major portion of household expenditures. When considering rents it is important to remember that those transportation costs must also be considered in the same way we consider utilities.

### Fair share housing needs

As part of the recent Southwest Regional Planning Commission housing needs assessment they predict that the southwest region will need an additional 4659 housing units by 2040. As part of this assessment SWRPC also identified Fair Share Housing Distribution targets. These are not legally enforceable goals, they are aspirational housing targets intended to restore a balanced housing market.

The NH Workforce housing law (RSA 674:58-61) states that all communities will provide “reasonable and realistic opportunities” for the development of workforce housing. Workforce is defined as housing available for purchase by a household earning 80% of the Area Median Income (AMI is \$83,750 in Sullivan) or available for rent by a household earning 60% of AMI. In Sullivan a median household income of \$67,000 qualifies for workforce housing for purchase; \$50,250 or less is the qualifying household income for rental workforce housing. Rental housing would need to be available at a monthly cost of \$1396, including utilities, to be considered workforce housing.

Using those parameters SWRPC estimates that by 2040 Sullivan should plan to add 8 units selling at a price available to someone making less than 100% of AMI and 11 units selling at a price available to someone making 100% of AMI or more. For rental units, they foresee adding 2 units renting for a price available for a household making less than 60% of AMI and 9 units for households making above 60% of AMI.

## Development potential under current zoning

Sullivan has only one zoning district, the rural residential district, where the minimum building lot is 2 acres. Single family and duplexes are permitted by right in the district on any 2 acre lot which meets the road frontage requirements.

Analysis of the 253 parcels in Sullivan larger than 5 acres with an existing building indicates that 1255 new building lots could be created by subdividing off a 2 acre lot for the existing building and dividing the remaining parcel by 2. This exercise yields 1255 new 2 acre lots. It is probable that the actual number would be considerably less, since wetlands and steep slopes are not accounted for. Additionally, access to these lots would have to be created, further reducing the land available for development.

Analysis of the 175 parcels larger than 5 acres without an existing building indicates that 1884 new building lots could be created. Again, wetlands and steep slopes are not accounted for, nor is the land necessary to provide access to any newly created lots.

These 2 acre lots will each require a well and a DES approved septic system, and a driveway. Most would also require the creation of a town approved road. All of those expenses, coupled with a state average of between \$200 and \$300 a square foot for new construction costs, mean that any new housing created is going to be expensive and large. Housing construction doesn't scale arithmetically: every house, no matter how small, requires at least one bathroom, one kitchen, one heating system, a well, and a septic. These are the most expensive parts of a house and it only makes sense for builders to increase the area of the less expensive parts of the house.

## Housing stock and demographic mismatch

Approximately one-third of Sullivan residents are over the age of 54; 14% are over the age of 65. Additionally 67% of Sullivan households are one and two person households. Eighty-nine percent of Sullivan's 314 dwelling units are single family detached homes on at least two acres. Only 35 dwelling units are situated on lots of less than 2 acres. Sullivan's housing stock is almost all the stereotypical big house on a big lot with a long frontage.

The largest cohort of residents is those over 50, 41% of the total population. Most elderly people want to age in place, in their own homes or at least in their own communities. Those big houses on large acreages frequently do not match the needs of older persons: there's a lot of upkeep and often the house itself isn't ideally arranged for someone who may have mobility challenges.

Some of these one and two person households in Sullivan may want to live in a large house on a large property, but based on national trends, we can assume that those at either end of the

age spectrum may prefer a smaller house or an apartment within walking distance of village amenities.

## Future housing needs

These are the key findings of the New Hampshire Housing Finance Authority's 2023 statewide housing needs assessments:

**HOW MUCH HOUSING DOES NH NEED?** Based on estimated population growth, almost 60,000 units are needed between 2020 and 2030; nearly 90,000 units are needed between 2020 and 2040. This includes the state's current housing shortage of over 23,500 units needed to stabilize the housing supply.

**HOMEOWNERSHIP CHALLENGES** From 2019 to 2022, the median home price in NH rose by 50%. As a result, middle to high income renter households are less likely to become homeowners.

**RENTAL CHALLENGES** The state's extremely low vacancy rate favors higher-income renters, as demand pushes rents beyond affordability levels for others, especially lower-income renters. **HOUSING AFFORDABILITY** Rent and home price increases outpaced wage growth. Between 2000 and 2020, New Hampshire's home sales prices rose 111% and rents increased 94%, while household median income increased only 73%.

**DEMOGRAPHICS** Population growth will continue to slow through 2040, and NH's population will become older, with fewer children per household. The desire to "age in place" will continue to limit the supply of homes available to purchase.

What does this mean for Sullivan? Sullivan's population of 650 persons is .0005% of NH's total population of 1.3 million. Multiplying Sullivan's population percentage by the 23,500 units of housing currently needed in New Hampshire we see that Sullivan is short 12 units right this minute.

Between 2010 and 2020 Sullivan added five housing units, all single-family detached on at least two acres. In 2021 four building permits were issued for dwelling units; in 2022 four building permits were issued, along with one ADU; in 2023 to date three permits for dwelling units were issued, along with one ADU permit. These new units do not count toward the 12 that are needed to meet the current needs as estimated by the New Hampshire Housing Finance Authority.

The total number of housing units needed in Sullivan may seem quite minimal but as noted above it would mean adding seven times as many units in the next seven years as were added between 2010 and 2020.

Where should new housing go and what it should look like are also necessary questions. We know that Sullivan is composed primarily of one and two person households, many of them already elderly. National trends show that fewer than 20 percent of all households are families with children and Sullivan's statistics match that finding.

As Sullivan's zoning is currently written, single family houses on large lots are the most likely dwelling units to be built. These are not suitable or desirable for many households. The town

may want to take a hard look at other ways these needed dwelling units may be added to Sullivan's housing stock to better match the town's current and future demographics.

## Workforce Housing Statute

New Hampshire State Statute RSA 674:58-61 is intended to ensure that all communities have housing affordable to middle income families and individuals. These households include teachers, police officers, healthcare workers, retail workers, and others who struggle to find housing they can afford.

Workforce housing is defined as housing that is available for purchase for a household making 80% of AMI and for rent by a household making 60% of AMI. The law requires that towns make sure that their zoning regulations do not create excessive barriers to creating such housing. There must be "reasonable and realistic" opportunities for such development.

Four specific requirements are spelled out in the law:

1. A town's land use regulations cannot discriminate against housing for families or in certain income ranges. (Such discrimination might include floor area dimensions requiring larger houses.)
2. The collective impact of those regulations must allow for the economic viability of a project to develop workforce housing.
3. Workforce housing must be allowed on a majority of the residentially-zoned land in the community.
4. Multi-family housing with at least five units per structure must be allowed somewhere in the community.

As Sullivan's zoning code now exists it is extremely unlikely that it meets the requirements of RSA 674:58-61, primarily because of the lot sizes that would be required.

## Housing for the Elderly

Housing for the elderly is not required by statute but it is generally considered that towns should provide opportunity for such housing. Sullivan does not have a housing for the elderly ordinance. Housing for the elderly is considered to be housing specially constructed for the needs of the elderly and age-restricted in some way.

## Conclusions

Sullivan, like the rest of New Hampshire, needs to add housing units. How and where is a question the town will need to answer in the near future.