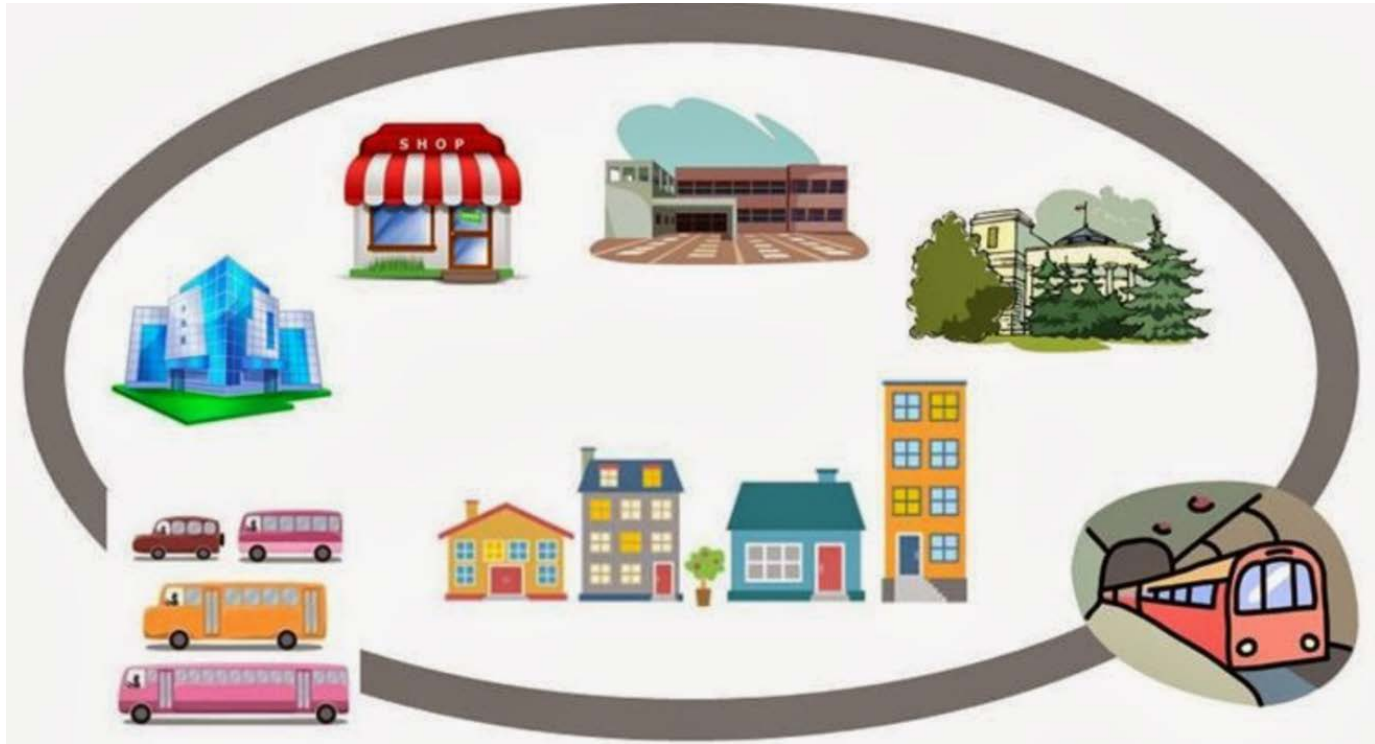


Real Estate Market Update

November 3, 2017



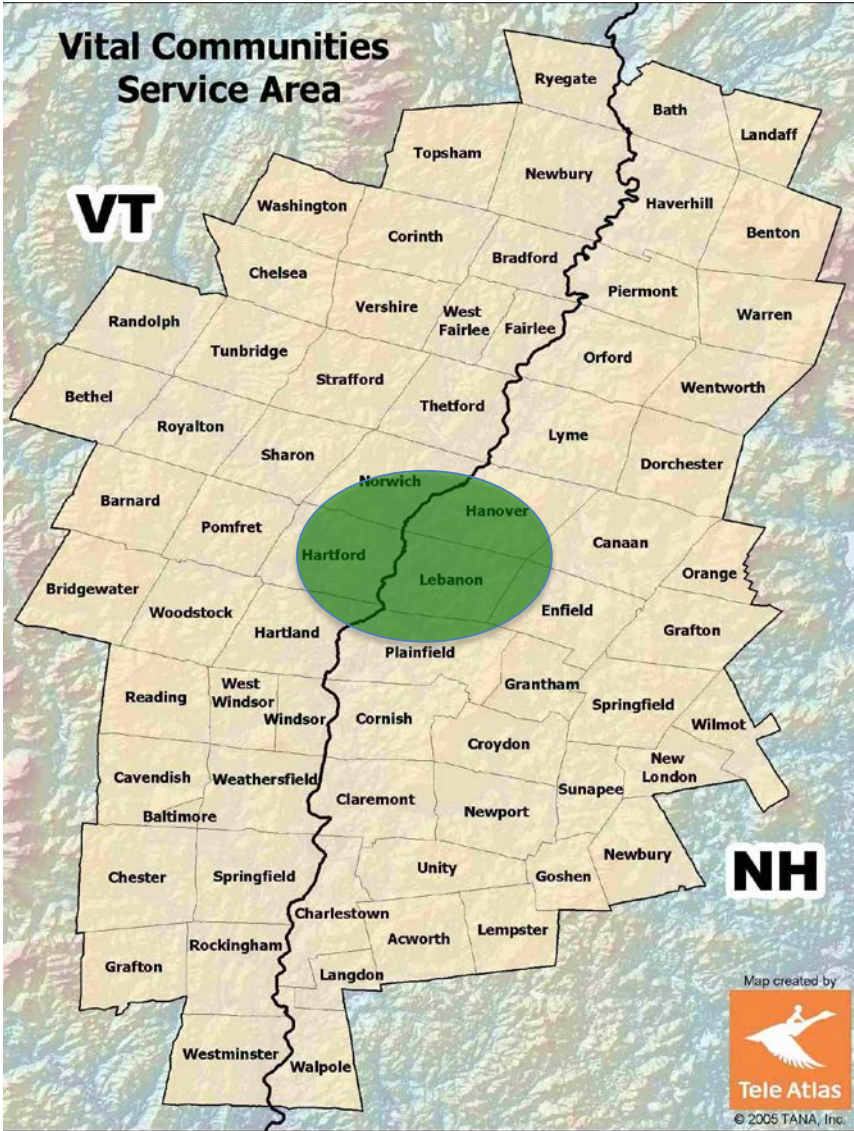
Host: Vital Communities

Sponsors: Lake Sunapee Bank & VT Housing Finance Authority

Presented by: Buff McLaughry



Geographic Focus



Agenda

1. Market Trends

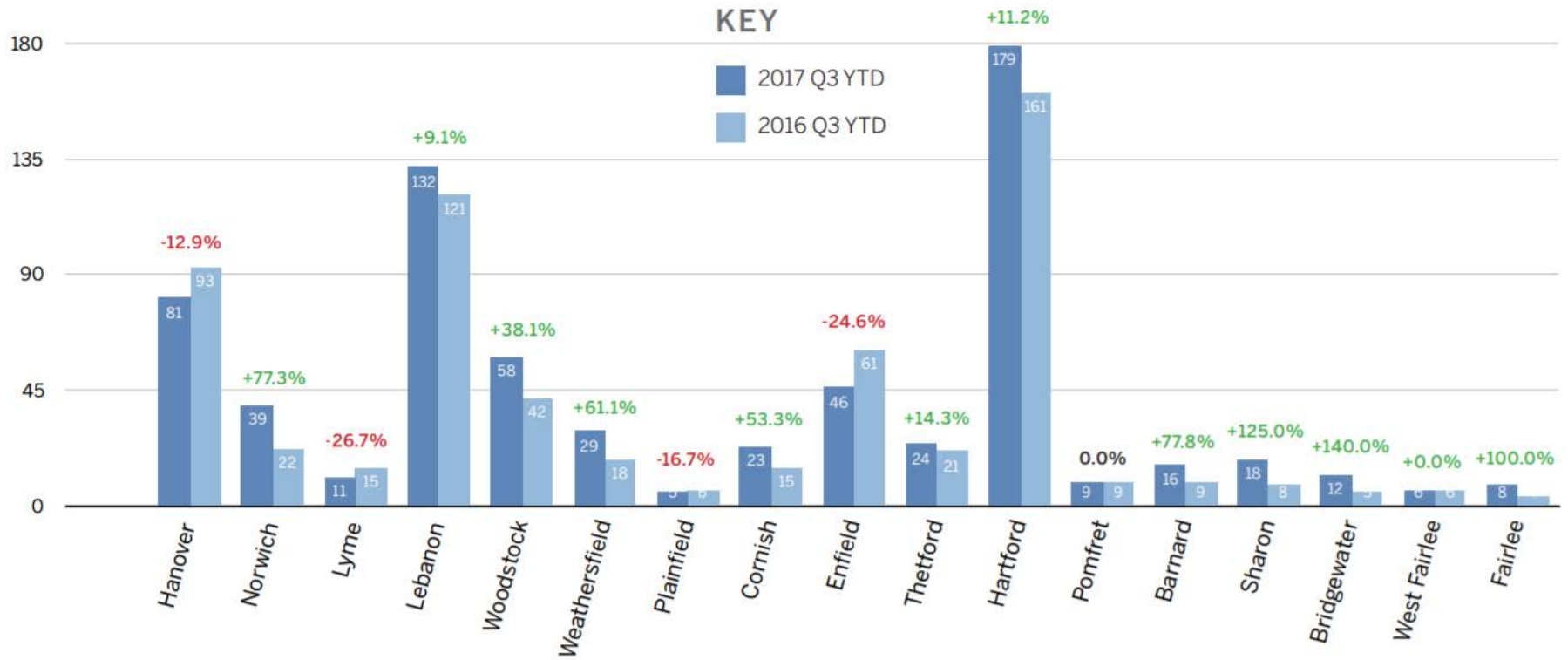
2. Affordability

3. Market Challenges



Market Trends – Units YTD Q3

TOTAL SALES IN UNITS



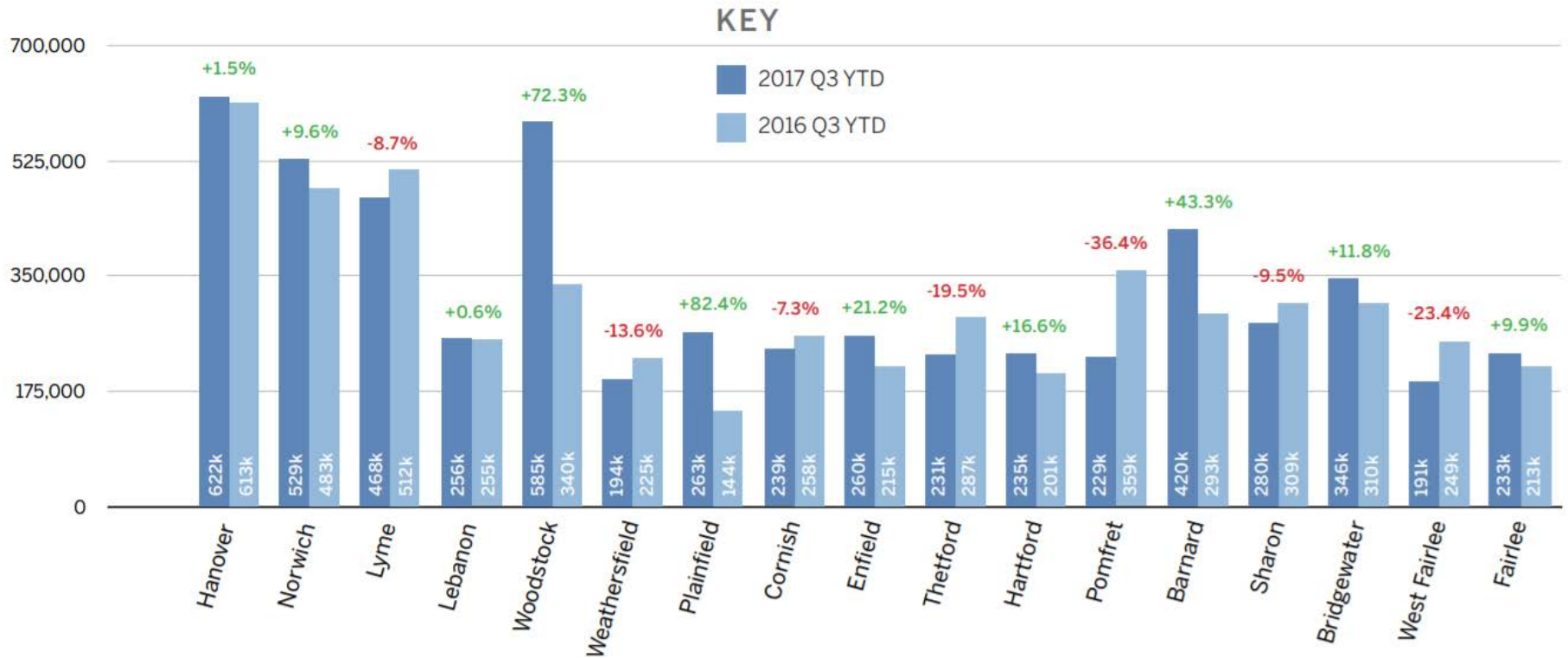
Note: Small bases can lead to significant percentage increases/decreases and should be used cautiously.

Source: NEREN 1/1/17-9/30/17.



Market Trends – Average Price YTD Q3

AVERAGE SALE PRICE



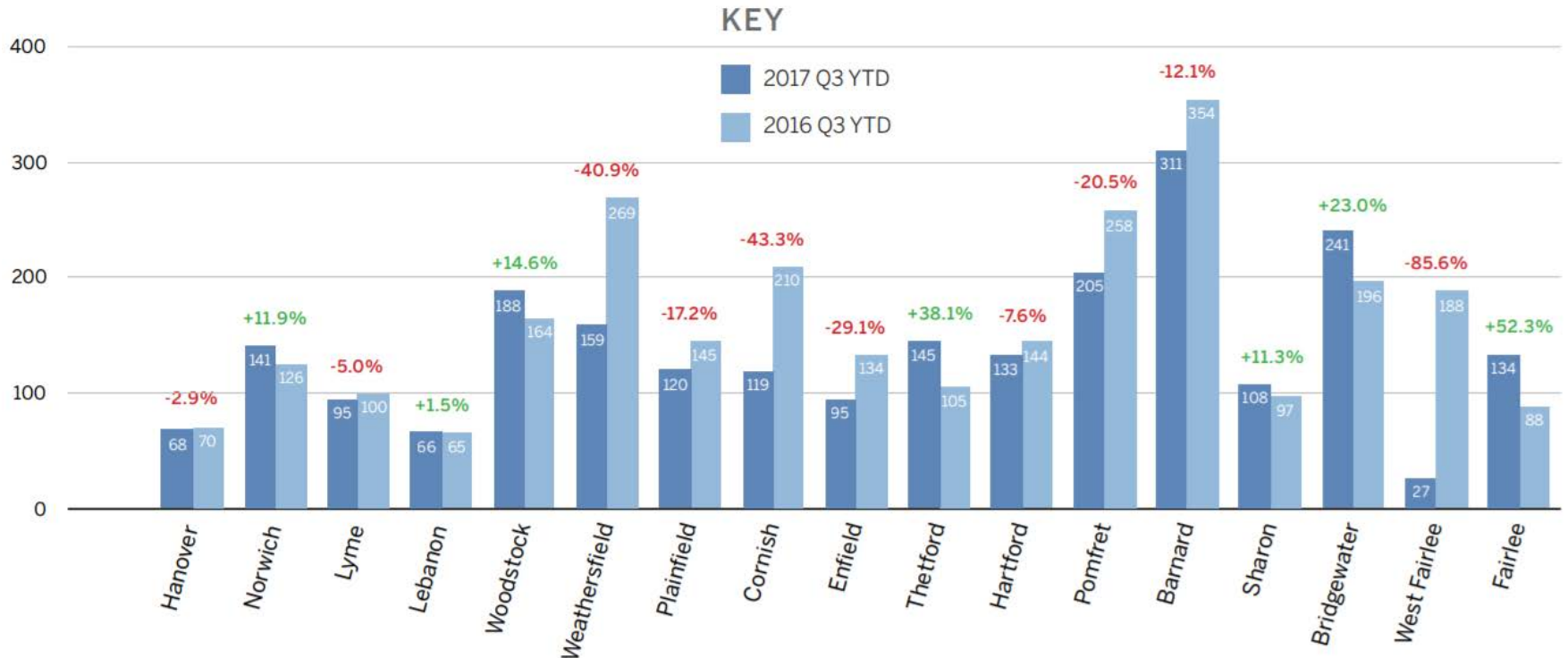
Note: Small bases can lead to significant percentage increases/decreases and should be used cautiously.

Source: NEREN 1/1/17-9/30/17.



Market Trends – Days on Market YTD Q3

AVERAGE DAYS ON MARKET



Note: Small bases can lead to significant percentage increases/decreases and should be used cautiously.

Source: NEREN 1/1/17-9/30/17.



Market Trends - Price Range: Under \$299,000

	2007			2012			2017		
	Units Sold	Units Invent.	Price \$ 000's	Units Sold	Units Invent.	Price \$ 000's	Units Sold	Units Invent.	Price \$ 000's
Core Towns	236	248	198	216	258	171	294	122	176
Commuter Towns	1,585	2,037	164	1,385	2,541	139	2,075	1,604	153

Comments:

- 31% increase in unit sales from 2007 to 2017.
- 21% decrease in inventory from 2007 to 2017.
- 7% decrease in sale price from 2007 to 2017.
 - 10% increase in sale price from 2012 to 2017.



Market Trends - Price Range: \$300,000 - \$599,000

	2007			2012			2017		
	Units Sold	Units Invent.	Price \$ 000's	Units Sold	Units Invent.	Price \$ 000's	Units Sold	Units Invent.	Price \$ 000's
Core Towns	97	135	401	63	85	388	106	77	390
Commuter Towns	305	708	388	193	673	394	360	541	395

Comments:

- 19% increase in unit sales from 2007 to 2017.
- 24% decrease in inventory from 2007 to 2017.
- 2% increase in sale price from 2007 to 2017.



Market Trends - Price Range: Over \$600,000

	2007			2012			2017		
	Units Sold	Units Invent.	Price \$ 000's	Units Sold	Units Invent.	Price \$ 000's	Units Sold	Units Invent.	Price \$ 000's
Core Towns	35	42	876	31	37	871	45	45	868
Commuter Towns	84	304	1,076	62	317	862	95	324	1,063

Comments:

- 13% increase in unit sales from 2007 to 2017.
 - 22% decrease in unit sales from 2007 to 2012.
- 1% decrease in sale price from 2007 (market high) to 2017.



Agenda

1. Market Trends

2. Affordability

3. Market Challenges



Affordability – Median Income

	Median Household Income	Buyer Capability Option #1	Buyer Capability Option #2
Core Towns		Two Loans	One Loan
Hanover	105,670	No PMI	PMI Required
Lebanon	53,004	3.0% down	5% down
Hartford	57,801	695+ Credit Score	695+ Credit Score
Average	\$72,158	\$305,000	\$325,000

- 16 single-family, 12 condos available between \$300K - \$350K; 26% lower than 2007.

	Median Household Income	Buyer Capability Option #1	Buyer Capability Option #2
Commuter Towns		Two Loans	One Loan
Grafton	55,762	No PMI	PMI Required
Sullivan	56,032	3.0% down	5% down
Windsor	52,965	695+ Credit Score	695+ Credit Score
Organge	53,869		
Average	\$54,657	\$215,000	\$225,000

- 266 single-family, 31 condos available between \$200K - \$250K; 2017 was lowest inventory since 2007.

*Source: 2015 Data from ELMI, NHES



Agenda

1. Market Trends

2. Affordability

3. Market Challenges



Market Challenges – Housing Shortage

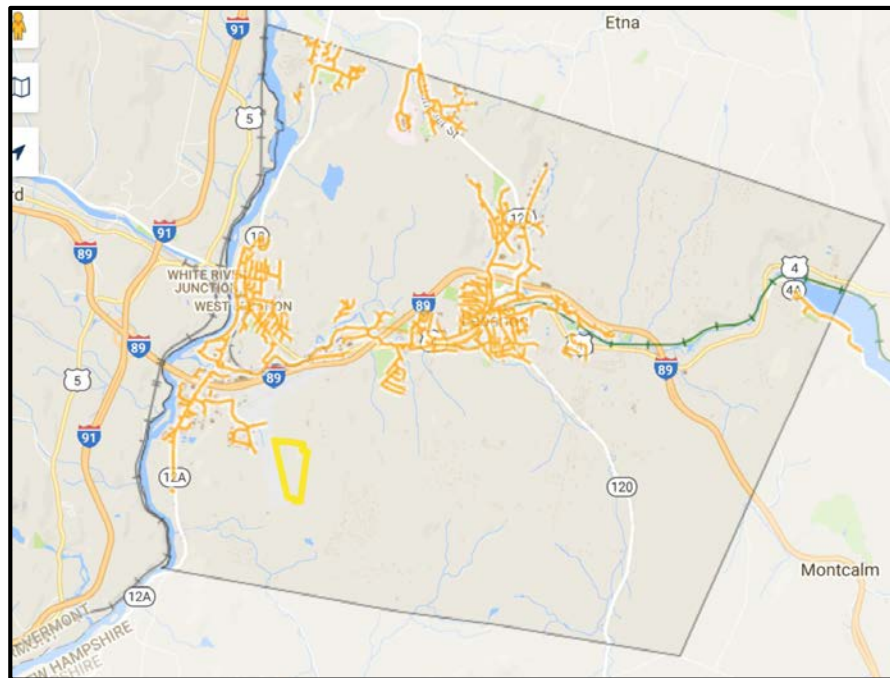
5,000



Market Challenges – Infrastructure

Municipal Sewer vs. Private Septic

- Less than 1/3 of commuter towns have municipal sewer systems.
- Critical for housing density.



Market Challenges – Building Costs

Soft Costs

- Permitting
- Engineering
- Time
- Financing

Construction Costs

- Single-family building costs -- ~\$200+ PSF
- Multi-family building costs -- \$175+ PSF
- + Land costs and soft costs

Renovations

- Ageing of housing stock

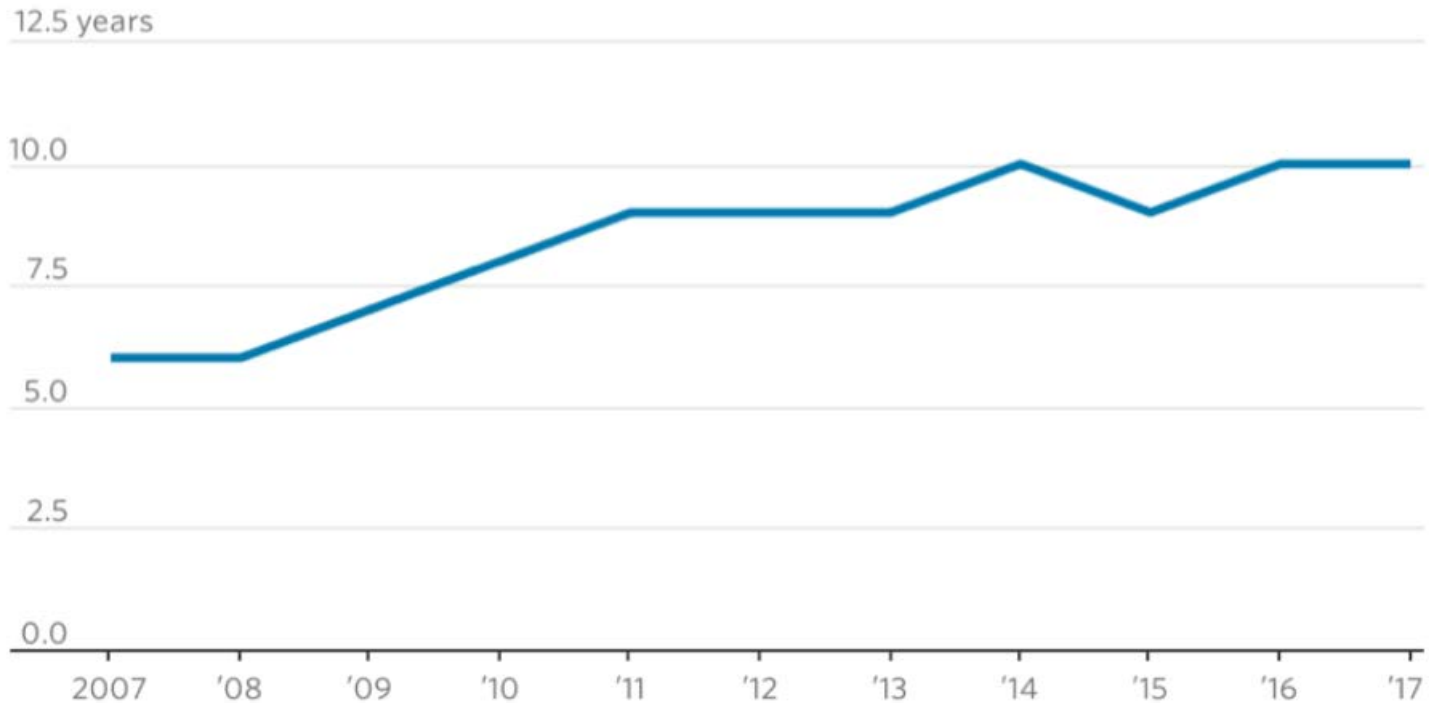
Energy

- Third highest cost of home ownership (mortgage, taxes... energy)



Market Challenges – Housing Turnover

Median number of years homeowners are staying in their homes before selling.



Source: National Association of Realtors



Market Challenges – Changing Demographic



Questions?

Presentation posted on the Vital Communities website:

WWW.VITALCOMMUNITIES.ORG



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