Town of Westfield Housing Needs Assessment

DECEMBER 2020

DRAFT

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ECONOMIC DEVELOPMENT

310 Ltd

Special Thanks

This report would not be what it is without the help of the project Steering Committee. They reviewed documents, attended meetings, provided information pertaining to their areas of expertise, and made time to provide relevant and applicable input throughout this entire process. For their comments, questions, thoughtful consideration, and critical feedback we say thank you!

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VERMONT
AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT
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Cover photo by LaDonna Dunn.

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Executive Report

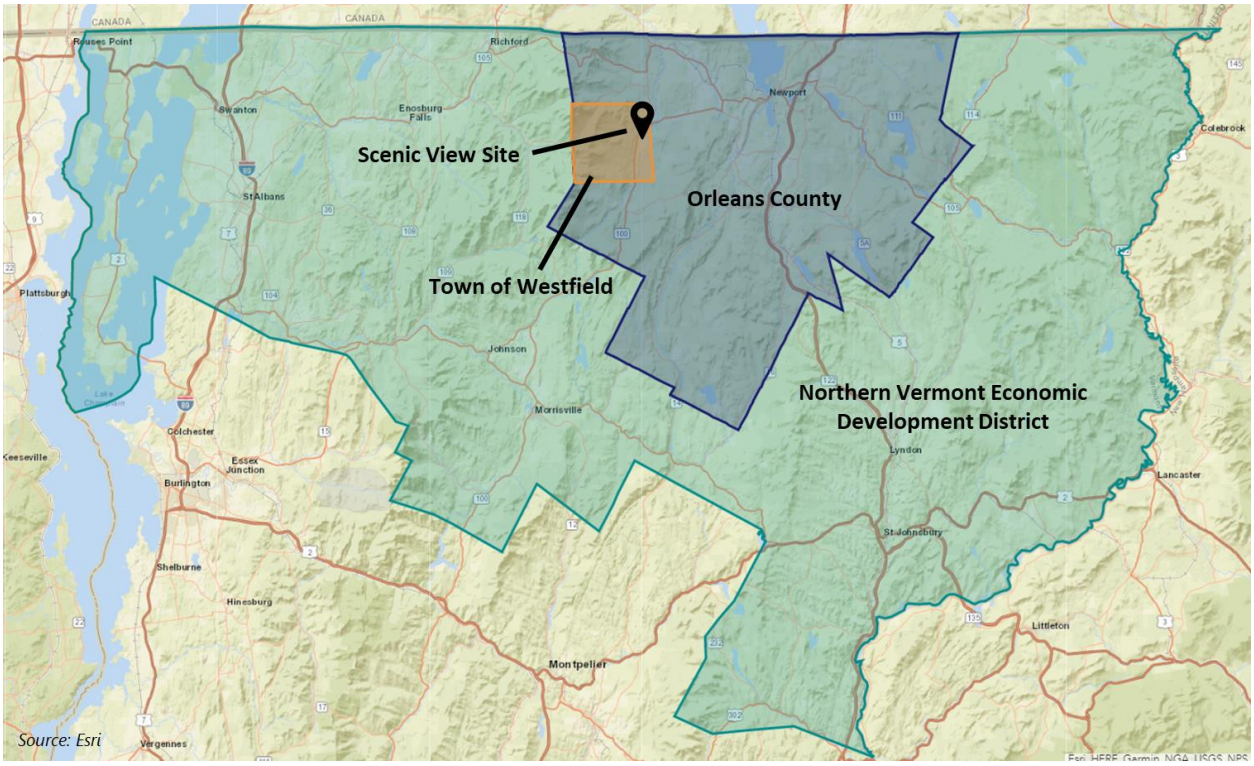
INTRODUCTION

In April 2018, Scenic View Community Care Center located on Route 100 in Westfield ceased operation. Owned and managed by affordable housing developer RuralEdge, the 25-unit residential care facility closed amid rising costs. In addition, the 16-unit Alpine Meadows condominium complex was destroyed by fire the year before. Concern about the loss of housing options motivated the Town to complete a Housing Needs Assessment, with particular care to understand how the Scenic View Site ("the Site") can be redeveloped. The Town was awarded a Municipal Planning Grant from the Vermont Agency of Commerce and Community Development to do this work. Camoin 310, a community and economic development firm with an office in Brattleboro, VT and work experience throughout Vermont, was commissioned to complete the assessment.

The goal of the assessment is to provide Westfield with an understanding of the current housing supply and demand outlook for the town, and based on this information, provide the best reuse opportunities for the Scenic View property. While we are providing recommendations for Scenic View's reuse, it does not mean that is how it will be developed. Market forces, local and state approval, public opinion, funding opportunities, site constraints, and the development process will play a role in what eventually happens with the Site.

WORK COMPLETED

The Housing Needs Assessment compared data for three geographic areas: the Town of Westfield, Orleans County, and the Northern Vermont Economic Development District (Grand Isle, Franklin, Lamoille, Orleans, Caledonia, and Essex counties). Other elements of the Assessment are listed below.



The **Demographic Trends** section examines population growth, age distribution, and income data. It also examines industry data to understand the relationship between wages and housing affordability.

The **Housing Supply Analysis** is an overview of regional housing stock with a focus on occupancy, housing age, vacancy, permits issued, and short-term rentals.

The **Housing Survey** polled primarily Westfield residents to understand their perspective on housing issues and their specific housing situation. The survey also asked what primary and secondary uses respondents could envision at the Scenic View Site. We created a video to solicit survey respondents and to introduce the project.

Stakeholder Interviews informed scale-appropriate strategy recommendations. We interviewed people in the private and nonprofit sectors to understand regional market forces and to identify current housing strategies.

The **Housing Demand Analysis** examines present and projected housing demand (2020-2025) to understand how much additional housing is and will be needed throughout the region. Demand was outlined by price points to further understand the kind of housing in demand.

Real Estate Trends focus on two areas: the most financially viable housing for the redevelopment of the Scenic View Site, and options the community would welcome.

Finally, **Strategy Recommendations** organizes what happens next. We provide recommendations for:

- Housing strategies to accommodate existing and future housing demand;
- Options to fill the vacant Scenic View Site; and
- A framework that recognizes local constraints to achieve housing goals and fits within the capacity of affordable housing partner organizations.

WHY IS HOUSING IMPORTANT?

When you explore housing options, it's helpful to understand why housing is important and how housing diversity and economic opportunity intersect.

Safe and secure housing is critical to a healthy life. A mix of housing—market-rate and affordable, owner-occupied and rental, single-family and multifamily—targeted to households across the age spectrum, enhances opportunities for individuals to improve their economic situation and contribute to their communities.

Since emerging from the financial recession of 2008, access to qualified workers has become the top challenge identified by businesses across all sectors. If there are goals for a diversified economic base, it must be matched with goals for a diversified housing base.

MAJOR FINDINGS OF THE HOUSING NEEDS ASSESSMENT

Demographic Trends

Westfield's population is aging at a rate similar to rural towns elsewhere in Vermont and the U.S., with just over one quarter (26%) of the population age 65 or older. Its population is increasing at a slower rate of growth than the county and Northern Vermont Region[1], at 0.3% annually from 2015 to 2020. Westfield's

[1] Includes the counties of Grand Isle, Franklin, Lamoille, Orleans, Caledonia, and Essex.

average household size is smaller than in these larger regions, at 2.28 people per household compared to 2.41 people per household in the region.

Most Westfield residents travel less than 25 miles to work, indicating the regional nature of employment. Median income levels are higher in Westfield at $55,700 per household compared to $51,300 in the county. The largest employers in the county are in state government, healthcare, retail, manufacturing, short term/tourist accommodation and food services industries.

Housing Supply Analysis

The residential vacancy rate in Westfield is higher than the comparison regions at 12% compared to 8% in the county. Westfield has a higher proportion of seasonal houses (32%) than the county (25%) or region (19%). There are 322 short-term rentals in the area, not including those near Jay Peak. As the tourism economy in the area increases, we expect this number to rise.

Westfield's houses represent 2% of the county's housing stock. In the last 10 years, there has been an increase in multifamily units permitted in the region, and 75% of these are in Orleans County. However, Westfield only issued 17 permits for housing from 2009-2019, all for single-family houses. With 84% single-family housing, Westfield is likely missing an opportunity to provide housing to those that do not need the cost nor the upkeep of a single-family home.

About half of renters, one-third of those with a mortgage, and one-quarter of those without a mortgage are cost-burdened, paying more than 30% of their income on housing costs. Struggling to pay for housing can impact other facets of life such as food security, utility payments, vehicle reliability, employment reliability, and civic engagement.

Housing Survey

Fifty-one people completed the survey. Of these, 74% were from Westfield. Thirty-six percent were aged 65-74 with another 22% aged 55-64. The survey was announced in property tax bills; posted online on social media and the Town's website; and available in hard copy at six locations.

When asked about challenges with their current residence, 29% felt property taxes were too high, 14% felt there was a lack of reliable internet, and 13% have repairs they cannot afford. Respondents ranked 12 housing issues on a scale of 1 (least important) to 5 (most important). Notable issues that were prioritized included feeling it is expensive to maintain housing, so upkeep doesn't happen, and feeling property taxes are too high. For the remaining issues, many respondents chose the option "I don't know."

With regards to the vacant Scenic View Site, 41% feel it should be utilized for senior housing. Thirteen percent feel it could be used for single persons with low-to-moderate incomes and 13% feel it could be used for two-person households with low-to-moderate incomes. For secondary uses on the Site, 38% feel Scenic View could be used as a location for health care services or community outreach. Twenty-two percent see it being used for daycare.

For future senior housing needs, most respondents plan to stay in the area and in their homes with help from family or hired help (26%) or plan to downsize but live independently (26%). Almost 20% do not have a plan but would like to know more about their options.

Stakeholder Interviews

We interviewed seven individuals who represented the for-profit and nonprofit sectors. Realtors, service providers, and large employers comprised the bulk of those interviewed. We learned the following about

the current state of the real estate market, the high demand for rentals, and the potential for the Scenic View Site.

Current State of the Market

The Northeast Kingdom (NEK) real estate market is currently driven by consumer response to COVID-19. The increase in demand by out of state buyers is increasing prices. In Orleans County, the average sale price is up 9% from over a year ago and there is a 50% reduction in number of listings from a year ago.

Affordable year-round rentals are in high demand. Realtors said prices for locals need to be in the $600 to $1,000 range, yet market prices are more likely to be in the $1,500 to $2,000 range. One reason there are so few rentals is the difficulty to manage them as a small proprietor. One bad experience with a renter, combined with Vermont's strong pro-tenant rights and lack of capital to float a mortgage without rental income, can cause a property owner to get out of the rental business quickly.

Scenic View's Potential

Most individuals interviewed believe Scenic View should play a housing role in the community, with the majority believing it should be utilized as senior housing. Service care organizations note that Scenic View was filling a gap in the senior living market as a residential care home. There are models in the area that can speak to the financial solvency and feasibility of the residential care home model.

However, the Site has challenges; notably staffing, location, and finding the right operator. Some suggested it may be better to run Scenic View as 1-bedroom apartments with services like SASH (Support and Services at Home) available. There is also an opportunity for Scenic View to provide seasonal housing in the future for Jay Peak employees, and Jay Peak management expressed interest in being part of discussions moving forward.

Housing Demand Analysis

The COVID-19 pandemic is having impacts on the real estate market including an increase in the median sales price, a decrease in the total number of listings, and an increase in pending sales. These impacts are being felt more in Orleans County versus the state but are not expected to last long after a vaccine is widely administered.

One-third of current Orleans County residential real estate listings are priced over $300,000. Housing values are expected to increase by 4.5% in the next year. The severe lack of rentals in the area can be seen through current listings; as of this report there are only 16 rentals available within a 15-mile drive of Westfield, and all are in Newport. Within a 30-minute drive from the Site, 56% of homeowners and 70% of renters who earn less than $50,000 are cost burdened and pay more than 30% of their income on housing.

Population change within a 30-minute drive of Scenic View suggests an increase of 164 households within the next five years from 2020 to 2025. These are projected to be concentrated among households aged 65+ and with household incomes over $50,000. Overall, we see a demand for 62 to 124 housing units based on underhoused individuals aged 18-34 and a demand for 48 to 96 units of housing from the senior population living alone.[2]

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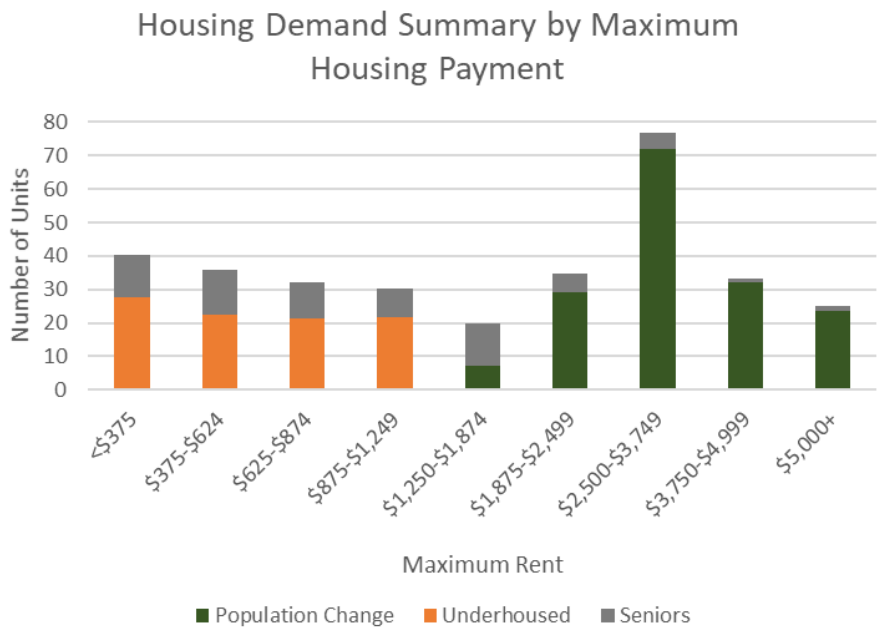
[2] The underhoused population is those aged 18-34 currently living with others, such as a parent or other non-relative, but not a significant other. We used a conservative estimate of 5-10% of this, and the senior population, to calculate demand numbers.



Source: ACS 2014-2018 Estimates, Camoin 310

Housing Demand Summary				
Maximum Housing Payment	Population Change	Underhoused	Seniors	Total by Housing Payment
<$375	0	28	13	40
$375-$624	0	22	14	36
$625-$874	0	21	11	32
$875-$1,249	0	22	9	30
$1,250-$1,874	7	0	13	20
$1,875-$2,499	29	0	6	35
$2,500-$3,749	72	0	5	77
$3,750-$4,999	32	0	1	33
$5,000+	24	0	2	25
Total by Population Segment	164	93	72	329

Source: ACS 2014-2018 Estimates, Camoin 310

Real Estate Trends

We examined what is happening in the national and local residential real estate market, particularly in light of the COVID-19 pandemic. Vermont, as a place with relatively low population density and outdoor beauty, is attracting more purchasers of second homes to serve as a retreat during this time. Orleans County has seen a 9% increase in sale prices and a virtual gutting of the market for homes priced at $300,000 to $350,000.

Based on local market trends—smaller household size, more people living alone, and the aging of the community—we explored the viability of rentals for seniors, low to moderate-income individuals, and

shared housing.[3] While the likelihood of shared housing, or co-living, seems unlikely for the Site, the viability of rentals for seniors and lower-income individuals appears more viable. While a Residential Care Home would be an ideal use of the space, this option has known and unknown impediments such as 1) an overall preference for people to stay in their homes as they age; 2) a challenge to find Registered Nurses and medical personnel familiar with knowledge of Health Insurance Portability and Accountability Act (HIPPA) and Medicare billing; 3) the need for an operational model that leans on long hours, around-the-clock availability, and living close to the facility or on-site; and 4) medical reimbursement programs (i.e. Medicaid) that do not pay enough to cover the actual cost of care.

Based on these impediments and the current real estate trends, the **redevelopment scenario is likely to include the use of the space as apartments for single-use occupancy across all ages**. This would include modifying the space slightly to include useable outdoor spaces, in-unit kitchenettes, and obtain a lessee for the common areas to serve community needs such as a health service provider, community outreach facility, or day-care.

Strategy Recommendations

The chart following this section outlines actions the Town of Westfield can take to advance the redevelopment of the Scenic View Site. While the Town does not control when or how this facility gets used, it can help promote the Site and offer occupancy incentives. This Housing Assessment provides an overview of housing and service needs, and how the Site could meet those needs.

Overall, there is a demand for housing units in the area, specifically senior housing and smaller housing geared towards singles or couples with low-to-moderate incomes. The Town of Westfield can have a role in educating the public on housing needs in the area.

Site Opportunities

- Turn-key condition. New water lines and a new boiler recently installed.
- An engaged seller who is willing to consider acting as a redeveloper/owner of the Site (if redevelopment funding is available).
- Walking distance to amenities: general store, hardware store, community center with weekly senior meals, Town Office, post office, library, farm stand, seasonal farmer's market, playground, picnic tables, tennis and basketball courts, recycling center.
- Shared space on the property may serve a secondary use such as a daycare, food pantry, or healthcare center.

Site Constraints

- Sewer and water capacity depending on the use.
- Lot size limits development options.
- Redevelopment that triggers Act 250 review.
- Distance from Newport City, where a hub of services exists and therefore may prove challenging to get potential housing staff to commute to the area.
- Rural location and few transportation options.
- Limited regional interest.

[3] Shared housing or co-living is a communal housing type where resources are combined to reduce the cost of living. Occupants typically have their own sleeping space but share common areas.

Given the demand analysis, the best and preferred use of the Site is affordable senior housing. However, there are local limitations such as the Site's rural location, distance to services, and the need for an operational model that makes 'seniors only' housing financially less feasible. Senior living facilities in the area that are financially solvent may be interested in expanding their operation. Therefore, we suggest investigating local interest in reopening the facility as a senior living facility, but more likely, aligning with a model that converts the property into single-occupancy apartments that are not age restrictive.

Next Steps

The Town of Westfield has limited capacity to take on the whole of these tactics. **We recommend creating an ad-hoc committee to implement these Strategy Recommendations, that disbands once the property is occupied.** Members of this committee could include but are not limited to the Steering Committee convened for this report. We envision the report's strategy section to be largely short-lived, as these recommendations are primarily related to the Scenic View Site. The priority to complete the bulk of these recommendations would ideally happen within the next 6-8 months, with recommendation *4. Educate community members about housing need* happening within a longer timeframe and in tandem with regional partners.

TOWN OF WESTFIELD ACTION PLAN TO OCCUPY THE SCENIC VIEW SITE

Strategy Recommendation	Supporting Evidence	Tactics	Partners and Resources
1. Increase awareness of Site availability. *Rationale: Actively advertising the Site and contacting those who might operate it will increase its visibility and illustrate Town support for redevelopment.*	• Some people living in Westfield were not aware this property has been vacant for two years. • While some may know the Site is available, they may not know the Town's interest nor area demand in how it could be best utilized.	• Create a landing page for the Scenic View Site on the Town's website. Include this report, possible sell sheet, who to contact and for what purpose, etc. • Investigate the path towards approval for preferred uses, including when the community can give input, and post this as a decision tree on the website. • Contact providers of regional senior housing to see if they want to expand into the Site.	• VT Agency of Commerce and Community Development • NVDA • Area senior housing providers (particularly Residential Care Homes)
2. Align community assets with the Site. *Rationale: Understanding the assets of the community, such as nearby amenities, working farms, and Jay Peak, will help draw eventual residents to the Site and support a new tenant at Scenic View.*	• Promotion of local ag businesses was identified by Town of Westfield residents as very important (57% of residents said it was the most important focus). • Prospective purchasers will better understand the community context of the Site.	• Create a "why we live here" web page to illustrate the benefits of living in Westfield and the amenities that exist. Include events, activities, local businesses, etc. • Promote advantages of the Site being in a designated Village Center and associated tax benefits.[4] • Work with local farm-direct providers who could supply a rental facility on a reoccurring basis.	• Vermont Guide to Writing for the Web[5] • Local Businesses • Community Leaders • VT North Country Chamber of Commerce • VT Agency of Commerce and Community Development • Green Mountain Farm Direct • NVDA

[4] Benefits to living in a designated Village Center can be found here: https://accd.vermont.gov/sites/accdnew/files/documents/CD/CPR/CPR-VC-Designation-Benefits.pdf

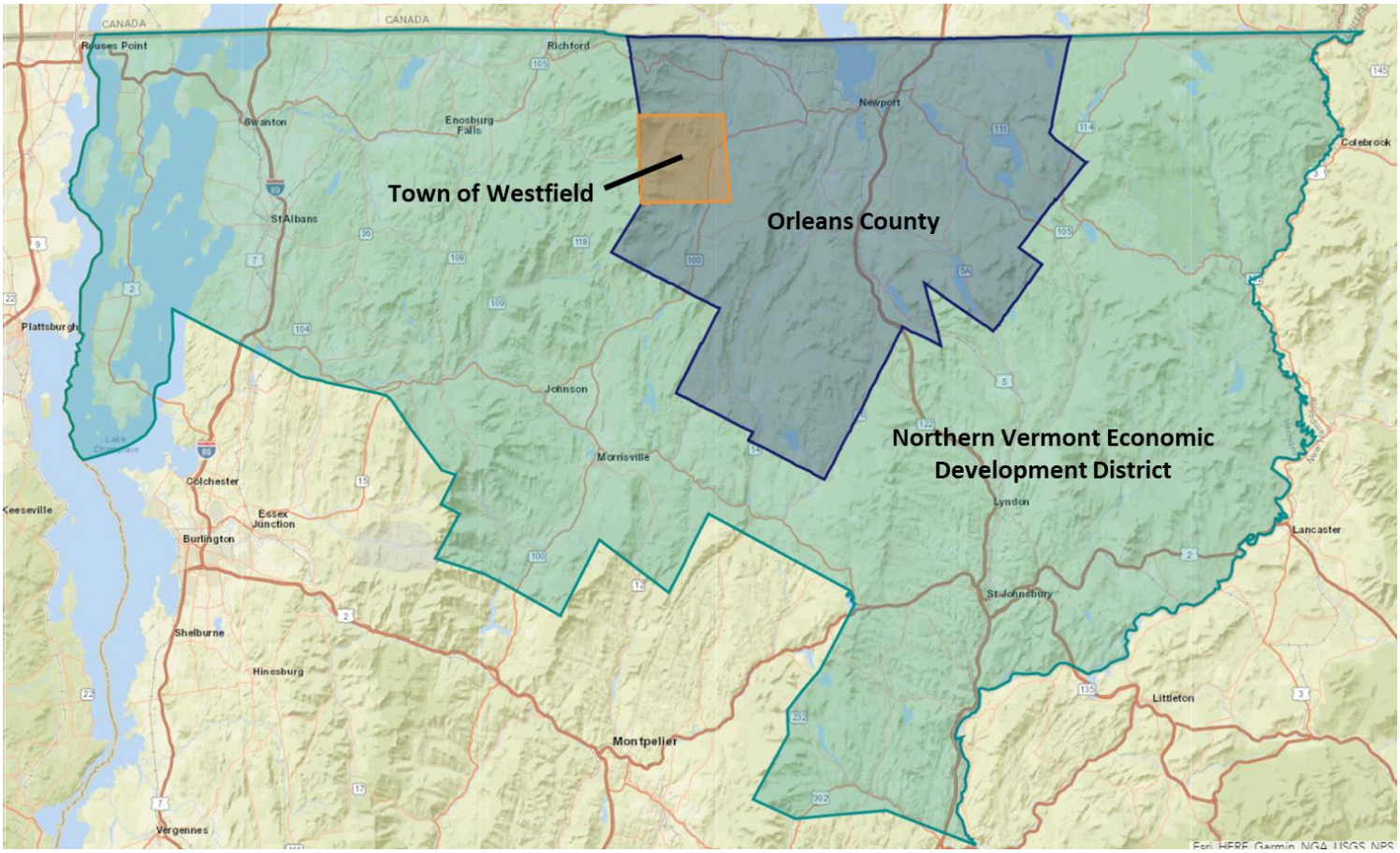
[5] Found here: https://cmo.vermont.gov/sites/cmonew/files/doc_library/Writing-for-the-Web-guide.pdf

Strategy Recommendation	Supporting Evidence	Tactics	Partners and Resources
3. Consider incentives for preferred uses. *Rationale: Reuse of the former Scenic View is a major goal for the Town of Westfield. Understanding and defining the role the Town will take is critical to getting the space occupied.*	• The Site has been vacant for two years and is priced too high according to some realtors. • Residential Care Homes have been closing due to increased costs. • 41% of Westfield residents support encouraging affordable senior housing development.	• Review alternative loan funding opportunities with local banks and service organizations. • Consider assisting with infrastructure upgrades if applicable. • Consider creating a Neighborhood Development Area[6] in the Village Center which would exempt certain housing projects from Act 250 review. • Consider creating a pro forma analysis to show the financial viability of the redevelopment scenarios to prospective developers. • Align forthcoming zoning update with methods to incentivize housing (bonus density, etc.). • Consider a PILOT (payment in lieu of taxes) Program for 5-7 years to allow the rental to get to stabilized operation.	• VT Housing & Conservation Board • NVDA • Local Banks & Credit Unions • VT Municipal Planning Grant • USDA Rural Business Development Grants • Community Development Block Grant (CDBG) for soft costs for construction or actual construction
4. Educate community members about housing needs. *Rationale: This will help build community support for Scenic View redevelopment, prepare community members for their senior housing needs, and create a broader understanding of local and regional housing issues.*	• 20% of survey respondents do not have a plan for their senior housing needs but would like to know more about their options. • Many people do not know about housing issues as indicated on the Housing Survey.	• Illustrate why having rental properties available within the community is important (as well as a diversity of housing stock). • Help families create a housing plan for when senior members need additional services. • Amalgamate resources for seniors and make accessible at Town Offices, distribute to local service providers, and post online. • Connect regional and state service providers with local groups to inform them of available resources around home sharing, house retrofits, etc.	• AARP • The Northeast Kingdom Council on Aging • RuralEdge • HomeShare Vermont • Vermont Center for Independent Living

[6] A Neighborhood Development Area (NDA) are located within ¼ mile of a designated village center and qualified projects are Exempt from Act 250 regulations for Priority Housing Projects and projects not qualifying for the exemption receive a 50% discount on application fees.

Demographic Trends

GEOGRAPHIES STUDIED



- We compare the Town of Westfield to other geographies to assess the economic health, potential opportunities, and potential challenges within the town.
- For this assessment, we compare Westfield to Orleans County and the Northern Vermont Economic Development District.
- Northern Vermont Economic Development District includes Grand Isle, Franklin, Lamoille, Orleans, Caledonia, and Essex Counties.

Demographic Trends

POPULATION

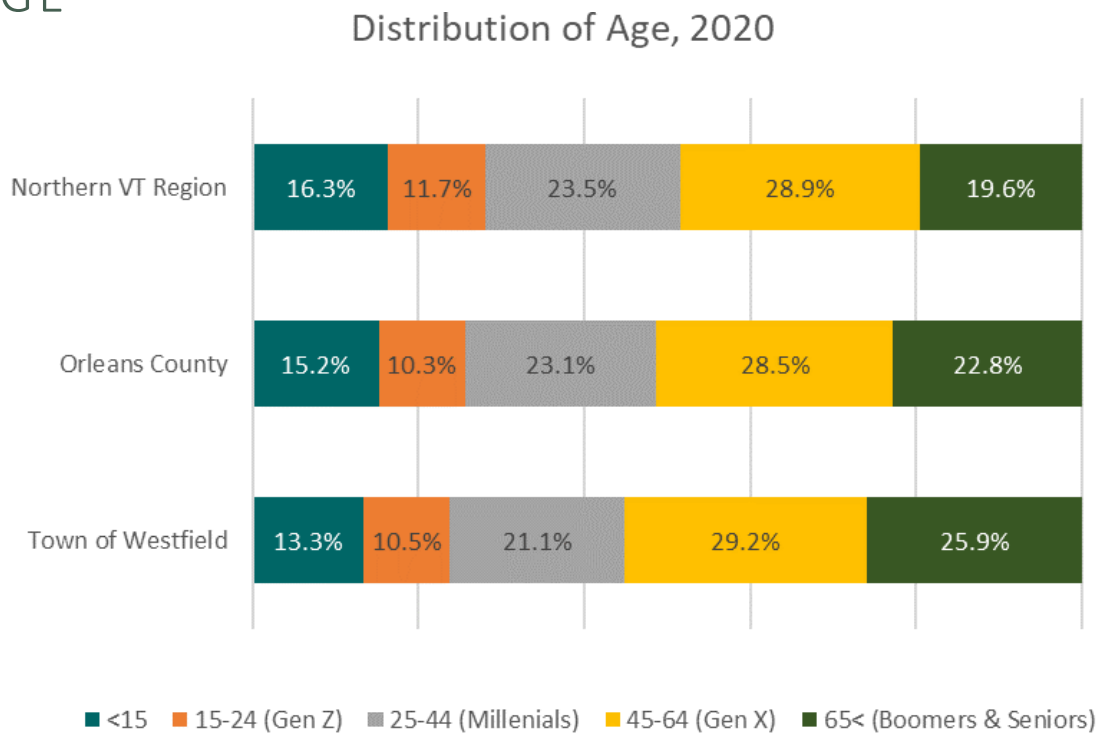
Population Change, 2010-2025					
	2010	2020	2025	Annual Increase 2010-2020	Annual Increase 2020-2025
Town of Westfield	536	553	564	0.3%	0.4%
Orleans County	27,231	28,591	29,250	0.5%	0.5%
Northern VT Region	143,955	152,139	155,958	0.6%	0.5%

Source: Emsi

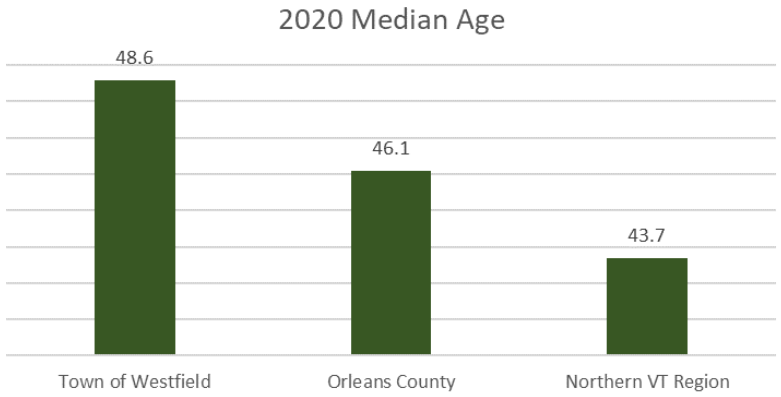
- The population of the town has increased in population since 2010 and is projected to continue this increase, from .3% annually from 2010 to 2020 to .4% from 2020 to 2025.
- Population growth is faster within the county and the region. This may be for a variety of reasons including but not limited to lack of employment opportunities in the town, availability of desirable housing, or lack of amenities and services found elsewhere in the region.

Demographic Trends

AGE



Source: Esri



Source: Esri

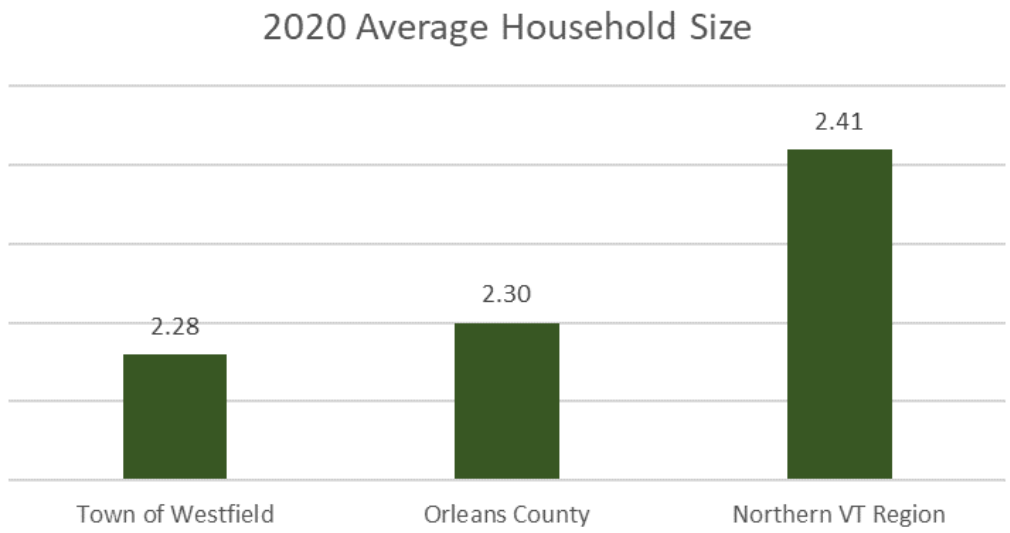
- 26% of Westfield residents are over the age of 65, compared to 23% in the county and 20% in the region. Westfield trends older overall with smaller proportions of younger generations and larger proportions of older generations.
- By median age, Westfield is the oldest of the comparison geographies with a median age of 48.6 compared to 46.1 in the county and 43.7 in the region. This may indicate a current and/or future need for a range of senior housing options.

Demographic Trends

HOUSEHOLDS

Household Change, 2010-2025					
	2010	2020	2025	Annual Increase 2010-2020	Annual Increase 2020-2025
Town of Westfield	227	239	244	0.5%	0.4%
Orleans County	11,320	12,070	12,405	0.7%	0.6%
Northern VT Region	58,120	61,760	63,437	0.6%	0.5%

Source: Emsi

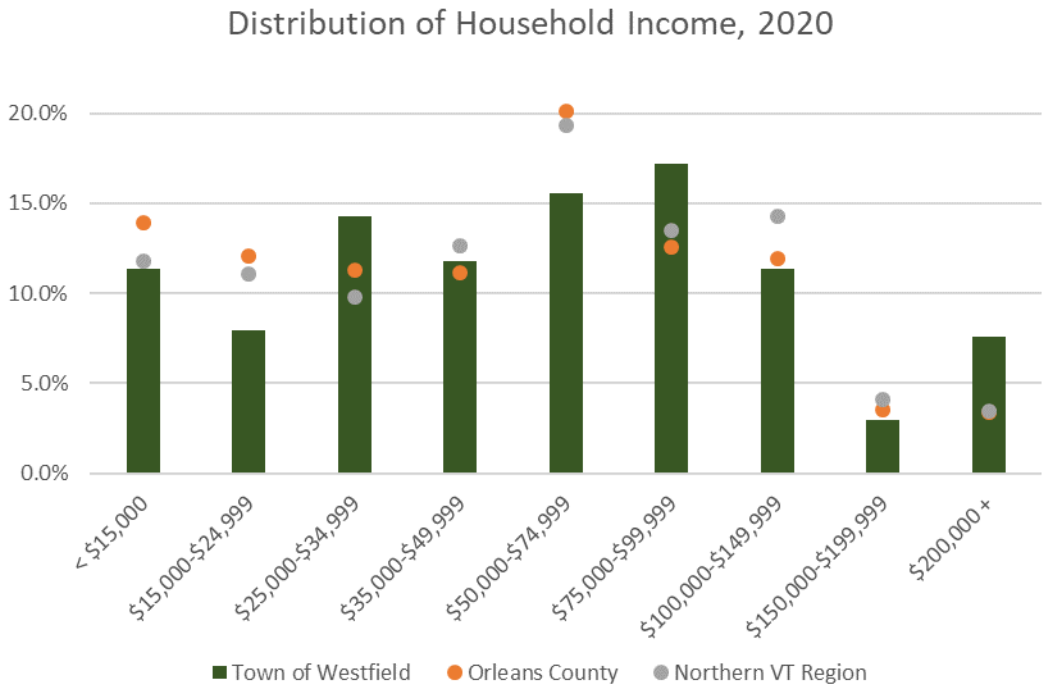


Source: Esri

- Like population change, the town has seen a slight annual increase in the number of households since 2010 (.5% annually from 2010 to 2020). This increase is projected to continue to 2025 at a rate of .4% annually.
- Orleans County and the Northern Vermont Region are expected to outpace Westfield's household growth, which is in line with the younger population and population growth trends in those areas.
- The average household size is the smallest in Westfield when compared to the other geographies, 2.28 in the town compare to 2.30 in the county and 2.41 in the region. Smaller household size is indicative of an older population with fewer dependents.

Demographic Trends

INCOME



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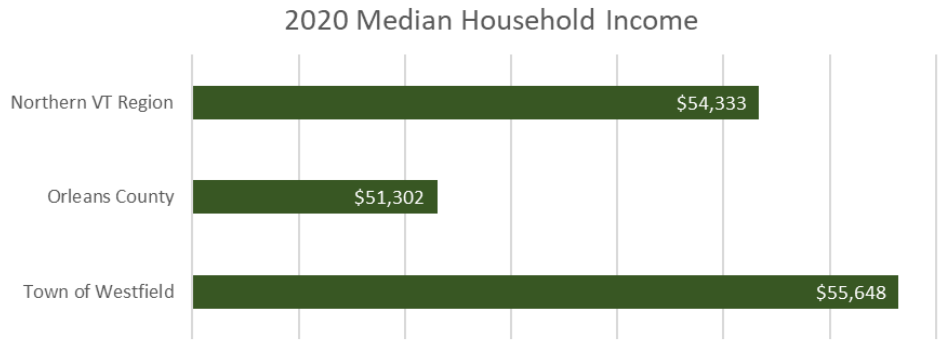


Source: Esri

- Distribution of household income reveals similarities among the county and region. Westfield has a higher percentage of those making over $200,000, between $75,000-$99,999, and between $25,000-$34,999.
- Median household income is highest in the Town of Westfield when compared to the other geographies, $55,700 compared to $51,300 in the county and $54,300 in the region. Moving forward we will compare household income to median home value to understand the overall affordability of homes in the area.

Demographic Trends

COMMUTER TRENDS

Where Westfield Workers Live	
Location	%
Newport	17.3%
City of Newport	11.5%
Troy	9.6%
Westfield	9.6%
Berlin, NH	3.8%
Enosburgh	3.8%
Fairfield	3.8%
Derby	3.8%
Morris, CT	1.9%
Andover, ME	1.9%
All Other Locations	32.7%
All County Subdivisions	100.0%

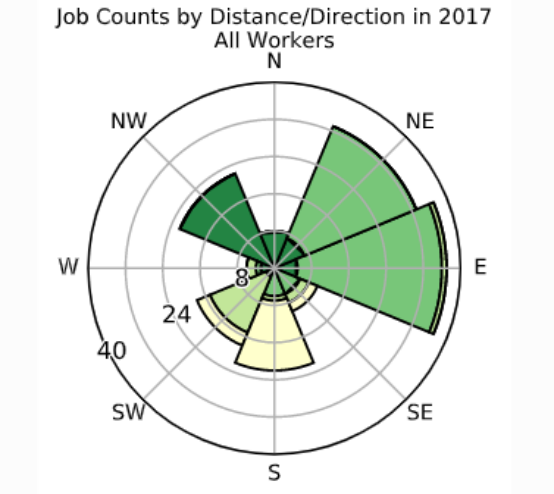
Source: US Census OnTheMap, 2017

Where Westfield Residents are Employed	
Location	%
City of Newport	23.1%
Jay	17.9%
Derby	9.0%
Barton	5.1%
Newport	5.1%
Troy	3.8%
Hartford	3.8%
Westfield	3.2%
Morristown	2.6%
Burlington	1.9%
All Other Locations	24.4%
All County Subdivisions	100.0%

Source: US Census OnTheMap, 2017

Westfield Jobs by Distance	
Distance	%
Less than 10 miles	29.5%
10 to 24 miles	45.5%
25 to 50 miles	12.2%
Greater than 50 miles	12.8%
Total	100.0%

Source: US Census OnTheMap, 2017



- According to the US Census OnTheMap, in 2017 10% of those who work in Westfield also lived there, meaning the other 90% of workers commute into town for work. Just 3% of Westfield residents are also employed in the town, meaning 97% of residents commute out of town for work.
- Westfield residents travel 10-24 miles 46% of the time, and less than 10 miles 30% of the time. 12% of residents travel 25-50 miles and 13% travel more than 50 miles to work.

Demographic Trends

INDUSTRY TRENDS

Orleans County Industry Overview, 2015-2025								
Industry	2015 Jobs	2020 Jobs	2025 Jobs	2015 - 2020 Change	2015 - 2020 % Change	2020 - 2025 Change	2020 - 2025 % Change	Avg. Earnings Per Job
Agriculture, Forestry, Fishing and Hunting	558	623	666	65	11.6%	43	6.9%	$ 33,283
Mining, Quarrying, and Oil and Gas Extraction	14	12	13	(2)	(14.3%)	1	8.3%	$ 51,791
Utilities	19	14	11	(5)	(26.3%)	(3)	(21.4%)	$186,145
Construction	1,061	1,014	1,023	(47)	(4.4%)	9	0.9%	$ 49,946
Manufacturing	1,437	1,415	1,452	(22)	(1.5%)	37	2.6%	$ 54,278
Wholesale Trade	208	155	149	(53)	(25.5%)	(6)	(3.9%)	$ 61,100
Retail Trade	1,483	1,672	1,718	189	12.7%	46	2.8%	$ 35,210
Transportation and Warehousing	404	444	479	40	9.9%	35	7.9%	$ 51,040
Information	85	69	66	(16)	(18.8%)	(3)	(4.3%)	$ 34,952
Finance and Insurance	237	235	229	(2)	(0.8%)	(6)	(2.6%)	$ 67,786
Real Estate and Rental and Leasing	128	143	154	15	11.7%	11	7.7%	$ 49,729
Professional, Scientific, and Technical Services	241	270	286	29	12.0%	16	5.9%	$ 65,306
Management of Companies and Enterprises	26	22	24	(4)	(15.4%)	2	9.1%	$ 40,340
Administrative and Support and Waste Management and Remediation Services	354	398	421	44	12.4%	23	5.8%	$ 34,150
Educational Services	199	204	208	5	2.5%	4	2.0%	$ 37,426
Health Care and Social Assistance	1,880	1,818	1,824	(62)	(3.3%)	6	0.3%	$ 57,066
Arts, Entertainment, and Recreation	125	178	191	53	42.4%	13	7.3%	$ 29,021
Accommodation and Food Services	1,394	1,544	1,624	150	10.8%	80	5.2%	$ 25,700
Other Services (except Public Administration)	583	502	477	(81)	(13.9%)	(25)	(5.0%)	$ 28,982
Government	2,295	2,235	2,216	(60)	(2.6%)	(19)	(0.9%)	$ 57,432
Unclassified Industry	0	0	0	0	0.0%	0	0.0%	$ -
Entire County	12,731	12,967	13,232	236	1.9%	265	2.0%	$ 46,281

Source: Emsi

- The largest industries in Orleans County are government, health care, retail, manufacturing, and accommodation and food services. Overall, the number of jobs has increased in the last five years, by 2%, and is expected to increase by a similar rate in the next five years. Projections do not account for the ever-changing impacts of COVID-19.
- Data for the Town of Westfield was omitted due to the limited number of jobs.

Demographic Trends

INDUSTRY TRENDS

Northern Vermont Economic Development District Industry Overview, 2015-2025								
Industry	2015 Jobs	2020 Jobs	2025 Jobs	2015 - 2020 Change	2015 - 2020 % Change	2020 - 2025 Change	2020 - 2025 % Change	Avg. Earnings Per Job
Agriculture, Forestry, Fishing and Hunting	2,535	2,972	3,239	437	17.2%	267	9.0%	$ 34,804
Mining, Quarrying, and Oil and Gas Extraction	79	68	68	(11)	(13.9%)	0	0.0%	$ 62,449
Utilities	159	161	150	2	1.3%	(11)	(6.8%)	$139,412
Construction	4,798	4,700	4,730	(98)	(2.0%)	30	0.6%	$ 47,765
Manufacturing	6,457	6,429	6,517	(28)	(0.4%)	88	1.4%	$ 65,478
Wholesale Trade	1,184	1,276	1,403	92	7.8%	127	10.0%	$ 67,040
Retail Trade	7,367	7,558	7,740	191	2.6%	182	2.4%	$ 36,554
Transportation and Warehousing	1,885	1,982	2,031	97	5.1%	49	2.5%	$ 52,850
Information	545	542	540	(3)	(0.6%)	(2)	(0.4%)	$ 59,239
Finance and Insurance	1,074	1,212	1,246	138	12.8%	34	2.8%	$ 67,589
Real Estate and Rental and Leasing	601	786	873	185	30.8%	87	11.1%	$ 50,769
Professional, Scientific, and Technical Services	1,755	1,905	1,993	150	8.5%	88	4.6%	$ 72,923
Management of Companies and Enterprises	62	37	34	(25)	(40.3%)	(3)	(8.1%)	$115,772
Administrative and Support and Waste Management and Remediation Services	2,403	2,633	2,804	230	9.6%	171	6.5%	$ 40,607
Educational Services	1,168	1,174	1,192	6	0.5%	18	1.5%	$ 44,242
Health Care and Social Assistance	8,734	8,998	9,441	264	3.0%	443	4.9%	$ 57,147
Arts, Entertainment, and Recreation	686	693	719	7	1.0%	26	3.8%	$ 25,205
Accommodation and Food Services	6,852	7,311	7,475	459	6.7%	164	2.2%	$ 29,432
Other Services (except Public Administration)	2,555	2,368	2,340	(187)	(7.3%)	(28)	(1.2%)	$ 28,998
Government	12,159	12,231	12,338	72	0.6%	107	0.9%	$ 66,776
Unclassified Industry	0	0	0	0	0.0%	0	0.0%	$ -
Entire County	63,060	65,036	66,872	1,976	3.1%	1,836	2.8%	$ 51,223

Source: Emsi

- The largest industries in the Northern Vermont Economic Development District include government, health care, retail trade, accommodation and food service, and manufacturing.
- The number of jobs has increased by 3% from 2015-2020 and is expected to increase by another 3% from 2020-2025. Projections do not account for the ever-changing impacts of COVID-19.
- The average wage is higher in the region when compared to the county ($51,200 compared to $46,300).

Demographic Trends

FINDINGS

- The Westfield population is steadily increasing, albeit at a slower rate of growth than comparison regions.
- With an older population, there is cause to believe there is (or will be) a definite need in a range of senior housing options.
- Smaller household size is indicative of an aging population and may mean that within exiting housing, there could potentially be available space for rent (room shares).
- The median income is slightly higher in the town versus the county and region. This will be compared to the home value in the town to assess overall affordability.
- Most Westfield residents travel less than 25 miles to work, indicating the regional nature of employment.
- We can look to employers in the government, health care, retail, manufacturing, and accommodation and food services industries to understand employee needs and if housing or commute times are impacting the quality of work.
- Lower wages in the county versus the region may impact homeownership affordability at a more local level.

Housing Supply Analysis

OCCUPANCY

Housing Occupancy						
	Town of Westfield		Orleans County		Northern VT Region	
	#	%	#	%	#	%
Owner-Occupied Houses	188	46.4%	8,997	52.0%	44,004	55.0%
Renter-Occupied Houses	40	9.9%	2,682	15.5%	14,801	18.5%
Seasonal Houses	129	31.9%	4,247	24.5%	15,379	19.2%
Vacant Houses	48	11.9%	1,378	8.0%	5,811	7.3%
Total	405	100.0%	17,304	100.0%	79,995	100.0%

Source: ACS 2018 5-year estimates

- With its 405 units, the Town of Westfield represents just 2% of all the housing in the county and 0.5% of housing in the region.
- Westfield's higher rate of seasonal and vacant houses, when compared to the county and region, means a lower rate of year-round occupancy in the town.
- A healthy vacancy rate ranges between 5-10%. With a vacant rate of around 12%, Westfield's existing housing stock may not be meeting the needs in the community; this vacant property may be substandard or may be priced too high/geared seasonal residents. However, these numbers do not reflect the recent housing market changes due to COVID-19, which have tightened the overall housing supply.
- A higher number of seasonal homes removes stock from the inventory for year-round home ownership and rentals. This can also have other implications such as a smaller population base for civic engagement and school enrollment and year-round support of local businesses.

Housing Supply Analysis

TYPE OF UNIT

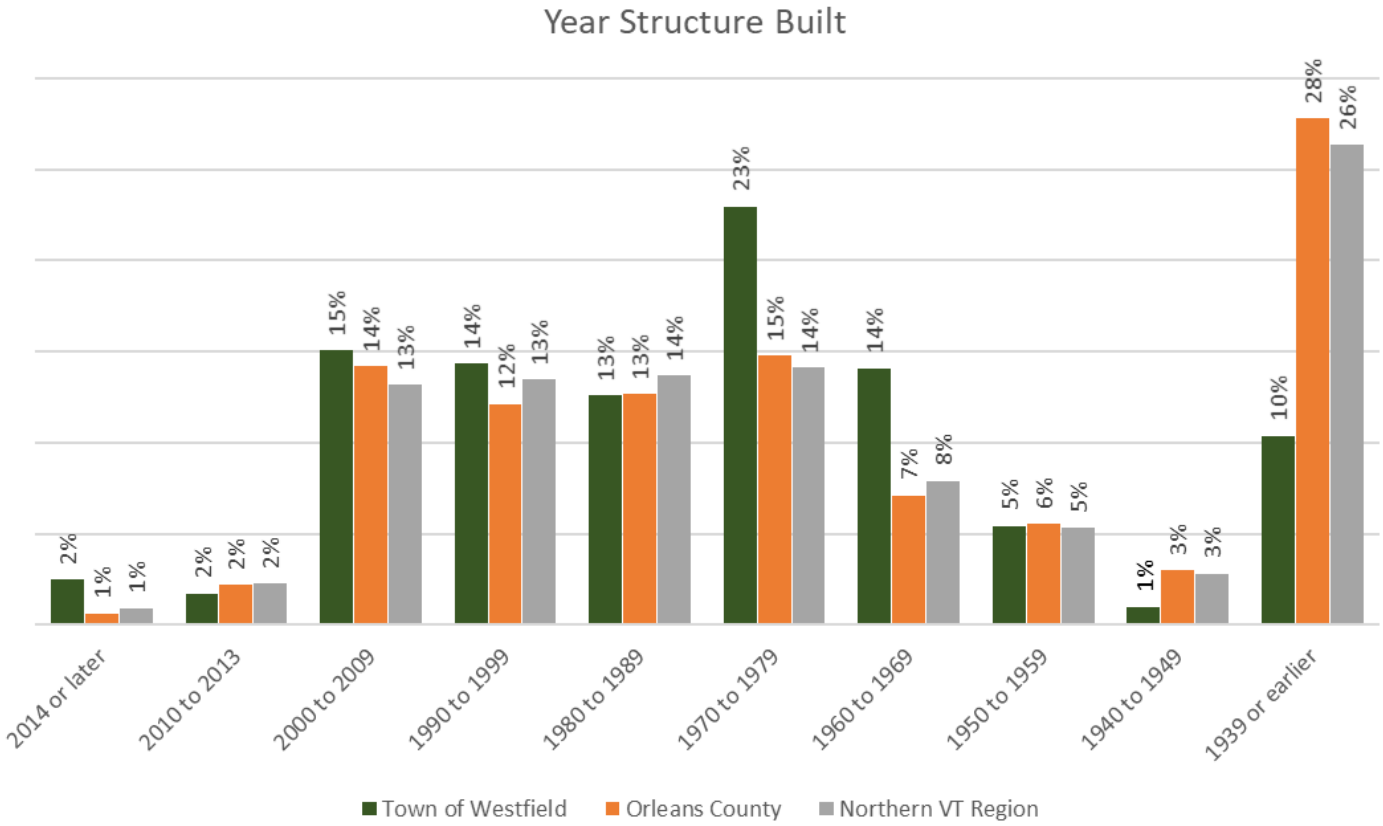
Number of Units in Structure						
	Town of Westfield		Orleans County		Northern VT Region	
	#	%	#	%	#	%
1-unit, detached	340	84.0%	12,943	74.8%	58,623	73.3%
1-unit, attached	0	0.0%	347	2.0%	1,659	2.1%
2 units	11	2.7%	859	5.0%	4,194	5.2%
3 or 4 units	2	0.5%	555	3.2%	3,346	4.2%
5 to 9 units	7	1.7%	538	3.1%	2,524	3.2%
10 to 19 units	7	1.7%	206	1.2%	842	1.1%
20 or more units	0	0.0%	76	0.4%	1,236	1.5%
Mobile home	38	9.4%	1,776	10.3%	7,527	9.4%
Boat, RV, van, etc.	0	0.0%	4	0.0%	44	0.1%
Total housing units	405	100.0%	17,304	100.0%	79,995	100.0%

Source: ACS 2018 5-year estimates

- Across the study geographies, single-family units are the most prevalent, more so in the Town of Westfield (84% compared to 75% in the county and 73% in the region).
- Mobile homes represent close to 10% of all housing units across the town, county, and region. Efforts to form cooperative ownership among mobile home development residents are a method of maintaining the quality and affordability of these units.
- Overall, there are very little multifamily units in Westfield. A lack of quality rentals can impact the availability of affordable housing.

Housing Supply Analysis

AGE



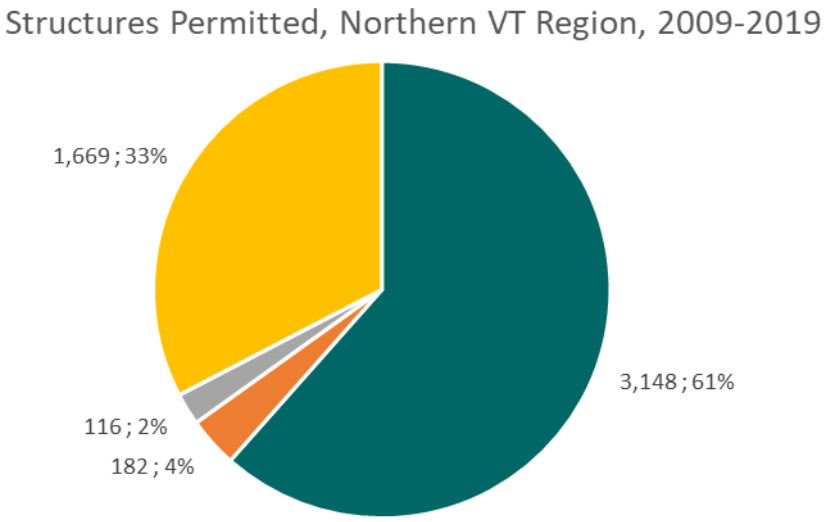
Source: ACS 2018 5-year estimates

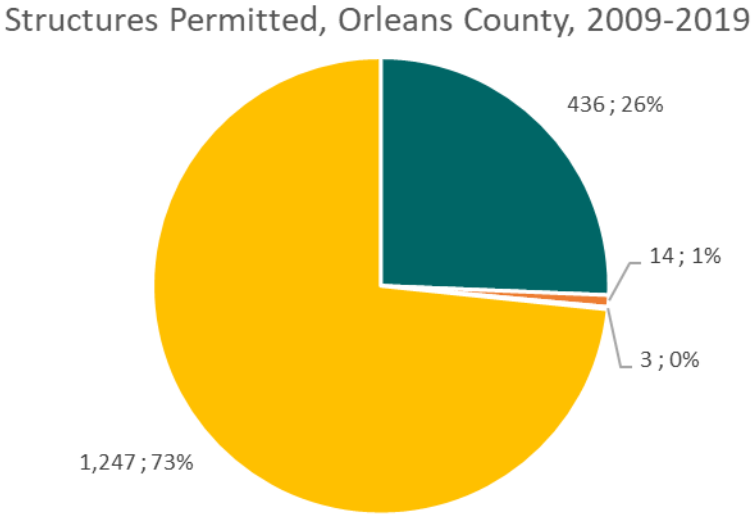
- Whereas the county and region show similar patterns of housing age, Westfield has a lower percentage of housing built before 1939 and a higher percentage built between 1970 and 1979.
- An aging housing stock can lead to disinvestment in upkeep resulting in a poorer quality in the overall housing stock. As the housing stock trends slightly newer than the surrounding area, this may be a lesser issue in the town.
- The median year housing was built for the town is 1978 compared to 1974 for the county and 1975 for the region.

Housing Supply Analysis

STRUCTURES PERMITTED

- Region-wide, 61% of permitted units were for single-family units, 4% were for 2 family units, 2% were for 3 and 4 family units, and 33% were for 5-unit structures and up.
- Orleans County has housed most of the new development for structures with over 5 units (1,247 of 1,669 units, or 75%).
- The Town of Westfield had 17 permits between 2009 and 2019. All of these were for single-family housing.



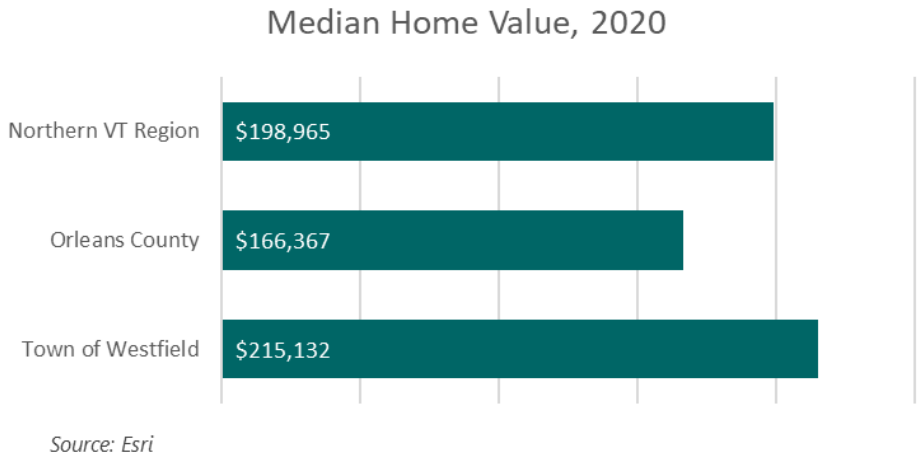


Single-Family | 2-unit Multi-Family | 3- and 4-unit Multi-Family | 5+ Unit Multi-Family

Source: SOCDS Building Permits Database

Housing Supply Analysis

AFFORDABILITY



Distribution of Home Value			
	Town of Westfield	Orleans County	Northern VT Region
Less than $50,000	4.1%	6.4%	4.8%
$50,000-$99,999	6.7%	17.2%	11.1%
$100,000-$149,999	12.8%	20.2%	15.3%
$150,000-$199,999	20.5%	19.4%	19.3%
$200,000-$249,999	19.5%	10.9%	14.7%
$250,000-$299,999	12.3%	9.3%	11.8%
$300,000-$399,999	15.4%	8.5%	11.7%
$400,000-$499,999	3.6%	3.7%	5.2%
$500,000-$749,999	3.1%	2.4%	4.1%
$750,000-$999,999	0.0%	1.4%	1.0%
$1,000,000-$1,499,999	2.1%	0.7%	0.9%

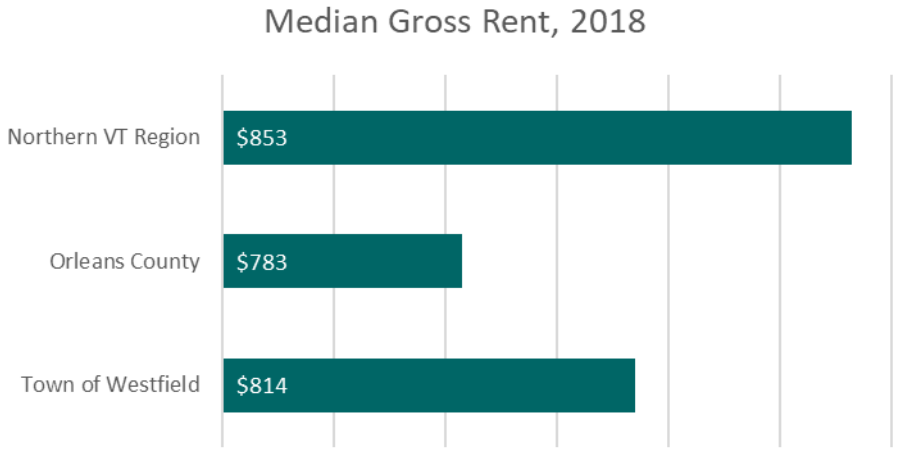
Source: Esri

- Median home value in Westfield is highest when comparing to the county and region, $215k compared to $199k in the region and $166k in the county.
- We will compare this data to recent home sales in the area to understand the impacts COVID-19 is having on home prices.

Housing Supply Analysis

AFFORDABILITY

- Median Gross Rent includes an estimation of utilities. It ranges from a high of $853 in the region to a low of $783 in the county. Westfield ranks in-between with a median rent of $814.
- Distribution of rent helps us understand what gaps there may be in the housing supply.
  - Most existing rentals fall in the $1,000-$1,499 range, with $700-$799 and less than $500 having a significant proportion.
- Data was limited for Westfield distribution of rents, so data was omitted. Most rents for the town ranged between $750-$799 and $1,250-$1,499.
- We will confirm these rates (and overall rental availability) during interviews.



Source: Esri

Distribution of Gross Rent, 2018		
	Orleans County	Northern VT Region
Less than $500	15.9%	14.5%
$500-$599	7.5%	5.0%
$600-$699	13.6%	10.2%
$700-$799	16.1%	13.8%
$800-$899	10.9%	12.3%
$900-$999	12.7%	11.7%
$1,000-$1,499	21.1%	25.6%
$1,500-$1,999	1.5%	5.8%
$2,000-$2,999	0.7%	1.0%
$3,000 and Greater	0.1%	0.0%

Source: Esri

Housing Supply Analysis

SHORT TERM RENTALS

Short Term Rentals				
Location	# of Rentals	Average Daily Rate	Occupancy Rate	Median Monthly Revenue
North Troy	125	$ 347	35%	$ 2,574
Montgomery Center	85	$ 218	41%	$ 2,250
Newport	53	$ 163	60%	$ 1,800
Newport Center	21	$ 134	54%	$ 1,975
Richford	10	$ 175	53%	$ 1,825
Westfield	9	$ 186	46%	$ 1,373
Lowell	8	$ 113	42%	$ 1,220
Irasburg	6	$ 230	50%	$ 2,648
Troy	5	$ 233	26%	$ 2,300

Note: ADR, Occupancy Rate, and Median Monthly Revenue all based on data from the last 12 months as of September 2020.

Source: AirDNA

- Renting a second home on a short-term basis allows the homeowner to recoup costs and block off dates to still allow for personal use.
- There are 322 short term rentals in the area in and surrounding Westfield, with the highest number in near Jay Peak.
- Removing a unit from the year-round rental stock can constrict the supply of rental housing and put upward pressure on housing costs.
- The revenue generated 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.
- The lower occupancy rate in some communities may indicate market saturation and/or a lack of demand in those areas.

Housing Supply Analysis

AFFORDABILITY

Households Paying >30% of Income on Housing, 2018			
	Town of Westfield	Orleans County	Northern VT Region
Renters	-	48.7%	47.5%
Owners with Mortgage	34.4%	35.9%	33.4%
Owners without Mortgage	26.1%	25.1%	23.5%

Source: Esri

- 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."
- Renters are the most cost-burdened segment, at close to half paying more than 30% of their income on housing for both the county and region.
  - Data for renters in Westfield is from a very small sample size (40 renters) and data could be skewed, so was not included.
- For those with a mortgage, over a third are cost-burdened with rates ranging from 33% in the region to 36% in the county.
- For those without a mortgage, about a quarter are cost-burdened, ranging from 24% in the region to 26% in the town.

Housing Supply Analysis

FINDINGS

- The vacancy rate in Westfield is higher than the comparison regions. This could be because of housing quality (substandard stock) or may be priced too high and geared toward seasonal residents.
- Westfield has a higher proportion of seasonal houses (32%) than the county (25%) or region (19%). This is most likely impacting local housing availability to some extent and will be investigated in the housing demand analysis.
- Because Westfield's houses only represent a small portion of the county's housing stock, 2%, enacting strategies that will support regional housing development may be important.
- With predominantly single-family housing, 84%, the Town of Westfield is likely missing an opportunity to provide housing to those that do not need the cost nor the upkeep of a single-family home.
- Mobile Home units could pose an opportunity for affordable units (if contained within a development versus on induvial lots) via cooperative ownership.
- The lack of rental units in Westfield is impacting overall housing affordability in the town.
- In the last 10 years, there have been many multifamily units permitted, and most of these, 75%, are contained in Orleans County. However, the Town has only issued 17 permits for housing from 2009-2019, all of which were single-family.
- There are 322 short-term rentals in the area. This will most likely increase as the tourism economy in the area increases. Measures to mitigate how this may reduce the availability of year-round rentals may need to be considered.
- About half of all renters, one-third of those with a mortgage, and one-quarter of those without a mortgage are cost-burdened, paying more than 30% of their income on housing. Struggling to pay for housing can impact other facets of life such as food security, utility payments, vehicle reliability, employment reliability, and on.
- Based on the slightly newer age of housing, higher median home value, the higher rate of second homeownership, and predominantly single-family houses, it is reasonable that Westfield is perceived as among one of the nicer places to live in the area. This will no doubt position the community well as it moves forward to redevelop/reuse the Scenic View property.

Housing Survey Results

SUMMARY OF FINDINGS

- Fifty-one people completed the survey. Of these, 74% were from Westfield; 36% were aged 65-74 and 22% aged 55-64.
- Fifty-eight percent of respondents had a household with 2 persons, and 20% of households were one person.
- Household annual income was tabulated in five income ranges: 20% earned $50,000 -$74,999; 14% earned $75,000 - $99,9999; 12% earned $25,000 - $34,999, 10% earned $35,000 - $49,999, and 10% earned $15,000 - $24,999. Sixteen percent of respondents did not disclose income information.
- Most respondents, 81%, live year-round in the community, and almost half, 47%, do not have a mortgage.
- When asked about challenges with their current residence, 29% felt property taxes were too high, 14% felt there was a lack of reliable internet, and 13% have unaffordable repairs pending.
- For urgent improvements, 18% needed exterior, mostly cosmetic updates and 18% needed energy efficiency and/or weatherization improvements. Sixteen percent need interior, mostly cosmetic updates.
- When asked what is keeping them from completing needed updates, 49% indicated cost as the main reason. Other respondents indicated a lack of time as the main barrier.
- Respondents ranked 12 housing issues on a scale of 1 (least important) to 5 (most important). Notable issues that were prioritized included feeling it is expensive to maintain housing, so upkeep doesn't happen, and feeling property taxes are too high. For the remaining issues, many respondents chose the option "I don't know."
- For potential negative impacts to businesses, 19% felt seasonal employees have a hard time finding housing, 15% felt there is a lack of available workers due to a lack of housing options at the right price point, and 15% felt workers miss work or run late due to long commute times and limited transportation options.
- With regards to the vacant Scenic View Site, 41% feel it should be utilized for senior housing. Thirteen percent feel it could be used for single persons with low-to-moderate incomes and 13% feel it could be used for two-person households with low-to-moderate incomes.
- For secondary uses, 38% feel the Site could be used as a location for health care services or community outreach. Twenty-two percent see it being used for daycare.
- For future senior housing needs, most respondents plan to stay in the area and in their homes with help from family or hired help (26%) or plan on downsizing but living independently (26%). Almost 20% do not have a plan but would like to know more about their options.
- Concerning the type of senior housing desired, 19% would consider in-home care, 17% would consider continuing care retirement, and 18% would consider assisted living.

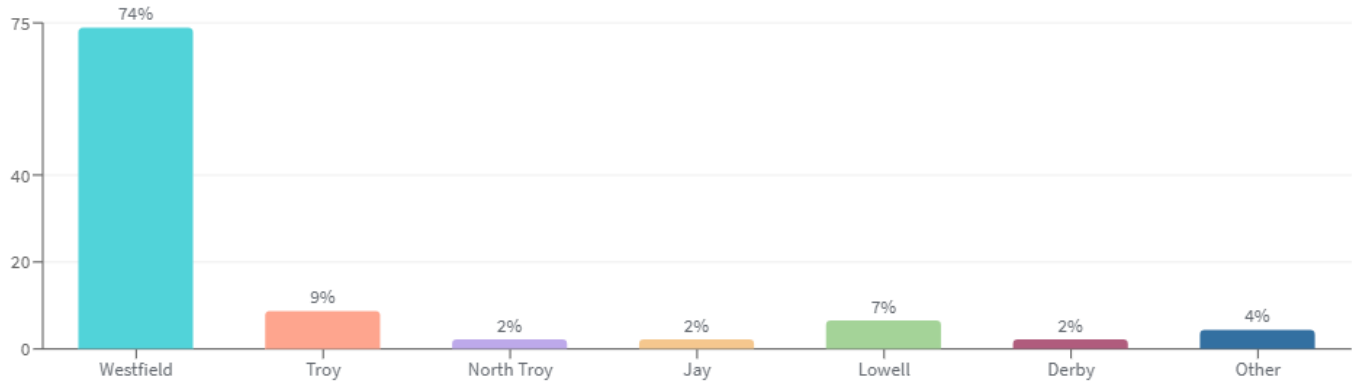
Survey Results

ABOUT THE RESPONDENT

QUESTION 01 | MULTIPLE CHOICE

Where is your permanent residence?

Answered: **45** Skipped: **5**



ANSWER CHOICES	RESPONSES	RESPONSE PERCENTAGE
Westfield	34	73.91%
Troy	4	8.70%
North Troy	1	2.17%
Jay	1	2.17%
Lowell	3	6.52%
Derby	1	2.17%
Other	2	4.35%

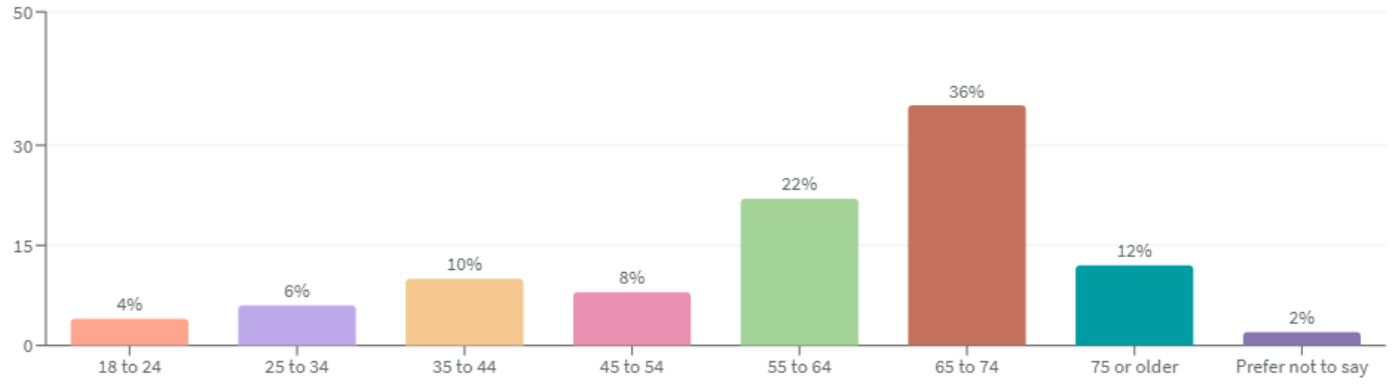
Survey Results

ABOUT THE RESPONDENT

QUESTION 02 | MULTIPLE CHOICE

What is your age?

Answered: **50** Skipped: **1**



ANSWER CHOICES	RESPONSES	RESPONSE PERCENTAGE
18 to 24	2	4.00%
25 to 34	3	6.00%
35 to 44	5	10.00%
45 to 54	4	8.00%
55 to 64	11	22.00%
65 to 74	18	36.00%
75 or older	6	12.00%
Prefer not to say	1	2.00%

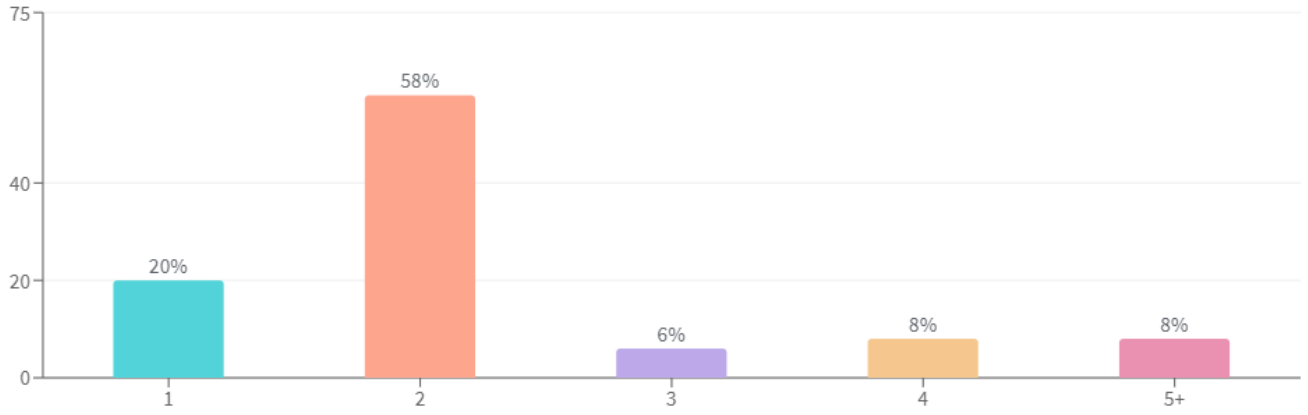
Survey Results

ABOUT THE RESPONDENT

QUESTION 03 | MULTIPLE CHOICE

Including yourself, how many people are in your household? (A household is one housing unit.)

Answered: **50** Skipped: **1**



ANSWER CHOICES	RESPONSES	RESPONSE PERCENTAGE
1	10	20.00%
2	29	58.00%
3	3	6.00%
4	4	8.00%
5+	4	8.00%

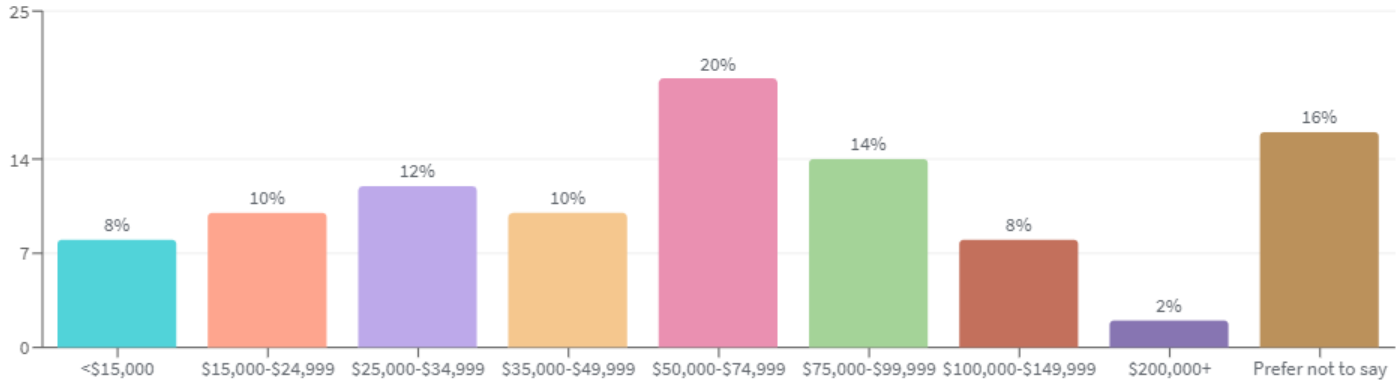
Survey Results

ABOUT THE RESPONDENT

QUESTION 04 | MULTIPLE CHOICE

What is the annual income for your household, before taxes?

Answered: **50** Skipped: **1**



ANSWER CHOICES	RESPONSES	RESPONSE PERCENTAGE
<$15,000	4	8.00%
$15,000-$24,999	5	10.00%
$25,000-$34,999	6	12.00%
$35,000-$49,999	5	10.00%
$50,000-$74,999	10	20.00%
$75,000-$99,999	7	14.00%
$100,000-$149,999	4	8.00%
$200,000+	1	2.00%
Prefer not to say	8	16.00%

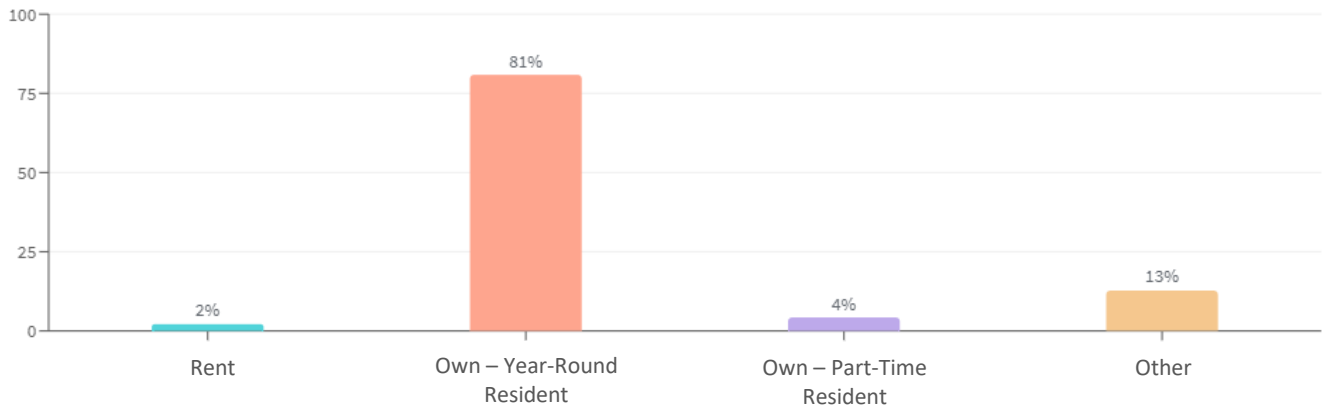
Survey Results

ABOUT THE RESPONDENT'S CURRENT HOME

QUESTION 05 | MULTIPLE CHOICE

Do you currently rent or own your Westfield home?

Answered: **47** Skipped: **2**



ANSWER CHOICES	RESPONSES	RESPONSE PERCENTAGE
Rent	1	2.13%
Own – Year-Round Resident	38	80.85%
Own – Part-Time Resident	2	4.26%
Other	6	12.77%

- "Other" responses include those who live with parents in the area or those who live outside of the area.

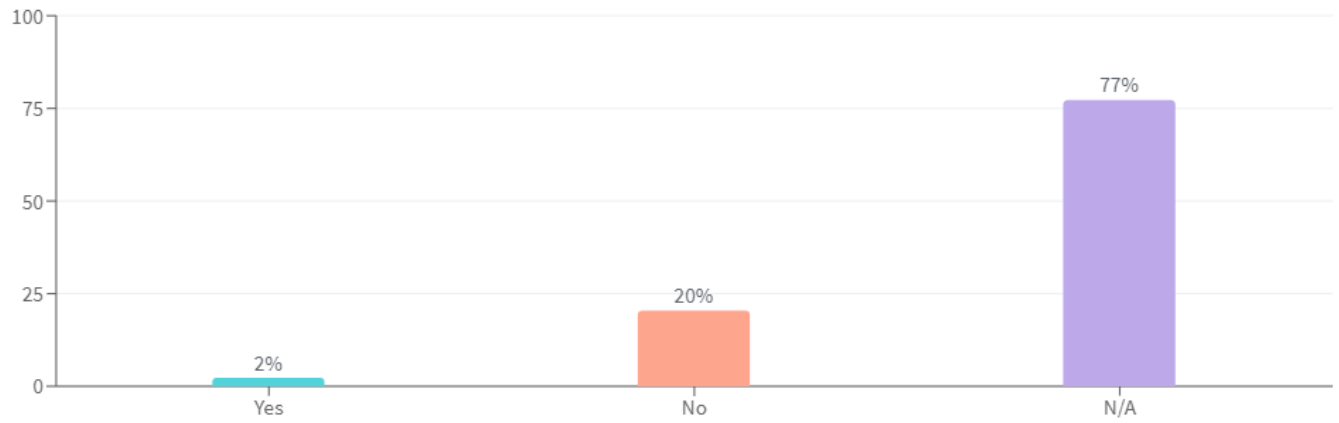
Survey Results

ABOUT THE RESPONDENT'S CURRENT HOME

QUESTION 06 | MULTIPLE CHOICE

If this is your second home, do you expect to move to the area permanently in the next 5-10 years?

Answered: **44** Skipped: **4**



ANSWER CHOICES	RESPONSES	RESPONSE PERCENTAGE
Yes	1	2.27%
No	9	20.45%
N/A	34	77.27%

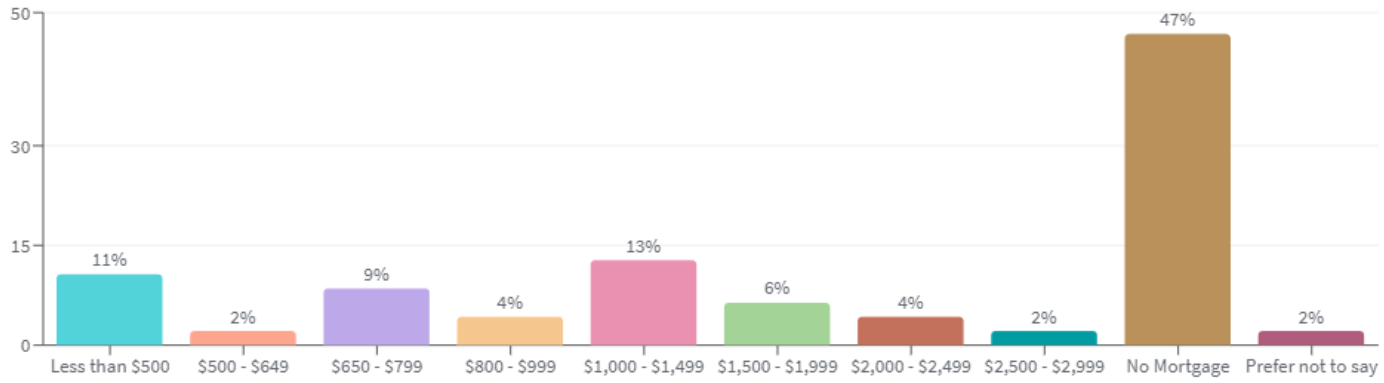
Survey Results

ABOUT THE RESPONDENT'S CURRENT HOME

QUESTION 07 | MULTIPLE CHOICE

What is your current monthly rent or mortgage (including taxes/insurance)?

Answered: **47** Skipped: **0**



ANSWER CHOICES	RESPONSES	RESPONSE PERCENTAGE
Less than $500	5	10.64%
$500 - $649	1	2.13%
$650 - $799	4	8.51%
$800 - $999	2	4.26%
$1,000 - $1,499	6	12.77%
$1,500 - $1,999	3	6.38%
$2,000 - $2,499	2	4.26%
$2,500 - $2,999	1	2.13%
No Mortgage	22	46.81%
Prefer not to say	1	2.13%

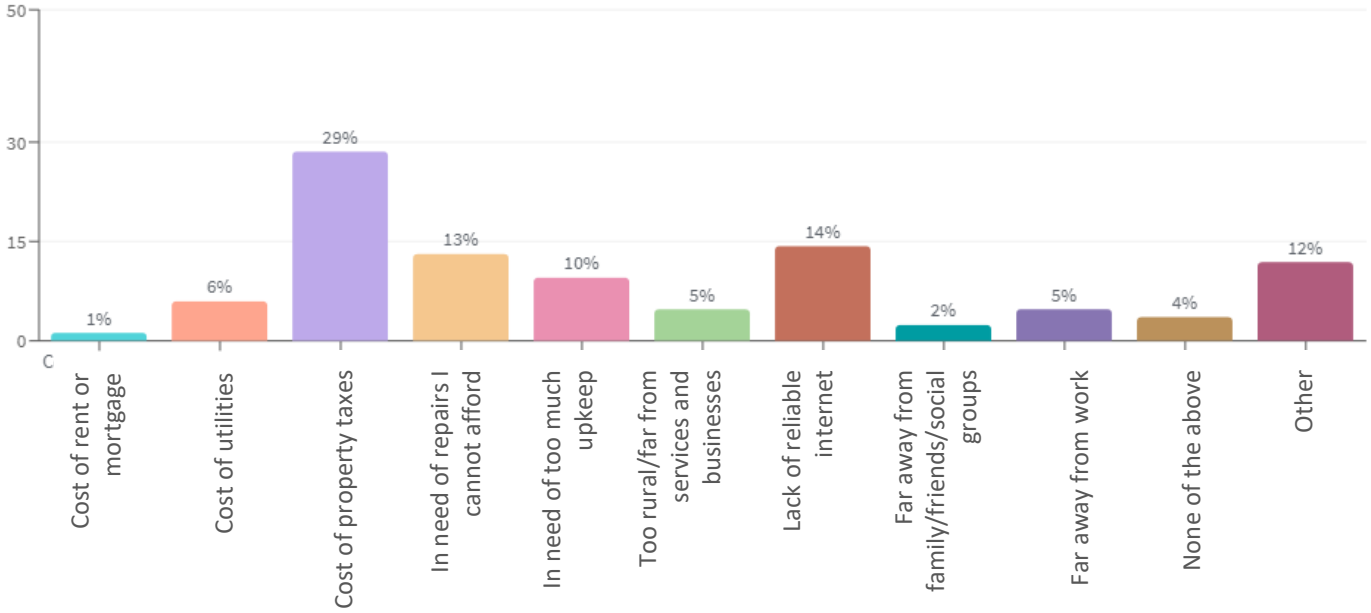
Survey Results

ABOUT THE RESPONDENT'S CURRENT HOME

QUESTION 08 | MULTIPLE CHOICE

What do you find most challenging about your current residence? (Please select all that apply.)

Answered: **45** Skipped: **2**



- "Other" responses include property taxes too high, noisy road (Route 100), barking dogs/no enforcement of leash laws, finding a house share, and living a far distance from the road.

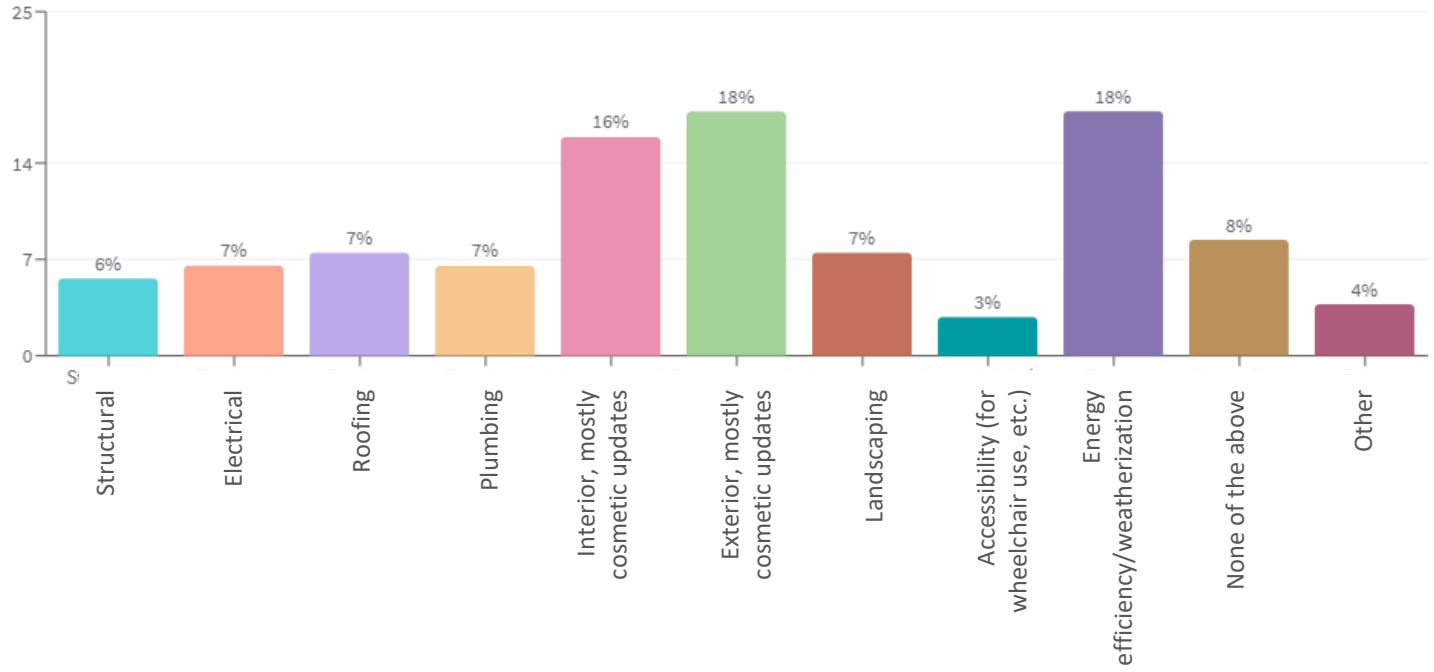
Survey Results

ABOUT THE RESPONDENT'S CURRENT HOME

QUESTION 09 | MULTIPLE CHOICE

What urgent improvements does your home need? (Please select all that apply.)

Answered: **45** Skipped: **2**



- "Other" responses include mold remediation and new driveway needed.

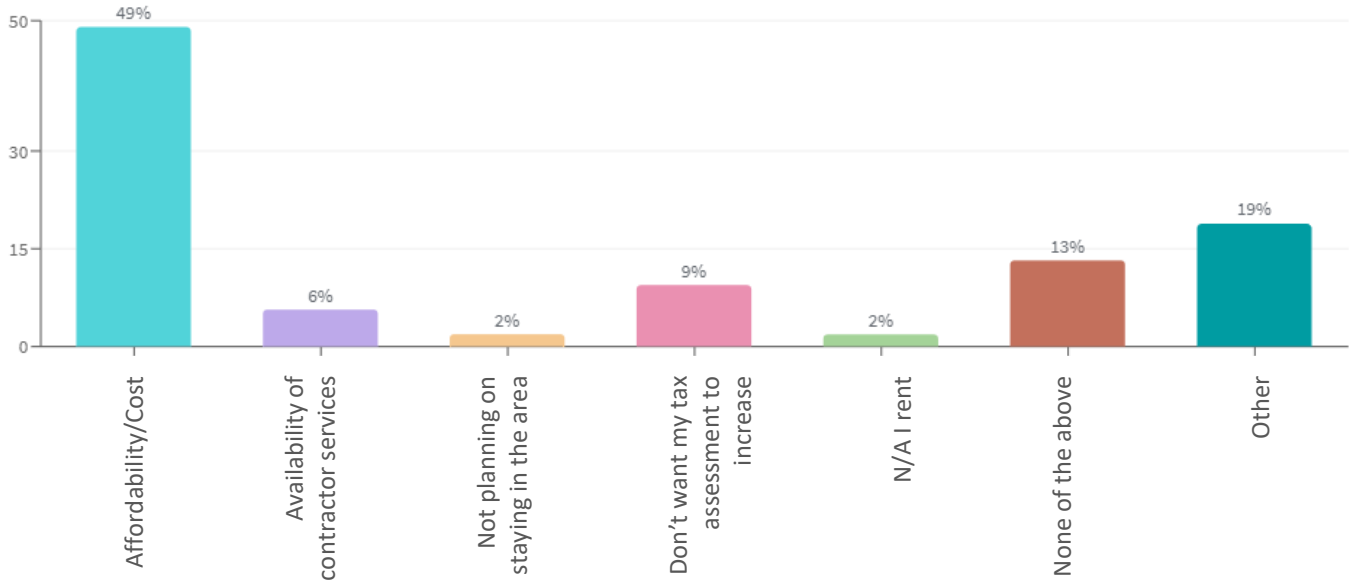
Survey Results

ABOUT THE RESPONDENT'S CURRENT HOME

QUESTION 10 | MULTIPLE CHOICE

What has kept you from completing necessary improvements on your home? (Please select all that apply.)

Answered: **47** Skipped: **0**



- "Other" responses include time/too busy (five responses), age, and lack of contractors.

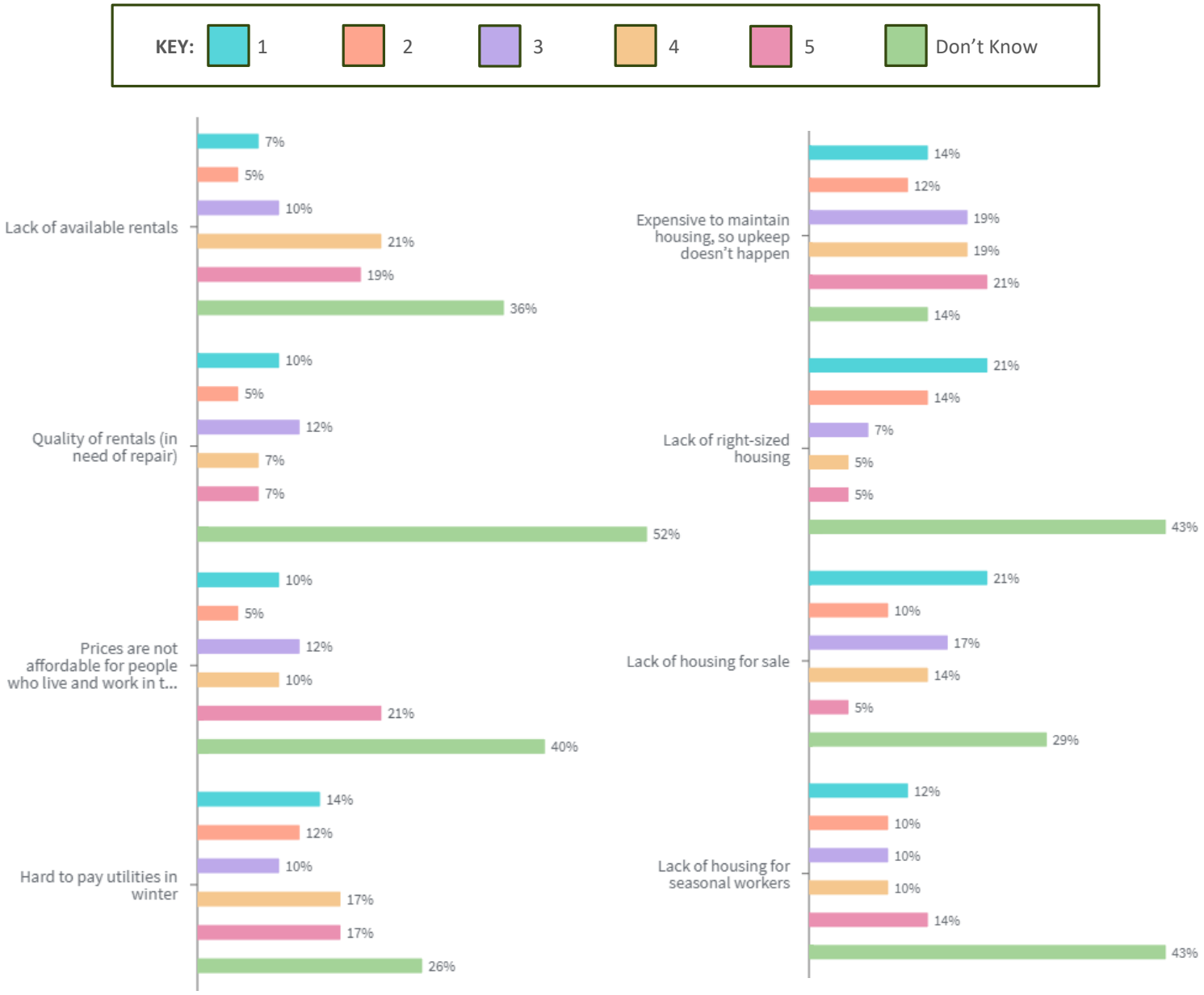
Survey Results

ABOUT COMMUNITY HOUSING NEEDS

QUESTION 11 | MATRIX

On a scale of 1 to 5 (least critical to most critical) please rank how critical each issue is in Westfield and the surrounding area. If you are unfamiliar with the issue, check the "Don't Know" box.

Answered: **42** Skipped: **2**



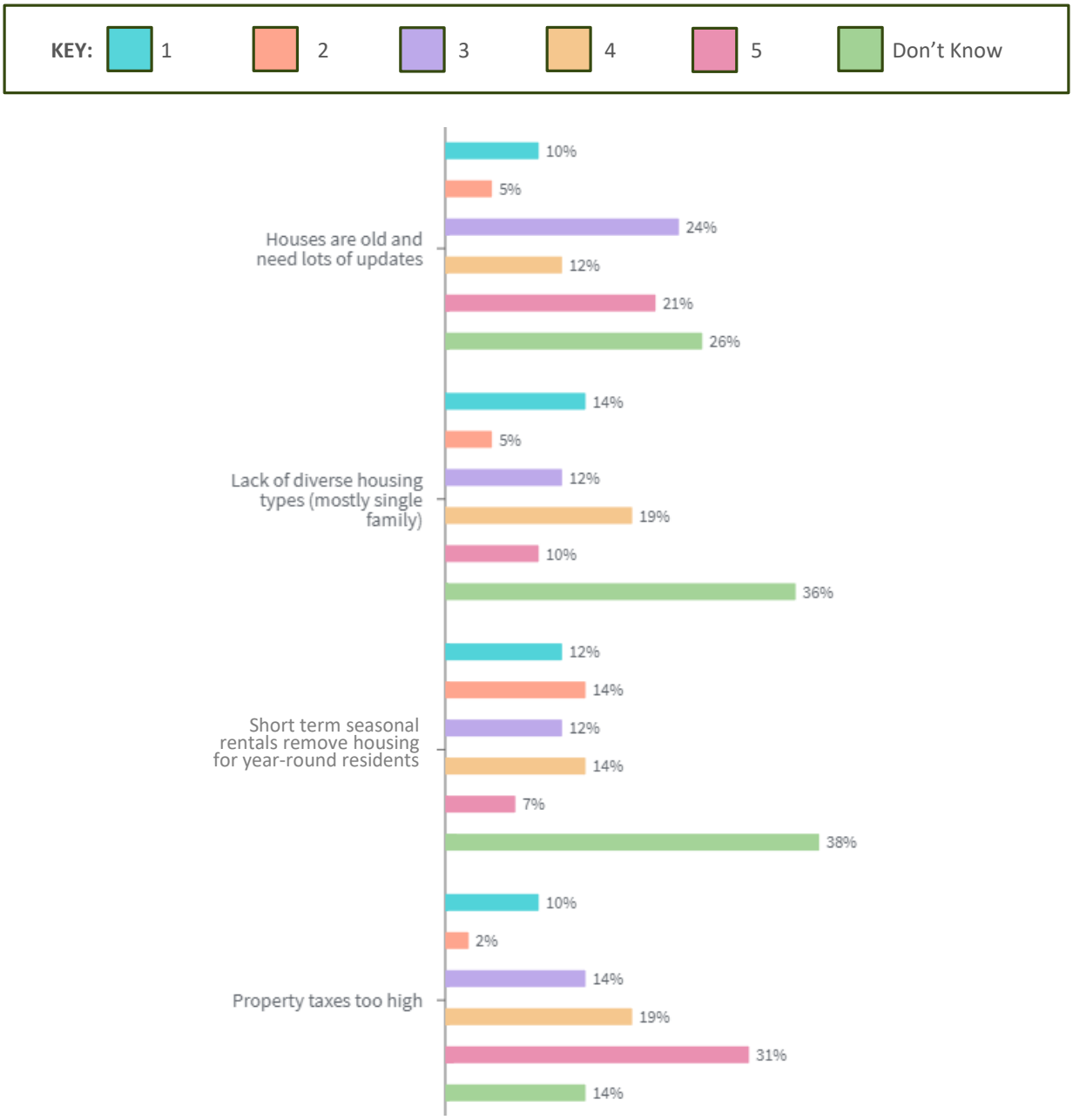
Survey Results

ABOUT COMMUNITY HOUSING NEEDS

QUESTION 11 | MATRIX

On a scale of 1 to 5 (least critical to most critical) please rank how critical each issue is in Westfield and the surrounding area. If you are unfamiliar with the issue, check the "Don't Know" box.

Answered: **42** Skipped: **2**



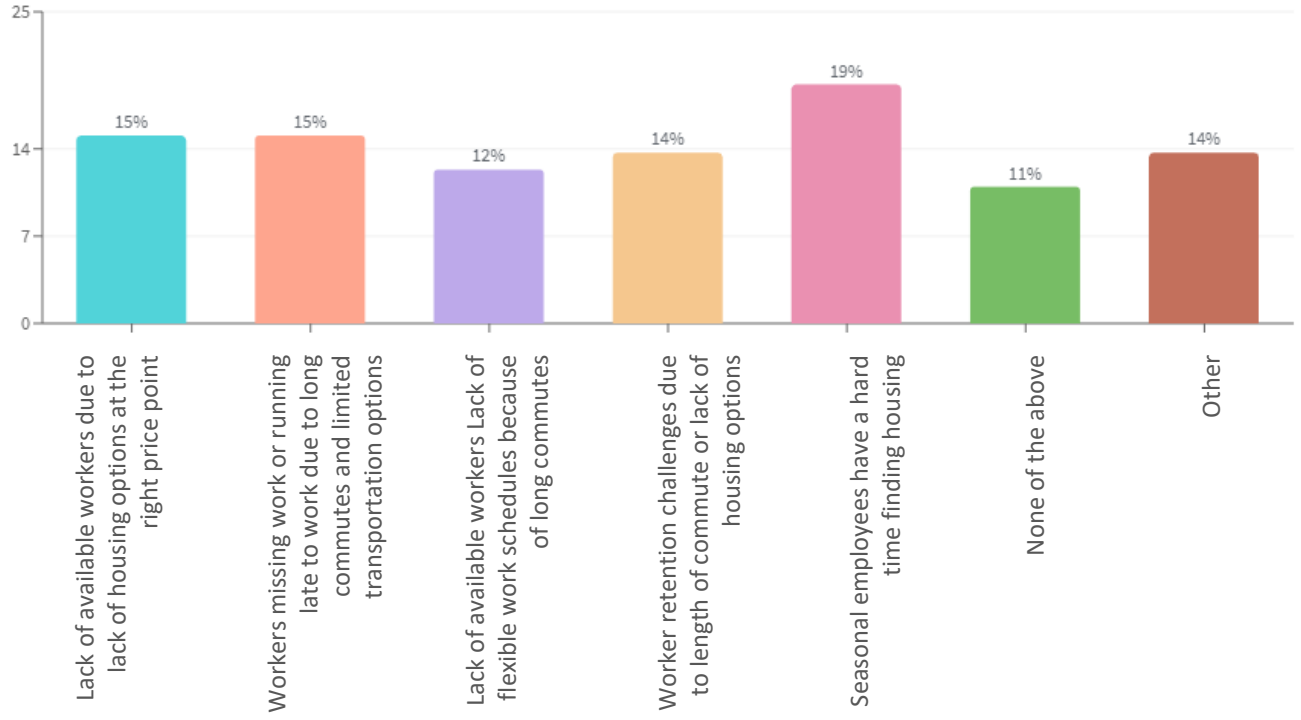
Survey Results

ABOUT COMMUNITY HOUSING NEEDS

QUESTION 12 | MULTIPLE CHOICE

Do you think a lack of housing has a negative impact on businesses in the area? If so, how? (Please select all that apply.)

Answered: **38** Skipped: **5**



- "Other" responses include don't' know (four responses) and do not believe housing is impacting business (five responses).

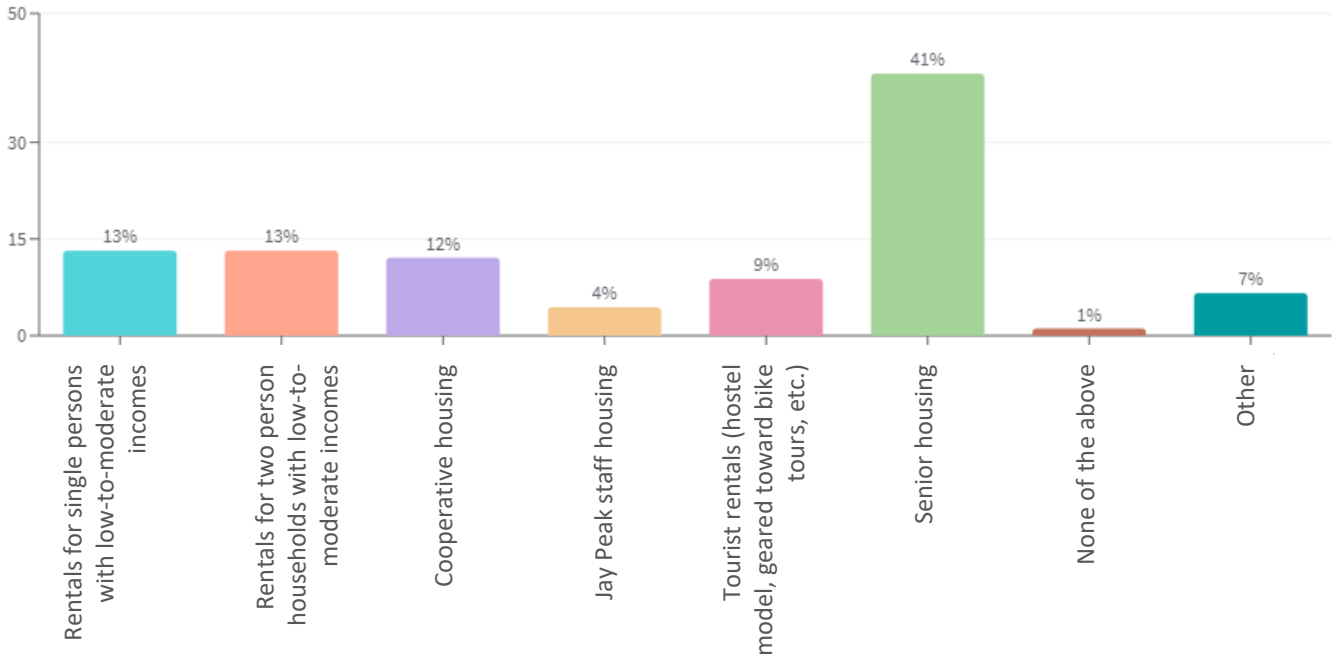
Survey Results

ABOUT COMMUNITY HOUSING NEEDS

QUESTION 13 | MULTIPLE CHOICE

The former Scenic View Community Center has been closed for about two years, last used as an assisted living facility for adults. How do you think it should be reused? (Please select all that apply.)

Answered: **42** Skipped: **1**



- "Other" responses include senior housing top priority, subsidized housing for seniors and persons with disabilities, motel with ATV access, healing studio.

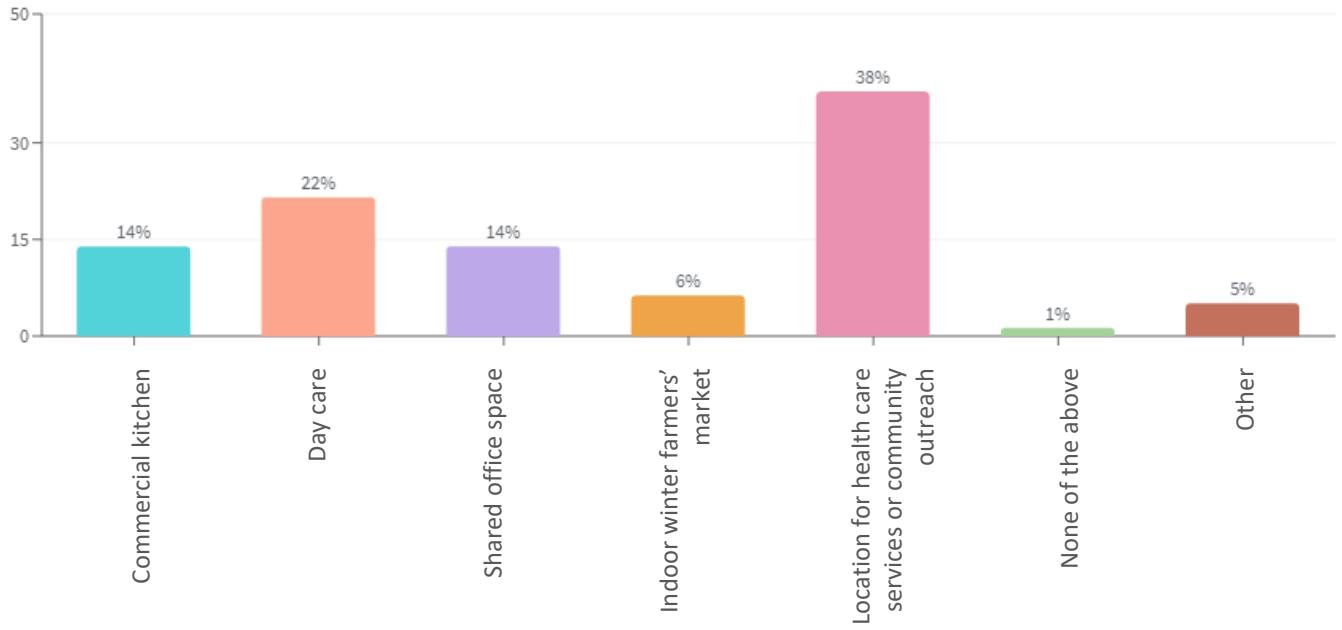
Survey Results

ABOUT COMMUNITY HOUSING NEEDS

QUESTION 14 | MULTIPLE CHOICE

What secondary or additional uses are important to consider in the reuse of the former Scenic View Community Center? (Please select all that apply.)

Answered: **40** Skipped: **3**



- "Other" responses include bus stop/transportation, red light, any of the above.

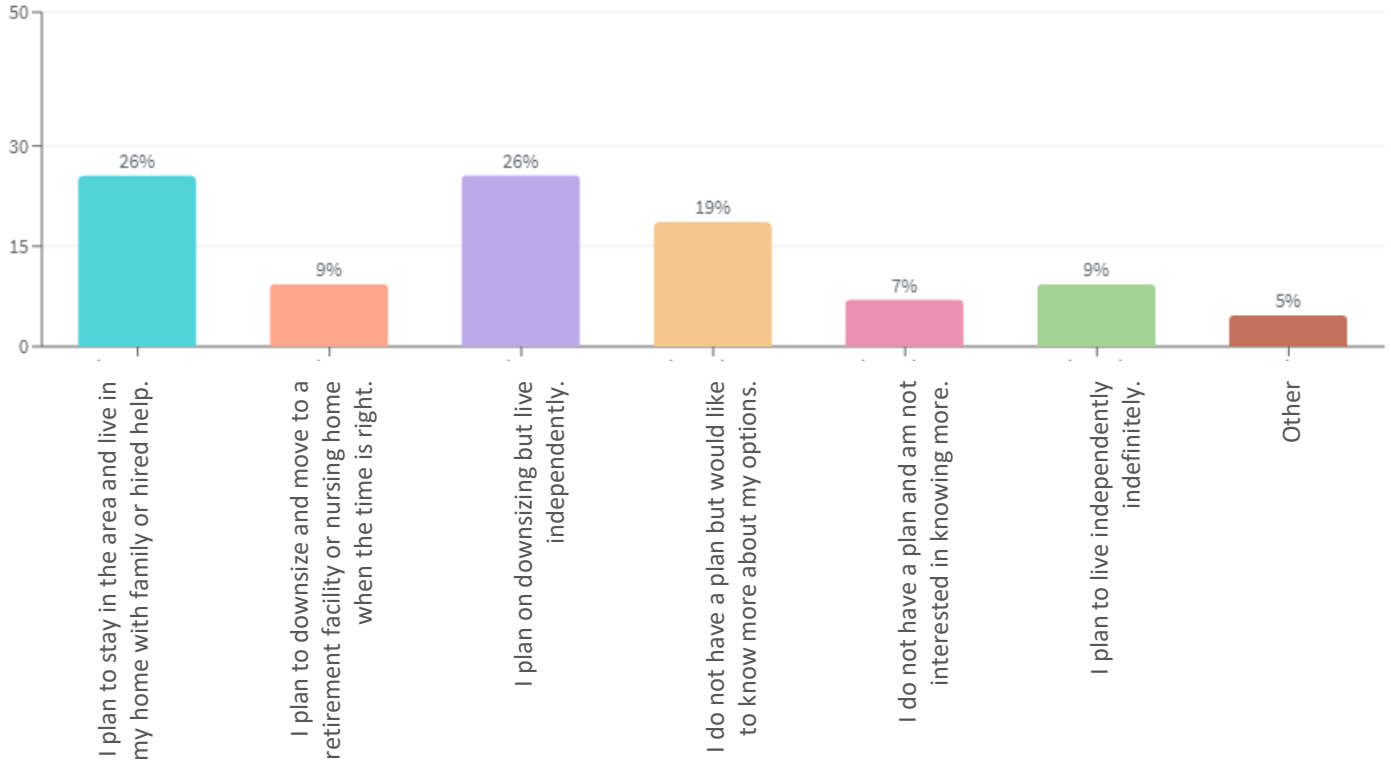
Survey Results

ABOUT SENIOR HOUSING NEEDS

QUESTION 15 | MULTIPLE CHOICE

If you are no longer able to live independently in the future, what are your plans for where to live?

Answered: **31** Skipped: **0**



- "Other" responses include move to Florida or near children.

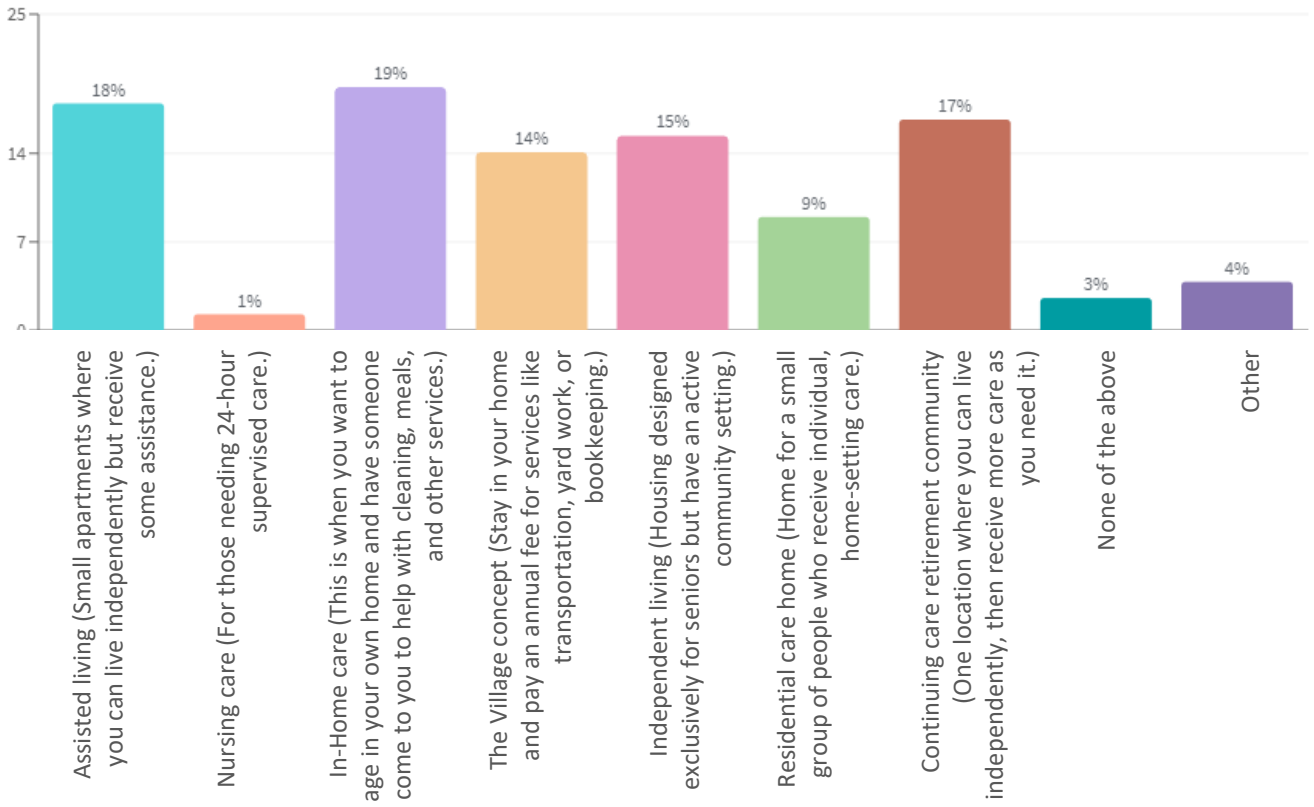
Survey Results

ABOUT SENIOR HOUSING NEEDS

QUESTION 16 | MULTIPLE CHOICE

Senior housing options range from little to no assistance to help around the clock. While the future is uncertain, in the next 10 years what types of housing would you consider?

Answered: **31** Skipped: **0**



- "Other" responses include not sure, and family currently helps with needs.

Interview Themes

FINDINGS

CURRENT STATE OF THE MARKET

The Northeast Kingdom (NEK) is becoming a great place to relocate during the pandemic. Compared to more populated areas, it offers larger lots and relative house size, lower-priced homes than the Burlington area, and low COVID-19 rates. It is the busiest market local realtors have seen in their careers. While the feeling for many is that most home purchases are from out-of-state people, this rate is more like half from within the state and half out-of-state. For those purchasing homes from out-of-state, some are using their NEK home as a vacation home for an eventual full-time residence. Some are using their NEK home as a temporary residence while the pandemic continues to play out. With more people able to work from home, the spending power of the region is likely increasing as people move to the area.

Some realtors believe that the only readily available homes are in the high-end luxury market, while others feel there is supply at all price points. In Orleans County, there are 865 active listings with 379 properties under contract. The average sale price is up 9% from over a year ago and there is a 50% reduction in listings from a year ago.

Prices amongst all homes, even those houses on the market that need rehabilitation, are going up. But with material prices very high, in part due to the pandemic, there is not a lot of new construction in the area. One reason for this is the overall economic landscape; the same house built in the NEK can capture a much higher price in more touristy areas and places with more employment opportunities. Stormwater, wastewater, and wetland regulations also add to the cost and can impede the building process, even if permitting is not as rigid in more rural areas like Westfield.

RENTALS ARE DESPERATELY NEEDED

For their part, affordable rentals are in very high demand and are desperately needed. Realtors said prices for locals need to be in the $600 to $1,000 range, yet market prices are more likely to be in the $1,500 to $2,000 range. One interviewer mentioned a potential 200-unit building in an adjacent property from the hospital in Newport, which would provide affordable apartments with the assisted living concept model.

While there is very clearly a need for additional rentals in the area among all interviewees, owning rentals is challenging to a local property owner who wants to rent a small number of units. Just one bad experience with a renter, combined with the strong pro-tenant rights in the state and lack of capital to float a mortgage without rental payment, can cause a property owner to get out of the rental business quickly. Such experiences have impacted the overall number of rentals, and thus there is an increasing number of non-local landlords purchasing rental properties to manage.

ABOUT SCENIC VIEW

Scenic View Community Care Center was originally developed as a 25-unit motel. When switching to a residential care home, Scenic View was run under a “mom and pop” model which did not account for many unpaid hours of labor. When Rural Edge bought it to continue its operation, they needed to hire additional staff to run it, and it quickly became insolvent. The property was operated by Rural Edge for less than two years.

Some realtors mentioned the price of Scenic View when it was purchased by Rural Edge (RE) was too high. Because of this and coupled with the fact that it was previously run by a small operation that could keep costs low, RE was not set up for success at the onset. Subsequently, Scenic View operation costs were much higher than under the previous ownership. The cost to keep the facility open close to bankrupted the organization, and hundreds of thousands of dollars was lost on the property.

Interview Themes

FINDINGS

ABOUT SCENIC VIEW *(CONTINUED)*

At present, Scenic View is in turn-key condition with new water lines, a boiler, and fresh paint. Pre-COVID, an interested buyer was pre-approved for a motel with a restaurant, but the bank decided to wait to underwrite as the hospitality industry is seeing severe impacts from the pandemic. Moving forward, RE is not opposed to acting as the redeveloper and owner of the site; they are willing to hold the property in its next phase of occupancy. However, data needs to supports this next phase. How should the space be filled based on housing demand data? What use has strong local support? Is there additional funding available for a redevelopment scenario? How can RE demonstrate to their investors that this next phase is a worthwhile investment? These are the questions that need to be answered moving forward.

SCENIC VIEW'S POTENTIAL

Most individuals interviewed believe Scenic View should play a housing role in the community, with the majority believing it should be utilized as senior housing. There is a consensus there are not enough residential care homes in the area (meaning residents have assistance with meds, meals, house cleaning, healthcare, etc.) and that with an active and local ownership group, the economics (i.e. the facility being fiscally solvent) could work.

Service care organizations see the gap that Scenic View was filling in the senior living market as a residential care home. In the NEK there are very few residential care homes. Residential care homes provide a way for people to stay in the community; often some are faced with the choice of going to a nursing home before they are ready or moving out of the community to get an adequate level of care. Many models in the area can speak to the financial solvency and feasibility of the residential care home model including Canterbury Inn in St. Johnsbury, the Copley House in Morrisville, Forest Hill in Hyde Park, and Four Seasons in Northfield.

However, there are some challenges to the site. It may prove difficult to get the right staff on board who are willing to live in a rural environment and 15 miles from the employment hubs of Newport and Newport City. Registered nurses and people who understand HIPPA and Medicare billing may also be difficult to locate, and this potentially creates a very narrow window for whom the operator might be.

Also, as noted by some community service organizations, the site would not be ideal for lower-income residents as it is far from most employers and social services. Most lower-income households prefer to be in Newport or Newport City as it provides walkability, transportation options, and proximity to many employment options.

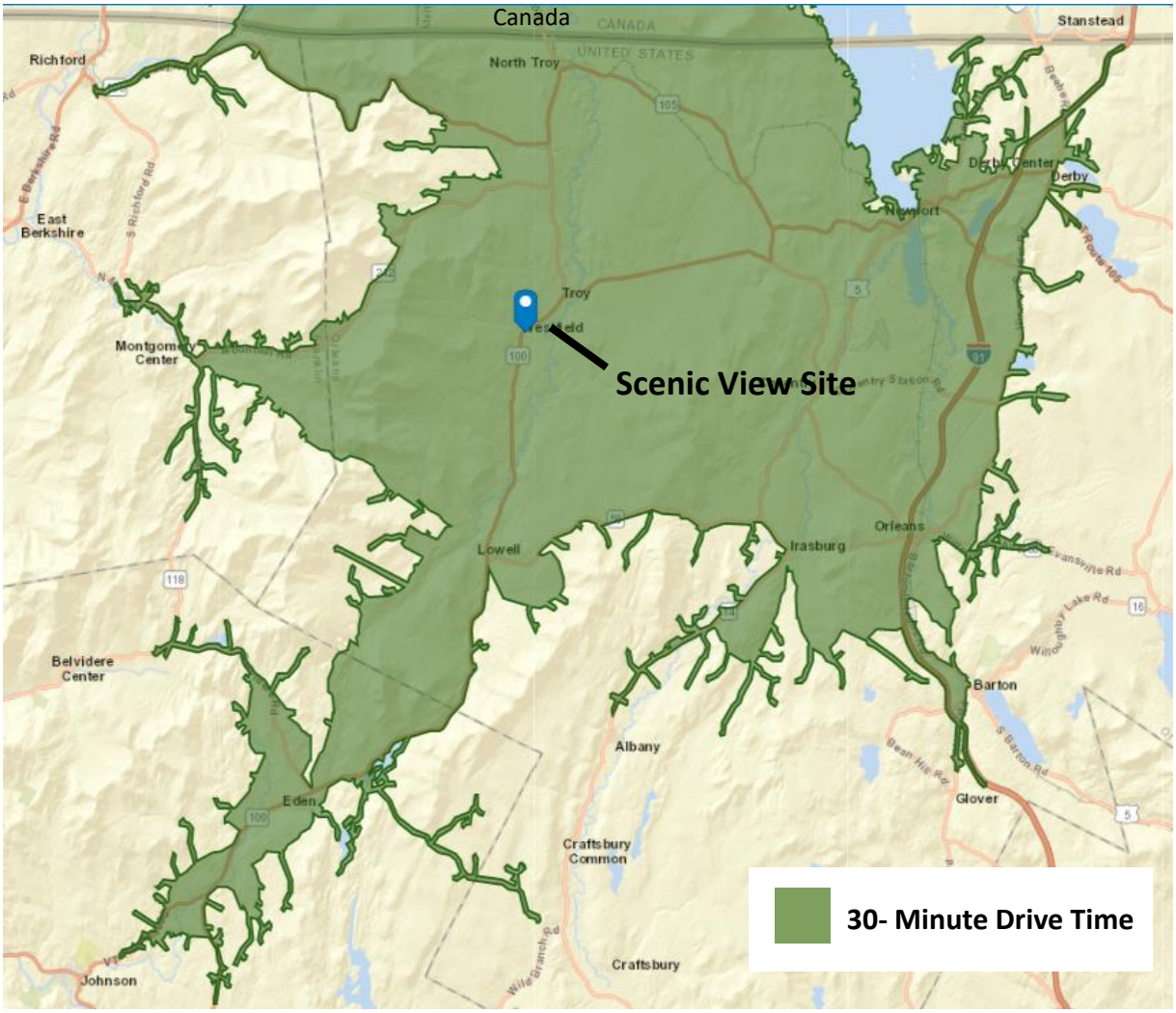
Additionally, wastewater infrastructure could be an issue with redevelopment, depending on the wastewater flows of modified uses.

Some suggested it may be better to run Scenic View as 1-bedroom apartments with services like SASH (Support and Services at Home) accessing it. By not being age restrictive, it would cast a wider net and increase the potential market of renters. This would help maintain the full-occupancy needed for financial solvency.

There is also an opportunity for Scenic View to provide seasonal housing for Jay Peak employees, provided these employees have their own means of transportation. However in the short term due to the pandemic, Jay Peak will not be getting any employees through the J1 Visa program which typically accounts for around 100 seasonal workers. Therefore, their need for staff housing for the 2020-21 season is significantly less than usual. It is likely they may be interested in purchasing additional space for housing for future seasons and has expressed interested in being part of discussions moving forward.

Housing Demand Analysis

FOCUS GEOGRAPHY



- The town of Westfield, with its population of 564 in 239 households, is too small a geography to draw housing demand to determine a redevelopment scenario at Scenic View.
- Instead of examining demand within the town, or even county borders, we examine demand through the lens of a 30-minute drive from the Site. Given the rural nature of the area, we believe this is a conservative distance people may be willing to move to for a housing product that meets their needs while still allowing them access to their current work or support services. In some instances, we examine data at the county level.

Housing Demand Analysis

METHODOLOGY

- Housing demand is sourced from two data sets: projected change in household growth and current and future needs of the existing households.
- Projected household growth:
  - Household changes occur from people moving into the region (in-migration) and natural increase (people moving out of their current living environment to create a new household – grown children moving out, divorcees moving into their own place, etc.).
  - The projected household growth will be distributed among income levels and age groups which will help identify price points and services in a housing facility that might be needed for older households.
- Existing households:
  - As the existing market will meet the needs of those who can afford market-rate housing, the existing household housing needs are focused on more affordable housing. Based on income and housing prices in the region we target households making less than $50,000, which is just slightly below median household income in the area.
  - Existing households include a percentage of those who currently live with others (housemates, immediate family, other relatives) and would move if affordable housing were available. We call this population "underhoused" and examine it via living arrangement data.
  - Demand from the existing households also includes a percentage of those over age 65 who are living alone. We can anticipate in the future a proportion of this population would require a different type of housing.
  - Also, we will consider cost burdened residents – those paying more than 30% of their income on housing and within a lower income bracket (given a household income of $50,000 or less).
- Results are tabulated by the number of housing units in demand and by income level.
- To begin this analysis, we examine the current supply of housing and how that is changing due to real estate trends.

Housing Demand Analysis

REAL ESTATE TRENDS

- Interview findings report a strong real estate market in Orleans County and the rest of the state. The COVID-19 pandemic is driving people from more populated areas and many workers can work remotely.
- Real estate reports from the Vermont Association of Realtors can confirm interview findings. July 2020 is the most recent data available.
  - New listings are down 18.2% year-to-date from July 2019 to July 2020, indicating a potential desire for current property owners to hold on to their property or a lack of supply of properties to list. Active listings are down for the same reasons.
  - The median listing price is down 9.8% year-to-date from July 2019 to July 2020, however, this is up statewide by 8.2%. The number of pending sales are up 28.3% from 237 in 2019 to 304 in 2020 in the county, and up 9% across the state.
  - The combination of a decrease in listings and an increase in sales has driven up the median sale price 10.5% from last year. Across the entire state, the median sale price has risen 5.7% year-to-date.
- Orleans County is seeing some real estate pandemic impacts, and to some degree, these are greater than impacts seen statewide. Realtors expect the impacts to last until there is a widely avaialble vaccine for COVID-19.

Orleans County Real Estate Trends				
New Listings				+/-
Feb-20	27	Feb-19	27	0.0%
Mar-20	23	Mar-19	45	(48.9%)
Apr-20	30	Apr-19	56	(46.4%)
May-20	51	May-19	72	(29.2%)
Jun-20	76	Jun-19	64	18.8%
Jul-20	61	Jul-19	61	0.0%
YTD 2020	283	YTD 2019	346	(18.2%)
Active Listings				+/-
Feb-20	228	Feb-19	307	(25.7%)
Mar-20	208	Mar-19	301	(30.9%)
Apr-20	205	Apr-19	310	(33.9%)
May-20	196	May-19	322	(39.1%)
Jun-20	191	Jun-19	320	(40.3%)
Jul-20	182	Jul-19	324	(43.8%)
YTD 2020	N/A	YTD 2019	N/A	N/A
Median Listing Price				+/-
Feb-20	$ 199,000	Feb-19	$ 225,000	(11.6%)
Mar-20	$ 207,000	Mar-19	$ 225,000	(8.0%)
Apr-20	$ 215,000	Apr-19	$ 225,000	(4.4%)
May-20	$ 215,000	May-19	$ 225,000	(4.4%)
Jun-20	$ 209,000	Jun-19	$ 221,000	(5.4%)
Jul-20	$ 229,000	Jul-19	$ 225,000	1.8%
YTD 2020	$ 201,674	YTD 2019	$ 223,584	(9.8%)
Pending Sales				+/-
Feb-20	36	Feb-19	25	44.0%
Mar-20	42	Mar-19	46	(8.7%)
Apr-20	49	Apr-19	55	(10.9%)
May-20	71	May-19	56	26.8%
Jun-20	83	Jun-19	66	25.8%
Jul-20	80	Jul-19	35	128.6%
YTD 2020	N/A	YTD 2019	N/A	N/A
Median Sales Price				+/-
Feb-20	$ 148,000	Feb-19	$ 132,000	11.4%
Mar-20	$ 163,500	Mar-19	$ 150,000	9.0%
Apr-20	$ 146,450	Apr-19	$ 178,750	(18.1%)
May-20	$ 174,500	May-19	$ 183,500	(4.9%)
Jun-20	$ 203,500	Jun-19	$ 140,000	45.4%
Jul-20	$ 171,000	Jul-19	$ 155,000	10.3%
YTD 2020	$ 168,705	YTD 2019	$ 152,740	10.5%

Source: Vermont Association of Realtors Market Data Reports

Housing Demand Analysis

REAL ESTATE TRENDS – CURRENT SUPPLY

HOUSING FOR SALE

- Data from Zillow indicates about 250 current residential properties for sale in Orleans County. These are outlined by the price range in the table to the right. While the current housing stock for sale is distributed among many price ranges, more than a third of all available housing is priced over $300,000.
- Zillow data show Orleans County home values have gone up 2.9% over the past year. They predict prices will rise 4.5% within the next year.

Current Property Listings by Price, Orleans County	
Price Range	%
$90,000-$124,999	10.6%
$125,000-$149,999	11.4%
$150,000-$174,999	9.0%
$175,000-$199,999	9.0%
$200,000-$249,999	10.6%
$250,000-$299,999	16.9%
$300,000+	32.5%
Total	100.0%

Source: Zillow

RENTALS

- There are about 60 rentals within 30 miles of Westfield as indicated on craigslist.com. There are about half a dozen listings for income-qualified and/or elderly or disabled apartment housing. There are about 20 one-bedroom units with rents ranging from $520 to $1,800 with a median price of around $850. There are 26 two-bedroom units ranging from $450 to $1,475; six three-bedroom units ranging from $825 to $1,700; and two four-bedroom units with rents of $1,250 and $3,000. Within 15 miles of Westfield, there are just 16 rentals, and these are all in the Newport area.
- The table to the right illustrates the existing stock of multi family apartment properties in the county totaling 110 units. While data is limited, we do see that the building class is "B" or "C" indicating potential need for renovation, located in less desirable locations, rough or older finishes, and/or visible signs of age.

Multi Family Apartment Properties, Orleans County				
Property Address	City	Year Built	Building Class	Number Of Units
158 Park St	Barton	1860	C	3
19 Harrison Ave	Barton	1900	B	5
357 Main St	Barton	-	B	5
38 School St	Barton	1800	C	3
3032 US Route 1	Derby	1900	C	3
246 Elm St	Newport	1993	B	24
35 Bayview St	Newport	1930	C	8
50 Bayview St	Newport	-	C	30
55 Bayview St	Newport	1900	C	6
74 Bayview St	Newport	1900	C	4
158 Third St	Newport City	-	C	3
171 Third St	Newport City	-	C	5
52 Old 5A Rd	Westmore	1968	B	11
Total				110

Source: CoStar

Housing Demand Analysis

CHANGE IN HOUSEHOLDS

Change in Households, 30 Minutes from Site, 2020-2025								
	<25	25-34	35-44	45-54	55-64	65-74	75+	Total
<$15,000	(6)	(19)	(9)	(19)	(39)	7	36	(49)
$15,000-$24,999	(8)	(20)	(11)	(17)	(27)	(6)	12	(77)
$25,000-$34,999	(7)	(22)	(10)	(19)	(22)	(3)	16	(67)
$35,000-$49,999	(1)	(9)	(4)	(9)	(18)	12	24	(5)
$50,000-$74,999	2	(14)	(1)	(25)	(17)	46	25	16
$75,000-$99,999	2	(1)	13	0	2	28	20	64
$100,000-$149,999	1	15	38	22	21	36	26	159
$150,000-$199,999	0	4	17	17	13	13	7	71
$200,000+	0	0	6	15	9	18	4	52
Total	(17)	(66)	39	(35)	(78)	151	170	164

Source: Esri

Change in Households, Orleans County, 2020-2025								
	<25	25-34	35-44	45-54	55-64	65-74	75+	Total
<$15,000	(9)	(25)	(12)	(31)	(59)	3	79	(54)
$15,000-$24,999	(12)	(33)	(19)	(23)	(47)	(20)	43	(111)
$25,000-$34,999	(13)	(35)	(18)	(33)	(41)	(19)	45	(114)
$35,000-$49,999	(3)	(12)	(6)	(20)	(32)	8	57	(8)
$50,000-$74,999	2	(21)	(2)	(43)	(27)	67	41	17
$75,000-$99,999	1	(5)	17	(3)	4	41	46	101
$100,000-$149,999	3	21	62	37	47	66	41	277
$150,000-$199,999	0	8	26	26	27	28	23	138
$200,000+	0	1	12	20	19	29	8	89
Total	(31)	(101)	60	(70)	(109)	203	383	335

Source: Esri

- By 2025, we see a projected increase of 355 households in Orleans County and 164 households within a 30-minute drive of the Scenic View Site.
- By age, in both geographies there is the most future demand for those aged over 75, 65-74, and 35-44. There will be shrinking demand for those aged 45-64 and those aged under 34.
- By income, in both geographies those with incomes less than $50,000 will shrink in the next five years, while those making more than $50,000 will increase. Households making $100,000-$149,999 will see the largest jump.
- This points to a future need for housing that accommodates the needs of an older generation.
- These data generally align with data from population projections completed by the Vermont Agency of Commerce and Community Development.

Housing Demand Analysis

LIVING ARRANGEMENTS

Living Arrangements, 30 Minutes from Site						
	Age 18-34		Age 65+		Total Adult Population	
	#	% of Age Cohort	#	% of Age Cohort	#	% of Adult Population
Lives Alone	180	6.9%	964	30.7%	1,990	16.8%
Living with Spouse	658	25.2%	1,874	59.6%	6,429	54.3%
Living with Unmarried Partner	541	20.7%	92	2.9%	1,139	9.6%
Living with Parents	765	29.3%	1	0.0%	900	7.6%
Living with Other Relatives	245	9.4%	141	4.5%	952	8.0%
Living with Other Nonrelatives	226	8.7%	73	2.3%	439	3.7%
Total 18-34 Living with Others (non spouse/partner)	1,236	47.3%	-	-	2,291	19.3%
Total 65+ Living Alone	-	-	964	30.7%	1,990	16.8%
Total	2,615	100.0%	3,145	100.0%	11,850	100.0%

Source: ACS 2014-2018 Estimates, Camoin 310

Demand from Living Arrangements			
	Total	Est. Low Demand (5%)	Est. High Demand (10%)
Age 18-34 Living with Others	1,236	62	124
Age 65+ Living Alone	964	48	96

- Living arrangement data from the American Community Survey shows where people are currently living within 30 minutes from Scenic View. 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 47% of those 18-34 are underhoused, this figure is 19% among the entire population. We conservatively estimate 5-10% of this population currently needs housing. Because of their current living situation, we expect this entire population would need housing at below market value, a demand for 62 to 124 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. Thirty-one percent of those aged 65 and over live alone compared to 17% of the entire adult population. Again, we conservatively estimate 5-10% of the population over 65 living alone need some variety of senior housing, a demand of 48 to 96 units.

Housing Demand Analysis

COST BURDENED

Cost Burdened Households, 30 Minutes from Site		
Owner-Occupied		
Household Income	#	%
Less than $20,000	667	86.2%
$20,000 to $34,999	435	52.5%
$35,000 to $49,999	223	29.8%
Total HH's with Incomes <$50,000 (Owner)	1,325	56.3%
Renter-Occupied		
Household Income	#	%
Less than $20,000	383	80.1%
$20,000 to $34,999	223	66.2%
$35,000 to $49,999	35	33.7%
Total HH's with Incomes <$50,000 (Renter)	641	69.7%
All HH's with Incomes <$50,000	1,967	60.1%

Source: ACS 2014-2018 Estimates, Camoin 310

- 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.”
- We examine cost burdened households making less than $50,000 as a potential target for Scenic View residents. The median household income in Orleans County is $51,302.
- Fifty-six percent of all homeowners making less than $50,000 are cost burdened. This figure is 70% for renters. Among all households making less than $50,000 annually, 60% are cost burdened.
- The 1,967 cost burdened households represent 30% of all households within a 30-minute drive of the Site.

Housing Demand Analysis

SUMMARY – PRICE POINTS

Maximum Housing Payment by Income Level	
Household Income	Maximum Housing Payment
<$15,000	<$375
$15,000-$24,999	$375-$624
$25,000-$34,999	$625-$874
$35,000-$49,999	$875-$1,249
$50,000-$74,999	$1,250-$1,874
$75,000-$99,999	$1,875-$2,499
$100,000-$149,999	$2,500-$3,749
$150,000-$199,999	$3,750-$4,999
$200,000+	$5,000+

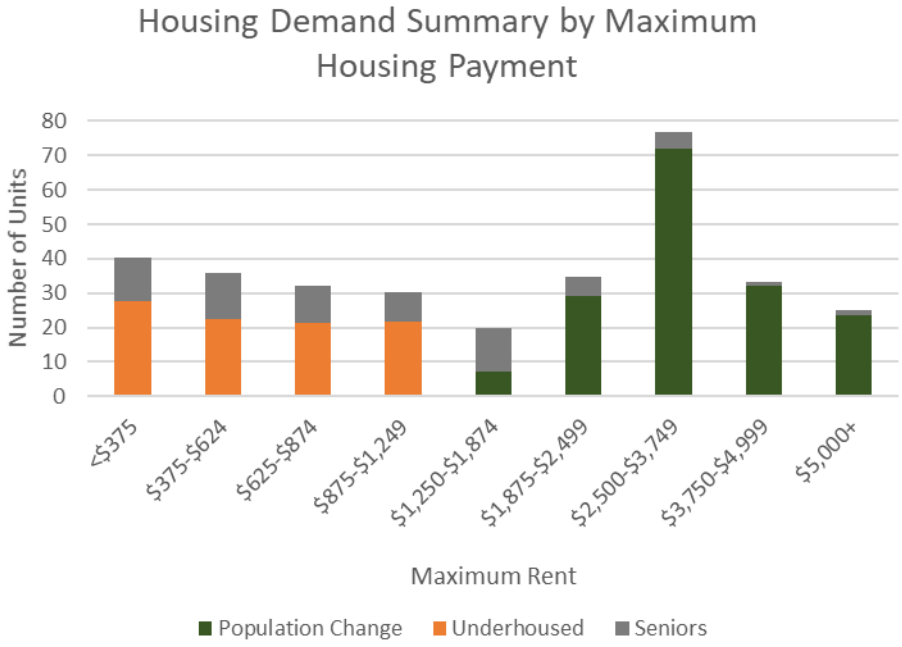
Source: Camoin 310

- To understand the price points for housing in demand, we translate income levels to maximum housing payments, which equates to 30% of income.
- To understand income levels for each group, we extrapolated current income levels based on age (next page). For example, for seniors aged 65 and over living alone, we examined the current incomes for this age group and distributed demand across these income levels.

Housing Demand Analysis

SUMMARY – CURRENT & FUTURE DEMAND

- In sum, there is a demand for 329 additional units of housing within the next five years based on population growth and current living arrangements.
  - Population Change = 164 units
  - Underhoused Residents Aged 18-34 = 93 units*
  - Senior Residents Living Alone = 72 units*
- While there is a demand for housing with a higher maximum payment (77 units between $2,500 and $3,749), there is also demand for 139 units for those making less than $50,000 annually.
- A large portion of the increase in population is expected to be over 65 within the next five years. This illustrates a significant demand for senior housing at many price points, with half of all demand at prices below $875.



Source: ACS 2014-2018 Estimates, Camoin 310

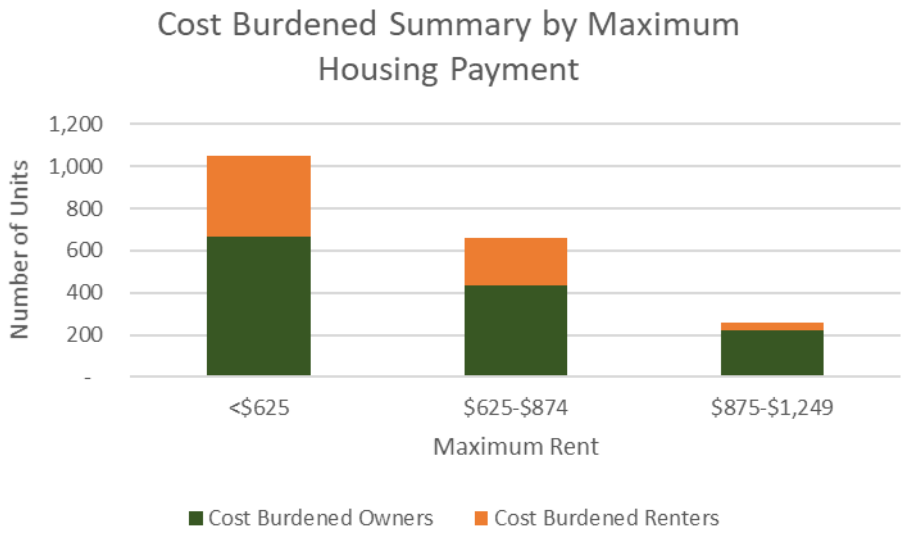
Housing Demand Summary				
Maximum Housing Payment	Population Change	Underhoused	Seniors	Total by Housing Payment
<$375	0	28	13	40
$375-$624	0	22	14	36
$625-$874	0	21	11	32
$875-$1,249	0	22	9	30
$1,250-$1,874	7	0	13	20
$1,875-$2,499	29	0	6	35
$2,500-$3,749	72	0	5	77
$3,750-$4,999	32	0	1	33
$5,000+	24	0	2	25
Total by Population Segment	164	93	72	329

Source: ACS 2014-2018 Estimates, Camoin 310

** These are averages of the high and low estimate.*

Housing Demand Analysis

SUMMARY – COST BURDENED



Source: ACS 2014-2018 Estimates, Camoin 310

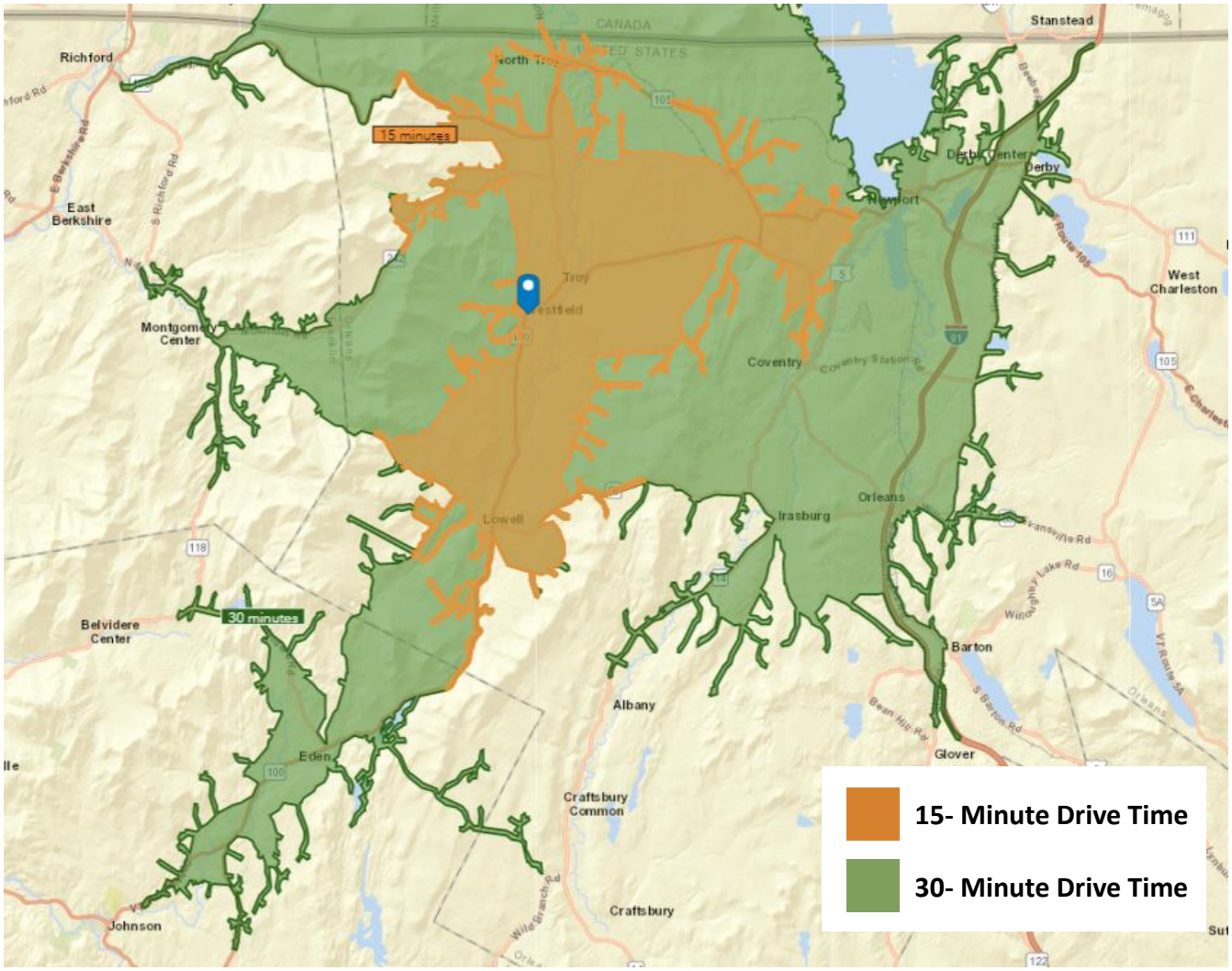
Cost Burdened Summary			
Maximum Housing Payment	Cost Burdened Owners	Cost Burdened Renters	Total by Housing Payment
<$625	667	383	1,050
$625-$874	435	223	658
$875-$1,249	223	35	259
Total by Owner or Renter	1,325	641	1,967

Source: ACS 2014-2018 Estimates, Camoin 310

- Within a 30-minute drive from the Site, 56% of homeowners and 70% of renters who earn less than $50,000 are cost burdened. This equates to 1,967 households or 30% of all households who earn less than $50,000.
- How to support these households will vary. A variety of strategies will be presented to increase the stock of affordable housing and potentially provide rental relief to those most struggling.

Housing Demand Analysis

15- MINUTE DRIVE TIME



- At the request of the Steering Committee, we analyzed housing demand within a 15-minute drive time.
- Winter driving can easily extend commute times and given the rural nature of the area travel can be particularly precarious.
- As people make decisions on where to locate, they typically try to find something that meets their needs in the closest distance possible.
- Understanding the demand closest to Scenic View will further help delineate support for various redevelopment scenarios.

Housing Demand Analysis

15- MINUTE DRIVE TIME

Change in Households, 15 Minutes from Site, 2020-2025								
	<25	25-34	35-44	45-54	55-64	65-74	75+	Total
<$15,000	(1)	(1)	(2)	(1)	(9)	2	12	0
$15,000-$24,999	(1)	(2)	(2)	(2)	(3)	(2)	4	(8)
$25,000-$34,999	(2)	(4)	(3)	(3)	(4)	(1)	5	(12)
$35,000-$49,999	0	(1)	(2)	0	(4)	2	6	1
$50,000-$74,999	0	(3)	(3)	(4)	(3)	11	6	4
$75,000-$99,999	0	(1)	0	1	(1)	4	6	9
$100,000-$149,999	1	2	7	10	4	4	3	31
$150,000-$199,999	0	0	2	4	2	4	1	13
$200,000+	0	0	0	4	2	3	1	10
Total	(3)	(10)	(3)	9	(16)	27	44	48

Source: Esri

Housing Demand, 15-Minute Drive Time				
Maximum Housing Payment	Population Change	Underhoused	Seniors	Total by Housing Payment
<$375	0	8	4	12
$375-$624	0	7	4	11
$625-$874	0	6	3	9
$875-$1,249	0	6	3	9
$1,250-$1,874	2	0	4	6
$1,875-$2,499	8	0	2	10
$2,500-$3,749	21	0	1	22
$3,750-$4,999	9	0	0	10
$5,000+	7	0	0	7
Total by Population Segment	48	27	21	96

Source: ACS 2014-2018 Estimates, Camoin 310

- When examining the household change over the next five years within a 15-minute drive time, we see a total increase in 48 households. The represents roughly 30% of the demand found at the 30-minute drive time, indicating 70% of demand is between 15 and 30 minutes from the Site.
- Given these numbers at the 15-minute level, this means a demand for 96 additional units, with half being driven by population change, 28% driven by the current underhoused population, and 22% driven by the current senior population.

Housing Demand Analysis

FINDINGS

- The pandemic is having impacts on the real estate market including increase in median sales price, decrease in total number of listings, and increase in pending sales. These impacts are being felt more in Orleans County versus the state but are not expected to last long after a vaccine is widely administered.
- Current real estate listings offer properties in a range of prices in the county, but one-third are priced over $300,000. Housing values are expected to increase by 4.5% in the next year.
- There is a severe lack of rental housing in the area. This can be seen through current listings; there are only 16 rentals available within a 15-mile drive of Westfield, all in Newport. Within a 30-mile drive, there are about 60 rentals.
- Population change within a 30-minute drive of the Site indicates an increase of 164 households within the next five years. These are concentrated among households aged 65+ and with incomes over $50,000.
- We see a demand for 62 to 124 housing units based on underhoused individuals aged 18-34 and a demand for 48 to 96 units of housing from the senior population living alone. We used a conservative estimate of 5-10% of these populations.
- Within a 30-minute drive from the Site, 56% of homeowners and 70% of renters who earn less than $50,000 are cost burdened and pay more than 30% of their income on housing.

Residential Real Estate Market Trends

Nationwide, new and existing homes are selling at their fastest pace since 2006. Low-interest rates are contributing to this, as well as shifts in where Millennials are moving. The growth rate of major cities across the county has been declining since 2015 as Millennials move into suburbs, transitioning to homeownership. The exodus from city centers has been exacerbated by the COVID-19 crisis. This has resulted in a decrease in multifamily housing starts, a rise in rental vacancy, and a decline in asking rents.[1]

Buyers are showing more interest in rural places for multiple reasons; working from home is becoming more commonplace, the COVID-19 rate is lower, and out-of-town buyers with relatively higher salaries have more purchasing power for larger houses and yards. COVID-19 has also increased the interest to have a remote property to escape to in times of unrest. However, 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. So, while people are moving, they are still keeping their city homes for when things go "back to normal."[2]

While traditionally rural communities have favored homeownership over renting, rental housing is becoming more important as the nature of rural economies and their demographics 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 they are 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 is makes building additional units challenging.[3,4]

VERMONT TRENDS

In the first months of the pandemic, the residential real estate market took a big hit in Vermont. Potential out-of-state buyers were required to adhere to strict quarantines and sellers were reluctant to open their homes for showings. Even before COVID-19, the construction of additional residential real estate was a top priority for state lawmakers, as the lack of housing availability makes it difficult to draw employees to the state. Increasing short term rentals and a slowing of multifamily housing construction is further constricting supply. However, there are plenty of buyers both from within and out of state. Similar to what happened after 9/11, real estate agents are seeing an exodus from cities like Boston, NYC, and the Washington DC metro area which has shifted demand to include a higher percentage of people from out of state.[5]

Locally, the pandemic is having impacts on the real estate market including an increase in the median sales price, a decrease in the total number of listings, and an increase in pending sales. The average sale price is up 9% from over a year ago and there is a 50% reduction in listings from a year ago. Current real

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[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
[5] https://vtdigger.org/2020/06/28/after-winter-lull-vermont-homes-are-a-hot-commodity-once-again-%EF%BB%BF/

estate listings offer properties at a range of prices in Orleans County, but one-third are priced over $300,000. Those priced under $300,000 and between $300,000 and $350,000 are moving fast, with larger properties being harder to sell. This indicates a mismatch between supply and market demand. Housing values are expected to increase by 4.5% in the next year.

SPECIFIC MARKET TRENDS

To determine what specific types of housing would perform well at the Scenic View site, we look to findings from our previous analyses:

- With predominantly single-family housing, 84%, the Town of Westfield is likely missing an opportunity to provide housing to those that do not need the space nor the upkeep of a single-family home.
- The average household size is the smaller in Westfield when compared to the county and Northern Vermont Region, 2.28 in the town compare to 2.30 in the county and 2.41 in the region. Smaller household size is indicative of an older population with fewer dependents. Thus, smaller-sized housing will be needed.
- Twenty-six percent of Westfield residents are over the age of 65, compared to 23% in the county and 20% in the region. There is also a projected increase in householders over the age of 65.
- Thirty-one percent of those aged 65 and over live alone compared to 17% of the entire adult population. This points to an increased need for senior housing.
- Within a 30-minute drive from the site, 56% of homeowners and 70% of renters who earn less than $50,000 are cost-burdened and pay more than 30% of their income on housing. Therefore, more lower-cost options are needed.
- With regards to the Scenic View site, 41% of survey respondents feel it should be utilized for senior housing. Population change within a 30-minute drive of the site indicates an increase of 164 households within the next five years. These are concentrated among households aged 65+.
- While there is a demand for 329 additional units of housing within a 30-minute drive of Scenic View, there is only demand for 96 units within a 15-minute drive.

In addition, we know from interviews that the area is in desperate need of rentals and that Scenic View is in good condition and available for immediate move in. Therefore, based on these previous findings, we see a need for rentals for seniors or lower-income individuals and possibly shared housing. These are explored further below.

SENIOR LIVING

Rural America is aging faster than Americans in metropolitan areas. This is and will continue to drive the need for rural senior housing as well as transportation and health care services. In addition, it will increase the demand for retrofitting structures with accommodation features.[6]

The COVID-19 pandemic brought the first decrease in senior housing development in almost 12 years. However, the market is starting to rebound and long-term investor sentiment remains “cautiously bullish” as demographics trend older.[7] Investors in senior housing are shifting back to a more traditional

[6] https://www.urban.org/research/publication/future-rural-housing
[7] https://www.us.jll.com/content/dam/jll-com/documents/pdf/research/jll-seniors-housing-and-care-investor-survey-and-trends-outlook-spring-2020-covid-19-update.pdf

senior housing model focusing primarily on care after a surge in the "active adult" model that focuses on an amenity-rich experience. This is in part due to operating expenses, which have been on the rise and are impacting the valuation of properties.[8]

Residential Care Homes and Local Viability

There is a range of options when it comes to senior living. Given the size and previous occupancy of the Scenic View site, we focused research on Residential Care Homes (RCHs). RCHs provide a number of services like meals, housekeeping, laundry, bathing, transportation services, medication management in private or semi-private rooms. They differ from assisted living facilities in that they are smaller (by the number of units) and tend to not offer as many communal or social activities. RCHs are typically a lower cost senior living option as well.[9]

The table below outlines the RCHs in Orleans County.

Residential Care Homes, Orleans County		
Name	Location	# of Units
Bel-Aire Center	35 Bel Aire Drive, Newport, Vermont 05855	14
Craftsbury Community Care Center	1784 East Craftsbury Road, Craftsbury, Vermont 05826	24
Kingdom Way	97 Kingdom Way, PO Box 71, Newport, Vermont 05855	6
Maple Lane Retirement Home	33 Maple Lane, Barton, Vermont 05822	16
Michaud Memorial Manor	47 Herrick Road, Derby Line, Vermont 05830	34
Newport Residential Care Center	148 Prouty Drive, Newport, Vermont 05855	8
South Bay Home	121 Kingdom Way, Newport, Vermont 05855	4
Total Units		106

Source: Vermont Department of Disabilities, Aging and Independent Living; SeniorGuidance.org

While not the same model as an RCH, Nursing Homes are having issues with occupancy and closures and can illustrate potential problems with RCHs. Over 550 Nursing Homes have been closed across the country since 2015. While Vermont has seen only one nursing home closure based on a report completed by LeadingAge, its average occupancy rate has decreased 4.5% since 2015. As of June 2019, Nursing Homes in the state had an average occupancy rate of 82.9%.[10]

This decrease is for several reasons. Firstly, State Medicaid programs vary in how they reimburse nursing homes, and most do not pay enough to cover the actual cost of nursing home care. Secondly, there is some indication from survey research that there is a declining number of available family caregivers for each older adult. Thirdly, people prefer to stay in their homes as long as possible, particularly when they do not face a significant impairment. Aging in place removes the overhead cost associated with housing someone while being able to provide services like SASH (Support and Services at Home).

In interviews, there was a consensus that there are not enough RCHs in the area and that with an active and local ownership group, the economics (i.e. the facility being fiscally solvent) could work. Residential care homes provide a way for people to stay in the community; often some are faced with the choice of going to a nursing home before they are ready or moving out of the community to get an adequate level

[8] https://www.us.jll.com/en/trends-and-insights/research/seniors-housing-investor-survey-trends
[9] https://vistaliving.net/assisted-living-vs-residential-care-homes-the-main-difference/
[10] Nursing Home Closures and Trends, June 2015-June 2020

of care. Many models in the area can speak to the financial solvency and feasibility of the residential care home model including Canterbury Inn in St. Johnsbury, the Copley House in Morrisville, Forest Hill in Hyde Park, and Four Seasons in Northfield.

However, it may prove difficult to get the right staff on board who are willing to live in a rural environment and 15 miles from the employment hubs of Newport and Newport City. Registered nurses and people who understand HIPPA and Medicare billing may also be difficult to locate, and this potentially creates a very narrow window for whom the operator might be.

Also, as noted by some community service organizations, the site would not be ideal for lower-income residents as it is far from most employers and social services. Lower-income households prefer to be in Newport or Newport City as it provides walkability, transportation options, and proximity to many employment options. Some suggested it may be better to run Scenic View as 1-bedroom apartments with services like SASH accessing it. By not being age restrictive, it would cast a wider net and increase the potential market of renters. This would help maintain the full occupancy needed for financial solvency.

Overall, while there is a need to develop additional senior living facilities in Vermont, the Vermont market supports the development of additional senior living facilities along with other strategies to support the elderly population such as universal design, home-sharing, reverse mortgages, and other options.[11] Nationwide trends support senior housing development as well.

RURAL RENTAL HOUSING

In interviews with community stakeholders, a lack of rentals at all price points was a common theme. And regarding a potential reuse scenario, Scenic View is well suited to add rental units to the existing housing stock. However, what type of rental units would best suit the site, given trends in the overall rental market? Several pandemic-related trends are happening specifically in the rental market that should be considered.

- As working from home becomes more standardized, location is not as important to a renter. A decline in rental rates is being seen in larger cities.
- Amenities that have been trendy with rentals are being replaced with virtual amenities like small online events, workout classes, etc. As we transition out of the pandemic, these will likely revert to an in-person or a hybrid model.
- Based on a Gallup poll of consumer confidence, about half of all people think it is a good time to buy a home, compared to 69% in 2015. This will drive more people to rent for the time being as the confidence in the economy remains stagnant.[12]

Another trend is the Micro Apartment. Micro Apartments (typically between 200 and 400 square feet) are becoming popular in larger cities like Denver, New York, and San Francisco. Location, and the available amenities within walking distance, are the main reasons why people chose Micro Apartments. An additional draw to the Micro Apartment is when combined with the concept of co-living and the communal aspect these apartment buildings provide, as they typically offer multiple common areas.

[11] https://www.vhfa.org/documents/housing_elderly.pdf
[12] https://www.apartmentguide.com/blog/rental-housing-trends-coronavirus/

From an investment perspective, it is a good time to own rental property in smaller towns, as the COVID-19 related exodus from the city is driving up rental rates. While this translates to a good investment opportunity for property owners, it means potentially getting priced out of rental units for renters. Rural rentals and short-term rentals are also closely linked. As many rural economies depend on seasonal tourism, property owners obtain higher rates for vacationers through offering properties short term (via services like Airbnb or Vrbo) which can further reduce the rental stock in a small community.[13]

SHARED HOUSING

In addition to looking at the rental and senior markets, we wanted to explore a concept that may be relevant at the Scenic View site: shared housing. Shared housing can be called many things and take many forms, from room rental to shared ownership, to multiple structures over large acreage to a single building in an urban environment, to optional shared experiences to required participation in housing governance. At its simplest, shared housing combines resources to reduce the cost of living. See the call out box for a brief description of the various types of shared housing. At present, shared housing models have remained relatively resilient during the pandemic, with internal structures already in place for child-care, food acquisition, and social activity.

Many shared housing communities in rural areas focus on including an agricultural component. Separate living structures are set apart from each other, providing some privacy, yet include communal spaces for regular shared meals, meetings, or other events. Shared housing in more urban areas includes proximity to amenities and closer living spaces converting uses such as convents into shared housing communities.[14] Shared housing is a growing multifamily housing market trend, particularly in major tech hubs like Seattle and San Francisco because it offers both a source for social networks and a lower cost living arrangement.

Types of Shared Housing or Co-Living

Informal (or "traditional") shared housing: Informal or traditional co-living consists of a group of people who share a lease and furnish a home together. They may meet on Craigslist or through their personal networks.

Adult dorms: This form of co-living is similar to a college dorm or hotel: an expanse of small (but usually private) bedrooms line hallways that lead to common areas shared by a large number of people.

Co-ops: In cooperative housing, members commit to work shifts where they clean, cook, and manage the house together. Co-ops are typically democratically governed and have house meetings where they elect leaders and vote on house business.

Co-housing: The concept of co-housing became popular in 1960s Denmark as a way to build community and share responsibilities between families. Co-housing communities are typically multigenerational, consisting of single-family homes spaced around a common house, with shared green space and organized events.

Communes: Communes are intentional communities often located in rural areas, where members might practice self-sufficiency or share political or spiritual beliefs.

Adapted from: https://bungalow.com/articles/what-is-coliving-everything-you-need-to-know-about-this-popular-housing-type

[13] https://www.mashvisor.com/blog/rural-homes-good-investment-2020/
[14] https://www.nytimes.com/2018/01/20/business/cohousing-communities.html

A boarding house (or rooming house) is another potential option for Scenic View. In this model, boarders receive a room, meals, and house cleaning services in exchange for monthly rent. Boarding houses were popular in cities between the mid-19th and 20th centuries, but by the 1950s boarding houses became out of fashion as people moved to the suburbs or rented their own apartments. While this type of housing has gone out of fashion and/or explicitly zoned against, it could create an affordable option moving forward.[15]

Burlington Co-Housing includes a mix of one, two and three-bedroom apartments, two and three-bedroom townhouses, and two single-family homes. Shared spaces include a large common house that includes a living room, kitchen for preparing shared meals, dining room with outdoor terrace, a large roof deck, guest rooms, multipurpose room, laundry room, and mailroom.

Burlington Co-housing is legally structured like a condominium. Each household owns the interior of their unit, but also collectively owns the common elements including the common house, the roofs, outside walls, and structural components of the buildings, as well as the land. The common elements are managed by the residents, through the homeowner's association.

Adapted from: http://www.bcoho.org/

CONCLUSIONS

This research informs the following conclusions as they apply to possible market scenarios for the Scenic View Site.

- The distance from the Site to Newport, where jobs, services, and many consumer products exist, may be an issue for potential renters, especially in the winter.
- To the extent that amenities can be added to the housing product at the Site, such as transportation or shuttle service, meals, organized outings, internal classes or gatherings, it will create more appeal among renters of any age.
- Marketing the amenities that exist in the area (Jay Peak, numerous farms, basic services, annual events, transportation options) will help illustrate the quality of life in the area and the activities that already exist for potential renters.
- A Micro Apartment scenario may be viable if certain upgrades were made on the property such as adding kitchenettes and outdoor spaces, in combination with other added amenities on-site or close by.
- Shared housing scenarios may be a good approach for the Town of Westfield on other sites, but it is unlikely that a group of people would be interested in purchasing the Scenic View Site for shared housing, due to its small lot size. However, the boarding house model seems viable.
- Another viable model may be single-occupancy apartments, not age restricted, with access to services like SASH for older residents.

Moving forward, we will incorporate our research into strategic recommendations for the Town. These strategic recommendations will inform 'best use' options for the Scenic View Site and will identify types of housing needed in Westfield and the surrounding area.

[15] https://www.buildium.com/blog/micro-apartments-2/

Appendix A: Data Sources

PROPRIETARY DATA SOURCES

ECONOMIC MODELING SPECIALISTS INTERNATIONAL (EMSI)

To analyze the industrial makeup of a study area, industry data organized by the North American Industrial Classification System (NAICS) is assessed. Camoin Associates subscribes to Economic Modeling Specialists Intl. (EMSI), a proprietary data provider that aggregates economic data from approximately 90 sources. EMSI industry data, in our experience, is more complete than most or perhaps all local data sources (for more information on EMSI, please see www.economicmodeling.com). This is because local data sources typically miss significant employment counts by industry because data on sole proprietorships and contractual employment (i.e. 1099 contractor positions) is not included and because certain employment counts are suppressed from BLS/BEA figures for confidentiality reasons when too few establishments exist within a single NAICS code.

ESRI BUSINESS ANALYST ONLINE (BAO)

ESRI is the leading provider of location-driven market insights. It combines demographic, lifestyle, and spending data with map-based analytics to provide market intelligence for strategic decision-making. ESRI uses proprietary statistical models and data from the U.S. Census Bureau, the U.S. Postal Service, and various other sources to present current conditions and project future trends. Esri data are used by developers to maximize their portfolio, retailers to understand growth opportunities, and by economic developers to attract business that fit their community. For more information, visit www.esri.com.

PUBLIC DATA SOURCES

AMERICAN COMMUNITY SURVEY (ACS), U.S. CENSUS

The American Community Survey (ACS) is an ongoing statistical survey by the U.S. Census Bureau that gathers demographic and socioeconomic information on age, sex, race, family and relationships, income and benefits, health insurance, education, veteran status, disabilities, commute patterns, and other topics. The survey is mandatory to fill out, but the survey is only sent to a small sample of the population on a rotating basis. The survey is crucial to major planning decisions, like vital services and infrastructure investments, made by municipalities and cities. The questions on the ACS are different than those asked on the decennial census and provide ongoing demographic updates of the nation down to the block group level. For more information on the ACS, visit http://www.census.gov/programs-surveys/acs/

LOCAL AREA UNEMPLOYMENT STATISTICS (LAUS), U.S. BUREAU OF LABOR STATISTICS (BLS)

The Local Area Unemployment Statistics (LAUS) program estimates total employment and unemployment for approximately 7,500 geographic areas on a monthly basis, from the national level down to the city and town level. LAUS data is developed through U.S. Bureau of Labor Statistics (BLS) by combining data from the Current Population Survey (CPS), Current Employment Statistics (CES) survey, and state unemployment (UI) systems. More information on LAUS can be found here: http://www.bls.gov/lau/lauov.htm

ONTHEMAP, U.S. CENSUS

OnTheMap is a tool developed through the U.S. Census Longitudinal Employer-Household Dynamics (LEHD) program that helps to visualize Local Employment Dynamics (LED) data about where workers are employed and where they live. There are also visual mapping capabilities for data on age, earnings, industry distributions, race, ethnicity, educational attainment, and sex. The OnTheMap tool can be found here, along with links to documentation: http://onthemap.ces.census.gov/.

Appendix B: About Camoin 310

Camoin 310 has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin 310 has had the opportunity to serve EDOs and local and state governments from Maine to California; corporations and organizations that include Lowes Home Improvement, FedEx, Amazon, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of $6 billion. Our reputation for detailed, place-specific, and accurate analysis has led to projects in 40 states and garnered attention from national media outlets including Marketplace (NPR), Forbes magazine, The New York Times and The Wall Street Journal. Additionally, our marketing strategies have helped our clients gain both national and local media coverage for their projects in order to build public support and leverage additional funding. We are based in Saratoga Springs, NY, with regional offices in Portland, ME; Boston, MA; Richmond, VA and Brattleboro, VT. To learn more about our experience and projects in all of our service lines, please visit our website at **www.camoinassociates.com**. You can also find us on Twitter **@camoinassociate** and on **Facebook**.

THE PROJECT TEAM

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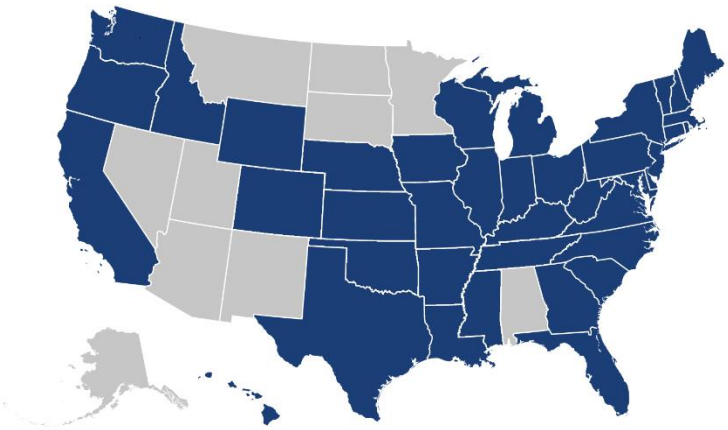
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