

COLCHESTER HOUSING NEEDS ASSESSMENT



2012 UPDATE

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OVERVIEW

This memo summarizes updates of the statistical analyses prepared for the town as part of the 2005 Colchester Housing Needs Assessment, based on available data, recent studies, and current trends.¹ This information is intended to help identify and address existing and anticipated housing needs at the local level, for consideration in the update of the Colchester Town Plan, and related plan implementation programs. Key data considerations since 2005:

- 2010 Census population and housing data are now available from the U.S. Census Bureau and have been included in this update. Pre-census population estimates, adjusted based on the 2010 census count, are also available and noted; however post-census population estimates have not yet been issued by the Census Bureau or the state.
- Sample (long form) data are no longer collected by the U.S. Census Bureau – this program has been replaced by “American Community Survey” estimates which provide information similar to sample data previously collected as part of the decennial census. At the local (town) level these data are now collected over a five-year period (vs. a one-year sample) and are issued annually as five-year estimates (e.g., 2006-2010, as reported for 2010). As such, they unfortunately are no longer directly comparable to previous point-in-time data, nor to more frequently released state and county estimates. Some information from 2000 is no longer collected or available at the local level (e.g., 5-yr migration, disability status, CHAS reports). These estimates (like previous sample data) also have very large margins of error. This has affected both the availability and use of information in housing needs analyses – as also obtained through the Vermont Housing Data web site (www.housingdata.org/).
- This update also incorporates supplemental information provided town staff, including locally reported vital statistics and available 2011 reappraisal data, as well as regional housing assessments, and regional housing projections prepared for the town by the RPC (in lieu of updated regional housing targets).

¹ Data spreadsheets accompanying this report include more detailed analyses, charts and source information.

REGIONAL CONTEXT

Local housing needs are commonly identified and addressed within a regional context. While some housing demand is generated locally, as noted by staff in a 2003 Colchester Housing Report: “The pressure for additional housing in Chittenden County, and the larger northwest Vermont region, will undoubtedly spill over into Colchester.” Since that time Colchester has planned for the majority of its housing development, including its share of regional housing growth, to occur within Severance Corners. This area received state growth center designation in 2009.

PREVIOUS STUDIES

Studies referenced in the 2005 housing analysis concluded that strong regional job growth experienced during the early part of the decade would continue, stimulating further migration into the area – and result in a significant increase in housing demand throughout the region. As highlighted in these reports:

- Housing development had not kept pace with demand for many years, resulting in a regional housing shortage. Factors cited for this included high land costs, the lack of supporting infrastructure, time-consuming, costly and uncertain permitting processes, and regulations that overly limited the type and density of new residential development.
- An aging population and decreasing household sizes would also contribute to the need for additional housing.
- Housing shortages were resulting in rising housing costs that affected both housing affordability—particularly for low and moderate income households – and the ability of local businesses to recruit and retain workers. To find affordable housing, many Vermonters had to live far from their jobs.
- Most of the housing being built at the time was high-end – including higher priced condominium units.
- Wages and incomes weren’t keeping pace with rising housing costs. Many households were paying more than 30% of their household income on housing costs.
- Over the decade, more than 50% of projected growth in owner households, and 75% in renter households, was expected to occur in income categories that generally required housing assistance.

In 2005, at the height of the decade’s economic growth, the Chittenden County Regional Planning Commission released housing targets for its member municipalities, based largely on these past assumptions and projected trends. Regional concerns at the time focused primarily on the availability and affordability of housing for a growing population and workforce. Colchester was asked to accommodate up to 1,270 additional housing units between 2000 and 2010 (an average of 127 per year) to meet its projected share of regional housing needs – 20% of which were to be affordable to low and moderate income households.

CURRENT MARKET CONDITIONS

National, regional and local housing markets have changed dramatically since the 2005 study and regional housing targets were issued – the result of a 2008 collapse in global financial markets that precipitated a national economic recession, the worst since the Great Depression of the 1930s. We are still in the midst of what is now often referred to as the “Great Recession.” Vermont, and especially Chittenden County, has fared better than most of the country, but the regional and local economy is only now showing signs of real recovery.

The economic slowdown since 2008 has resulted in a loss of jobs, high unemployment rates, reduced work hours and wages and stagnant household incomes. It has also affected the housing market. Mortgage interest rates are currently very low, but it’s also very difficult to obtain financing, especially for first-time homebuyers – as reflected in declining home sales. Vacancy rates have gone up slightly since 2008, but remain low, especially for sale units. The increased demand for rental units has inflated rents. Household wages have not kept pace with the rising cost of housing for many homeowners and renters. As reported in the Vermont Housing Finance Agency’s 2011 annual update of “Between A Rock and a Hard Place – Housing and Wages in Vermont”:

- In 2010 real incomes shrank statewide, while housing prices and costs continued to rise, creating even larger affordability gaps. Households earning the median reported income in Vermont in 2009 (\$59,000) could not afford a median priced house (\$ 195,000).
- There is also a growing gap between wages and rising rental costs. The “housing wage” required for in 2011 to rent a modest 2-bedroom apartment, at an average rate of \$990/month (\$ in Chittenden County), was \$19.09/hour (\$23.02 in Chittenden County). At least 53% of Vermont occupations have median wages below this threshold.
- A persistently high proportion of Vermonters pay too much for housing – including 47% of renters and 38% of homeowners with mortgages.
- Though interest rates remain low, lending fees remain high and buyers need much larger down payments. Closing costs in Vermont increased by 37% between 2009 and 2010.
- Prices of newly constructed homes and condominiums remain far out of reach of households earning the median income. The median price of a new home in 2010 was \$290,000 – requiring a household income of \$86,000 and down payment and closing costs of \$24,000 to afford.
- Publicly assisted housing is at risk due to conversions (expired agreements) and deterioration. Resources are increasingly limited for the rehab, purchase or construction of new units –especially under federal housing programs projected for cuts.
- Vermont’s housing stock is among the oldest in the nation – 63% of owned homes, and 73% of rental units were built before 1979. Many are not up to code, are in accessible and energy inefficient, and have lead paint problems.

In order to address Vermont's statewide housing needs, existing affordable housing needs to be retained, rehabilitated and made more energy efficient, and new units need to be developed.

Market Information provided to the town by Allen and Brooks,² suggests that there has been a shift in the regional housing market since 2006 – from single family and condo housing development to the construction of rental units – and that this shift is supported by recent and projected economic and demographic trends. As noted in their 2011 year-end report for Chittenden County:

- Between 2000 and 2006, new apartment construction averaged 124 units per year, while new renter households increased an average of 202 households per year, resulting in a tight rental market. The lower rate of apartment construction in the early years of the last decade coincided with a strong owner-occupied housing market, fueled by low mortgage rates and ready financing.
- Renters are now staying in rental market. Few are purchasing their first home despite very low mortgage rates, due to tight lending requirements. Homeownership has also lost investment appeal.
- Rental apartments have become a favored property type for many real estate investors – rental units provide a reliable income stream, even in the recession. The demand for rental units remains quite strong, and rents are increasing.
- Apartment construction increased dramatically in 2007. As a result, there should be ample supply to meet projected demand, given the anticipated development of 1,428 apartments in 2012 and beyond (in pipeline), which represents a six-year supply of rental housing. This high projected rate of growth is expected to take some of the upward pressure off rental rates and result in greater availability.
- New supplies of student housing will also help take some pressure off the local apartment market, especially in neighborhoods near UVM.
- With the strong demand for rental housing and more available land in suburban communities, a higher proportion of rental housing is being built in the suburbs – according to their data, Colchester accounts for 8% of the county's rental units.

Allen and Brooks report that the regional housing market is now improving along with the economy, but also highlight several demographic and economic trends that support anticipated growth in demand for multi-family and rental units over the next five years:

² Allen & Brooks Report (December 2011).

- Little growth (1%) is expected in the 20 to 24 age cohort, including those in college and recent college grads who are entering the labor market (based on enrollment projections) – the demand for student rental housing will likely stabilize.
- As economy improves, young adults are expected to move out on their own, into their own apartments, fueling the demand for efficiency and one-bedroom apartments
- The 25 to 34 age group is expected to grow by over 9% over next five years. This group is characterized by renters who are beginning their careers and saving for their first home purchase, often in their early 30s.
- The 55 to 64 age group is expected to increase by almost 10%, supporting the "empty nester" market, characterized by downsizing and trending toward condominium ownership and upper end rentals.
- Very strong growth (25%) is also anticipated in the 65-74 age cohort, which will support demand for age-restricted (55+) rental housing going forward, for both market rate and affordable units. There is little demand for age-restricted for-sale units – most age-restricted demand is associated with the rental market. Most entering this market are in their late 60s and 70s.

Condominiums are expected to remain a popular first home option, due to their relatively lower price than single family homes. At the upper end, condominiums will likely remain popular with empty nesters. This suggests that multi-family development – in the form of rental and condominium units – may continue to outpace single family home development, at least in the near future.

Allen and Brooks data are also cited in the Chittenden County Regional Planning Commission's 2012 "Chittenden County Housing Needs Assessment" prepared for the Commission's ECOS Project by the Vermont Housing Finance Agency. This study identifies the need for only 1,600 to 2,010 new housing units countywide between 2010 and 2015 (50% rental) to meet anticipated demand – much of which is expected to be filled by units already permitted or under construction. This report does not set specify housing targets or thresholds for local communities, but instead emphasizes the need for:

- More housing choice, and less housing segregation – particularly for protected classes under federal and state fair housing laws (e.g., for minorities, the homeless, the disabled, households with children, low income households and families on public assistance);
- More affordable housing in relation to prevailing household income and wages, as well as the siting of more affordable housing near transit and job sites; and
- Improvements to the region's older housing stock – to increase energy efficiency, improve living conditions, and to reduce health hazards associated with lead-based paint.

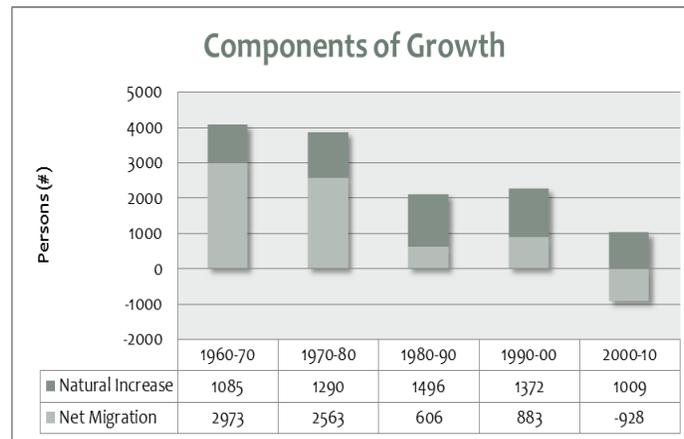
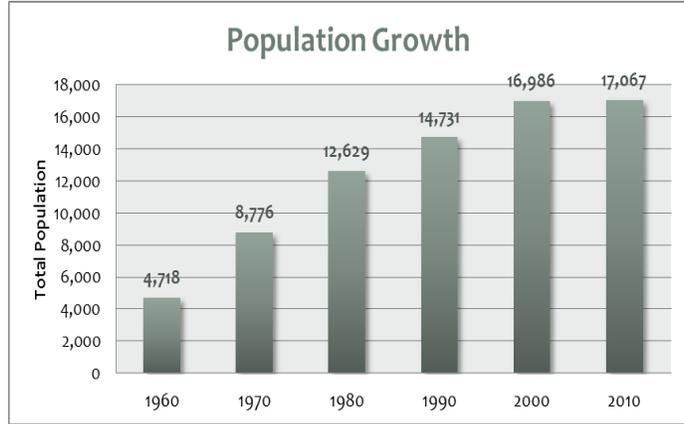
Local trends for Colchester, as presented below, should be considered in relation to these state and regional trends as appropriate.

POPULATION TRENDS

POPULATION GROWTH

Colchester’s year-round population grew dramatically in the 1960s – a period in which it nearly doubled – and has been increasing steadily ever since. The overall rate of growth, however, has slowed significantly since then as the population base has expanded – especially over the past decade. During the 1980s and 90s, the local population grew by an average of 218 persons per year, down from an average of 395 persons per year during the preceding 20-year period. Between 2000 and 2010, however, the population increased on average by only 8 persons per year.

As reported in the 2010 U.S. Census, Colchester’s year-round population numbered **17,067** – an increase of only 81 people (0.5%) since the 2000 Census was taken. This number is suspect given that it includes Colchester’s nursing home residents (omitted in the 2000 count); and that, through natural increase (births less deaths), more than 1,000 people were added to the local population.



Colchester’s population growth during the 1960s and 1970s was due largely to in-migration – people moving into town – which coincided with a period of strong housing growth. Since 1980, the town’s population growth has resulted more from a natural increase in population than in-migration. Even so, during the 1990s, 38% of Colchester’s population increase was due to an influx of new residents. Local population and employment growth likely contributed to the increased demand for more local housing; while new housing development continued to add more residents into the community.

It’s very likely that the town’s rate of growth has slowed in recent years (as it has for the county), given an aging population; but the 2010 census count suggests that significant outmigration also occurred – the first in decades – that offset most of the natural increase. More likely, the town’s 2010 population was undercounted, but this has not been challenged. There are no subsequent population estimates available at present through the U.S. Census Bureau or the state. Pre-census estimates, adjusted based on the 2010 census count, indicate that Colchester’s population peaked around 2004 at 17,135 and then declined slightly.

Comparative Population Growth in Chittenden County 1980-2010										
	Total Population				Population Change					
					1980-90		1990-00		2000-10	
	1980	1990	2000	2010	(#)	(%)	(#)	(%)	(#)	(%)
Colchester	12629	14731	16986	17067	2102	16.6%	2255	15.3%	81	0.5%
Bolton	715	971	971	1182	256	35.8%	0	0.0%	211	21.7%
Buels Gore	9	2	12	30	-7	-77.8%	10	500.0%	18	150.0%
Burlington	37712	39127	39815	42417	1415	3.8%	688	1.8%	2602	6.5%
Charlotte	2561	3148	3569	3754	587	22.9%	421	13.4%	185	5.2%
Essex	14392	16498	18626	19587	2106	14.6%	2128	12.9%	961	5.2%
Hinesburg	2690	3780	4340	4396	1090	40.5%	560	14.8%	56	1.3%
Huntington	1161	1609	1861	1938	448	38.6%	252	15.7%	77	4.1%
Jericho	3575	4302	5015	5009	727	20.3%	713	16.6%	-6	-0.1%
Milton	6829	8404	9479	10352	1575	23.1%	1075	12.8%	873	9.2%
Richmond	3159	3729	4090	4081	570	18.0%	361	9.7%	-9	-0.2%
St. George	677	705	698	674	28	4.1%	-7	-1.0%	-24	-3.4%
Shelburne	5000	5871	6944	7144	871	17.4%	1073	18.3%	200	2.9%
So Burlington	10679	12809	14888	17904	2130	19.9%	2079	16.2%	3016	20.3%
Underhill	2172	2799	2980	3016	627	28.9%	181	6.5%	36	1.2%
Westford	1413	1740	2086	2029	327	23.1%	346	19.9%	-57	-2.7%
Williston	3843	4887	7650	8698	1044	27.2%	2763	56.5%	1048	13.7%
Winooski	6318	6649	6561	7267	331	5.2%	-88	-1.3%	706	10.8%
Chittenden Co.	115534	131761	146571	156545	16227	14.0%	14810	11.2%	9974	6.8%
Vermont	511456	562758	608827	625741	51302	10.0%	46069	8.2%	16914	2.8%
Colchester % County	10.9%	11.2%	11.6%	10.9%	13.0%		15.2%		0.8%	

Colchester's share of the county's population dropped from 11.6% in 2000 to 10.8% in 2010. The town is now the fourth largest community in Chittenden County – behind Burlington, Essex and South Burlington – and remains the fourth largest in the state. The town's relative share of county population growth declined dramatically over the past decade – from 15.3% of total growth during the 1990s to less than one percent in the 2000s. Again this decline – based on the reported 2010 count – is likely overstated.

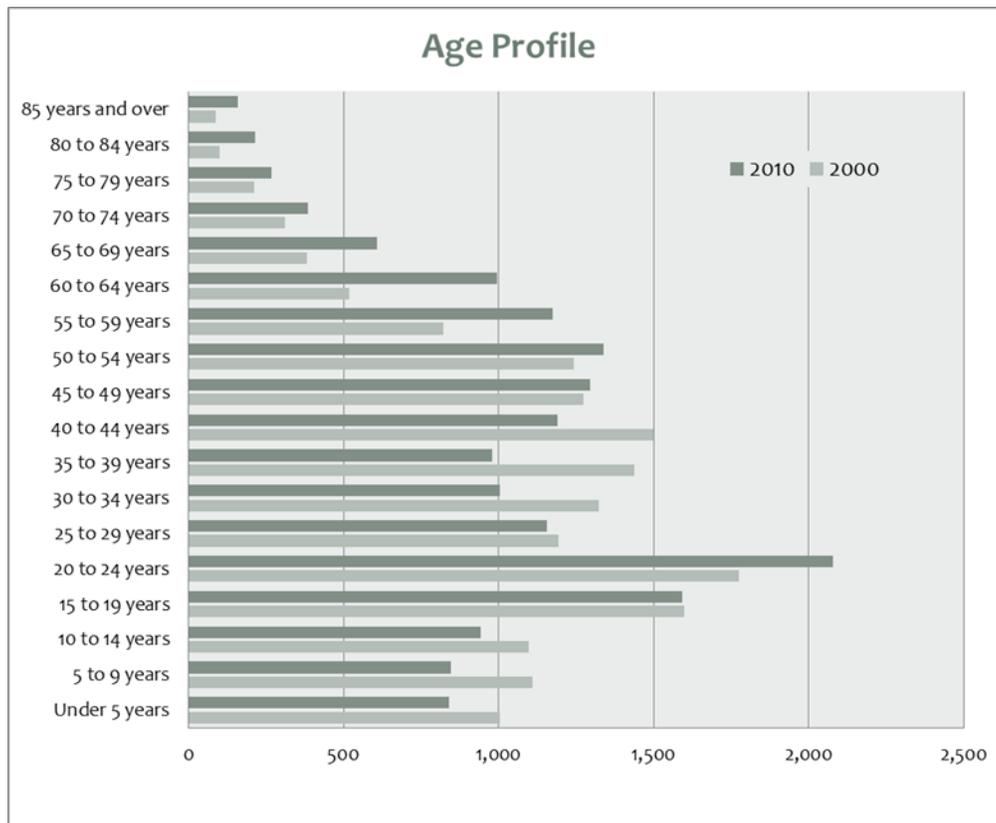
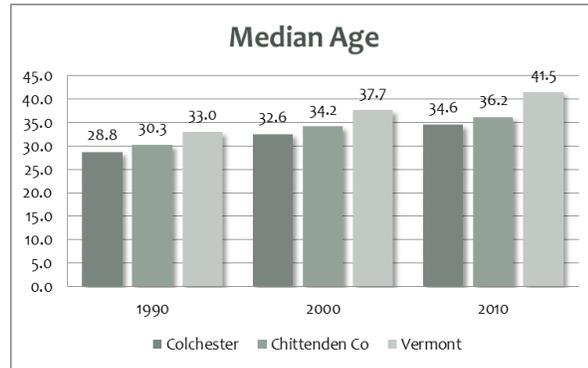
POPULATION CHARACTERISTICS

Group Quarters Population. Colchester's resident population, for census purposes, includes both people living in households (household population), and those living in institutional or other

Group Quarters Population, 1980-2010				
	1980	1990	2000	2010
Population	12629	14731	16986	17067
Group Qtrs	1268	1493	1624	1833
% Total	10.0%	10.1%	9.6%	10.7%
Source: US Census, SF1				

group living arrangements (group quarters). The town's group quarters population in 2000 was made up entirely of college students living in dorms or other campus housing. Green Mountain Nursing Home residents were not included in the 2000 Census count, but were included in 2010.³ Colchester's student housing population has increased roughly in proportion to the overall population in recent decades, and continues to represent around 10% of the total. Nursing home residents represent less than one percent of the town's total population, and only 4% of the group quarter population. There are no correctional facilities or other forms of institutional housing in town.

Age Groups. Colchester's population, like the region's, is aging – resulting in shifts in its demographic profile that may also affect housing demand. During the 2000s, the greatest absolute increases occurred in the 20 to 24 and 55+ age groups:

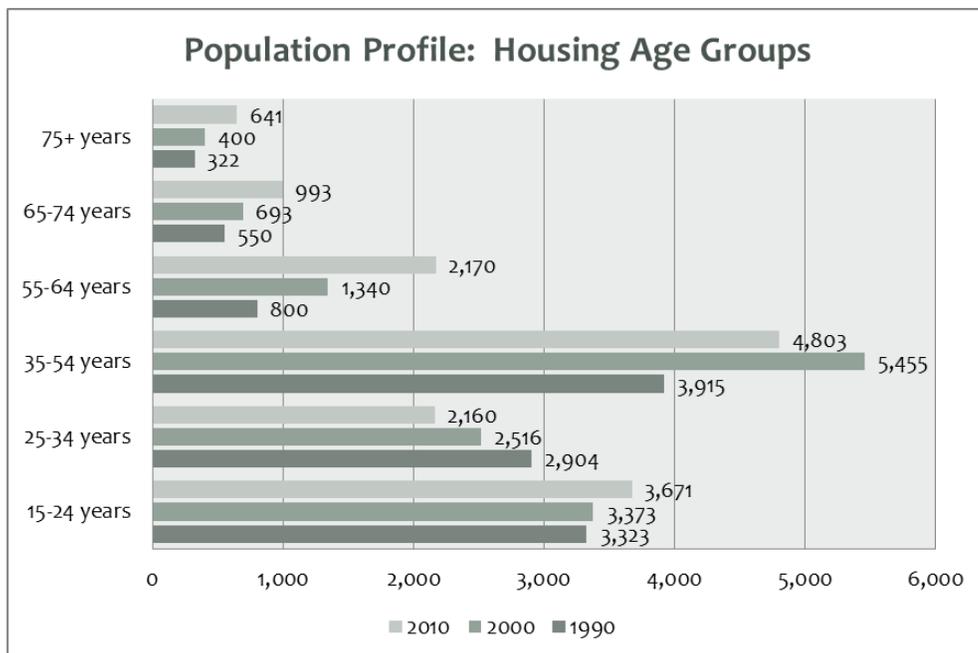


³ Residents of the Green Mountain Nursing Home, on the Colchester/Essex line, were recorded in Essex in 2000.

For housing assessments, the following age groups are often considered in relation to housing needs:

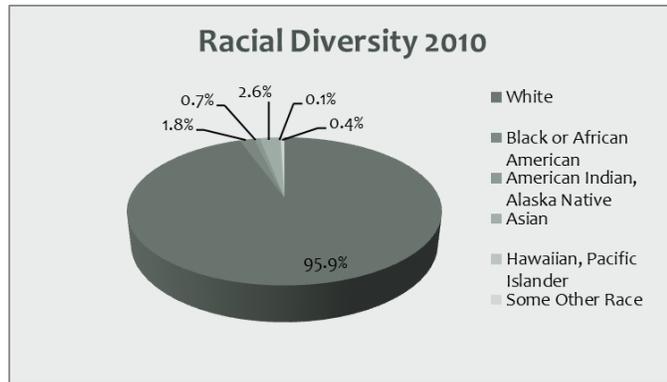
15-24 years	Students/Recent Graduates – entering housing market; may increase demand for student and rental housing, including apartments and other shared (non-family) living arrangements
25-34 years	Young Households – increase demand for rentals and affordable starter homes
35-54 years	Family Households – traditionally largest group in housing market, highest median incomes, looking to “buy up” or renovate and expand their homes
55-64 years	Empty Nesters – changing housing needs, may be looking for smaller units requiring less maintenance, including active retirement communities, condominiums
65+ years	Seniors – retired, often on fixed incomes; more single person households; increase demand for rental, retirement and assisted living arrangements. Those 75+ often have additional in-home or residential care needs.

During the 1990s, the greatest increase in Colchester’s population was in the 35-54 age group – those who were most likely to “buy up” to larger and more expensive single family homes, or to remodel their existing homes. This remains the largest group in town but, during the past decade, it declined in number by nearly 14%, while the 55-64 year group – including aging Baby Boomers – increased by 62%. This group includes empty nesters and those nearing retirement age who may be looking to downsize. The 65-75 year group, including those most likely to prefer age-restricted housing, and the number of older residents (75+) who may need additional care, also increased over the last decade. It also appears that the last of the “Echo Boomers” (including college students) are entering the housing market, given the increase in the 15-24 year age group.



These shifts mirror regional demographic trends that are expected to create more demand for rental units and starter homes, smaller “empty nest” single family and condo units, and retirement and senior housing, while the demand for larger single family homes will continue to lag. These trends are confirmed in town permit data –more multi- than single family units have been permitted in recent years.

Population Diversity. According to U.S. Census data, Colchester’s population has become slightly more diverse in recent years. Minorities represented 4% of the town’s total population in 2010 – up from 3% in 2000. Most of the county’s minority population, and minority households, are concentrated in Burlington and Winooski.

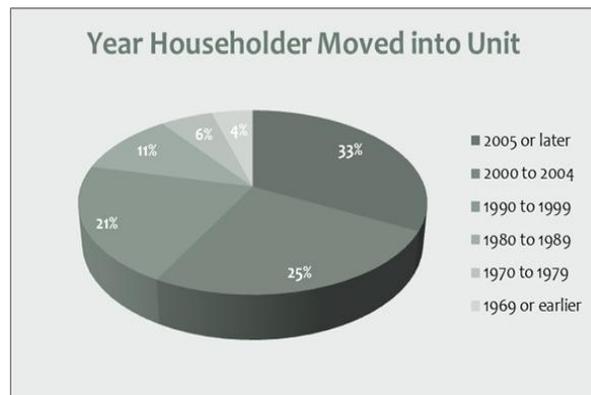


Special Needs Population. “Special needs” populations include people who may require special housing or living arrangements – including elderly, disabled, and low income residents. In 2010:

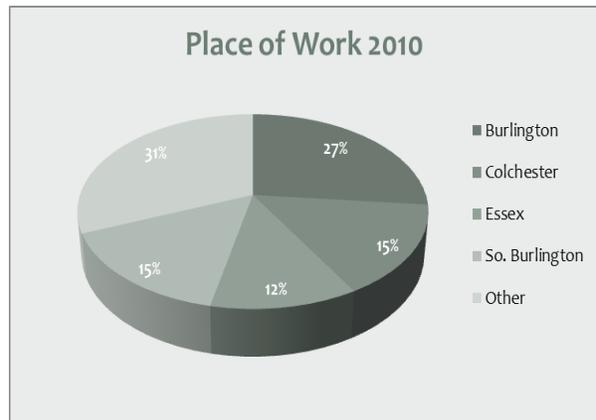
- 9.6% of Colchester residents were 65+ years old, up from 6.4% in 2000 (US Census), and
- An estimated 10.3% of Colchester households, 8.8% of local residents, 6.4% of local families, and 9.9% of local seniors live below the poverty line (ACS, 2006-10).

Unfortunately, mobility and disability status are no longer reported at the local level, but it’s reasonable to assume that, with a growing and aging population, the number of local residents with disabilities and mobility impairments will also increase in coming years. This will require additional access improvements (e.g., ramps, modifications) to existing homes, and new homes that are designed to be more universally accessible.

Residency Patterns. 2010 ACS 5-year estimates suggest that the majority of Colchester residents moved into their current home within the past 10 years. The estimated median year of move for all residents was 2002 (+/-2 years) – 1998 for homeowners, and more recently (since 2005) for renters. These estimates suggest that, as expected, the town’s renter households are generally more transient, and as a result there continues to be more turnover in rental housing.

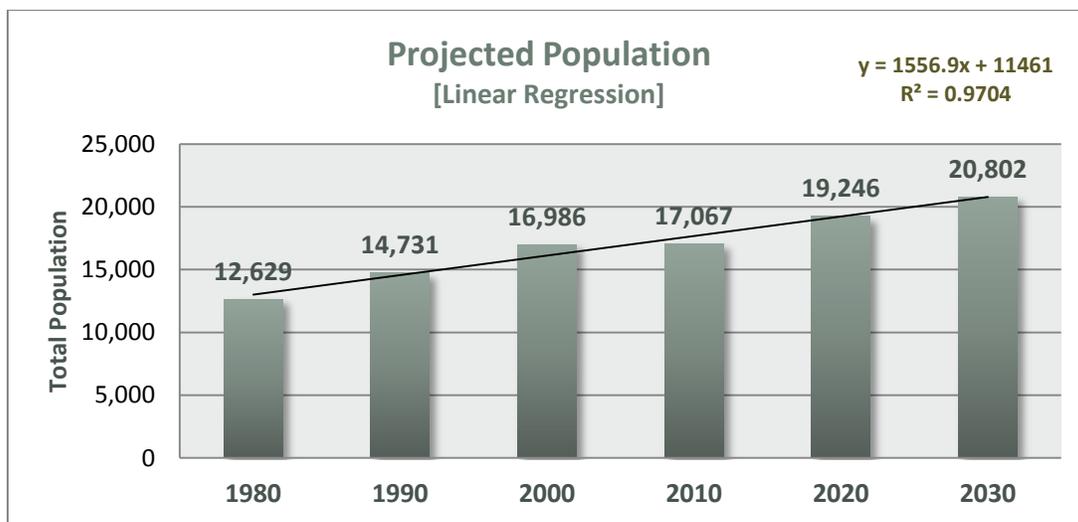


Commuting Patterns. 2010 ACS 5-year estimates suggest that more than 90% of local residents work within Chittenden County. More recent origin-destination estimates (US Census, LEHD Program) indicate that only 15% of Colchester’s commuting population works in town – a smaller percentage than reported in 2000 US Census sample data (23%). This suggests that employment growth elsewhere in the region continues to contribute to local population and housing growth and that, despite the town’s status as a regional employment center, local residents also continue to rely on the larger, regional economy for employment.



POPULATION PROJECTIONS

Population projections, particularly for smaller populations, often vary widely based on underlying assumptions and methodologies. Though projections should always be considered in this light, and updated on a regular basis, they’re still useful for planning purposes. If Colchester’s population growth continues to follow past trends, a basic linear projection suggests that the town’s population will not surpass 20,000 until after 2020 (vs. 2015 as projected in 2005).



There are no statewide projections in common use. The last projections for Vermont, its counties and municipalities were prepared by the Massachusetts Institute for Social and Economic Research (MISER), were based on 2000 U.S. Census data. These projections were developed from a bottom-up population (cohort-component) model in which fertility, mortality, and migration were projected independently for each municipality. Other regional growth projections have been obtained or prepared for Chittenden County for use in regional planning (Woods & Poole) and for estimating development impacts (Berger).

Available population projections for Colchester through 2030, including previous and current linear regression (best fit) projections, are presented below:

Population Projection Comparisons								
	Census		Projected Population					
	2000	2010	2010	2015	2020	2025	2030	2035
MISER (2003)	16,986	17,067	18,428	18,976	19,492	--	--	--
Louis Berger (2006)*	16,986	17,067	17,062	17,785	18,651	19,624	20,669	--
Woods & Poole (2011)*	16,986	17,067	16,815	17,895	19,004	20,132	21,263	22,394
Linear 2005 Study	16,986	17,067	19,139	20,228	21,318	--	--	--
Linear 2012 Update	16,986	17,067	17,067	18,467	19,246	20,024	20,802	21,581

*Based on Colchester's current share (10.9%) of projected county population

These projections suggest that the town's population will increase by 1,500 to 2,200 by 2020 (150 to 220 people per year), and will likely not exceed 20,000 until sometime around 2025.

HOUSEHOLD TRENDS

Colchester's households are changing in relation to changing demographics and available housing options. The household population reportedly declined in the 2000s (by less than 1%), along with the town's total population, while the total number of households increased (by 2.8%). This reflects ongoing changes in both household size and makeup associated with anticipated demographic shifts, including an aging population. In 2010, there were reportedly **6,314** households in town – an increase of 2.8% since 2000.

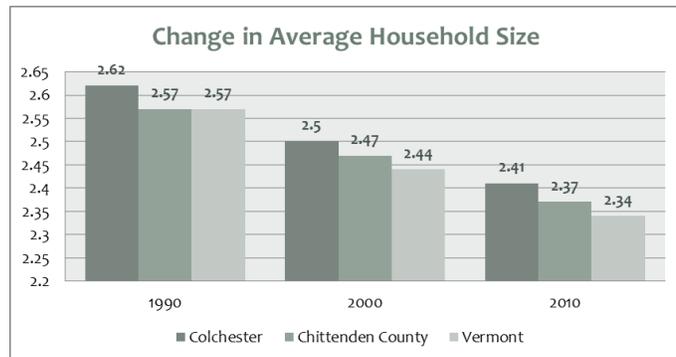
Changes in Colchester Households							
	1990	2000	2010	1990-00		2000-10	
				(#)	(%)	(#)	(%)
Household Population	13227	15362	15234	2135	16.1%	-128	-0.8%
Owner	10078	11480	11305	1402	13.9%	-175	-1.5%
Renter	3149	3882	3929	733	23.3%	47	1.2%
Total Households	5047	6144	6314	1097	21.7%	170	2.8%
Owner	3561	4354	4509	793	22.3%	155	3.6%
Renter	1486	1790	1805	304	20.5%	15	0.8%
Family Households	3548	4187	4097	639	18.0%	-90	-2.1%
w/Children<18 yrs	1983	2095	1935	112	5.6%	-160	-7.6%
Married	2907	3391	3144	484	16.6%	-247	-7.3%
w/Children<18yrs	1534	1566	1235	32	2.1%	-331	-21.1%
Non-family Households	1499	1957	2217	458	30.6%	260	13.3%
Living Alone	952	1363	1538	411	43.2%	175	12.8%
65+ alone	214	305	367	91	42.5%	62	20.3%
Households w/ Children < 18 yrs	2018	2214	1961	196	9.7%	-253	-11.4%
Households w/ Seniors 65+ yrs	563	832	1139	269	47.8%	307	39.6%

Source: US Census

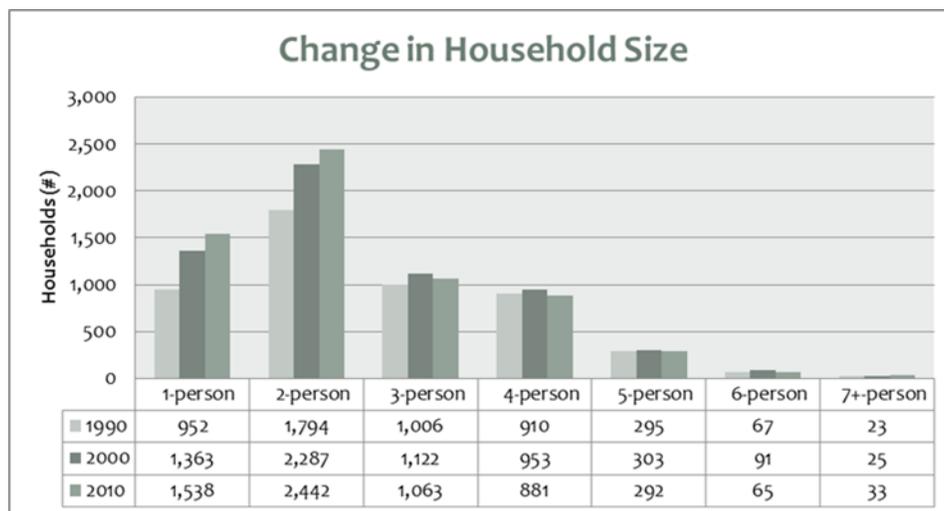
HOUSEHOLD CHARACTERISTICS

Family households, related by blood, marriage or adoption, made up 65% of the town’s total households in 2010 (down from 68% in 2000) – however, only 19.5% were “traditional” family households consisting of married couples with children (down from 25% in 2000).⁴ This type of household experienced a marked decline since 2000 (-21%), while the number of nonfamily households – and especially those living alone – continued to increase. Households with senior members grew by nearly 40%, while the number of households with children decreased more than 11%. The town’s renter population also increased slightly during the past decade (by 1.2%). In 2010 renter households comprised 29% of all households in town – the same share as in 1990 and 2000.

Colchester’s households have been getting smaller, following regional and statewide trends, but in 2010 the town’s average household size continued to exceed that of the county and state. Renter households, on average, are smaller (2.18 in 2010) than owner households (2.51).

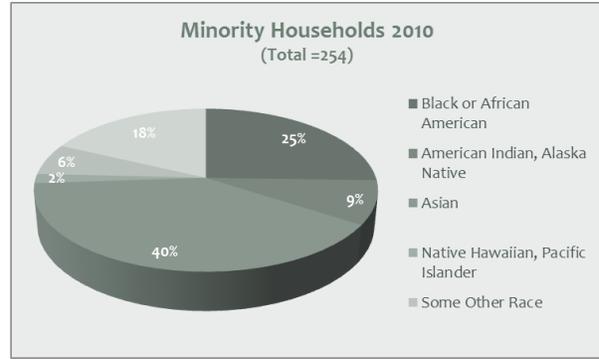


In 2010, one-person households comprised 24% of all households and 70% of all nonfamily households. Seniors (65+ years) living alone made up 24% of the town’s one-person households. Two-person households also continued to increase during the 2000s. By 2010, one-and two-person households represented 63% of all Colchester households, compared with 59% in 2000. This reflects an ongoing decline in average household size, and is expected to add to the demand for smaller housing units.



⁴ In the 2010 U.S. Census, same-sex married couples were listed with nonfamily households, unless there were children present.

Colchester households are slightly more diverse, reflecting a small increase in the town’s minority population over the previous decade. The 2010 Census identified 254 minority (nonwhite) household in towns, representing 4% of all households– including 2% of owner households and 9% of renter households. Asian households made up the largest share of the town’s minority households.



Colchester has a higher percentage of minority households than most towns in the county – in part because the Vermont Refugee Resettlement Program is based here – but it’s lower than the county average of 5.3%. The 2012 Chittenden County Housing Needs Assessment includes a statistical analysis of “residential segregation” – a measure of the degree of separation of minority (nonwhite) households in the county. In 2010, Chittenden County’s nonwhite households were concentrated largely in areas of Burlington, Winooski and South Burlington. As noted in the report, this lack of integration limits housing opportunities, creates economic and societal problems – and may reinforce prejudicial attitudes, narrow interaction, and concentrate poverty. Statistically, for full countywide integration, Colchester would need an additional 81 minority households to meet its fair share of the county’s total. This type of analysis ignores other cultural and social factors that may also affect housing choice, but does suggest that more integration should be encouraged – to the benefit of the community and its minority groups.

HOUSEHOLD INCOME

The reported median household income in Colchester has been consistently higher than county or state medians for several decades. This information is no longer collected as part of the decennial census, but is included in the Census Bureau’s American Community Survey estimates (from data collected over a five year period) which are released annually. Unfortunately these estimates are not very timely – especially given the recent economic downturn – nor are they directly comparable to previous census data, or to more recent (1- or 3-year) estimates for the state and county, as included in recent housing reports. Local estimates also come with high margins of error that should be more carefully considered in any related program development.

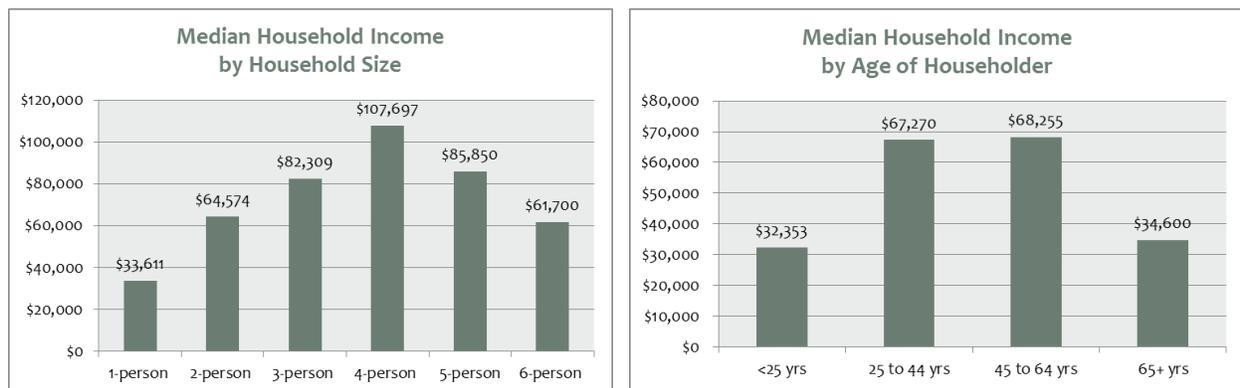
Median Household Income, 1979-1999			
	1979	1989	1999
Colchester	\$18,232	\$39,308	\$51,429
Chittenden Co	\$17,569	\$36,877	\$47,673
Vermont	\$14,790	\$29,792	\$40,856
% County	103.8%	106.6%	107.9%
% State	123.3%	131.9%	125.9%
Source: US Census			

2010 ACS estimates (2006-10) for the town, county and state suggest that Colchester’s median household income, estimated at **\$62,339**, remains higher than that of the county (\$59,878) or state (\$51,841). Estimated household incomes, however, varied significantly by the source of income, and the size and type of household.

More than 87% of households surveyed over this period reported some earnings – 83% reported wage or salary income. ACS estimates also suggest that:

- 20% of households received Social Security benefits, averaging \$15,625 per household;
- 13% of households reported retirement income, averaging \$17,462 per household, and
- 4% of households received public cash assistance, averaging less than \$4,000, and 8% received food assistance.

The 2010 ACS estimated median income for renter households (\$38,537), was roughly half that of homeowner households (\$74,894). Household incomes also varied significantly by household size, and householder age.



These income levels clearly indicate that smaller households – including many households with only one wage earner, younger households just entering the housing market, and senior households on fixed incomes – may find it difficult to obtain housing, or to remain in their homes when faced with rising housing costs.

The Vermont Tax Department annually publishes substitutes for family income by town based on tax return data (adjusted gross income per return). Colchester’s median family income, as reported for 2010, was \$73,165 – very close to the 2010 ACS estimated family income of \$74,901. This was slightly less than that reported for the county, but much higher than the statewide median. Colchester’s median family income increased by 27% over the decade but, when adjusted for inflation, it increased by only 0.2%. As such the income for half of Colchester’s family households has not shown any real increase in the past ten years. The greatest gains in income have been in higher income classes, including family households earning \$75,000 or more.

Family Income Estimates			
Median Adjusted Gross Income (AGI) per Return			
	2000	2005	2010
Colchester	\$57,669	\$64,994	\$73,165
Chittenden Co	\$59,460	\$67,117	\$75,139
Vermont	\$46,113	\$52,682	\$57,665
Source: VT Dept. of Taxes			

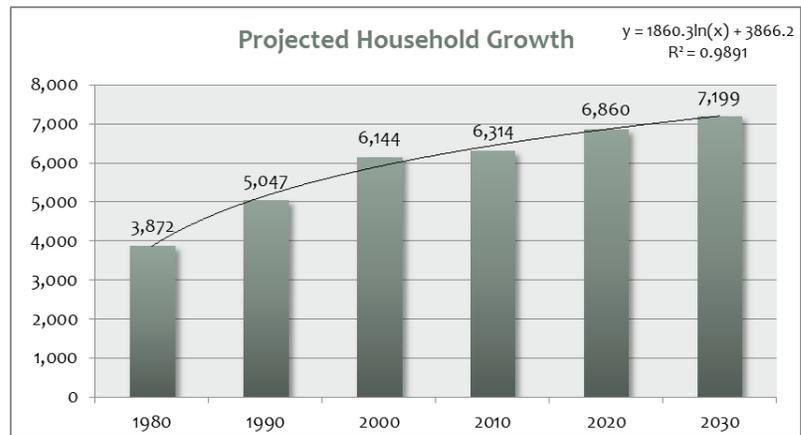
Most housing programs rely on federal (HUD) estimates of family income published annually for the Burlington-South Burlington MSA which includes Colchester, and all of northwestern Vermont. The HUD median income for a family of four in 2010 was \$73,800 – essentially the same as the state’s median adjusted gross income for Colchester.

HOUSEHOLD PROJECTIONS

If household formation and growth continues as it has over the past four decades, the town can expect an additional 500 to 600 households by 2020 – or an average 50 to 60 new households per year.

This is lower than other available household projections for the town, as presented below. The number of new households determined from projected population growth –

assuming that the group quarters population holds at around 11%, and the average household size remains at 2.4 – is 800 to 900 new households by 2020 – in keeping with the Regional Planning Commission’s most recent household projections (Woods & Poole).



Comparative Summary: Household Projections									
	Census	Projected		Projected Household Growth					
		2020	2030	2010-20		2020-30		2010-30	
	2010	2020	2030	#	%	#	%	#	%
Woods & Poole (2011)*	6,314	7,189	8,074	875	13.9%	885	12.3%	1,760	27.9%
Louis Berger (2006)*	6,314	7,524	8,729	1,210	19.2%	1,205	16.0%	2,415	38.2%
Population-Based	6,314	7,161	7,740	847	13.4%	579	8.1%	1,426	22.6%
Regression (Log.)	6,314	6,860	7,199	546	8.6%	339	4.9%	885	14.0%

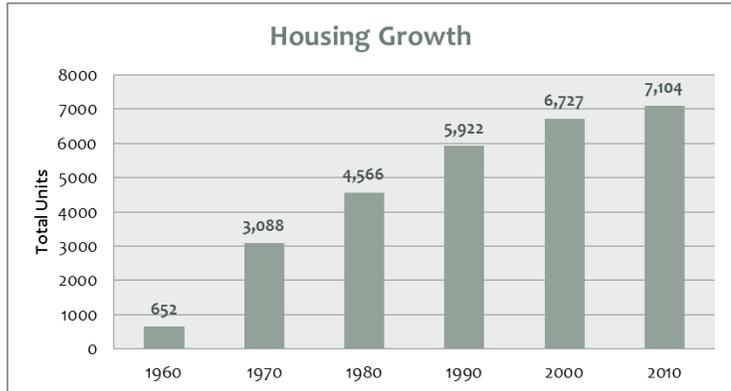
*Based on Colchester's current share (10.2%) of projected county households.

The 2012 Chittenden County Housing Needs Assessment, however, predicts a much lower rate of household growth through 2015, based on available market data (Allen and Cable, March 2011). According to this analysis, the number of households in the county is expected to increase by only 1,600 between 2010 and 2015 – to include an **additional 141 households in Colchester**. Half of these are expected to be renters.

HOUSING TR ENDS

HOUSING GROWTH

Colchester underwent a period of rapid housing development that began during the 1960s – then averaging nearly 250 new units per year. The town’s housing stock has more than doubled since then, while the rate of development slowed – especially since 2000. An additional 377 units were added to the town’s



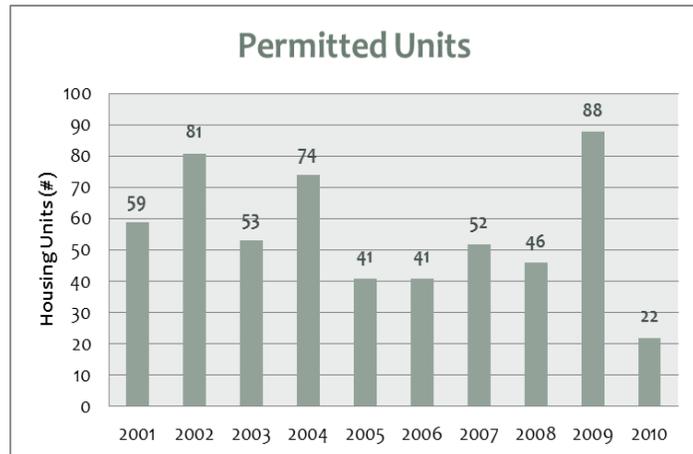
inventory between 2000 and 2010 – a 5.6% increase, or an average of around 38 units per year.

According to the US Census, by 2010 there were **7,104** housing units in town. This is also likely undercounted, based on the number of “living units” identified from the 2011 Colchester Grand List (8,113), which also include accessory dwelling units and housing associated with commercial properties.

Comparative Housing Growth in Chittenden County 1980-2010										
	Housing Units				1980-90		1990-00		2000-10	
	1980	1990	2000	2010	(#)	(%)	(#)	(%)	(#)	(%)
Colchester	4,566	5,922	6,727	7,104	1356	29.7%	805	13.6%	377	5.6%
Bolton	359	543	412	602	184	51.3%	-131	-24.1%	190	46.1%
Buels Gore	8	4	7	14	-4	-50.0%	3	75.0%	7	100.0%
Burlington	13,763	15,480	16,395	16,897	1,717	12.5%	915	5.9%	502	3.1%
Charlotte	1,043	1,329	1,500	1,706	286	27.4%	171	12.9%	206	13.7%
Essex	4,826	6,310	7,170	8,146	1,484	30.8%	860	13.6%	976	13.6%
Hinesburg	1,025	1,487	1,693	1,847	462	45.1%	206	13.9%	154	9.1%
Huntington	448	622	744	821	174	38.8%	122	19.6%	77	10.3%
Jericho	1,079	1,489	1,774	1,948	410	38.0%	285	19.1%	174	9.8%
Milton	2,321	3,009	3,505	4,147	688	29.6%	496	16.5%	642	18.3%
Richmond	1,071	1,391	1,528	1,653	320	29.9%	137	9.8%	125	8.2%
St. George	241	274	277	292	33	13.7%	3	1.1%	15	5.4%
Shelburne	1,719	2,350	2,741	3,085	631	36.7%	391	16.6%	344	12.6%
South Burlington	3,972	5,437	6,501	6,429	1,465	36.9%	1,064	19.6%	-72	-1.1%
Underhill	751	1,013	1,088	1,199	262	34.9%	75	7.4%	111	10.2%
Westford	468	635	750	787	167	35.7%	115	18.1%	37	4.9%
Williston	1,284	1,874	3,036	3,652	590	46.0%	1,162	62.0%	616	20.3%
Winooski	2,403	2,926	3,015	3,393	523	21.8%	89	3.0%	378	12.5%
Chittenden Co.	41,347	52,095	58,864	65,722	10,748	26.0%	6,769	13.0%	6,858	11.7%
Vermont	223,154	271,216	294,382	322,539	48,062	21.5%	23,166	8.5%	28,157	9.6%
Colchester % County	11.0%	11.4%	11.4%	10.8%	12.6%		11.9%		5.5%	

Colchester’s share of county housing growth declined from nearly 12% in the 1990s, to only 5.5% in the 2000s. As a result, the town’s share of the county’s housing inventory has also declined – from 11.4% in 2000 to 10.8% in 2010 – as housing growth elsewhere outpaced local housing development. Colchester, however, continues to rank third in total housing, behind Burlington and Essex.

Local permit data confirm the slowdown in housing development, especially since 2005. During the past decade the town, on average, permitted 56 units per year (down from 88 per year in the 1990s) – and since 2005, averaged only 39 units per year – many of which have not yet been built due to the recession. The larger number of units permitted in 2009 may reflect applications already in the works (including Brookside Village) and an anticipated upturn in the housing market. Housing development is expected to pick up again as the market continues to improve.



HOUSING CHARACTERISTICS

Of the total housing units identified at the time the 2010 Census was taken, 63% were owner-occupied, 25% were renter-occupied, and the remaining 11% were vacant. Housing units occupied year-round numbered 6,583 – up slightly (5.2%) since 2000. Colchester’s reported 1,941 rental units (including occupied, rented and available rentals) represented 27% of local housing, and 8.6% of the county’s total rental housing – down from 9.4% in 2000.

Changes in Occupancy				
	2000	2010	(#)	(%)
Total Units	6,727	7,104	377	5.6
Occupied Units	6,144	6,314	170	2.8
Owner-occupied	4,354	4,509	155	3.6
Renter-occupied	1,790	1,805	15	0.8
Vacant Units	583	790	207	35.6
Seasonal	468	521	53	11.3
Owner Vacancy Rate	0.5	2.1		
Rental Vacancy Rate	2.0	6.9		

Source: 2010 US Census (SF1, 100% data)

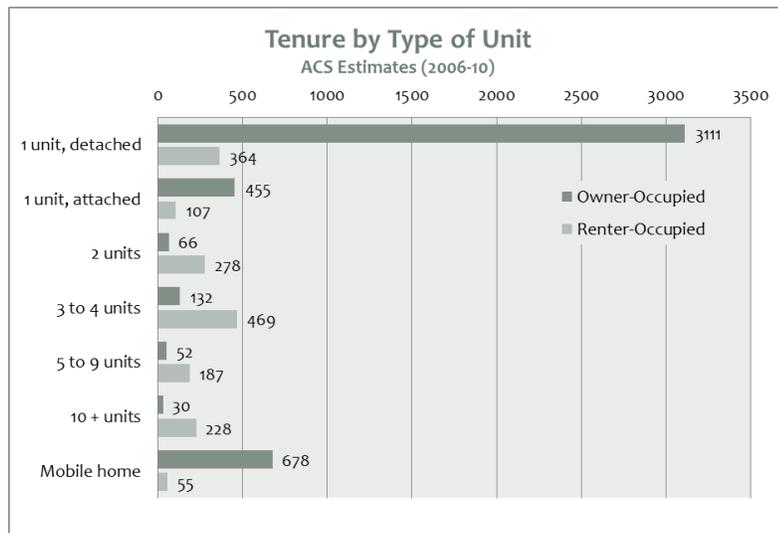
Vacant units included camps and vacation or second homes intended for seasonal use, which over the decade reportedly increased in number, by more than 11%. In 2010, seasonal units comprised 7% of the local housing stock – the same as in 2000 – and 29% of the county’s seasonal housing.

As a lakeshore community, Colchester historically has had a relatively high percentage of seasonal units, but their share of local housing has declined over the years – largely through conversion to year-round use. This trend has continued – since 2005 the town has issued permits for the conversion of another 55 units– but the reported increase in the number of seasonal homes suggests that some year-round housing is being purchased for seasonal use.

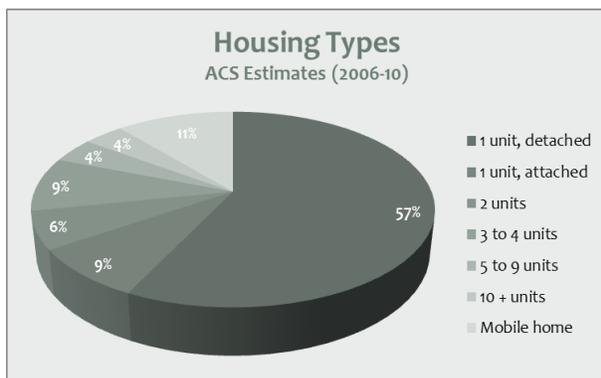
Colchester no longer allows new units that are constructed only for seasonal occupancy, and has not permitted any new seasonal dwellings in the last decade.

At the time the 2010 census was taken, there were reportedly 221 vacant units in town for sale or rent (up from 57 in 2000) – representing 15.9% of the county total. Local vacancy rates for both rental and sale units were higher in 2010 – especially for rentals (6.9%). This may reflect the addition of 42 units of rental housing at Brookside Village, which opened that year. The vacancy rate for sale units (2.1%), though improved, remains low – suggesting a tight housing market for homebuyers. A stable housing market generally has a vacancy rate of 3% to 4%.

Housing tenure varies with housing type, household size and by the age of the householder – rental units, including multi-family units, are more likely to be occupied by smaller and younger households. Colchester’s single family dwellings, including mobile homes, are almost all occupied by homeowners.



Detached, single family homes continued to make up the majority (57%) of housing in town – but since 2000, more multi- than single family units have been permitted reflecting recent shifts in the regional housing market toward multi-unit condos and apartments.



There is very little information on the condition of Colchester’s housing stock. American Community Survey estimates give some indication of relative age, whether the units contain all plumbing (bathroom) and kitchen fixtures, and whether they contain more than one occupant

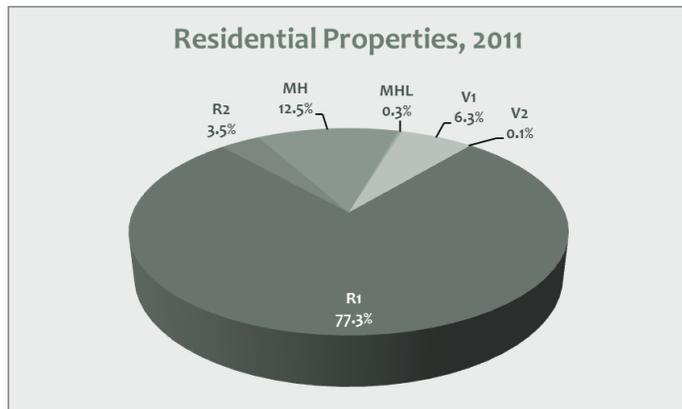
per room (a measure of crowding). It appears that by these measures, Colchester's housing stock is in good condition. 2010 ACS estimates (with high margins of error) suggest that:

- Fewer than one percent of all housing units in town lack complete kitchen facilities,
- All units have complete plumbing facilities, and
- Only 2.7% of renter-occupied units and less than 1% of owner-occupied units are overcrowded (having more than one occupant per room).

In 2010, the median age of all housing units in town was estimated at 32 years. Half of the town's housing was built prior to 1978—the year lead paint was banned. These homes predate the town's building codes and as such, may be in need of lead paint remediation, rehabilitation and update, and energy efficiency improvements. Roughly 2,100 homes in Colchester were built prior to 1960 and could now be considered historic, if their historic integrity has been maintained over the years.

LOCAL HOUSING INFORMATION

Colchester properties were reassessed by the town in 2011. At that time 5,770 residential properties were identified, representing 88% of all listed properties. Year-round residences (R1, R2) made up the majority (81%) of all residential properties, excluding mobile homes, which accounted for another 13%. Seasonal or vacation properties (V1, V2) represented less than 7% of all residential holdings – a relatively small percentage for a lakeshore community.

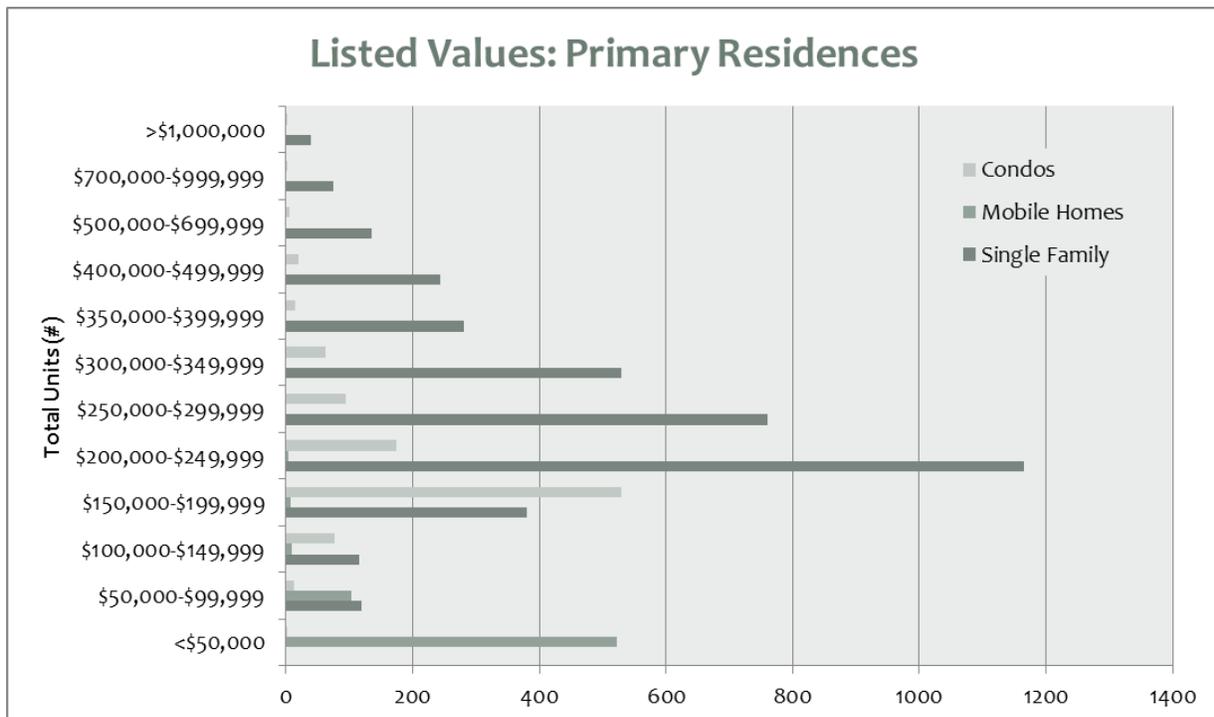


Colchester has a variety of housing. Based on listed information, in 2011 there were:

- 4,593 single family dwellings (58% total), and 105 accessory dwelling units or apartments (single family dwellings with two living units). These also included nearly 300 units on leased land.
- 644 mobile homes (8% total), including 617 in mobile home parks.
- 396 two family dwellings (5% total).
- 74 three-family dwellings (1% total).
- 1,051 multi-family dwellings of four or more units (13% total).
- 993 residential condo units with no land (12%).
- 228 properties with multiple houses – e.g., camps, cottages (3% total).
- 25 living units associated with nonresidential properties – e.g., campgrounds, churches (< 1% total).

Approximately 1,800 units were identified as rental units.

The median assessed value of single family dwellings in 2011 was \$250,100, excluding mobile homes, but including dwellings on leased land. For single family residential properties, the median value was slightly higher – \$255,600 and, for two-family dwellings, lower – \$247,050. For condos with no land, the median value was \$189,900. All listed properties less than \$50,000 consisted of mobile homes in mobile home parks (without land). The ACS estimated median value of owned properties in 2010, based on 5 years of reported survey data, was \$230,500 – well within the listed value range with the highest share of residential properties (\$200,000 to \$249,000).



AFFORDABLE HOUSING STOCK

Mobile Home Parks. Colchester has five well-established mobile home parks in town including one – Windemere Estates – which is owned and operated by the Vermont State Housing Authority. In 2010, Colchester’s 609 leased mobile home sites made up 38% of the county total, and only two were then available for rent. Rents vary by park, but the median (\$375) was slightly higher than median rents reported for the county (\$349) and state (\$300) (VT DEHCD).

Mobile home parks continue to be viewed by the town and state as a means of providing affordable housing and homeownership, especially for lower income households. Given the age of many parks, the lack of new park development, and limited vacancy rates statewide, retaining and improving local mobile home parks have become matters of state policy. Legislation passed in 2012 facilitates cooperative purchase, ownership and management of parks by park residents, in the event that privately owned parks come up for sale.

Colchester Mobile Home Parks 2010					
	Estab.	Rent	Lots	Leased	Available
Breezy Acres	1962	\$375	191	191	0
Hillcrest	1965	\$385	44	44	0
Westbury Park	1972	\$415	250	241	0
Windemere Estates	1952	\$354	85	78	2
Woodland Shores	1965	\$356	56	55	0
	Total		626	609	2
	County (24 Parks)		1850	1808	20
	% County		33.8%	33.7%	10.0%

Source: VT DEHCD, 2010 Mobile Home Registry

Rental Housing. With the addition of Brookside Village in 2010, Colchester now has eight affordable rental properties (one also located in Winooski), which provide 356 units of rental housing to low income and elderly households, subject to household income limits. These represent 8% of the county's total affordable rental housing.

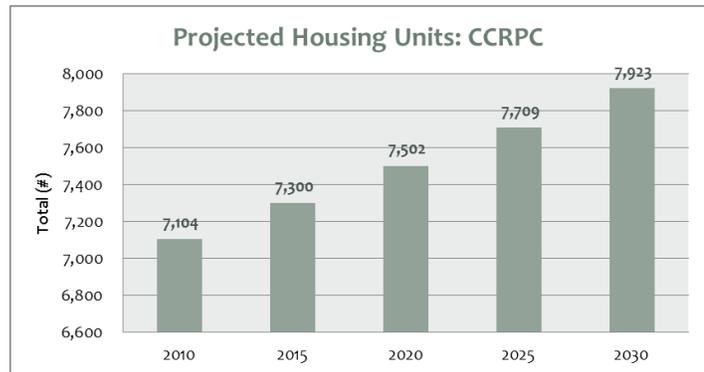
Affordable Rental Housing												
Property	Estab	Units	Bedrooms						Features			
			0	1	2	3	4	5+	Disabled	Elderly	Dis/Eld	
309 Ethan Allen Apts	1991	23	0	10	13	0	0	0	0	0	0	0
Arbor Gardens I	2002	37	0	13	22	2	0	0	0	0	0	0
CARES Housing	1997	11	0	9	2	0	0	0	0	0	0	0
Ethan Allen Apts	1998	32	0	17	9	6	0	0	0	0	0	0
Holy Cross Sr Housing	1997	40	0	36	4	0	0	0	0	40	0	0
Point School Apts	1981	5	0	0	0	5	0	0	0	0	0	0
Winchester Place	1989	166	0	0	158	8	0	0	0	0	0	0
Brookside Village	2010	42	0	8	31	3	0	0	4	0	0	0
	Total	356	0	93	239	24	0	0	4	40	0	0

Source: Directory of Affordable Rental Housing

Shared Equity Housing. The Champlain Housing Trust's inventory of home owner (shared equity) units in Colchester includes nine single family dwellings and nine condos. The Trust maintains ownership of the land, and an interest in the house upon resale, in order to maintain its affordability for subsequent buyers.

HOUSING PROJECTIONS

The Chittenden County Regional Planning Commission prepared housing projections for use in the update of the Colchester Town Plan, as called for in planning statutes (24 VSA, Ch.117). The Commission’s projections are based on a compounded average annual growth rate of 0.55% – resulting in 7,500 units by 2020 – or an additional 40 units per year.



Comparative Summary: Housing Projections									
	Census	Projected Units		Projected Housing Growth					
		2010	2020	2030	2010-20		2020-30		2010-30
				#	%	#	%	#	%
CCRPC (2012)	7,104	7,502	7,923	398	5.6%	421	5.6%	819	11.5%
Woods & Poole (2011)*	7,104	7,189	8,074	85	1.2%	885	12.3%	970	13.7%
Louis Berger (2006)*	7,104	7,524	8,729	420	5.9%	1,205	16.0%	1,625	22.9%
Regression (Log.)	7,104	7,599	7,939	495	7.0%	340	4.5%	835	11.8%

*Based on Colchester's current share (10.2%) of projected county occupied housing units.

This reflects recent permitting data, and is consistent with other available housing projections based on growth in population, households (occupied housing units) and updated regression analyses. These suggest that between 100 and 500 new units will be added to the town’s housing stock by 2020. All reflect the slowing pace of regional housing development over the past decade. Housing development is expected to pick up again, especially after 2020 under some scenarios – suggesting the local housing stock may reach or exceed 8,000 units by 2030.

The housing projections are also generally consistent with regional housing needs identified in the 2012 “Chittenden County Housing Needs Assessment,” prepared for the Regional Commission by the Vermont Housing Finance Agency. This study identifies the need for only 1,600 to 2,010 new housing units countywide between 2010 and 2015 (50% rental) to meet anticipated demand – much of which is expected to be filled by units already permitted or under construction. It projects 241 new households (or occupied units) in Colchester by 2015 – about half that anticipated by 2020 under other available projections.

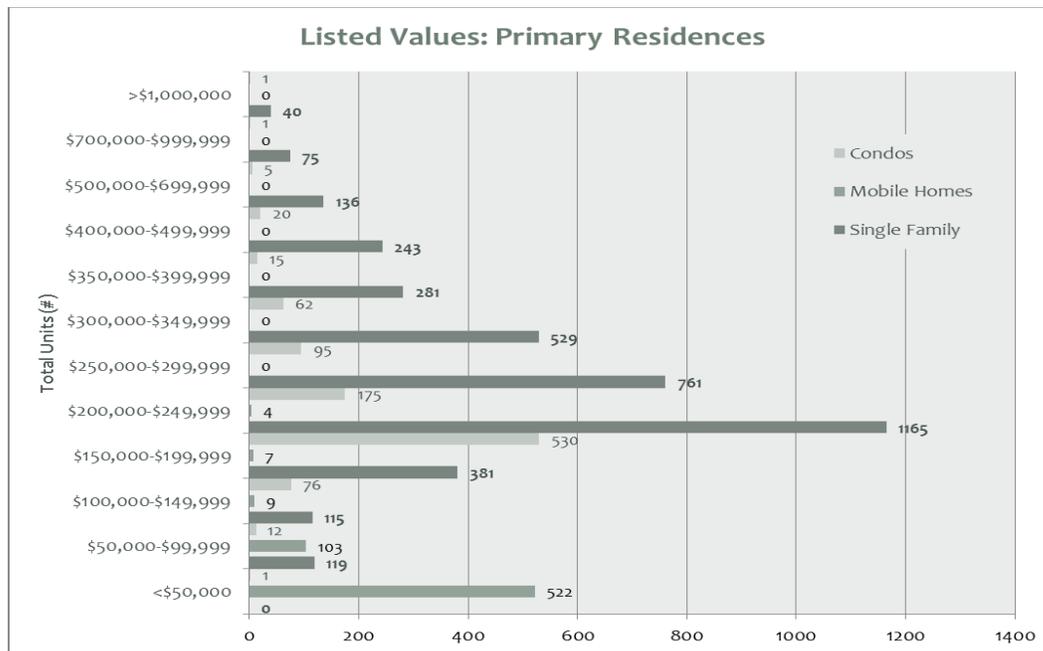
LOCAL HOUSING AFFORDABILITY

These housing projections reflect but do not necessarily address more specific housing needs – particularly housing for low and moderate income households located near employment and retail centers. The standard definition of “affordable” housing is housing for which associated costs (mortgage, rent, insurance, condo fees, etc.) do not exceed more than 30% of a household’s annual income. According to ACS estimates (2006-10), under this definition, local housing is not affordable for:

- 35% of homeowners with a mortgage,
- 23% of homeowners without a mortgage, and
- 56% of renter households.

For purposes of planning and land use regulation under the Vermont Planning and Development Act (24 VSA Ch. 117), “affordable housing” is further defined as low income housing – i.e., housing that is affordable for households earning 80% of the median family income for the Burlington-South Burlington MSA, as determined by HUD each year.⁵

Home Ownership. In 2011 the HUD median income for a family of four in the MSA was \$75,000 – enough to afford a home valued at \$254,000 (using VHFA’s mortgage calculator). An affordable home, at 80% of this income level (\$60,550) was valued at \$202,000. The majority of housing in Colchester, based on 2011 assessed values, is affordable at these income levels.

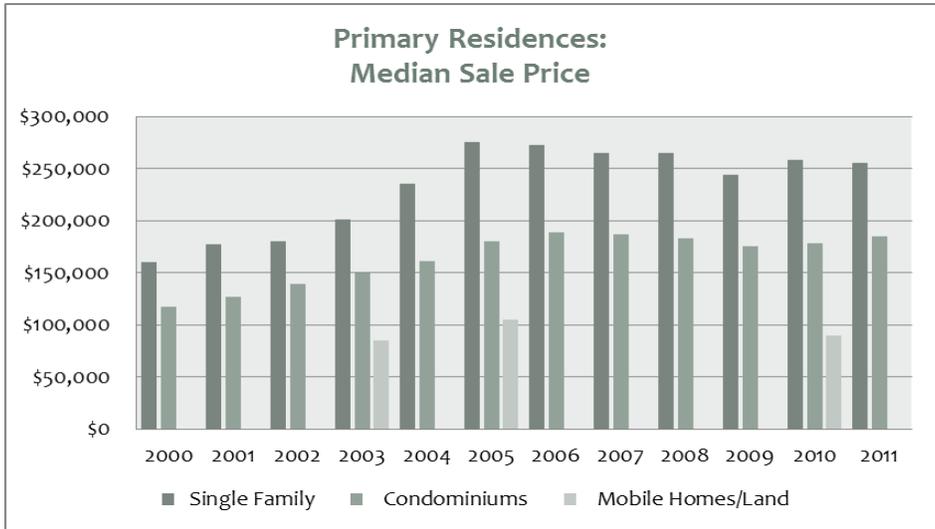


⁵ A new definition of housing affordability, the “[H+T Affordability Index](#)” developed by the Center for Neighborhood Technology in association with the Brookings Institute, also considers the cost of commuting to work – i.e., housing is not affordable if household housing and transportation costs combined exceed 45% of household income. Data specific to Colchester are not available, but much of the housing in Chittenden County under this definition is not affordable.

Colchester Housing Affordability				
HUD Income 2011		Price	% SFDs	% Condos
Median Family (4-person)	\$75,700	\$254,000	47%	81%
Moderate (120%)	\$90,840	\$305,000	66%	90%
Low (80%)	\$60,550	\$202,500	15%	63%
Very Low (50%)	\$37,850	\$126,000	2%	4%
1-person (70% MFI)	\$52,990	\$176,500	7%	35%
2-person (80% MFI)	\$60,560	\$202,500	15%	62%
3-person (90% MFI)	\$68,130	\$228,000	30%	73%

Based on listed values from the town’s 2011 reappraisal, the majority of local housing – including 66% of single family dwellings and 81% of condo units – are affordable to moderate income households earning up to 120% of the HUD median. Nearly half of the town’s single family dwellings and more than 80% of condo units remain affordable to households earning the HUD median (for a family of four). A majority of condo units are also affordable to lower income households. Only mobile homes in mobile home parks – the majority of which are valued at less than \$50,000 – are affordable to very low income households, emphasizing the importance of this type of housing within the community.

This suggests, as supported by recent sales data, that single family dwellings are becoming less affordable for smaller, lower income households, while condos, which currently make up about 12% of local housing, generally offer a more affordable option for home ownership – especially for first-time homebuyers.



The median sale price of single family dwellings increased dramatically during the first half of the decade, peaking around 2005 when the last housing study was issued. Local housing prices have since

stabilized, reflecting current market conditions, but the median price for single family homes has consistently exceeded \$250,000 since 2005 (except for a slight dip in 2009 at the height of the market drop). In 2011 the reported median sale price for a single family dwelling was \$255,000 – 38% higher than the median price of a condo unit (\$185,000). Sale prices now appear to be trending upward. For homes valued less than \$300,000, it remains a seller’s market – reflecting the limited regional inventory of homes in this range. This is affecting local housing prices – in April there were 135 homes listed on the market (12% of the county total), with an average asking price of \$419,300.⁶

Most fair market housing locally, and throughout the region, is no longer affordable for households with only one wage earner. The average annual wage paid by Colchester employers in 2011, as reported by the Vermont Department of Labor, was \$45,143 – enough to purchase a home valued at \$150,000 – or 3% of local single family dwellings, 9% of local condo units, and mobile homes in mobile home parks. Many occupations – including retail, health care, and other support services pay much less in annual wages, putting homeownership out of reach even for many two-income families.

Rental Housing. Around 1,800 rental units were identified during in the town’s 2011 reappraisal. Local rents were less than HUD’s reported 2011 fair market rents for the MSA, and the average rents reported for the county by Allen and Brooks (December 2011).

2011 Housing Rents & Wages			
	Rent	Wage	Salary
HUD FM Rent (MSA)			
1-bedroom	\$954	\$18.35	\$38,168
2-bedroom	\$1,197	\$23.02	\$47,882
3-bedroom	\$1,532	\$29.46	\$61,277
4-bedroom	\$1,601	\$33.04	\$68,723
Allen and Brooks (2011)			
1-bedroom	\$767	\$14.75	\$30,680
2-bedroom	\$1,003	\$19.29	\$40,120
3-bedroom	\$1,604	\$30.85	\$64,160
Colchester (2011)			
1-bedroom	\$800	\$15.38	\$32,000
2-bedroom	\$900	\$17.31	\$36,000
3-bedroom	\$1,000	\$19.23	\$40,000

Rental housing affordability is typically defined in terms of a “housing wage” – the hourly rate or wage required to afford a typical 2-bedroom apartment, with rent and associated housing costs representing no more than 30% of the household income. For a 2-bedroom unit in Colchester, the housing wage in

⁶ Northern New England Real Estate Network

2011 was \$17.31/hr (or an annual wage of \$36,000) – 75% of that reported by HUD for the MSA, and 90% of that reported for the county. This suggests that rental housing in Colchester is generally more affordable than housing elsewhere in the county – especially given the reported local average annual wage of \$45,153 – which may be in part due to the number of subsidized housing units in town.

SUMMARY

Based on current demographic and housing market trends, Colchester should continue in its planning for housing to accommodate, maintain and support:

- Around 40 to 50 new housing units per year through 2020, in anticipation of regional housing market recovery.
- Higher density, multi-family housing development, especially within the town’s designated growth center, and near centers of employment, to include more affordable condominium and apartment units for smaller households –i.e., for renters, first-time homebuyers and empty nesters.
- Its current stock of moderate income housing, including smaller single family starter homes and workforce housing.
- Additional senior housing, to provide a variety of housing options for active seniors within the community, and for those who will need advancing levels of care.
- Its mobile home parks, and park housing, as a much needed form of affordable housing.
- Housing that incorporates elements of universal design for occupancy during all stages of life and at all ability levels.
- More energy efficient housing, including new construction and retrofits that reduce household energy costs.