

HOUSING MARKET SNAPSHOT



NOVEMBER/DECEMBER
2020

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NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

Report prepared by the
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THE HOUSING MARKET: SIGNS FOR A NEW YEAR

Dean J. Christon, Executive Director, New Hampshire Housing Finance Authority

In the nine months since the COVID-19 pandemic turned our lives upside down, we have seen two key pre-pandemic housing market trends in the state continue on course. For homebuyers, houses in most areas of the state continue to sell briskly at or above their asking prices, and those priced under \$300,000 are selling within about a month. For renters, apartment availability is still very low, and prices continue to increase; the problem is exacerbated by the fact that renters have been reluctant to move during the pandemic.

Meanwhile, we are watching closely for signs that owners and renters are or will be experiencing significant financial stress. The lack of change in the housing landscape can be attributed, in some ways, to state and federal moratoria that stopped non-payment evictions and foreclosures. Special unemployment benefits and other relief measures also have likely deferred some of the impact on housing stability. Also, with the recent passage of a new federal aid package, about \$200 million will come to the state for housing assistance.

NHHFA has been working with providers of services to the homeless to distribute CARES Act funds to provide shelter during this time, particularly through the winter. Governor Sununu's new Council on Housing Stability has recognized that one of the contributing factors to homelessness is the tight housing supply as well as the challenge of being able to afford the housing that is available.

As the 2021 legislative session gears up, we are watching housing-related bills including those that will encourage home construction, such as requiring communities to publish fee schedules and maintain them throughout the process; offering more technical training to local planning boards; and setting limits on how long local boards may take to consider housing projects.

As we look towards the new year, the COVID-19 vaccine roll-out is a very hopeful sign that we are making inroads into this public health crisis and our ability to return to a more normal way of life in 2021.



2020
NEW HAMPSHIRE
RESIDENTIAL
RENTAL COST
SURVEY REPORT

HOUSING
MARKET REPORT
October 2020

Annual Report
for Fiscal Year 2020

From the Outskirts to Downtown:
Taxes, Land Use & Value in 15 New Hampshire Communities

A series of virtual presentations by
Joe Minicozzi, AICP | Urban3
October 2020

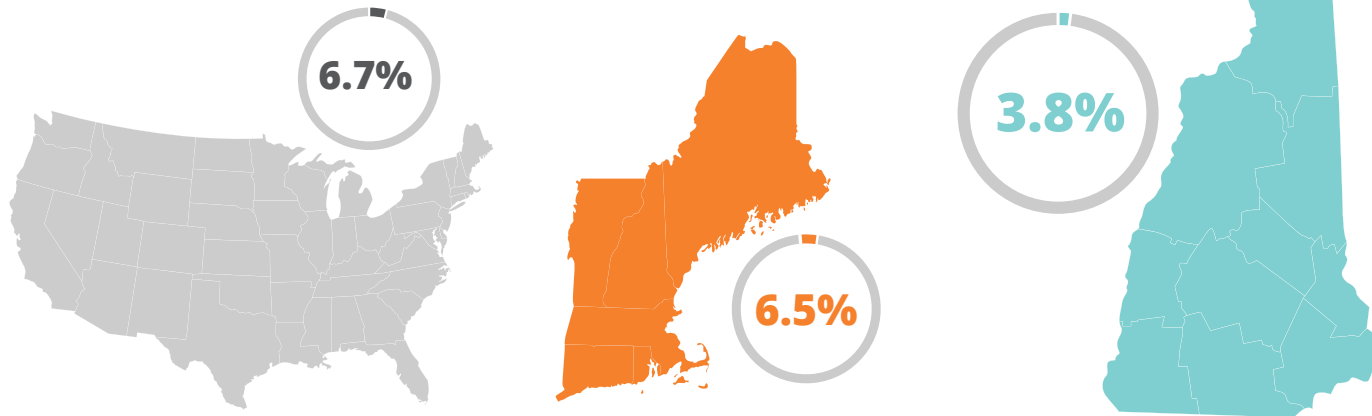
NEW HAMPSHIRE
HOUSING

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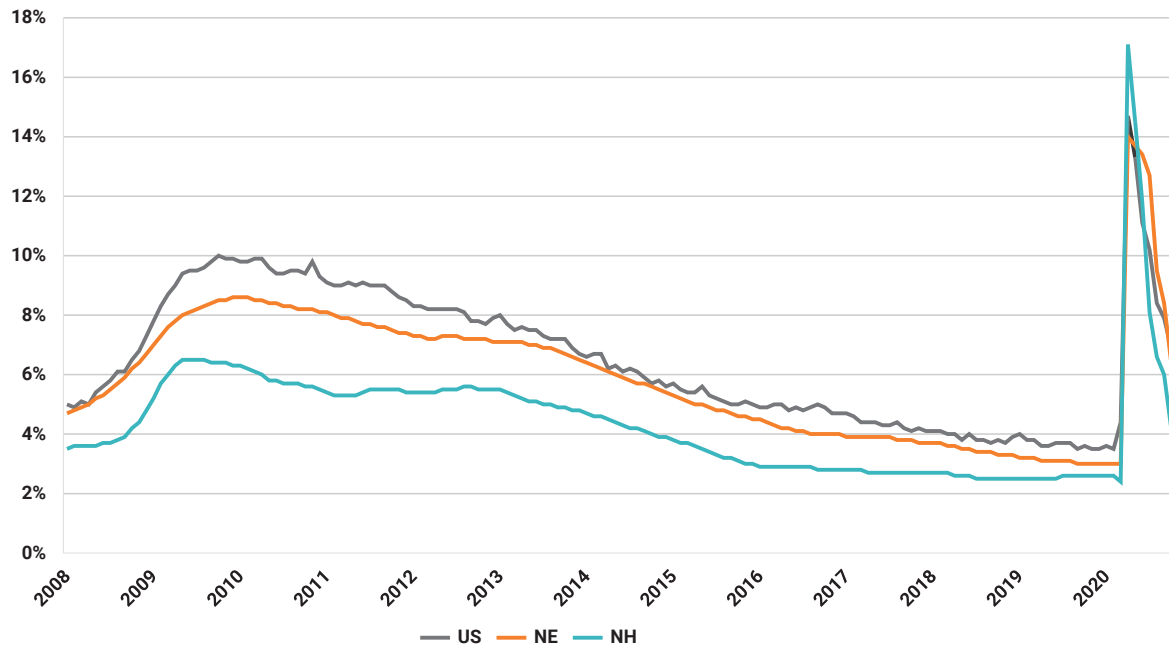
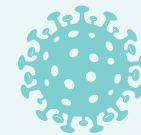
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UNEMPLOYMENT RATE

US, New England, New Hampshire - 11/2020



New Hampshire's seasonally adjusted unemployment rate for November 2020 was **3.8%**



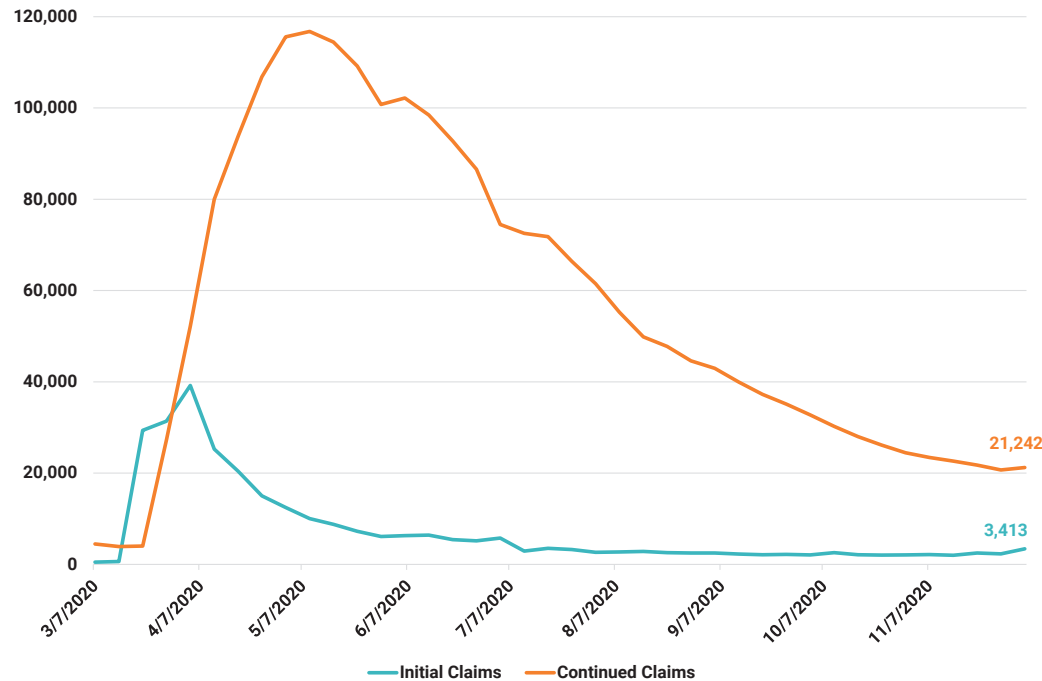
PRIOR TO THE CORONAVIRUS CRISIS, New Hampshire's unemployment rate had been **below 4%** for over five years. The state's pre-virus seasonally adjusted unemployment rate as of March 12 was 2.4%.

Unemployment claims due to job loss, layoffs or furlough are about the same nationally and regionally at about 6.5%. In New Hampshire, the rate has dropped to 3.8%.

Source: U.S. Bureau of Labor Statistics (seasonally adjusted)

UNEMPLOYMENT CLAIMS FILED

Weekly Claims Filed in New Hampshire (through 12/5/2020)



CONT. CLAIMS

21,242

INIT. CLAIMS

3,413

Unemployment claims appear to have peaked in early May. Currently, the number of continued claims has dropped to 21,242. The state's total labor force is 768,000.

Initial claims peaked in the week ending 4/4/2020; as of the week ending 12/5/2020, initial claims were down 91% from this peak.

Continued claims peaked in the week ending 5/9/2020; as of the week ending 12/5/2020, continued claims were down 82% from this peak.

The graphic showing employment by type of business depicts the impact of the pandemic on various industries.

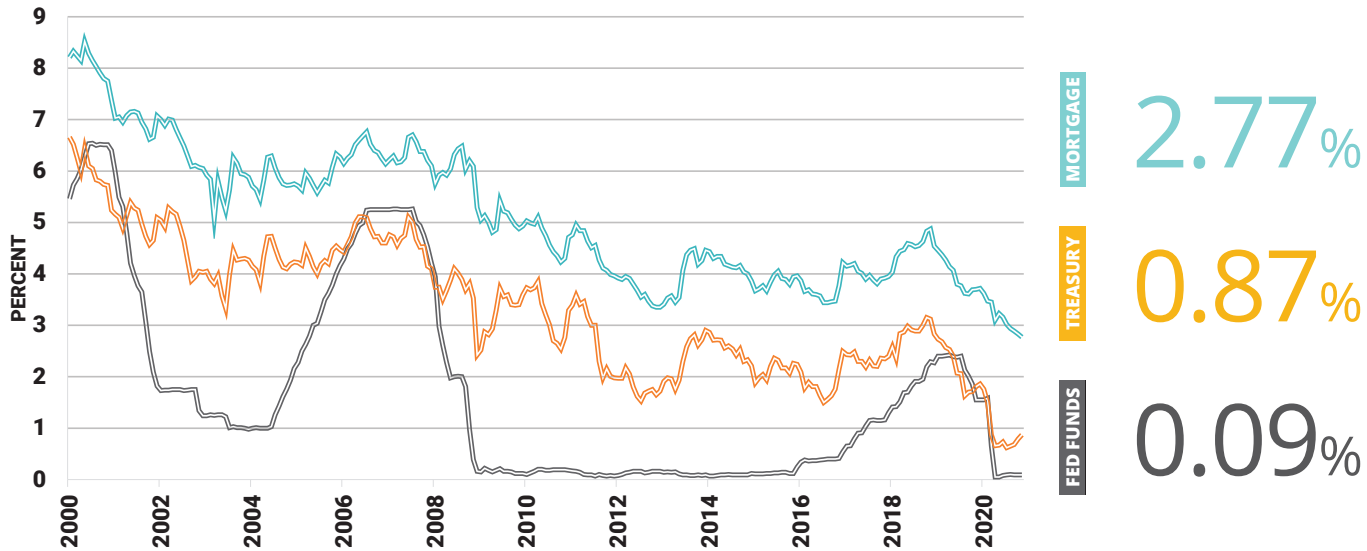
Employment by Type of Business (from 11/2019 to 11/2020)

Industry	%Change
Amusement, Gambling, and Recreation Industries	-18.67%
Arts, Entertainment, and Recreation	-16.22%
Accommodation	-13.16%
Federal Government	-9.78%
Leisure and Hospitality	-5.24%
Full-Service Restaurants	-4.57%

Sources: (top) U.S. Department of Labor; count totals are compiled by reflecting week ended; (bottom) New Hampshire Department of Employment Security www.nhes.nh.gov/index.htm

INTEREST RATES NOVEMBER 2020

Mortgage Interest | Fed Funds | 10-Year Treasury

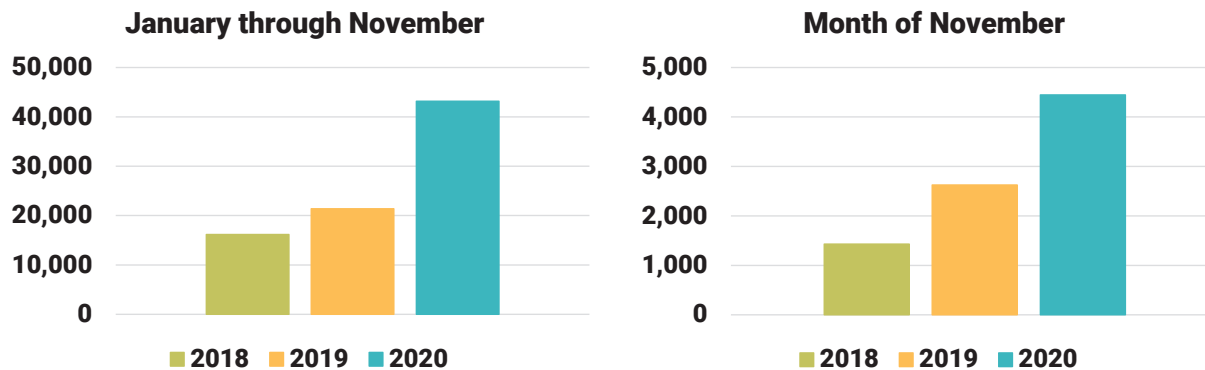


Record low interest rates continue to favor homebuying in New Hampshire, as well as home refinancing.

For those who already own a home, the low rates offer a more favorable interest rate, and the opportunity to shorten the length of their mortgage.

NH household refinancing activity year-to-date is twice as high as last year over the same period.

REFINANCING ACTIVITY IN NH

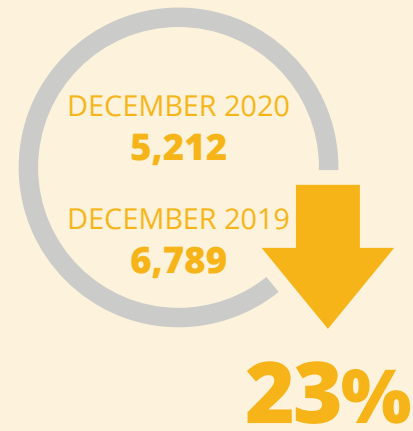
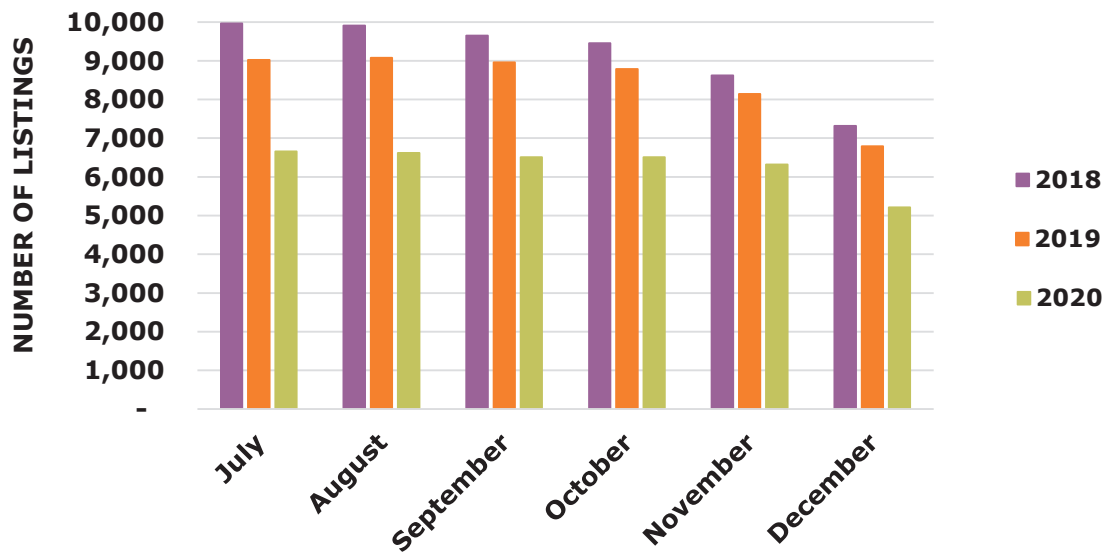


+102% from Jan-Nov 2019

+69% from November 2019

Sources: (top) Freddie Mac Primary National Mortgage Market Survey; US Federal Reserve Selected Interest Rate H.15; (bottom) The Warren Group

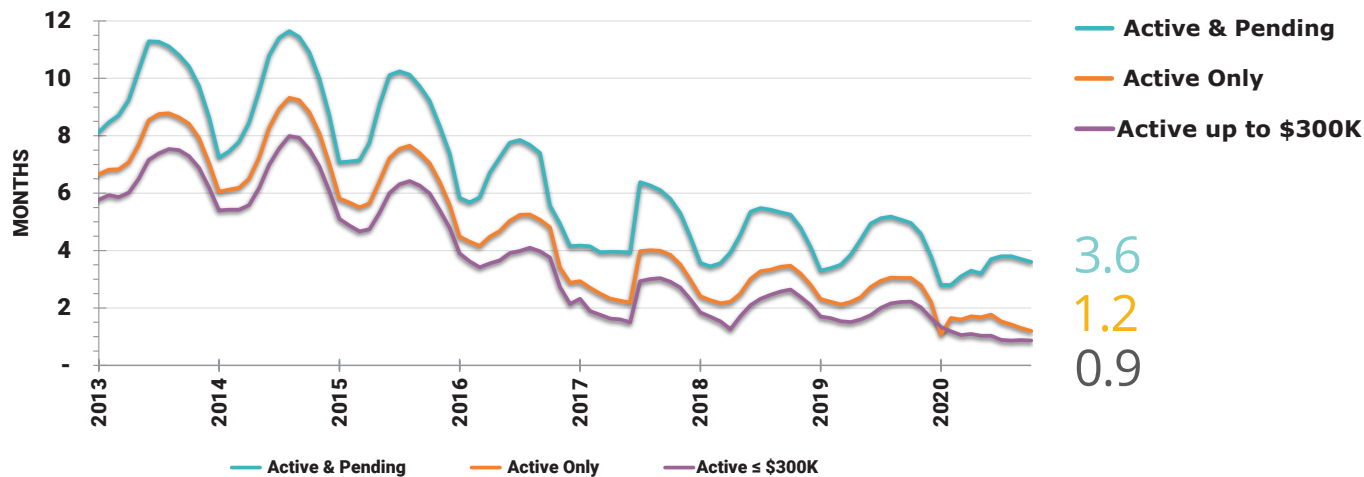
MLS LISTINGS IN NH



In comparing the number of listings from the past three years, the inventory in 2020 is notably lower.

Months of supply of inventory shows how many months it would take for the current inventory of homes on the market to sell, given the current pace of sales. Sales shown here reflect how fast-paced housing market sales are.

MONTHS OF SUPPLY OF INVENTORY



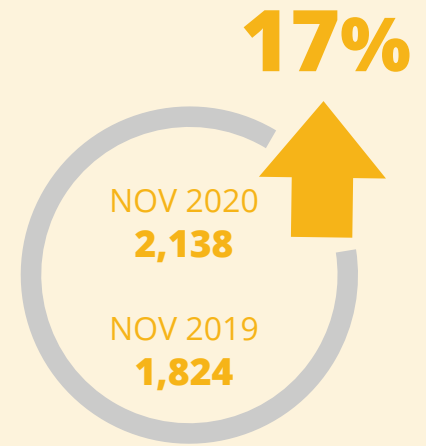
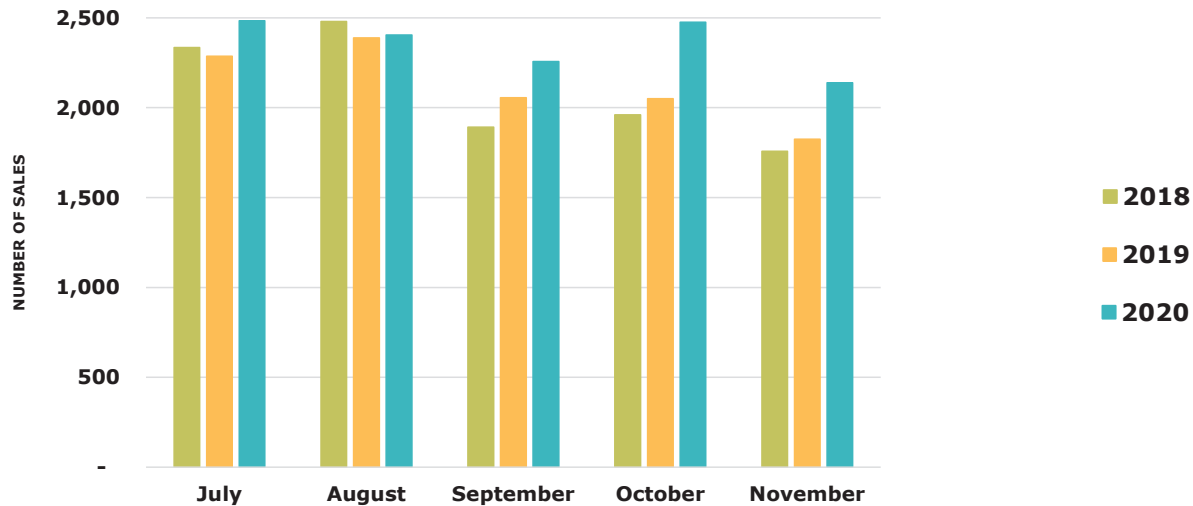
As has been the case for the past five years, Granite State homes under \$300,000 are generally on the market for only a month. In November 2020, there were 2,138 sales, 17% higher than November 2019. Additionally, in November there was a new peak median price of \$339,000 (0.6% higher than September's). It is also noteworthy that peak prices typically occur in summer, not fall.

PENDING SALES

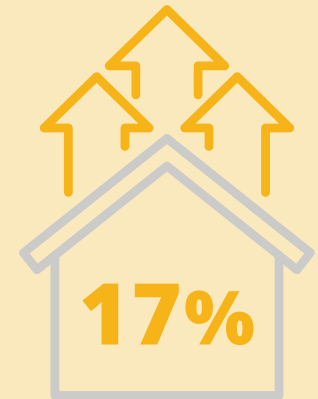
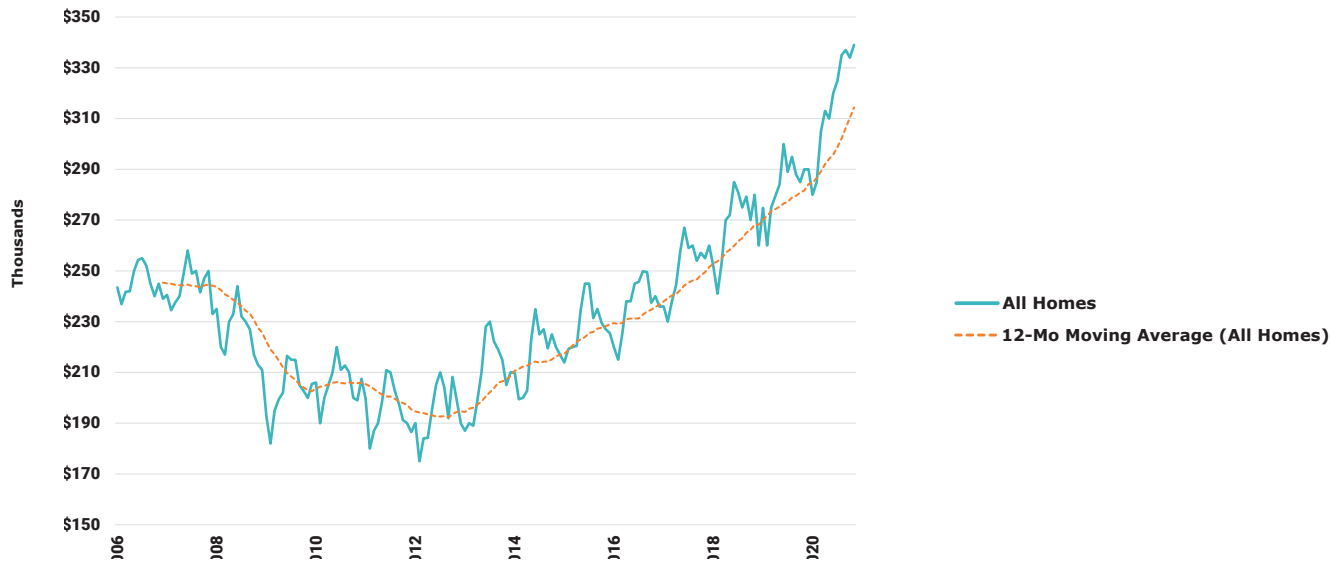
ACTIVE - properties on the market that do not have a contract.
PENDING - properties with accepted contract; seller is no longer marketing it.
ACTIVE UNDER CONTRACT - properties with accepted contract; seller continues marketing to obtain a backup offer.

Source: Based on information from the Northern New England Real Estate Network and compiled by NHHFA. Excludes land, interval ownership, seasonal camps/cottages, multi-family properties, mobile/manufactured homes and commercial/industrial property.

MLS CLOSED SALES IN NH



MLS MEDIAN SALES PRICE



NOV 2020

NOV 2019

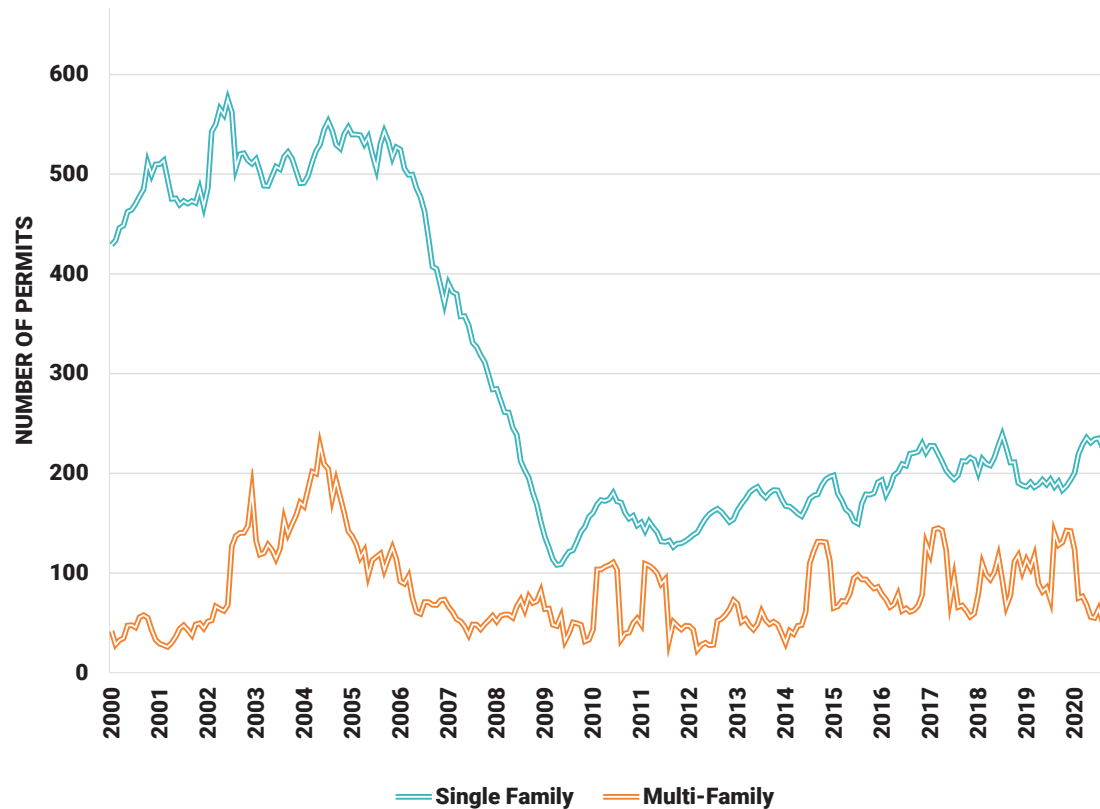
\$339K

\$290K

Source: Based on information from the Northern New England Real Estate Network and compiled by NHHFA. Excludes land, interval ownership, seasonal camps/cottages, multi-family properties, mobile/manufactured homes and commercial/industrial property.

BUILDING PERMITS ISSUED IN NH

Single-Family & Multi-Family Units (as of 10/2020)



This graph reflects the status of building permits issued as of October 2020.

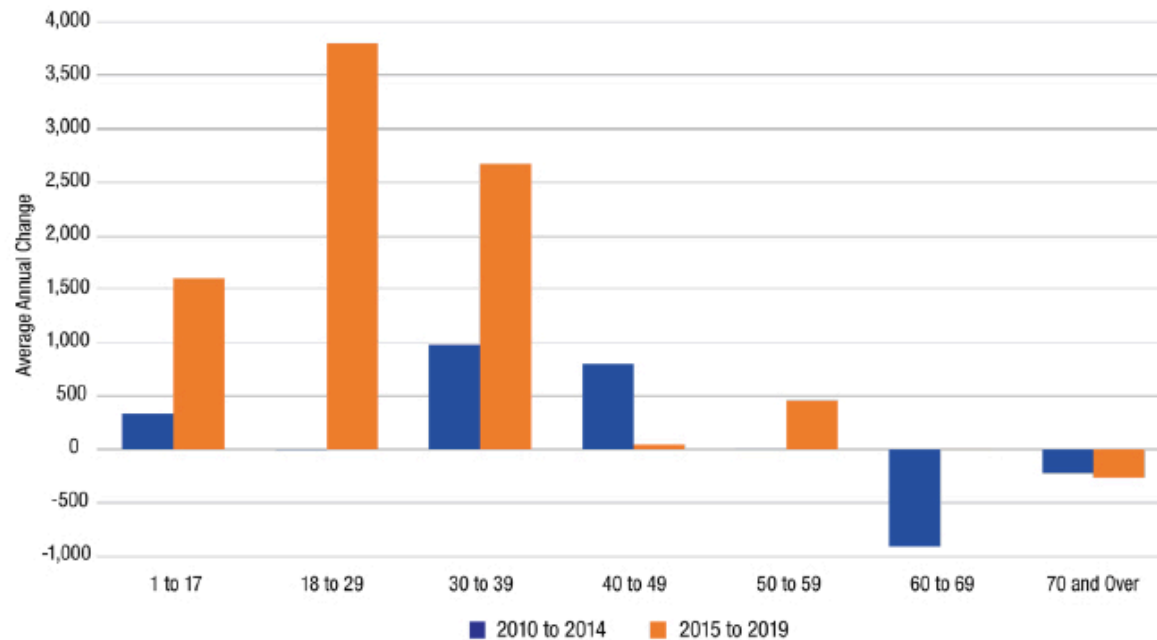
While single-family building permits increased from 10/2019 by 38%, the number of multi-family building permits decreased by 62%. It is not clear if this decline is related to the impact of the pandemic.

Source: U.S. Census Bureau, Construction Statistics Division (12-month moving average of actual permits issued)

MIGRATION TO NEW HAMPSHIRE

Gaining Migrants from Other States

NEW HAMPSHIRE IS GAINING MORE MIGRANTS FROM OTHER STATES



Analysis: K.M. Johnson, Carsey School, University of New Hampshire. **Source:** U.S. Census ACS, 2010–2014, 2015–2019.
Note: This analysis uses sample estimates and should be interpreted with caution.

A recent study by Kenneth Johnson of UNH's Carsey School points out that migration to New Hampshire from other states was significantly greater between 2015 and 2019 than earlier in the decade, according to new Census Bureau data.

These gains provide additional human and social capital to a state challenged by an aging workforce and population. This is a positive note for a state that has the third oldest median population in the U.S.

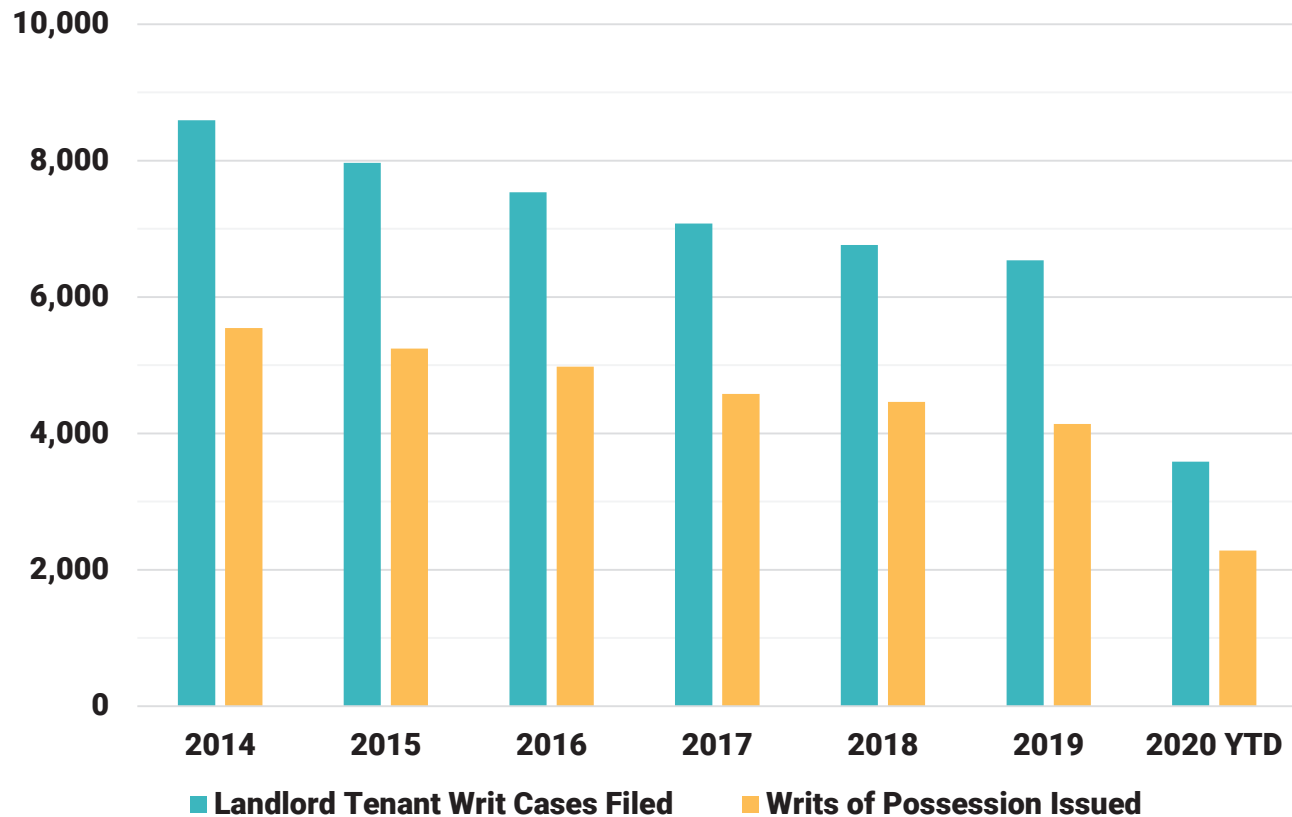
Migration gains were greatest among young adults (18 to 29); they had an average annual migration gain of 3,800 compared to no gain between 2010 - 2014.

According to the study, among those in their 30s, the net annual migration gain more than doubled during the same period, while the net inflow of those 40 to 49 diminished. Modest migration from other countries at all ages supplemented domestic migration gains.

While this growth represents a positive trend, NH's current population increases are still significantly less than that seen before the Great Recession.

EVICTION INDICATORS - NH COURT FILINGS

2020 YTD Through 12/11/2020



Federal and state eviction moratoria, along with other financial support measures, have kept the number of evictions during the pandemic notably lower than in 2019.

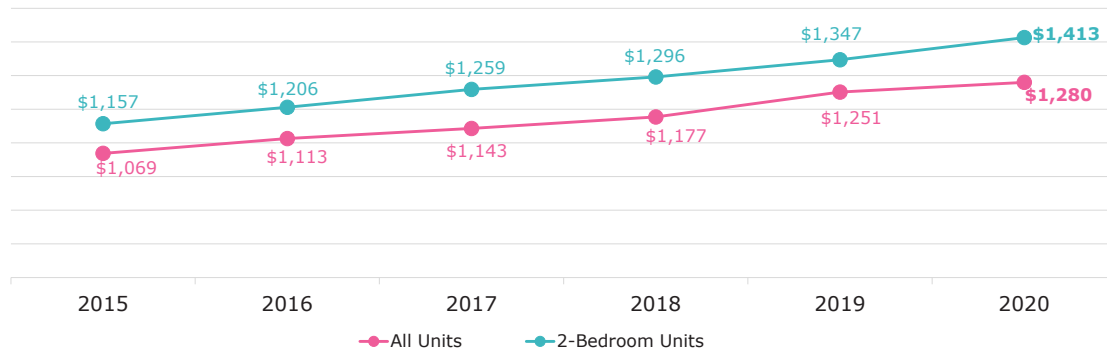
In order to legally evict a tenant in NH, a landlord must first file a Landlord/Tenant Writ with the court. A judge determines if a writ of possession court order will be issued, allowing a landlord to have a tenant lawfully removed from the home.

Governmental actions to stop evictions for nonpayment of rent during the pandemic have impacted the numbers seen for 2020.

Source: Landlord/Tenant Writ Filings & Writs of Possession, New Hampshire Judicial Branch

2020 NH RESIDENTIAL RENTAL COST SURVEY

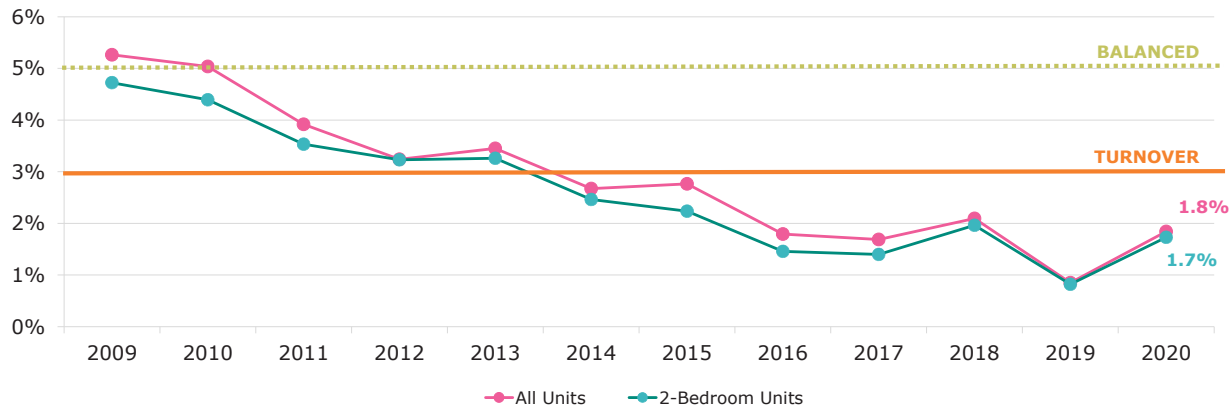
Median Gross Rent



2-BR \$1,413 +5% from last year **5-year change** +22%

ALL \$1,280 +2% from last year **5-year change** +20%

Vacancy Rates



Source: 2020 New Hampshire Residential Rental Cost Survey (NHHFA)

New Hampshire Housing annually conducts a statewide survey of rental costs of market-rate apartments. This provides data to the public and housing-related organizations. This year's survey was challenging as it was carried out from January - May, overlapping with the Governor's pandemic "stay-at-home" emergency order.

Preliminary results show that it continues to be a tight and challenging market for renters. The survey found rents have increased for 2-bedroom units (5%) and all units (2%) from last year.

On a positive note, however, the vacancy rate is nearly 1% higher for all units than last year (a 5% vacancy rate is considered balanced between tenants and landlords). There was an increase in multi-family building permits in 2017; the construction and lease-up of these new units could have improved the vacancy rate this year.

We do not know yet how the pandemic has impacted the vacancy rate and lease-ups.

The full report is available at [NHHFA.org/publications-data](https://www.nhhfa.org/publications-data).



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*As a self-supporting public corporation created
by the state legislature, New Hampshire
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and supports affordable housing.*

