

Hinsdale Housing Needs Assessment

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

1. Hinsdale's most prevalent form of housing is single family detached: 58% of all units
2. Single family detached is the most expensive form of housing
3. Sixty-six percent of Hinsdale households are one or two person households
4. The median age in Hinsdale is 50.9; 43% of residents are over 55
5. Most jobs do not pay enough to allow purchasing or renting a home in Hinsdale
6. Median house price in Hinsdale is \$298,000
7. Median household income is \$67,054; median family income is \$76,715

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

Hinsdale Demographics

Demographic information reveals that Hinsdale’s population has dropped slightly since 2010; and that all population cohorts have gotten smaller except those older than 55, where there is a 10% increase

	Total	<5	5-19	20-29	30-44	45-54	55-69	70+
2010	4106	188	699	404	651	685	786	693
2022	3948	84	580	409	594	566	971	761
% +-	-1%	-44%	-28%	0%	-10%	-10%	+10%	+10%

Demographic information from the 5-year American Community Survey 5-year estimates.

2010 Median age **43.7** 2020 Median age **50.9**

Hinsdale’s median age is 5 years higher than the state median of 45 years, and 7 years higher than Cheshire County as a whole. New Hampshire has the second highest median age in the United States, after Maine, where the median is 45.1 years. Hinsdale’s median age increased 11% between 2010 and 2023. Sixteen percent, 664, of Hinsdale’s households have a child under 18; 58% have a resident over 60 years of age.

2010 income	Median household
	\$66,984
2022 income	Median household
	\$67,054

Demographic information from the 5 year American Community Survey 5-year estimates.

Median household income is the income cut-off where half of the households earn more, and half earn less. In Hinsdale, 6.2 percent of individuals live below the federal poverty limit of \$15,060 for an individual. There are a total of 492 families in Hinsdale and 122 of those families, 24.8%, are living below the federal poverty line.

Household Composition

	Total	1 person	2 person	3 person	4+ person
2010	1681	440	643	284	314
2023	1594	406	618	289	281

Demographic information from the 5-year American Community Survey 5-year estimates.

The number of households in Hinsdale decreased by 1 percent between 2010 and 2020, at the same time that the total number of residents decreased slightly. Household size in Hinsdale was 2.9 in 2010; and dropped to 2.5 between 2010 and 2020. Average family size is 2.94 in 2023. Sixty-six percent of Hinsdale households are one or two-person households.

Housing Characteristics

Hinsdale's most prevalent form of housing is a detached single-family house: 58% of all residences. Only 12% of all housing units are in a building with two or more units; 29% are mobile homes. The town added 18 single family houses between 2010 and 2020 but demolished nine for a total increase of nine single family units; seven multi-family units were added during that time, but seven were also demolished for no total net gain in multi-family units.

Most Hinsdale residents own their own home: 86%. Renters make up the remaining 14%.

Mismatch between Demographics and Housing

A detached single-family house is the most typical housing type in Hinsdale. The minimum lot size in the Rural Agricultural zone is one acre; with the residential zone requiring one-half acre for a single-family home. The Rural Agricultural zone requires 200 feet of road frontage, and the Residential District requires 100 feet of road frontage for a single-family house. These lot and yard standards are larger than necessary for the provision of potable water and septic disposal in places not served by municipal water and sewer as well as in the parts of town with municipal services.

Single-family detached is always the most expensive form of housing, particularly in a rural context where on-site water and septic must be provided. On-site well and septic does require enough land to site these utilities safely, but they can be sited on less than an acre, and certainly do not require 200 feet of frontage. As for lots which do have

water and sewer available, 1/2 acre is many, many times the amount needed. Lots in the small towns and villages of New Hampshire are often as small as 3000 square feet. While that may seem too small to the residents of Hinsdale, the current lot sizes are more consistent with a spread-out, suburban pattern than with a compact New England pattern.

Because of the expense entailed in drilling a well, constructing a septic system, and bringing in a driveway, the size of the lot has very little effect on the price of a new house but certainly affects the costs of infrastructure for the town. Allowing multiple housing units on a lot would affect costs because of the ability to spread the infrastructure costs over more than one unit.

It is true that Hinsdale allows manufactured housing units on any lot where a single family detached house may be placed. However, as mentioned above, the expense required to create a lot means that it is financially unlikely that a manufactured housing unit will be placed on it. Similarly, it is unlikely that a small house will be built on such a lot. Developers estimate the price of a finished lot as 20% of the sale price of a house.

Hinsdale's housing stock includes many large houses on large lots with a long frontage. Because most lots are large, it is unlikely that any of the houses located on them are small, particularly those houses which have been constructed in the last 50 years. Sixty-eight percent of Hinsdale's housing units were constructed between 1960 and 2013.

“A quarter of the existing housing inventory in the 34-town Southwest Region Planning Commission (SWRPC) Region was constructed prior to the 1940s, which represents a much older housing stock when compared to that of New Hampshire (19.3%) and of the United States (11.9%). Pre-1940 housing in the SWRPC Region are disproportionately rental units as well (31.7%). Older housing units are generally more expensive to live in, especially with respect to wintertime heating costs. However, many of these homes, especially single-family structures, are valued for their historical and rural character. A comparatively older housing stock will result in a disproportionate need to renovate or replace existing units or to make them more energy efficient compared to other parts of New Hampshire or the United States.”

<https://www.nhmunicipal.org/town-city-article/implementing-nh%E2%80%99s-regional-housing-needs-assessments>

Demographics show that 66% of the households in Hinsdale are composed of one or two persons. The largest cohort of residents, 43%, is those over 55, the age that many people begin to think about where they want to live as they age. Most elderly people want to age in place, in their own homes or at least in their own communities. Those big houses

frequently do not match the needs of older persons: there's a lot of upkeep and often the house itself isn't ideally arranged for someone who may have mobility challenges.

Some of these one- and two-person households in Hinsdale may want to live in a large house on a large property, but based on national trends, we can assume that those at either end of the age spectrum may prefer a smaller house or an apartment within walking distance of village amenities.

The median Hinsdale home sale price is \$298,000 according to Redfin.com in September 2024. A couple or family earning the median family income of \$76,715 can just barely qualify for a house at that price: it requires an annual income of nearly \$75,000, if the buyer can apply \$59,600 (20%) as a down payment. Someone earning the median household income of \$67,054 likely cannot qualify for a mortgage for a \$298,000 house. Of course, the 50% of families and households earning less than the area median income will not qualify.

As it stands now, elderly persons and those just beginning their adult life are competing for the same housing stock: smaller houses with some nearby amenities. The younger persons are at a distinct disadvantage when competing against someone older who has quite possibly sold a large, expensive house and plans to use those funds to purchase or rent a smaller unit.

When we consider who is likely to be able to afford to live in Hinsdale, we see even more evidence of the mismatch between needs and reality.

Maximum affordable rent and affordable home prices are based on area median rents and house prices. It is likely that both of these costs have risen since this analysis was done; as we noted earlier, Hinsdale median house price is \$298,000 (RedFin September 2024).

Median household income in Hinsdale is \$67,054; statewide median household income is \$88,235. Wages for various occupations are shown below at the entry level (the average of the bottom one-third earners) or experienced (the top two-thirds of workers' average salary). As the table below indicates, almost none of these workers can afford to live in Hinsdale.

Wages and Affordability

Profession	Annual wage	Maximum affordable rent	Maximum affordable house price	Maximum affordable house price with 1.5 earners
	<i>Entry level Experienced</i>	<i>Entry level Experienced</i>	<i>Entry level Experienced</i>	<i>Entry level Experienced</i>
Assemblers/ fabricators	\$33,316 \$45,342	\$833 \$1,134	\$96,817 \$131,763	\$145,226 \$197,645
Cashiers	\$23,130 \$28,842	\$578 \$721	\$67,215 \$83,815	\$100,822 \$125,723
Childcare workers	\$19,008 \$29,588	\$475 \$740	\$55,238 \$85,983	\$82,857 \$128,975
Construction laborers	\$36,330 \$49,057	\$908 \$1,126	\$105,575 \$142,559	\$158,363 \$213,839
Fast food workers	\$22,027 \$29,300	\$551 \$733	\$64,012 \$85,147	\$96,017 \$127,720
Heavy truck drivers	\$44,489 \$64,960	\$1,112 \$1,624	\$129,286 \$188,775	\$193,928 \$283,162
Home health aides	\$26,141 \$31,944	\$654 \$799	\$75,966 \$92,828	\$113,949 \$139,243
Office clerks	\$29,851 \$52,164	\$746 \$1,304	\$86,747 \$151,589	\$130,120 \$227,383
Police and sheriff officers	\$52,827 \$76,401	\$1,321 \$1,910	\$153,517 \$222,023	\$230,275 \$333,034
Registered nurses	\$65,391 \$92,381	\$1,635 \$2,310	\$190,028 \$268,459	\$285,042 \$402,688
Retail salesperson	\$24,822 \$42,160	\$621 \$1,079	\$72,132 \$125,423	\$108,198 \$188,134
School teacher	\$47,748 \$69,729	\$1,193.70 \$1,743.23	\$131,763 \$205,000	\$210,000 \$290,135

(Analysis done by Root Policy Research for NHHFA)

As noted above, the median house price in Hinsdale is \$298,000. No single person holding one of the listed jobs can afford to purchase a house in Hinsdale. The rental situation is no better: in SW New Hampshire the median rental cost for a two-bedroom apartment is \$1760.

Fair Share Housing Distribution

Fair Share Analysis is a set of statistics that help illustrate regional housing needs projected into 2040, taking into account the current shortfall of housing units, a balanced market, and both rental and for-sale housing. The Southwest Regional Planning Commission has undertaken this analysis, which shows how much housing Hinsdale would need both as rentals and for purchase to meet its fair share of housing needs. Fair share housing needs are not a legal requirement, they are intended to show what is needed to have a balanced market across income levels. This assessment is not a mandate for communities to build such units, the assessment is intended to be used as a tool for individual communities to plan for future housing needs. Lastly, there is no penalty for a community that is unable to meet the housing unit target goals.

The Fair Share Analysis considers the existing housing and population trends and estimates how many units will be needed in the future based on population projections. It considers rental and owner-occupied units and affordability. The owner/renter splits are determined by looking at current US Census ACS data and projecting it in the future. New Hampshire’s “Workforce Housing Law” (RSA 674:58-61) uses area median income (AMI) to define affordability.

Based on the number of building permits issued and house lots created in Hinsdale over the past 10 years, if the current trends persist, Hinsdale will not meet its regional housing fair share in the coming years. Of particular note is the need for more housing that is considered affordable by the standards put forth in the Workforce Housing Law.

	Up to 2025	2025-2030	2030-2035	2035-2040
Owner occupied, >100% AMI	25	43	52	54
Owner occupied, <100% AMI	5	9	10	9
Total owner occupied	30	52	52	63
Renter occupied, >60% AMI	6	10	13	14

	Up to 2025	2025-2030	2030-2035	2035-2040
Renter occupied, <60% AMI	10	18	23	26
Total rental units	16	28	36	40
Total Fair Share target	46	70	88	103

Workforce Housing Standards

According to New Hampshire Housing Finance Authority’s publication “New Hampshire’s Workforce Housing Law, a 10-Year Retrospective on the Law’s Impact on Local Zoning and Creating Workforce Housing”, published in December, 2021, “New Hampshire’s Workforce Housing Law requires municipalities to provide “reasonable and realistic opportunities for the development of workforce housing in a majority of their residentially zoned areas. For an opportunity to be reasonable and realistic, workforce housing must be “economically viable,” meaning that it must return a reasonable profit to a developer. The law additionally defines the terms “affordable” and “workforce housing” to guide municipalities in their efforts to comply with the law. The law requires every municipality to provide a “fair share” of its region’s need for workforce housing.”

Fair Share Analysis is a set of statistics that help illustrate regional housing needs projected into 2040, taking into account the current shortfall of housing units, a balanced market, and both rental and for-sale housing. Root Policy Research undertook this analysis for the New Hampshire Housing Finance Authority; the analysis shows how much housing Hinsdale would need both as rentals and for purchase to meet its fair share of housing needs. Fair share housing needs are not a legal requirement; they are intended to show what is needed to have a balanced market across income levels. This assessment is not a mandate for communities to build such units; the assessment is intended to be used as a tool for individual communities to plan for future housing needs. Lastly, there is no penalty for a community that is unable to meet the housing unit target goals.

The table above shows how many units of each type Hinsdale would need to create in each five-year period in order to meet its fair share of housing needs. The table was created using data from the Southwest New Hampshire Regional Planning Commission’s 2023 Regional Housing Needs Assessment.

Workforce housing is housing that’s “affordable” for rental for a family of 3 making 60% of Area Median Income. For purchase, workforce is attainable for a family of 4 making 100% of Area Median Income. Housing is determined to be affordable when no more

than 30% of income must be spent on housing (rent + utilities; or mortgage principal and interest, taxes, and insurance). While the state statute does not mention transportation costs as part of affordability, we know that they impact the cost of living for every family.

Towns are required to provide reasonable and realistic opportunities in most of the town for economically viable workforce housing. In order to determine whether this opportunity exists the collective impact of land use ordinances and regulations must be considered. As part of this the ability to create a multi-family building of five or more dwelling units must be possible. While Hinsdale allows this, the cumulative effect of the town's land use code and current construction costs makes it very unlikely that such housing can actually be created in an economically viable fashion.

Conclusions

Hinsdale needs more housing choice and more housing availability, particularly at lower price points. Very little housing of any kind has been added to Hinsdale in the past 20 years. Demographic changes are only going to exacerbate this situation.

This report was prepared by Ivy Vann Town Planning in September 2024