

Introduction

North Hampton's population has remained stable over the past decade, growing by 1% over the past decade, while some communities experienced major shifts. The region (RPC communities) as a whole saw slightly more growth than the State on average.

Table 1- Population in Rockingham Planning Commission Region

Town	1980	1990	2000	2010	%change '00-'10
Atkinson	4,397	5,188	6,178	6,751	9.3%
Brentwood	2,004	2,590	3,197	4,486	40.3%
Danville	1,318	2,534	4,023	4,387	9.0%
East Kingston	1,135	1,352	1,784	2,357	32.1%
Epping	3,460	5,162	5,476	6,411	17.1%
Exeter	11,024	12,481	14,058	14,306	1.8%
Fremont	1,333	2,576	3,510	4,283	22.0%
Greenland	2,129	2,768	3,208	3,549	10.6%
Hampstead	3,785	6,732	8,297	8,523	2.7%
Hampton	10,493	12,278	14,937	15,430	0.3%
Hampton Falls	1,372	1,503	1,880	2,236	18.9%
Kensington	1,322	1,631	1,893	2,124	12.2%
Kingston	4,111	5,591	5,862	6,025	2.8%
New Castle	936	840	1,010	968	-4.2%
Newfields	817	888	1,551	1,680	8.3%
Newington	716	990	775	753	-2.8%
Newton	3,068	3,473	4,289	4,603	7.3%
North Hampton	3,425	3,637	4,259	4,301	1.0%
Plaistow	5,609	7,316	7,747	7,609	-1.8%
Portsmouth	26,254	25,925	20,784	20,779	2.2%
Rye	4,508	4,612	5,182	5,298	2.2%
Salem	24,124	25,746	28,112	28,776	2.4%
Sandown	2,057	4,060	5,143	5,986	16.4%
Seabrook	5,917	6,503	7,934	8,693	9.6%
South Hampton	660	740	844	814	-3.6%
Stratham	2,507	4,955	6,355	7,255	14.2%
Windham	5,664	9,000	10,709	13,592	26.9%
RPC REGION	134,145	161,071	178,997	191,975	7.3%
STATE OF NEW HAMPSHIRE	920,475	1,109,117	1,235,786	1,316,256	6.5%

Source: US Census

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Over the course of the past decade, North Hampton acquired more new housing units than new residents. While the population only grew by about 1% (42 people), the housing stock grew by 7.41% (132 units). This phenomenon occurred across the region. Several factors may help explain why our region is adding more housing units than residents.

Table 2 – Housing Units

Town	1980	1990	2000	2010	% Change '00-'10
Greenland	728	1,082	1,244	1,443	16.00%
Hampton	4,437	8,599	9,349	9,921	6.12%
North Hampton	1,255	1,495	1,782	1,914	7.41%
Portsmouth	8,634	11,369	10,186	10,625	4.31%
Rye	1,812	2,443	2,645	2,852	7.83%
Stratham	844	1,917	2,371	2,864	20.79%
Rockingham County	68,132	101,773	113,023	126,709	12.11%

Source: US Census

One factor that is common throughout the region is the reduction in average household size. This might be attributed to empty nesters, fewer people having children, smaller families or other reasons. Between 2000 and 2010, the average family size in North Hampton dropped by 4.31%, slightly higher than the average over Rockingham County.

Table 3 – Average Household Size

Area	2000	2010	% Change '00-'10
North Hampton	2.55	2.44	-4.31%
Rockingham County	2.63	2.54	-3.42%

Source: US Census

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One factor that relates to the large difference between growth in housing units versus population is the rise in vacant units, as show in Table 4.

Table 4 – Total vs Occupied Housing Units

North Hampton	2000	2010	% Change '00-'10
Total Units	1,782	1,914	7.41% (+132)
Occupied Units	1,671	1,760	5.33%(+89)

Source: US Census

The specific vacancy changes are as follows:

- Seasonal Units rose from 52 in 2000 to 74 in 2010
- Vacant units increased from 111 in 2000 to 154 in 2010
- Homeowner vacancy rate increased from 1.4% in 2000 to 2.2% in 2010
- Rental vacancy rose from 3.9% in 2000 to 7.2% in 2010
- Other vacancies include some not factored in the homeowner and rental vacancy rate such as seasonal units, units for sale and "other" vacant).

In assessing potential future housing growth, North Hampton must evaluate its ability to accommodate the projected demand that will be placed on the community. By the year 2020, the Office of Energy and Planning projects that North Hampton's population will reach 5,040 (2007 estimate). Under this projection and assuming the 2010 occupancy rate (2.25 persons per unit) North Hampton may gain approximately 326 units between the years 2010 and 2020. Based upon current and historic building permit records this estimate appears to be slightly high. In the last iteration of this chapter the same analysis was performed, concluding that using OEP estimates the town could gain 336 housing units between 1990 and 2000. Instead, North Hampton gained 287 housing units during this time. Given the current housing market, as well as availability of land suitable for residential development in town, a strong case can be made that the OEP projections are slightly high. Also, as land suitable for residential development becomes more scarce, the likelihood of meeting these projections may be inhibited without zoning changes or redevelopment along Lafayette Road. Conservation and agricultural efforts may also reduce the amount of land available to residential development in the future.

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Housing Types

While North Hampton's zoning ordinance provides for a range of housing types, single family homes compose the bulk of the housing stock. The town also accommodates a relatively large number of mobile homes. Table 5 illustrates North Hampton's housing stock relative to the surrounding towns.

Table 5 - Area Housing Stock (2009)

Town	Single Family Detached	Multi-Family	Mobile Home	Total
Greenland	1,081	321	6	1,408
Hampton	5,416	4,217	278	9,911
NORTH HAMPTON	1,500 (76.8%)	146 (7.5%)	307 (15.7%)	1,953
Portsmouth	4,224	6,097	279	10,600
Rye	2,286	357	75	2,718
Stratham	2,079	725	13	2,817
Rockingham County	81,796 (64.6%)	36,789 (29%)	8,074 (6.4%)	126,659

Source: Current Estimates and Trends in New Hampshire's Housing Supply, NH Office of State Planning, 2010

The table above reveals that North Hampton provides fewer multi-family dwellings relative to the surrounding towns in the area. However, the table also demonstrates that North Hampton provides a proportionately high number of mobile homes as compared with some of the surrounding towns.

North Hampton exhibits a variety of types of housing by supporting 7.5% of its units in multi-family housing and 15.7% in mobile homes. In 1990, multi-family accounted for 8.4% of units and mobile homes accounted for 17.6% of housing units. The decrease in both portions of North Hampton's total housing stock signifies a slight shift to an increasingly predominant single-family home community. However, North Hampton's mobile home housing is at a level well above that of the County's (6.4%). Opportunities for a variety of housing types in North Hampton demonstrate the Town's success in contributing to regional housing needs, discussed later in this chapter.

New Hampshire State law does not allow towns to inhibit growth. However, because of continuing growth, North Hampton must regularly update its land use regulations to ensure that

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the growth continues in a sensible manner that is in harmony with the Town's conservation and agricultural efforts.

Economic Status

One test to provide some indication if North Hampton's current land use controls are increasing housing values is to compare recent trends in housing costs with other communities. At the time this chapter was written, housing value data was not yet available in the 2010 Census: 1990 and 2000 data are used instead. From Table 6, it is clear that housing values have increased in North Hampton. However, during the 1990's, housing values increased dramatically throughout the region. While North Hampton's increase in median housing value of 12.75% is slightly higher than that of the County, it is the lowest among its neighboring communities.

Table 6 Median Housing Values

Town	Median Housing Value (1990)	Median Housing Value (2000)	% Change '90-'00
Greenland	\$168,100	\$213,000	26.71%
Hampton	\$162,500	\$190,400	17.17%
North Hampton	\$187,400	\$211,300	12.75%
Portsmouth	\$137,600	\$168,600	22.53%
Rye	\$214,100	\$311,300	45.40%
Stratham	\$177,700	\$207,200	16.60%
Rockingham County	\$149,800	\$164,900	10.08%

Source: 1990 & 2000 Census Data STF1

During this period of time, median rents increased at a much greater rate than median housing values across all towns observed and the County as a whole, as shown in Table 7 on the following page. Once again, the increase seen in North Hampton was relatively low and very similar to the county-wide trend.

Table 7 Median Rents

Town	Median Rent (1990)	Median Rent (2000)	% Change '90-'00
Greenland	\$690	\$885	28.26%
Hampton	\$540	\$682	26.30%
North Hampton	\$547	\$706	29.07%
Portsmouth	\$467	\$727	55.67%
Rye	\$611	\$929	52.05%
Stratham	\$661	\$865	30.86%
Rockingham County	\$541	\$717	32.53%

Source: 1990 & 2000 Census Data STF1

While homeownership may be more expensive in North Hampton than some other communities, the housing market appears to have been more stable than others between 1990 and 2000. On the other hand, rental costs remained lower than most of the adjacent communities, and right in line with the County average. As a result, there is no reason to suspect that the Town's land use controls are affecting housing costs in an unusual manner.

Affordable Housing Needs

NHRSA §36:47 requires that each regional planning commission compile a regional housing needs assessment, including an assessment of the regional need for housing for persons and families of all levels of income. Municipalities are, in turn, required (RSA 674:2(I)) to assess the need for housing in their community while considering the needs in the wider region. RSA 674:58-61 requires that towns provide "reasonable and realistic" opportunities for workforce housing to be developed unless they can show that their current housing stock meets the current (2006) and reasonably foreseeable need (2015).

In March 2009, the Town of North Hampton voted to adopt an Inclusionary Housing Ordinance into its Zoning Ordinance to provide "reasonable and realistic" opportunities for workforce housing to be developed. This ordinance, found under §418 of the North Hampton Zoning Ordinance, provides a density bonus and dimensional relief considerations to promote the development of workforce housing units. Its purpose is as stated:

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- A. To encourage and provide “realistic and reasonable opportunities” for the development of “workforce housing” as defined in RSA 674:58-61;
- B. To ensure the continued affordability of workforce-housing dwelling units for home ownership and rental by low to moderate income households that are developed under the provisions of the ordinance;
- C. To meet the goals related to housing set forth in the Master Plan [previous Master Plan goals were met by this ordinance];
- D. To comply with the requirements of Chapter 299, Laws of 2008, an act establishing a mechanism for expediting relief from municipal actions which deny, impede, or delay qualified proposals for workforce housing.

Regional Housing Needs Assessment

The basic methodology used in the RPC’s Regional housing Needs Assessment was developed in 2004 as a joint effort of the NH Housing Finance Authority, the NH Office of State Planning and the NH Regional Planning Commissions. This analysis differed from past attempts (which were based on Census-derived estimates of housing overpayment) in that it tied the estimate of present and future regional housing based on employment in the region using a housing production model. In other words, it associated the demand for housing on projected future economic development -- as indicated by employment growth. This revised method did not include town-by-town estimates of housing “fair share”, but focused instead on regional needs for housing for households of different incomes, age groups and tenure (owner vs. renter).

In October 2008 the RPC updated its housing needs assessment using the same housing production model methodology that was released by the NHHFA in 2004. It uses 2006 as the base year and 2015 for the projection year. It was updated in part to incorporate currently available housing, employment and income data, and in part to respond to the enactment of SB342, which was passed in June 2008. The new law includes new income based definitions for workforce housing and requires certain zoning and regulatory standards be met if a community does not meet its “fair share” of the regional housing need. To be consistent with these provisions, the 2008 Update uses the legislatively defined income levels to determine workforce housing thresholds and expands the regional housing needs estimates to the town level by assigning a proportionate fair share estimate for each Town based on their share of all housing in the region. For additional details see Regional Housing Needs Assessment, Rockingham Planning Commission, October 2008. The regional fair share number is presented as both a percentage and an actual number, shown for both the base year (2006) and the projection year (2015). For North Hampton those numbers are 824 for 2006 and 927 for 2015, both representing 46% of the Town’s estimated housing stock, and 1.9% of the region’s workforce

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housing need (see Table 7). These are the gross numbers of workforce housing based on Census and OEP household estimates that North Hampton would need to meet its regional share.

Table 7 – Regional Housing Needs

Area	Estimated Workforce Housing Need -2006	Estimated Workforce Housing Need -2015
North Hampton	824	927
RPC Region	35,053	39,438
North Hampton as % of Region	2.4%	2.4%

Source: RPC Regional Housing Needs Assessment, October 2008

As specified in the law, workforce housing is defined for owned homes as housing that is affordable for a four person family earning 100% of the median family income, and for rented homes, affordable for a family of three earning 60% of the median family income. Median income is established by the Housing and Urban Development agency (HUD) within designated fair market rent areas (HMFAs). North Hampton is located within the Portsmouth-Rochester NH HFMA. The median income for a four person household in this HFMA in 2010 was \$81,600, translating to an estimated maximum housing purchase price of \$261,000 with a 10% down payment. For renter affordability, 60% of the median income for a 3 person family was \$44,060, translating to a maximum affordable monthly rent of \$1,100.

According to the 2008 Regional Housing Needs Assessment, North Hampton can be said to be providing its fair share with 824 units (in 2006) and 927 (by 2015) that meet the standards of workforce housing. A method for estimating whether or not a community is currently meeting its fair share using these affordability thresholds is suggested in the regional housing needs analysis as follows:

- for owner housing: town assessor records can be used to estimate the number of homes that have an assessed value that is less than the maximum purchase price (\$261,000) of homes needed to qualify as “workforce housing”
- for rental housing: use the NH Housing Finance Authority’s current rental price survey data to estimate the portion of the rental properties in the region that meet the affordability criteria (gross rent is less than 30% of household income) and multiply that by the number of rental units in the Town (using 2010 Census)

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Existing and Projected Workforce Housing in North Hampton

The Town of North Hampton furnished the RPC with the Town Assessor's data. This provides the best available data for determining existing housing value for owner-occupied housing units. The data was analyzed to determine the number of residential properties that had a threshold value of \$261,000, the estimated affordable purchase price for 2010 issued by the New Hampshire Housing and Finance Authority. It is important to stress that this analysis is an approximation. There are several factors that may influence the true number of units that are not accounted for here. For instance, it is unknown from the assessor's data base if a unit is age-restricted, a unit type that does not qualify as workforce housing. Also, current market conditions may not be reflected in the assessed values. That said, there are approximately 793 housing units in North Hampton that meet the affordable purchase price.

To include apartment information into this analysis, the RPC reviewed data supplied by the New Hampshire Housing Finance Authority (NHHFA) and the U.S. Census. NHHFA conducts a detailed rental price survey each year. According to the 2010 Census, North Hampton has 203 renter-occupied units. According to the rental cost survey data published by the NHHFA in 2000, 66% of rental units in the Portsmouth-Rochester, NH HMFA area are "workforce affordable." Again, the following estimate is approximate. It should be noted that the most recent rental cost survey is from 2000, as indicated; therefore discrepancy between the data and reality is likely. These numbers would suggest that North Hampton currently provides 134 workforce affordable rental units (203 units x 66% affordable).

See summary below:

Summary of Fair Share Analysis

- | | | |
|----|------------------------------------------------------|-----|
| 1. | Affordable Purchase Price (Assessor's Data) | |
| | • Properties with assessed value \leq \$261,000*: | 793 |
| | * assumes 10% down payment, 30 yr conventional mort. | |
| 2. | Affordable Rental Price (NHHFA & US Census) | |
| | • Gross rent \leq 30% Household Income: | 134 |
| 3. | Maximum possible workforce housing units | 927 |

The summary above says "Maximum possible" rather than "Total" due to the likelihood of the following factors: double-counting between the purchase and rental units; lack of information regarding seasonal units; lack of information regarding vacant units; and lack of information

regarding age-restricted units. Regardless, it is apparent that North Hampton provides a large number of workforce housing units relative to its overall housing stock. Again, the fair share numbers established for North Hampton in the Housing Needs Assessment are 824 (in 2006) and 927 (by 2015). It appears that the current stock is very close to meeting these goals, and with the adoption of the Inclusionary Housing Ordinance in 2006, the Town has shown continued support and involvement in addressing the State's housing needs.

RECOMMENDATIONS:

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