

Fitzwilliam 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 Fitzwilliam 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. Fitzwilliam's primary form of housing is single family detached: 85 % of all units
2. Single family detached is the most expensive form of housing
3. Seventy-five percent of Fitzwilliam households are one or two person households
4. The median age in Fitzwilliam is 51; 35% of residents are over 55
5. Under current zoning large houses on large lots are the most likely housing to be built, given the minimum lot size and frontage requirements.
6. Most jobs do not pay enough to allow purchasing or renting a home in Fitzwilliam
7. Median house price in Fitzwilliam is \$365,000

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.

Fitzwilliam demographics

Demographic information reveals that Fitzwilliam’s population has gotten older and wealthier in the recent past, as has the population of the entire state.

	Total	<5	5-19	20-44	45-64	65-85+
2010	2396	126	131	635	880	333
2020	2351	78	218	576	839	536
% +-	-1%	-40%	+160%	-10%	-5%	+40%

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

2010 Median age 45.4 2020 Median age 51.6

Fitzwilliam’s median age is 6 years higher than the state median of 45 years and 8 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. Fitzwilliam’s median age increased 11% between 2010 and 2023. Only 7%, 175, of Fitzwilliam households have a child under 18; 35% have a resident over 55 years of age.

2010 income	Median household	Mean household
	\$67,993	\$71,342
2023 income	Median household	Mean household
	\$85,733	\$104,296

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. Mean household Income is calculated by dividing the total household income by the number of households. Eighteen percent of Fitzwilliam’s residents live at or below 150% of the federal poverty line; nine percent live under the federal poverty line. In 2010, only 6% of Fitzwilliam’s residents were living below the federal poverty line. In Fitzwilliam the median household income increased 1% between 2010 and 2023.

Household composition

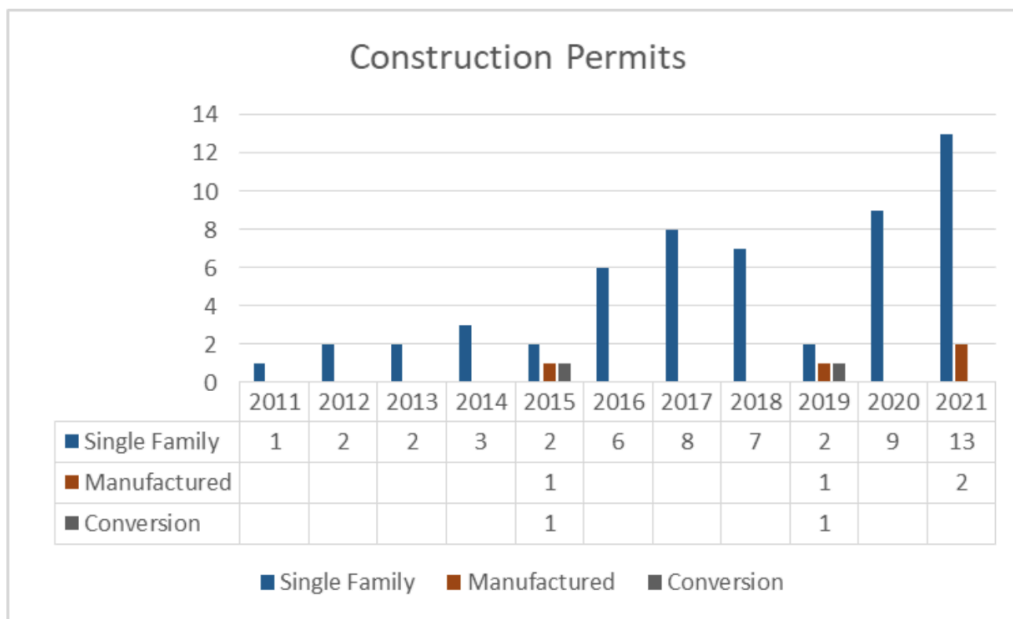
	Total	1 person	2 person	3 person	4+ person
2010	973	240	395	143	195
2023	1013	262	543	102	106

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

The number of households in Fitzwilliam increased by only 1 percent between 2010 and 2020, at the same time that the total number of residents decreased slightly. Household size in Fitzwilliam was 2.5 in 2010; and dropped to 2.2 between 2010 and 2020. Average family size is 2.75 in 2023. Seventy-five percent of Fitzwilliam households are one or two-person households.

Housing characteristics

Fitzwilliam’s primary form of housing is a detached single family house: 85% of all residences. Only 3% of all housing units are in a building with two units; 10% are mobile homes. The town added 54 single family houses between 2010 and 2020; no multi-family units were added during that time.



As a bedroom community, the Rural and Residential zoning districts make up the majority of parcels in Town at 20,562 acres, or about 89% of all land. Single family detached is the only housing type allowed by right in these districts; duplexes and multifamilies are permitted only by special exception. Attached accessory dwelling units are permitted by conditional use permit and require owner occupancy,

Mismatch between demographics and housing

The primary housing type in Fitzwilliam is a detached single family house located on a large lot. The minimum lot size in the Residence 1 zone is 40,000; with the rural zone requiring 120,000 square feet for a single family home. Residence 1 requires 100 feet of road frontage, and Rural District requires 300 feet of road frontage for a single family house. As the land use code stands now it is unlikely that any form of housing other than single family detached houses will be built in Fitzwilliam.

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 40,000 square feet, and certainly do not require 100 feet of frontage.

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 Fitzwilliam 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.

Fitzwilliam's housing stock is the stereotypical big house on a big lot with a long frontage. Because these lots are so 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. Fifty-one percent of Fitzwilliam's housing units were constructed between 1980 and 2013, the same years that the average size of an American house dramatically increased.¹

“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>

¹ The size of a single-family house increased 150% between 1980 and 2021, from 1,550 square feet to 2,273 sq ft. (Data from U.S. Census Bureau)

Demographics show that 75% of the households in Fitzwilliam are composed of one or two persons. The largest cohort of residents, 35%, 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.

The average household size in Fitzwilliam dropped 2% between 2010 and 2020, according to American Community Survey data analyzed by Southwest Regional Planning Commission, from 2.41 to 2.2 persons per household.

Some of these one- and two-person households in Fitzwilliam 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.

Not only are most of the houses in Fitzwilliam large, they are also expensive: the median Fitzwilliam home sale price is \$365,000 according to Redfin.com in August 2024. That house price is likely to be well out of reach for a couple or family buying their first house: it requires an annual income of nearly \$80,000, if the buyer can apply \$73,000 (20%) as a down payment.

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 Fitzwilliam 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, Fitzwilliam's median house price is \$365,000 (RedFin August 2024); and since no rentals are available we can only assume they are considerably more expensive than assumed here.

Median household income in Fitzwilliam is \$85,733; 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 Fitzwilliam.

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 Fitzwilliam is \$365,000. No single person holding one of the listed jobs can afford to purchase a house in Fitzwilliam. The rental situation is no better: in SW New Hampshire the median rental cost for a two bedroom apartment is \$1760. There were no rentals for comparison in Fitzwilliam at the time of this writing, but there is no reason to believe that if there were rentals they would be any more affordable.

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 Fitzwilliam 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 Fitzwilliam over the past 10 years, if the current trends persist, Fitzwilliam 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	2030-2040
Owner occupied, >100% AMI	11	20	23
Owner occupied, <100% AMI	16	29	36
Total owner occupied	27	49	59
Renter occupied, >60% AMI	4	7	9
Renter occupied, <60% AMI	10	18	24
Total rental units	14	25	33
Total Fair Share target	41	74	92

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 Fitzwilliam 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 Fitzwilliam 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 Fitzwilliam allows this, the cumulative effect of the town's land use code makes it very unlikely that such housing can actually be created in an economically viable fashion.

Conclusions

Fitzwilliam's current housing stock, and the housing stock likely to be created under the existing land use code, is a mismatch for the town's demographics and a mismatch for workforce or affordable housing creation.

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

