

# **New London, NH Housing Needs Assessment**

**October 2024**

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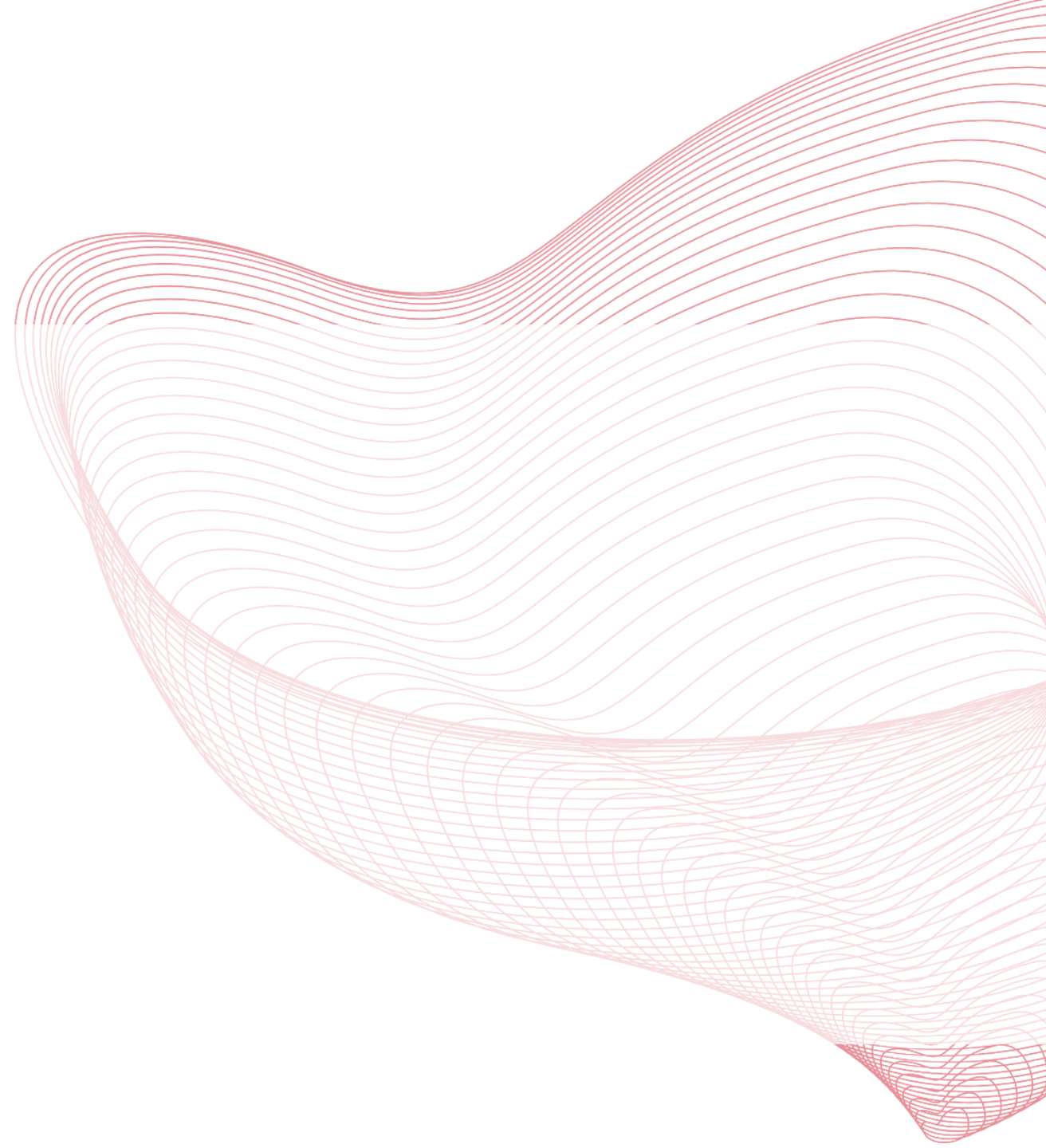
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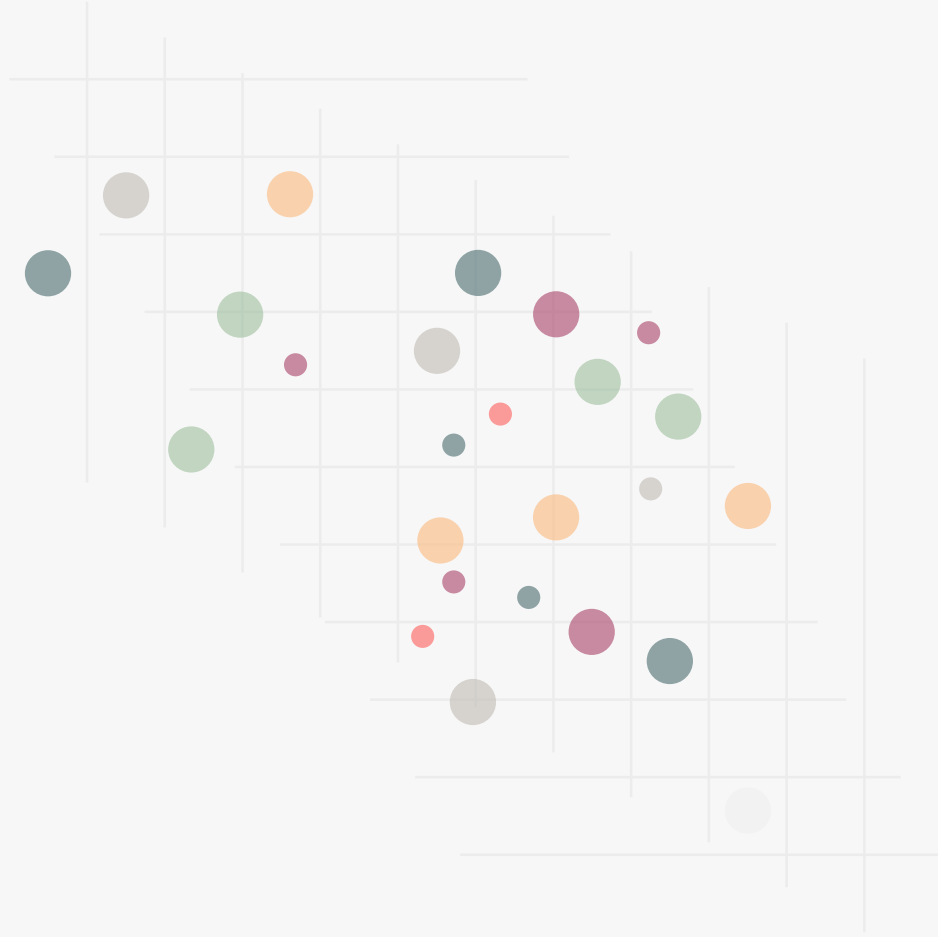


# Introduction

New London, New Hampshire, is a picturesque town located in the Upper Sunapee Region, known for its charming rural landscape and vibrant community. Founded in the early 18th century, New London has a rich history that includes its development as a center for agriculture and trade. The town's population, which currently stands at approximately 4,400 residents, has evolved over the years, drawing individuals and families attracted to its scenic beauty, outdoor recreational opportunities, and strong sense of community.

New London is home to several notable institutions, including Colby-Sawyer College, which adds to the town's educational and cultural offerings. The town is also known for its access to lakes, mountains, and hiking trails, making it a desirable destination for outdoor enthusiasts.

Despite experiencing modest population growth in recent years, New London faces challenges such as the need for affordable housing and infrastructure improvements to accommodate a shifting demographic landscape that includes both empty nesters and younger residents. The town's commitment to preserving its unique character while adapting to the needs of its evolving community remains a focal point for local leadership and residents alike.

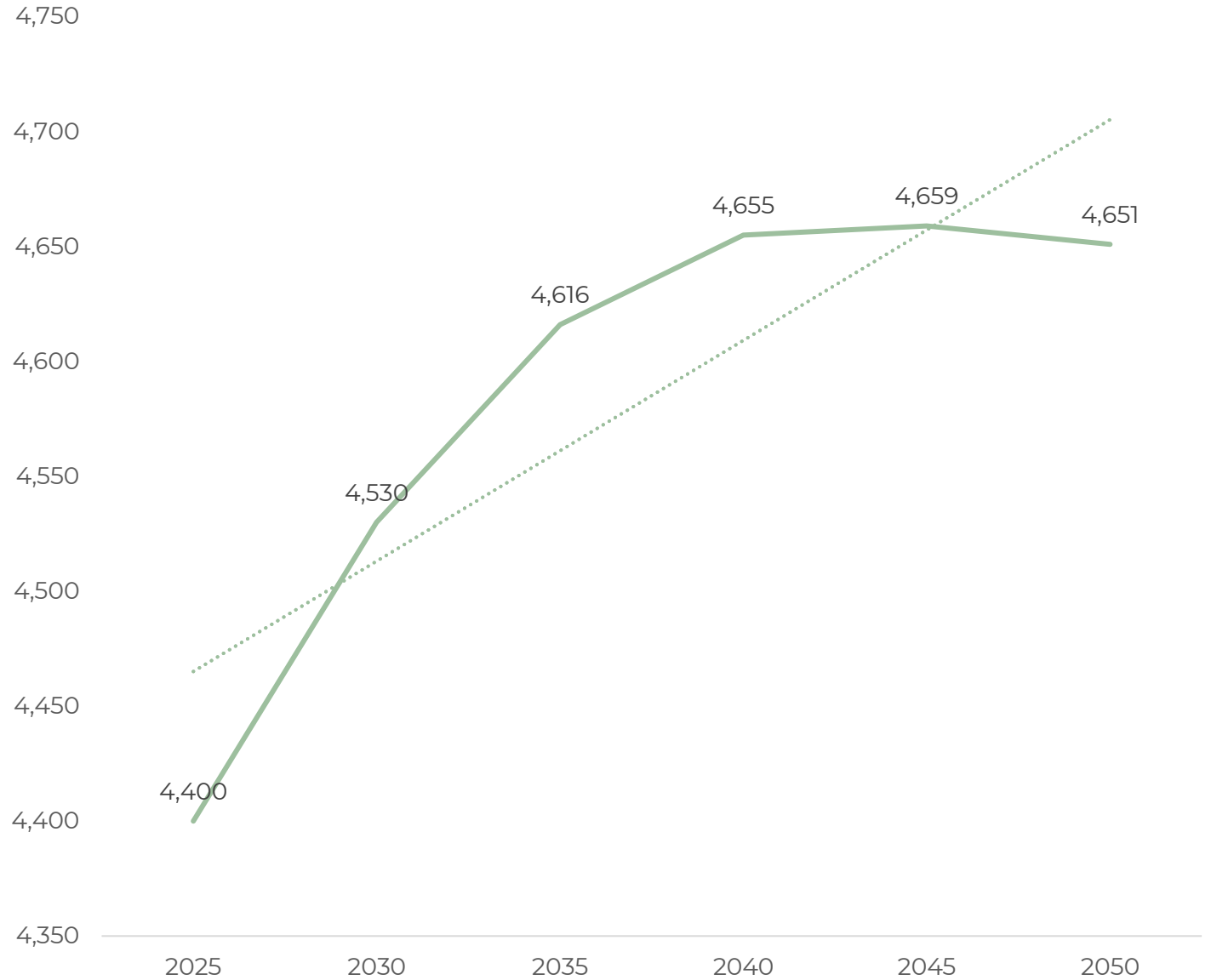


# Demographics

## Population and Age

New London, New Hampshire, has experienced modest population growth in recent years, driven by its appealing rural lifestyle and access to outdoor recreational activities. As of the latest estimates, the town's population stands at around 4,400 residents. Projections suggest a continued, albeit gradual, increase through 2045, influenced by factors such as migration from urban areas and the influx of retirees. This growth presents both opportunities and challenges, including the need for affordable housing options and infrastructure improvements to accommodate an evolving demographic landscape while preserving the community's unique character.

### Total Population Projection, New London, NH 2025-2050

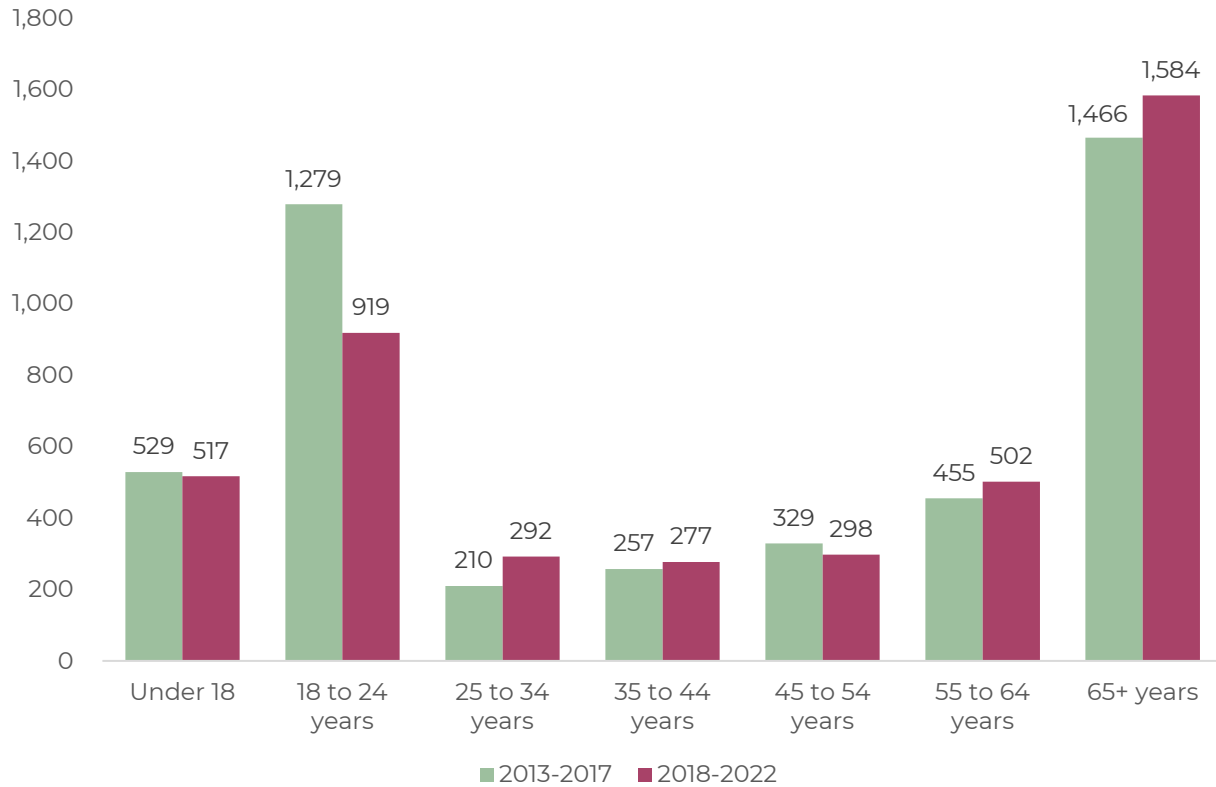


Source: Upper Valley Lake Sunapee Regional Housing Needs Assessment 2023

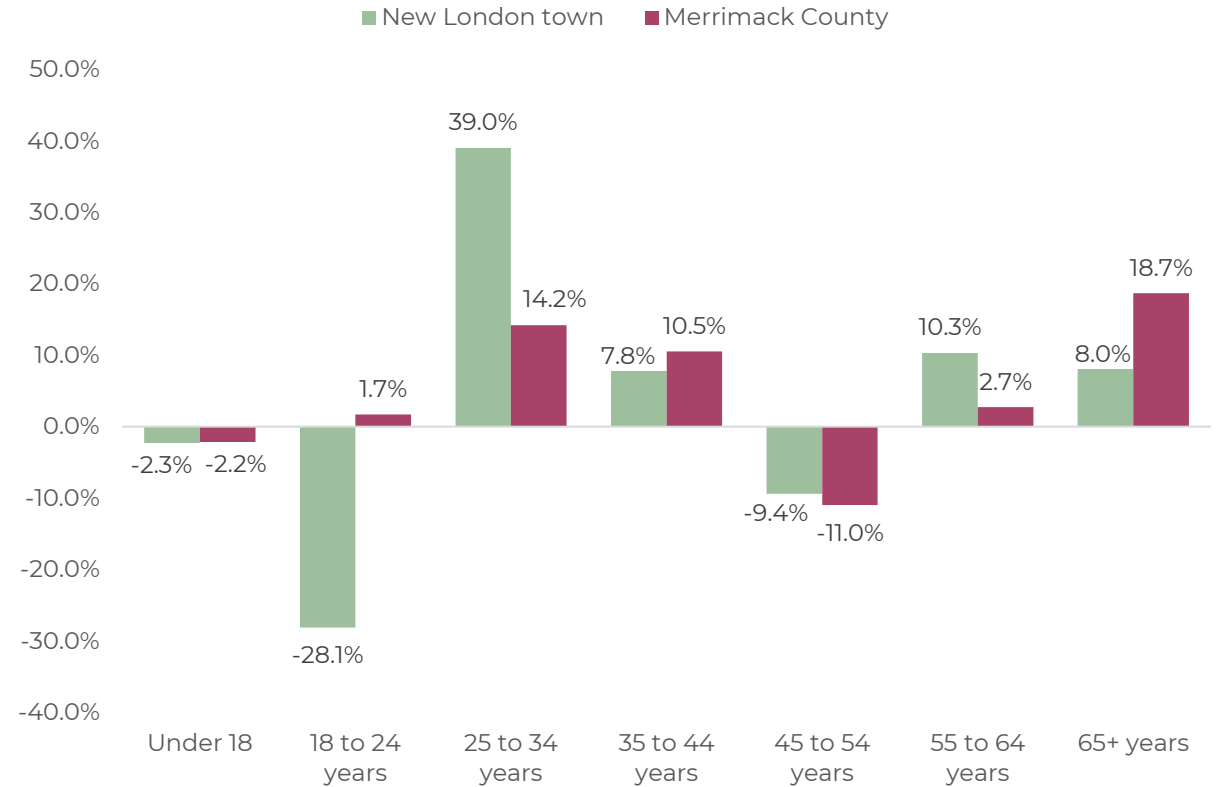
# Population and Age

Between 2018 and 2022, New London, New Hampshire, had a total population of 4,389, with 54% of residents over the age of 45 and 36% aged 65 and older. Despite a decline in total population over the past ten years from 4,525 to 4,389 residents, New London is experiencing a notable influx of empty nesters aged 55 and older, alongside a growing number of residents aged 25 to 34. This demographic shift highlights a need for smaller housing units to cater to the rising number of smaller households moving to New London.

**New London Population by Age, 2013-2022**



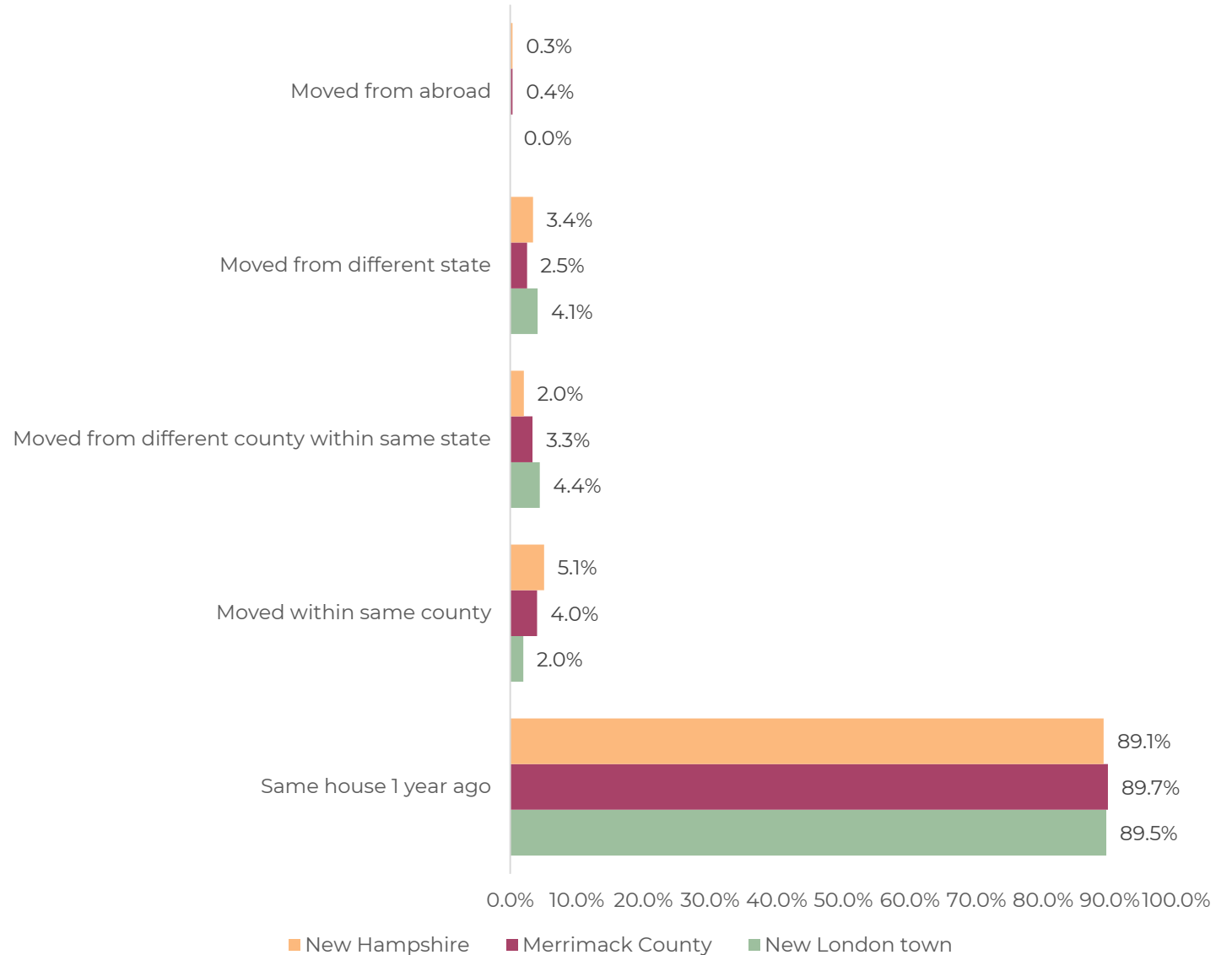
**Change in Population by Age, 2013-2022**



## Residential Stability

Like Merrimack County and the State, about 90% of New London residents remained in their home from the year before choosing to stay rooted in their current residence. The data suggests that while there is some movement within and outside the area, the overall mobility rates are not exceptionally high, indicating a relatively stable population in New London.

New London has a high rate of residential stability.



## Tenure

Like Merrimack County and the State, the largest influx of residents in New London, about 64%, moved in between 2000 and 2014. In contrast, only about 13% have moved in since 2015, indicating a relative stability in the housing market over recent years. This trend suggests that many residents have established long-term roots in the community, highlighting the importance of addressing the needs and preferences of both long-term residents and newcomers.

### Tenure By Year Householder Moved into Unit, 2013-2022



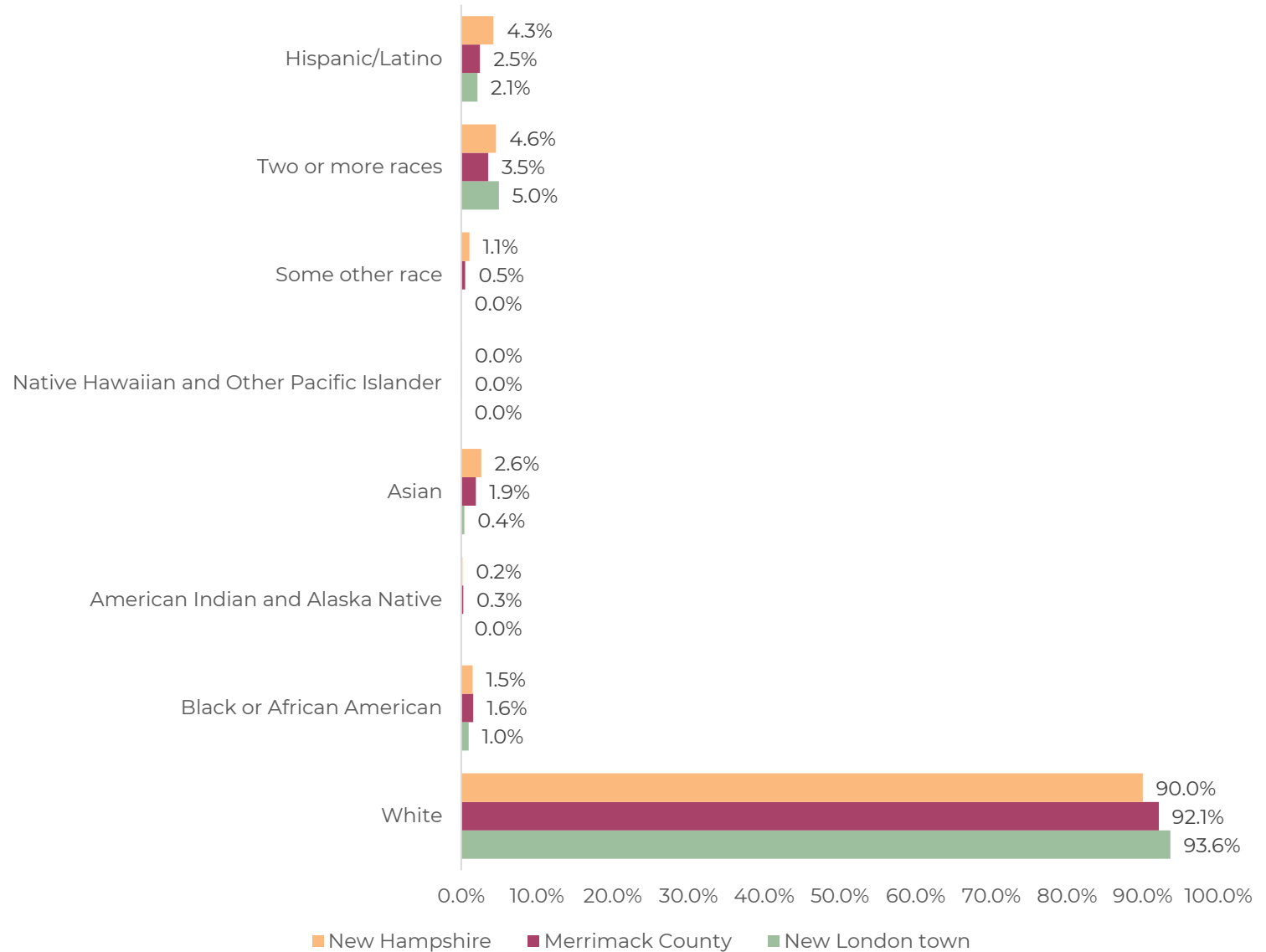
## Race and Ethnicity

### New London's population remains predominantly white.

The racial and ethnic diversity of New London's population mirrors that of the region and the state with about 94% of town residents identifying as White. Although the percentage of residents identifying as White decreased since 2013, the percentage change fell from 94.3% to 93.6%.

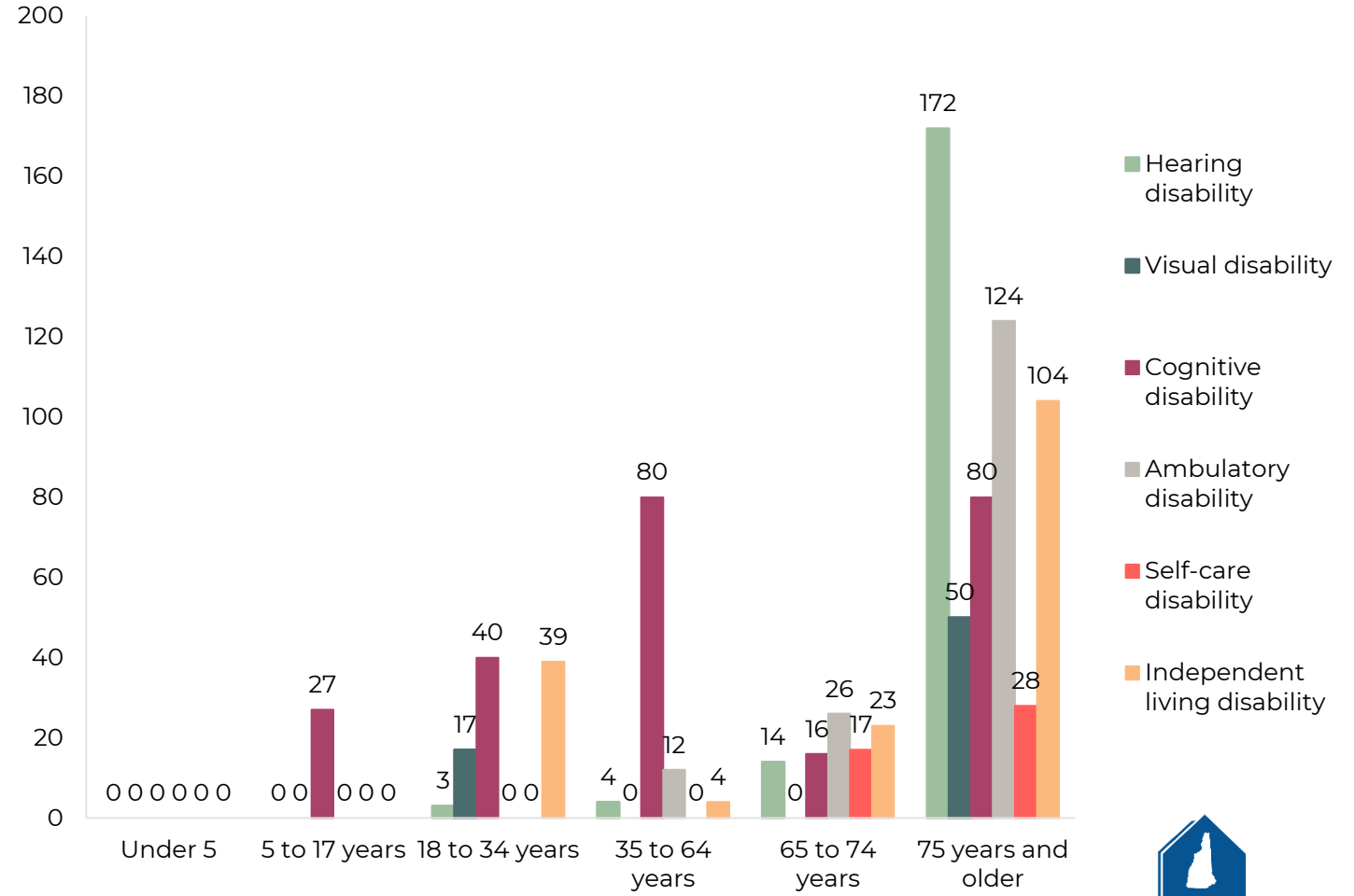
The change in racial and ethnic composition was largely driven by an increase in residents identifying as Two or more races. Residents identifying as Two or more races increased from 69 to 218 since 2013. Interestingly, New London saw a decrease in the number of residents identifying as Hispanic or Latino, falling 47% (83 residents) since 2013.

Population by Race/Ethnicity in New London, NH 2018-2022



In New London, the distribution of disabilities by age reveals that the majority of individuals with disabilities are over the age of 65. Within this demographic, a significant portion experiences hearing disabilities, ambulatory disabilities, and challenges related to independent living. This trend underscores the increasing demand for resources and support specifically designed for an aging population. It also emphasizes the necessity for more affordable and accessible housing options, as well as enhanced community services, to improve the quality of life for older residents with disabilities.

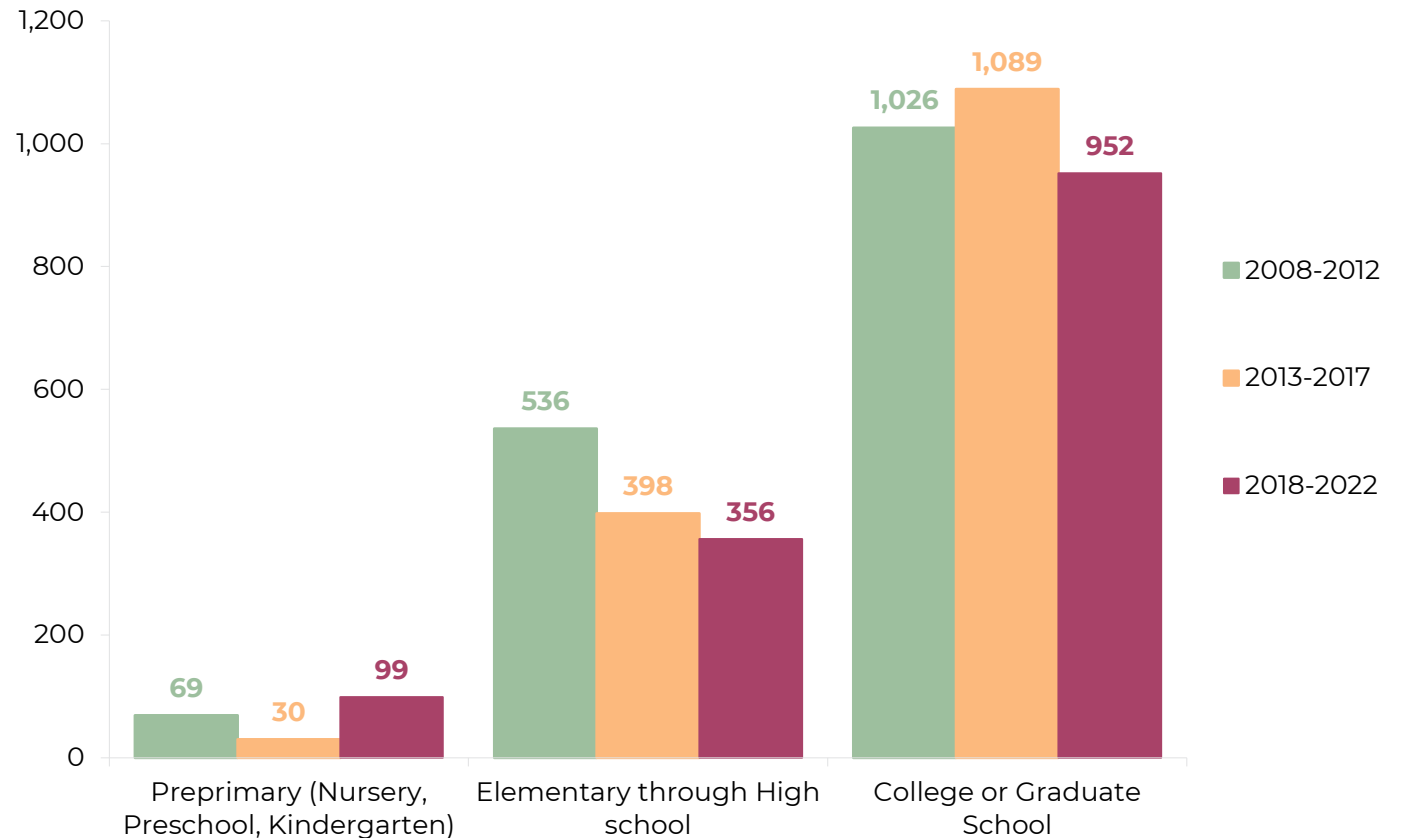
**Type of Disability by Age**



**Education**

New London is served by the Kearsarge Regional School District, which encompasses the towns of Bradford, Newbury, Sutton, Springfield, Warner, and Wilmot. This regional district comprises seven schools, ranging from preschool to high school, and serves approximately 1,700 students. However, school enrollment has experienced a decline between 2018 and 2022, likely due to the decrease in residents under the age of 18 over the past ten years, further impacted by the effects of COVID-19. Notably, New London is also home to Colby-Sawyer College, which adds a vibrant educational presence to the community and contributes to the town's appeal as a destination for new residents.

Source: New Hampshire Housing, 2024

**School Enrollment, 2008-2022**

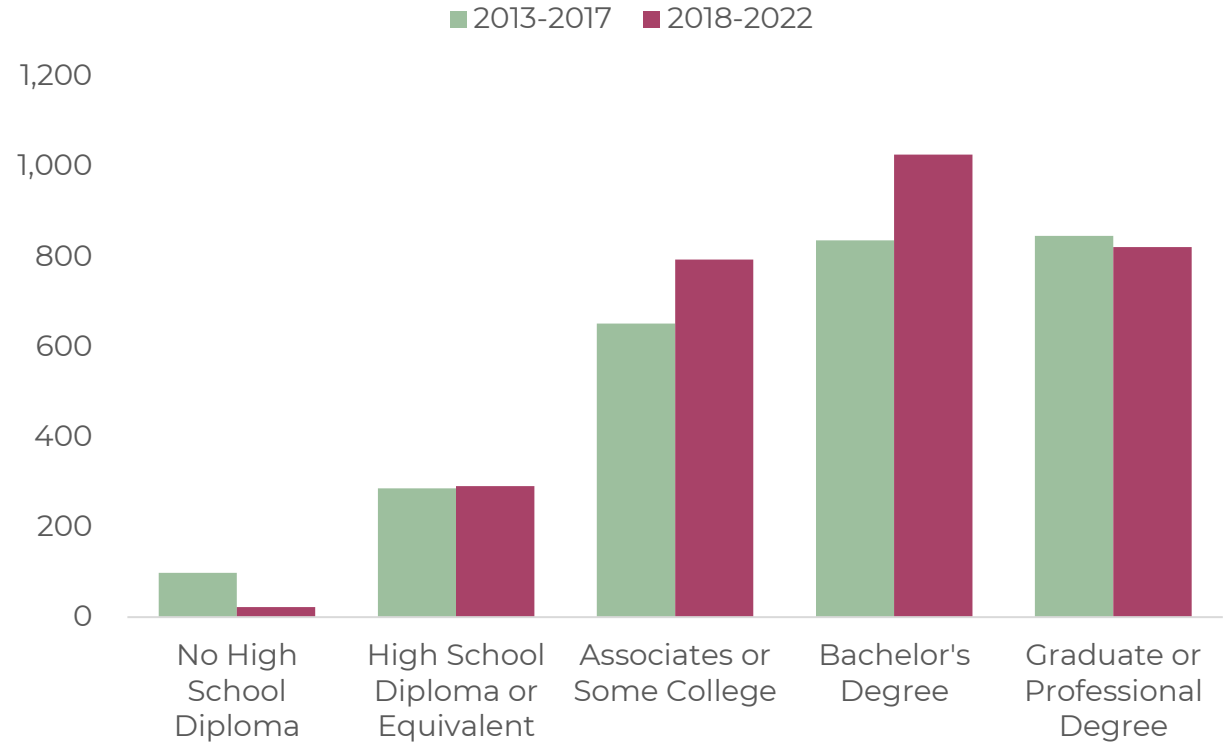
# Education

In 2022, there was an increase of 165 residents with a bachelor’s degree or higher, representing almost a 10% increase from 2013. This translates to approximately 63% of residents above the age of 25 holding a bachelor’s, graduate, or professional degree. Notably, there were decreases in residence with no High School Degree, decreasing by 76 residents, or almost a 78% decrease since 2013. This shift is likely attributed to the increase in residents seeking higher degrees and aligns with the overall increase in median household income, indicating a strong association between higher education levels and income.

**Change in Educational Attainment, 2013-2022**

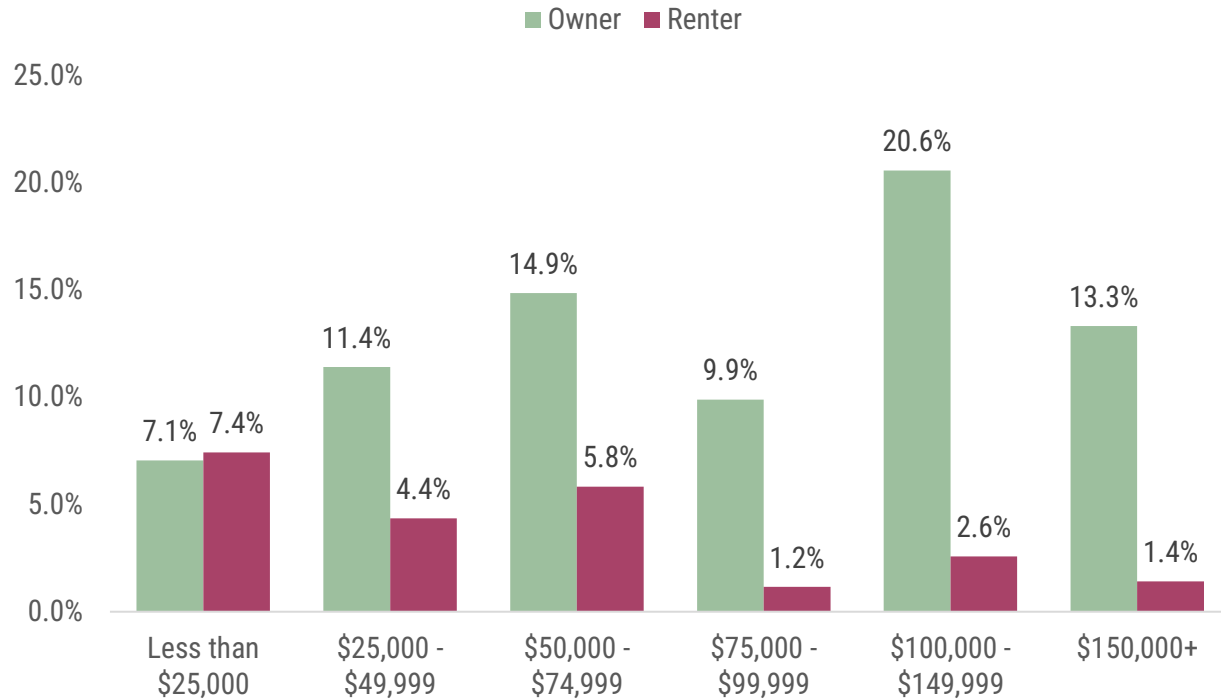


**Educational Attainment in New London, NH 2013-2022**



Demographics  
**Households**

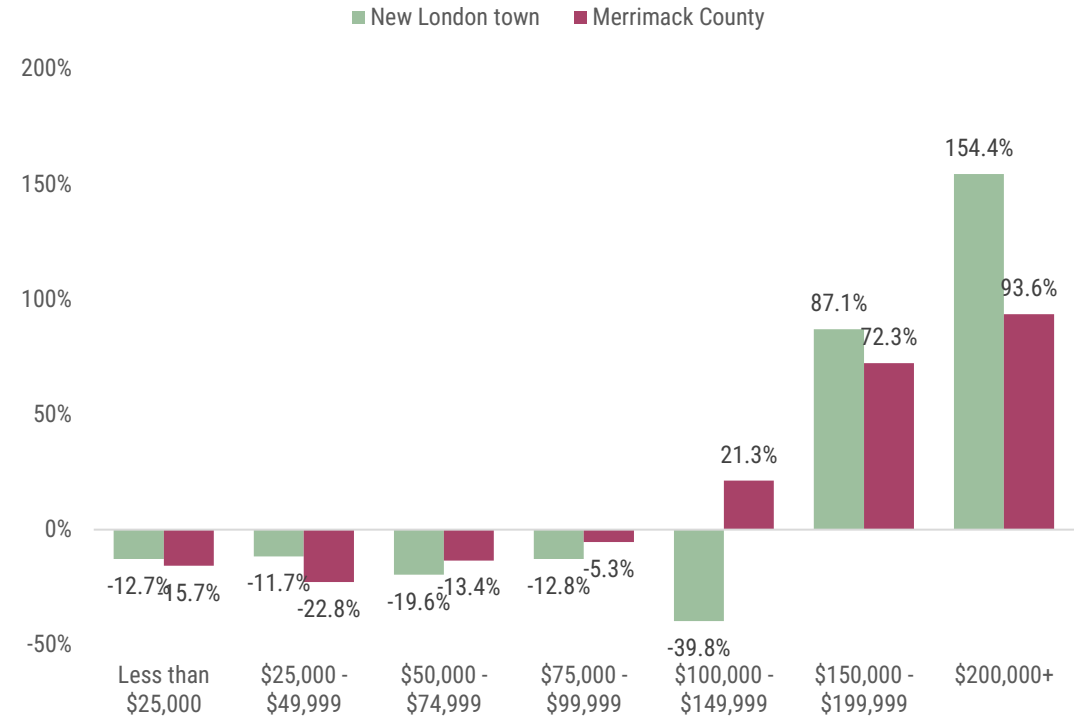
**Change in New London Household Income by Tenure, 2013-2022**



**New London is experiencing a faster rate of growth in wealth compared to both the region and the state.**

The median household income in New London continues to rise. In 2022, the median income reached \$87,237, marking a 20.7% increase from \$72,285 over a ten-year period. About 46% of ownership households in New London earn above \$100,000, contrasting with the majority of renter households earning below \$75,000.

**Change in Household Income, 2013-2022**



**New London is experiencing an increase wealth.**

Over the past decade, household income in New London has risen by almost 21%, largely driven by a significant increase in residents earning over \$200,000, which grew by 227 individuals—a 154% rise. This trend correlates with a growing number of residents attaining higher degrees, highlighting the relationship between education and income levels in the community.

**The average household size for both renters and owners is around two people in New London.**

In New London, New Hampshire, there has been a notable shift in household size by tenure. The average size of owner-occupied units has decreased by 4.4%, while the average household size for renters has increased by 15.5%. Both segments now hover around an average household size of approximately two people. This trend indicates changing dynamics in the community, with potential implications for housing demand and the types of units needed to accommodate these evolving household configurations.

**Change in Household Size by Tenure, 2013-2022**

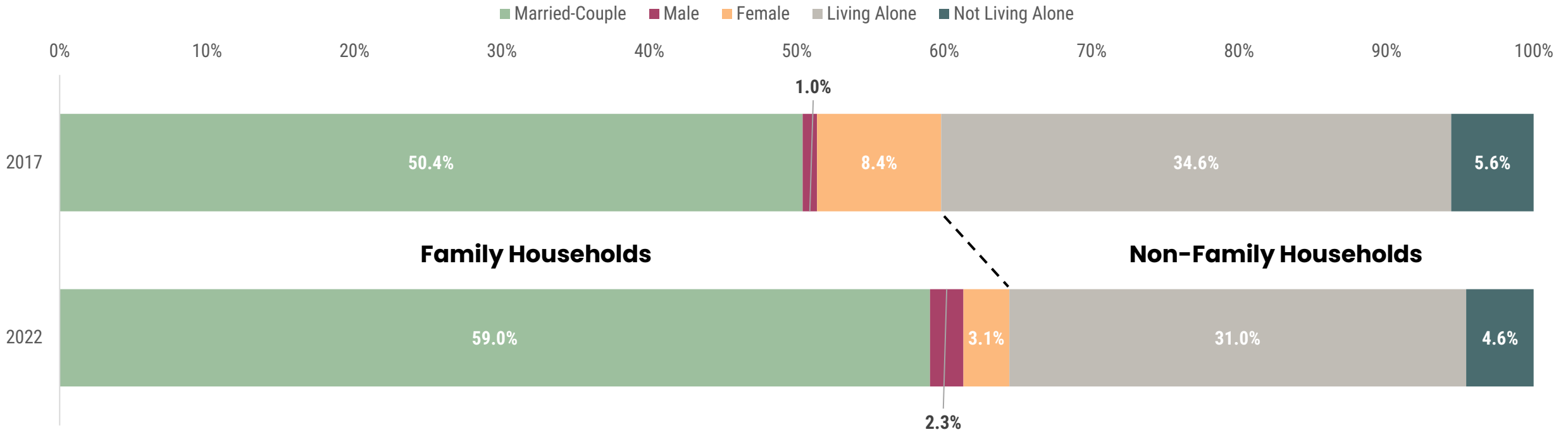


# Households

## MARRIED-COUPLE FAMILY HOUSEHOLDS ARE ON THE RISE.

Over the past decade, New London experienced a modest increase of 0.6% in total households, adding just 9 households. In contrast, Merrimack County saw growth of 4.5%, equivalent to approximately 2,604 new households. More specifically, New London saw an 11% decrease in non-family households (72) and an 8.3% increase in family households (81). Over the past decade, married-couple family households in New London grew by almost 150 households (17.8%) while householders not living alone, such as roommates or non-married couples, grew by 151 households (30.8%).

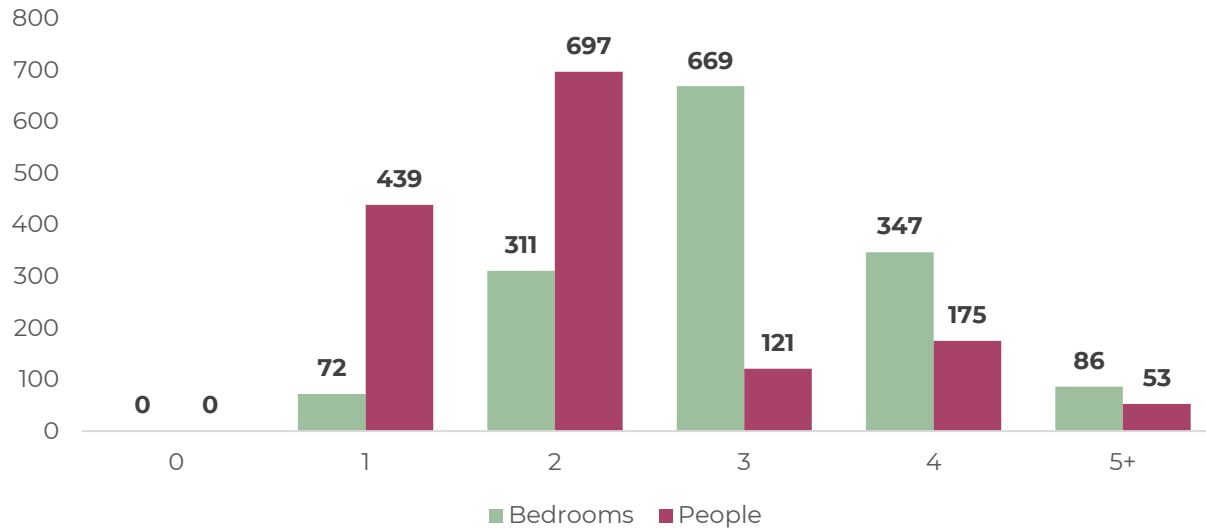
Change in Household Composition, 2013-2022



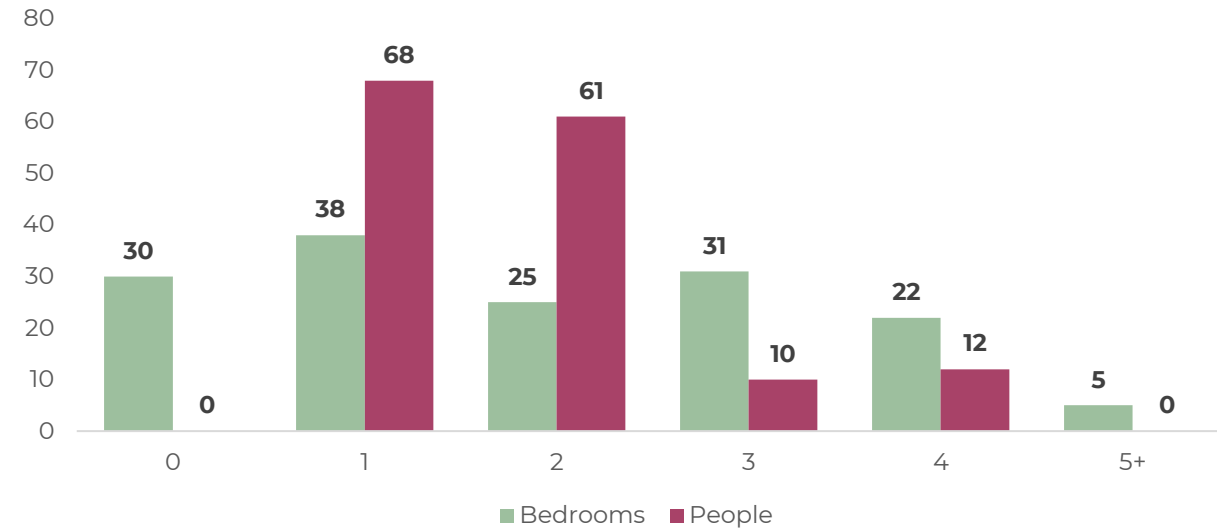
The Census defines a family household as a household maintained by a householder who is in a family. A family is any two or more related people residing together.

## Households

Number of Bedrooms and Household Size: Owner Occupied



Number of Bedrooms and Household Size: Renter Occupied



### MAJORITY OF OWNER HOUSEHOLDS ARE 1 & 2 PERSON.

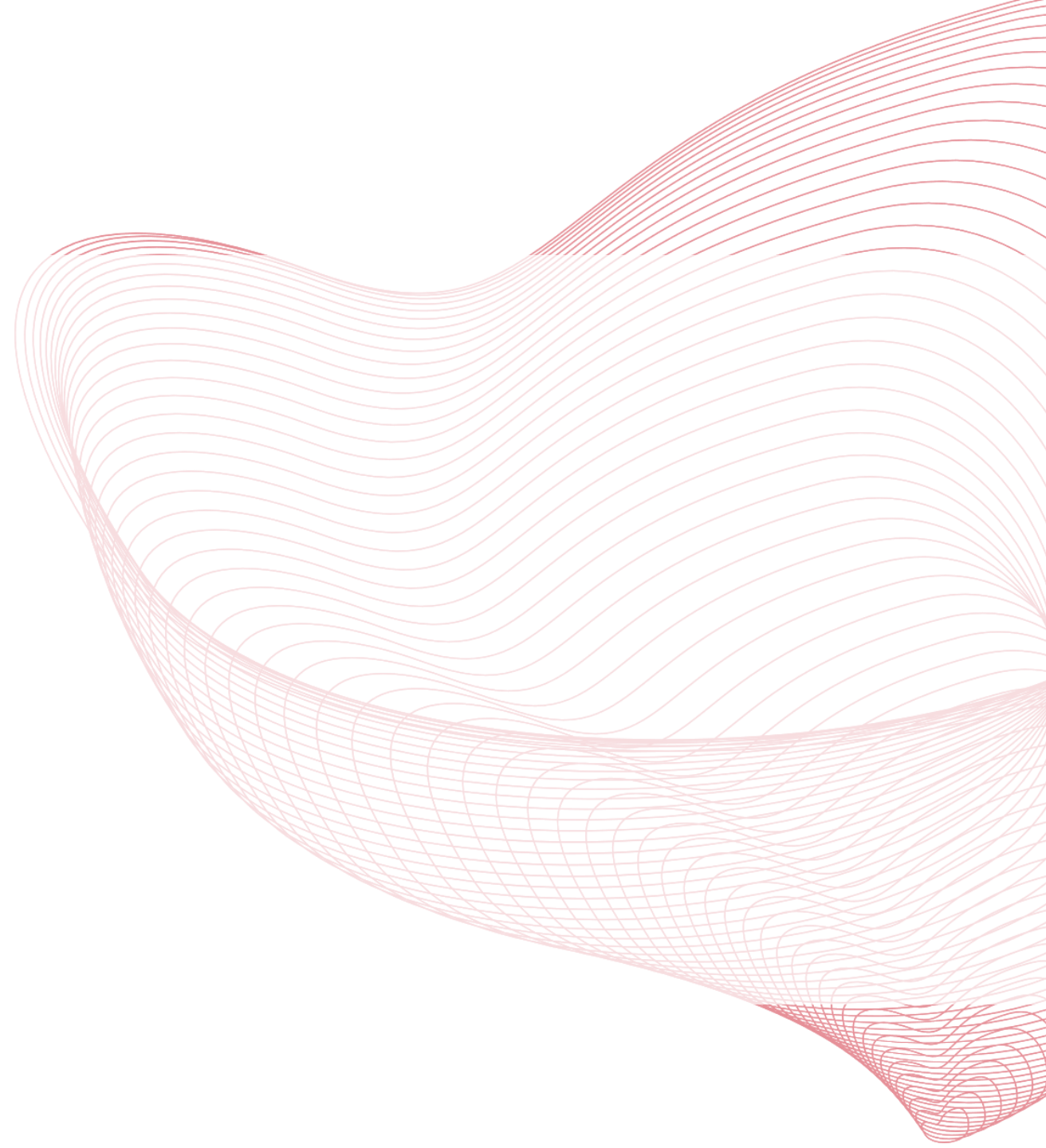
Typical of many communities within the region, there is a large number of single and two-person owner households. The availability of smaller owner-occupied housing options, like townhomes and condos, as well as one-bedroom rentals, falls short in meeting the needs of households looking to downsize. This shortage is particularly noticeable when compared to the abundance of larger structures with three or more bedrooms.

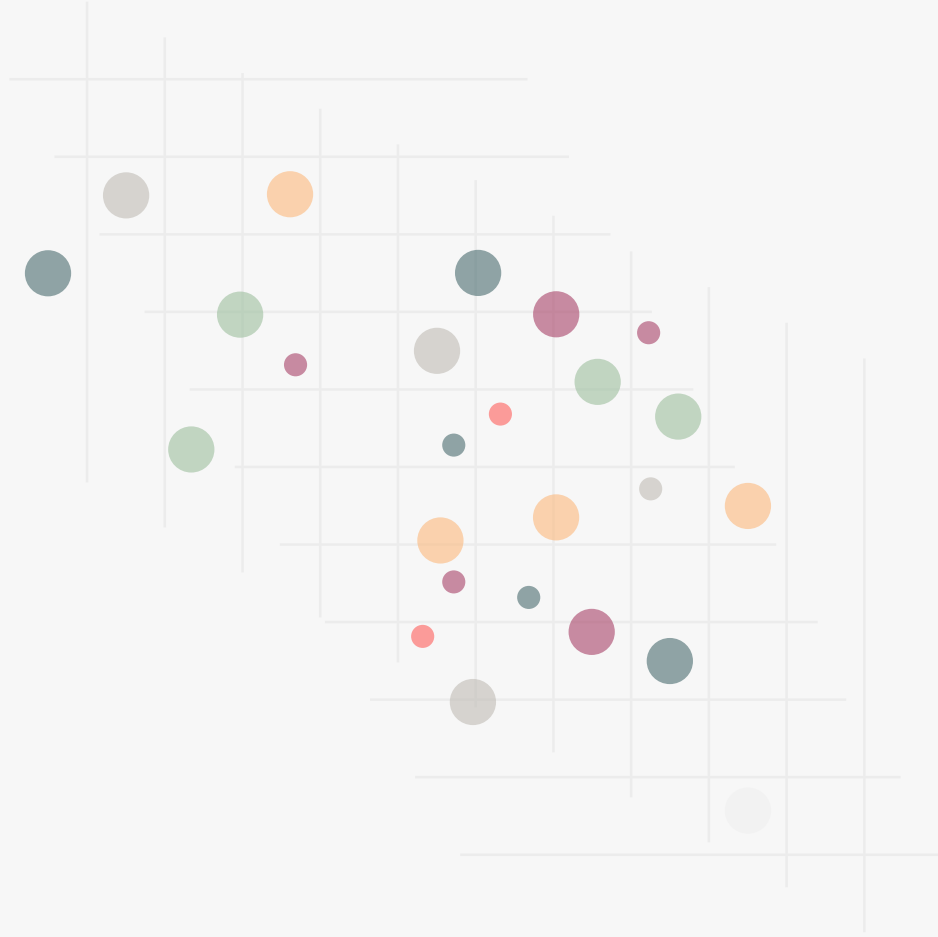
### THERE IS A DEFECIT IN SMALLER RENTAL UNITS IN NEW LONDON.

According to ACS 5-Year Estimates, there are a total of 129 households in New London with one or two people and only 67 rental units with one or two bedrooms. This suggests that for many rental households, they must rent units with a larger number of bedrooms than there are people.

# Key Findings

- **Increased demand for smaller owner-occupied housing options:** The rising population of empty nesters and adults aged 65 and older underscores a critical need for smaller owner-occupied housing options, which are currently lacking compared to the abundance of larger three-bedroom homes.
- **Attracting Younger Residents:** The out-migration of young professionals and college students indicates a need for diverse housing types, like apartments or townhouses, to appeal to this demographic.
- **Lack of Alternatives:** As residents earn higher degrees and incomes, there is an increasing need for varied housing options beyond the predominant single-family homes.





# Economy

## Employment

### Top Five Employment Growth Sectors 2013-2023

Industry Sector	2013-2023 Change	2023 Avg. Earning
Educational Services	68	\$66,666
Accommodation and Food Services	19	\$32,477
Real Estate and Rental and Leasing	16	\$90,748
Administrative and Support and Waste Management and Remediation Services	15	\$75,528
Information	7	\$85,161

### Top Five Employment Growth by Occupation 2013-2023

Occupation Category	2013-2023 Change	2023 Adjusted Median Annual Earnings
Management Occupations	46	\$81,506
Business and Financial Operations Occupations	36	\$62,589
Community and Social Service Occupations	22	\$43,926
Educational Instruction and Library Occupations	20	\$42,744
Healthcare Practitioners and Technical Occupations	13	\$73,747

### TOTAL EMPLOYMENT IN NEW LONDON GREW BY 4% SINCE 2013.

Across industry sectors, Government and Health Care and Social Assistance sectors contributed the greatest number of jobs in New London. Over 680 individuals are employed in Government with an average earning of \$84,600 per year while another 600 are employed in Health Care and Social Assistance average earning of \$69,100 per year. **With median home sales prices in 2024 reaching \$561,000, individuals working in the highest average earning sectors cannot afford a home in New London.**

Of New London's estimated 2,700 jobs, 42% are in industry sectors that pay far less than the average earnings across all jobs. About 230 individuals are employed in the Accommodations and Food Service sector, with an average earning of about \$32,500 while another 200 individuals are employed in the Retail Trade industry with an average earning of about \$49,800. With a median gross rent of \$1,387 per month, an employee in the hotel, restaurant, retail, arts, or recreation industries would not be able to afford to rent a unit in New London.

The occupations that saw the largest growth since 2013 were Management Occupations and Business and Financial Operations occupations. There were nine 2-digit level occupations that saw decreases in employment from 2013 including Office and Administrative Support Occupations, Building and Grounds Cleaning and Maintenance Occupations, and Personal Care and Service Occupations.

# Employment

## Top Ten Largest Employment Sectors 2023

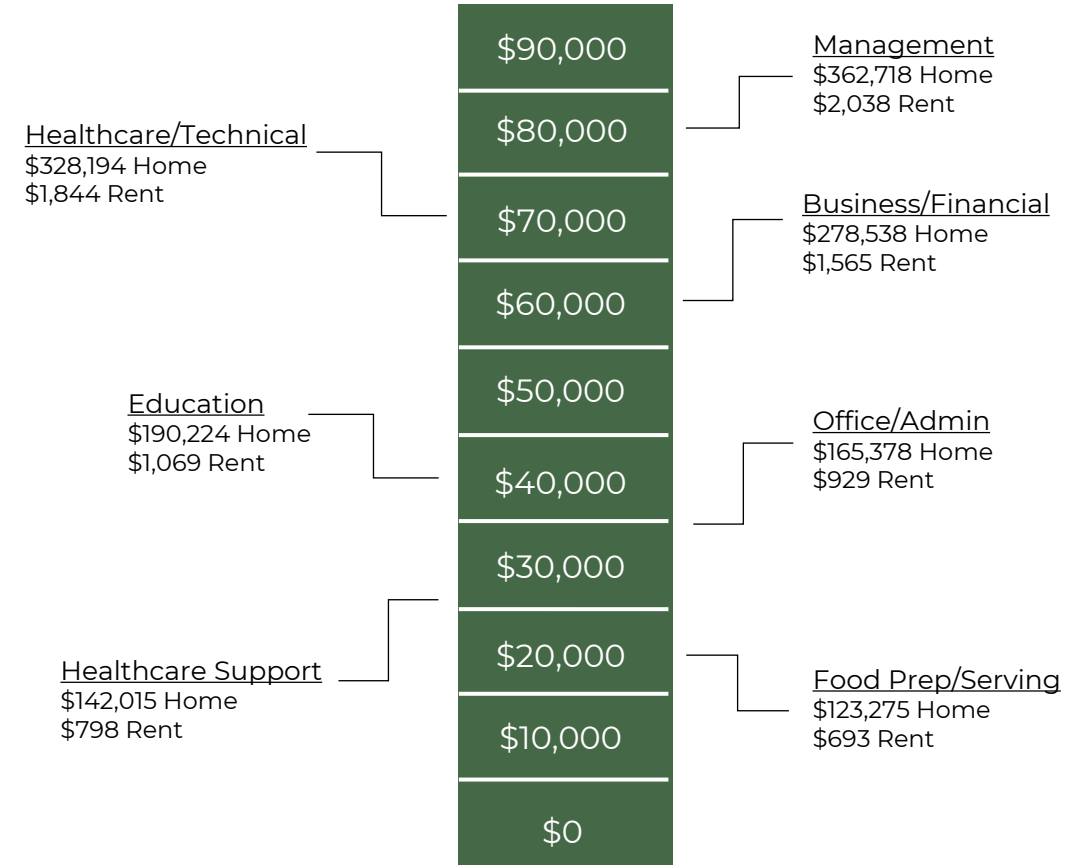
Industry Sector	2023 Jobs	2023 Avg. Earning
Government	683	\$84,604
Health Care and Social Assistance	603	\$69,093
Educational Services	270	\$66,666
Accommodation and Food Services	230	\$32,477
Retail Trade	202	\$49,798
Other Services (except Public Administration)	155	\$43,941
Construction	141	\$71,862
Professional, Scientific, and Technical Services	100	\$114,978
Real Estate and Rental and Leasing	63	\$90,748
Finance and Insurance	57	\$136,069

## Top Ten Largest Occupation Categories 2023

Occupation Category	2023 Jobs	2023 Adjusted Median Annual Earnings
Educational Instruction and Library Occupations	524	\$42,744
Office and Administrative Support Occupations	275	\$37,161
Food Preparation and Serving Related Occupations	220	\$27,700
Healthcare Practitioners and Technical Occupations	197	\$73,747
Management Occupations	190	\$81,506
Healthcare Support Occupations	173	\$31,911
Sales and Related Occupations	168	\$31,107
Business and Financial Operations Occupations	135	\$62,589
Construction and Extraction Occupations	117	\$42,996
Personal Care and Service Occupations	110	\$25,663

## What Can Different Jobs/Earnings Afford in New London?

Earnings Chart



**LOWEST PAYING JOBS IN NEW LONDON CANNOT AFFORD RENT OR HOME PURCHASE AT NEW LONDON'S MEDIAN PRICES.**

With a median gross rent of \$1,387/month and a median home value of \$449,500 estimated by the US Census Bureau's 2022 ACS 5-Year Estimates, the majority of employees in New London's top ten largest occupations can't afford units at those prices.

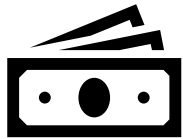
## Incomes and Rent

### What rent can a household making the median household income in New London Afford?

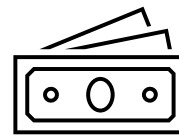


From 2017 to 2022, the **median household income in New London was \$87,237**. With this income level, an individual could **afford a monthly rent of approximately \$2,180**.

### How much do you need to earn to afford asking rent in New London?



Snow Construction Units: **24 Units**  
 Asking rents, including utilities: **\$2,200/month**  
 Required income to afford unit: **\$88,000**



**Merrimack County Median Monthly Gross Rent**  
 for 2-bedroom units in 2024: **\$1,551/month**  
 Required income to afford unit: **\$62,040**

Examples of dual incomes that can afford a **\$2,200/month rent** in New London:

- **Educational Instruction and Library + Protective Services**  
 (\$42,744 Annually, \$20.55 Hourly + \$48,282 Annually, \$23.21 Hourly)
- **Installation, Maintenance, Repair + Community/Social Services**  
 (\$44,397 Annually, \$21.34 Hourly + \$43,926 Annually or \$21.12 Hourly)

Examples of dual incomes that can afford a **\$1,551/month rent** in New London:

- **Office and Administrative Support + Food Preparation/Serving**  
 (\$37,161 Annually, \$17.87 Hourly + \$27,700 Annually, \$13.32 Hourly)
- **Healthcare Support + Sales**  
 (\$31,911 Annually, \$15.34 Hourly + \$31,107 Annually or \$14.96 Hourly)

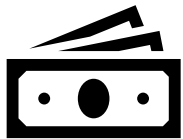
## Incomes and Home Prices

### What home price can a household making the median household income in New London Afford?



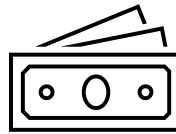
From 2017 to 2022, the **median household income in New London was \$87,237**. With this income level, an individual could afford a **home priced at approximately \$388,222**, assuming a 20% down payment.

### How much do you need to earn to purchase a home in New London?



Median Sales Prices of Homes in New London in 2024: **\$561,000**

Income Required to Purchase Home with 20% Downpayment: **\$126,100**



Median Home Price of Single-Family Home in New London: **\$619,300**

Income Required to Purchase Home with 20% Downpayment: **\$139,250**

Examples of dual incomes that can afford a **Median Sales Price** home in New London:

- **Business/Financial + Architecture and Engineering**  
(\$62,589 Annually, \$30.09 Hourly + \$68,189 Annually, \$32.78 Hourly)
- **Management + Life, Physical, and Social Sciences**  
(\$81,506 Annually, \$39.19 Hourly + \$48,282 Annually or \$23.21 Hourly)

Examples of dual incomes that can afford a **Median Home Price** in New London:

- **Healthcare Practitioners + Legal Operations**  
(\$73,747 Annually, \$35.46 Hourly + \$68,701 Annually, \$33.03 Hourly)
- **Computer and Mathematical + Architecture and Engineering**  
(\$74,372 Annually, \$35.46 Hourly + \$68,189 Annually, \$32.78 Hourly)

# Employment

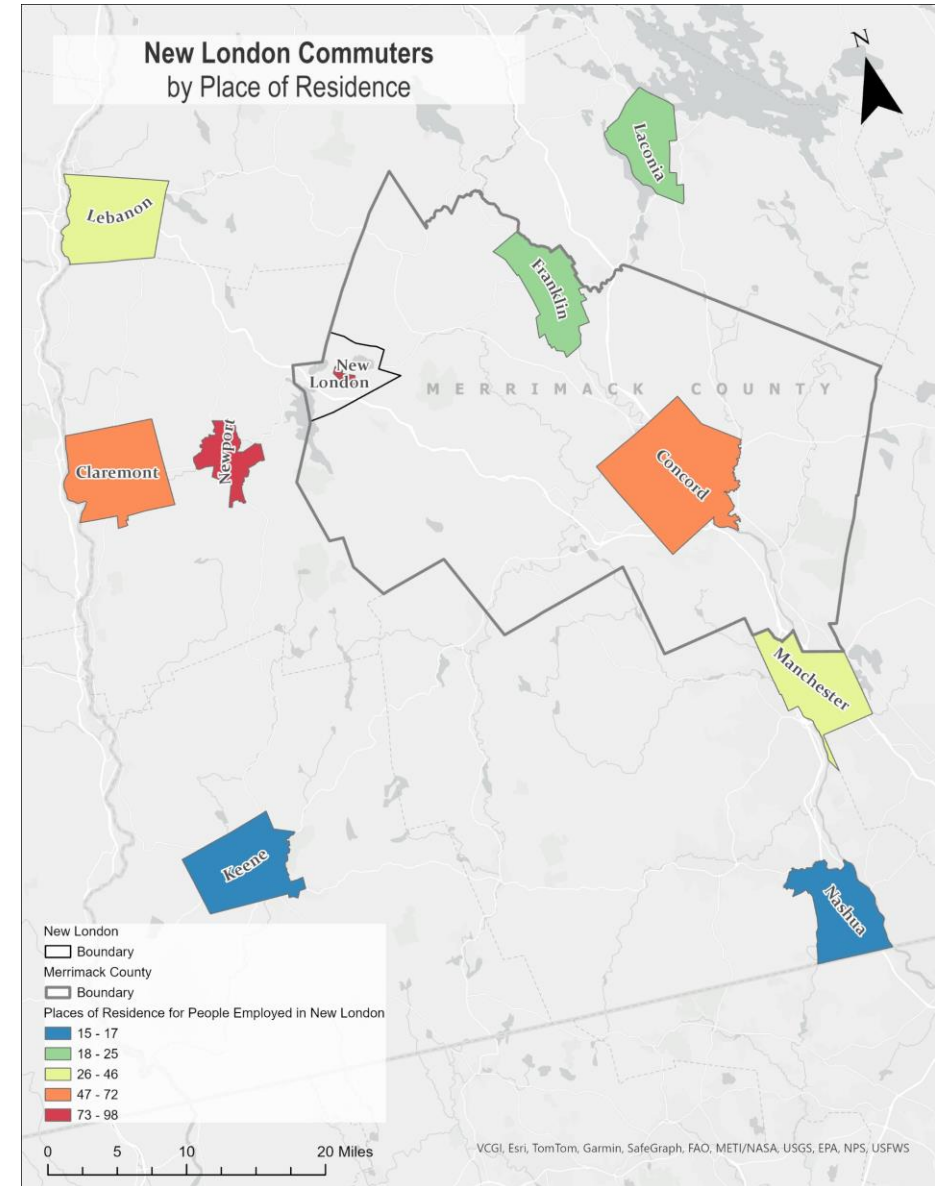
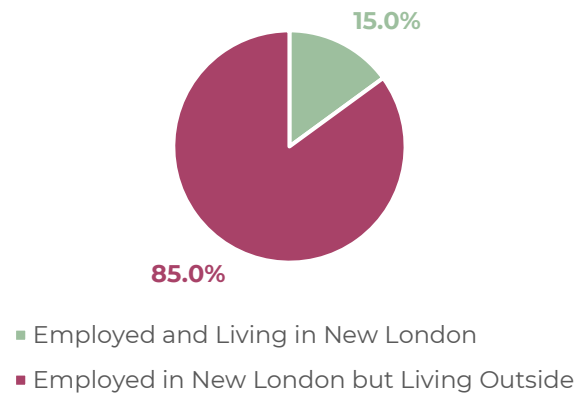
## THE MAJORITY OF NEW LONDON'S WORKERS LIVE OUTSIDE OF TOWN.

Many workers commute from nearby towns like Newport, Claremont, and Concord, bringing economic advantages but also challenges. While these commuters support local businesses, their absence can lead to a sense of disconnection from community life. This dynamic influences housing demand and community engagement, making it harder for residents and commuters to build relationships. Furthermore, it places additional strain on infrastructure and services as the town accommodates a transient workforce. To enhance community cohesion and vitality, New London would benefit from initiatives that strengthen connections between commuters and residents, fostering a richer, more integrated local culture.

## Top Ten Places of Residence for People Employed in New London, 2021

Place	Job Count	Share
New London, NH	98	4.0%
Newport, NH	88	3.5%
Claremont city, NH	72	2.9%
Concord city, NH	71	2.9%
Lebanon city, NH	46	1.9%
Manchester city, NH	39	1.6%
Franklin city, NH	25	1.0%
Laconia city, NH	25	1.0%
Keene city, NH	17	0.7%
Nashua city, NH	15	0.6%

Employment Efficiency (All Jobs) Among People Employed in New London, 2021



## Employment

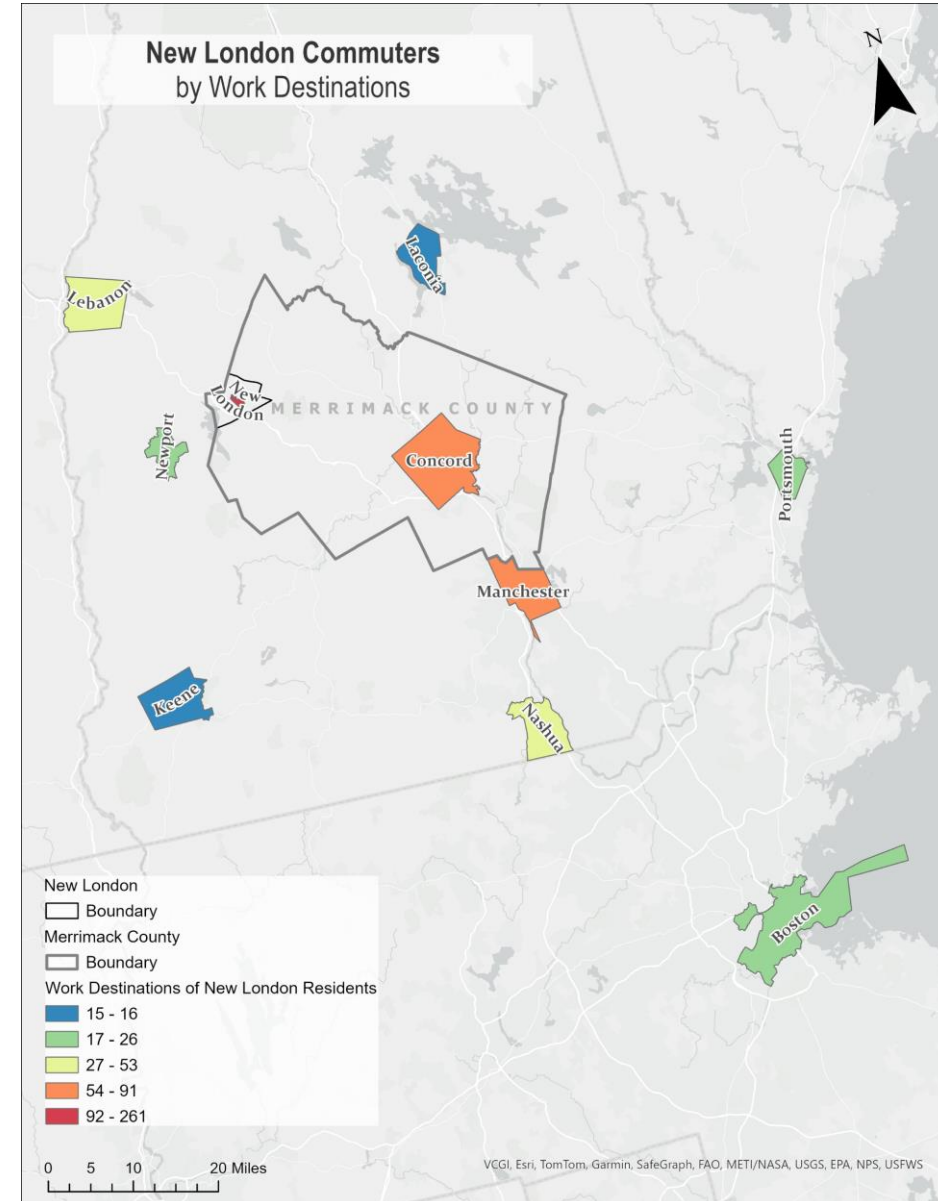
### MOST RESIDENTS OF NEW LONDON COMMUTE TO JOBS OUTSIDE OF TOWN.

In New London, NH, the fact that only about a quarter of residents work in town has important implications for the local economy. With most residents commuting to jobs in nearby cities like Concord, Lebanon, Manchester, and even Boston, this reliance on external employment influences local businesses and housing demand. As residents seek convenience in their commutes, the dynamics of the workforce can affect everything from retail and service industries to infrastructure needs. To address these challenges, New London could benefit from initiatives aimed at increasing local job opportunities, ultimately supporting a more balanced economic landscape.

### Top Ten Work Destinations of New London Residents, 2021

Place	Job Count	Share
New London, NH	261	17.9%
Concord city, NH	91	6.2%
Manchester city, NH	79	5.4%
Nashua city, NH	53	3.6%
Lebanon city, NH	37	2.5%
Portsmouth city, NH	26	1.8%
Newport, NH	23	1.6%
Boston city, MA	22	1.5%
Keene city, NH	16	1.1%
Laconia city, NH	15	1.0%

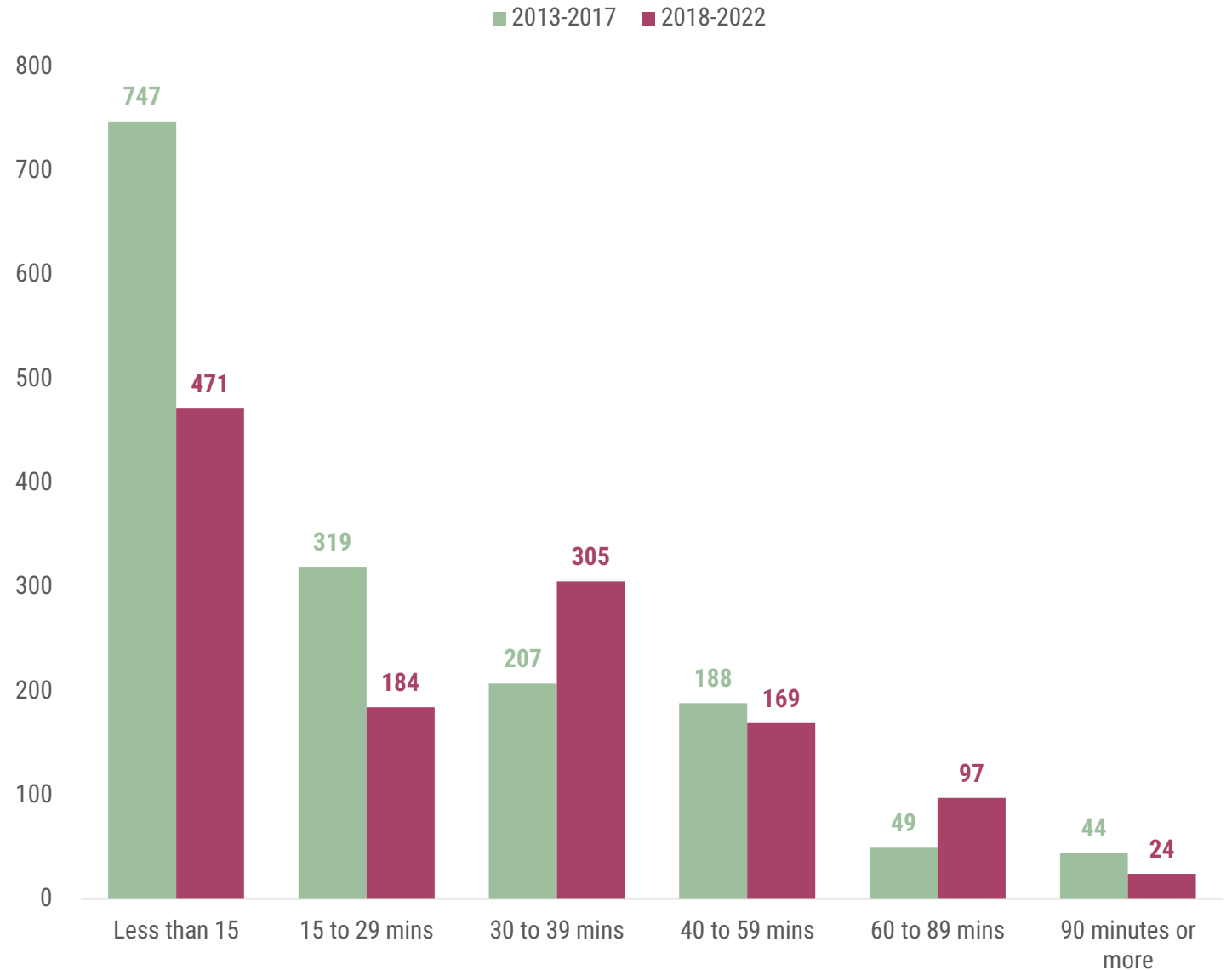
Labor Market Efficiency (All Jobs) Among People Living in New London, 2021



## Commute

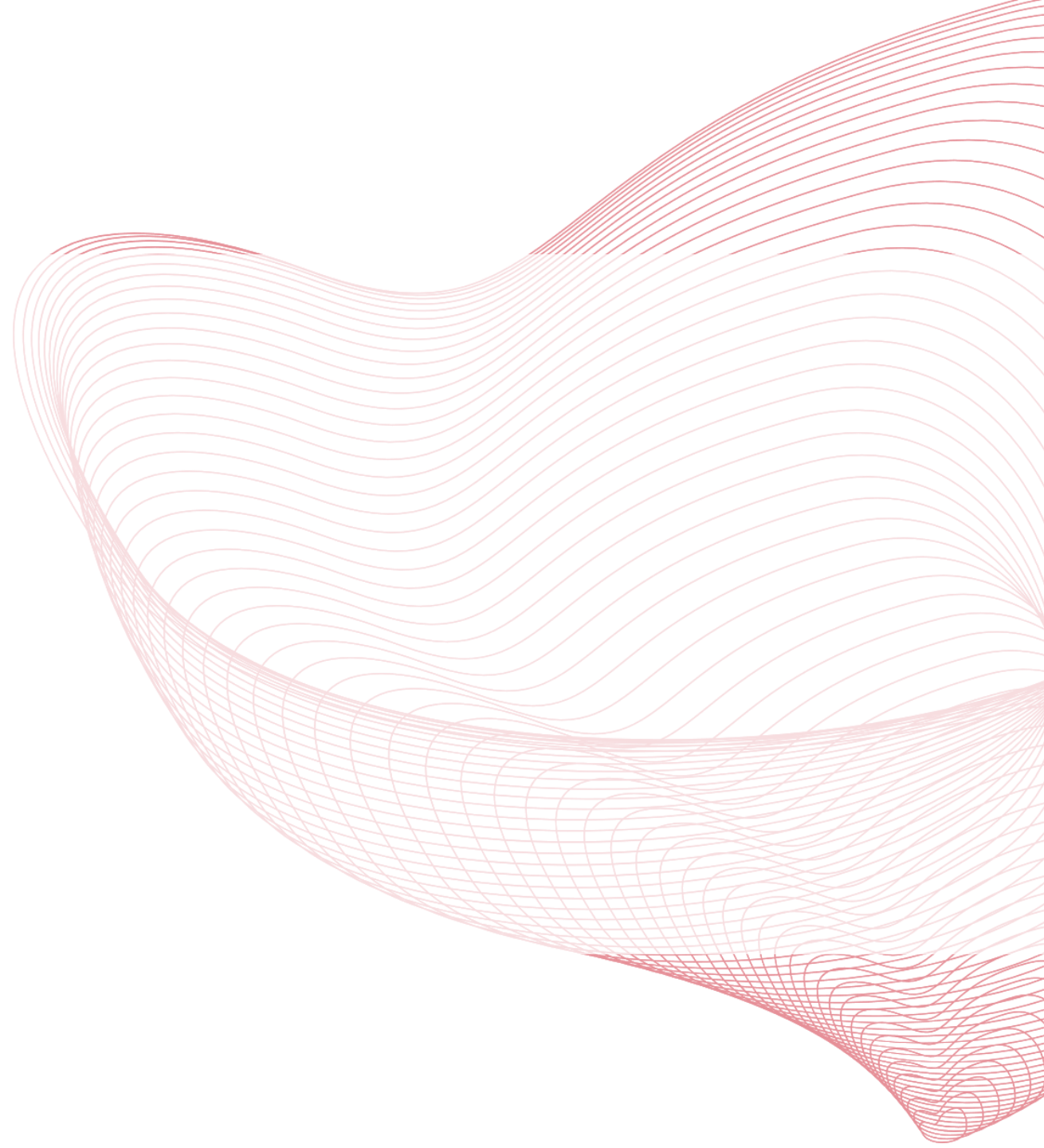
Over the past ten years, New London has seen a 20% decrease in commuters, totaling 304 fewer residents commuting. In New London, recent data on commute times to work shows significant shifts likely influenced by the pandemic and the rise of flexible and hybrid work options. The number of residents commuting under 15 minutes dropped by 36% from 747 to 471, while those commuting between 15 to 29 minutes decreased from 319 to 184, or about 42%. In contrast, residents who had longer commute times have increased, with the 30-to-39-minute bracket rising by 47% from 207 to 305 and the 60-to-89-minute bracket climbing 98% from 49 to 97. These changes in commute times to work show significant shifts likely influenced by the pandemic and suggests that many residents may be working remotely or adopting hybrid schedules, leading to fewer short commutes while others are opting for jobs that require longer travel times.

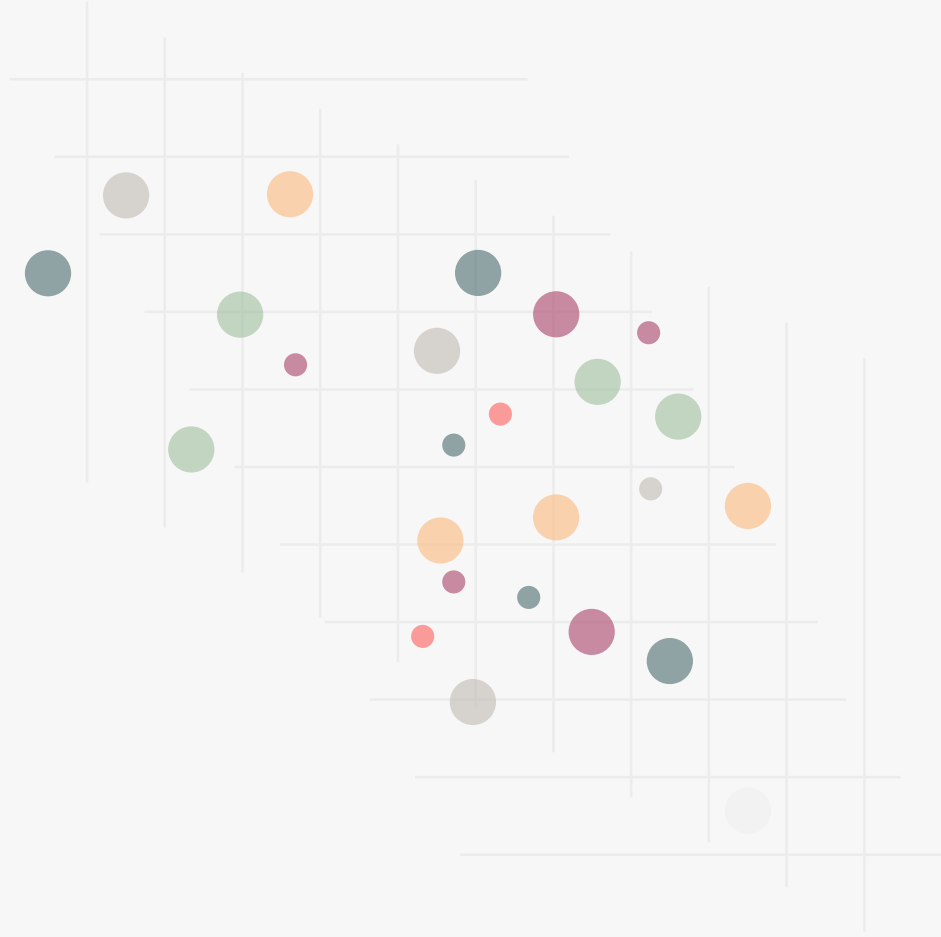
### Travel Time to Work, 2013-2022



# Key Findings

- **Employment Growth:** Employment in New London has increased by 4% over the past decade. This growth may attract a diverse workforce, indicating a need for varied housing types (apartments, townhouses, etc.) to accommodate different income levels and lifestyle preferences.
- **Affordability Crisis:** With median gross rent rising to \$1,387, residents earning under \$56,000 struggle to afford rental housing, highlighting a critical need for more affordable rental options.
- **High Home Prices:** Median home sales prices reached \$561,000 in 2024, making homeownership unattainable for many, including those in high-earning sectors.
- **Demand for Workforce Housing:** Approximately one quarter of residents also work in New London, suggesting a demand for housing options that accommodate local workers.





# Housing Market Conditions

## Housing

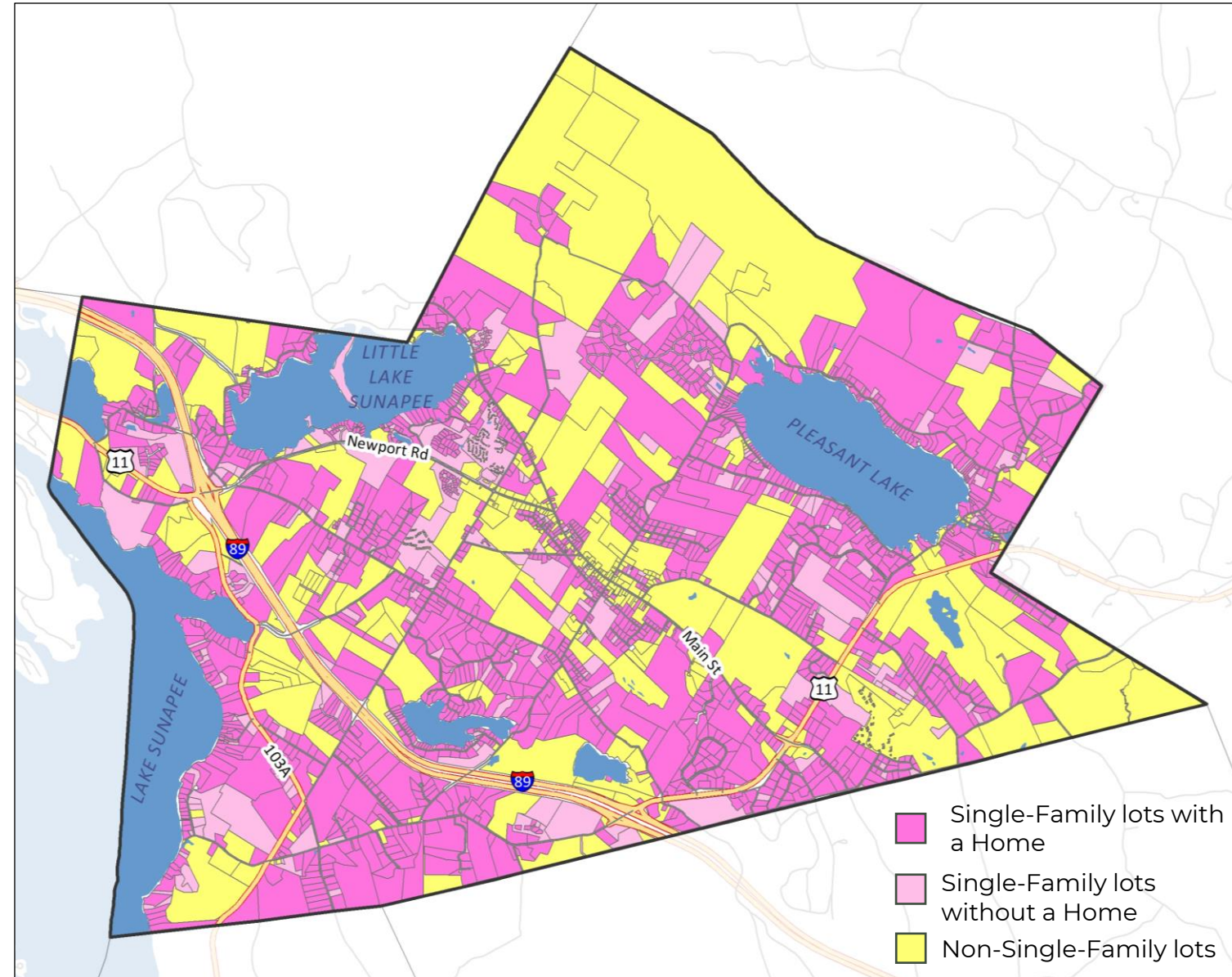
### Single family structures dominate the housing landscape in New London.

Another indicator of housing demand within a local market is the change in total housing units. In a market where housing demand remains high, one would anticipate new housing units added to meet the demand.

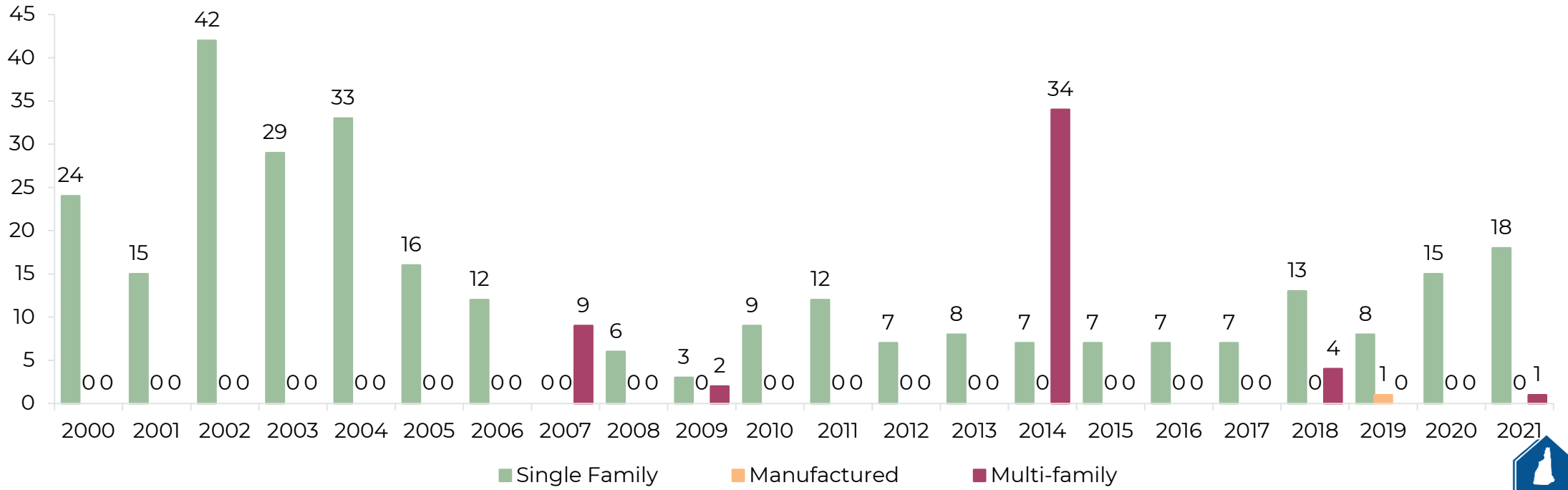
While new construction has largely centered on single-family homes, the past decade has also seen the addition of multifamily units to the housing stock. However, this ongoing investment in larger structures has not sufficiently met the diverse housing needs of the community. To truly address these needs, a more balanced approach to housing development is essential.

Despite the introduction of new structures to New London's housing market, the landscape remains largely characterized by single-family homes. Out of a total of 2,063 lots, single-family properties account for 80% of the town's housing stock. Notably, 85% of these single-family lots are developed with homes. This underscores a pressing need for greater diversification in New London's housing options, as the dominance of single-family homes limits the variety of available living arrangements.

## Single-Family Lots in New London, New Hampshire



**Housing Units Authorized by Permit in New London, 2000-2021**



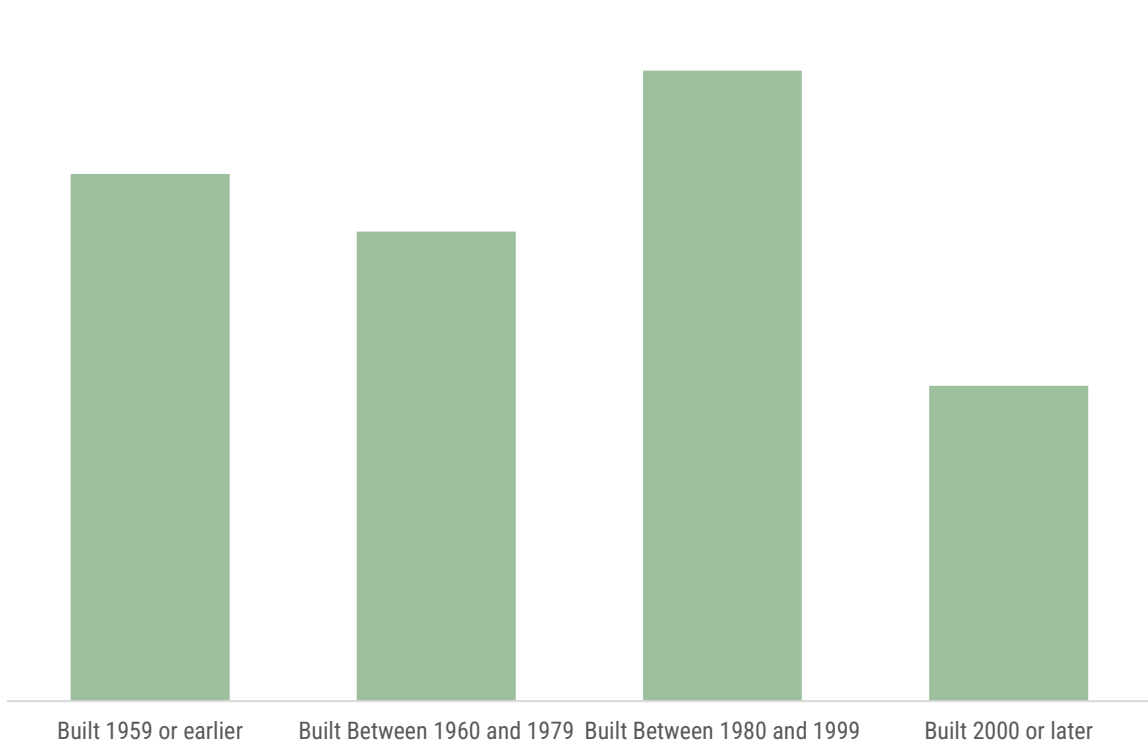
**CONSTRUCTION PERMITTING IS LARGELY SINGLE FAMILY.**

Leading up to the Great Recession of 2008, New London experienced a strong focus on permitting for single-family homes. However, the post-recession environment proved challenging, causing a slow recovery for the local housing market. While permitting activity has not yet fully returned to pre-recession levels, an increase in multifamily permitting began in 2014. Nonetheless, single-family homes continue to be the primary focus of permitting activity in the years since 2008.

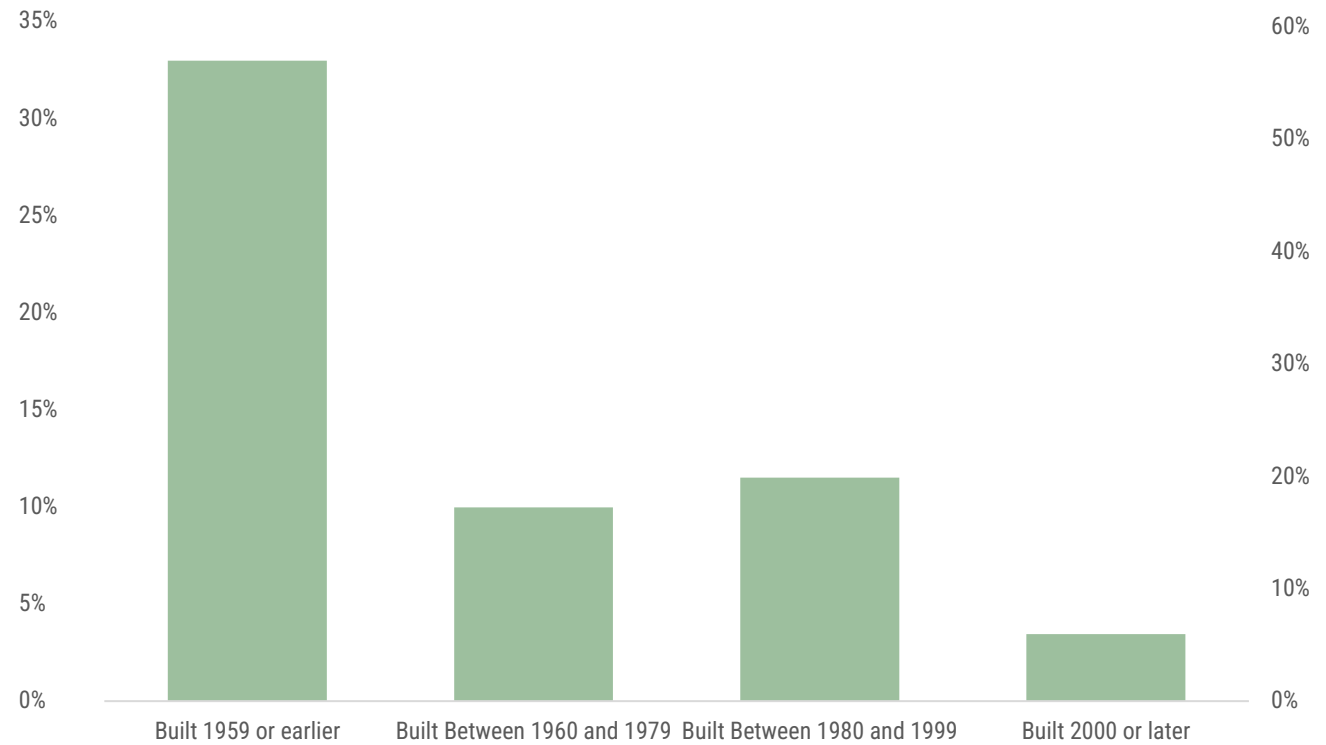
# Housing

In New London, single-family homes are the predominant housing type for both owners and renters. As of 2022, approximately 45% of renter households occupy single-family units, while 89% of owner-occupied homes are single-family. This distribution is unusual compared to many communities, where rental units are typically found in multi-unit buildings, highlighting a lack of diverse housing options in New London. The graphs below illustrate the types of residential structures in the town, categorized by year built and tenure (ownership versus rental). The data reveals that most owner-occupied units were constructed before 1980, while a significant number of rental units date back to 1959 or earlier.

**Ownership Housing Structures by Year Built, 2018-2022**



**Rental Housing Structures by Year Built, 2018-2022**

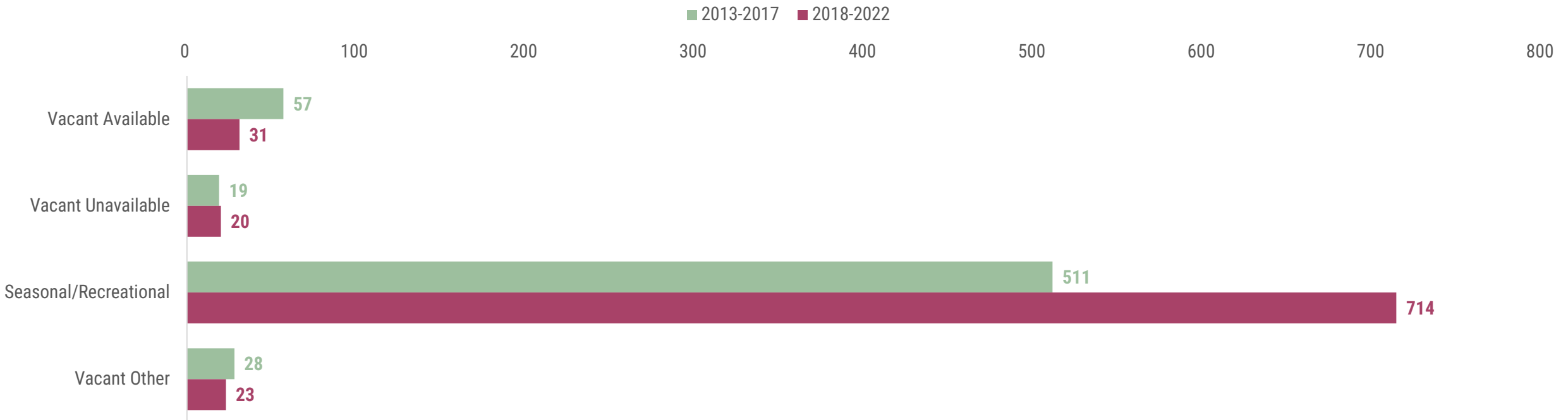


# Housing

## One-third of New London’s housing stock is vacant, driven by seasonal vacancies.

Vacancy data from the census offers insight into the number of unoccupied units in the community, either seasonally or year-round. With a vacancy rate of 32.5% in 2022, one-third of the housing units in New London are unoccupied. Notably, 714 of these units are seasonally vacant, which marks a 40% increase over the past ten years. The high number of seasonal vacancies in New London, New Hampshire, primarily stems from its appeal as a destination for second homes and vacation rentals, attracting retirees and individuals seeking a serene environment. This trend results in a significant portion of the housing stock being underutilized, which can lead to lower property values and disrupt the local market. Additionally, these vacancies may hinder local economic activity by reducing demand for services and businesses. The prevalence of seasonal vacancies creates a fluctuating housing market that exacerbates shortages for year-round residents, driving up prices and limiting affordable options. To address these challenges, New London may need to implement strategies that encourage year-round residency, such as increasing affordable housing options and enhancing local amenities.

### Vacant Housing Units by Category, 2013-2022

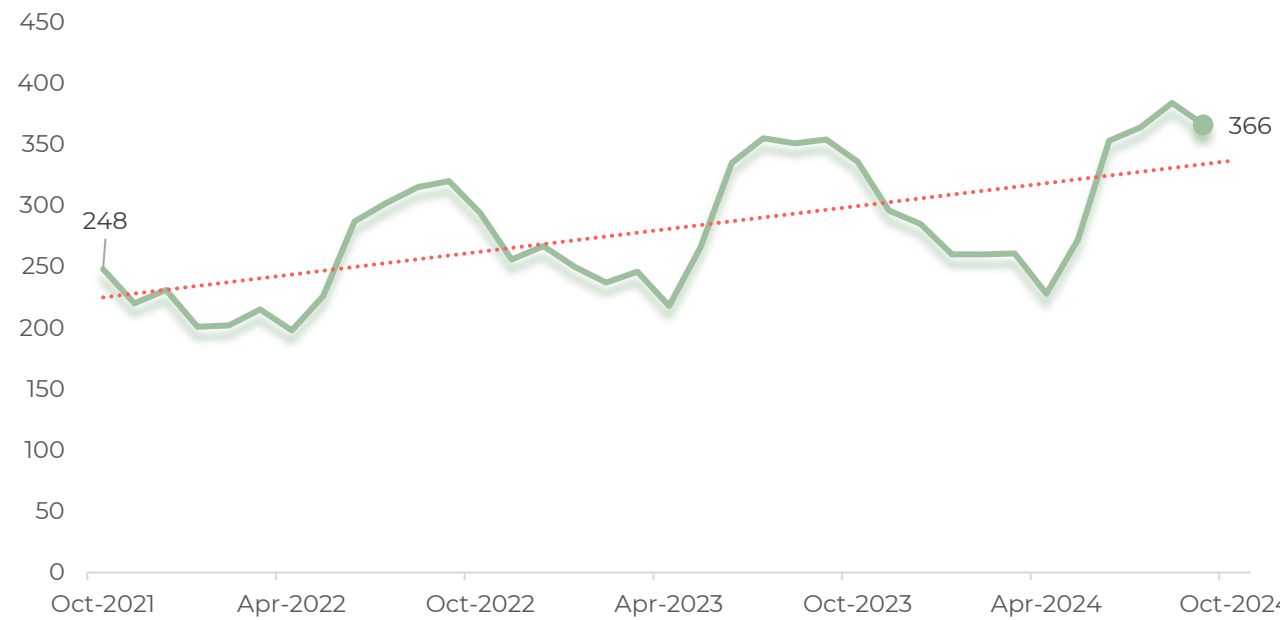


# Housing

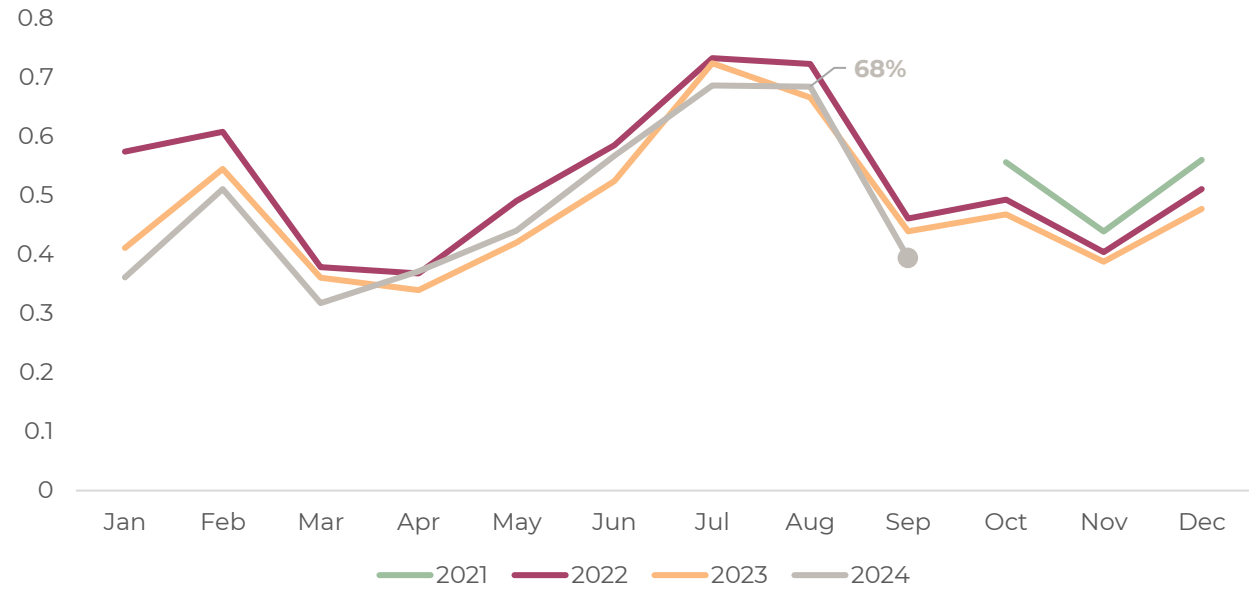
The Lake Sunapee submarket, similar to many sought-after tourist destinations and second-home markets, faces significant housing pressures due to the impact of short-term rentals on the local housing stock. Investors often offer higher prices or cash payments to acquire homes, viewing them primarily as investment vehicles that generate income to offset costs.

According to data from AirDNA, there has been a consistent rise in the number of monthly listings for short-term rentals, coupled with high occupancy rates during the peak summer season. While summer occupancy in 2024 has slightly declined compared to the record levels seen in 2022, the current rate remains at 68%, reflecting strong demand and utilization of short-term rental units in the area.

Active monthly listings of short term rentals have **increased** from 2021 to 2024.



Summer occupancy peaked in **2022**; rates of occupancy have remained high through **2024** despite the addition of more active listings.

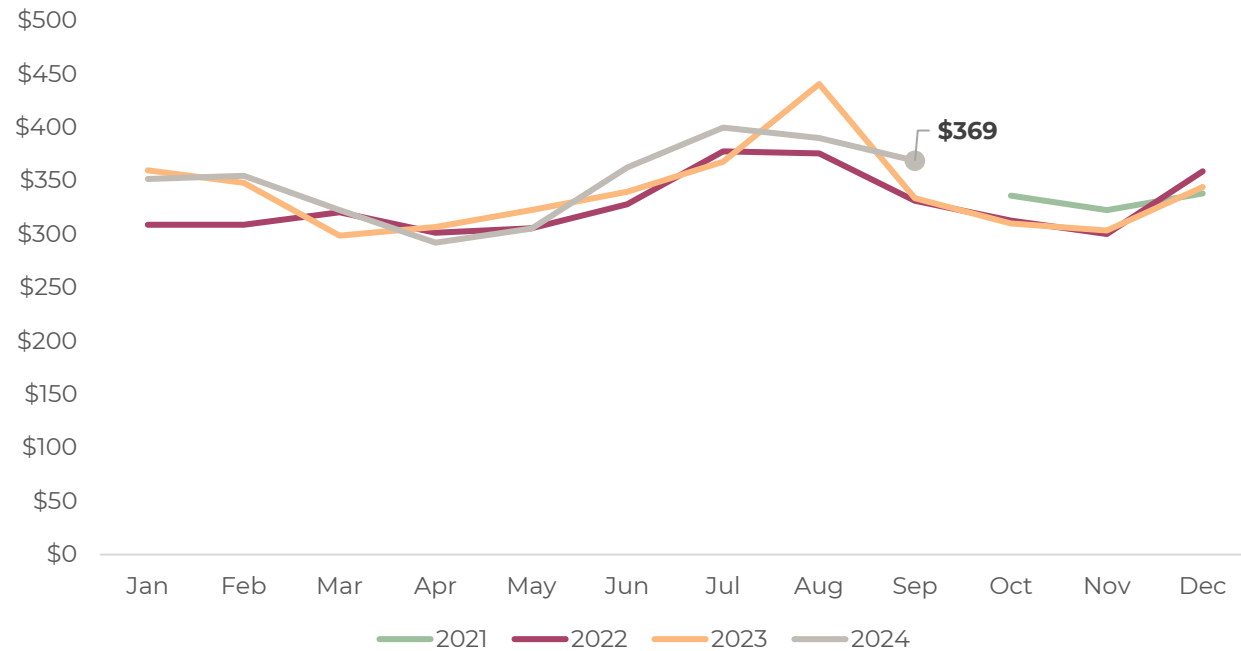


# Housing

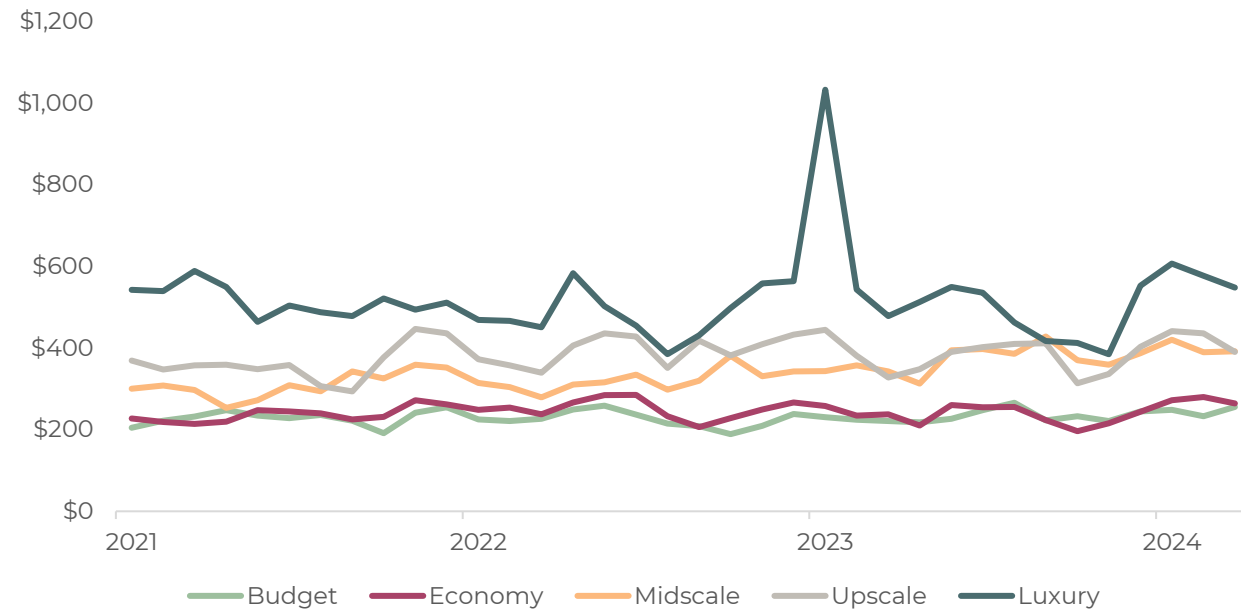
In the Lake Sunapee submarket, the trends in short-term rentals from late 2021 to 2024 show significant pricing fluctuations across different market segments. Budget and economy rentals have remained relatively stable, while upscale and luxury rentals have experienced more notable changes, particularly during peak seasons. For example, luxury rental prices peaked in August 2023 at over \$1,032 per night, indicating strong summer demand.

Overall, the data suggests that while budget and economy units have not seen drastic changes, the upscale and luxury segments are in high demand, leading to increased prices and variability. These high occupancy and rental rates drive demand for short term rental purchases by investors which in turn removes more residential units from the market that could be occupied by year-round households.

Year over year the average daily rate for short term rentals has remained relatively consistent.



New London experiences strong demand for **Upscale and Luxury** Accommodations, particularly during the summer months.

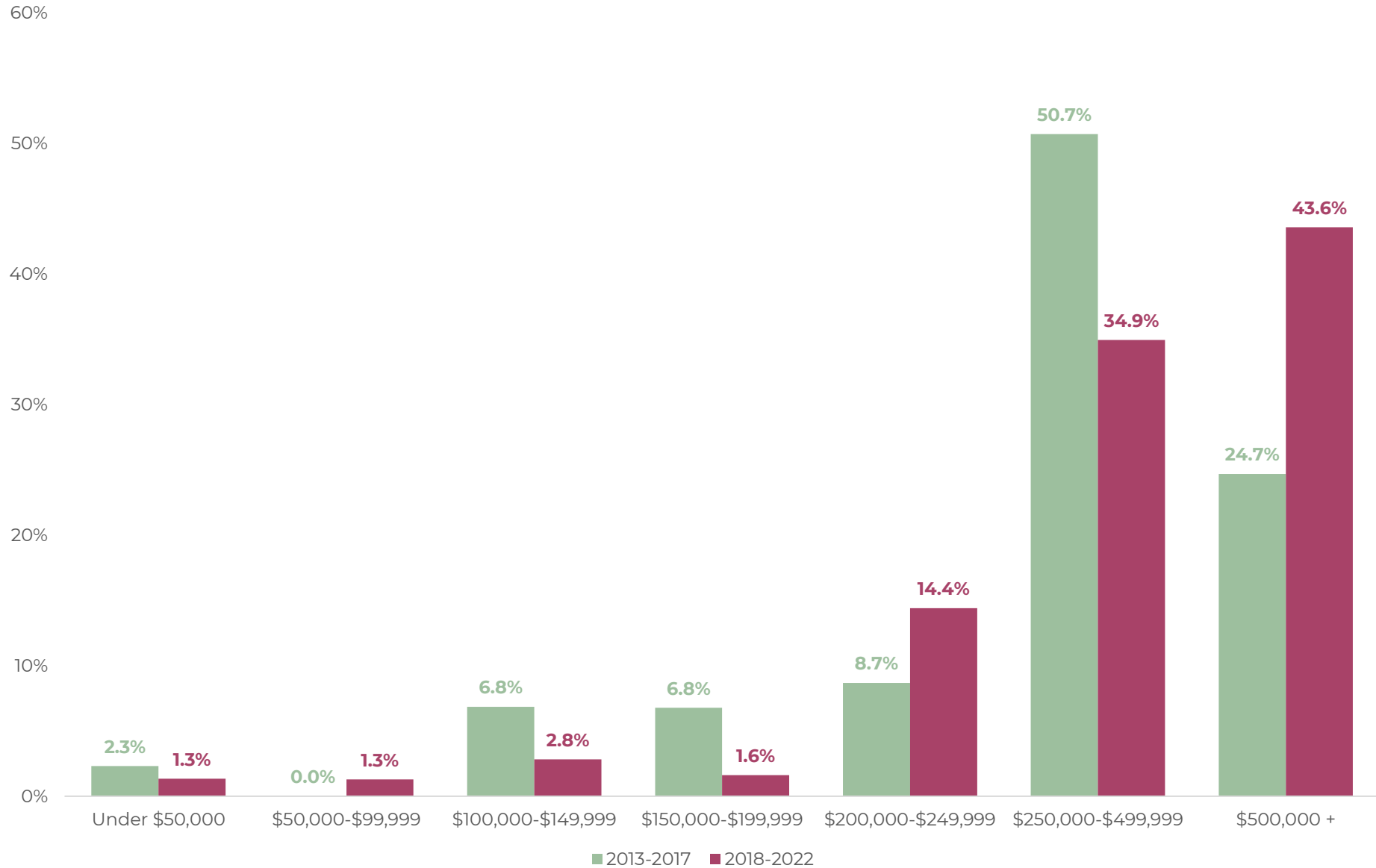


# Housing

## MEDIAN HOME VALUE HAS INCREASED IN NEW LONDON.

In New London, home values have seen a significant rise over the past ten years, with almost 79% of all homes in New London being valued at more than \$250,000. In 2022, 43.6% of the owner-occupied housing stock was valued at over \$500,000, emphasizing the growing affluence in New London. The influx of buyers seeking second homes and vacation properties has further driven demand, contributing to higher prices. As a result, the real estate market has become increasingly competitive, reflecting a broader trend of rising home values in the region.

### Change in Home Value Distribution, 2013-2022



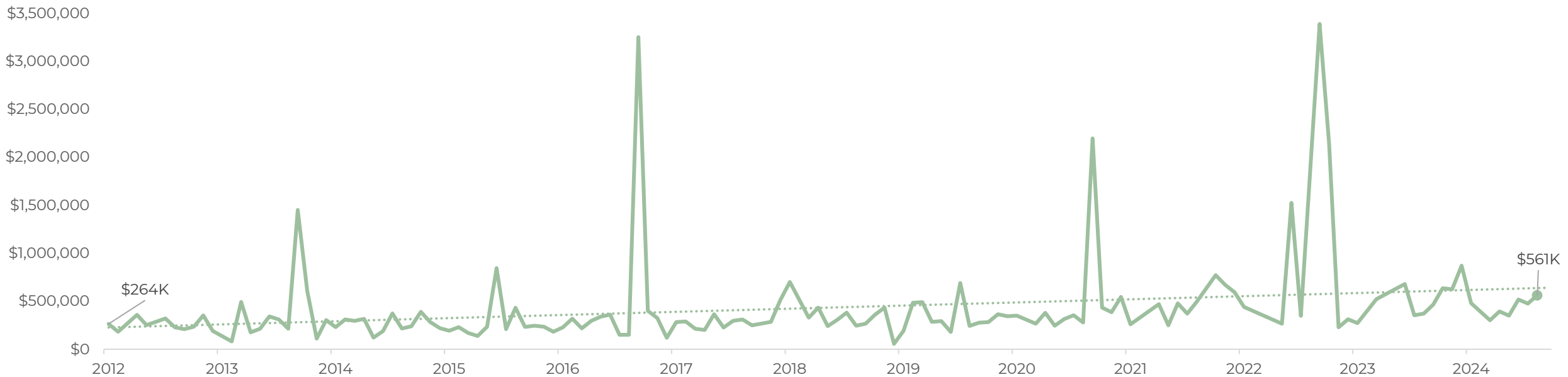
Source: US Census Bureau ACS 5-Year Estimates

# Housing

## MEDIAN SALE PRICES ARE STEADILY INCREASING.

In New London, median sales prices for homes have seen a significant rise, underscoring a growing demand in the real estate market. Over the past decade, median sale prices have surged from \$261,000 in 2014 to \$561,000 in 2024, reflecting an approximate 115% increase. While some individual sales have reached considerably higher prices, the overall upward trend in recent years can largely be attributed to the impacts of the COVID-19 pandemic, which shifted many buyers' preferences towards more spacious and scenic locations. This trend has heightened competition among buyers seeking second homes and year-round residences, further driving up property values in this attractive community. Additionally, the limited housing inventory has contributed to the rising prices, making New London a desirable yet increasingly competitive market for potential homeowners.

Median Sales Price, New London, NH, 2012-2024

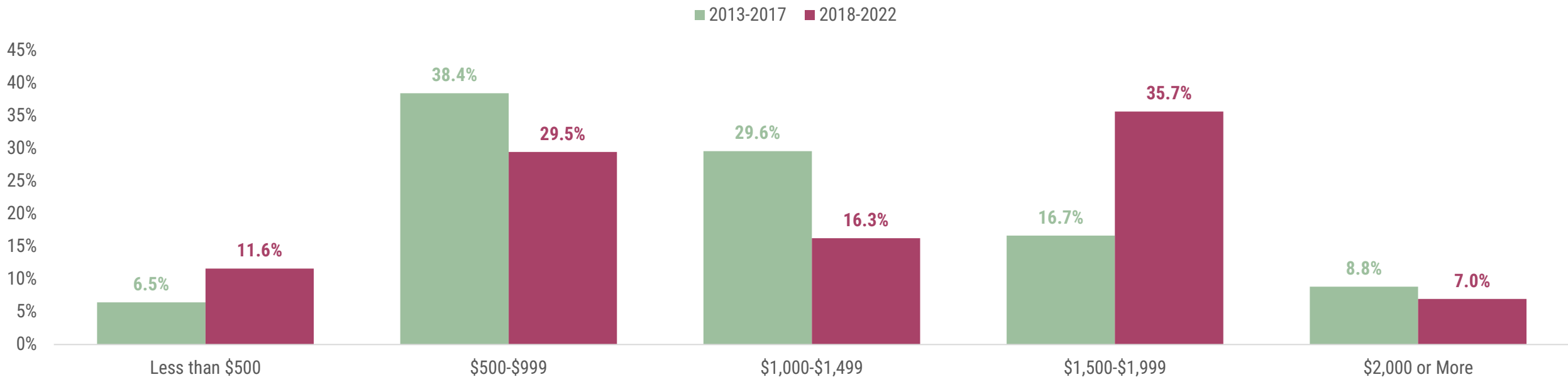


# Housing

## THE DISTRIBUTION OF GROSS RENT IS SHIFTING TO HIGHER RENTS.

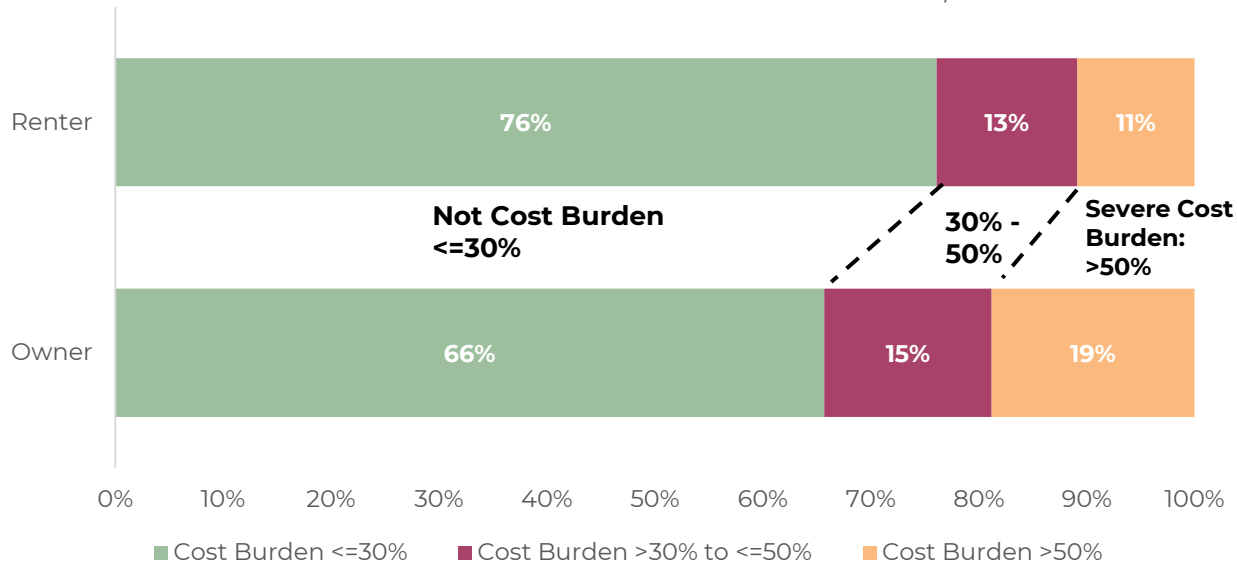
Over the past decade, gross rent in New London has increased by 23%, rising from \$1,129 in 2013 to \$1,387 in 2022. This trend reflects a growing demand for rental housing driven by rising property values, limited inventory, and an influx of individuals seeking both permanent and seasonal residences. In 2022, the majority of renters paid over \$1,000 per month, compared to 2017, when most renters paid under that threshold. As a result, many renters are facing higher costs, posing challenges to affordability in the local market. This shift highlights the urgent need for more diverse and accessible housing options to accommodate the evolving needs of the community.

Change in Gross Rent Distribution, 2013-2022

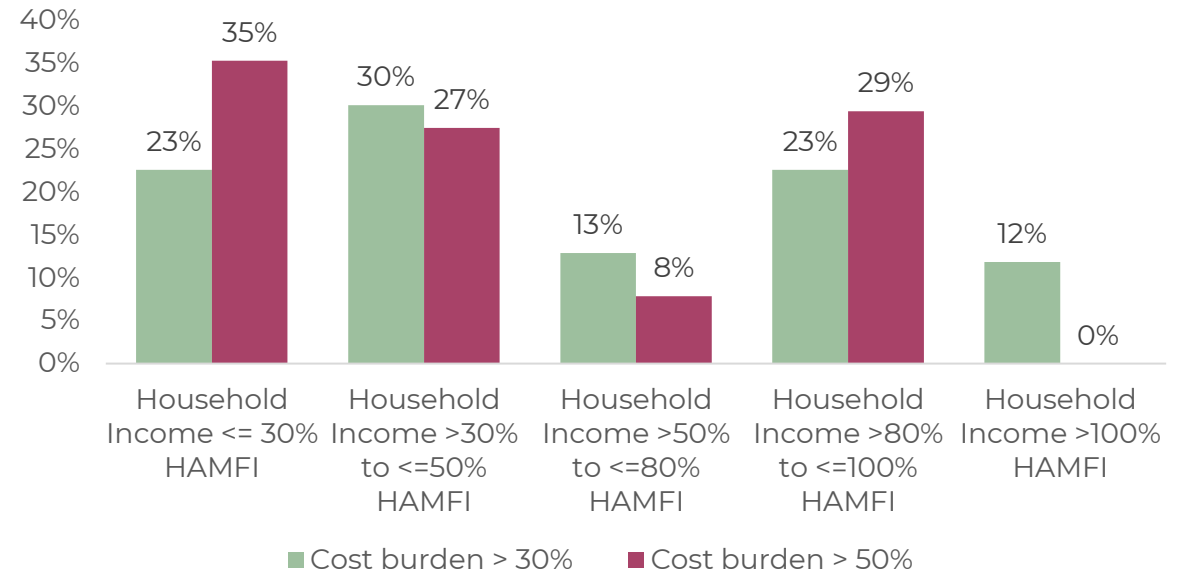


# Cost Burden

Cost Burdened Owner vs. Renter Households, 2017-2021



Income by Cost Burden, Owners Only 2017-2021



## HOMEOWNERS IN NEW LONDON ARE MORE LIKELY TO BE COST BURDENED COMPARED TO RENTERS.

HUD considers a household to be cost burdened if they are spending more than 30% of their monthly income on housing costs. In New London, about 34% of owner households are cost burdened, compared to only 24% of renter households that are cost burdened. According to HUD’s Comprehensive Housing Affordability Strategy data (CHAS), 15% of homeowners spend between 30% and 50% of their income on housing costs, and 19% spend greater than 50%. For renters, the percentage of households spending more than 50% of their incomes on housing costs is 11%.

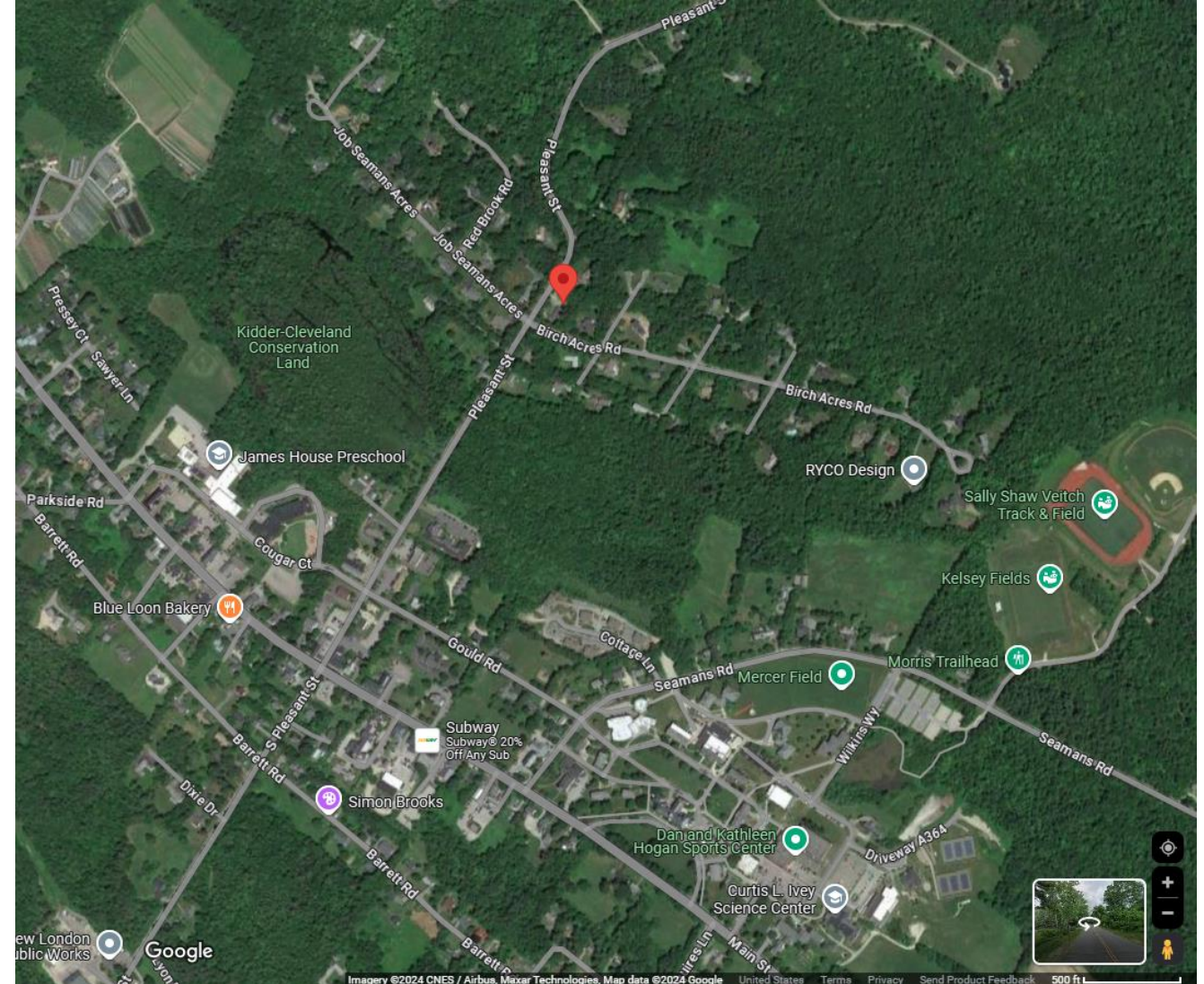
## MANY LOWER INCOME OWNER HOUSEHOLDS IN NEW LONDON ARE CONSIDERED COST BURDENED.

The challenge for households spending more than 30% of their income on housing costs is that it leaves significantly less money for spending on other necessities such as food, transportation, education, healthcare, and childcare. Owners in New London face an expensive housing market and continue to shoulder housing cost burdens. Across the majority of income brackets, New London has households facing housing cost burdens. Furthermore, as home values continue to rise across the region, many potential buyers may find it increasingly difficult to enter the market, leading to greater demand for rental properties and further exacerbating the affordability crisis for both renters and homeowners.

## Subsidized Housing by Type

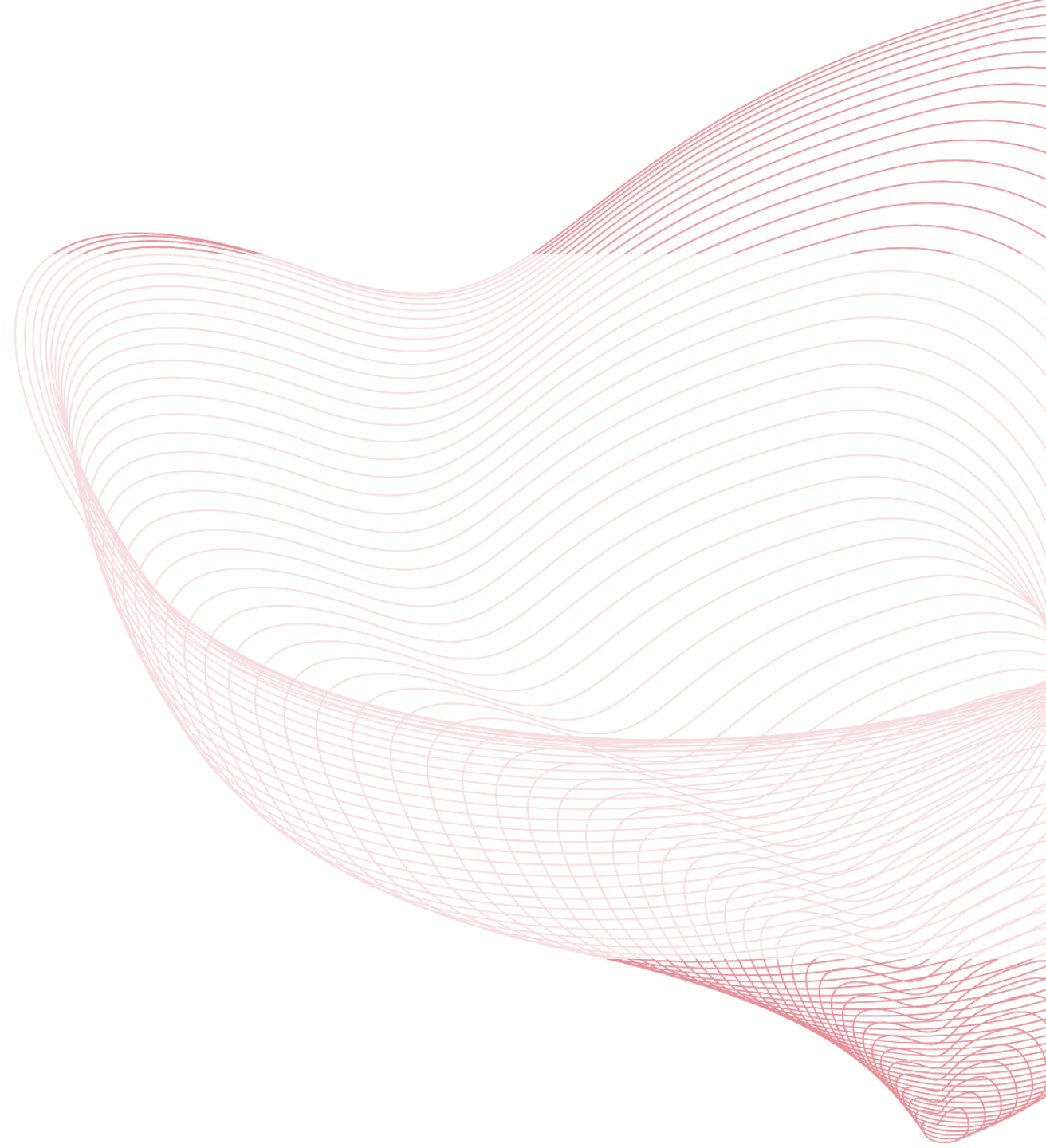
New London's only subsidized housing development, Bittersweet, located at 12 Pleasant Street, offers age-restricted accommodations with a total of 32 units, including 4 accessible units. Bittersweet is about a half-mile from New London's Main Street and Colby-Sawyer College. This development aims to provide affordable living options for older residents, ensuring accessibility and promoting a supportive living environment for those in need.

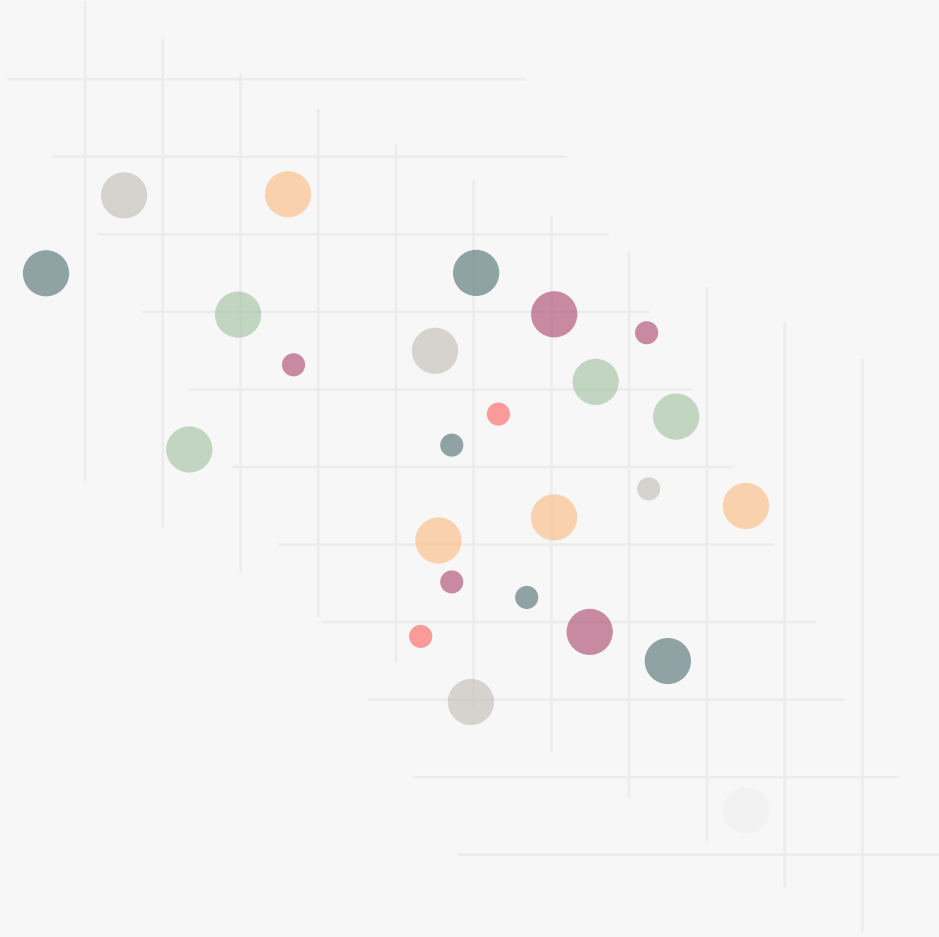
## Bittersweet – 12 Pleasant Street, New London



# Key Findings

- **Ageing Population and Housing Stock:** The majority of housing consists of single-family homes, with many homeowners aged 65 and older likely seeking alternatives due to fixed incomes.
- **High Vacancy and Affordability Issues:** One-third of the housing stock is vacant, primarily seasonal, while about 34% of owner households are cost-burdened, indicating significant affordability challenges.
- **Rapid Price Increases:** The median home sale price has surged by 115% over the past decade to \$561,000, alongside rising rental costs, with median gross rent at \$1,387 in 2022, further straining housing accessibility.





# Gap Analysis

## Housing Affordability Gap

### THERE IS STILL A GREAT NEED FOR AFFORDABLE HOUSING IN NEW LONDON.

In New London, about 42% of the renter households and 26% of the owner households earn less than 50% of the area median income (AMI), totaling 444 households. These households often experience housing instability, may rely on housing assistance, and are typically spending more on housing as a percentage of their overall income.

Area Median Income (AMI) refers to the midpoint of a region's income distribution where half the households in a region earn more than the median and half earn less than the median. For housing, AMI thresholds set the limits for households eligible to live in income-restricted housing units and how much those units can be rented or sold for.

Area Median Income Threshold	Income	Owner Households		Affordable Home Purchase Price			
		#	%	FHA		Conventional	
				Single Family	Condo	Single Family	Condo
30% AMI (Extremely Low Income)	\$31,100	247	16.6%	\$110,690	\$5,511	\$138,401	\$2,492
50% AMI (Very Low Income)	\$51,800	134	9.0%	\$184,364	\$79,185	\$230,521	\$94,611
80% AMI (Low Income)	\$82,900	266	17.9%	\$295,054	\$189,875	\$368,922	\$233,012
100% AMI (Moderate Income)	\$103,600	99	6.7%	\$368,728	\$263,549	\$461,041	\$325,132
120% AMI (Moderate Income)	\$124,320	85	5.7%	\$442,474	\$337,295	\$553,249	\$417,340
Above 120% AMI (Middle Income +)	\$124,321+	654	44.0%	\$442,475+	\$337,296+	\$553,250+	\$417,341+

Area Median Income Threshold	Income	Renter Households		Affordable Monthly Rent
		#	%	
30% AMI (Extremely Low Income)	\$27,650	38	25.2%	\$691
50% AMI (Very Low Income)	\$46,050	25	16.6%	\$1,151
80% AMI (Low Income)	\$73,700	32	21.2%	\$1,843
100% AMI (Moderate Income)	\$92,100	24	15.9%	\$2,303
120% AMI (Moderate Income)	\$110,520	15	9.9%	\$2,763
Above 120% AMI (Middle Income +)	\$110,521+	17	11.3%	\$2,764+

## Housing Affordability Gap

For households earning at or below 50% of AMI, there is a shortage of 267 housing units in the conventional lending scenario, and a shortage of 278 units in the FHA lending scenario, highlighting a critical need for affordable housing options for very low-income households.

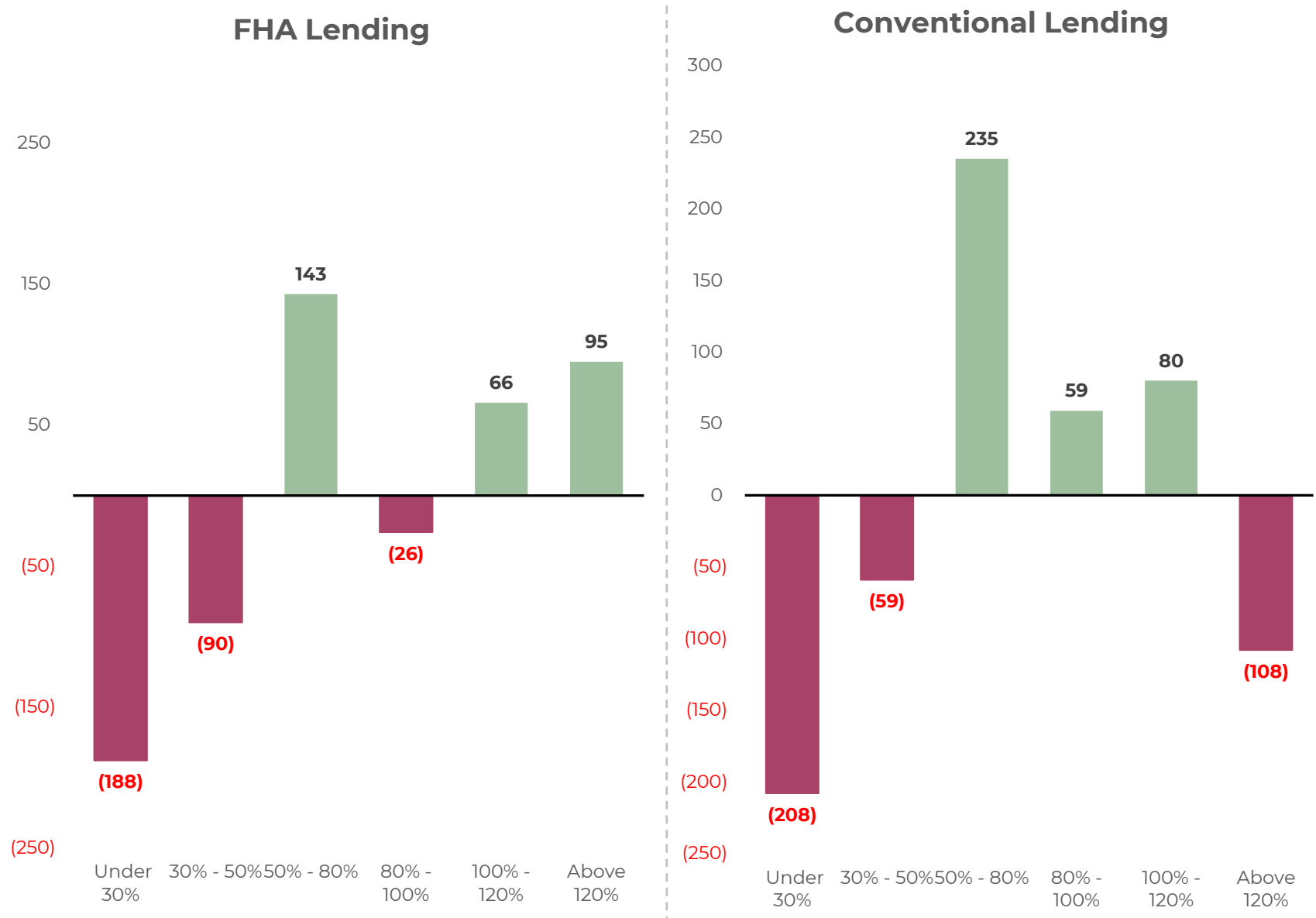
For units valued between 50-80% of AMI there is a surplus of 143 units in the FHA scenario and a surplus of 235 units in the conventional lending scenario. This suggests that there are adequate options for households within this income bracket.

For units valued between 80-100% of AMI there is a deficit of 26 units in the FHA scenario, and a surplus 59 units in the conventional lending scenario. This discrepancy highlights a mismatch in housing options based on the type of financing available, with a need to increase affordable units accessible through FHA loans for those earning between 80-100% of AMI.

For units valued at 100% - 120% of AMI, both lending scenarios show a surplus of units, with 66 in the FHA scenario and 80 in the conventional scenario, suggesting that this income group has access to sufficient housing options.

For units values above 120% of AMI, there is a surplus of 95 units in the FHA scenario, there is a deficit of 108 units in the conventional lending scenario, indicating varying availability depending on the lending type.

## Supply and Demand Gap for Ownership Housing Units, New London



## Housing Affordability Gap

### THE RENTAL MARKET FACES TIGHT SUPPLY CHALLENGES AT BOTH THE LOWEST AND HIGHEST INCOME LEVELS.

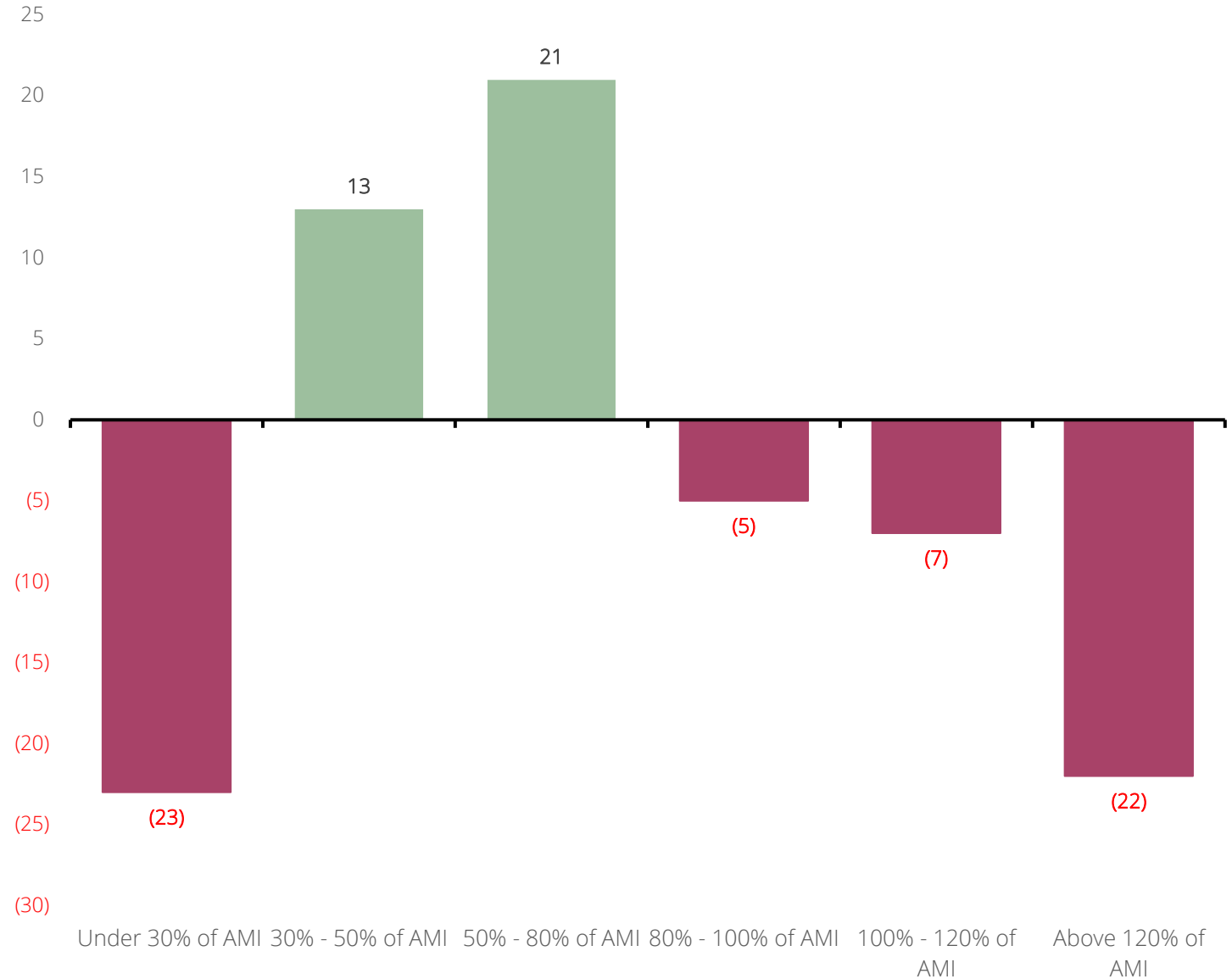
For extremely low-income renter households, the availability of affordable units is severely constrained. Specifically, there are 23 more households earning less than 30% of the Area Median Income (AMI) than there are affordably priced units available, with monthly gross rents at or below \$691. This indicates a critical shortage of housing options for extremely low-income families.

In the next income bracket, units priced between 30-80% of AMI show a surplus of 34 units. However, these units are likely occupied by lower-income households who may be paying more than is financially sustainable.

Additionally, there is a gap of 34 units for households earning above 80% of AMI, suggesting that even at this higher income level, the housing supply is insufficient to meet demand.

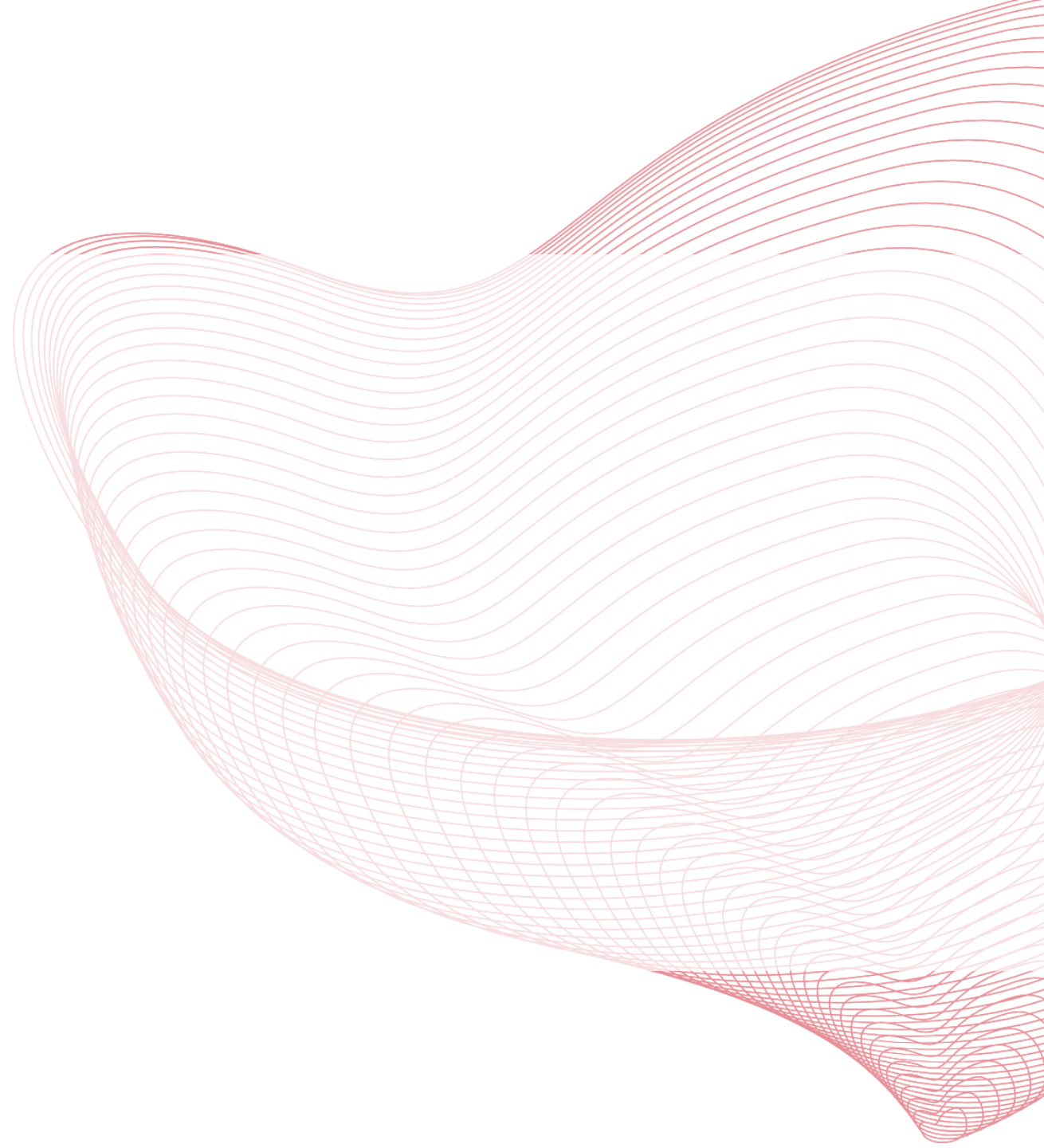
The shortage of higher-priced rental units in New London exerts downward pressure on the overall housing market, limiting options for lower-income households. Higher-income renters have more flexibility in their housing choices, often occupying units at lower price points than they could afford, which further complicates the availability of affordable options for those in need.

Rental Supply and Demand Gap, New London, NH



# Key Findings

- **Shortage of Affordable Housing:** There is a significant gap between the demand for affordable housing and available options, particularly for units priced under 50% AMI, indicating a pressing need for affordable rental and ownership options for lower-income residents.
- **Surplus in Lower-Middle-Income Units:** While units priced between 50-80% AMI exceed demand, they are often occupied by lower-income households paying unsustainable rents, highlighting the need for better alignment of housing costs with income levels.





# Challenges

New London, New Hampshire, faces a complex housing landscape marked by rising home values, limited affordable housing options, and a growing demand for diverse housing types. The town needs a variety of housing solutions to meet its evolving demographic needs, including affordable housing for low- and moderate-income households, smaller units like condominiums and townhouses for empty nesters and younger residents, and senior housing for its aging population. Workforce housing is also critical for attracting and retaining a stable local workforce, while increased availability of rental properties will serve young professionals and families. Moreover, the rise of short-term rentals can further complicate this landscape by reducing the availability of long-term housing options, driving up prices, and creating competition for limited rental units. By prioritizing these diverse housing types, New London can enhance its community appeal and ensure that all residents have access to suitable and affordable living options.



**HOUSING NEEDS ASSESSMENT FOR THE TOWN OF NEW  
LONDON, NEW HAMPSHIRE**

OCTOBER 2024