



# Appendix 1: Statewide and Regional Housing Targets

## Preface

This report was prepared for the Vermont Department of Housing and Community Development (DHCD) and Vermont Association of Planning and Development Agencies (VAPDA). This report serves as a supplemental appendix to the 2024-2029 Vermont Housing Needs Assessment, prepared in December 2023 - June 2024 and released in August 2024. The statewide housing needs assessment is required as part of the 2025-2029 U.S. Department Housing and Urban Development (HUD) Consolidated Plan. This amendment was created in response to 24 V.S.A. § 4348a(a)(9) requiring the DHCD to publish statewide and regional housing targets and is beyond the federally-required scope of the Vermont Housing Needs Assessment.

## Data sources

The report draws largely from data and estimates that are available on the Vermont Housing Data website's "Community Profiles" accessed at [www.housingdata.org](http://www.housingdata.org). The report uses the most recent data available when it was prepared in August - October 2024, as noted throughout the appendix. Specific data sources include:

- U.S. Census Bureau, Decennial Census 1940-2020
- U.S. Census Bureau, American Community Survey
- Vermont Department of Health, Annual Vital Statistics Report
- Vermont Point-in-Time Count, 2023-2024

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## Summary

Vermont’s current year-round housing supply falls short of meeting the needs of Vermonters. The state’s rental vacancy rate of 3% is among the lowest in the country, and well below the 5% vacancy rate of a healthy market. The most populous area, Chittenden County, had a vacancy rate estimated at just 1.2% in 2024.<sup>1</sup> Migration data suggests longer term trends in the housing market were further exacerbated during the pandemic, as more people moved to Vermont in 2021 and 2022 than during the prior ten years combined.<sup>2</sup> This change in migration and household formation patterns, combined with other macro-scale economic changes, contributed to rising housing costs, with the current housing stock unable to accommodate all households.

The shortage of apartments for rent and homes affordable to purchase has contributed to a tripling of the number of Vermonters experiencing homelessness between 2019 and 2024.<sup>3</sup> Vermont has a per capita homelessness rate of 53 per 10,000 people, the 4th highest nationally.<sup>4</sup> With Vermont’s owner vacancy rate at 1.2%, the median days-on-market of homes listed for sale is at an all-time low.<sup>5</sup> At the same time, the median sale price of a primary home increased by 43% between 2019 and 2023. The current housing shortage has also contributed to severe cost burden among 36,000 renter and owner households in Vermont paying more than 50% of their household income towards housing costs.

To accommodate projected household growth and meet other current housing market needs, Vermont is likely to need to expand its total housing stock by 79,000-172,000 homes by 2050, which will require an average annual pace of increase of 0.8-1.6% (between 3,160 and 6,880 homes per year) In 2010-2020, Vermont’s housing stock increased by an average rate of 0.4% (1,178 homes per year).

### Total additional home targets, 2025-2030 and 2025-2050

Region	2025-2030		2025-2050	
	Lower	Upper	Lower	Upper
Addison County	1,296	1,978	4,103	8,088
Bennington County	1,453	2,188	4,483	8,836
Central Vermont	2,540	3,864	8,045	15,856
Chittenden County	7,301	10,537	15,783	47,407
Lamoille County	1,387	1,959	3,359	6,621
Mount Ascutney	1,207	1,781	3,750	7,391
Northeastern Vermont	2,836	4,193	9,014	17,768
Northwest Vermont	2,144	3,249	6,755	13,315
Rutland Regional	2,707	4,065	8,100	15,965
Two Rivers-Ottauquechee	2,424	3,640	7,692	15,162
Windham Regional	2,571	3,730	7,933	15,635
<b>Vermont</b>	<b>27,867</b>	<b>41,185</b>	<b>79,018</b>	<b>172,044</b>

2025-2030: “Lower” assume VT year-round households increase at the 2016-2019 average annual rate of 1.02%. “Higher” assume the 2019-2022 rate of 1.77%.

2025-2050: “Lower” based on population projection. “Higher” assume VT year-round households increase at the long-term annual average rate of 1.4%.

All targets include additional projected year-round households plus homes needed to normalize vacancy rates, eliminate homelessness, replace destroyed homes, and provide a margin to address Vermont’s 15% seasonal home rate.

<sup>1</sup>Allen, Brooks & Minor Report, June 2024, A comprehensive semi-annual analysis of the real estate market as reported in the Chittenden County Regional Planning Commission’s [Building Homes Together October 2024 update](#).

<sup>2</sup> U.S. Census Bureau, National Population Totals and Components of Change.

<sup>3</sup> Vermont Point-in-Time (PIT) counts of people experiencing homelessness from [housingdata.org](https://housingdata.org).

<sup>4</sup> U.S. Department of Housing and Urban Development (HUD) Annual Homeless Assessment (AHAR) [2024 report](#).

<sup>5</sup> U.S. Census Bureau estimates and MLS home sale reports on Vermont Housing Data website ([housingdata.org](https://housingdata.org))



## Objectives: Purpose of this Appendix

This appendix to the 2025-2029 Vermont Housing Needs Assessment has two goals:

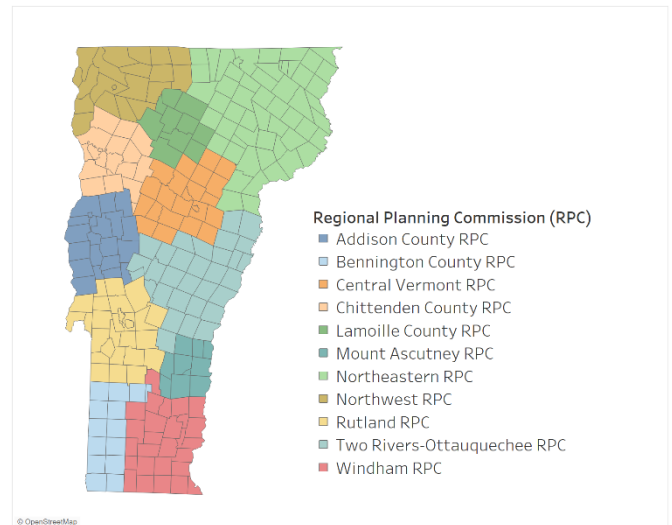
- (1) compute state and regional housing production targets for 2030 and 2050;
- (2) outline best practices for measuring progress toward housing targets in upcoming years

The Vermont Housing Needs Assessment is required to be completed by the Vermont Department of Housing and Community Development (DHCD) every five years as part of the federal Housing and Urban Development (HUD) Consolidated Planning process. The most recent statewide housing needs assessment was completed by Vermont Housing Finance Agency (VHFA) for the State in 2024, covering the period until 2029. Historically, this document was created with the primary purpose of meeting federal requirements to receive funds for affordable housing programs but has included other data points based on state-defined policy priorities.

The Vermont HOME Act of 2023 (Act 47) required that the Vermont Housing Needs Assessment include statewide and regional housing targets or ranges. The HOME Act, enacted by the Legislature to “enable new opportunities for housing development within state, regional, and local planning and development regulations,” also requires that regional plans completed by the state’s regional planning commissions (RPCs) include a housing element that identifies the need for housing for all economic groups. The Act requires that regional plans consider what local policy decisions will result in an adequate supply of building-code and energy-code compliant homes, where most households do not spend more than 30 percent of their income on housing and not more than 15 percent on transportation.” (Act 47 Sec. 11, §4348a).

In the following year, Act 181 of 2024 directed DHCD to work with regional planning commissions to develop metrics that measure progress toward statewide and regional housing targets, including a detailed breakdown of measurements.<sup>6</sup> Sec. 93 of Act 181 specifically requires metrics measuring progress regarding price, quality, unit size or type and zoning district, as applicable.

To help satisfy these requirements, VHFA was hired by the Vermont Association of Planning and Development Agencies (VAPDA) on behalf of the regional planning commissions in support of the Vermont Department of Housing and Community Development (DHCD).



### ***Vermont’s Regional Planning Commissions (RPCs)***

Although the core Housing Needs Assessment for 2025-2029 also includes projections of households and housing needs, the figures in this appendix differ largely for three reasons: (1) they are provided at the regional level (compared to the county level of the core assessment), (2) they are provided for 2030 and 2050 (compared to 2029 in the core assessment), and (3) they are a policy tool designed to drive community housing goals to result in better macroeconomic and demographic outcomes.

Additional methodological refinements in this appendix including a seasonal housing “margin” for housing production targets, increased housing loss rate assumption and the consideration of a population cohort component projection for 2050.

<sup>6</sup> Vermont Department for Housing and Community Development, July 8, 2024 Memo on 2024 Legislative Revisions Affecting Community Planning and Revitalization [https://outside.vermont.gov/agency/ACCD/ACCD\\_Web\\_Docs/CD/CPR/Resources-and-Rules/CPR-DHCD-LegislativeSummary\\_2024.pdf](https://outside.vermont.gov/agency/ACCD/ACCD_Web_Docs/CD/CPR/Resources-and-Rules/CPR-DHCD-LegislativeSummary_2024.pdf)



## Introduction: Vermont's current housing deficit

As of 2025, Vermont will have an estimated 292,055 households, living in approximately 347,188 homes. Of these homes, approximately 59% are owner-occupied, 23% are renter occupied, 14% are seasonal homes, and the remaining 3% are considered vacant.<sup>7</sup> The composition of Vermont's housing stock varies widely by county. Chittenden County has the highest share of rental housing (36%), containing 31% of the state's overall rental stock.

In recent years, particularly since the outbreak of the Covid-19 pandemic in 2020, it has become clear that the current housing stock does not adequately meet the needs of current or future Vermonters. This inadequacy has manifested as a housing deficit – there simply are not enough homes within the housing stock to meet the demand to live in Vermont. The homes that are available do not necessarily meet the affordability or accessibility requirements of the state's population.

Broadly, Vermont's housing deficit is defined by the following gaps:

- The slow rate of home development since 2000 has not kept pace with the demand to live in Vermont. 2010-2020 had the slowest annual rate of home development in Vermont since 1950-1960. As a result, the housing stock in Vermont is amongst the oldest in the country. This has also contributed to low vacancy rates and quick turnover of homes for both buyers and renters.
- This shortage in the housing stock is further compounded by the prevalence of seasonal and other secondary use homes in Vermont. These homes, many of which are not suitable for year-round use, have been a feature of Vermont's housing stock for decades; Vermont has been in the top 3 states for portion of housing stock used as seasonal homes since 1940. Today, more than 15% of all homes in the state (about 50,000) are used as seasonal homes.
- Vermont's population is the third oldest in the country. Older Vermonters "aging in place" have kept many homes out of the sale market for younger potential buyers. With only few vacancies, both older and younger buyers may be unable to find a suitable unit for their current needs. As a result, many homes are under-occupied while the state's population continues to trend older.
- After years of negligible net migration into the state, the rate of in-migration to the state increased substantially during 2021 and 2022. This increase, while relatively modest in overall number, was likely enough to influence the already precarious housing market. Vermont home prices and rents have increased at a higher rate since 2020 than in the five years before the pandemic.<sup>8</sup>

Each of these factors has put pressure on the housing market, contributing to increasing rates of homelessness, decreasing housing vacancy rates, and increasing home sale prices and rents.

<sup>7</sup> U.S. Census Bureau, American Community Survey, 5-year estimates

<sup>8</sup>In 2019-2024, VT's median primary home sales price increased 50% and HUD's Fair Market Rents increased 25-35%.



Vermont's current housing deficit, 2024

Region	Homes needed to normalize vacancy rate	Homes needed to house the homeless	Year-round homes needed
Addison County	196	165	361
Bennington County	214	180	394
Central Vermont	384	323	707
Chittenden County	936	758	1,694
Lamoille County	161	135	296
Mount Ascutney	179	150	329
Northeastern Vermont	431	362	793
Northwest Vermont	323	271	594
Rutland Regional	386	325	711
Two Rivers-Ottawaquechee	368	309	677
Windham Regional	379	318	697
<b>Vermont</b>	<b>3,957</b>	<b>3,295</b>	<b>7,252</b>

Estimates of homelessness are from the 2023 Vermont Point-In-Time count which was the most recent available when this report was prepared. Estimates of vacancy rates and estimates of the housing stock dedicated to seasonal homes are from the U.S. Census Bureau for 2022, the most recent available when this report was prepared.

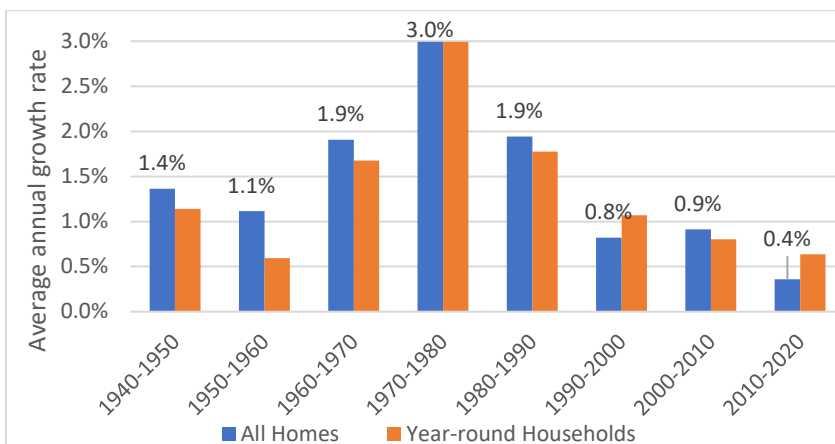
The housing deficit is most apparent in the increase in homelessness statewide since 2020. To normalize vacancy rates and house people experiencing homelessness today, Vermont's stock of year-round housing would need to expand by at least 7,000 assuming a target statewide vacancy rate of 5% among rental homes and 2% among owner homes.

Vermont's history of housing stock growth

Home building is the single greatest contributor to the growth of Vermont's housing stock. Additional year-round homes are also created when vacation homes convert to use as primary homes and when additional units are added within an existing residential building, such as through the creation of accessory dwelling units or through the subdivision of one home into multiple homes.

After peaking in the 1970s, the average annual rate of housing growth has consistently decreased in Vermont. In the last decade, there were approximately 1,178 new homes added to the housing stock per year, equal to a 0.4% average annual growth rate. Not only did the rate of growth decline, but so did the overall number of new homes created. The number of homes added per year from 2010-2020 was the lowest of all decades back to at least 1940. Notably, a greater number of year-round households than total households between 2010 and 2020, suggesting that some number of seasonal homes converted to primary occupation in 2020.

Historic average annual home and household growth rates, 1940-2020

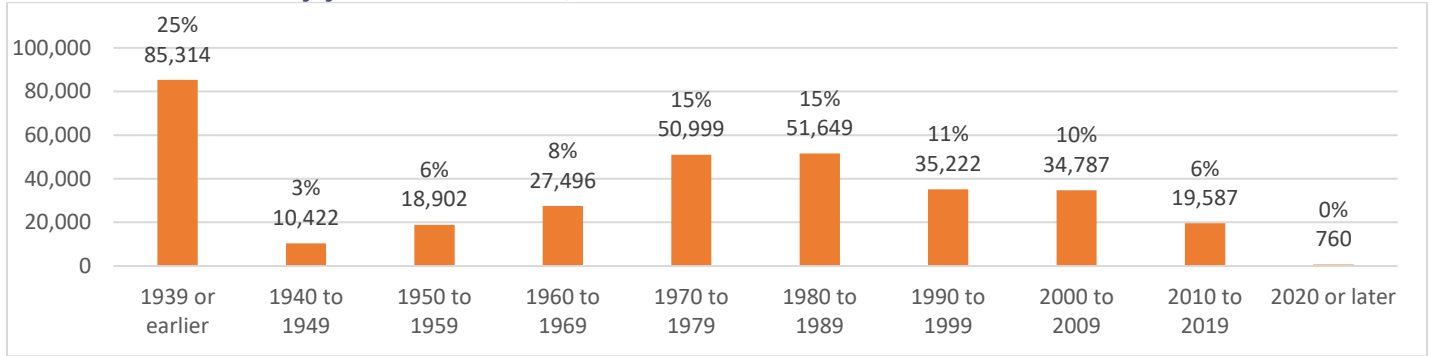


Decade	Average annual new households	Average annual new total homes
1940-1950	1,202	1,555
1950-1960	681	1,440
1960-1970	2,161	2,876
1970-1980	4,918	5,813
1980-1990	3,685	4,802
1990-2000	2,551	2,317
2000-2010	2,107	2,816
2010-2020	1,545	1,178



Vermont’s housing stock is among the oldest in the country. Nationally, only 12% of the housing stock was built before 1940, compared to more than 25% of Vermont’s housing stock. Only Massachusetts, New York, Pennsylvania, and Rhode Island exceed Vermont in terms of the prevalence of homes built before 1940.

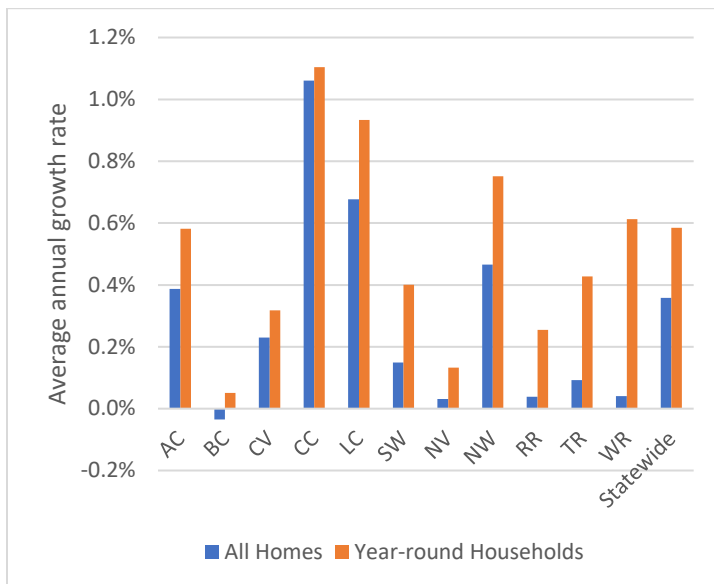
**Total Vermont homes by year structure built, 2022**



Older housing stock is of concern for several reasons. Homes built before 1978 may have lead paint, which can be a major health risk, especially for young children. Homes built before 1980 may have asbestos, which requires professional remediation if disturbed during renovations. Older homes are often less energy efficient than newer homes, leading to higher energy cost-burden for their occupants.

In 2010-2020, the number of all homes in Vermont increased by 0.4%, with rates in the regions ranging widely from a slight loss in the Bennington County region to an average annual gain of 1.2% in Chittenden County. Lamoille County and the Windham Region saw greater rates of growth than the state, while the Northeast region, Rutland region, and Two-Rivers Ottauquechee region saw growth of the housing stock less than 0.1% per year. In 2020-2023, the average annual rate of growth in Vermont’s housing stock has ticked up slightly to 0.6- 0.7%.<sup>9</sup>

**Average annual home and household growth rate by region, 2010-2020**



Region	Average annual new households	Average annual new total homes
Addison County	83	64
Bennington County	8	(6)
Central Vermont	88	76
Chittenden County	723	736
Lamoille County	98	91
Northeastern	44	23
Northwest	36	12
Rutland Regional	167	127
Mount Ascutney (SW)	67	13
Two Rivers-Ottauquechee	105	29
Windham Regional	128	13
Vermont	1,545	1,178

<sup>9</sup> U.S. Census Bureau, Population Division, Annual Estimates of Housing Units for the United States, Regions, States, and the District of Columbia: April 1, 2020 to July 1, 2023 (NST-EST2023-HU), May 2024.





## Seasonal homes

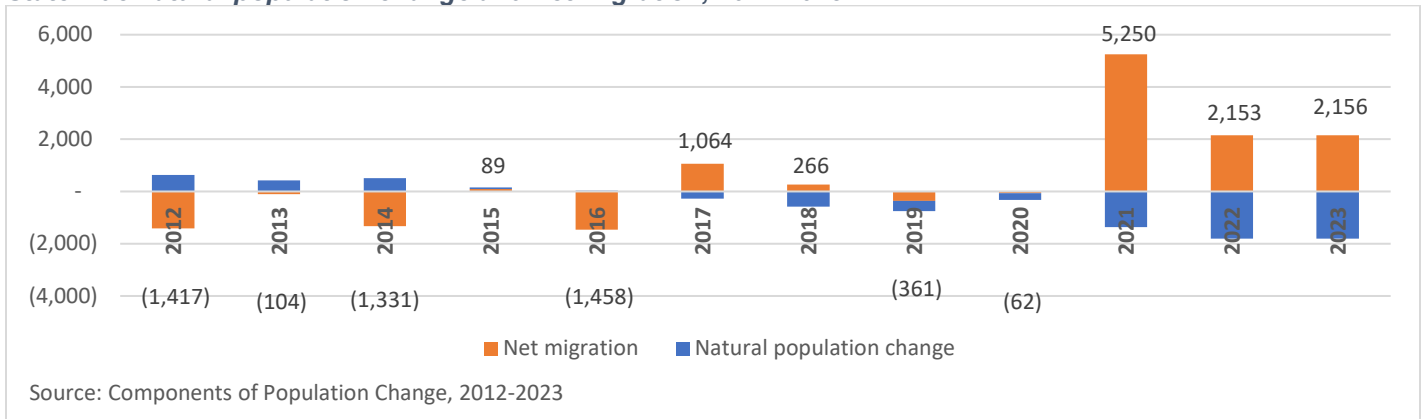
Seasonal homes account for 15% of Vermont’s housing stock. Seasonal homes are defined here and by the U.S. Census Bureau as homes intended for use only in certain seasons or for occasional use throughout the year that are vacant or in which occupants are staying less than 2 months and have a permanent residence elsewhere.<sup>10</sup>

In 2020, the number of seasonal homes decreased relative to earlier counts. The decrease occurred at the same time as an overall increase in the year-round Vermont households, suggesting some of the seasonal units were converted to year-round housing following the outbreak of the pandemic. While some seasonal homes could be used as year-round homes, many properties are currently unlikely to change status. At least some seasonal homes are unheated hunting cabins, lakeside camps with limited septic systems, or condominiums within ski resorts that are not suitable for year-round use. Approximately 4,200 vacant homes do not have complete kitchen facilities and 4,960 do not have working plumbing, suggesting they would need significant conversion before becoming usable for full year occupancy.

## Housing & demographic changes since the pandemic

With a median age of 43.2, Vermont’s population is the third oldest in the U.S, behind its northern New England counterparts Maine and New Hampshire. There has been no natural population growth (births minus deaths) in Vermont since 2016. The number of deaths in the state each year is rising further above the number of births, making all of the state’s population and household growth due to net migration and increasing household formation rates among existing residents.

Statewide natural population change and net migration, 2012-2023



Net migration is the difference between the number of people that move into an area (“in-migration”) and the number of people that move out (“out-migration”). In-migration to and out-migration from Vermont includes the movement of people to and from other states (“Domestic migration”) and to and from other countries (“Immigration”).

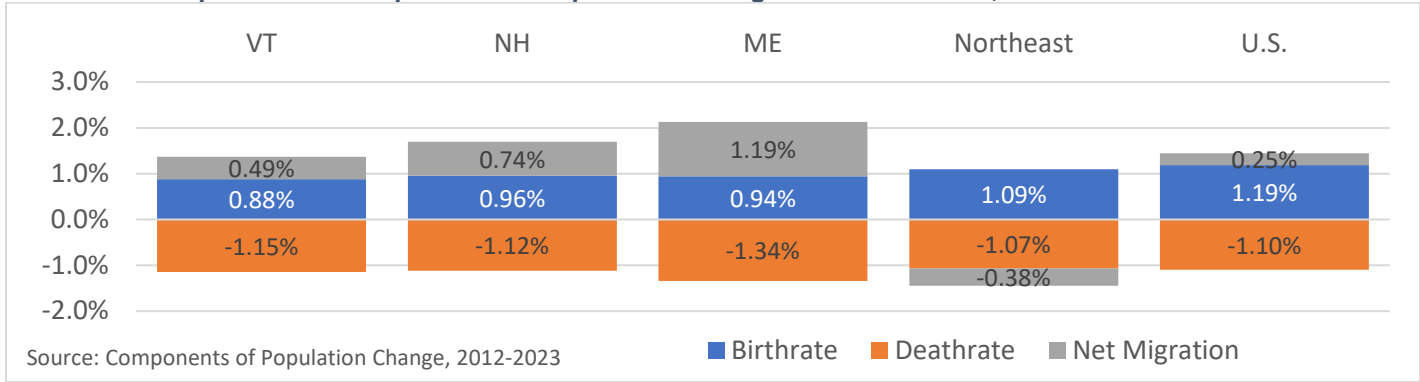
Like other U.S. non-metro and small-metro areas<sup>11</sup>, Vermont has experienced increased net migration since the pandemic, which has exacerbated the state’s housing deficit. Since 2020, core areas of large U.S. cities have lost a net total of 2.8 million people to migration, whereas smaller cities, rural areas, and inner-ring suburbs have all grown in that time. Although the average annual rate of growth in the statewide housing stock has ticked up slightly since 2020, this uptick has been outweighed by the higher rate of demand to live in Vermont.

<sup>10</sup> U.S. Census Bureau, [American Community Survey 2023 Subject Definitions](#).

<sup>11</sup> JCHS 2024 report



State level comparison of Components of Population Change in the Northeast, 2020-2023

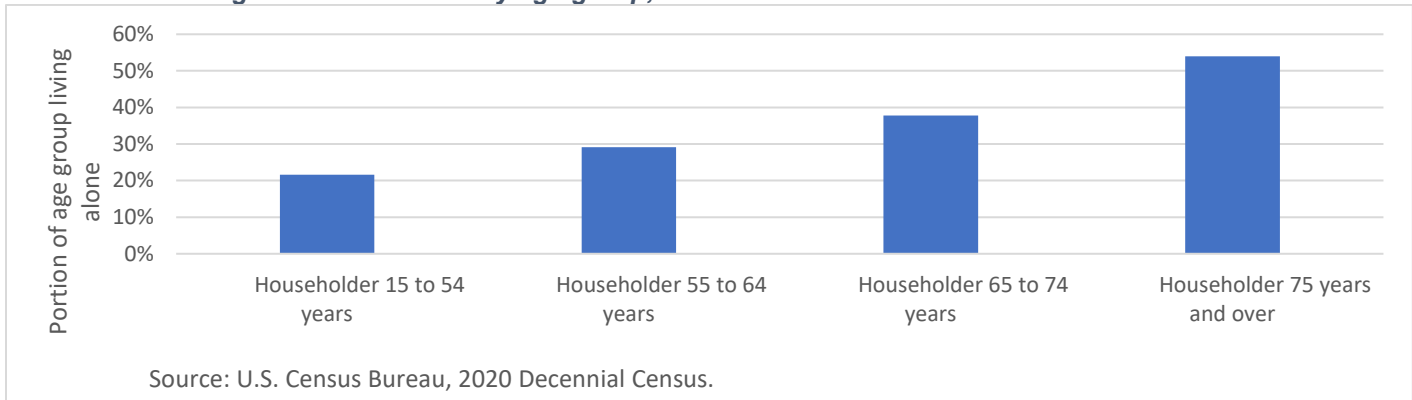


The average rate of net migration in Vermont in 2021-2023 was 0.49%. However, in 2021, Vermont experienced a higher rate of net migration of 0.81%. This rate is the highest recorded rate of net migration in the state since 1990. The state’s population increase overall during that time indicates that 2021 had the most in-migrating people in any single year in state history.<sup>12</sup>

In addition to population changes, the rate at which people live together determines the number of homes needed. The number of households in a specific location may continue to grow, even when population stagnates, if the household formation rate of the population increases (i.e. the average household size decreases). A national increase in household formation rates in 2019-2022 has increased the need for additional homes in Vermont. According to the Joint Center for Housing Studies, the bulk of the recent household growth is among members of Gen Z (born 1995–2009) and millennials (born 1980–1994).<sup>13</sup>

Millennials are entering the homebuying market at a time when many members of the Baby Boom generation (born 1946-1964), the largest population segment in the state, are aging in place. In Vermont, the older a person is, the more likely they are to live alone, eventually requiring more homes for fewer people. The slow inter-generational turnover of modest homes is putting extra pressure on the constrained home sale market. The surge in household formation in Vermont reflects national trends, but may be a temporary impact of the pandemic, creating more uncertainty about expected growth in the future.

Likelihood of living alone in Vermont by age group, 2020



Vermont’s relatively low unemployment rate is correlated with the higher percentage of older Vermonters of retirement age relative to younger Vermonters of working age. This “age dependency ratio” was 32% for

<sup>12</sup> U.S. Census Bureau, National Population Totals and Components of Change

<sup>13</sup> [https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard\\_JCHS\\_The\\_State\\_of\\_the\\_Nations\\_Housing\\_2024.pdf](https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2024.pdf)



Vermont in 2020 compared to 25% for the U.S.<sup>14</sup> An increasing age dependency ratio can have myriad effects on the labor market and housing market, as the needs and demands of the population shift with age.

The Vermont Joint Fiscal Office reports that the aging population may also impact state tax revenue more broadly. As the Baby Boom generation ages out of the labor force, potential revenue from income tax will decline. Additionally, sales tax revenue may decline as the population spends a greater share of household income on services such as health care and living assistance.<sup>15</sup>

The supply of workers in Vermont has been low relative to the U.S. for decades, but recent gaps in critical key occupations, such as health care workers and construction trades, are developing in locations across the state. In June 2024, Vermont's unemployment rate was 2.1% - much lower than the national rate of 4.1%<sup>16</sup>. Current national<sup>17</sup> and local labor market shortages in the construction and building fields will be further exacerbated by the continued increase in average age, and a lack of available housing.

Given Vermont's low birth rate, net migration is the most likely source of growth for the state labor force. The direct correlation between net migration and housing demand means that the availability of housing will be key to supporting net migration and expanding the labor force.

## Methodology

Targets are presented for two periods: 2025-2030 and 2025-2050. For each of the two study periods, we have presented high-growth scenarios (Upper) and low-growth scenarios (Lower). These scenarios, and the changes associated, were determined by an examination of historic Vermont population and housing market trends.

## Assumptions

### 2025-2030

- Lower - 1.0% annual average household growth (rate in 2016-2019)
- Upper - 1.8% annual average household growth (rate in 2019-2022)

### 2025-2050

- Lower – cohort-component population projection
  - o 0.49% annual average rate of net migration (rate in 2020-2023)
  - o Vital statistics (2019 used for model, more typical of the recent Vermont experience)
- Upper– 1.4% annual average household growth (long-term average from 1950-2020)

Targets for 2030, just 5 years into the future from the time of the completion of this report, are derived by continuing current short term trends in household growth. Targets for 2050, however, use an expanded approach. Considering that this second study period ends 25 years in the future from the completion of this report, we can no longer assume a continuation of short-run trends. Instead, a deeper analysis of demographic changes is required to ensure accuracy. The low growth model used for the 25 year period is based on a component cohort model, considered the standard for creating state-level population projections. Component cohort projections include age-specific birth and death rates from Vermont Department of Health and annual estimates of net migration from the Census Bureau.

<sup>14</sup> Age Dependency Ratio here is defined as population aged 65 and up relative to the population aged 15-64.  
<https://fred.stlouisfed.org/series/SPPOPDPNDOLUSA>

<sup>15</sup> JFO, [Vermont's Population Estimates for 2023](#)

<sup>16</sup> <https://fred.stlouisfed.org/series/VTUR#0>

<sup>17</sup> <https://crsreports.congress.gov/product/pdf/R/R47617>



In addition to meeting demand from year-round households, all housing target scenarios include homes needed to normalize vacancy rates, replace homes lost from the stock, and to replace those likely be used as seasonal homes.

For the 2025-2050 “lower” targets, population projections are converted to households by applying an estimated average household size that gradually trends downward throughout the study period continuing the decline Vermont has been experiencing in recent years. Since older Vermonters are more likely to live alone, we expect that the prevalence of smaller households will continue to increase as the population ages.

Estimates of vacant homes are from the U.S. Census Bureau for 2022. Vacancy rate goals in computation of housing targets were set at 2% and 5% for the owner and rental markets, respectively. Estimates of the housing stock dedicated to seasonal homes are also from the U.S. Census Bureau for 2022, the most recent available when this report was prepared. The model assumes 15% of additional homes added to the market will likely be acquired as second homes, based on historic home usage rates. The model includes a rate of 0.15% annual home loss.

The percentage of homes used for vacation purposes and the distribution of the population by age group based on the 2020 Decennial Census is similar between Vermont’s regions, with the exception of Chittenden County. For this reason, two sets of targets were prepared: (1) Chittenden County and (2) balance of state. For the balance of state regions, housing targets were distributed proportionally based on the number of households and homes in each region in 2020.

Estimates of the number of people experiencing homelessness are derived from the 2023 Vermont Point-in-Time Count which is available in a regional format that does not align with the RPC regions. Chittenden County, however, is again disaggregated from the rest of the counties in the state. Homes needed to address homelessness in the balance of state are proportionally distributed among the remaining regions.

## Results: Number of homes needed in 2030 and 2050

The current shortage of year-round homes in Vermont will likely be compounded each year by additional households choosing to become year-round Vermont residents, as well as by a portion of new Vermont homes used as second homes, and by the ongoing need to replace homes that are removed from the residential stock due to disrepair. The sooner the supply of homes in Vermont rises to meet market needs, the better the state’s economic and demographic outlook. However, looking out to both 2030 and 2050 provides the opportunity to both recognize the urgent current housing shortage and incorporate targets in long term planning.



**Total additional home targets, 2025-2030 and 2025-2050**

Region	2025-2030		2025-2050	
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Windham Regional	2,571	3,730	7,933	15,635
<b>Vermont</b>	<b>27,867</b>	<b>41,185</b>	<b>79,018</b>	<b>172,044</b>
<p>2025-2030: "Lower" assume VT year-round households increase at the 2016-2019 average annual rate of 1.02%. "Higher" assume the 2019-2022 rate of 1.77%.</p> <p>2025-2050: "Lower" based on population projection. "Higher" assume VT year-round households increase at the long-term annual average rate of 1.4%.</p> <p>All targets include additional projected year-round households PLUS homes needed to normalize vacancy rates, eliminate homelessness, replace destroyed homes, and provide a margin to address Vermont's 15% seasonal home rate.</p>				

### 2025-2030

If the trends that have occurred in Vermont since the start of the COVID-19 pandemic continue through the decade, Vermont is likely to gain nearly 27,000 new year-round households between 2025 and 2030. If the rate of growth in year-round Vermont households returns to pre-pandemic levels, Vermont will gain a projected 15,000 households between 2025 and 2030. An adequate housing target is to produce 27,867 - 41,185 additional homes statewide by 2030.

### 2025-2050

Each of the 2050 scenarios assumes that targets will normalize vacancy rates, end homelessness, and replace homes lost from the year-round housing stock due to disrepair and seasonal home use. The greatest source of uncertainty when preparing housing targets is the extent to which new households will form and move to Vermont each year. For this reason, two sets of targets were prepared: The "lower" set assumes that by 2050, Vermont will be home to 49,000 additional year-round households. The "upper" assumes statewide growth of 129,000 households.

#### Lower

Based on the current age demographics of Vermont's population and a continuation of recent birth, death, and net in-migration rates, Vermont's population growth would likely result in an additional 49,000 households between 2025 and 2050. Meeting this demand and other market needs would require an additional 79,000 year-round homes by 2050.

#### Policy implications

- Achieving this target would require an average annual rate of housing growth statewide of 0.8%-- an increase beyond production levels in 2010-2023.
- The labor market would be likely to remain largely unchanged.
- If the number of households grows beyond that expected under this scenario, vacancy rates would be below normal levels and housing costs and homelessness would be pressured upward.



- If the portion of homes lost from the housing stock through physical damage rises beyond that expected, negative impacts on vacancies, housing costs and homelessness could occur.

### Upper

If the growth in year-round households continues at its long-term average from 1950-2020, an additional 129,000 households are projected to live in Vermont between 2025 and 2050. Meeting this level of demand and other market needs would require an additional 172,000 year-round homes by 2050.

#### Policy implications

- Achieving this target would require an average annual rate of housing growth statewide of 1.6%. This represents a strong upward shift and would be a long-term correction to Vermont’s housing market, mirroring 1980-1990 levels.
- The workforce would grow significantly from current levels.
- Homelessness would be far less likely than it is currently.
- This level of home building would encourage high levels of net migration, offsetting the natural population decrease from the loss of the baby boomer generation.

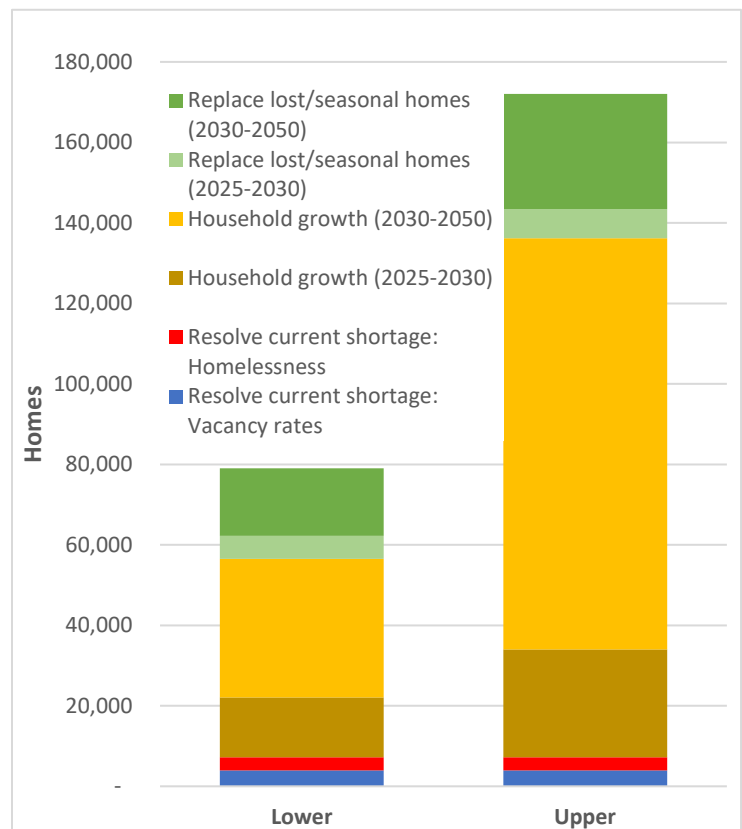
### Mid-point targets

Setting regional and state targets between the lower and upper scenarios described above would provide an opportunity for Vermont to meet the likely housing demand given current demographics while addressing the looming demographic and economic challenges of an aging population. Mid-point targets would also mitigate the negative impacts on vacancies and homelessness if household growth and/or housing loss rates rise beyond those projected in the lower scenario.

#### Policy implications

- Mid-point targets would require an increase in the average annual rate of housing growth from current levels.
- The workforce would grow from current levels.
- Homelessness would be less likely than it is currently.
- This level of home building would encourage an increase in net migration, offsetting the natural population decrease from the loss of the baby boomer generation.

Housing needs (target components)





## Discussion: Future analysis considerations

### Model shortcomings

Housing need projections are more accurate for the near future (short-run) than distant years (long-run) due to the increasing number and impact of unanticipated events that can alter the state's demographic composition. Future events such as a pandemic or changes in technologies, personal choices, or environmental conditions may alter the number of homes needed by shifting migration behavior, birth and death rates and/or household formation rates.

Updating housing targets every five years will ensure that they most accurately reflect unanticipated population shifts and housing needs. In addition, the State of Vermont could consider commissioning regular, comprehensive statewide population projections to serve as a base for housing targets and planning across agencies. According to the U.S. Census Bureau, Vermont is the only U.S. state that lacks regular projections.<sup>18</sup>

Additionally, the model makes an assumption that the number of people experiencing homelessness reflects a direct gap of that number of homes in the housing stock. Due to the high price tag of most newly-built homes, the manner in which meeting housing broad housing targets addresses homelessness occurs in two ways: (1) as higher income renters move into new apartments and vacate apartments with lower rents and (2) through the publicly subsidized portion of new housing production. When new housing developments are publicly funded, the state requires that sponsors ensure they are including a certain number of homes for people exiting homelessness. Overall, sponsors must assure that 15% of their portfolio is dedicated to people who were formerly homeless.<sup>19</sup>

### Demographics and net migration from component cohort

There has been no natural population growth from births and deaths in Vermont since 2016, nor is this projected to change by 2050. By 2050, there will likely be more than twice as many deaths each year as births in Vermont.

By 2030, the largest segment of the Vermont population is expected to be residents aged 65-69, as the youngest Baby Boomers enter their retirement years. This pattern will likely pervade throughout the state except in Chittenden County which has a younger population. In Chittenden County, the largest segment of the population by 2030 is likely to be residents aged 30-34.

If Vermont's current net migration rate remains constant through 2050, the state population is expected to begin declining in 2040 as the Baby Boom generation, the largest generation in the state currently, dies. Meeting housing supply needs, which can improve housing affordability and quality of life, as soon as possible may be an important tool for countering the declining population facing the state in the long run.<sup>20</sup>

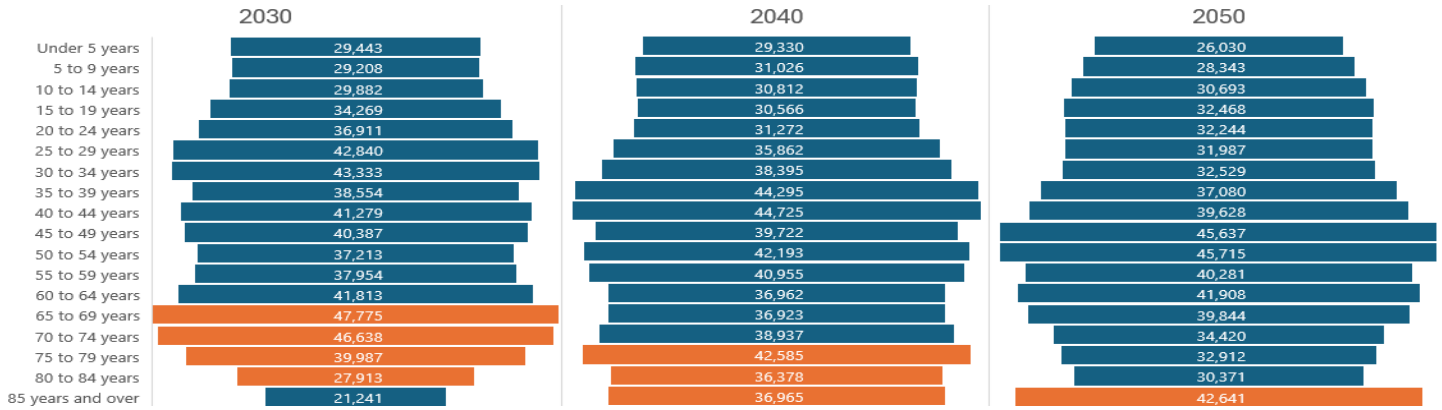
<sup>18</sup> <https://www.census.gov/programs-surveys/popproj/about/related-sites.html>

<sup>19</sup> Vermont [Executive Order 3-73](#).

<sup>20</sup> A [recent study by the National Association of Realtors](#) found that housing affordability was the most important factor in peoples' decisions to move in the U.S. in 2022.



Vermont’s projected population if current trends continue, 2030-2050



Note: Vermont’s Baby Boom generation is shown in orange.

Unlike birth and death rates, net migration is the component of population change that responds more directly to public policy and planning interventions. States and communities may take steps that attract newcomers and retain those who already live here through actions such as creating a more affordable, accessible housing market and direct financial incentives such as the relocation incentives program run by the State of Vermont since 2018.<sup>21</sup>

### Current and future rate of home building

The home building industry in Vermont has experienced significant challenges since 2020. Although building materials and labor costs increased dramatically between 2019 and 2023 with the onset of pandemic supply-chain bottlenecks, they have steadily decreased over the most recent 18-month period.<sup>22</sup>

At the same time, the post pandemic period saw the greatest level of home building in Vermont since the outbreak of the Great Recession in 2008. This development was able to take place in part due to one-time state and federal funds used for housing construction during the pandemic recovery.

The unique nature of these dynamics make it difficult to determine how the immediate shocks to the construction and real estate industry that took place during the pandemic will impact the field in the longer term.

Considering the present gap in Vermont’s housing stock and the projected increase in demand over the next ten years, Vermont will still as a state need to increase its rate of home building by at least 2,000 more homes built per year than the 2,456 units permitted in the state in 2023 in order to reach even the lower home building targets for 2030.

### Future housing types

An important consideration is the alignment of household needs and home type. Currently, there is a preponderance of under-occupied homes. Many of these homes fit the initial needs of their current occupants. However, many older Vermonters are aging in place in larger family homes they purchased years ago.

All household growth in Vermont between 2010-2022 has been among 1- and 2-person households, while the number of 3+ person households contracted during that time. Renter households do not experience the same level of under-occupation, suggesting the mismatch primarily exists in the owner housing stock. These factors, combined with increasing home sale prices, create little opportunity for younger Vermonters to purchase their

<sup>21</sup> State of Vermont, Agency of Commerce and Community Development, “Worker Relocation Incentive Program” <https://accd.vermont.gov/economic-development/relocation-incentives>.

<sup>22</sup> <https://crsreports.congress.gov/product/pdf/R/R47617>





first homes. Without this opportunity, the state may continue to see a decrease in the number of school aged children and subsequently the labor force.

## Housing loss rate

Considering the age of Vermont's housing stock and reports on components of change for the national housing stock, we can reasonably predict that the rate of housing deconstruction will exceed 0.15% per year in the future. Future research is required to determine if there is a variable rate of housing deconstruction based on the age of the structure.

Home repairs become more difficult as a homeowner ages, due to both the physical needs of home repairs, as well as the increased likelihood of living off of only a low fixed-income. Within the context of an aging population living in an aging housing stock, there may be increased instances of deferred maintenance leading to home loss. To combat this potential loss, the state will need to continue to prioritize home repair assistance for vulnerable homeowners.

In tandem with this concern is the rising instances of floods damaging and destroying homes in many of Vermont's riverside downtowns. In the preceding two years of this report, flooding in July of 2023 and 2024 alone fully destroyed or made uninhabitable 374 homes and 482 homes, respectively. Beyond being deemed completely uninhabitable, at least 3,756 homes were damaged in some way during the July 2023 flood, according to FEMA data releases. These figures also do not account for the homes damaged in the two additional periods of flooding during the winter months of 2023.

Given the reality that Vermont's climate has already changed and will continue to do so, combined with an increased likelihood of large scale weather events, flood risk alone could account for an increasing housing loss rate. Until floodplain maps are updated and cross-referenced with current housing build out imagery, we do not know the full scope of flood risk to Vermont's housing stock.

## Evaluation: Opportunities for measuring progress

Measuring progress in creating new homes will help Vermont more effectively meet its housing needs. Systems for doing this statewide are currently limited to Census Bureau estimates from the Building Permits Survey, the Population Estimates Program, and from the American Community Survey. In addition to a lag of 12-18 months, Vermont's small population renders the estimates from these data sets prone to error due to sampling and incomplete data. These sources are very vulnerable to error at the local level, with American Community Survey estimates wholly unavailable for a single year for Vermont towns and counties.

Although Chittenden County homes added each year are counted through its [regional planning commission](#), smaller regions and their municipalities lack the capacity to collect and accurately aggregate information about homes added in their jurisdictions

In 2024, Section 93 of Act 181 directs the Vermont Department of Housing and Community Development to work with regional planning commissions to develop metrics that measure and report on progress toward statewide and regional housing targets, including a detailed breakdown of measurements. The Act requires the Department to report annually through 2030 on these metrics.<sup>23</sup> In response, the Department is developing a metrics dashboard on homes added to Vermont's housing stock.

<sup>23</sup> [H.687 \(Act 181\)](#) An act relating to community resilience and biodiversity protection through land use, June 25, 2024.



## Determining the number of homes added

State of Vermont and University of Vermont data experts are designing improved systems for collecting information and reporting on the number of homes added each year throughout Vermont, including leveraging local data collected through Computer Assisted Mass Appraisal (CAMA) systems.

In addition, improvements to e911 data have provided much better ability to identify building development and the number of residential units in each building. These future options, combined with existing data sets such as the Tax Department Grand List, will improve the ability of Vermont to measure progress towards creating new homes.

## Tracking characteristics of homes added

Although no single data set currently includes the information needed to identify the price, type, size, quality and zoning district of homes added to the Vermont housing stock, combining and selecting information from existing and future data sets can help.

### *Potential data sources for tracking characteristics of homes added*

	<b>Data sources and analytic options</b>
<b>Price</b>	For owner occupied homes, median home sales price of new homes is available through the Multiple Listing Service by county. Another option is to address match new homes identified via the New Housing Dashboard to VT Tax Department Property Transfer Tax records. For rental homes, homes with rent limits and income restrictions may be identified by through the Vermont Directory of Affordable Rental Housing which includes the year first occupied for each building.
<b>Type</b>	Investigate the extent to which improvements to e911 or CAMA data will provide housing type information. Another option is to address match new homes identified via the new housing dashboard to VT Tax Department Property Transfer Tax records. This data distinguishes single-family, condo, manufactured home without land, manufactured homes with land and seasonal vs primary use and started to identify homes intended to be used for rent from those intended to be owner occupied.
<b>Size</b>	For owner occupied homes, use home size information from the Multiple Listing Service for new homes by county. For rental homes, VHFA data on affordable housing subsidy applications built each year can help describe the size of homes with rent and income limits.
<b>Quality</b>	Identify local and state building codes in effect for locations with homes added
<b>Zoning district</b>	Regional Planning Commissions