



Vermont Housing Finance Agency

news release

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RENTING AN APARTMENT IN VERMONT CONTINUES TO GROW MORE DIFFICULT *Rising utility costs, aging housing stock, expiring subsidies put low-income renters at risk*

BURLINGTON VT—Renting an apartment in Vermont continues to grow more difficult for the average Vermonter, according to a report released today.

The 2011 update of “Between a Rock and a Hard Place: Housing and Wages in Vermont” shows a modest 2-bedroom apartment in Vermont costs an average of \$990 a month, a 7 percent increase over the year before and a 58 percent increase since 2000. A renter would need to earn an hourly wage of at least \$19.03 — or \$39,595, annually — to afford this.

“Renting an apartment has been a challenge in Vermont for some time because of rising costs and a low vacancy rate. This report confirms it continues to grow more challenging, especially for those on the lower end of Vermont’s income scale,” according to **Sarah Carpenter**, Executive Director of Vermont Housing Finance Agency (VHFA), the report’s publisher.

“Vermont’s affordable rental scenario is poised to become even more challenging,” Carpenter says. “Recent cuts to the federal budget could seriously reduce the state’s limited affordable housing stock and severely hamper the millions of dollars of private investment in housing that is leveraged by those federal resources.”

The situation is made graver by the state’s aging housing stock. The report estimates Vermont could lose up to 500 affordable housing units due to their deteriorating condition or lack of available resources to preserve the housing when federal affordability contracts expire and owners have the option to sell. Recapitalization of these older assisted housing projects is critical.

“VHFA and the state’s other housing organizations are committed to doing all we can to assure all Vermonters have a safe, affordable, decent place to live,” Carpenter adds, “whether rented or a home of their own.”

Some other findings of the report:

- Vermonters pay too much for housing. 47 percent of renters and 38 percent of owners with mortgages can’t afford their housing costs. This ranks Vermont the 17th worst state in the nation. Paying less than 30 percent is the benchmark for “affordable.”
- Median household income in Vermont was \$52,000 in 2009, according to the most recent estimates available. Incomes remained essentially flat since the previous year. Once the rising cost of goods and services is factored in, there was a small decline in median income among Vermont households.

- The median home price in Vermont was \$195,000 in 2010, 3 percent higher than last year. This requires an annual income of \$58,000 and at least \$16,000 in downpayment and closing costs. More than 81 percent of Vermont's occupations had lower median wages.
- Homelessness in Vermont continues to grow. On one day in January 2011, the state's network of shelters and service providers counted over 2,500 people who were homeless.
- Prices of newly constructed houses and condominiums remained far out of reach of the median Vermont household. The median price of a newly constructed home was \$290,000 in 2010. A homebuyer would need an income of \$86,000 and down payment and closing costs of \$24,000 to afford this home.
- Interest rates for homeownership remained very low through 2010, but fees remained high and buyers needed larger down payments. Closing costs in Vermont increased 37 percent between 2009 and 2010.

“Between a Rock and a Hard Place” was written by VHFA Policy & Planning Manager **Maura Collins**, with research by VHFA Research Analyst **Leslie Black-Plumeau**. Vermont Housing & Conservation Board's **Rick DeAngelis** and Vermont Affordable Housing Coalition's **Erhard Mahnke** reviewed the document. It brings together many sources of data including the “housing wage” calculation based on methodology pioneered by the National Low Income Housing Coalition.

This is the 10th edition of the annual report that was first published by VHFA and the Vermont Housing Awareness Campaign in 2002. Copies of the report can be downloaded at www.vhfa.org/resources/publications.php. Hardcopies are freely available upon request, while supplies last, at (802) 864-5743 or home@vhfa.org.

VHFA is a self-sustaining, non-profit agency created in 1974 by the Vermont Legislature to finance and promote affordable housing opportunities for low- and moderate-income Vermonters. Since its inception, the Agency has helped approximately 27,000 Vermont households with affordable mortgages and financed the development of approximately 8,400 affordable rental units.