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**STUDY SHOWS RECESSION MAKES VERMONT'S
HOUSING PROBLEMS HARDER TO SOLVE**

Tight markets, flat wages, lost jobs, and stricter credit mean Vermonters struggling

MONTPELIER—The recession hasn't made finding affordable housing for average Vermonters any easier, according to a new report released today.

The report, "Between a Rock and a Hard Place: Housing and Wages in Vermont," is the latest in an annual series that tracks housing costs in relation to Vermonters' incomes. For the last several years, Vermont's tight housing markets have helped keep prices up while wages, particularly in Vermont's biggest job categories, have not kept pace. Now, as the recession piles up lost jobs and incomes, the situation has grown more complex and more difficult to solve.

"We are all going to be called upon to work harder and more creatively, and probably with fewer resources," said Sarah Carpenter, Executive Director of Vermont Housing Finance Agency. "Vermonters need housing they can afford as much as ever, and we need the kind of economic stimulus housing development can provide."

Carpenter noted that both private and public resources for housing investment are becoming harder to obtain, and, despite low interest rates, tighter credit and higher financial requirements are making it more difficult for many consumers to qualify for a mortgage.

Among the report's findings:

- The median purchase price of a home in Vermont has remained stable in the last year, at \$200,000.
- A Vermont household would need an annual income of \$63,000, as well as \$14,000 for a downpayment and closing costs, to afford that home.
- The median household income in Vermont is just under \$52,000, enough to afford a \$163,000 home.
- The Fair Market Rent for a modest two-bedroom home is more than \$900 a month, and more than half of Vermont's workforce earns less than the \$36,550 needed to afford that rent.

- Vermont's rental housing market is the tightest in the nation, and its homeownership market is the fourth-tightest.

All this leaves many Vermonters scrambling to keep a roof over their heads.

"This is a huge challenge for someone like me, who's trying to buy their first home," said Andrea Todd, a Burlington teacher who has been in the market for more than a year. "It's very hard to find something in the price range I can afford that doesn't need a lot of expensive work. I'm renting right now, and it would be very difficult to afford the rent if I didn't have a roommate."

State leaders all agreed on the important role housing plays.

"Affordable housing is key to our economic future as well as to the basic financial security of Vermonters and their families," said President Pro Tem Peter Shumlin. "As we are working to pull our state out of this recession and map a future path for growth and stability, more housing has to be on our agenda."

"This report clearly shows that Vermont has a serious housing shortage, and we know that as the impact of the recession settles into our communities, families will struggle," said Betsy Bishop, Commissioner of Economic Development. "As leaders, we need to continue our commitment to making Vermont more affordable, focusing on housing needs for individuals and working families."

"We've known for years that thousands of Vermonters are struggling every day to pay for life's necessities, including housing, and the demands those needs make on us as public officials are now greater than ever," said Rep. Helen Head (D-South Burlington), who chairs the House General, Housing, and Military Affairs Committee. "We must find a way to make the necessary investments in our state to make sure every Vermonter has a safe, decent and affordable place to live."

Erhard Mahnke, coordinator of the Vermont Affordable Housing Coalition, said there is a glimmer of hope coming from Washington, D.C., in terms of more funding for housing, homelessness prevention, community development, rental assistance, and other programs.

"After years of neglect, there are signs change is on the way," Mahnke said. "New federal spending will bring more than \$40 million in additional housing and community development dollars to Vermont over the next two years. Last year saw passage of significant new housing legislation, including creation of the National Housing Trust Fund, the first new housing development program since the early 1990's. This will allow us to play some measure of catch-up, but to make real headway, we need to maintain funding for homegrown solutions like the Vermont Housing and Conservation Board."

Copies of the new report are available online at the VHFA website, www.vhfa.org; the Affordable Housing Coalition website, www.vtaffordablehousing.org; the Vermont Housing Awareness Campaign website, www.housingawareness.org; and the Vermont Housing and Conservation Board site, www.vhcb.org.