

CONSTRUCTION & HOUSING

Real Estate and Housing Markets

The New Hampshire housing market has been a frequent topic of discussion over the last two years. In 2020, lockdowns, fear of contagion, and business and educational services utilizing remote work options created high demand for housing in New Hampshire. The state's reputation for outdoor recreational opportunities, lack of personal income tax, and a lower-cost standard of living than east coast urban areas made New Hampshire a popular place for those looking for a more rural setting to temporarily or permanently relocate.

As a result, the supply of housing inventory in 2020 dropped to one month for single family homes and 1.2 months for condominiums. The situation worsened in 2021, with less than one month housing inventory for both single family homes and condos. Inventory rebounded slightly in 2022, up to a 1.3 months supply of housing for single family homes and a 1.2 months supply for condos. In contrast, a balanced real estate market usually has five to six months of inventory.¹

Low real estate inventory has driven prices upward. Although there was a slight increase in inventory in 2022, the median sales price has

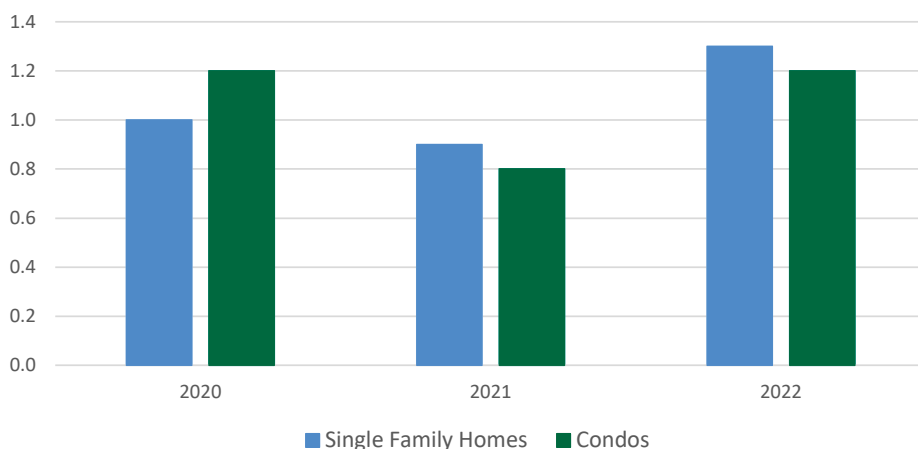
continued to rise statewide and in every county. Statewide, the median home sales price in 2022 was \$405,000, 12.5 percent higher than the 2021 median. Rockingham County had the highest median home sales price in 2022, \$575,000, a 15.0 percent increase over 2021, while Coös County had the lowest, \$199,000, a 5.8 increase over 2021. In Grafton County, the median sales price of \$360,000 was below the statewide average, but the median price increase of 16.1 percent from 2021 to 2022 was the largest percent increase among the counties. The median home sales price in Strafford County's median sales price was \$400,000, a 4.1 percent increase over 2021, the smallest increase among the counties.

Days on Market Until Sale

The National Association of Realtors (NAR) defines days on market until sale as the number of days from the date on which the property is listed for sale on the local brokers' multiple-listing services (MLS) to the date when the seller has signed a contract for the sale of the property.² Generally, low average days on market is favorable to the seller, and high average days on market is favorable to the buyer. High average days on market can also indicate a weakening real estate market.

The New England Real Estate Network/NHAR have compiled average days on market data since 1998, when the average was 146 days, the longest days on market in available data. During the financial crisis of 2008, average days on market peaked at 133 days, and stayed over 100 days through 2013. Since then, average days on market

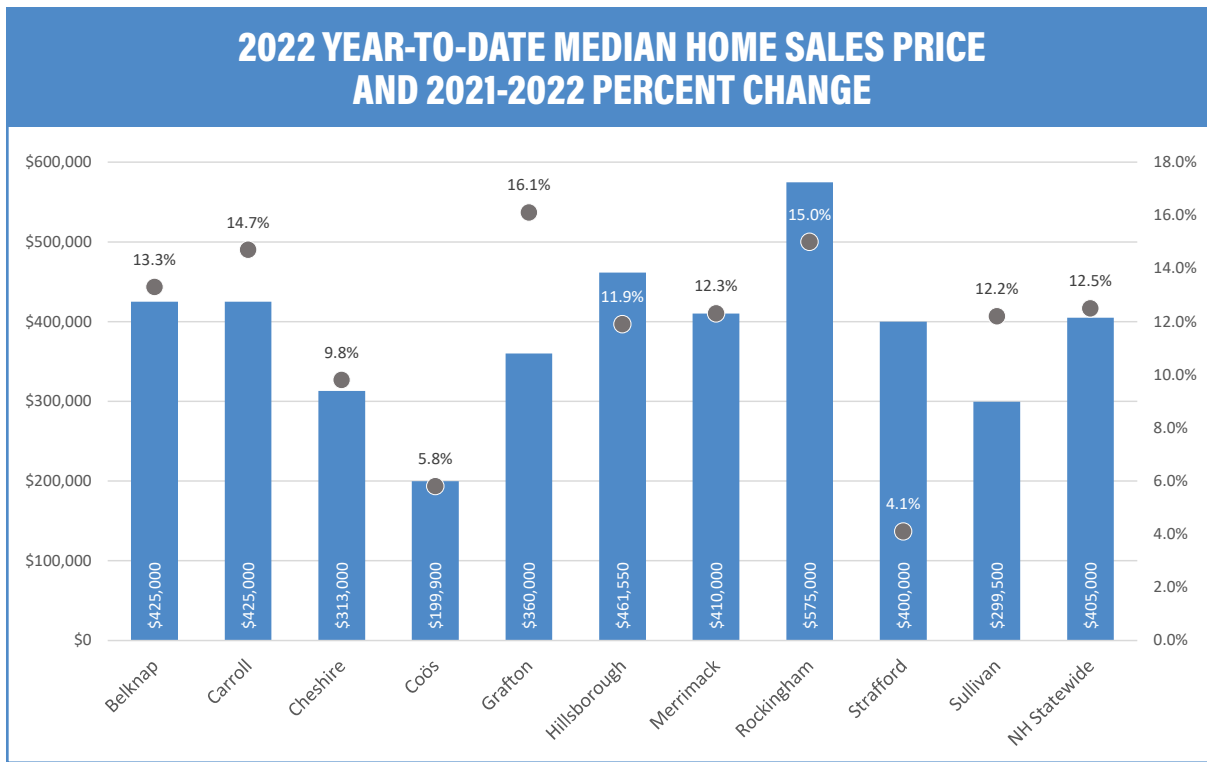
NH STATEWIDE MONTHS SUPPLY OF HOUSING INVENTORY



Source: NH Realtors Local Market Update December 2022

¹ Housing supply squeeze finally begins to ease, Bankrate LLC, <https://www.bankrate.com/real-estate/inventory-on-the-rise/>

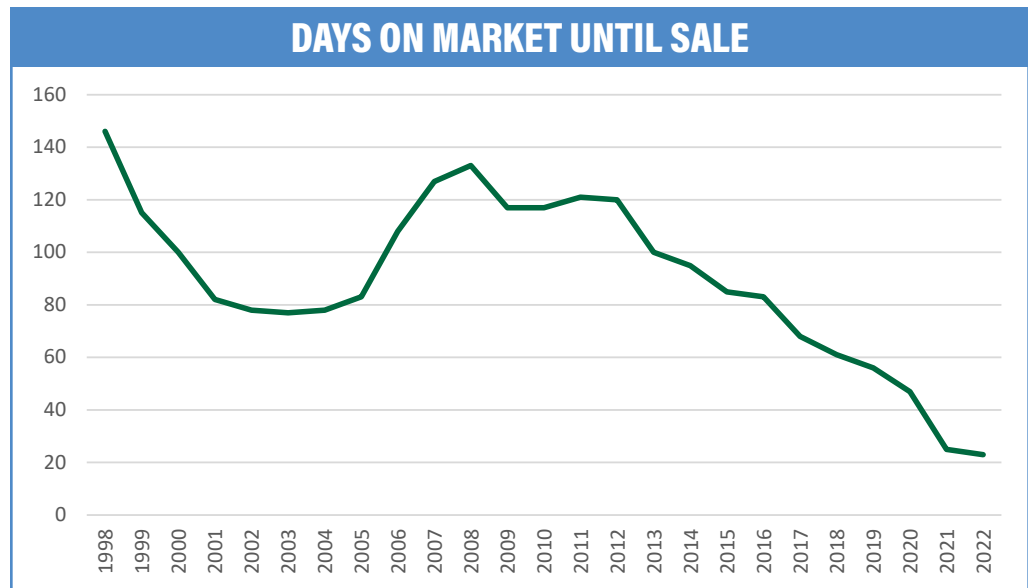
² "Days on market: what they are, why they matter," Opendoor Brokerage Inc., <https://www.opendoor.com/articles/why-days-on-market-matter>



Source: NH Realtors Local Market Update December 2022

have steadily decreased, with the largest decrease occurring between 2020 and 2021, when average days on market plummeted from 47 days to 25 days, a 47 percent decline. In 2022, average days on market for New Hampshire statewide was 23 days.

At the county level in 2022, days on market in Hillsborough, Strafford, and Rockingham Counties were below the statewide average at 17 days, 20 days, and 21 days, respectively. Merrimack County matched the statewide average of 23 days. Average days on market for Cheshire County was 26 days, while Belknap County (27 days), Grafton County (28 days), Carroll County (29 days) fell close behind. Days on market was 31 days for Sullivan County, and 40 days for Coös County.

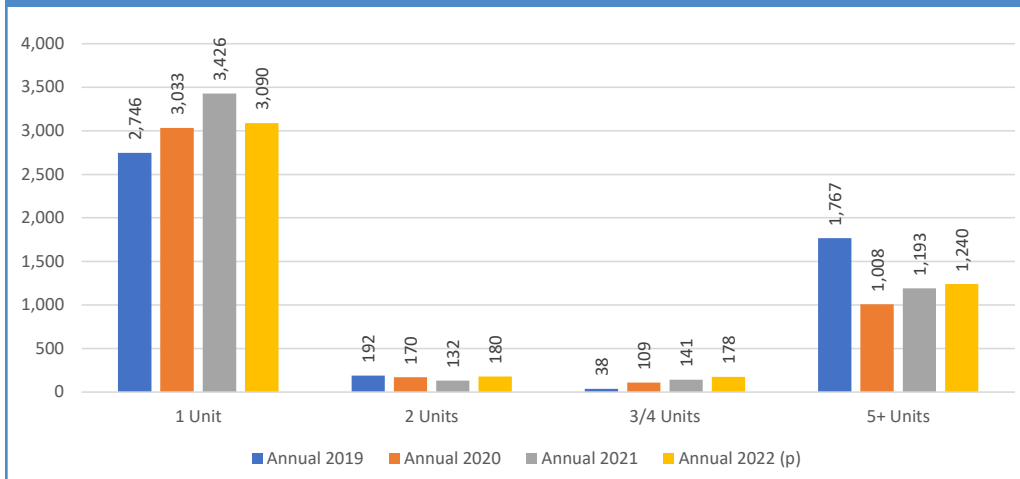


Source: New England Real Estate Network/NHAR

Building Permits

The U.S. Census Bureau conducts a monthly survey of housing units authorized by permit. While this is not a measure of the start or completion of housing construction, it does provide a comparable measure of housing expected to be constructed. Data for 2022 year-to-date showed a total of 4,685 housing units were authorized in New Hampshire by a permitting authority (usually a municipality).

NEW PRIVATELY OWNED HOUSING UNITS AUTHORIZED IN NH IN 2022 BY NUMBER OF UNITS IN STRUCTURE



Source: US Census Bureau, Building Permits Survey

Of the 4,685 housing units authorized, 66 percent were one-unit structures, 25 percent were housing units in multiple unit structures of at least five units, four percent were for housing units in multiple unit structures of two units, and four percent were for structures of three to four units each. The permits authorized for structures with five or more units, a total of 1,240 units, were planned for 59 different structures.

For the first time in the last four years, the number of housing units authorized in New Hampshire declined over-the-year, falling 4.2 percent from 2021 to 2022. Permits for one-unit structures fell by 9.8 percent, and permits for structures with two units grew by 36.4 percent. Permits for structures with three or four units rose by 26.2 percent, and permits for structures with five or more units rose 3.9 percent.

Road and Transportation Construction Projects

I-93 Exit 4A

The Exit 4A project involves construction of a new interchange on I-93 in Londonderry, about a mile north of Exit 4. The new interchange will provide

access to the east side of I-93 via a new connector road in Derry. The project goals are to reduce congestion and improve safety along NH Route 102 and to promote economic vitality in the Derry/Londonderry area.³

Planning the addition of Exit 4A to I-93 actually began in the mid-1980s, with approval by the Federal Highway

Administration (FHWA). Nearly forty years later, after numerous municipal and public meetings, scope and plan changes, environmental impact statements (EIS), and funding shortages, the project was added to the State's Transportation Improvement Plan for 2017-2026. A final environmental impact statement was completed in February 2020, and in April 2021, the NH Executive Council approved an engineering contract. A formal groundbreaking ceremony was held in August 2022, and completion of the entire project is projected for the end of 2026.

Red Listed Bridges

The New Hampshire Department of Transportation manages 3,857 bridges throughout the state, ranging from bridges on interstates, turnpike and divided highways to bridges for pedestrians, bicyclists, and other recreational users.⁴

New Hampshire law⁵ requires that a list of bridges found to be structurally deficient upon inspection known as red list bridges be maintained by the New Hampshire Department of Transportation. Red list bridges are those structurally deficient bridges with one or more major elements in poor or worse condition. As of the beginning of 2022,

3 Derry-Londonderry 13065, I-93 Exit 4A, NH Department of Transportation, Project Specific Information <https://www.i93exit4a.com/>

4 2021 State-Owned Red List Bridges (Includes Turnpike Bureau and NHDES Bridges), State of New Hampshire, Department of Transportation, <https://www.nh.gov/dot/org/projectdevelopment/bridgedesign/documents/bridge-state-red-list.pdf>

5 NH Laws and Rules, NH RSA XX 243:25-a, 25-b, <https://www.gencourt.state.nh.us/rsa/html/NHTOC/NHTOC-XX-234.htm>

there were 114 state-owned (including turnpikes) red listed bridges. In addition, there were 222 red listed bridges owned by municipalities, railroads, or private owners.

Repair and rehabilitation of bridges is a constant activity. In 2021, while 10 state-owned bridges were removed from the red list, another six were added. Maintenance of municipal and other bridges is just as challenging. In 2021, while 17 bridges were removed from the red list, 16 were added.⁶ Altogether, 8.7 percent of New Hampshire bridges are on the red list.

The Federal Infrastructure Investment and Jobs Act, signed on November 15, 2021, authorizes \$110 billion for roads, bridges, and major projects across the nation, including \$40 billion of new funding for bridge repair, replacement, and rehabilitation.⁷ New Hampshire is expected to receive about \$1.51 billion in state formula funding for roads, bridges, and transit.⁸

Electric Vehicle Charging Infrastructure

Another program with designated funding support from the Federal Infrastructure Investment

and Jobs Act is the National Electric Vehicle Infrastructure program (NEVI). The spending bill authorized \$5 billion over five years (\$1 billion per year) in formula funding for development of NEVI nationwide. The estimated allocation for New Hampshire is over \$17 million across the five years; the funding is permitted to cover up to 80 percent of project costs.⁹

The New Hampshire Department of Transportation has developed a plan to use NEVI funds for direct current fast charging (DCFC) stations along the state's Alternative Fuel Corridors (AFCs) beginning with the interstate routes I-93, I-95, and I-89; and state routes NH-9, NH-12, NH 101, NH 9/US 202 from I-89 to Keene, NH 11, US 4/NH 9, NH 16, US 302, and US 2. The goal of the plan is to start by building NEVI-compliant EV charging stations on the interstate system, connecting New Hampshire with its bordering states and Canada, then follow up with additional AFCs, build in redundancy at stations, and ensure all charging stations are NEVI compliant.¹⁰

– Katrina Evans

6 2021 State-Owned Red List Bridges, <https://www.nh.gov/dot/org/projectdevelopment/bridgedesign/documents/bridge-state-red-list.pdf>

7 The White House, Updated Fact Sheet: Bipartisan Infrastructure Investment and Jobs Act, August 22, 2021 <https://www.whitehouse.gov/briefing-room/statements-releases/2021/08/02/updated-fact-sheet-bipartisan-infrastructure-investment-and-jobs-act/>

8 Pappas Applauds Enactment of Bipartisan Infrastructure Investment and Jobs Act, NH Congressman Chris Pappas Press Release, <https://pappas.house.gov/media/press-releases/pappas-applauds-enactment-bipartisan-infrastructure-investment-and-jobs-act>

9 5-Year National Electric Vehicle Infrastructure Funding by State, US Department of Transportation, Federal Highway Administration, Bipartisan Infrastructure Law – Electric Vehicles https://www.fhwa.dot.gov/bipartisan-infrastructure-law/evs_5year_nevi_funding_by_state.cfm

10 State Plan for Electric Vehicle Infrastructure Deployment, NH Department of Transportation, August 1, 2022 <https://www.nh.gov/dot/media/documents/nh-nevi-charging-deployment-plan-2022-08-01.pdf>

CONTRACT VALUE INDICES (base = 1980) December (not seasonally adjusted)	2017	2018	2019	2020	2021
Total construction					
New Hampshire	350.0	317.0	282.5	362.5	340.5
New England	423.3	447.6	493.6	459.5	518.3
United States	444.4	415.2	498.2	537.9	574.1
Nonbuilding construction					
New Hampshire	450.1	207.3	290.2	501.3	503.4
New England	533.0	426.2	308.0	234.2	493.0
United States	555.4	434.5	477.7	549.3	489.9
Nonresidential construction					
New Hampshire	536.1	680.2	359.1	214.8	230.1
New England	454.2	588.2	670.6	689.0	535.1
United States	413.0	431.2	525.2	468.4	531.1
Residential construction					
New Hampshire	201.3	159.2	235.8	385.8	332.3
New England	339.2	340.2	442.3	384.9	517.6
United States	414.3	392.2	486.3	589.6	652.3
Residential construction (seasonally adjusted)					
New Hampshire	282.9	233.0	345.3	553.8	466.9
New England	371.9	366.9	481.2	414.3	544.4
United States	467.1	440.4	539.1	644.7	707.0

Source: Federal Reserve Bank of Boston, ELMi Analysis. Last Update 12/21/2022

HOUSING PERMITS AUTHORIZED (not seasonally adjusted)	2017	2018	2019	2020	2021
Total New Hampshire	3,625	4,445	4,743	4,320	4,892
Annual percent change	-4.5%	22.6%	6.7%	-8.9%	13.2%
Total New England	33,160	34,375	35,923	35,571	39,637
Annual percent change	1.7%	3.7%	4.5%	-1.0%	11.4%
Total United States	1,281,977	1,328,827	1,386,048	1,471,141	1,736,982
Annual percent change	6.2%	3.7%	4.3%	6.1%	18.1%

Single Family Units, New Hampshire	2,711	2,710	2,746	3,033	3,426
Annual percent change	1.2%	0.0%	1.3%	10.5%	13.0%
Single Family Units, New England	18,016	18,159	16,883	18,609	21,230
Annual percent change	0.5%	0.8%	-7.0%	10.2%	14.1%
Single Family Units, United States	819,976	855,332	862,084	979,360	1,115,360
Annual percent change	6.2%	3.7%	4.3%	6.1%	18.1%

Source: US Census Bureau, ELMi Analysis. Last Update 12/21/2022

HOME SALES	2017	2018	2019	2020	2021
Freddie Mac House Price Index (December 2000 = 100), NSA					
New Hampshire	159.18	167.97	178.08	203.36	240.81
United States	178.49	187.57	195.62	217.77	256.57

Mortgage Rates and Housing Rentals					
30-Year Fixed Mortgage Rates (Annual average)	3.99%	4.54%	3.94%	3.11%	2.96%

Source: Freddie Mac. Last Update 12/21/2022

UNITS IN STRUCTURE	2017	2018	2019	2020	2021
Total housing units	634,689	638,112	642,298	646,849	643,979
1-unit, detached	407,329	403,645	400,650	448,840*	412,356
1-unit, attached	35,476	33,543	31,288		36,696
2 units	33,034	34,508	34,554	36,125	34,575
3 or 4 units	36,650	35,243	34,732	31,354	33,431
5 to 9 units	28,110	29,293	34,088	24,822	29,585
10 to 19 units	17,695	18,634	22,681	67,889*	19,143
20 or more units	44,853	44,019	47,881		48,129
Mobile home	31,123	39,053	36,269	37,819*	29,780
Boat, RV, van, etc.	419	174	155		284

Source: 1-year American Community Survey, US Census Bureau. Last Update 12/21/2022

*Due to data collection issues, the 2020 1-year ACS data were released as experimental data. Experimental tables contained fewer categories than standard ACS tables.

HOMES FINANCED BY NH HOUSING FINANCE AUTHORITY	2017	2018	2019	2020	2021
Total	1,418	1,428	1,238	1,105	1,336
Percent new construction	0.6%	0.8%	0.7%	0.8%	0.6%
Percent condo	13.5%	14.6%	13.7%	12.2%	12.8%

NHHFA Bond Issues (\$ millions)	15.6	11.4	10.6	21.0	29.4
---------------------------------	------	------	------	------	------

Assisted Rental Housing Funded					
Total units (NHHFA only)	792	335	278	254	718
For elderly and supportive housing tenants	178	218	36	71	55

Housing Unit Rentals					
Median gross monthly rent, (including utilities), all units	\$1,143	\$1,177	\$1,251	\$1,283	\$1,373
Annual percent change	2.7%	3.0%	6.3%	2.6%	7.0%
Rental Unit Vacancy Rate, all units	1.7%	2.1%	0.8%	1.8%	0.9%

Source: New Hampshire Housing Finance Authority. Last Update 1/30/2023

NEW HAMPSHIRE MULTIPLE LISTING SERVICE DATA ON SALES OF EXISTING HOMES ^a	2017	2018	2019	2020	2021
Regional Sales and Price Activity - December to December					
Median sale price					
Single Family - residential	\$266,000	\$283,000	\$300,000	\$335,000	\$395,000
Condominium	\$192,000	\$205,000	\$215,000	\$250,000	\$288,530
Percent change in Price from Prior Year					
Single Family - residential	6.5%	6.4%	6.0%	11.7%	17.9%
Condominium	3.8%	6.8%	4.9%	16.3%	15.4%
Total Units Sold - 12-Month Average					
Single Family - residential	1,482	1,463	1,468	1,537	1,455
Condominium	405	406	404	421	442

^a Copyright 2012 Northern New England Real Estate Network, Inc. The reproduction of these statistics is done with the permission of NNEREN. The statistics referenced herein are based solely upon listings submitted to the multiple listing service database of NNEREN and do not include all properties sold and marketed for sale. ALL INFORMATION DEEMED RELIABLE BUT NOT GUARANTEED. Any analysis or commentary related to these statistics is that of the commentator, and not that of NNEREN.

Source: Northern New England Real Estate Network. Last Update 12/21/2022

Prepared by: New Hampshire Employment Security, Economic and Labor Market Information Bureau

www.nhes.nh.gov/elmi | (603) 228-4124