



Hopkinton, NH

Assessment of Housing Needs and Potential

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for the

Hopkinton Housing Committee

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Executive Summary

July 2023

This assessment was performed as part of a NH Housing Opportunity Planning Grant to assess what kind of housing is currently available in Hopkinton and what is likely to be built under current zoning, as well as to consider the match or mismatch between the existing housing stock and town demographics. Key findings from this assessment include:

1. Hopkinton's primary form of housing is single family detached: 88% of all units
2. Single family detached is the most expensive form of housing
3. Two-thirds of Hopkinton households are one or two person households
4. The median age in Hopkinton is 47; 55% of residents are over 55
5. Under current zoning large houses on large lots are the most likely housing to be built, given the minimum lot size and frontage requirements.
6. Most jobs do not pay enough to allow purchasing or renting a home in Hopkinton
7. Median house price in Hopkinton is \$456,322

This housing needs assessment is meant to identify changes the Town may want to consider making to its land use regulations so that our unique character is preserved while creating better housing options for existing and new residents.

I. DEMOGRAPHICS

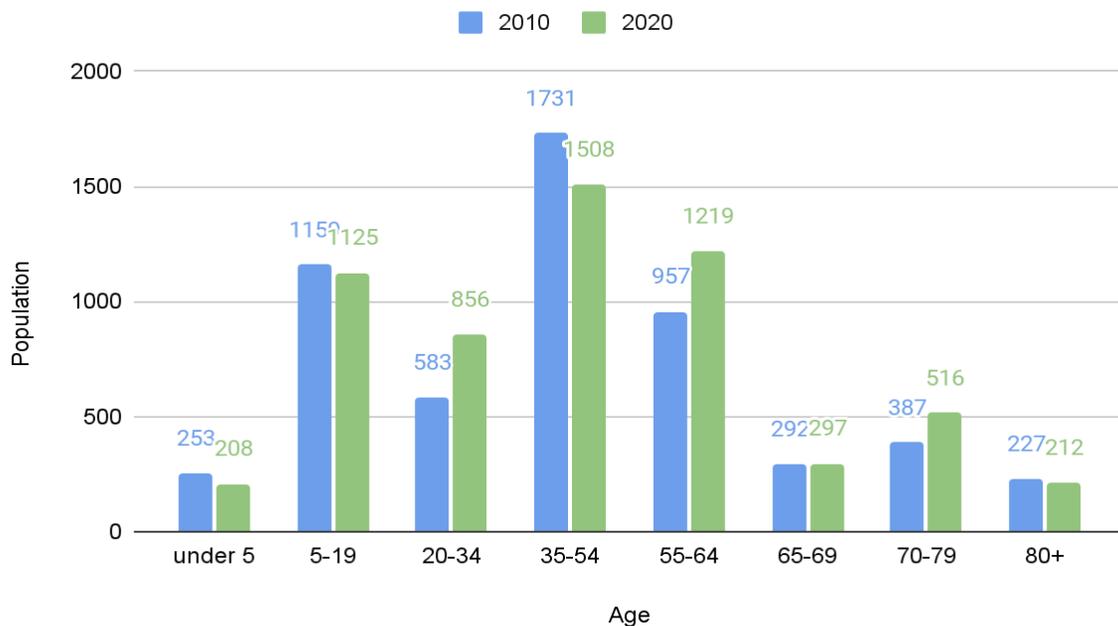
Hopkinton Demographics

Demographic information reveals that Hopkinton’s population has gotten both older and more wealthy in the recent past. The statewide median age is 45 years, the second oldest in the 50 states.

2010 Median Age: **45.8 years** → 2020 Median Age: **47 years**¹

The portion of single, working-aged adults² in Hopkinton dropped by 35% between 2010 and 2020, according to American Community Survey data.

HOPKINTON POPULATION AND AGE CHANGES 2010-2020



	Male	female	under 5	5-19	20-34	35-54	55-64	65-69	70-79	80+	TOTAL
2010	2732	2857	253	1159	583	1731	957	292	387	227	5589
2020	2762	3179	208	1125	856	1508	1219	297	516	212	5941
Change	+1%	+11%	-18%	-3%	+47%	-13%	+27%	+2%	+33%	-7%	+6%

2010 Data from 2010 Decennial Census; 2020 Data from 2021 ACS 5-year estimates

¹ Data from US Decennial Census

² Single means living alone — not married. US Census defines working age as 15-64 years.

Hopkinton, NH Income

	2010	2020
Per capita income	\$45,708	\$48,186
Median family income	\$92,344	\$103,717
Median household income	\$86,083	\$92,667
Median Earnings, full-time, year-round workers, 16 years and over		
Male		\$59,286
Female		\$42,089
Individuals below the poverty level		7.1%

(ACS 5-year Estimates, data.census.gov)

Mismatch between demographics and housing

The primary housing type in Hopkinton is a detached single family house located on a lot measuring between 60,000 square feet (nominally an acre and a half) and 120,000 square feet (nominally 3 acres): 88% of all housing units in Hopkinton are single family detached. These lots require between 160 feet and 300 feet of continuous frontage depending upon which zone they are located in. Hopkinton's housing stock is primarily a big house on a big lot with a long frontage. Because these lots are so large it is unlikely that any of the houses located on them are small, particularly those houses which have been constructed in the last 50 years. Forty percent of Hopkinton's housing units were constructed between 1980 and 2013, the same years that the average size of an American house dramatically increased.³

Demographics show, however, that 65% of the households in Hopkinton are composed of one or two persons. The largest cohort of residents is those over 55, the age that many people begin to think about where they want to live as they age. Most elderly people want to age in place, in their own homes or at least in their own communities. Those big houses frequently do not match the needs of older persons: there's a lot of upkeep and often the house itself isn't ideally arranged for someone who may have mobility challenges.

Some of these one- and two-person households in Hopkinton may want to live in a large house on a large property, but based on national trends, we can assume that those at either end of the age spectrum may prefer a smaller house or an apartment within walking distance of village amenities.

Not only are most of the houses in Hopkinton large, they are also expensive: the median Hopkinton home value in the spring of 2023 is \$456,322, up 7.6% over the past year, according to the real estate site Zillow. That house price is likely to be well out of reach for a couple or family buying their first house: it requires an annual income of nearly \$100,000 if the buyer can

³ The size of a single-family house increased 150% between 1980 and 2021, from 1,550 square feet to 2,273 sq ft. (Data from U.S. Census Bureau)

put down \$55,000 as a down payment. This may be one of the reasons the median age in Hopkinton is going up and the number of children in the schools has gone down in recent years.

This mismatch between demographics and housing stock is called out several times in the 2022 Master Plan Housing Chapter. Respondents to the community-wide survey conducted in 2020 said the housing types that Hopkinton needs include housing for the elderly; smaller, one-floor houses at a lower price point; and rentals. As it stands now, elderly persons and those just beginning their adult life are competing for the same housing stock. The younger persons are at a distinct disadvantage when competing against someone older who has quite possibly sold a large, expensive house and plans to use those funds to purchase or rent a smaller unit.

According to the NHHFA rental survey of July 2023 the median rental price for a two bedroom unit in Merrimack County was \$1500; this represents a 29% increase in rental prices between 2018 and 2023. In 2014 the Merrimack County vacancy rate was 2.7%, already under what is considered a balanced market vacancy rate of 5%; in 2023 that number was 0.7%. Vacancy rates this low mean that not only can renters not enter the market, people who are already renting cannot move to a unit that may better fit their needs.

When we consider who is likely to be able to afford to live in Hopkinton we see even more evidence of the mismatch between needs and reality.

Maximum affordable rent and affordable home prices are based on area median rents and house prices. It is likely that both of these costs have risen since this analysis was done; as we noted earlier, according to Zillow, Hopkinton's median house price is \$456,322.

In the spring of 2023 median household income in Hopkinton was \$100,665; statewide median household income was \$83,449. Wages for various occupations are shown below at the entry level (the average of the bottom one-third earners) or experienced (the top two-thirds of workers' average salary). As the table below indicates, almost none of these workers can afford to live in Hopkinton.

Home and Rent Affordability by Occupation and Wages

The prevailing rule of thumb is that to be “affordable,” a household would spend not more than 30% of their income on housing costs. The following table is based on 2022 wages.

The table below illustrates the affordable purchase or rental price for various professions for entry level or experienced wage earners. The numbers in red indicate those wage earners who would not be able to afford a \$350,000 home or \$1,309 in monthly rent (the area median prices for 2022). These folks would not be able to afford to live in Hopkinton, or would be considered “cost burdened” (paying more than 30% of their wages toward housing costs). Wages have not kept up with housing prices in recent years, causing even more households to be cost burdened.

Affordable rent or purchase price

Profession	Annual wage	Maximum affordable rent	Maximum affordable house price	Maximum affordable house price with 1.5 earners
	<i>Entry level Experienced</i>	<i>Entry level Experienced</i>	<i>Entry level Experienced</i>	<i>Entry level Experienced</i>
Assemblers/ fabricators	\$33,316 \$45,342	\$833 \$1,134	\$96,817 \$131,763	\$145,226 \$197,645
Cashiers	\$23,130 \$28,842	\$578 \$721	\$67,215 \$83,815	\$100,822 \$125,723
Childcare workers	\$19,008 \$29,588	\$475 \$740	\$55,238 \$85,983	\$82,857 \$128,975
Construction laborers	\$36,330 \$49,057	\$908 \$1,126	\$105,575 \$142,559	\$158,363 \$213,839
Fast food workers	\$22,027 \$29,300	\$551 \$733	\$64,012 \$85,147	\$96,017 \$127,720
Heavy truck drivers	\$44,489 \$64,960	\$1,112 \$1,624	\$129,286 \$188,775	\$193,928 \$283,162
Home health aides	\$26,141 \$31,944	\$654 \$799	\$75,966 \$92,828	\$113,949 \$139,243
Office clerks	\$29,851 \$52,164	\$746 \$1,304	\$86,747 \$151,589	\$130,120 \$227,383
Police and sheriff officers	\$52,827 \$76,401	\$1,321 \$1,910	\$153,517 \$222,023	\$230,275 \$333,034
Registered nurses	\$65,391 \$92,381	\$1,635 \$2,310	\$190,028 \$268,459	\$285,042 \$402,688
Retail salesperson	\$24,822 \$42,160	\$621 \$1,079	\$72,132 \$125,423	\$108,198 \$188,134
School teacher	\$47,748 \$69,729	\$1,193.70 \$1,743.23	\$131,763 \$205,000	\$210,000 \$290,135

(Analysis done by Root Policy Research for NHHFA)

II. HOUSING SUPPLY OVERVIEW

Occupied Housing Units

According to Town records, 101 building permits were issued for new construction between 2010 and 2020. In 2021 and 2022 a total of 32 units were permitted, making 133 units added from 2010 to 2023.

According to the just completed CNHRPC's Regional Housing Needs Assessment, Hopkinton's population grew 5.8% between 2010 and 2020; however, the housing stock increased between 2.9% and 4.2% between 2010 and 2020, using the unit numbers and building permit numbers from above. The logical explanation is that housing units which previously had a single occupant were purchased and occupied by two people.

All but 327 housing units in Hopkinton are single-family detached houses. Of the 327 units that are not SFR, 69 are in buildings with 2 to 4 units; 87 are in buildings with 5 or more units; and 171 are mobile homes or other housing units. We assume that Accessory Dwelling Units are included in that 171.

Building permits issued between 2010 and 2022 show that very few apartments are being created: 5 were created in 2013, and 5 more were added in 2019.

In the 10 years between 2012 and 2022, 26 residential lots were created in Hopkinton. Based on their location and correlating with building permits, we see that these new lots all were used to build detached, single-family dwellings.

Hopkinton has seen some new units created as Accessory Dwelling Units. They are permitted by right in any residential district; however, there are some complicated requirements having to do with the orientation of the front entrance of the ADU, as well as a requirement for two off-street parking spaces. Additionally, either the primary building or the ADU must be occupied by the owner of the parcel. In the five years between the adoption of the current ADU ordinance in 2017 and 2022, 10 ADUs were created, the same number as new apartments created.

Housing Units in Hopkinton

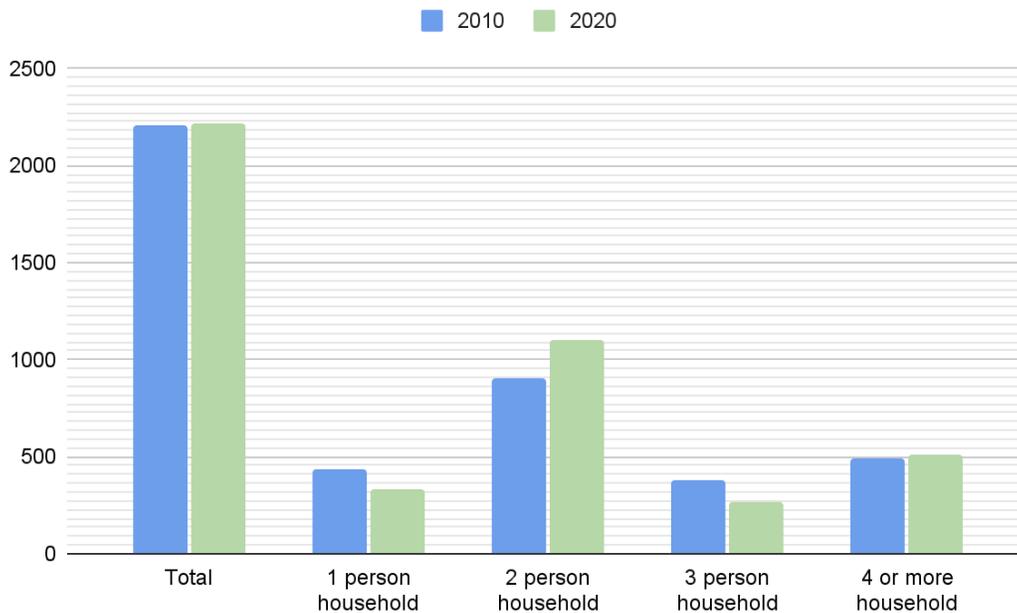
(2020 American Community Survey Data)

Total Housing Units	2,446
Single-Family Units, Detached or Attached	2,119
Units in Multiple-Family Structures:	
Two - Four Units in Structure	69
Five or More Units in Structure	87
Mobile Homes and Other Housing Units	171

Occupied Housing Units in Hopkinton

(US Census Bureau, Decennial Census 2010 and 2020; ACS 5-Year 2010 & 2020, as published by the Central NH Regional Planning Commission in 2022)

Occupied Housing Units	2010	2020
Total	2204	2214
1 person household	432	329
2 person household	903	1103
3 person household	377	267
4 or more household	492	515



Fair Share Housing Distribution

According to NHHFA’s publication *New Hampshire’s Workforce Housing Law, a 10-Year Retrospective on the Law’s Impact on Local Zoning and Creating Workforce Housing*, published in December, 2021, “New Hampshire’s Workforce Housing Law requires municipalities to provide “reasonable and realistic opportunities for the development of workforce housing in a majority of their residentially zoned areas. For an opportunity to be reasonable and realistic, workforce housing must be “economically viable,” meaning that it must return a reasonable profit to a developer. The law additionally defines the terms “affordable” and “workforce housing” to guide municipalities in their efforts to comply with the law. The law requires every municipality to provide a “fair share” of its region’s need for workforce housing.”

Fair Share Analysis is a set of statistics that help illustrate regional housing needs projected into 2040, taking into account the current shortfall of housing units, a balanced market, and both

rental and for-sale housing. Root Policy Research undertook this analysis for the New Hampshire Housing Finance Authority; the analysis shows how much housing Hopkinton would need both as rentals and for purchase to meet its fair share of housing needs. Fair share housing needs are not a legal requirement; they are intended to show what is needed to have a balanced market across income levels. This assessment is not a mandate for communities to build such units; the assessment is intended to be used as a tool for individual communities to plan for future housing needs. Lastly, there is no penalty for a community that is unable to meet the housing unit target goals.

The Fair Share Analysis considers the existing housing and population trends and estimates how many units will be needed in the future based on population projections. It considers rental and owner-occupied units and affordability. The owner/renter splits are determined by looking at current US Census ACS data and projecting it in the future. New Hampshire’s “Workforce Housing Law” (RSA 674:58-61) uses area median income (AMI) to define affordability in combination with a 30% income share for housing..

The table below shows how many units of each type Hopkinton would need to create in each five year period in order to meet its fair share of housing needs. The table was created using data from the Central New Hampshire Regional Planning Commission’s 2023 Regional Housing Needs Assessment.

Units required in Hopkinton to meet “fair share” of housing needs

	Up to 2025	2025-2030	2030-2035	2035-2040
Owner occupied, >100% AMI	30	26	16	9
Owner occupied, <100% AMI	76	63	41	22
Total owner occupied	106	89	57	31
Renter occupied, >60% AMI	5	4	3	1
Renter occupied, <60% AMI	46	40	28	17
Total rental units	51	44	31	18
Total Fair Share target	157	133	88	49

Based on the number of building permits issued and house lots created in Hopkinton over the past 10 years, if the current trends persist, Hopkinton will not meet its regional housing fair share in the coming years. Of particular note is the need for more housing that is considered affordable by the standards put forth in the Workforce Housing Law.

III. DEVELOPMENT POTENTIAL BY ZONING DISTRICT

Based on the current zoning and currently undeveloped land, the following is an analysis of the development potential in Hopkinton. **Several caveats must be understood when considering this data:**

- 1) **not all land is equally developable - steep slopes and wetlands cannot generally be built on;**
- 2) **each lot would have to be examined individually to determine whether adequate frontage exists to subdivide into new buildable lots; and**
- 3) **land which appears undevelopable under current economic conditions may become economically feasible to develop in the future.**

Hopkinton has 10 zoning districts and one zoning overlay district:

- Commercial (B-1)
- Hopkinton Village Precinct (HVP)
- Industrial (M-1)
- High Density Residential (R-1)
- Medium Density Residential (R-2)
- Low Density Residential (R-3)
- Residential/Agricultural (R-4)
- Village High Density Residential (VR-1)
- Village Commercial (VB-1)
- Village Industrial (VM-1)
- Commerce and Community Overlay District (CCOD)

Acreage of land in various zones

Hopkinton Total Land Area:	28,665.94 Acres
Tax Exempt/Non-Taxable Land:	7,911.70 Acres
Land in Current Use:	14,516.21 Acres
Residential Land:	5,645.72 Acres
Commercial/Industrial Land:	552.08 Acres

Numbers of potential lots in each district are calculated by multiplying the parcel size by 43,560 (the square foot area of an acre) and then dividing by the minimum square foot lot size for each zone.

R-1 (Minimum lot size 60,000 square feet)

R-1 permits one- and two-family dwellings by right; multi-family up to 12 units per building requires a special exception. The R-1 has six undeveloped parcels which meet the minimum lot size requirement for the district and which are zoned for residential use.

These parcels could yield at most 35 new lots.

R-2 (Minimum lot size 80,000 square feet)

R-2 permits one- and two-family dwellings by right; multi-family up to 12 units per building requires a special exception. The R-2 has 41 undeveloped parcels that meet the minimum lot size requirement for the district and are zoned for residential use.

These parcels could yield at most 585 new lots.

R-3 (Minimum lot size 120,000 square feet)

R-3 permits one-family dwellings by right; two-family dwellings by special exception. The R-3 has 48 undeveloped parcels which meet the minimum lot size requirement for the district. Most of these parcels are managed or unmanaged woodlots.

These parcels could yield at most 820 new lots. Six undeveloped lots are too small for further subdivision. Adding those lots to the possible new lots yields 826 possible lots, assuming that all the land is developable, which is unlikely.

R-4 (Minimum lot size 120,000 square feet)

R-4 permits single-family dwellings by right; two-family dwellings by special exception. This zone covers the most rural portions of Hopkinton, which will require the most road construction and maintenance to develop. Much of this land is now in current use.

These parcels could potentially yield 1,304 lots. Another 41 undeveloped lots in this zone are too small for further subdivision. Adding those lots to the possible new lots yields 1,345 possible lots.

M-1 (Industrial Zone; Minimum lot size 110,000 square feet)

M-1 also permits single- and two-family dwellings by special exception; multi-family is not permitted at all. The special exception requirement makes such parcels unlikely to be developed with residential uses.

CONSERVATION SUBDIVISION

Restrictions

Initially it appears that the conservation subdivision regulation might allow for smaller, less expensive housing units, but the regulation itself is somewhat problematic. In order to use the conservation subdivision the developer has to first determine how many units could be built using the conventional subdivision regulations, and then determine how many additional units may be constructed using the available density bonus.

Above and beyond the issues of designing a conservation subdivision, the fact remains that these are subdivisions of single-family, detached housing in a rural setting. That may be attractive to some buyers but still leaves out of the picture those who would prefer a smaller unit in one of Hopkinton's villages.

Number of lots available for construction

All subdivisions for residential use in the R-1, R-2, R-3, M-1, VM-1, and VR-1 zones are required to be developed as conservation subdivisions if they create more than 5 dwelling units and require a new road. The underlying zone determines the lot size to be used in calculating the number of units that can be constructed on the parcel.

Residential zoning by district

The following table (which does not include all the restrictions placed on residential dwellings) shows that single-family detached dwellings are permitted by right in more zoning districts than any other type. We also see, as noted above, that considerable acreage is required for each dwelling.

	R-4 3 acre min.	R-3 3 acre min.	R-2 2 acre min.	R-1 1.5 acre min	B-1 Com.	M-1 Indus.	CCOD ~5,500 sf/unit	VR-1	VB-1	VM-1
MF 12 or fewer	X	X	S	S	P	X	P	S	S	X
MF Max 24	X	X	X	X	P	X	P	X	X	X
Single Family	P	P	P	P	X	S	X	P	S	S
Two- family	S	S	P	P	X	S	P (2 bdrm max)	P	S	S
Manu factured housing Ind. lot	X	X	X	X	X	X	X	X	X	X
Manu- factured housing subdiv.	P	P	P	P	X	X	Unspecif ied	S	X	X

P = permitted by right S= Permitted by special exception X= Not permitted

Duplexes, which can be a more affordable option, are permitted by right in only three districts, and by special exception in five more. All require at least 2.5 acres to build a duplex, which is unlikely to produce either workforce or affordable housing.

Manufactured Housing

Another form of housing which is likely to be less expensive is manufactured housing, housing which is built in a factory to HUD standards⁴. They are prohibited on individual lots everywhere in Hopkinton. They may be part of a manufactured housing subdivision or manufactured housing park. Manufactured housing parks are permitted by special exception in districts R-1, R-2, R-3, and VR-1. The regulations are quite stringent and require a minimum parcel size of at least 10 acres and a minimum lot size per dwelling unit of at least 10,000 for a park of no more than 50 units. As the unit count goes up, the required lot size and frontage also increases.

Allowing a manufactured housing park only by special exception decreases the likelihood that one will be built, since the special exception process adds a layer of uncertainty which discourages investment.

The regulations for a manufactured housing subdivision are also stringent: the minimum parcel size is 12 acres and all requirements pertaining to single family dwellings apply. Specifically, each manufactured dwelling would require a lot size of 60,000-120,000 square feet. While manufactured housing subdivisions are permitted by right in the four residential districts, the lot size requirements, when balanced against the likely value of the units, make it extremely unlikely one would be built in the current housing market.

⁴ Hopkinton's zoning ordinance defines "Mobile Home" as "A Manufactured House as defined in RSA 674:31," which is the same as the definition for "Manufactured Housing" in Hopkinton's zoning ordinance: "Any structure, transportable in one or more sections, which, in the traveling mode, is 8 body feet or more in width and 40 body feet or more in length, or when erected on site, is 320 square feet or more, and which is built on a permanent chassis and designed to be used as a dwelling unit, with or without a permanent foundation, when connected to required utilities, which include plumbing, heating and electrical heating systems contained therein. (RSA 674:31) Manufactured housing as defined in this section shall not include pre-site-built housing as defined in RSA 674:31-a"

IV. CONCLUSIONS

Hopkinton's current development trajectory is unlikely to produce the housing units that are most needed. The large lot requirements and the restrictions on any form of housing other than single family make it difficult to produce the smaller units that the town's demographics suggest are needed, as well as making it hard to produce the "missing units" necessary to Regional Fair Share.