

Chesterfield Housing Needs Assessment

This assessment was performed as part of a NH Housing Opportunity Planning Grant to assess what kind of housing is currently available in Chesterfield 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. Chesterfield's primary form of housing is single family detached: 97% of all units
2. Single family detached is the most expensive form of housing
3. Sixty-five percent of Chesterfield households are one or two person households
4. The median age in Chesterfield is 45.2; 60% of residents are over 55
5. Most jobs do not pay enough to allow purchasing or renting a home in Chesterfield
6. Median house price in Chesterfield is \$428,000
7. Median household income is \$109,500; median family income is \$125,865

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.

Chesterfield demographics

Demographic information reveals that Chesterfield's population has decreased slightly since 2010; and that all population cohorts have remained approximately the same. The exceptions are at the far ends of the age spectrum: the number of children below 5 has dropped by 30% and between 55 and 69 years of age, where there is a 17% drop; and over 70 years where we see that the cohort has almost doubled in size.

	Total	<5	5-19	20-29	30-44	45-54	55-69	70+
2010	3631	203	617	301	718	363	944	326
2022	3577	141	641	317	663	383	787	645
% +-	-1.5%	-30%	+4%	+5.9%	-8%	+6%	-17%	+100%

Demographic information from the 5 year American Community Survey 5-year estimates.

2010 Median age 44 2022 Median age 45.2

Chesterfield's median age is two years higher than Cheshire County and the state as a whole. New Hampshire has the second highest median age in the United States at 43.1, after Maine, where the median is 44.8 years. Chesterfield's median age increased only a year between 2010 and 2023. Three hundred and sixty eight, 27%, of Chesterfield's households have a child under 18; 52% have a resident over 60 years of age.

Chesterfield's demographics show a town with a relatively well-balanced population distribution; and a lower median age than many towns in the southwest region of New Hampshire.

2010 income	Median household	Median family
	\$79,152	\$91,000 (estimated)
2022 income	Median household	Median family
	\$109,500	\$125,865

Demographic information from the 5 year American Community Survey 5-year estimates.

Median household income is the income cut-off where half of the households earn more, and half earn less. In Chesterfield 24% of households are a single person.

In Chesterfield, 6.3 percent of individuals live below the federal poverty limit of \$15,060 for an individual. There are a total of 1003 families in Chesterfield and 114 of those families, 11%, are living below 150% the federal poverty line.

Household composition

	Total	1 person	2 person	3 person	4+ person
2010	1403	140	730	196	322
2023	1366	326	563	218	259

Demographic information from the 5 year American Community Survey 5-year estimates.

The number of households in Chesterfield decreased by 3 percent between 2010 and 2020, at the same time that the total number of residents decreased slightly. Household size in Chesterfield was 2.9 in 2010; and dropped to 2.5 between 2010 and 2020.

Average family size is 2.94 in 2023. Sixty-five percent of Chesterfield households are one or two-person households.

Housing characteristics

Chesterfield's primary form of housing is a detached single family house: 97% of all residences. Only 2% of all housing units are in a building with two to four units.

According to the US Census data there are no five or more unit structures in Chesterfield. One percent of Chesterfield's housing units are mobile homes. The town added 54 single family houses between 2010 and 2020; 19 multi-family units were added during that time.

Most Chesterfield residents own their own home: 90%. Renters make up the remaining 10%.

Mismatch between demographics and housing

The primary housing type in Chesterfield is a detached single family house. The minimum lot size in the Rural Agricultural (RA) zone is five acres; the Residential zone requires two acres for a single family home and four acres for a duplex. The Rural Agricultural zone requires 400 feet of road frontage, and the Residential District requires 200 feet of road frontage for a single family house and 400 feet for a duplex. The Village zone requires two acres and 200 feet of frontage for a single family house; two acres and 300 feet of frontage for a duplex.

Requiring large lots in the Rural Agricultural zone will serve Chesterfield's goals of maintaining the openness and rurality of the landscape, at the cost of increasing the price of housing in that district, which is a trade-off the town may be willing to bear. In the Residential and Village districts, however, which are intended to be primarily residential areas, smaller lots and frontages would not be out of place.

Single-family detached is always the most expensive form of housing, particularly in a rural context where on-site water and septic must be provided. On-site well and septic does require enough land to site these utilities safely, but they can be sited on less than two acres, and certainly do not require 200 feet of frontage.

Because of the expense entailed in drilling a well, constructing a septic system, and bringing in a driveway, the size of the lot has very little effect on the price of a new house but certainly affects the costs of infrastructure for the town. It is unlikely that a small house will be built on such a lot. Developers estimate the price of a finished lot as 20% of the sale price of a house.

Allowing multiple housing units on a lot would affect costs because of the ability to spread the infrastructure costs over more than one unit.

Chesterfield's housing stock is primarily large houses on large lots with a long frontage. Because most lots are large it is unlikely that any of the houses located on them are small, particularly those houses which have been constructed in the last 60 years. Fifty-three percent of Chesterfield's housing units were constructed between 1960 and 2023; the same period when single family houses in the United States increased dramatically in size.

Demographics show that 65% of the households in Chesterfield are composed of one or two persons. The largest cohort of residents, 60%, 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 Chesterfield may want to live in a large house on a large property, but based on national trends, we can assume that many of those at either end of the age spectrum may prefer a smaller house or an apartment within walking distance of village amenities.

In August 2024 the median Chesterfield home sale price was \$428,00, according to Redfin.com in September 2024. A couple or family earning the median family income of \$125,865 can qualify for a house at that price: it requires an annual income of approximately \$93,000, if the buyer can apply \$85,600 (20%) as a down payment. Of course, the 50% of families and households earning less than the area median income will not qualify.

As it stands now, elderly persons and those just beginning their adult life are competing for the same housing stock: smaller houses with some nearby amenities. 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.

One thing to remember here, of course, is that the residents of an expensive town such as Chesterfield are able to live there because they have enough income to purchase a house there. When we consider who is likely to be able to afford to move to Chesterfield we see 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, Chesterfield median house price is \$428,000 (RedFin September 2024).

Median household income in Chesterfield is \$109,500; statewide median household income is \$88,235. 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 purchase a house in Chesterfield, although a few may be able to rent, if they can find an available rental.

Wages and affordability

Profession	Annual wage	Maximum affordable rent	Maximum affordable house price	Maximum affordable house price with 1.5 earners
	<i>Entry level</i> <i>Experienced</i>	<i>Entry level</i> <i>Experienced</i>	<i>Entry level</i> <i>Experienced</i>	<i>Entry level</i> <i>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)

As noted above, the median house price in Chesterfield is \$428,000. No single person holding one of the listed jobs can afford to purchase a house in Chesterfield. The rental situation is no better: in SW New Hampshire the median rental cost for a two bedroom apartment is \$1760.

Fair Share Housing Distribution

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. The Southwest Regional Planning Commission has undertaken this analysis, which shows how much housing Chesterfield 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.

Based on the number of building permits issued and house lots created in Chesterfield over the past 10 years, if the current trends persist, Chesterfield 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.

Fair Share Housing Targets

	Up to 2025	2025-2030	2030-2035	2035-2040
Owner occupied, below 100% AMI	19	34	41	43
Owner occupied, above 100% AMI	28	49	61	66
Total owner occupied	47	83	102	109
Renter occupied, below 60% AMI	8	14	17	19
Renter occupied, above 60% AMI	16	29	38	44
Total rental units	24	43	55	63
Total Fair Share target	71	126	157	172

Workforce Housing Standards

According to New Hampshire Housing Finance Authority'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."

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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 table above shows how many units of each type Chesterfield 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 Southwest New Hampshire Regional Planning Commission's 2023 Regional Housing Needs Assessment.

Workforce housing is housing that's "affordable" for rental for a family of 3 making 60% of Area Median Income. For purchase, workforce is attainable for a family of 4 making 100% of Area Median Income. Housing is determined to be affordable when no more than 30% of income must be spent on housing (rent + utilities; or mortgage principal and interest, taxes, and insurance). While the state statute does not mention transportation costs as part of affordability we know that they impact the cost of living for every family.

Towns are required to provide reasonable and realistic opportunities in most of the town for economically viable workforce housing. In order to determine whether this opportunity exists the collective impact of land use ordinances and regulations must be considered. As part of this the ability to create a multi-family building of five or more dwelling units must be possible. While Chesterfield allows this, the cumulative effect of the town's land use code and current construction costs makes it very unlikely that such housing can actually be created in an economically viable fashion.

Conclusions

Chesterfield needs more housing choice and more housing availability, particularly at lower price points. Demographic changes are only going to exacerbate this situation.

This report was prepared by Ivy Vann Town Planning in September 2024

