Chapter 5: Homeowners

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Supply of Owner Homes Falls Short of Total Homes Needed

After years of moderate home price growth, Vermont's owner housing market experienced substantial increases in recent years, putting home buying out of reach for more and more of the state's renters and potential in-migrants. The vacancy rate among owner homes is even lower than among rentals, with Vermont's median days-on-market of homes listed for sale at an all-time low. With the median price of a home for sale up 30% from 2020, few renters have the income needed to even consider purchasing the few homes listed for sale.

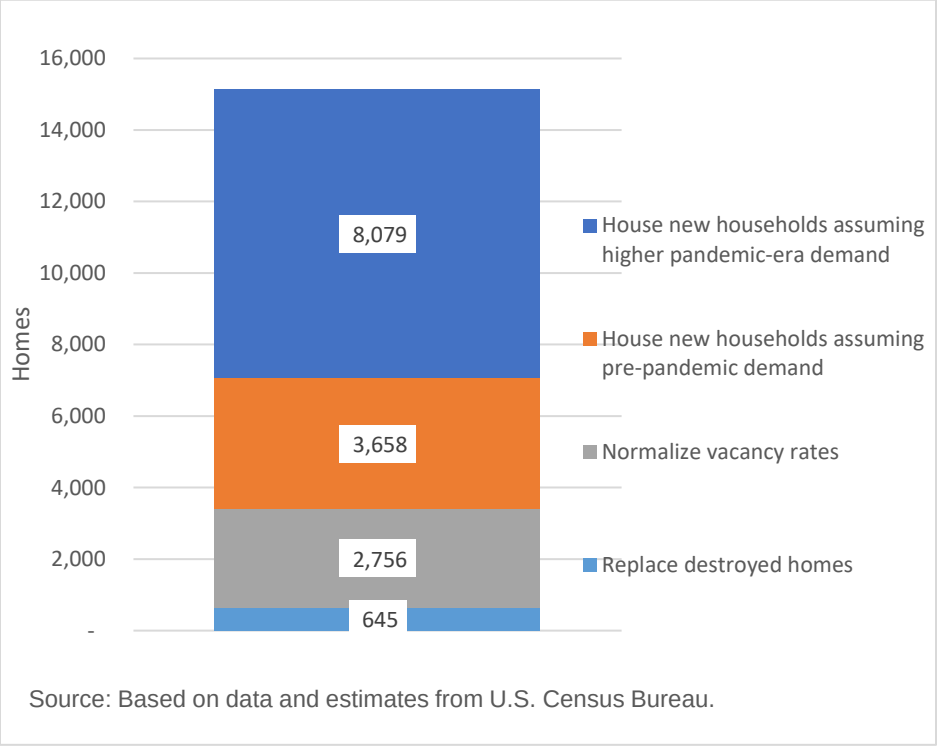
Vermont's housing market currently lacks enough homes to normalize the vacancy rate and reduce upward pressure on home prices. With 12,000 additional owner households expected in 2025-2029, Vermont is likely to need 16,000 more owner homes during this period to meet demand, normalize vacancy rates, and replace homes that leave the stock.

Figure 5-1 Projected year-round owner-occupied household demand, 2025 and 2029

	2010 (actual)	2020 (actual)	2025 (projected)	2029 (projected)
Total	256,442	271,890	292,055	313,272
Owners	181,407	190,041	212,032	221,231

Source: 2010 and 2020 are from U.S. Census Bureau Decennial Census.

Figure 5-2 Projected owner homes needed in Vermont in 2025-2029

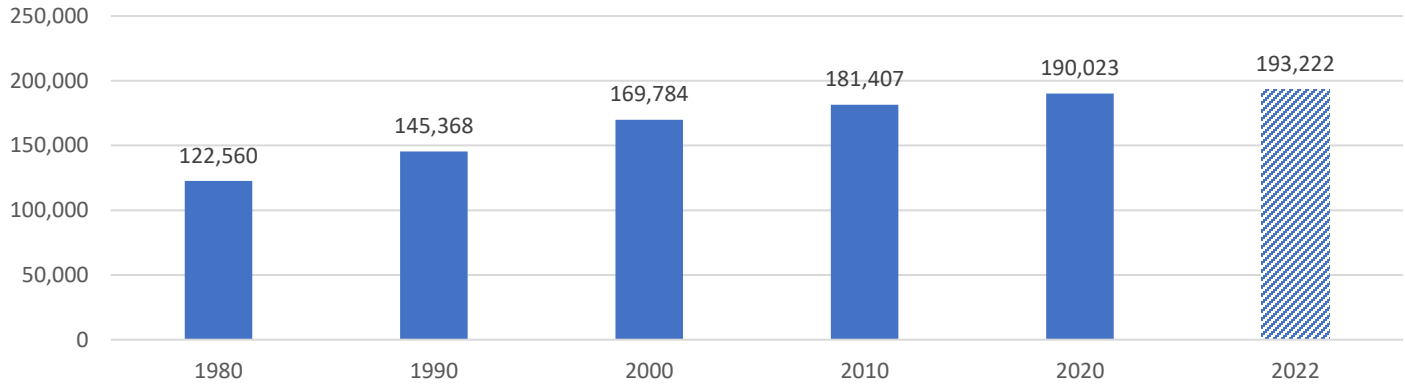


Source: Based on data and estimates from U.S. Census Bureau.

Homeownership Rates

Vermont continues to have a high rate of homeownership, with an estimated 193,222 homeowner households. Nearly 73% of all households in Vermont are homeowners as of 2022. This is a 2% statistically significant increase over the 2017 homeownership rate. Vermonters own their homes at a higher rate than the national rate of 65% according to U.S. Census American Community Survey data. As of 2022, Vermont's homeownership rate was the 3rd highest in the nation.

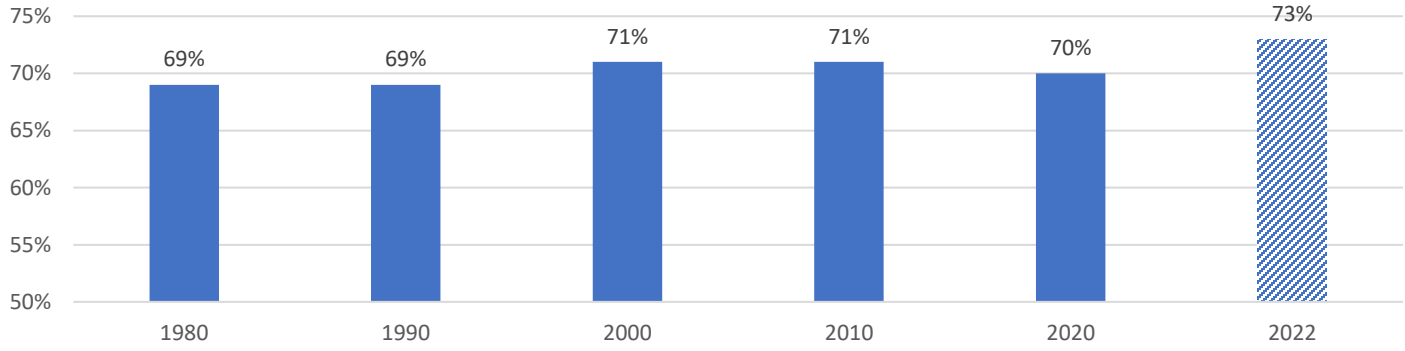
Figure 5-3 Vermont owner-occupied households, 1980-2022



Source: U.S. Census Bureau, Decennial Census and American Community Survey 5-year estimates 2018-2022 (Table B25003)

61% of homeowners have a mortgage on their home as of 2022, down from 63% in 2017. This statistically significant decrease may reflect aging householders paying off their mortgages or homeowners purchasing with cash rather than taking mortgages due to the higher interest rates since the pandemic.

Figure 5-4 Vermont homeownership rate, 1980-2022

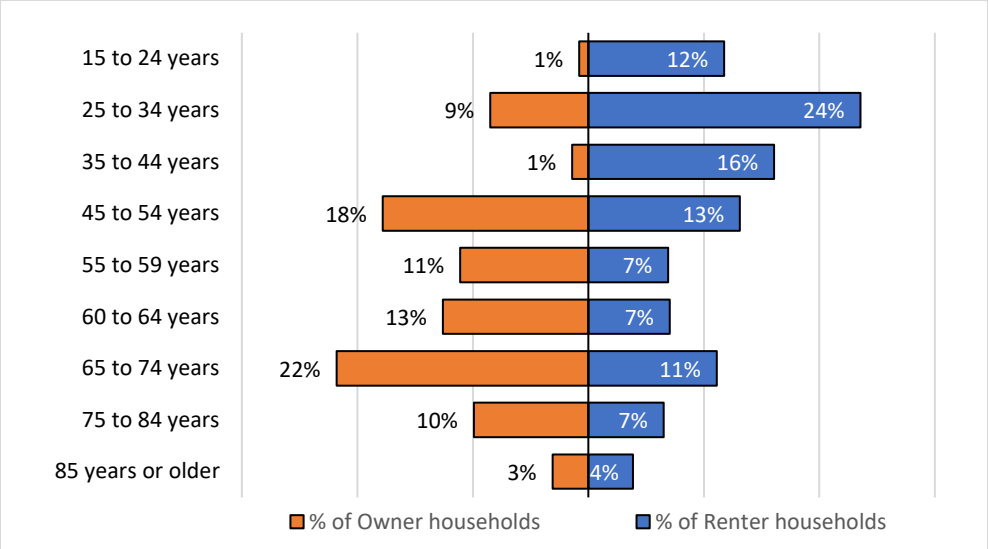


Source: U.S. Census Bureau, Decennial Census and American Community Survey 5-year estimates 2018-2022 (Table B25003)

Age of Homeowners

While Vermont has a very high rate of homeownership overall, the rates vary significantly based on household demographics. Householders under 35 years of age are less likely to own a home than older households. In 2022, 41% of households under 35 years of age were homeowners compared with 75% of households aged 35-54. 81% of householders over 65 years old are homeowners.

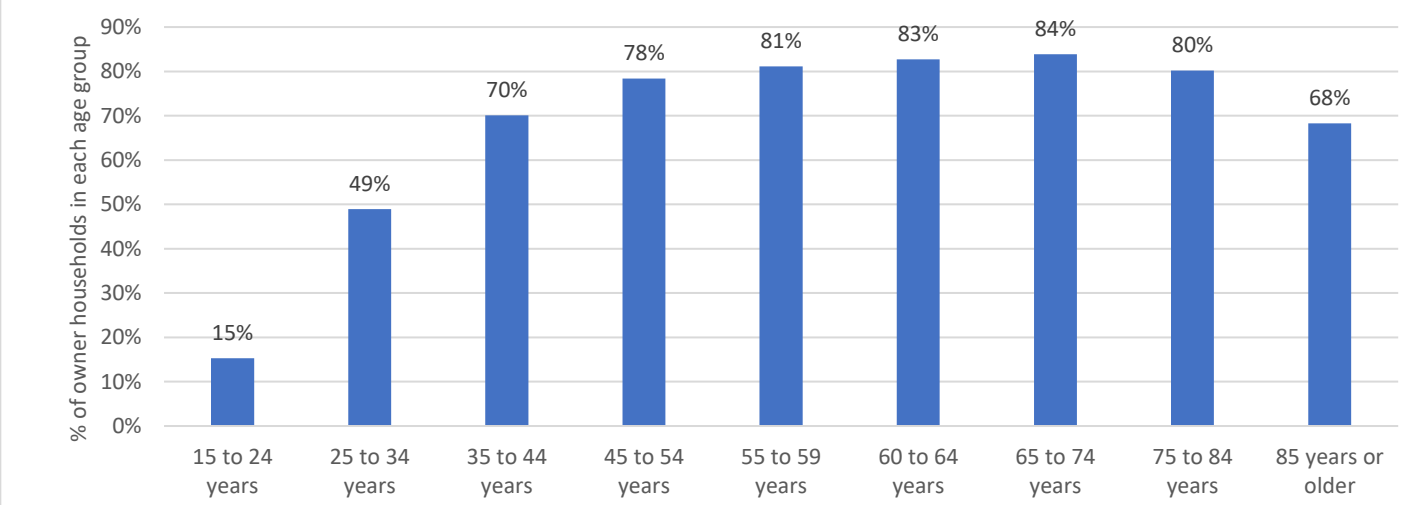
Figure 5-5 Homeowner and renter households by age group,



Age of householder	Owner households	
15 to 24 years	1,543	1%
25 to 34 years	16,409	9%
35 to 44 years	27,440	1%
45 to 54 years	34,511	18%
55 to 59 years	21,476	11%
60 to 64 years	24,435	13%
65 to 74 years	42,140	22%
75 to 84 years	19,235	10%
85 years or older	6,033	3%

Source: US Census Bureau, 2022 American Community Survey 5-year estimates from housingdata.org.

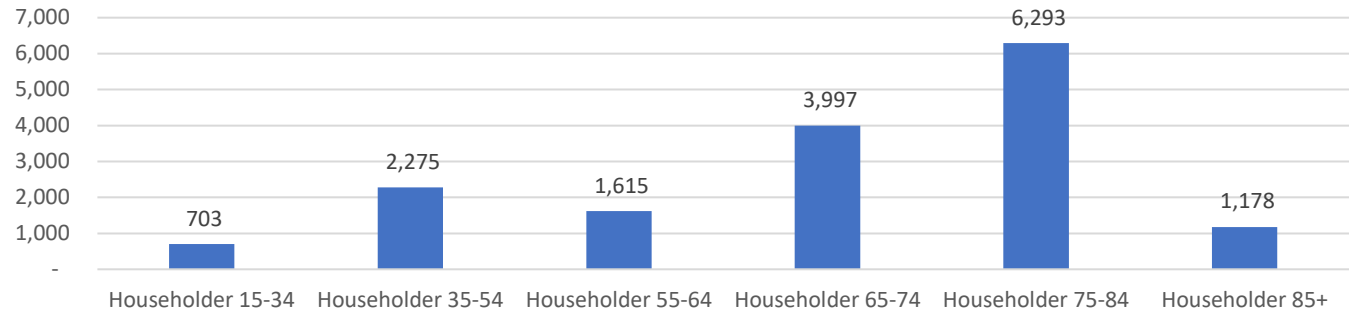
Figure 5-6 Vermont homeownership rate by age, 2022



Source: U.S. Census Bureau: American Community Survey 5-year estimates (Table B25003)

Most of the projected household growth within the owner-occupied housing stock by 2029 will be among older homeowners. Of the 16,000-17,000 projected new owner households, more than 12,000 will be led by someone older than 65 years old.

Figure 5-7 Projected growth of Vermont owner households by age group, 2025-2029

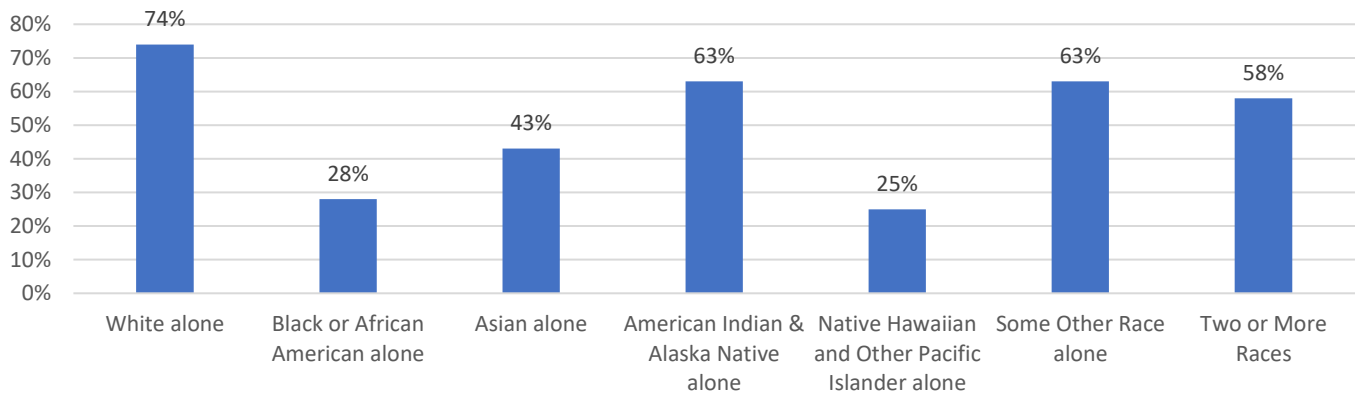


Source: Based on data from U.S. Census Bureau 2010 and 2020 Decennial Census and American Community Survey 1-year estimates for 2019-2022.

Race of Homeowners

There are even larger discrepancies in homeownership rates by race. When households that are categorized as “white alone” by the U.S. Census Bureau are compared to all other households, the discrepancy in homeownership rates is striking. While 74% of white households are homeowners, only 54% of all other households own their homes. The difference between Black or African American households and white households is stark, with a homeownership rate of only 28% for Black households.

Figure 5-8 Vermont homeownership rate by race, 2022



Source: Source: U.S. Census Bureau: American Community Survey 5-year estimates (Table B25003 A-G)

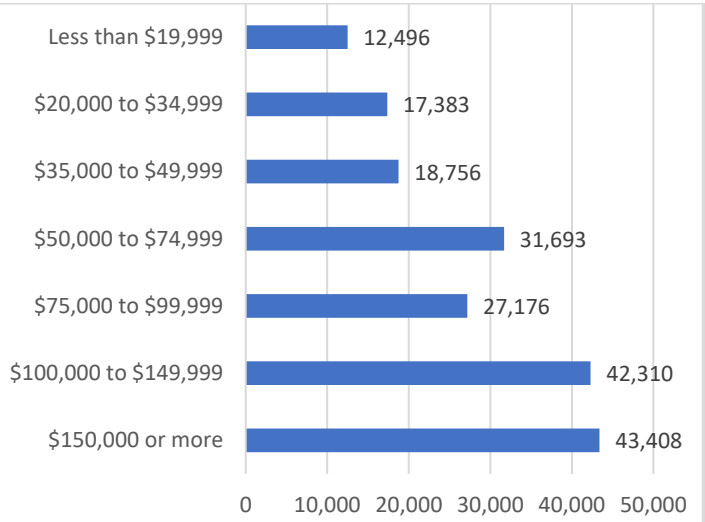
Demographic trends in homeownership in the 5 years between 2017 and 2022 have shown improvements for households under 35. Younger households under 35 years of age have seen a 1% increase in the homeownership rate between 2018 and 2022 after years of declining rates. In 2022 the homeownership rate among 25–34-year-olds has increased to 48.9%, a 7% increase from the 2017 ACS estimates. This represents the highest homeownership rate that this age group has seen since 2007.

Overall, there has been an increase of over 2,500 homeowner households that are not “White alone” between the 2017 and 2022 ACS 5-year estimates, reflective of increasing racial diversity in Vermont. However, it does not represent an increase in the overall rate of homeownership across census racial categories. The homeownership rate has remained stagnant for households headed by a person of color are considered.

Income of Homeowners

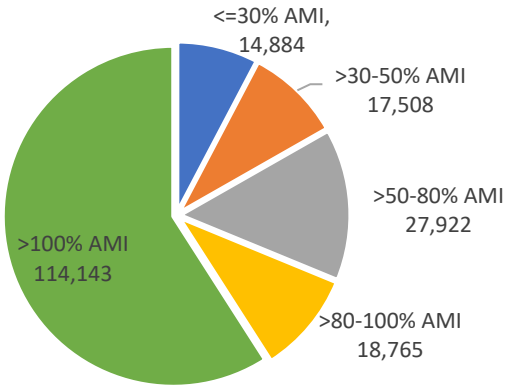
Homeownership is more common than renting in Vermont, even among lower income Vermonters. Of all Vermont households earning less than median income ($74,014), an estimated 60% are homeowners.

Figure 5-9 Homeowner households by income, 2022



Source: U.S. Census Bureau: American Community Survey 5-year estimates

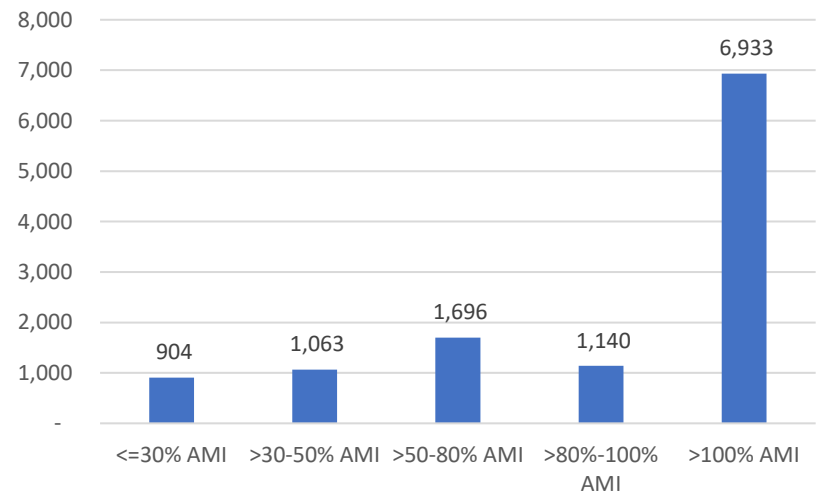
Figure 5-10 Owner households by AMI group, 2022



Data Source: U.S. Census Bureau: American Community Survey 5-year estimates, 2018-2022 (Table B25118) from housingdata.org

Most of the projected growth in demand for owner-occupied homes will come from the highest income bracket home buyers. Due in part to the current price of homes and the current income levels of homeowners, approximately 6,933 additional home buyers will have household incomes greater than 100% of the area median income, compared to only 4,803 homebuyers below the area median income.

Figure 5-11 Projected growth of owner-occupied households in Vermont by income group, 2025-2029



Source: Based on data from U.S. Census Bureau 2010 and 2020 Decennial Census and American Community Survey 1-year estimates for 2019-2022.

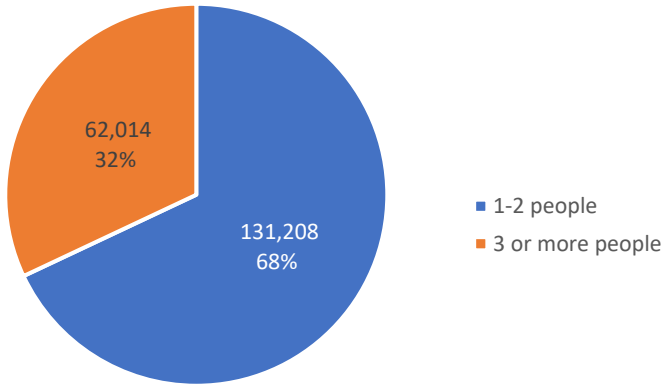
Area Median Income (AMI) group	Household Income
30% AMI	$22,204
50% AMI	$37,007
80% AMI	$59,211
Statewide Median Income (100% AMI)	$74,014
Renter Median Income	$43,102
Homeowner Median Income	$90,311

Source: HUD Income Estimates, American Community Survey 5-year estimates 2018-2022

Household Size

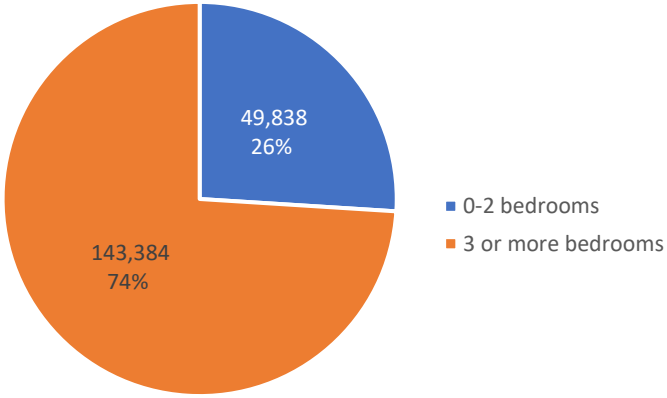
The available housing supply is not only constrained but also mismatched to homeowner needs. The number of people per household has been shrinking over the past few decades. The median year of construction for Vermont's homes is 1975, with 23% of homes constructed prior to 1940. These homes were built at a time when households were larger and needed more bedrooms than today's smaller households require.

Figure 5-12 Owner homes by household size, 2022



Source: U.S. Census Bureau, American Community Survey, 5-year estimates 2018-2022

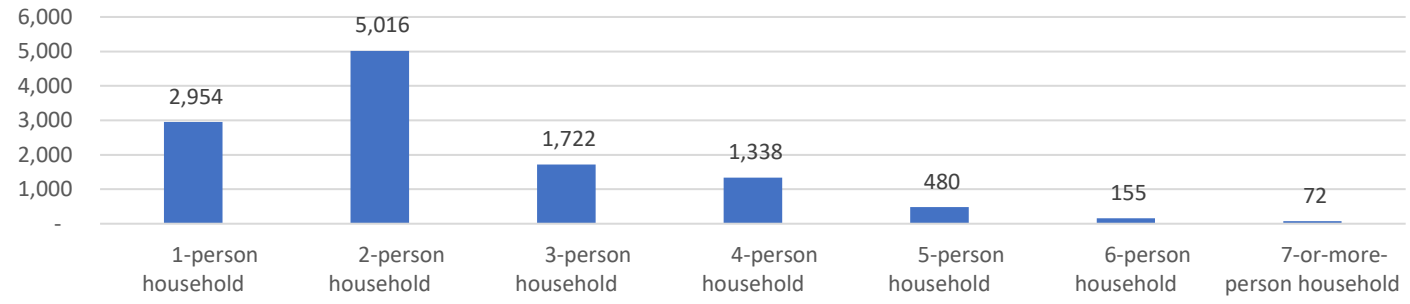
Figure 5-13 Owner homes by number of bedrooms, 2022



Source: U.S. Census Bureau, American Community Survey, 5-year estimates 2018-2022

Although 68% of the homeowner households in Vermont consist of 1 or 2 people, only 26% of the state's homes have two bedrooms or fewer. One quarter of Vermont homeowners are individuals living alone. Too few right-sized homes for smaller households can result in families having no choice but to purchase larger homes than they need, which can inflate housing expenses, including mortgage payments, heating/cooling costs, property taxes, and repair expenses. This exacerbates housing affordability issues statewide.

Figure 5-14 Projected growth of owner-occupied households in Vermont by household size, 2025-2029



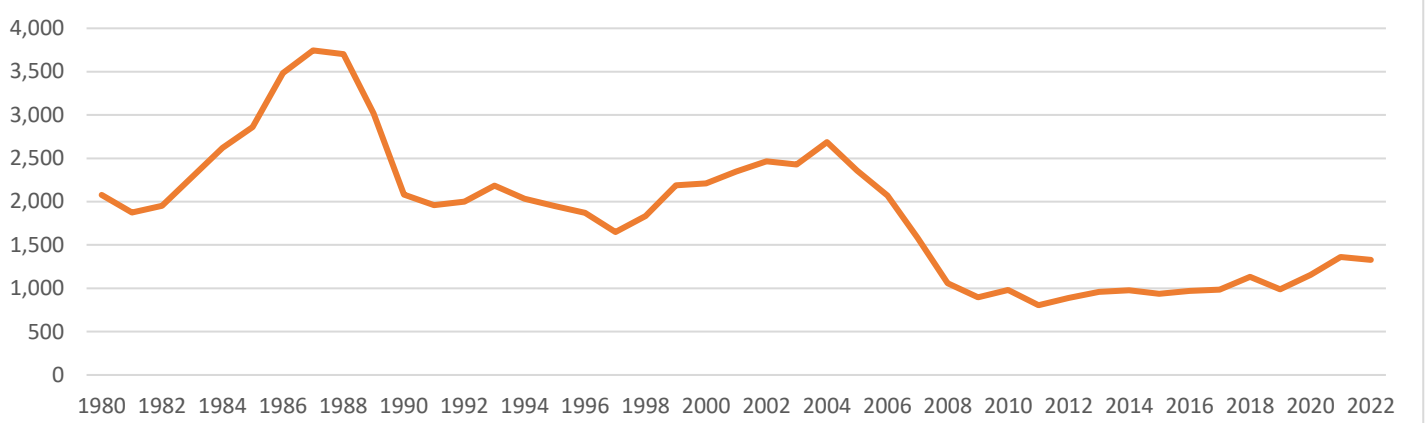
Source: Based on data from U.S. Census Bureau 2010 and 2020 Decennial Census and American Community Survey 1-year estimates for 2019-2022.

Most of the growth in the owner households expected in Vermont by 2029 will be among small households with 2 or fewer members. This will likely further the competition for homes with lower bedroom counts, which already fall short of the number needed in Vermont. More housing stock with 2 or fewer bedrooms is necessary to meet the current demand. The projections indicate imbalance between supply and demand for smaller bedroom count homes will only be exacerbated over the next five years when new households with 1 to 2 people will likely outnumber new households with 3 or more people by two to one. Targeted efforts to right-size new housing to better align with Vermont household sizes is one of many ways to promote housing affordability for the future.

Housing Supply

Vermont suffers from a constrained housing supply and new construction has not kept pace with the demand for homes. Annual building permits for new single-family homes have averaged just over 1,000 per year for the last decade. Pandemic in-migration further strained the market with an unexpected increase in out of state households relocating their year-round home to Vermont.[98]

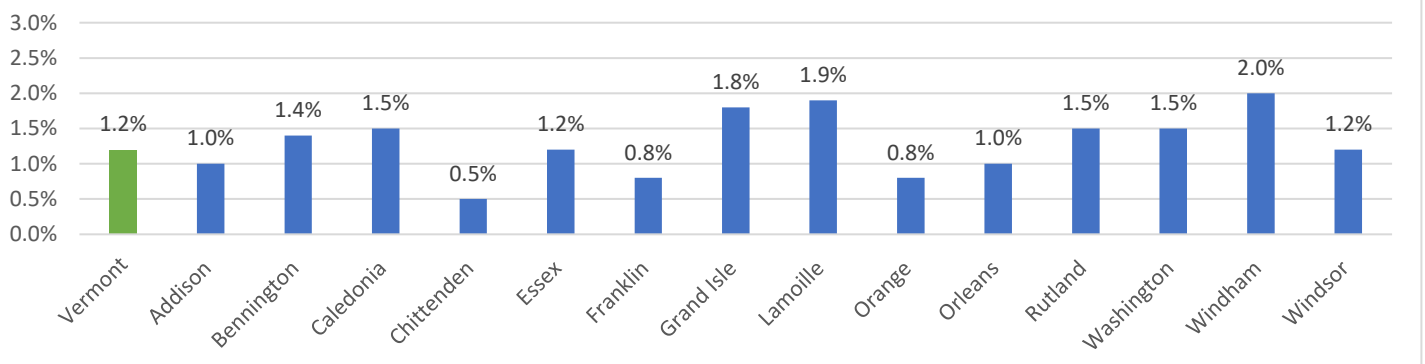
Figure 5-15 Building permits for single family homes, 1980-2022



Source: U.S. Census Bureau, Building Permit Survey, 1980-2022 from housingdata.org

The combination of a decade of low rates of housing production and higher than expected demand has led to a low homeowner vacancy rate. The homeowner vacancy rate is the number of homes on the market compared to the total number of homes used or intended for homeowner households. Vermont's homeowner vacancy rate is estimated at 1.2%, below the 2.0% rate considered indicative of a healthy housing market. When the vacancy rate falls below the healthy rate, it can be difficult for homebuyers to find homes to purchase due to limited availability and puts upward pressure on sales prices.

Figure 5-16 Vermont homeowner vacancy rate, 2022



Source: U.S. Census Bureau, American Community Survey, 5-year estimates,

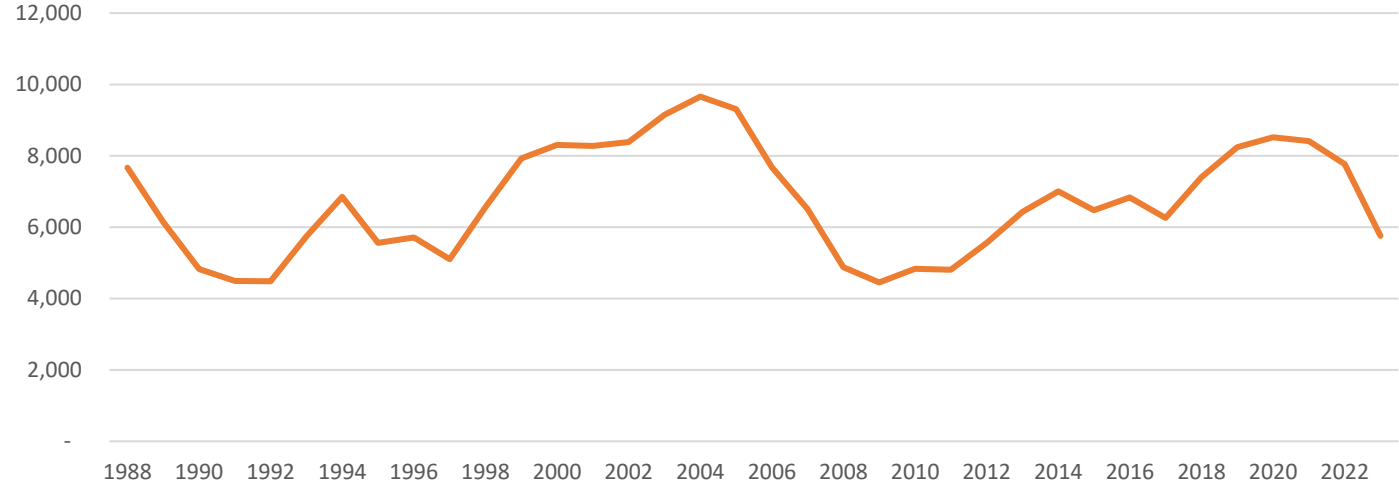
Vacancy rates vary between Vermont counties, with some counties falling in the healthy market range and others far below. Chittenden County has a notably low vacancy rate reflecting the high demand for homes in the region. While higher vacancy rates can make it easier for homeowners to find homes and can keep pricing more affordable, they can also be indicative of substandard quality. Some homes remain on the market for extended periods because they do not meet homebuyer needs and fewer homebuyers are willing or financially able to invest in necessary improvements.

[98] In 2021, an estimated 24,438 households reported moving into the state from another state. In typical years prior to the pandemic, in-movers to Vermont numbered 15,000-16,000, according to U.S. Census Bureau American Community Survey 1-year estimates.

Home Sales

In 2023 there were 5,759 primary home sales. This was the lowest number of sales in Vermont since 2012 when the housing market was still recovering from the fallout of the Great Recession. Between 2019 and 2021, the number of primary sales exceed 8,000 annually, placing those years amongst the most active on record for Vermont. The decline in sales in 2022 and then again in 2023 suggests that rising prices and interest rates, as well as constrained supply of for sale homes, may be slowing down the home sale market.

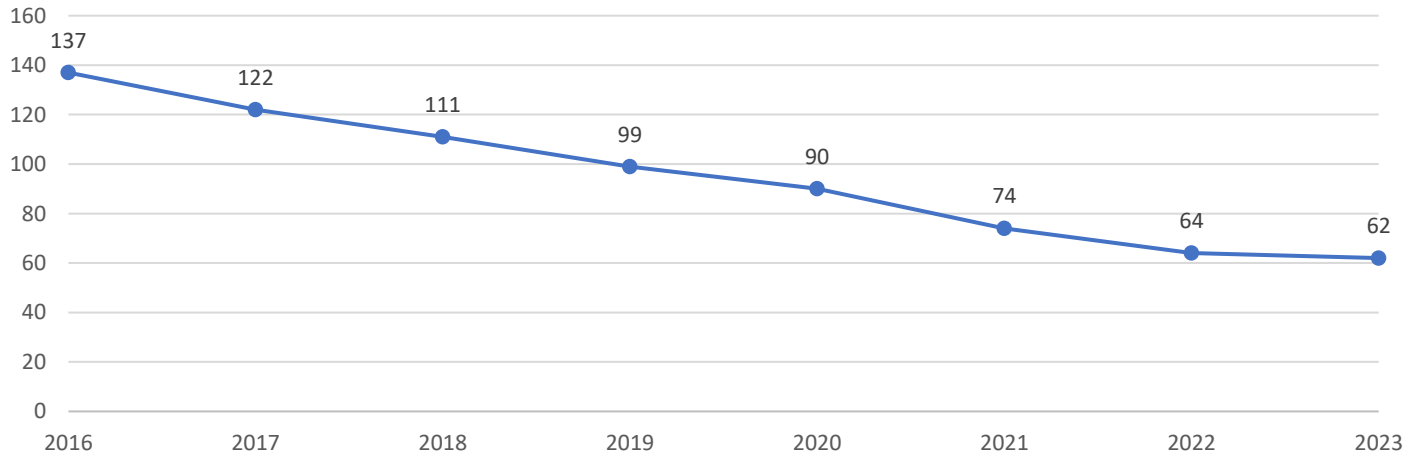
Figure 5-17 Number of primary home sales, 1988-2023



Source: Based on data from Vermont Dept. of Taxes, Property Transfer Tax on housingdata.org.

Homes were on the market for a median of 64 days in 2022 and continued the ongoing trend of decreasing time on the market in 2023, dropping to 62 days. The median days on market has dropped for all home price groups. Homes are on the market for under two thirds of the time they were in 2019, roughly equivalent to a month less. The short time on the market is an all-time low in Vermont and another indication of the high demand for homes.

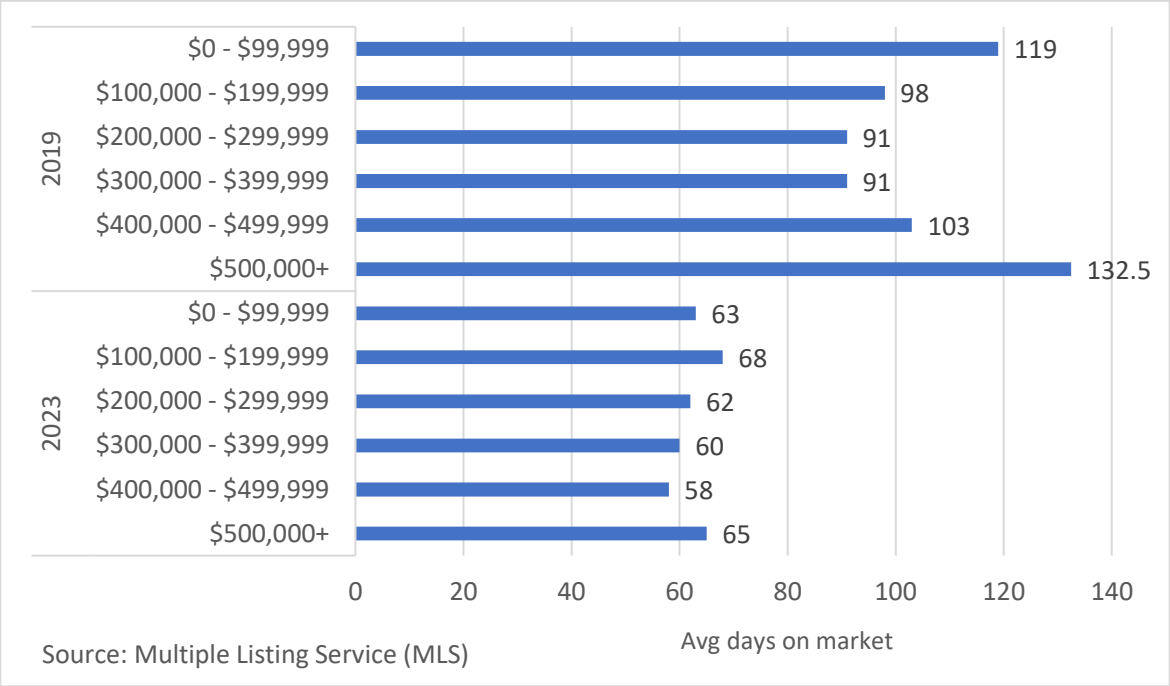
Figure 5-18 Median days on market, 2016-2023



Source: Multiple Listing Service (MLS) data on housingdata.org.
"Days on market" reflects the number of days between when a home is listed and when it is sold

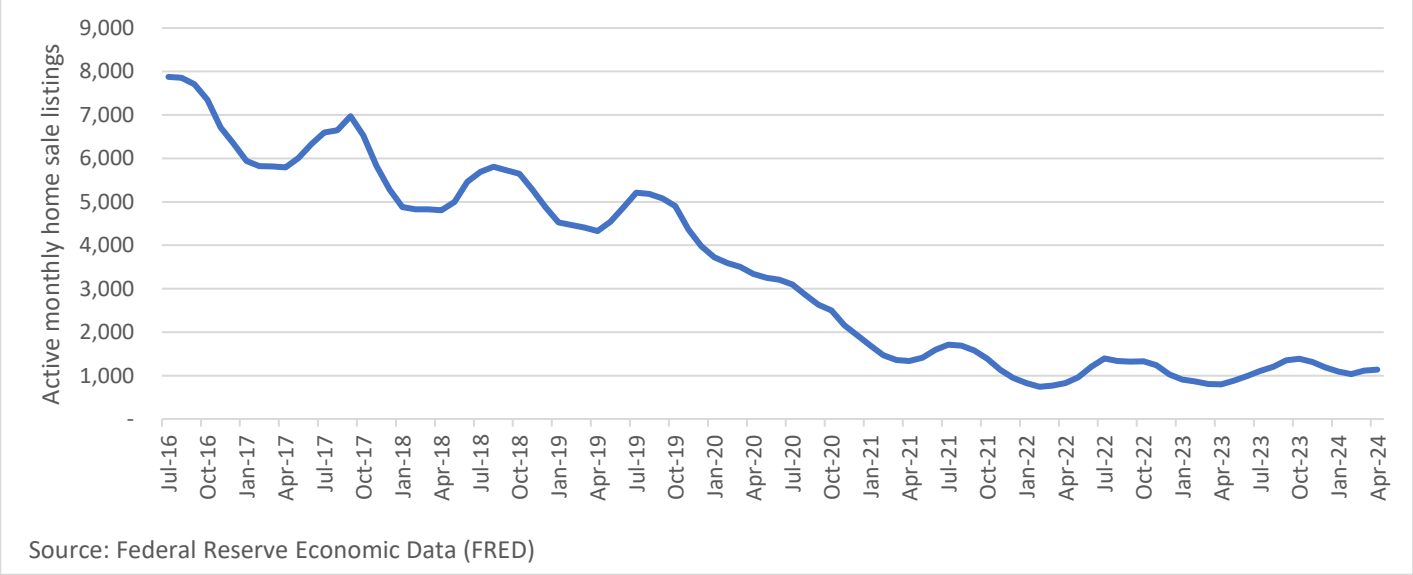
After years of moderate growth, Vermont's owner housing market recently experienced substantial home price increases, putting home buying out of reach for more and more of the state's renters and potential in-migrants. The vacancy rate among owner homes is even lower than among rentals, with Vermont's median days-on-market of homes listed for sale at an all-time low. With the median price of a home for sale up 30% from 2020, few renters have the income needed to even consider purchasing the few homes listed for sale.

Figure 5-19 Days on market by home sale price, 2019 and 2023



Since 2021, the number of homes for sale in Vermont has remained at an unprecedented low level. Since then, there have not been more than 2,000 actively listed homes for sale during any calendar month, reflecting the low homeowner vacancy rate and the constrained home sale market. By contrast, all recorded months prior to 2020 had more than 4,000 listings every month.

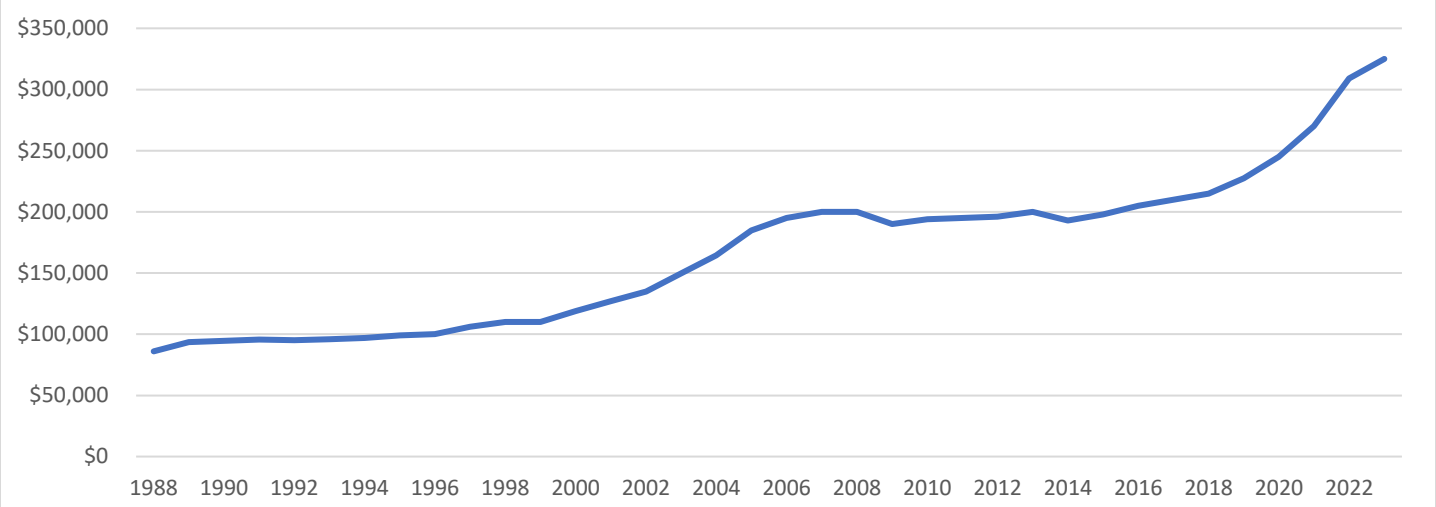
Figure 5-20 Monthly active home sale listings, 2016-2024



Home Prices

The median sales price of primary homes sold in Vermont continued increasing in the first half of 2023, reaching a median value of $315,000 for homes sold during that period, according to recent Vermont Property Transfer Tax (PTT) records. This continues a trend in which no county in Vermont has seen a decline in annual median home sale price since 2019.

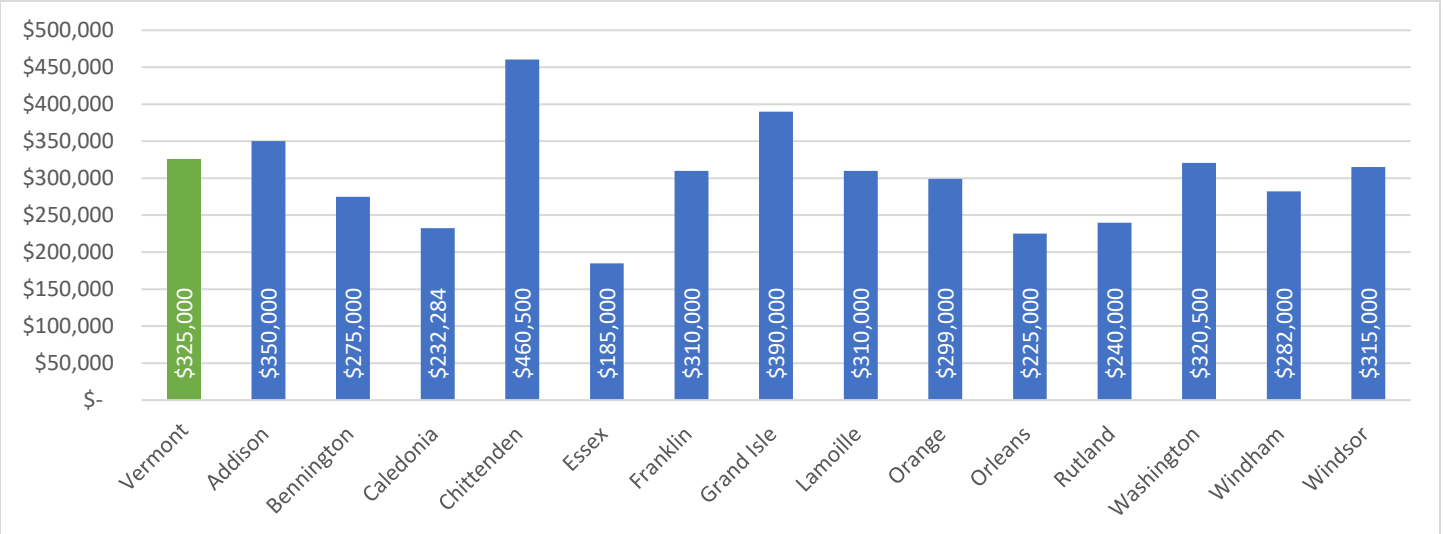
Figure 5-21 Vermont median primary home sale price, 1988-2023



Source: Based on data from Vermont Dept. of Taxes, Property Transfer Tax on housingdata.org.

Median home prices by county range from $185,000 in Essex County to $450,000 in Chittenden County. Chittenden County has seen price growth in every year this century, except 2009 and 2011 amidst the fallout of the Great Recession. Prior to the pandemic, the largest annual home sale price increases occurred in and around the Burlington metro area, which serves as the state's largest job center.

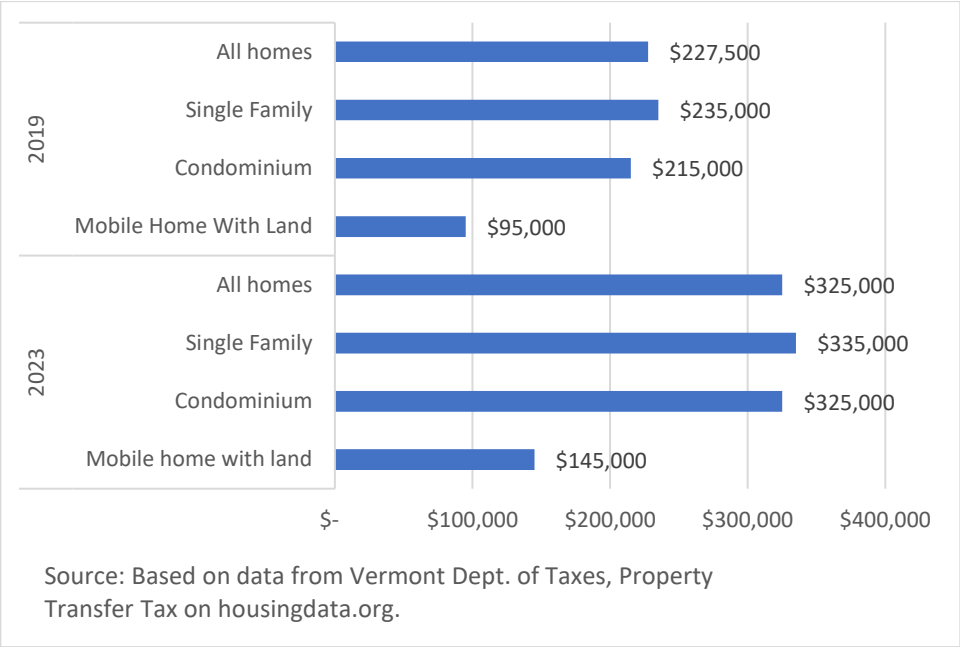
Figure 5-22 Median primary home sale price by county, 2023



Source: Based on data from Vermont Dept. of Taxes, Property Transfer Tax on housingdata.org.

Prices for all home types have increased significantly between 2019 and 2023. The purchase prices for single-family homes and mobile homes with land have increased by 38% and 37% respectively. Condominium prices have increased by 52%, resulting in a median priced condominium costing more than the median single-family home for the first time in 2023.

Figure 5-23 Median primary home sale price by building type, 2019 and 2023



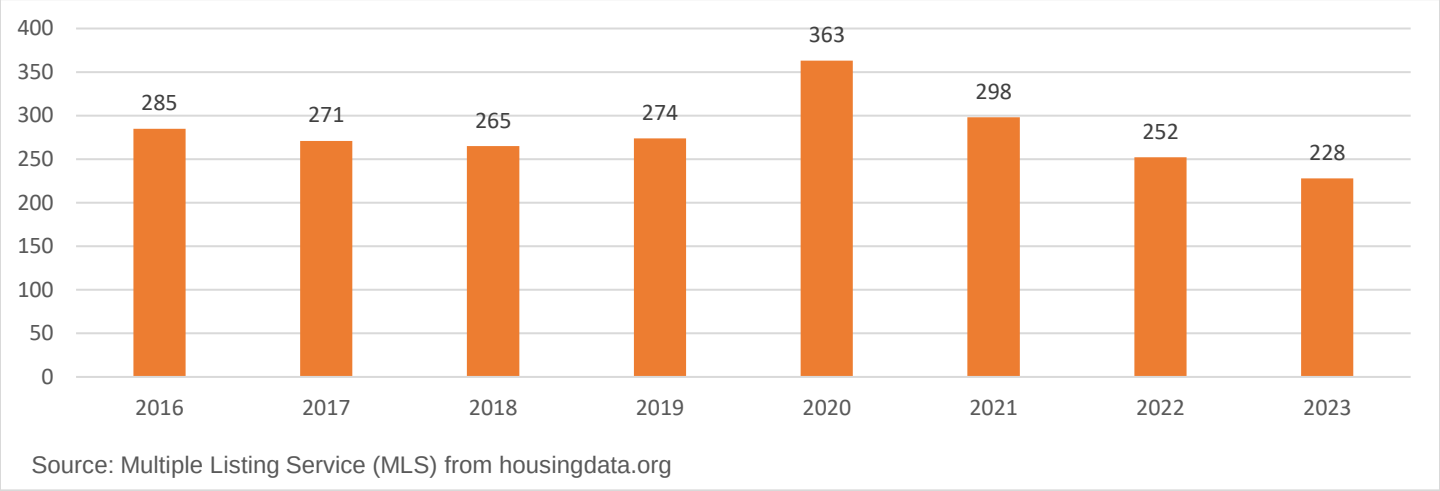
Source: Based on data from Vermont Dept. of Taxes, Property Transfer Tax on housingdata.org.

A national study found that Vermont ranks among the top 10 states in the country for the highest manufactured home prices in 2022. This home type is typically the most affordable for home buyers. A household would need to earn at least $47,465 to afford a median price mobile home with land in Vermont. For over half of Vermont's renters, even the most affordable option is out of reach.

New Home Sales

Since 2020, 1,141 newly constructed homes have been sold in Vermont (not including homes that were not listed with a real estate agent or multifamily rental buildings). 2020 had the highest number of new home sales of any single year since data became available in 2016. 2020 was also the turning point year for rapidly increasing prices for new homes. In the four year period between 2016 and 2019, median new home prices increased by 18% - between 2020 and 2024, the median new home sale price increased by 59%. As prices have increased, as well as interest rates, the number of new home sales has declined year over year, reaching a low of 228 sales in 2023.

Figure 5-24 New home sales, 2016-2023



Source: Multiple Listing Service (MLS) from housingdata.org

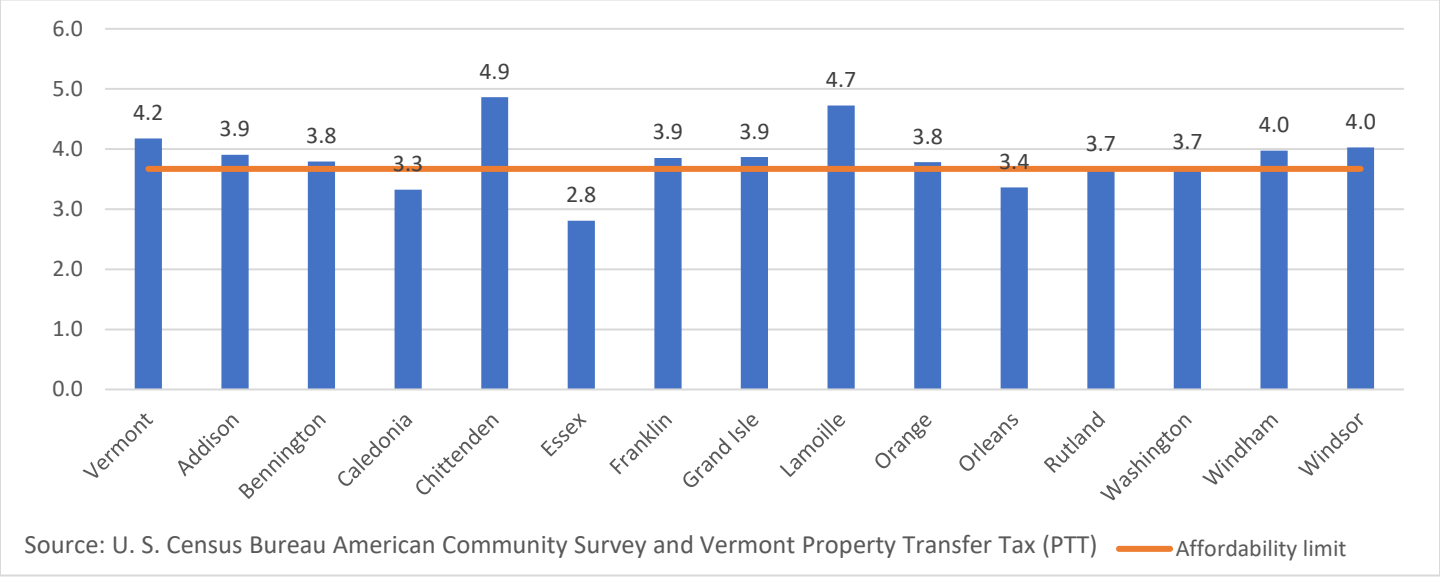
Figure 5-25 Median price of new home sales, 2016-2023

Source: Multiple Listing Service (MLS) from housingdata.org

Home Purchase Affordability

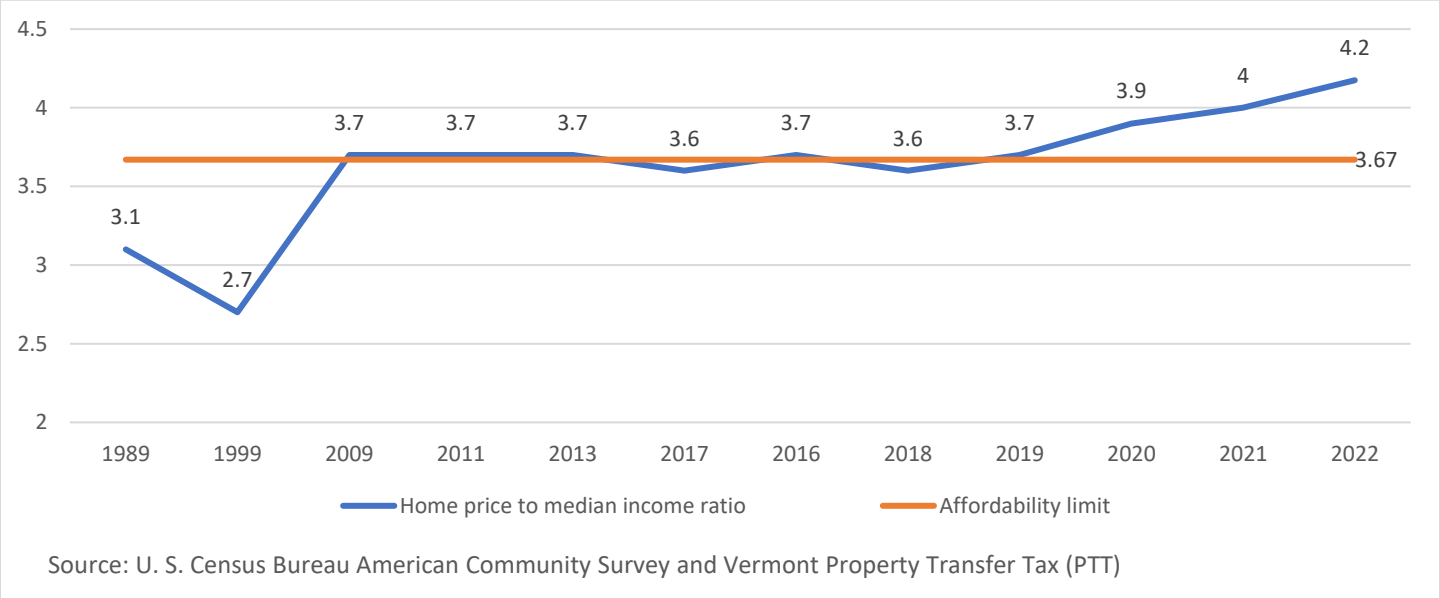
The ratio of median home price to median household income has been rising in Vermont since 2018. While homeownership rates have increased slightly, homes are less affordable in 2022 than they were 5 years ago. The price to income ratio should not exceed 3.67 for housing to be considered generally affordable. As of 2022, only Caledonia, Orleans and Essex counties had price to income ratios that fell within the affordable range.

Figure 5-26 Ratio of median home sale price to county median household income, 2022



At a state level, Vermont's home price to income ratio has hovered at the threshold of unaffordability since 2009. More recently, starting in 2019, the ratio has exceeded the affordability threshold and has become increasingly unaffordable from year to year.

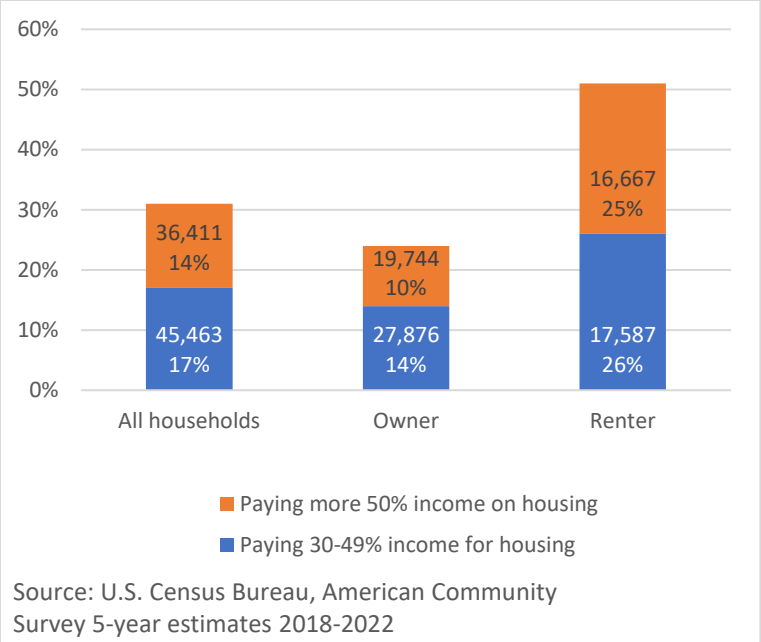
Figure 5-27 Ratio of Vermont median primary home sale price to median household income, 1989-2022



Homeowner Cost Burden

About a quarter of Vermont homeowners (47,000 households) have housing costs that consume more than 30% of their income-the standard for assessing affordability. 10% of Vermont's homeowners (about 19,000 households) spend more than half of their income for housing costs. These households are at an elevated risk of housing instability including foreclosure, especially if they face unanticipated expenses or decreases in income.

Figure 5-28 Cost burden and severe cost burden by tenure, 2022

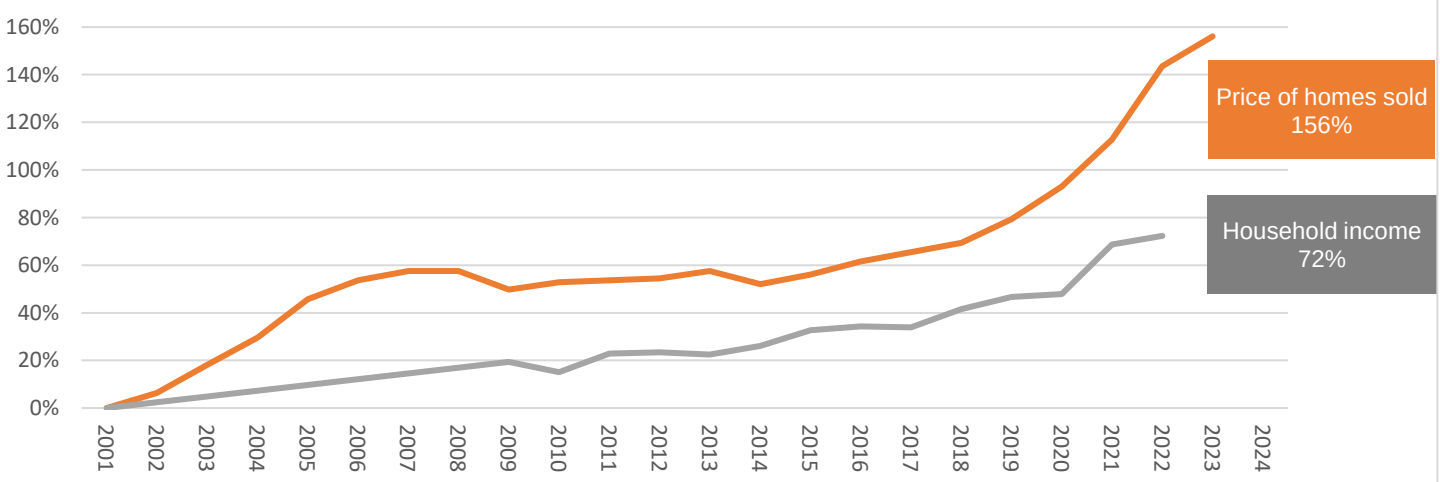


Source: U.S. Census Bureau, American Community Survey 5-year estimates 2018-2022

Homeowners are about half as likely to be cost burdened as renters, with an estimated 24% of all homeowner households being cost burdened compared with 51% of renter households. While there has been a great deal of focus on renter cost burden at a state-wide level, numerically there are more cost burdened homeowner households than cost burdened renter households in Vermont. This is due to the much higher rate of overall homeowner households as opposed to renter households. An estimated 46,000 homeowner households in Vermont are cost burdened as compared with 34,000 renter households. Even when looking at severely cost burdened households, those paying more than 50% of income toward housing costs, there are numerically more severely cost burdened homeowner households than severely cost burdened renter households in Vermont.

Cost burden among Vermont homeowners has been a long-standing challenge in Vermont because housing prices have risen faster than incomes. Since 2001, the median home price has increased 148% compared to only 72% increase in median household income in Vermont. The rate of home price increases has accelerated over the past decade.

Figure 5-29 Change in median household income and median home sale price, 2001-2023



Source: HUD 50th percentile rent, VT Department of Taxes property transfer tax data and U.S. Census Bureau American Community Survey income estimates on housingdata.org.

Homeowners Assistance Program

In January 2022, in partnership with the Agency of Commerce and Community Development, VHFA developed and launched the Vermont Homeowner Assistance Program (VHAP) to assist Vermont homeowners who had been financially impacted by the pandemic. The program was funded by $50 million from the federal American Rescue Plan Act (ARPA). The program provided up to $40,000 per household towards overdue mortgage payments, utility bills, property taxes, and property association charges, paid directly to the service provider. The program stopped accepting applications in July 2023 when all funding had been allocated. The program provided more than $41 million to 5,800 Vermont households ($20 million in mortgage relief, $10 million in utility assistance, $9 million in property tax payments and $1 million in property association fees.) VHAP assisted homeowners in every Vermont county. Most households receiving assistance had low or moderate incomes, with the median household earning just $34,492 per year.[99]

Housing Quality

At least 14,000 owner households in Vermont are living in homes with serious housing quality concerns, according to U.S. Census Bureau estimates. Housing quality issues for homeowners are defined by the following criteria:

- The heating fuel type was coal or the home lacked a heat source.
- The home lacked complete kitchen facilities.
- The home lacked complete plumbing facilities.
- The home was a mobile home built before 1979.
- The home was an owner home with an estimated property value of $75,000 or less (excluding mobile homes or RVs/vans/boats).

The most common homeowner housing quality issues are mobile homes manufactured prior to 1980 (closest data proxy for the pre-1979 threshold) and homes with a property value less than $75,000 (excluding mobile homes, RVs/vans/boats).

Figure 5-30 Owner homes with potential housing quality issues, 2022

Region	Owner-occupied homes
Northern Vermont (Grand Isle, Franklin, Lamoille, Orleans, Caledonia & Essex Counties)	5,151
Central Vermont (Addison, Washington & Orange Counties)	3,093
Chittenden County	2,516
Southern Vermont (Rutland, Windsor, Bennington & Windham Counties)	3,341
Statewide	14,101
Source: Based on Census Bureau Public Use Microdata Sample (PUMS), 2022	

Other Housing Problems

The number of owner households with housing problems is even higher when overcrowding and housing cost burden are considered. The U.S. Department of Housing and Urban Development (HUD) receives custom tabulations from the Census Bureau American Community Survey (ACS). These data, known as the "CHAS" data (Comprehensive Housing Affordability Strategy), demonstrate the extent of housing problems and housing needs, particularly for low income households.

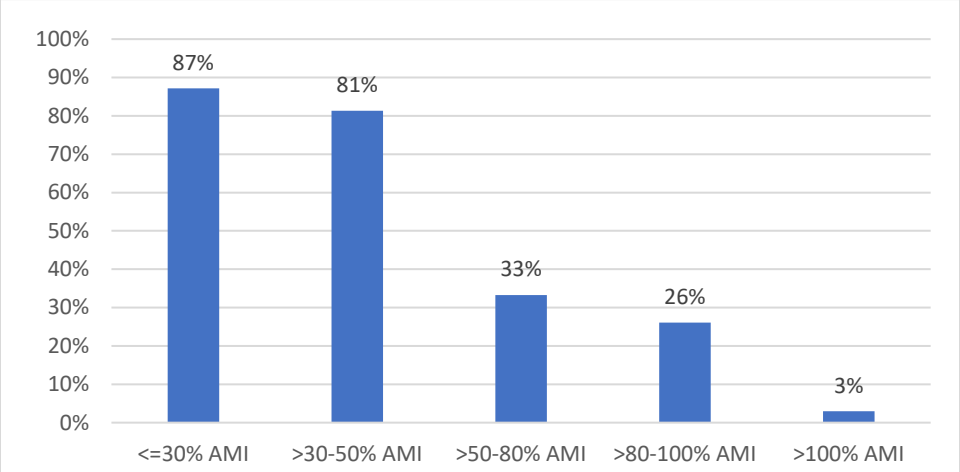
The CHAS identifies four housing problems: 1. Home lacks complete plumbing, 2. Home lacks complete kitchen, 3. Household is overcrowded, and 4. Household is cost burdened. Cost burden is the most prevalent of these housing issues – there are approximately 46,000 cost burdened owner households in Vermont. Homes lacking complete plumbing and kitchen facilities overlap with housing quality issues that have been considered

[99] VHFA, Mia Watson, Pandemic assistance program awards $41 million to help homeowners, May 13, 2024

in the previous section. However, when the 1,860 overcrowded and 46,000 cost burdened owner household metrics are added to households with quality issues there are approximately 48,000 owner households with potential housing problems. This represents 26% of all homeowner households.

37,000 households identified with 1 of 4 CHAS housing problems have incomes below 80% AMI. Two out of three of all homeowner households with incomes under 80% AMI have housing problems. Unsurprisingly, homeowner households with income levels over 80% AMI have a significantly lower incidence of housing problems, with only one in 25 homes in this income bracket meeting the CHAS defining criteria for housing problems. Higher income homeowners can afford better quality homes and fix housing problems immediately when they occur.

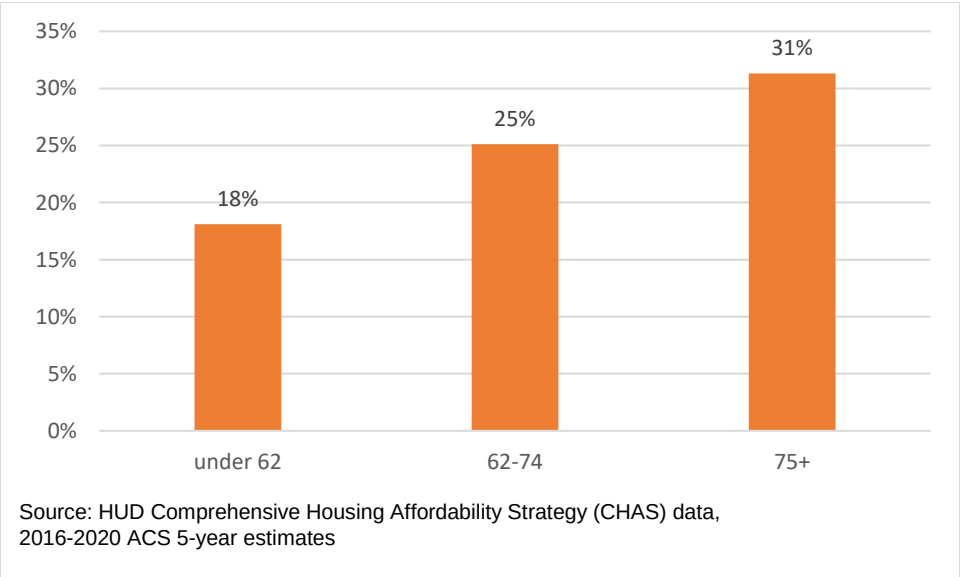
Figure 5-31 Percentage of homeowner households with 1 of 4 housing problems by income bracket



Source: HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2016-2020 ACS 5-year estimates

In addition, homeowners over 62 years old face a higher rate of housing problems than younger households. Housing problems become even more likely among homeowners over 75 years of age, with roughly one in three homeowners over 75 years identified as having at least one of the four housing problems delineated by the HUD Comprehensive Housing Affordability Strategy.

Figure 5-32 Percentage of households with 1 of 4 housing problems by homeowner age



Source: HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2016-2020 ACS 5-year estimates