



Market Assessment for: Brigham Academy Bakersfield, Vermont

Prepared for: Town of Bakersfield
Dreher Design
Franklin County Industrial
Development Corp.

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Executive Summary

- Doug Kennedy Advisors was asked to assess the market-based feasibility of a potential redevelopment of the Brigham Academy building in Bakersfield, Vermont. Brigham Academy is an historic structure that has been out of active use for a number of years. The structure is in disrepair, necessitating the need for the community to move forward in the near future with a plan for a new use.
- The market analysis – as summarized in this report – was principally oriented toward analyzing potential redevelopment for residential purposes. However, the assessment included a look at the broad context of the Academy building, as well potential mixed-use of the building that could complement the residential component.
- The initial assessment of the building and market, as well as conversations with persons familiar with Bakersfield and the area market made it clear that rental housing oriented toward the senior market would be the best fit for the property. The analysis tested this assumption from a rigorous market perspective.
- Brigham Academy has a central location in Bakersfield Village; a small built-up area that hosts a limited array of public and private services. Redevelopment of the Academy Building has the potential to increase ‘people-activity’ in this location and to provide a venue for an expanded range of community and private activity.
- The market assessment included the following:
 - Definition of primary and secondary project market areas – the geographic areas from which the majority of the project’s tenants would likely be drawn. The combined primary/secondary market area was defined to include the area within 20 minutes’ drive-time of the project site;
 - An assessment of the housing stock and housing market dynamics in the Bakersfield area. As a small, rural community, Bakersfield provides minimal housing for small households seeking an affordable rental property. Like many rural Vermont communities, there is a mismatch between the town’s housing stock and the its resident households. While the majority of Bakersfield’s housing units are larger, multi-bedroom units, the majority of its households include only one or two persons.

- Because Bakersfield lacks smaller, affordable rental units, a number of seniors have been obligated to seek housing outside the community when seeking to downsize to a smaller home.
- The analysis assessed market pools and potential movers at three rental levels: 1) for Rental Assisted units oriented toward very low income seniors; 2) for Tax Credit rents oriented toward lower income seniors; and 3) for 'Market Rate' rents oriented toward moderate income seniors. In each instance, the analysis identified potential pools of renters.
- Market analysis findings point toward the following recommendations:
 - There is sufficient market to plan a development of 20 to 25 units targeted to the senior (55+ Years) market;
 - The project should include a mix of Rental Assistance, Tax Credit and Market Rent units. A mixed income project will be more successful in a relatively small market;
 - The project should include studio, one bedroom and perhaps a couple of two bedroom units.
 - Potential complementary uses would add to the attractiveness of the project to the senior market while both providing services that could be of direct benefit to residents and public/private uses that might activate the building while providing venues that are otherwise not available in Bakersfield.

Introduction

The following report details research and analysis completed to assess the market-based potential for rehabilitation and redevelopment of the Brigham Academy building in Bakersfield, Vermont. The assessment is primarily oriented toward potential residential use of the structure. However, we have also considered community-based uses that could utilize parts of the structure and be complementary to residential use. Our assessment of the residential market was broad in nature, with the intent of identifying market segments that have a demonstrated need and which are compatible with the building and setting.

The analysis was completed by Doug Kennedy Advisors at the request of the Town of Bakersfield and Dreher Design. Overall, the analysis was oriented toward answering several principal questions:

- Given the demographics of the market area, is there sufficient support for residential development and, if so, what segment(s) of the market should be targeted?
- What competition/alternative housing options are available for households in the market – at varying income levels?
- Are Bakersfield and the Brigham Academy building appropriate for a project of this type?

The report addresses the following areas with respect to residential market conditions and the potential for a housing project:

- A description of the project;
- An assessment of the local and regional context and residential dynamics;
- A determination of the potential market area(s) for the project;
- A review of major economic trends and community dynamics that affect the housing market;
- An analysis of relevant demographics in the defined market areas;
- A review of market area housing stock, comparable housing offerings and an assessment of the project's likely competitive position within the market;

- A quantitative analysis of source market demographics and the potential renter pools;
- Recommendations regarding a potential development program.

Significant market findings and relevant quantitative data are contained in tables, charts and figures contained in the text of the report. The analysis and this report are based on an extensive review of available data from Federal, state, regional and local sources. In addition, a number of individuals with knowledge of local/regional housing markets have been interviewed to provide additional background material for the analysis.

This report, including all background data, findings and recommendations, is based on market conditions as assessed by the analyst at the time of report preparation. In the event that there are any significant changes in a number of factors, including; macro-economic conditions, local/regional economic conditions, interest rates, local/regional competition, changes in the project program, or other factors affecting the housing market, it is likely that the findings contained in the report will change. No guarantees are offered that the estimates, projections and findings in this report will be met. However, the findings contained in the report do reflect the judgment of the analyst, following an extensive review of housing market conditions.

The market assessment was completed by **Doug Kennedy Advisors**. Doug Kennedy Advisors brings a broad range of professional and project experience to its clients, with a solid understanding of real estate, community development, recreational market research, and growth impact assessments. Our experience spans: real estate economics and markets; downtowns & community development; retail feasibility analyses; resort planning; fiscal and growth impact assessments. Our broad exposure to project work, in both up and down markets, allows us to provide realistic, strategic advice to clients. We take a practical approach to development issues that allows clients to make informed decisions regarding their project:

- Real Estate Market Research - Services include: feasibility analysis, product identification, buyer/absorption studies, amenity needs, competitive assessment, development consultation.
- Community Development – public sector work includes market analyses and economic development strategies for site redevelopment, rehabilitation projects and downtowns.
- Strategic Planning - strategic and tactical real estate advice – both individually or part of a project team – that can help to keep a real estate plan on track and best exploit market opportunities.

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Project, Project Site and Community Context

A brief review of the project building, setting and host community follow:

Project Setting

Brigham Academy (27 Academy Lane) is a free-standing structure with direct access off Academy Lane westerly of its intersection with Main Street (VT Route 108) in Bakersfield Village. 2020 U.S. Census estimates indicate that the Town of Bakersfield's population is 1,273 persons; while the town's population decreased by a small amount between 2010 and 2020, the current population is larger than the year 2000 level.

Bakersfield's major highways include: Vermont Rte. 36 (Fairfield Road) which provides a connection to St. Albans/Interstate 89 and the Burlington Area to the west; Vermont Rte. 108 (Main Street) which provides a link to Enosburgh to the north and Jeffersonville to the south. Vermont Rte. 25 (King Road) also provides north/south connections to the east of Bakersfield Village. Bakersfield's direct access to the east is limited by topography.

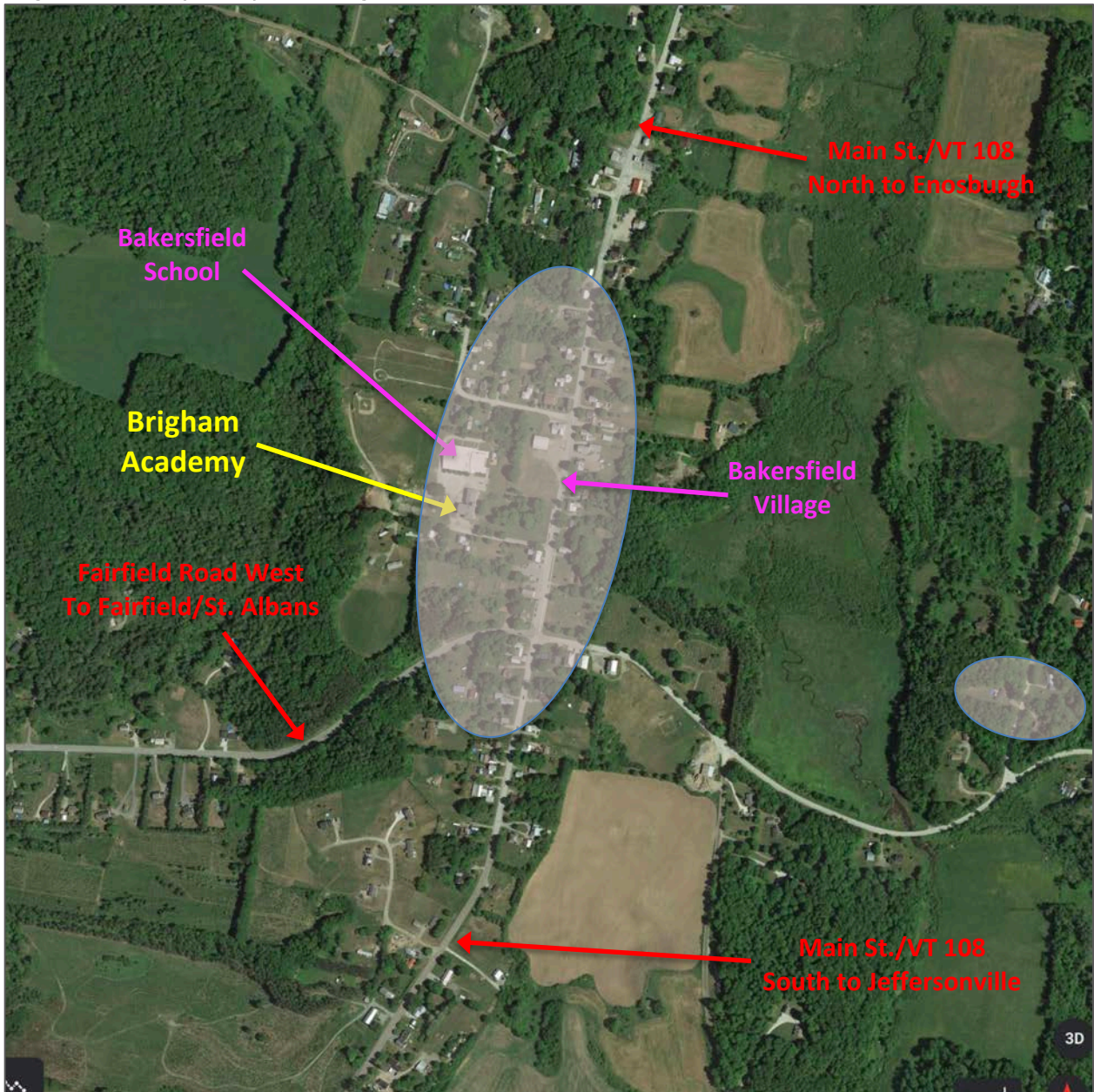
Bakersfield Village is the community's clear center and includes limited services along with municipal functions and several institutions. We note the following in the immediate area of the Academy building:

- Bakersfield Elementary & Middle School;
- HF Brigham Library;
- Bakersfield Post Office;
- Several religious institutions;
- Town offices;
- Volunteer fire department.

The Village's commercial offerings are limited and include a convenience store and automotive repair shops. In addition, we note that the community is actively working to open a food market in the space formerly occupied by the 'Village Deli.' The closest supermarket (Hannaford) is located in Enosburgh, approximately ten miles northerly of the project site.

The project site and immediate surrounding are shown in the graphic below.

Brigham Academy – Project Setting



The graphics below show Bakersfield Village scenes in the vicinity of the Academy building.



View Northerly on Main Street
Near Post Office



View Southerly on Main Street
Near Avenue Road



Village Commercial Services
Convenience Store/Automotive Services



Town Offices
East Bakersfield Road

Brigham Academy

As described in a current publication:

“Brigham Academy is a historic school in Bakersfield, Vermont, United States. It was established in 1878 by the town after receiving a gift from philanthropist and native son Peter Bent Brigham, and served as a major regional secondary school until 1966. Its original building, a fine work of Second Empire architecture, was listed on the National

Register of Historic Places in 1995.”¹

A May 2013 report also noted the following:²

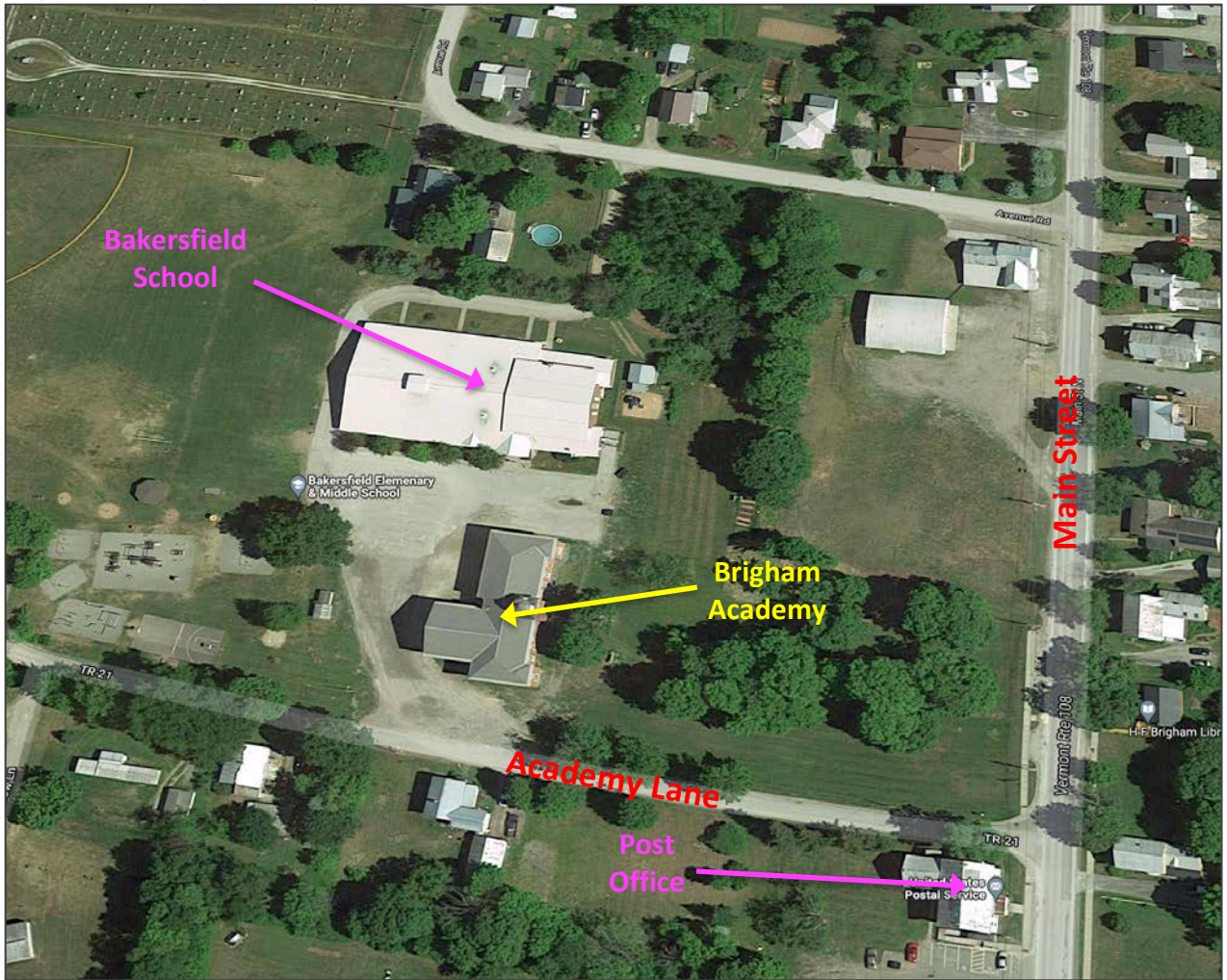
“Brigham Academy is an icon in the Town of Bakersfield, Vermont. The building, which is listed on the National Register of Historic Places, reflects the town’s past as a center of secondary education. In the late 19th century, Bakersfield boasted three academies. Brigham Academy, founded with a bequest from native son Peter Bent Brigham in 1887, was at its center. In addition to agriculture, the Town’s economy thrived on the commerce brought by students. Today, Bakersfield has a huge asset in its architecturally-intact Village. However, as the number of students has dwindled, so has commerce. The Academy has been vacant since 1987. There has long been interest in Bakersfield to bring life back to the Academy. It is a large task, which has had several champions over the years. Many Bakersfield residents, including the Selectboard members, went to school at the Academy remember it fondly and want to see it in use again. The current project, a Community Vision & Structural Analysis for Brigham Academy is the next stage in the process of reactivating the Academy.”

The graphic on the following page shows the location of the Brigham Academy structure along with immediate surroundings.

¹ Source: Wikipedia.

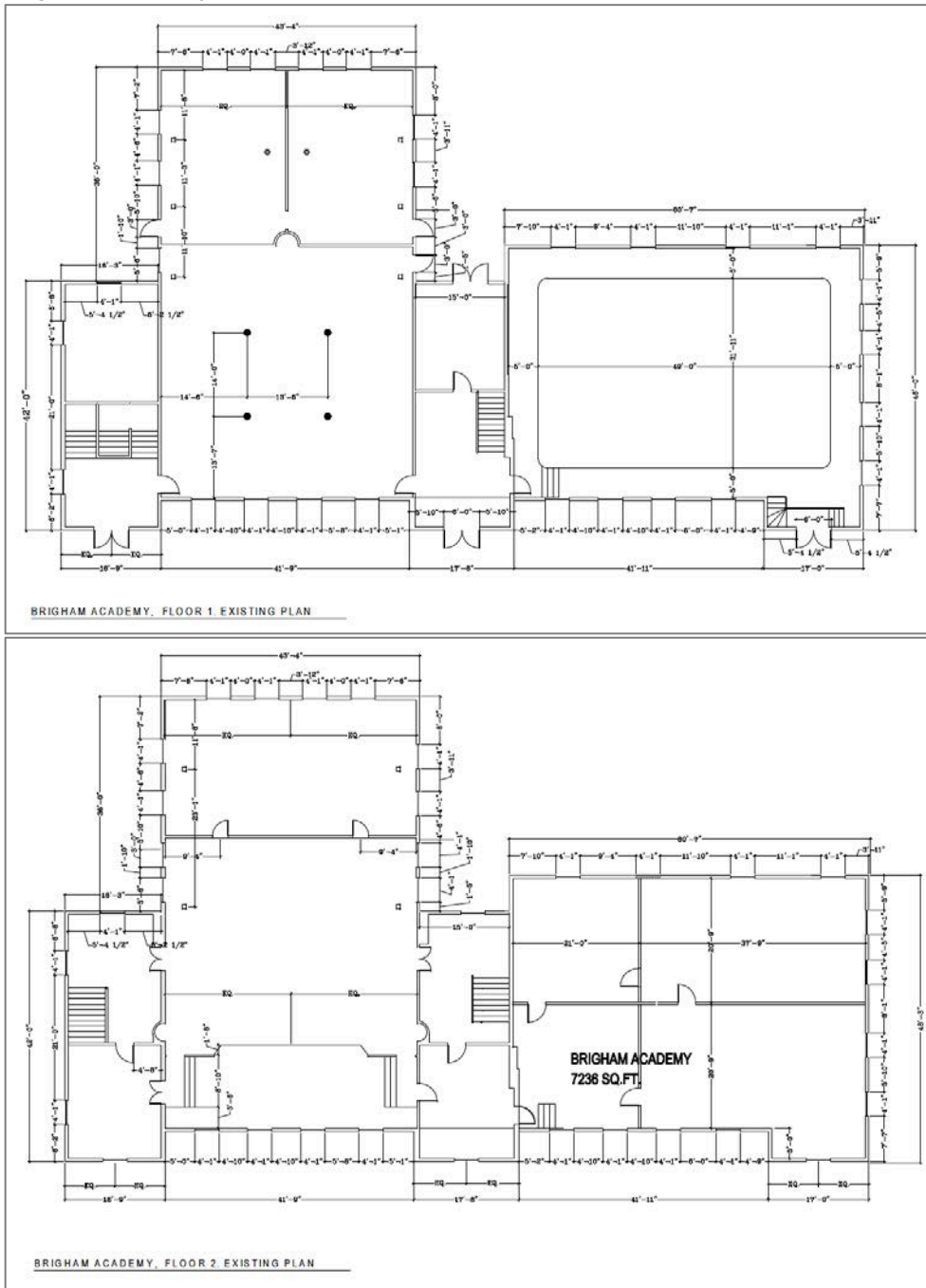
² Source: Brigham Academy – A Revitalization Opportunity for Bakersfield Village, Northwest Regional Planning Commission, May 2013.

Brigham Academy: Building Site



The graphics below show the first and second floor layouts of the Academy building.³

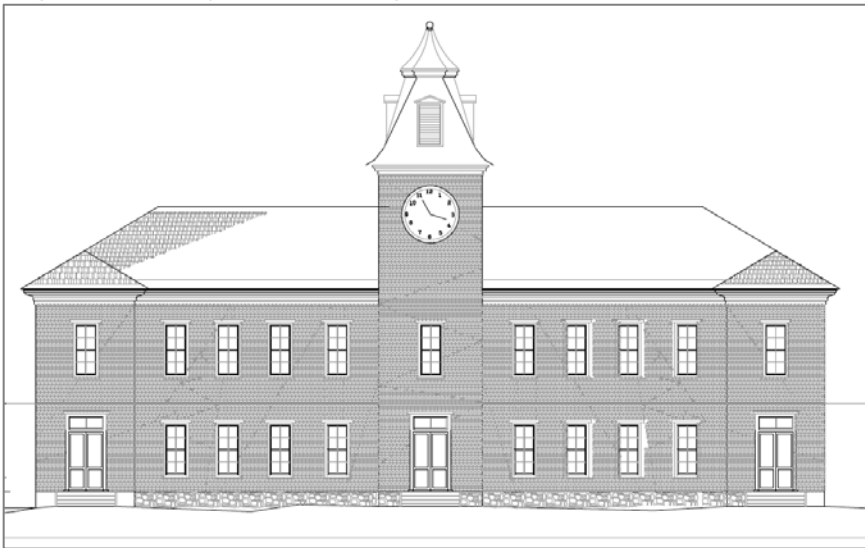
Brigham Academy: First & Second Floor Plans



³ Source: Dreher Design Architects.

The graphic below shows the building's easterly (front) façade in plan form.⁴

Brigham Academy: Front Building Elevation



We also note the following regarding the structure and support infrastructure. Details regarding these elements are contained in related project reports:

- There is a municipal water system in Bakersfield Village that has adequate capacity to handle demands that would be generated by a redeveloped Brigham Academy building;
- The building's previous on-site sewage disposal system is no longer functional. As such, a new system would need to be put in place;
- A May 2013 report detailed a number of building deficiencies and issues that would need to be corrected.⁵ In addition, several community members interviewed during the course of our research noted that the structure is likely fall into a serious state of disrepair unless action is taken in the near future.

⁴ Source: Dreher Design Architects.

⁵ See: *Brigham Academy: A Revitalization Opportunity for Bakersfield Village*, Northwest Regional Planning Commission, May 2013.

Previous Assessments & Community Input

A review of previous assessments of Brigham Academy indicates the following:

- Given its current state of disrepair, this may be the 'last chance' to identify and viable new use and to rehabilitate Brigham Academy;
- There are a number of successful examples of older school buildings around Vermont being redeveloped as rental apartments, often targeted to the senior market;
- Aging Bakersfield residents who seek to economize and downsize their housing situation have virtually no housing options in the community. In many instances, seniors have been compelled to move out of the community in order to find appropriate housing;
- Contacts are clear that Brigham Academy is most suited for:
 - Rental apartments for seniors;
 - Multi-functional spaces that could serve both the needs of building residents and the broader community.

Summary

Brigham Academy is an historic building with great significance for residents of Bakersfield. The structure has a central and visible location in the context of a small Vermont village. While local services are limited in scope, the village does serve as the community center and both long and short-term residents of the community have a great deal of investment in their community residence.

Based on our preliminary assessment, the focus of the market analysis is on both a broad assessment of the housing market with a focus of the market-based feasibility of building redevelopment as senior apartments, to be complemented by other spaces oriented toward resident and community use.

Residential Market Analysis

Market Areas

Our residential-focused assessment of the project is based upon the project's 'market area,' the geographic area from which most households are likely to be attracted to a residential opportunity in the Bakersfield Village.

Among older households, the following are critical issues regarding a move to a new housing situation: 1) Security; 2) Living near family and friends; 3) Convenient access to services; and 4) A quality living environment, including an accessible living space and easy access to supportive services; or 5) A change in life situation, such as the death of a spouse or a change in health condition necessitating some level of congregate or supportive living. Moves by younger households are motivated by issues such as: 1) Convenience in commuting to a job; 2) Preferences for certain communities revolving around service and transportation factors; 3) Search for high quality housing with affordable pricing, and; 4) Preferences for certain communities based on the reputation of the public school system.

We assessed several factors to define primary and secondary market areas for a residential project in Bakersfield Village:

- The following communities are the major geographic sources of persons who work in Bakersfield:⁶
 - Fairfield – 24.7 percent;
 - Bakersfield – 13.7 percent;
 - Enosburgh – 11.0 percent;
 - Berkshire – 8.2 percent;
 - Richford – 4.1 percent.

Combined, the five communities account for the home locations of more than 60 percent of Bakersfield-based employment.

- Bakersfield is not a major employment center. As such, we also assessed where Bakersfield *residents* work. The following communities are the major geographic targets of persons who live in Bakersfield:⁷

⁶ Source: U.S. Census Bureau; On the Map; 2018 data.

⁷ Source: U.S. Census Bureau; On the Map; 2018 data.

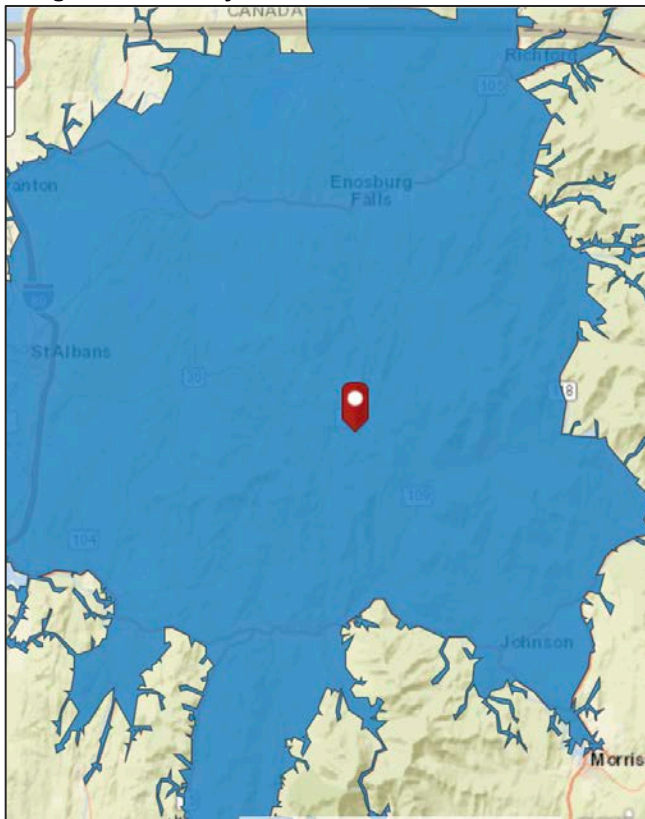
- St. Albans Town – 14.7 percent;
- St. Albans City – 11.6 percent;
- South Burlington – 7.8 percent;
- Burlington – 6.4 percent;
- Williston – 5.0 percent.

St. Albans and the immediate Burlington area serve as commuting targets for many of Bakersfield’s workers.

In addition to the above considerations, a number of factors were considered in making a determination of the market areas for the project, including; the regional transportation system and commuter patterns; location of local and regional competition; and existing commuting and social patterns in the area. The critical dynamic at work in the area is both Bakersfield’s position as a minor employment/commercial node in a primarily rural region.

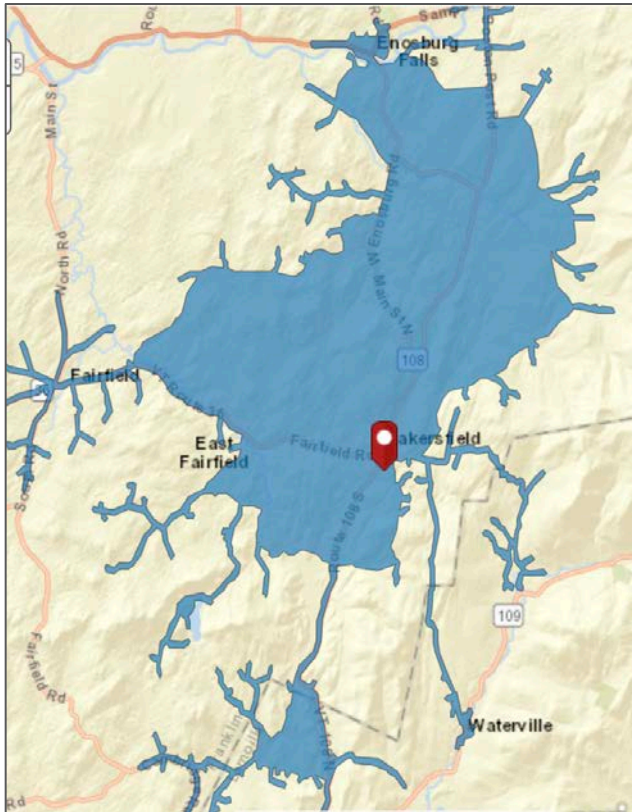
As shown in the graphic below, the site’s access to the area highway system makes it accessible from a relatively broad area; the graphic shows the area within 35+/- minutes drive-time of the project site.

**Area Within 35 Minutes Drive-Time;
Brigham Academy**



For purposes of this analysis, the *primary* market area has been defined as an area consistent with a 15+/- minute drive time distance from the project site, which includes all of Bakersfield and segments of several adjacent communities. The defined market area is shown in the graphic below.

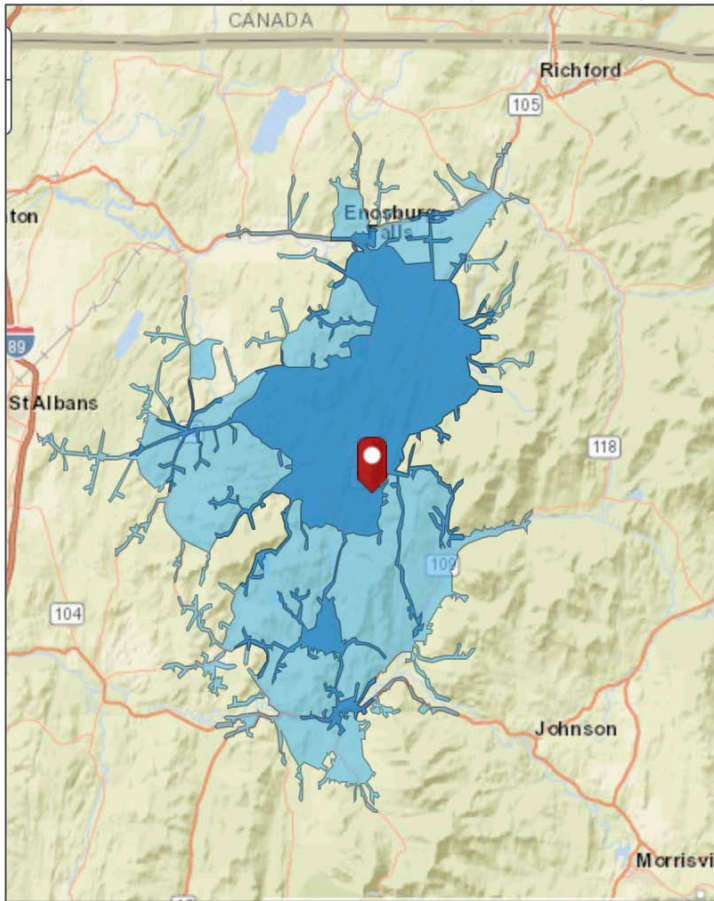
Primary Market Area: Brigham Academy



We also feel that a Bakersfield-based project could attract potential residents from a further distance. This *secondary* market area has been defined as the geographic area within 15 to 20 minutes drive-time of Bakersfield Village.

The primary and secondary market areas are shown in the graphic on the following page; the primary market area is shown in the darker blue, while the secondary market area is shown in the lighter blue shade.

Primary & Secondary Market Areas: Brigham Academy



It is also anticipated that 15+/- percent of the market for the project will be drawn from outside of the defined market area. Experience with similar projects throughout the Northeast has shown that there is a steady stream of persons who will move outside their home area to find good quality/affordable housing. Senior households often move to a new community to live near adult children. Just as significantly, former Bakersfield senior residents that have been obligated to move out of the community to find appropriate housing may welcome the opportunity to move back to the community.

Background Demographics & Household Characteristics

Current and projected market area demographics play a major role in defining housing markets. As such, it is essential to understand population dynamics, households, household characteristics and, perhaps most importantly, the combination of household and income, which is a major determinant of housing choices. The analyses below focus on households with characteristics that could make them eligible for tenancy in a variety of rental configurations.

Demographics

Demographic data is shown for several geographic areas:

- Bakersfield – the host community for the project;
- *Primary Market Area* – the geographic area from which the majority of project residents are likely to be drawn; 15 minute drive-time as defined above;
- *Secondary Market Area* – the geographic area from which the a smaller segment of project tenants are likely to be drawn; 15 to 20 minute drive-time as defined above;
- Franklin County – the host county for the project.

Population & Population Characteristics

The table below shows historic and current population values for Bakersfield, the primary & secondary market areas and Franklin County.⁸

**Population Trends and Projections: Bakersfield, Primary/Secondary Market Areas
Franklin County (2000 – 2026)**

| | 2000 | 2010 | 2020 | 2021 | Projected 2026 | 2021-'26 Change |
|---------------------|--------|--------|--------|-------|-------------------|--------------------|
| Bakersfield | 1,215 | 1,322 | 1,273 | | | |
| • % Change | | 8.8% | -3.7% | | | |
| Primary Market Area | 3,451 | 3,602 | | 3,818 | 3,937 | 119 |
| • % Change | | 4.4% | | 6.0% | 3.1% | |
| Secondary Mkt. Area | 7,390 | 7,880 | | 8,482 | 8,775 | 293 |
| • % Change | | 6.6% | | 7.6% | 3.5% | |
| Franklin Cty. | 45,417 | 47,746 | 49,946 | | | |
| • % Change | | 5.1% | 4.6% | | | |

Bakersfield experienced solid growth during the 2000s and a small decrease in population during the 2010s. However, we note that both the primary and secondary market areas have been growing and that population growth is projected for both over the next five years; the combined population will increase by more than 410 persons. Similarly, Franklin County has experienced population growth in recent years.

The tables on the following page show current and projected primary and secondary market areas, broken down by age group.⁹

⁸ Sources: U.S. Census Bureau, ESRI, Vermont Housing Data, Vermont, 2019 Population Estimates.

⁹ Source: ESRI Business Information Solutions.

Age Bracket Population: Primary Market Area (2021 – Projected 2026)

| Age Group | Total Persons | | % Change | Change |
|----------------------------------|---------------|--------------|---------------|------------|
| | 2021 | 2026 | | |
| 0-14 | 691 | 709 | +2.5% | 18 |
| 15-24 | 389 | 394 | +1.1% | 4 |
| 25-34 | 447 | 413 | -7.5% | -33 |
| 35-44 | 531 | 531 | +0.1% | 1 |
| 45-54 | 489 | 516 | +5.5% | 27 |
| 55-64 | 577 | 524 | -9.2% | -53 |
| 65-74 | 451 | 520 | +15.4% | 69 |
| 75-84 | 179 | 256 | +42.6% | 76 |
| 85+ | 65 | 71 | +9.2% | 6 |
| Total Population | 3,818 | 3,937 | +3.1% | 119 |
| Population Aged 62+ Years | 868 | 1,004 | +15.6% | 136 |
| Median Age | 42.0 | 43.5 | | |

Age Bracket Population: Secondary Market Area (2021 – Projected 2026)

| Age Group | Total Persons | | % Change | Change |
|----------------------------------|---------------|--------------|---------------|------------|
| | 2021 | 2026 | | |
| 0-14 | 870 | 897 | +3.2% | 28 |
| 15-24 | 476 | 501 | +5.4% | 26 |
| 25-34 | 537 | 517 | -3.8% | -20 |
| 35-44 | 648 | 618 | -4.7% | -30 |
| 45-54 | 631 | 660 | +4.6% | 29 |
| 55-64 | 730 | 652 | -10.6% | -77 |
| 65-74 | 525 | 639 | +21.7% | 114 |
| 75-84 | 202 | 288 | +42.5% | 86 |
| 85+ | 62 | 70 | +11.6% | 7 |
| Total Population | 4,681 | 4,842 | +3.4% | 161 |
| Population Aged 62+ Years | 1,008 | 1,192 | +18.2% | 184 |
| Median Age | 42.1 | 43.5 | | |

The market areas are like many northeastern markets – a varied pattern of growth and decline by age group. Consistent with most markets, *strong* increases will occur among persons aged 65 to 84 years, a reflection of the aging of the baby boom.

Because our initial conversations regarding the project reflected a strong interest in senior housing, we took a closer look at trends in the 55+ years population segment, both for the primary and secondary market areas. This is shown in the tables below.

**Current & Projected 55+ Years Age Group:
Primary Market Area (2021 – Projected 2026)**

| Age Group | Total Persons | | % Change | Change |
|-------------------------|---------------|--------------|--------------|-----------|
| | 2021 | 2026 | | |
| 50 - 54 | 247 | 244 | -1.2% | -3 |
| 55 - 59 | 279 | 251 | -10.0% | -28 |
| 60 - 64 | 296 | 273 | -7.8% | -23 |
| 65 - 69 | 254 | 285 | +12.2% | 31 |
| 70 - 74 | 196 | 233 | +18.9% | 37 |
| 75 - 79 | 115 | 166 | +44.3% | 51 |
| 80 - 84 | 66 | 91 | +37.9% | 25 |
| 85+ | 63 | 69 | +9.5% | 6 |
| Total Population | 1,516 | 1,612 | +6.3% | 96 |

**Current & Projected 55+ Years Age Group:
Secondary Market Area (2021 – Projected 2026)**

| Age Group | Total Persons | | % Change | Change |
|-------------------------|---------------|--------------|--------------|------------|
| | 2021 | 2026 | | |
| 50 - 54 | 318 | 313 | -1.6% | -5 |
| 55 - 59 | 343 | 319 | -7.0% | -24 |
| 60 - 64 | 388 | 332 | -14.4% | -56 |
| 65 - 69 | 309 | 366 | +18.4% | 57 |
| 70 - 74 | 216 | 278 | +28.7% | 62 |
| 75 - 79 | 129 | 184 | +42.6% | 55 |
| 80 - 84 | 71 | 101 | +42.3% | 30 |
| 85+ | 60 | 69 | +15.0% | 9 |
| Total Population | 1,834 | 1,962 | +7.0% | 128 |

We also note that female households tend to predominate in upper age brackets. This is shown in the table on the following page for the combined primary/secondary market. The table shows the *current* gender breakdown of persons in each upper age bracket.

**Gender Breakdown by Age Group:
Primary/Secondary Market Areas (2021)**

| Age Group | % Breakdown | |
|------------------|-------------|--------|
| | Male | Female |
| 50-54 | 49% | 51% |
| 55-59 | 52% | 48% |
| 60-64 | 51% | 49% |
| 65-69 | 49% | 51% |
| 70-74 | 53% | 47% |
| 75-79 | 48% | 52% |
| 80-84 | 50% | 50% |
| 85+ | 39% | 61% |
| Total 50+ | 50% | 50% |
| Total 75+ | 46% | 54% |

Households

Household data are preferable to population data as an indicator of the strength of a housing market. The table below shows changes in the number of households for Bakersfield, Franklin County and the primary & secondary market areas.¹⁰ In addition, a projection for year 2026 (market areas only) is shown.

Household Trends: Market Areas, Bakersfield, Franklin County (2010 – 2026)

| | 2010 | 2019 | 2021 | Projected 2026 | Change 2021 - '26 |
|---------------------|--------|--------|-------|-------------------|----------------------|
| Bakersfield | | 461 | | | |
| • % Change | | | | | |
| Primary Market Area | 1,445 | | 1,528 | 1,575 | +47 |
| • % Change | | | 5.7% | 3.1% | |
| Secondary Mkt. Area | 1,674 | | 1,828 | 1,898 | +70 |
| • % Change | | | 9.2% | 3.8% | |
| Franklin Cty. | 18,482 | 18,563 | | | |
| • % Change | | 0.4% | | | |

The number of *households* in the combined market areas is expected to increase by 120+/- over the projection period, pointing to the need for ongoing housing production.

¹⁰ Source: ESRI.

Current and projected primary/secondary market area age data has been presented in terms of breakdown by age of head of household, an indicator that is specific to the housing market. This is shown in the tables below.¹¹

**Current and Projected Household Age Distribution:
Primary Market Area (2021 - 2026)**

| HH Age Group | 2021 | | 2026 | | Change |
|-----------------------------|--------------|--------------|--------------|--------------|------------|
| | HHs | % of Total | HHs | % of Total | |
| 15-24 | 44 | 2.9% | 46 | 2.9% | 2 |
| 25-34 | 196 | 12.8% | 179 | 11.4% | (17) |
| 35-44 | 268 | 17.6% | 265 | 16.8% | (3) |
| 45-54 | 263 | 17.2% | 275 | 17.5% | 12 |
| 55-64 | 325 | 21.3% | 292 | 18.5% | (33) |
| 65-74 | 269 | 17.6% | 304 | 19.3% | 35 |
| 75+ | 162 | 10.6% | 214 | 13.6% | 52 |
| Totals | 1,527 | | 1,575 | | 48 |
| HHs Aged >62 Yrs. | 529 | 34.6% | 606 | 38.5% | +77 |

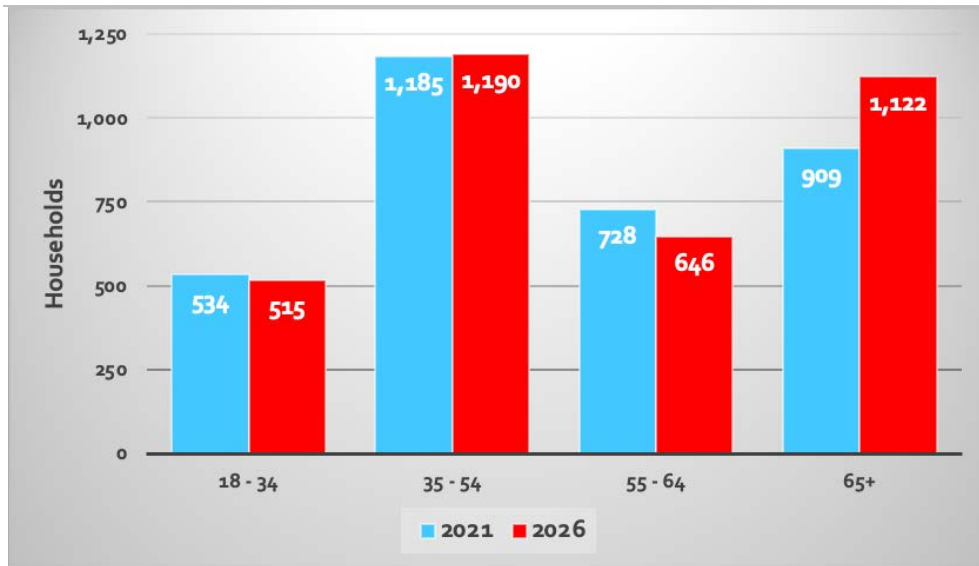
**Current and Projected Household Age Distribution:
Secondary Market Area (2021 - 2026)**

| HH Age Group | 2021 | | 2026 | | Change |
|-----------------------------|--------------|--------------|--------------|--------------|-------------|
| | HHs | % of Total | HHs | % of Total | |
| 15-24 | 58 | 3.2% | 61 | 3.2% | 3 |
| 25-34 | 236 | 12.9% | 229 | 12.1% | (7) |
| 35-44 | 322 | 17.6% | 305 | 16.1% | (17) |
| 45-54 | 332 | 18.2% | 345 | 18.2% | 13 |
| 55-64 | 403 | 22.0% | 354 | 18.7% | (49) |
| 65-74 | 311 | 17.0% | 378 | 19.9% | 67 |
| 75+ | 167 | 9.1% | 226 | 11.9% | 59 |
| Totals | 1,829 | | 1,898 | | 69 |
| HHs Aged >62 Yrs. | 599 | 32.7% | 710 | 37.4% | +111 |

¹¹ ESRI.

Combined market household age distribution and change is shown graphically below.

**Current/Projected Household Age Distribution:
Combined Market Areas (2021 – 2026)**



Again, solid increases are projected among households aged 65 or more years.

Household size distribution is also a key indicator for the housing market. The table below shows household size distributions for Franklin County, Bakersfield and the primary and secondary market areas.¹²

**Household Distribution by Household Size;
Franklin County, Bakersfield Primary/Secondary Market Areas (2010, 2019)**

| HH Size | Franklin Cty. | | Bakersfield | | Primary Market Area | | Secondary Market Area | |
|---------------|---------------|------------|-------------|------------|---------------------|------------|-----------------------|------------|
| | HHs | % of Total | HHs | % of Total | HHs | % of Total | HHs | % of Total |
| 1 | 4,973 | 27% | 84 | 18% | 353 | 23% | 420 | 23% |
| 2 | 6,624 | 36% | 266 | 58% | 594 | 39% | 713 | 39% |
| 3 | 2,950 | 16% | 65 | 14% | 232 | 15% | 289 | 16% |
| 4 | 2,478 | 13% | 35 | 8% | 209 | 14% | 250 | 14% |
| 5 | 955 | 5% | 11 | 2% | 86 | 6% | 101 | 6% |
| 6 | 332 | 2% | 0 | 0% | 40 | 3% | 40 | 2% |
| 7+ | 251 | 1% | 0 | 0% | 15 | 1% | 15 | 1% |
| Totals | 18,563 | | 461 | | 1,528 | | 1,828 | |

¹² Source: ESRI; US Census Bureau.

62 percent of the households in the combined market areas include only one or two persons. We also note that 75 percent of Franklin County's *renter* households include only one or two persons, while 100 percent of Bakersfield's *renter* households include only one or two persons. The data makes it clear that the majority of housing need is for small units.

Finally, the table below summarizes household tenure by age for Franklin County.¹³

**Household Tenure by Age:
Franklin County (2019)**

| Age of Householder | Households - Franklin County | | | |
|--------------------|------------------------------|------------|---------------|------------|
| | Renters | % of Total | Owners | % of Total |
| 15-24 | 246 | 63% | 142 | 37% |
| 25-34 | 793 | 35% | 1,447 | 65% |
| 35-44 | 862 | 27% | 2,299 | 73% |
| 45-54 | 971 | 24% | 3,021 | 76% |
| 55-64 | 289 | 15% | 1,657 | 85% |
| 60-64 | 426 | 21% | 1,604 | 79% |
| 65-74 | 523 | 18% | 2,371 | 82% |
| 75-84 | 305 | 24% | 985 | 76% |
| 85+ | 150 | 24% | 472 | 76% |
| Totals | 4,565 | | 13,998 | |

Home ownership tends to peak among upper middle-aged households; in Franklin County, home ownership peaks among households aged 55 to 64 years. A tendency to 'downsize' is reflected in higher rental rates among the uppermost age brackets.

Household Income Levels

Household income is a significant parameter for use in assessing the prospective residential market. Households' housing preferences (Ownership/Rental, Upper/Lower Pricing) are closely tied to the combination of age and income. While younger/lower income households are likely to be renters, older/higher income households are likely to be homeowners. Further, younger/lower income households move far more frequently than do older/higher income households.

The tables on the following page contain current (2021) and projected (2026) combined market area age-by-income breakdowns for households with incomes up to \$100,000. The data includes all households within the selected income brackets. This 'raw data' has been

¹³ Source : US Census Bureau.

used to estimate the size of potential market pools for various housing types, in a latter section of this report.¹⁴

Household Income by Age Distribution: Primary/Secondary Market Areas (2021)

| Age of HH Head | Number of Households | | | | | | | | | | | | | |
|----------------|----------------------|------------|-----------------|------------|-----------------|------------|-----------------|------------|-----------------|------------|-----------------|------------|--------------|------------|
| | \$0 - \$14,999 | | \$15 - \$24,999 | | \$25 - \$34,999 | | \$35 - \$49,999 | | \$50 - \$74,999 | | \$75 - \$99,999 | | Totals | |
| | # of HHs | % of Total | # of HHs | % of Total | # of HHs | % of Total | # of HHs | % of Total | # of HHs | % of Total | # of HHs | % of Total | # of HHs | % of Total |
| 15 - 24 | 12 | 5% | 15 | 7% | 12 | 5% | 19 | 5% | 24 | 3% | 9 | 2% | 91 | 7% |
| 25 - 34 | 23 | 10% | 23 | 10% | 35 | 14% | 61 | 15% | 91 | 12% | 76 | 13% | 309 | 25% |
| 35 - 44 | 31 | 14% | 19 | 8% | 35 | 14% | 67 | 17% | 109 | 15% | 82 | 14% | 343 | 28% |
| 45 - 54 | 27 | 12% | 23 | 10% | 26 | 11% | 57 | 14% | 127 | 17% | 148 | 25% | 408 | 33% |
| 55 - 64 | 59 | 26% | 36 | 16% | 32 | 13% | 68 | 17% | 158 | 21% | 162 | 27% | 515 | 42% |
| 65-74 | 45 | 20% | 49 | 21% | 43 | 18% | 55 | 14% | 180 | 24% | 92 | 16% | 464 | 37% |
| 75+ | 32 | 14% | 63 | 28% | 60 | 25% | 71 | 18% | 51 | 7% | 24 | 4% | 301 | 24% |
| Totals | 229 | | 228 | | 243 | | 398 | | 740 | | 593 | | 2,431 | |

Projected Household Income by Age Distribution: Primary/Secondary Market Areas (2026)

| Age of HH Head | Number of Households | | | | | | | | | | | | | |
|----------------|----------------------|------------|-----------------|------------|-----------------|------------|-----------------|------------|-----------------|------------|-----------------|------------|--------------|------------|
| | \$0 - \$14,999 | | \$15 - \$24,999 | | \$25 - \$34,999 | | \$35 - \$49,999 | | \$50 - \$74,999 | | \$75 - \$99,999 | | Totals | |
| | # of HHs | % of Total | # of HHs | % of Total | # of HHs | % of Total | # of HHs | % of Total | # of HHs | % of Total | # of HHs | % of Total | # of HHs | % of Total |
| 15 - 24 | 13 | 6% | 13 | 7% | 12 | 5% | 19 | 5% | 27 | 4% | 9 | 2% | 93 | 4% |
| 25 - 34 | 19 | 9% | 15 | 8% | 30 | 13% | 53 | 14% | 83 | 11% | 70 | 12% | 270 | 11% |
| 35 - 44 | 24 | 12% | 13 | 7% | 27 | 12% | 55 | 14% | 101 | 13% | 80 | 14% | 300 | 13% |
| 45 - 54 | 25 | 12% | 17 | 9% | 20 | 9% | 52 | 14% | 124 | 16% | 147 | 25% | 385 | 16% |
| 55 - 64 | 43 | 21% | 23 | 13% | 23 | 10% | 51 | 13% | 140 | 18% | 139 | 24% | 419 | 18% |
| 65-74 | 43 | 21% | 40 | 22% | 45 | 19% | 59 | 15% | 215 | 28% | 110 | 19% | 512 | 22% |
| 75+ | 41 | 20% | 61 | 34% | 77 | 33% | 93 | 24% | 78 | 10% | 36 | 6% | 386 | 16% |
| Totals | 208 | | 182 | | 234 | | 382 | | 768 | | 591 | | 2,365 | |

Change in the number of households by age/income grouping is an excellent indicator of prospective housing need. The table on the following page summarizes projected five year change (2021 to 2026) in number of households by age/income groupings. The data is for the combined primary/secondary market areas. Age/Income groupings with significant projected increases have been highlighted in yellow.

¹⁴ Source: ESRI.

**Projected Household Change by Household Age/Income Grouping:
Primary/Secondary Market Areas (2021 – 2026)**

| | | Household Income | | | |
|---------------------|---------|------------------|-----------------|-----------------|------------|
| | | \$0 - \$24,999 | \$25 - \$49,999 | \$50 - \$99,999 | \$100,000+ |
| Household Age Group | 18 - 34 | -13 | -13 | -11 | 16 |
| | 35 - 54 | -21 | -31 | -14 | 72 |
| | 55 - 65 | -29 | -26 | -41 | 13 |
| | 65+ | -4 | 45 | 92 | 79 |

Consistent with the age data presented above, the most significant households increases will occur among households aged 65 or more years. In addition, the number of households with incomes more than \$100,000 will increase. However, it is important to note that the number of 65+ years households with incomes in the \$25,000 to \$99,999 range will show the strongest increases – a solid indicator of projected housing needs.

Area Economy

The economy has a significant impact on the housing market, including available housing supply, as both upward and downward economic trends affect housing availability and pricing. For younger households, an active regional economy creates employment opportunity. While upper age bracket households have less direct interest in the employment market, the cost of living – including housing – is of great significance.

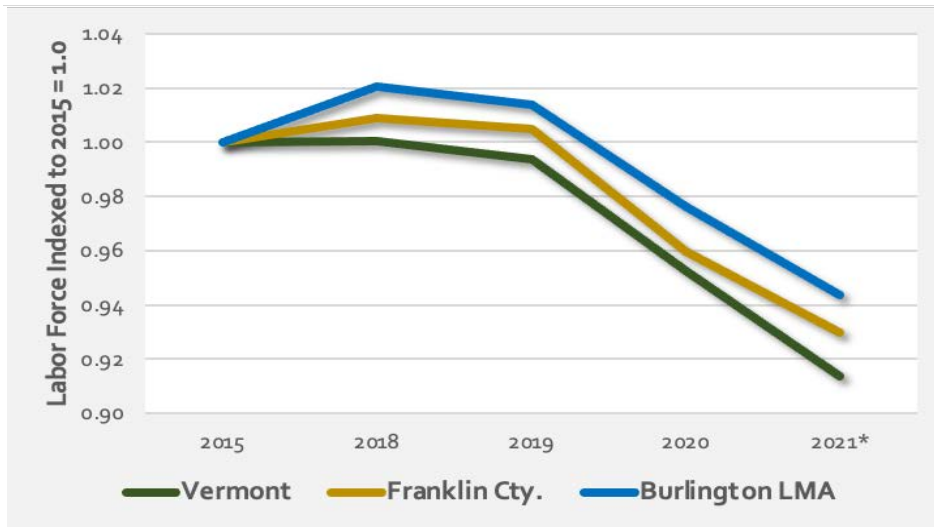
Until recently, the regional and national economies followed on a clear and long-term growth cycle following a severe downturn during the 2000s. In Vermont, the economic recovery was marked by low unemployment rates, shortages of labor in certain markets – and extreme pressure on the rental housing market. Furthermore, the aging of the population is having a notable impact on the economy, as many employers are unable to secure sufficient workers to fill all positions. Over the past few years, it is apparent that economic and housing trends have placed severe demands on the rental housing sector.

The impact of COVID continues to generate impacts on labor markets and the economy as a whole; having generated short-term increases in unemployment rates and severe financial strain in many sectors. The broad economy is on an evident recovery path, but the pandemic is likely to have long term impacts in some economic sectors.

Labor Force & Employment

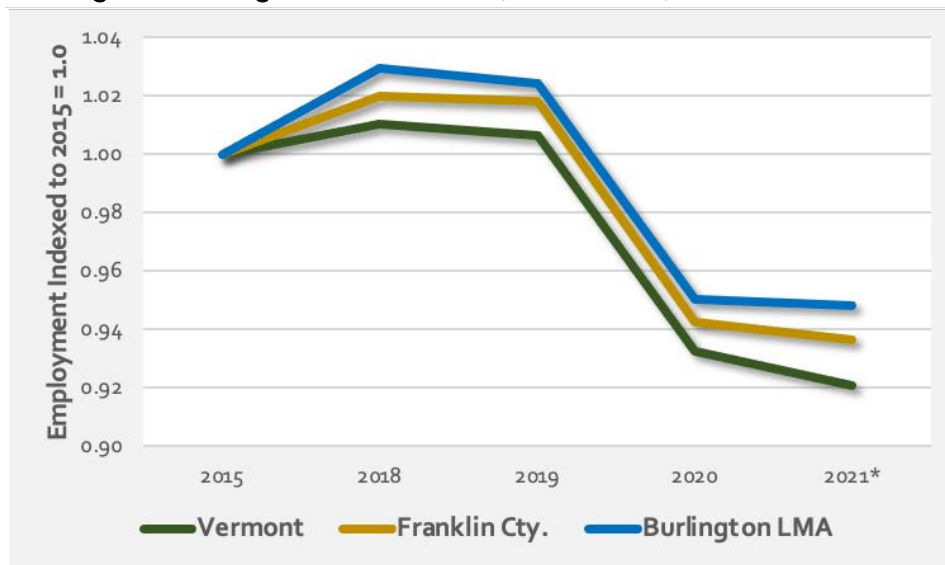
Labor force and employment trends reflect economic conditions as a whole and are an accurate barometer of a changing economy. The graphics below and on the following page shows trends in labor force and employment over the 2015 to 2021 period for Vermont, Franklin County and the Burlington-S. Burlington LMA. The trends are *indexed*, and compare year 2015 levels with levels in subsequent years.¹⁵

Indexed Labor Force Trends: Vermont, Franklin County, Burlington-S. Burlington LMA, Vermont (2000 – 2021*)



¹⁵ All figures annual averages with exception of 2021 – 2021 figure is an unpublished average of values from January through November of that year. Source: Vermont Department of Employment.

Indexed Employment Trends: Vermont, Franklin County,
Burlington-S. Burlington LMA, Vermont (2000 – 2021*)



While the employment graphic shows the dramatic impact of COVID in 2020, the chart also shows a tepid recovery in 2021, with total employment leveling off at a slightly lower than pre-COVID level. However, the labor force graphic shows the continuing impact of demographics (workers 'aging-out' of the labor force) and the apparent reluctance of some workers to return to the labor force as COVID continues to roil markets.

We also note:

- Average wage levels in Franklin County increased by 37.6 percent between 2010 and 2020; an average annual rate of increase of 3.2 percent. This compares to an average annual rate of increase for all of Vermont of 3.2 percent.¹⁶
- Bakersfield is not a significant employment center. However there are a number of significant private employers in surrounding communities – within relatively easy commuting range for Bakersfield residents:¹⁷

¹⁶ Source: Vermont Department of Labor.

¹⁷ Vermont Business Magazine, Vermont Chamber of Commerce.

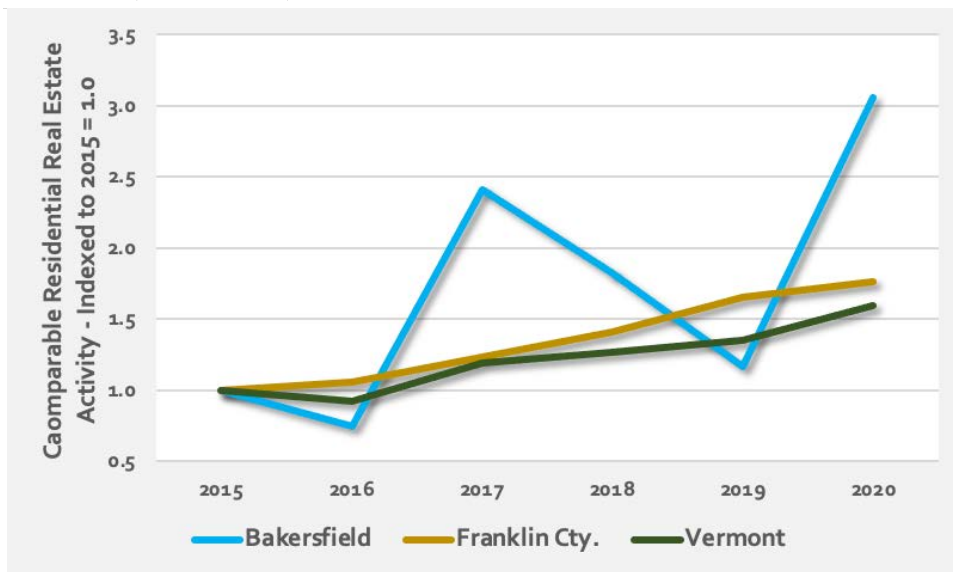
Major Private Sector Employers: Nearby Communities

| Employer | Community | Product | Employment |
|----------------------------------|------------|------------------|------------|
| Franklin Foods | Enosburg | Food production | 100 |
| Smugglers Notch | Cambridge | Recreation | 350 |
| Mylan Technologies Inc. | St. Albans | Digital Printing | 400 |
| Northwestern Medical Center Inc. | St. Albans | Healthcare | 661 |
| Peerless Clothing | St. Albans | Apparel | 400 |

Real Estate Activity

The Vermont real estate market has been on an upward trajectory since the early 2010s. Moreover, the events of the past two years have had a clear positive impact on the market, with both sales volumes and pricing (ownership & rental) increasing at a strong rate. The graphic below compares *indexed* residential real estate volume trends for the 2015 to 2020 period for Vermont, Franklin County and Bakersfield.¹⁸

Indexed Residential Real Estate Volume Trends: Bakersfield, Franklin County, Vermont (2000 – 2020)



¹⁸ Source: Vermont Department of Taxes. Volumes based on *market* R1 transactions.

Bakersfield's 2020 residential real estate volume was over three times higher than its 2015 level. In comparison, Franklin County's 2020 volume was approximately 180 percent of its 2015 volume. Although the total number of annual transactions in the community remains relatively small, we note several points:

- It is apparent that demand for Vermont real estate has increased dramatically during the past 24 months. Because transactions occur quickly, the number of residential listings has declined. As of January 2022, there were only three active residential listings in Bakersfield.¹⁹
- Vermont's rural areas and small towns' attractiveness to urban households attempting to 'escape' COVID and other urban issues has increased dramatically. Note the following:
 - "United Van Lines released the company's 45th Annual National Movers Study today . . . The annual study, which tracks the company's exclusive data for customers' state-to-state migration patterns, determined **Vermont** as the state with the highest percentage of inbound migration (74%) with United Van Lines."²⁰
- Based on commuting data, Bakersfield provides workers to both the St. Albans and Burlington area markets. Moreover, Bakersfield's residential pricing is regarded as affordable to buyers from the immediate Burlington market.

Looking Forward

Economic projections (Employment) comparing the U.S. and Vermont are shown in the table on the following page.²¹

¹⁹ Source: NNEREN.

²⁰ Sources: United Van Lines; Vermontbiz.

²¹ Source: Vermont EPR Forecast Update, July 2021.

Employment Projections; U.S., Vermont

| | | % Change Year-to-Year | | | | |
|-------------------|---------|-----------------------|-------|----------|------|------|
| | | 2019 | 2020 | Forecast | | |
| | | | | 2021 | 2022 | 2023 |
| GDP/GSP | | | | | | |
| | U.S. | 2.2% | -3.5% | 6.7% | 5.0% | 2.9% |
| | Vermont | 0.8% | -5.4% | 6.2% | 4.6% | 2.8% |
| Employment | | | | | | |
| | U.S. | 1.3% | -5.7% | 3.0% | 4.6% | 2.1% |
| | Vermont | 0.1% | -9.4% | 2.7% | 3.8% | 1.8% |

2020 values show the significant impact of COVID-19 on the economy. However, the forecast shows a solid recovery over the 2021 to 2023 time period

Housing Market Trends & Characteristics

As a small rural community, Bakersfield offers limited housing options, particularly for smaller households and for those seeking rentals. Bakersfield’s housing stock is oriented toward single family ownership and the community has experienced minimal new development in recent years. Relevant overall housing market data is presented below:

Housing Supply and Market Characteristics

Residential building permits granted in Franklin County and Bakersfield for the period 2010 through 2020 are shown in the table below – with single family and multi-family breakdowns.²²

Residential Building Permits: Franklin County, Bakersfield (2010 – 2020)

| Residential Permits | | | | | | | | | | | | | Totals | % of Total |
|----------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|---------------|-------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | | |
| Franklin Cty. | | | | | | | | | | | | | | |
| Single-Family | 111 | 104 | 109 | 130 | 108 | 114 | 139 | 121 | 126 | 110 | 142 | 1,314 | 78% | |
| Multi-Family | 52 | 3 | 64 | 23 | 44 | 28 | 34 | 23 | 22 | 28 | 54 | 375 | 22% | |
| Totals | 163 | 107 | 173 | 153 | 152 | 142 | 173 | 144 | 148 | 138 | 196 | 1,689 | | |
| Bakersfield | | | | | | | | | | | | | Totals | % of Total |
| Single-Family | 6 | 6 | 3 | 3 | 1 | 0 | 1 | 3 | 2 | 4 | 6 | 35 | 100% | |
| Multi-Family | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% | |
| Totals | 6 | 6 | 3 | 3 | 1 | 0 | 1 | 3 | 2 | 4 | 6 | 35 | | |

Franklin County’s residential development pace remained relatively stable in recent years, averaging 155 units per year between 2013 and 2016 and 157 units per year between 2017 and 2020. Bakersfield averaged only three+/- units annually between 2013 and 2020. Available data for 2021 (through October) shows a decrease in new housing production at both the county and town level.

²² Source: HUD State of the Cities Database.

Housing & Household Characteristics

The table below shows housing tenure data for Bakersfield/Franklin County (2019), as well as for the primary/secondary market areas (2021). The table shows occupied housing units, owner-occupied units, renter-occupied units and renter-occupied units as a percentage of total occupied units.²³

**Occupied Housing Stock & Tenure: Bakersfield (2019),
Primary & Secondary Market Areas (2021) &
Franklin County (2019)**

| | Franklin Cty. | Bakersfield | Primary Market Area (2021) | Secondary Market Area (2021) |
|------------------------|------------------|-------------|----------------------------------|------------------------------------|
| Occupied Housing Units | 18,563 | 461 | 1,527 | 1,832 |
| Renter-Occupied | 4,565 | 49 | 333 | 358 |
| <i>% of Total</i> | 25% | 11% | 22% | 20% |
| Owner-Occupied | 13,998 | 412 | 1,193 | 1,473 |
| <i>% of Total</i> | 75% | 89% | 78% | 80% |

The data reflects Franklin County’s primarily rural nature; only 25 percent of the county’s households are renters. Renters as a percent of all households is particularly low in Bakersfield, at 11 percent. This is a direct reflection of Bakersfield’s housing stock, which is oriented toward single family ownership. In addition, we note the following:

- Almost 12 percent (66 units) of Bakersfield’s total housing stock (568 units) is classified as seasonal – including camps and other seasonal homes;
- Almost 11 percent (60 units) of Bakersfield’s total housing stock is in the form of mobile homes.

As noted above under *demographics*, housing size (in terms of number of bedrooms) is often not a good match for the current distribution of households by size. This is particularly true in many of Vermont’s rural communities. The table on the following page shows a breakdown of housing units by size (number of bedrooms) for Franklin County and Bakersfield, broken down by tenure.²⁴

²³ Sources; U.S. Census Bureau, ESRI.

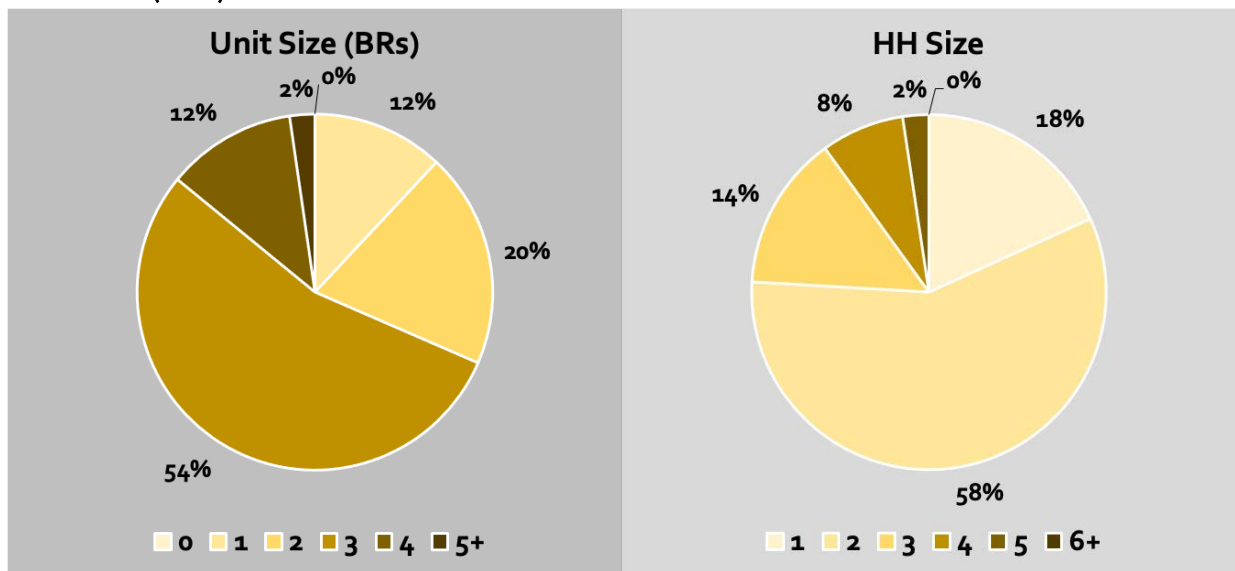
²⁴ Source; U.S. Census Bureau.

**Housing Units by Tenure and Size/Bedrooms:
Franklin County, Bakersfield (2019)**

| | Franklin County | | Bakersfield | |
|--------------------|------------------|----------------|-----------------|----------------|
| | Renter Occupied | Owner Occupied | Renter Occupied | Owner Occupied |
| | <i>0 bedroom</i> | 5% | 0% | 0% |
| <i>1 bedroom</i> | 25% | 3% | 39% | 6% |
| <i>2 bedrooms</i> | 33% | 20% | 27% | 17% |
| <i>3 bedrooms</i> | 27% | 52% | 35% | 57% |
| <i>4 bedrooms</i> | 8% | 21% | 0% | 16% |
| <i>5+ bedrooms</i> | 3% | 4% | 0% | 3% |
| Total Units | 4,565 | 13,998 | 49 | 412 |

The side-by-side graphics below provide a visual representation of the ‘mismatch’ between the distribution of the community’s housing stock by size (number of bedrooms) and the community’s households by size.

**Comparison: Distribution of Housing Size with Household Size:
Bakersfield (2019)**



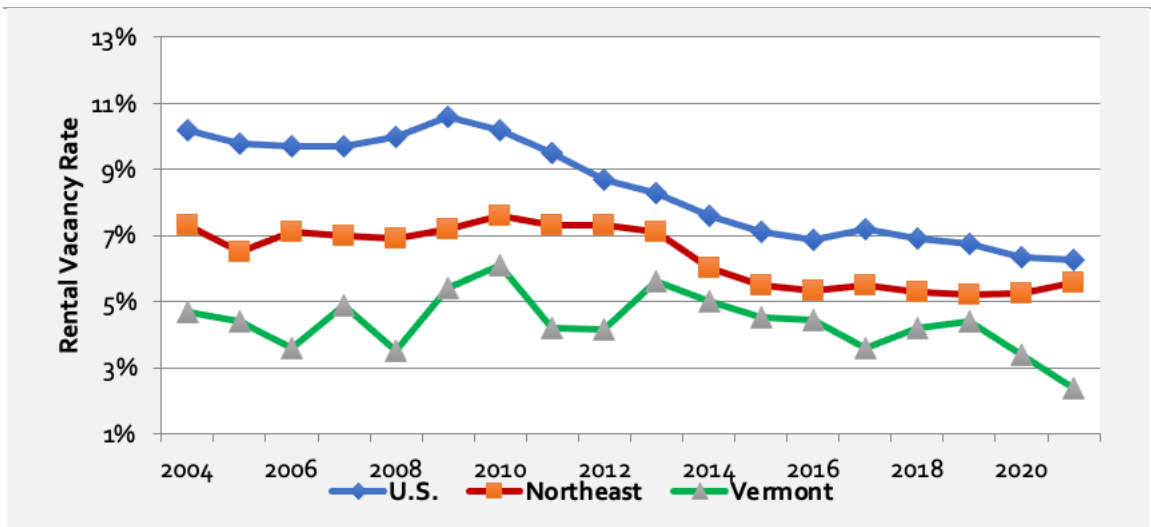
76 percent of Bakersfield’s households include only one or two persons. However, only 12 percent of the town’s housing units are in studio or one bedroom configurations and only 32 percent of the town’s housing units are in studio, one or two bedroom configurations. Clearly, the town’s housing stock is ‘oversized’ for a community in which most households include only one or two persons.

Rental Housing Vacancy

Nationwide, rental housing vacancy rates were up during the mid-2000s but fell since their high point in 2009. Northeast vacancy rates have also declined in recent years. Vermont vacancy rates have generally fallen well below U.S. and northeastern rates, with a statewide average of 3.4 percent during the 2018 to 2021 period. Vacancy rate trends for the three areas are compared in the graphic on the following page.²⁵

Rental Housing Vacancy Rate Trend:

US, Northeast & Vermont (2000 – 2021*)



Rental vacancy rates vary throughout the state, with urban areas typically experiencing the lowest rates. We note the following:

- Vermont's average current (2021 Annual) rental vacancy rate is estimated 1.8% based on Census estimates. Among Vermont's publicly subsidized/affordable apartments, the vacancy rate is estimated at a much lower 0.8%.²⁶
- A recent report from the Vermont Housing Finance Agency noted that, "VT and NH have the lowest residential vacancy rates in the country, according to Attom Data Solutions, a real estate data broker that's amassed an immense database of property tax, deed, mortgage, foreclosure, and other information. The vacancy rate in both states is just 0.4 percent."

²⁵ Source: U.S. Census Bureau. 2021 rate through 3Q only.

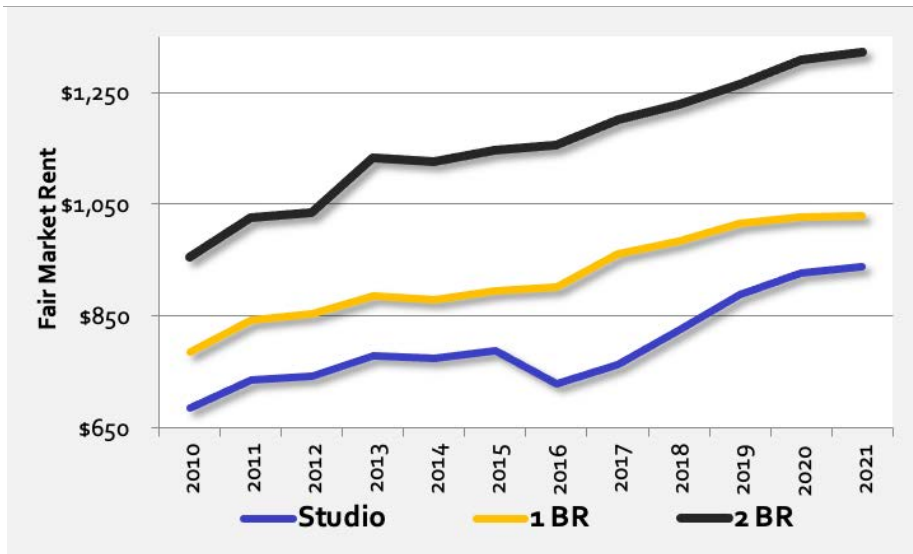
²⁶ Source: VHFA.

We completed a thorough search for listed rentals in Bakersfield and adjacent communities, including multiple listing sources.²⁷ Our research identified only two active rentals in the area. While it is likely that there are rentals that trade off-market, our research makes it clear that it is difficult, at best, to find an available rental in the Bakersfield area.

Market Rents

The minimal number of listed rentals in the Bakersfield area market provides little guidance with respect to market rents. As such, the following graphic shows trends in published Fair Market Rents (FMR) for studio, one and two bedroom units in the area.²⁸

Fair Market Rents: Bakersfield Area (2010 - 2021)



Overall, HUD's data indicates that the area FMAs increased at an annual rate of 2.9 percent between 2010 and 2021. However, the FMR for studio units increased at an annual rate of 3.4 percent between 2016 and 2021. These pricing increases reflect the level of demand for small rental units.

²⁷ Sources include: Craigslist; St. Albans Messenger; Trulia; Zillow; rent.com; apartments.com.

²⁸ Source: HUD User, Fair Market Rents, 2021. The graphic shows averaged FMRs for the combined Burlington-S. Burlington MSA and Lamoille County. Bakersfield/Franklin County are included in the Burlington-S. Burlington MSA, but we feel that FMRs for the MSA are skewed toward Burlington area pricing – which is not reflective of housing pricing in Bakersfield.

Current (2021) FMRs are as follows:²⁹

- Studio Units - \$940;
- One BR Units - \$1,029;
- Two BR Units - \$1,322.

Housing Availability

Our assessment of Bakersfield's housing stock (above) makes it clear that existing housing is skewed significantly toward larger, single family units; 68 percent of the town's housing stock includes three or more bedrooms.³⁰ As minimal segment of the town's housing stock is sized appropriately for small (one or two persons) households. Moreover, it is apparent that the availability of housing – at any size – is limited. As noted above, there were only three available listings in the for-sale market and no rental listings at the time of this writing.

The 'mismatch' between Bakersfield's housing stock and the composition of its households (dominated by one/two persons) was borne out in our conversations with persons familiar with the local market. A number of our contacts made it clear that, over a period of years, a significant number of senior households were compelled to move out of Bakersfield when they moved out of owned single family housing. Simply put, there are *limited* suitable options for this demographic in the community. In most instances, these households were compelled to move to St. Albans, Enosburgh or even the Burlington area. Our contacts were also quick to note that many of these households would welcome the opportunity to move back to Bakersfield, if a suitable housing option became available.

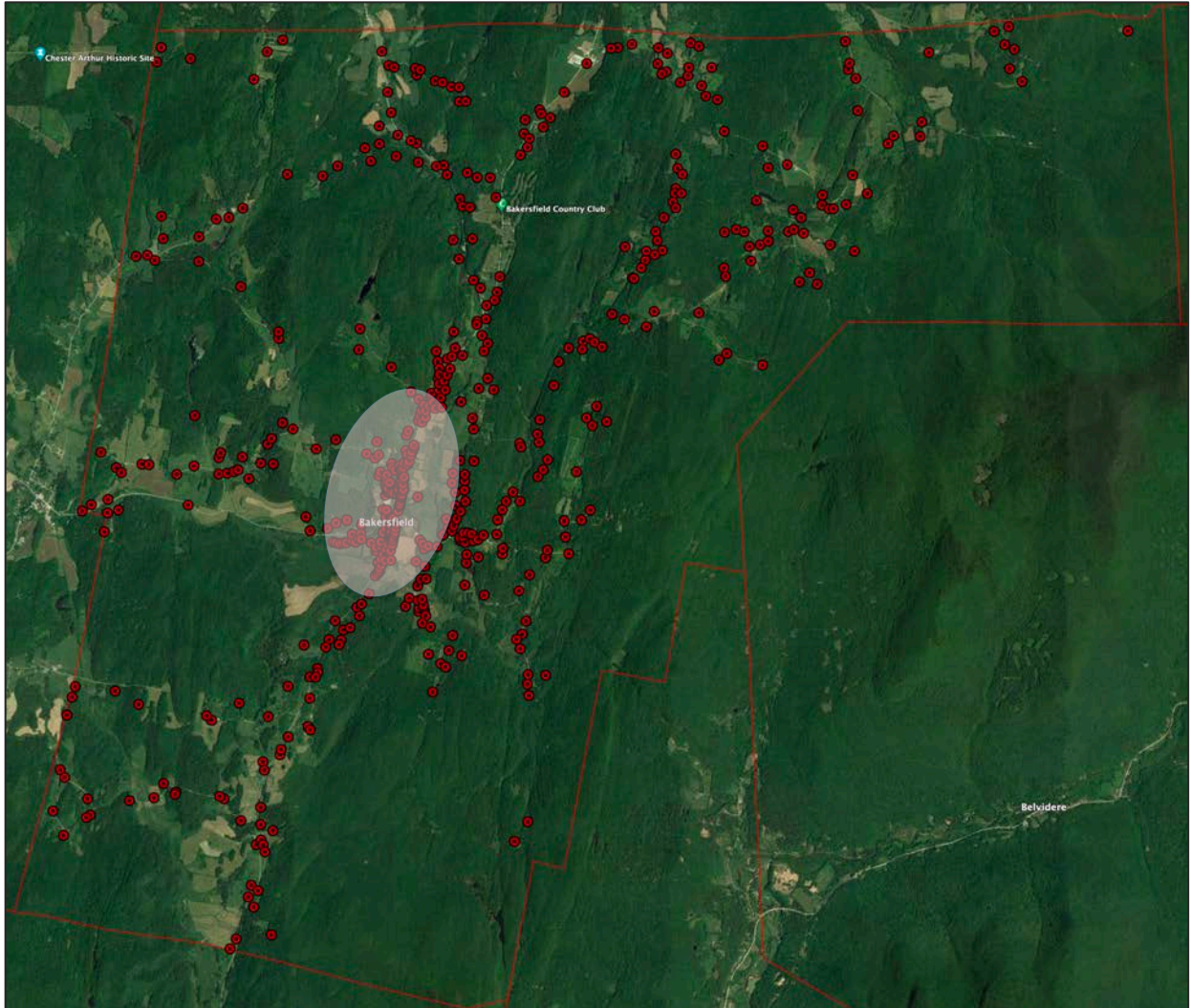
²⁹ Source: HUD FY2021 FMR and IL Summary System.

³⁰ 62 percent of Franklin County's housing stock includes three or more bedrooms.

Private Sector Housing Stock

The graphic below shows the geographic distribution of single family housing units in Bakersfield. Single family housing units are represented by red symbols.³¹

Single Family Housing Units: Bakersfield

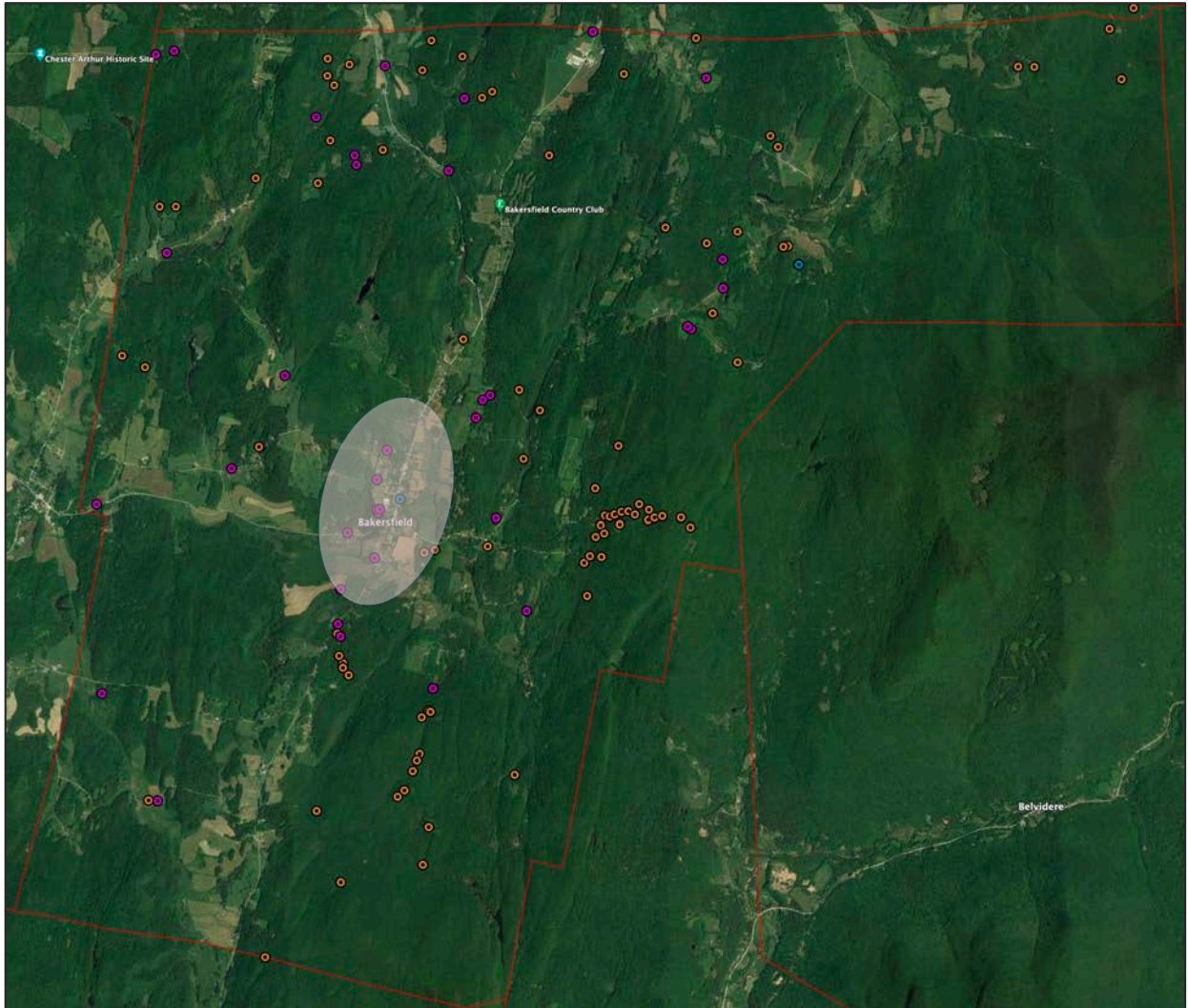


There is a cluster of single family units in Bakersfield Village, but many of the town's larger living units are spread out along the town's principal roadways.

³¹ Source: Vermont Open Geodata Portal.

Similarly, the graphic below shows the distribution of camps/seasonal homes (Orange), mobile homes (Pink) and multi-family buildings (Blue) in Bakersfield.

Camps/Seasonal Homes, Mobile Homes, Multi-Family: Bakersfield



The town's seasonal residences tend to be spread out away from the village, while mobile homes are found throughout the community. Not surprisingly, there are only three documented multi-family structures.

Affordable/Subsidized Housing

Subsidized and affordable housing projects are a significant source of housing in Vermont – particularly for low and low-moderate income upper age bracket households.

- 2019 data indicates that 43 percent of Franklin County renters pay more than 30 percent of their annual income toward rent and that 19 percent pay more than 50 percent of their annual income toward rent.³²
- The demographic analysis shows that 32 percent of households aged 65 or more years (in the combined market areas) have an income of less than \$35,000 annually.

Just as importantly:

- “Among Vermont’s publicly subsidized apartments, the vacancy rate is estimated at a much lower 0.8%.”³³
- Our survey of subsidized and affordable housing projects located in the region shows virtually no vacancy.

While there are no subsidized/affordable housing projects located in Bakersfield, the table on the following page provides summary data regarding existing subsidized/affordable housing projects within or within close range of the combined market areas. The table summarizes bedroom mix, rent type, age/disability limits, current vacancies and other factors.³⁴

³² Source: U.S. Census Bureau.

³³ Source: VHFA.

³⁴ Source: Vermont Housing Data.

Affordable/Subsidized Housing: Within and Nearby to Defined Market Areas

| Project Name | Street Address | City/Town | Unit Mix | | | | | Total Units | Age Restricted: | | | | | Funding Sources |
|----------------------------|---------------------------------------|-----------|--------------|-----------|-----------|----------|----------|-------------|--------------------|----------------------|----------------------------|-------------------------------------|--------------------|--|
| | | | 0 BR/ SRO | 1 BR | 2 BR | 3 BR | 4+ BR | | Deep Subsidy Units | Afford./ LIHTC Units | Market/ Unrestricted Units | Restricted/ Age/ Disabled/ Homeless | Vacancies Reported | |
| Brownway Residence Inc. | 328 School Street | Enosburgh | 24 | | | | | 24 | 24 | | | 24 | 0 | New Const/Sub Rehab; PBRA |
| Falls Housing | 327 Main Street | Enosburgh | | 23 | 5 | | | 28 | 4 | 21 | 3 | | 0 | LIHTC; HOME; Mkt Rate; PBRAs; Sec 8 PBA; VHCB |
| Pleasant Street Apartments | 30, 44, 46, 68, 70, 72 Kennison Drive | Enosburgh | | 8 | 16 | | | 24 | 20 | | 4 | | 0 | LIHTC; Mkt Rate; PBRAs; RD Sec 515; RD Sec 521; VHCB |
| Riverbend Apartments | 324 School Street | Enosburgh | | 26 | 4 | | | 30 | 30 | | | 30 | 0 | LIHTC; HOME; PBRAs; RD Sec 515; Sec 202; Sec 8 PBA |
| Chester Arthur Apartments | Route 36 | Fairfield | | 6 | 2 | | | 8 | 8 | | | 8 | 0 | New Const/Sub Rehab; PBRAs; Sec 8 PBA |
| Totals | | | 24 | 63 | 27 | 0 | 0 | 114 | 86 | 21 | 7 | 62 | 0 | |



Falls Housing - Enosburgh



Pleasant Street Apts. - Enosburgh



Riverbend Apartments - Enosburgh

Of the total 114 units:

- Vacancy – *the combined properties have a current vacancy rate of 0.0 percent.* It is apparent that vacancies only occur in the instance of normal tenant turnover, and that there are lengthy wait lists for all units.
- 14 percent of the units are in zero bedroom/studio configurations, 55 percent are in one bedroom configurations and 24 percent are in two bedroom configurations;
- 75 percent are 'deep subsidy' units, typically only available to very low households with incomes below 30 percent of the AMI;

- Only 18 percent of the units have Tax Credit/Affordable rents – and these units are not in age-restricted properties;
- 54 percent are limited to elderly/disabled or homeless tenants.
- The Brownway Residence (Enosburgh) is effectively an assisted living facility, which is most attractive to residents who are not able to live independently. Effectively then, there are only 38 age-restricted units available in the area. All of these units are targeted to very low income seniors.

While there are subsidized/affordable units located in the Bakersfield area, the number of units available to very low and low income seniors is small:

- All projects operate at high occupancy levels and have wait lists;
- There are no unit targeted to lower/moderate income seniors (Tax Credit rents);

Finally, Enosburgh and Fairfield are within easy driving range of Bakersfield, but a move to a project in either community (or St. Albans) obligates long-term Bakersfield residents to move out of their home community.

Summary

Overall, the review of comparable housing in the area makes several points clear:

- Bakersfield’s housing stock is not suited to small households and particularly unsuited to senior households. There is a substantial mismatch between the size of the housing stock and the reality of small households as the majority of the population.
- Occupancy is extremely high in regional units offering rents that are subsidized/affordable to households of very low and lower income – demand for these units far exceeds supply in the area market – and in many Vermont markets. Affordable and subsidized housing providers indicate that there is strong demand for any available unit – and that there are significant wait lists.
 - We also note that Bakersfield area projects targeted to the senior market are all focused on *very low* income households. There are no units targeted to lower/moderate income seniors.

- The private rental market remains tight. Professionals involved in the local market report that vacancy remains at a low point. A review of available rentals makes it clear that there are minimal quality rental units currently available.

Project Potential

The preceding analyses point to the potential for development of a multi-unit residential project in the Brigham Academy building. Given the building's location and configuration, market area demographics and community dynamics, we feel that a project of this nature should be targeted to the senior market (55 or more years) in order to best fit area market needs. We conducted a 'market pool and capture' analysis to gauge the potential market-based success of a senior residential project.³⁵

For purposes of analysis, we defined three potential market levels:

- Rental Assisted (Subsidized) Units – these units are typically available to very low income households; incomes of less than 30 percent of the AMI for Franklin County.³⁶ Qualified households pay no more than 30 percent of their income toward housing costs;
- Affordable/Tax Credit Units – these units are typically available to lower income households with incomes up to 50 or 60 percent of the Franklin County AMI. Qualified households pay the rent, which is typically set at a level below the going market rate;
- Market Rate Units – in this instance, we have assumed that 'market rate' units would be made available to moderate income households within incomes ranging from 60 to 100 percent of the Franklin County AMI. Qualified households pay the rent, which would likely be set at a level slightly below the going market rate.

Current (2021) income limits for Franklin County (Burlington-S. Burlington MSA) are shown in the table on the following page, broken down by household size.³⁷

³⁵ Our recommendations point to a project targeted to the senior market. However, we included an assessment of the family market (HH Head 18 to 54 years) as part of our analyses in order to make this data available to the town – see **Appendix** for a summary.

³⁶ Franklin County is included in the Burlington-S. Burlington MSA for purposes of calculating household income limits.

³⁷ Source: HUD.

Household Income Limits; Franklin County (2021)

| | Household Size | | | |
|-------------|----------------|----------|----------|----------|
| | 1 | 2 | 3 | 4 |
| 30% of AMI | \$20,160 | \$23,040 | \$25,920 | \$28,770 |
| 50% of AMI | \$33,600 | \$38,400 | \$43,200 | \$47,950 |
| 60% of AMI | \$40,320 | \$46,080 | \$51,840 | \$57,540 |
| 100% of AMI | \$67,200 | \$76,800 | \$86,400 | \$95,900 |

Market Pools

The following analyses assess the market area's potential to provide tenants and maintain ongoing occupancy for a senior (55+ years) rental project:

- Estimation of the age/income eligible pools for each planned project rent type. Income levels are dependent on unit type and household size:
- Estimate of the segment of age/income eligible pools that will move during a 12 month period;

Rental Assisted Units at 30% AMI

For purposes of this assessment, we defined qualified households as those with income below 30 percent of AMI. There is no floor on tenant incomes, as rental assistance will ensure that tenants pay no more than 30 percent of their household income toward housing costs. The units would be available to seniors (55+ Years) and will accommodate households ranging from one to two persons.

50/60 Percent Tax Credit Units

For purposes of this assessment, qualified households cannot have incomes in excess of 60 percent of AMI. Tenants will pay the stated rent. The upper income limit varies dependent on household size. There is also a 'floor' on tenant incomes, as prospective tenants must be able to comfortably afford the set rental amount. In the instance of senior tenants, we have assumed that the stated rent will not exceed 45 percent of the household income. The units would be available to seniors (55+ Years) and will accommodate households ranging from one to two persons.

Market Rate Units

For purposes of this assessment, qualified households will have incomes ranging from 60 to 100 percent of the AMI. Tenants will pay the stated rent. The upper income limit varies dependent on household size. There is an effective floor on tenant incomes, as prospective tenants must be able to comfortably afford the set rental amount. In the instance of senior tenants, we have assumed that the stated rent will not exceed 45 percent of the household income. The units would be available to seniors (55+ Years) and will accommodate households ranging from one to two persons.

The appropriate income parameters were applied to the raw demographic data (see *Demographics*) to develop estimates of the size of the *senior market pools* now living in the primary and secondary market areas. These estimates are shown in the table below. The figures in the table show the number of market area senior households who are qualified by age and income to consider tenancy in the project under broadly accepted standards of income qualification.

Market Pools Summary – Senior Market

| | Qualified 55+ Households | | |
|------------------------|--------------------------|-----------------------|--------|
| | Primary Market Area | Secondary Market Area | Totals |
| <30% AMI Rent Assisted | 113 | 110 | 223 |
| <50/60% AMI Tax Credit | 104 | 115 | 219 |
| <100% AMI Market Rate | 150 | 164 | 314 |
| Totals | 367 | 389 | 756 |

In total, we estimate that there are approximately 756 age/income qualified households now living in the combined market areas.

It is also critical to consider propensity to move - Only a segment of the qualified households will be seeking a change in housing at any given time. As such, it is critical to assess the 'propensity to move' within age/income/renter categories to develop a better estimate of the size of the housing market. Households in various age and income groupings display markedly varied propensities to move within the course of a year. Most significantly, the propensity to move declines with increased age and income. Thus, younger, lower income households move frequently, while older, higher income house-

holds are less likely to move; lower income senior households are more likely to move than upper income senior households.

The market pool estimates, as broken down by age and income, have been applied to propensity to move factors specific to each age/income group, based upon a variety of research studies.³⁸ The result of these calculations is an estimate of the number of market pool households likely to be seeking to move within the course of one year. Note that these figures include moves to all types of housing. The figures in the summary table below show the estimated number of age and income qualified renter households now living in the market areas who can be expected to move within the course of one year.

Propensity to Move Summary – Senior Market

| | 55+ Households Likely to Move (12 Month Period) | | |
|---------------------------|--|--------------------------|-----------|
| | Primary Market Area | Secondary Market Area | Totals |
| <30% AMI Rent Assisted | 19 | 17 | 36 |
| <50/60% AMI Tax Credit | 11 | 11 | 22 |
| <100% AMI Market Rate | 15 | 15 | 30 |
| Totals | 44 | 44 | 88 |

The analysis suggests that approximately 90 age/income qualified households – now living in the combined market areas – will make a housing move during the next year.

³⁸ Sources include:

- Ernst and Young Real Estate Journal
- American Demographics
- American Housing Survey - U.S. Census Bureau
- Current Population Reports - U.S. Census Bureau

Propensities to move values have been adjusted to account for lower than average propensities in the northeast region.

Competitive Profile

The market success of a project will hinge on several factors. Major points regarding the prospective project are summarized below:

- The project would offer very low to moderate income senior households an opportunity to live in high quality units with affordable rents.
- The demographic analyses indicate that there are solid pools of age/income qualified households in the market area. Moreover, the senior population is growing at a strong rate.
- There is effectively no competition in Bakersfield. Bakersfield seniors seeking affordable rental housing have been obligated to move out of the community to find appropriate housing.

The opportunity to include complementary uses in the Academy building would also increase the attractiveness of the project to area seniors. In addition to the potential for the inclusion of services that would be of direct benefit to the target group, community-oriented uses would activate the project and increase seniors' involvement in the community. The following complementary uses should be considered:

- Seniors-oriented health services:
 - SASH services – coordination office;
 - Office for health clinics;
- Common laundry facility;
- Small group meeting space (with kitchen facilities);
 - Youth groups;
 - Private parties
 - Community meeting space – both small and large gatherings;
- Craft/Art studio space;
- Presentation space – historic artifacts, etc.

The market success of the project would hinge on several factors. Major points regarding the project – as outlined above - include:

- The project is well located in the community. While Bakersfield Village offers limited services, Brigham Academy senior residents would benefit from walking access to the post office, several churches and town offices. The adjacent school facility and recreational fields would add an element of community life to the project. In addition, if efforts to revive the Bakersfield Village Deli are successful, the facility would be located within easy walking distance of Brigham Academy.
- The market assessment makes it clear that the number of targeted households needing housing exceeds available supply regionally and that strong projected increases in senior households will further stress housing availability.
- The project could offer affordable rents to households ranging from those with very low incomes to those with moderate incomes, thus appealing to a relatively wide band in the market and resulting in a mixed-income environment.
- Projects of this type are highly important as there are minimal permanent residential options for the senior population in Bakersfield.

Potential tenants for the Brigham Academy project could be drawn from several sources:

- Waiting lists for area projects - as noted previously, senior Bakersfield residents must currently seek rental opportunities outside of the community. Qualified Bakersfield residents are now on waiting lists for projects in Enosburgh, Fairfield, St. Albans, etc.
- Market Area Capture – as detailed above, there are a total of 750+ age/income qualified households now living in the defined market areas. Approximately 90 of these households can be expected to seek a change in housing over the next 12 months.
 - Among the qualified households who are likely to move during the next 12 months, only a segment would make the choice to move to the Brigham Academy project. There are competing housing opportunities for qualified households in the market, including: 1) Private market housing; 2) Living with family or friends; 3) Existing affordable housing; or 4) Maintaining current living situation; 5) Nursing, residential care or Assisted Living; or 6) other group situations. Nevertheless, these competing opportunities are limited in number and high occupancy rates minimize their impact on the market.

Given the project's location and potential for affordable rents to a range of income, the assumption that the project could penetrate a solid segment of the

market is well grounded, particularly in the face of limited vacant, competitive housing in the area.

- Given the lack of vacancy among assisted and market rate rental units – and the low local/regional rental vacancy rate - the existing housing stock does not offer a realistic opportunity to secure a unit within a reasonable timeframe. There are insufficient units available to fill demand.
- Outside Market Area – Realistically, 15+/- percent of the project’s tenants will be made up of households from *outside* of the defined market area. Experience with similar projects throughout the Northeast has shown that there is a stream of persons who will move outside their home area to find good quality/affordable housing. Senior households often move to a new community to live near adult children. On this basis, the annual absorption rate for the project’s components will increase by 15+/- percent over that which would be available from the defined market areas alone.

Recommendations - Market Capture <> Project Size

The size of the project must relate to the potential market. Our recommendation regarding project size is directly related to the extent to which the project could ‘capture’ the available market – how many age/eligible households would make decisions to move to Brigham Academy. Critical factors include the following:

- The project’s capture rate will be high within the primary market area. This is the area closest to the project. Current residents of the primary market area are most likely to identify with Bakersfield as their home community. A move to Brigham Academy would allow these households to live within close range of family, friends, and community organizations.

While the capture rate in the secondary market area will be lower than in the primary area, it is reasonable to assume that the project would draw from this market. The regional shortage of available housing for very low to moderate income seniors will make virtually any housing opportunity attractive to qualified households.

- The capture rate among very low income households that qualify for rental assistance will be higher than those qualifying for 50/60 percent Tax Credit rents. Similarly, the capture rate among those qualifying for Tax Credit units will be higher than the rate for households qualifying for the 60 to 100 percent market rate units.

Simply put, very low income households' limited resources provide them with few, if any housing options. Although the number of options for low and moderate income households remains far short of demand, households with more financial resources typically have increased housing options.

- The project would be attractive to area households that are *already* on waiting lists for area projects. These households would provide an immediate boost to project lease-up and serve as a catalyst to draw relatives, friends and others to the project.

Project Size, Mix & Rents

Our findings point to the market-based feasibility of a project that would include 20 to 25 senior units. We feel that a project of this size could reasonably be 60+/- percent leased at the point of initial opening and fully leased to a stable occupancy within six+/- months of initial occupancy.

We also strongly recommend that the project be mixed-income and include Rental Assisted, Tax Credit and Market Rate units. This income diversity will greatly assist the absorption of the project in a relatively small market. Based on the distribution of households in the market, we recommend that the mix between unit types be approximately the following:

- Rental Assisted Units – 40 percent of total;
- Tax Credit Units – 25 percent of total;
- Market Rate Units – 35 percent of total.³⁹

The demographic research points to a project bedroom mix as follows:

- Studio Units – 30 percent of total;
- One Bedroom Units – 60 percent of total;
- Two Bedroom Units – 10 percent of total.

³⁹ It is possible that demand will be generated by senior households with incomes higher than 100 percent of the AMI. Should initial marketing efforts identify this market, units with true market rental levels could be added to the project mix.

Research in the Vermont market indicates that the following are typical unit sizes (Square Feet of Living Space) for similar, recently constructed projects:

- Studio Units – 480+/- square feet living space;
- One Bedroom Units – 650+/- square feet living space;
- Two Bedroom Units – 875+/- square feet living space.

The table below shows current rental limits for Rental Assisted, Tax Credit (at 50 & 60 percent) and Market Rate (up to 100 percent) – broken down by unit size. Note that the rents shown for Rental Assisted units are *contract rents*, qualified tenants will pay no more than 30 percent of their incomes toward housing.⁴⁰

Rental Guidelines

| | Monthly Rental | | | |
|--------------------|--|-----------------------------|-----------------------------|-------------------------------|
| | <i>Rent Assisted (Contract Rent)</i> | <i>Tax Credit @ 50%</i> | <i>Tax Credit @ 60%</i> | <i>Market Rate @ 100%</i> |
| Studio | \$504 | \$840 | \$1,008 | \$1,680 |
| One Bedroom | \$576 | \$960 | \$1,152 | \$1,920 |
| Two Bedroom | \$648 | \$1,080 | \$1,296 | \$2,160 |

⁴⁰ Rent Source: HUD – 2021 guidelines for Franklin County/Burlington-S. Burlington MSA.

Appendix – Family Housing Assessment

Our assessment of the family market (Household Heads aged 18 to 54 years) included three rental structures, as described above for the senior market:

- Rental Assisted Units – household incomes less than 30 percent of the AMI. Qualified households pay no more than 30 percent of household income toward housing costs;
- 50/60 percent Low Income Housing Tax Credit rents - qualified households will have incomes less than 50 or 60 percent of the AMI and will pay the set rental amount. The household income floor was calculated by assuming that set rental amount will account for no more than 40 percent of households' income;
- Market Rate Rents – qualified households will have incomes ranging from 60 to 100 percent of the AMI and will pay the set rental amount.

The appropriate income parameters were applied to the raw demographic data (see *Demographics*) to develop estimates of the size of the family market pools now living in the primary and secondary market areas. These estimates are shown in the table below. The figures in the table show the number of market area family households who would be qualified by age and income to consider tenancy in the project under broadly accepted standards of income qualification.

Market Pools Summary – Family Market

| | Qualified Family Households | | |
|------------------------|-----------------------------|-----------------------|------------|
| | Primary Market Area | Secondary Market Area | Totals |
| <30% AMI Rent Assisted | 75 | 96 | 171 |
| <50/60% AMI Tax Credit | 102 | 110 | 212 |
| <100% AMI Market Rate | 154 | 174 | 328 |
| Totals | 332 | 380 | 712 |

With a total of approximately 710 households, the family *market pool* is somewhat smaller than the senior market pool.

Propensity to move factors were applied to the market pools to estimate the number of age/income eligible households likely to move during a 12 month period. These estimates are shown in the table below.

Propensity to Move Summary – Family Market

| | Family Households Likely to Move (12 Month Peiod) | | |
|---------------------------|--|----------------------------------|------------|
| | <i>Primary Market Area</i> | <i>Secondary Market Area</i> | Totals |
| <30% AMI Rent Assisted | 26 | 35 | 62 |
| <50/60% AMI Tax Credit | 25 | 27 | 52 |
| <100% AMI Market Rate | 28 | 32 | 60 |
| Totals | 79 | 95 | 174 |

Although the senior market pool is larger than the family market pool, the number of family households likely to move over a 12 month period exceeds that for the senior market. Simply put, younger households move more frequently than older households. However, it is important to keep in mind that the senior market is growing at a substantially faster rate than the family market.