**Fayette Housing Profile**

**Fayette’s Housing: Supply and Demand**

The purpose of housing is to provide a safe, secure, and protected place for its residents. A place that allows its inhabitants to survive in a world of ever-changing weather and climate. While this true purpose of housing is universally common, the way in which housing is consumed is universally unique. There are many factors that determine a population’s housing type. In the United States, for instance, homes are, when compared to the majority of the world, large and space consuming. They are also likely to house fewer people than many other countries. In the United States this number, known as the average household size, has dropped considerably since the 1960’s. Average household size is the number linking the population with the demand for housing. In other words, if all other factors are held constant, it will take more homes to house a community with a lower average household size than another similarly populated community with a greater average household size. Thus, if all other factors remain constant, as the average household size decreases, the demand for housing increases. Almost all social and economic factors favor smaller households – more independent living among youth and elderly, smaller families, and more single-parent families. There are some instances in the United States where the average household size is starting to reverse this declining trend. As the chart below shows, the average number of persons in a Fayette household has been shrinking steadily and has perhaps bottomed out for the time being.

 *Source: 1990, 2000 US Census & 2010, 2017 ACS*

What does this mean for Fayette’s housing demand? In short, fewer persons per household means more housing is needed for the same population. In 1990, the average household in Fayette contained 2.78 persons and the Town had just 284 occupied housing units. From 1990 to 2017, the Town’s population grew by 189 people and now contains 426 occupied households. This means that over that nearly 30 year period, about 5 new homes were built every year. Peculiarly, this increase in total occupied households far exceeds the theoretical demand for new housing. Using the 2017 average household size of 2.45 persons in Fayette, just 77 new housing units would have covered the population increase. Instead, the total increase in occupied housing units was 142. Over all this indicates a notable decline in household size and possible increase in housing vacancies.



 *Source: 1990, 2000 US Census & 2010, 2017 ACS*

Of the 426 households in 2017, 345 of them (81%) were families. The average family size was 2.59 and 302 of Fayette’s families (88%%) were traditional husband and wife families. Just 34 (8%) households are single-mother families. Another 61 households (14%%) were single-person households. In 23 of these single-person households, the single occupant was over 65 years old.

The table below illustrates changes in Fayette’s housing supply since 2000. Overall, the supply of housing has grown by just 13%. Kennebec County’s housing stock grew by 10% during this same timeframe. The form of dwellings has remained relatively unchanged. Traditional, site-built homes still account for more than 80% of all Fayette housing stock.



 *Source: 2000 US Census & 2010, 2017 ACS*

Multi-family buildings are not a large part of Fayette’s housing stock, especially when compared to more urbanized towns. According to the ACS, Fayette has zero developments that contain 3 or more units. Accessory dwelling units are uncommon in Fayette, but with the number of large homes on large lots and the need for affordable housing, there is potential for accessory dwelling unit development, especially in the form of conversions. Was there an apartment building in town that is no longer here (29 2 units in 2010)?

**Seasonality**

Due to the Town’s many lakes and ponds and its well established summer camps, seasonal population swings in Fayette are very common. Compared to the rest of Kennebec County, Fayette experiences a greater seasonal population fluctuation. The 2017 seasonal unit rate of 36.1% is 257% greater than Kennebec County’s seasonal unit rate of 10.1%. This may make the seasonal population fluctuation an issue in Fayette. However, very few seasonal units were added since 1980 and the seasonal nature of Fayette’s residents has surely become an anticipated way of life.

 *Source: 2000 US Census & 2010, 2017 ACS*

Seasonal homes have long been part of the housing stock in Fayette. There was a great period of summer camp development from 1970 through 1990. There are currently 282 camps in town, located mostly on the shores of the lakes and ponds. Very few new seasonal camps are being built, or at least being identified as such. According to the Census, Fayette had 254 seasonal units in 2000 and 284 seasonal units in 2010. It appears as though seasonal development has leveled off. In much of Maine existing camps are being converted to year-round living quarters. Camp conversions, besides increasing impacts on the lakes, can increase public service demands without new tax base to support it.

**Housing Location Trends**

Fayette’s character and identity is largely defined by its rural, agricultural countryside and waterbodies that dot the landscape. This character does not currently appear threatened by large-scale development as Fayette has retained much of its undeveloped land.

However, nationally and regionally, development over the past 40 years has been marked by sprawl. Large stores with large parking lots have been built on even larger lots, consuming valuable land and resources. What were once small towns on the urban periphery have blossomed into large centers of commerce. Fayette has avoided commercial sprawl but housing sprawl could become a concern.

**Housing Conditions**

The 2017 ACS indicates that 100% of Fayette’s occupied housing units met the standard criteria for complete kitchen and plumbing facilities. In 2000, 97.6% of the Town’s occupied housing units had both complete kitchen and plumbing facilities. This is a common identifier used to determine the condition and quality of homes in a given community.

The age of housing structures can often be used as an indicator of housing condition as well. While some old homes are structurally very sound they may have inadequate wiring, inefficient insulation, or contain hazardous materials like lead paint. Homes built in the 1960’s and 1970’s tend to have inadequate insulation, whereas homes built more recently have mostly conformed to modern building code requirements. In Fayette, 290 houses were built prior to the start of World War II (15.8% of all occupied housing stock). In Kennebec County, 23.9% of all homes were built before WWII. 41.3% of Fayette’s occupied housing units (285 homes) were built after 1980; in Kennebec County, that figure is 41.1%.

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| **Age of Housing****Units in Fayette** |
| Year Structure Was Built | # | Percent of total |
| 1939 or earlier | 109 | 15.8% |
| 1940-1949 | 24 | 3.5% |
| 1950-1959 | 35 | 5.1% |
| 1960-1969 | 70 | 10.1% |
| 1970-1979 | 167 | 24.2% |
| 1980-1989 | 129 | 18.7% |
| 1990-1999 | 143 | 20.7% |
| 2000  | 13 | 1.9% |

**Price and Affordability**

The State’s growth management goal for affordable housing states that ten percent of new housing should be affordable to households making less than 80% of the median household income. The towns are left to decide whether that ten percent is composed of stick-built homes, mobile homes, rentals, housing for the elderly, or some combination of type.

The determination of whether housing is affordable naturally begins with a discussion of cost. The census provides very good data regarding price of housing (see table below). This price is determined by owners’ estimates of value. It does not necessarily reflect actual recorded sales prices. According to the Census, the median value of owner-occupied housing in 2000 was $95,300. In 2017, that value increased to $157,200. The rise in property values since 2000 was 65%, a substantial increase considering the 42% inflation rate and the dip in home prices due to the recession. What is especially noticeable over the past 17 years is the increase in higher priced properties. In 2000, just 13 properties were valued at, or above, $200,000 with 0 homes valued at or above $300,000. In 2017, 125 properties in Fayette are valued at, or above, $200,000 with 40 of those at or above $300,000. This is presumably attributable to more growth and higher valuations of the waterfront properties.

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|  |  VALUE1 OF OWNER-OCCUPIED HOUSING UNITS, 2000 and 2017 |
|  |  2000 |  2000 % of Total | 2017 | 2017 % of Total |
| Median Value of Specified2 Housing Units | $95,300 |  | $157,200 |  |
| Number of Units Valued at: Less Than $50,000 $50,000 - $99,999 $100,000 - $149,999 $150,000 - $199,999 $200,000 - $299,999 $300,000 - $499,999 $500,000 or more  | 1210963281300 | 5.3%48.4%28.0%12.4%5.8%0.0%0.0% | 3760919085337 | 9.2%14.9%22.6%22.3%21.1%8.2%1.7% |
|  | SOURCE: 2000 U.S. Census & 2017ACS 5-Year Estimates*1/ "Value" is the census respondent's estimate of how much the property would sell for if it were for sale.* *2/ "Specified" units exclude one-family houses on ten or more acres and units with a commercial establishment on the premises. In 2000, mobile homes were excluded as well, but not in 2010, accounting for the significant rise in housing counts.* |

The Maine State Housing Authority (MSHA) tracks actual annual sales data and publishes the records for common use. According to MSHA, the median price from actual home sales in Fayette in 2017 was $206,500 as shown below.



 *Source: Maine State Housing Authority*

Furthermore, the median household income reported by the MSHA in 2017 was $64,773, setting the 80% of median income affordability threshold at $51,818. MSHA produces home affordability figures at various income levels and factors in interest rates, municipal tax rates, and other associated costs like insurance. They use the general rule of thumb that a household should spend no more than 28 percent of its gross monthly income on housing costs. According to MSHA, in order to afford a median priced home in Fayette, the homeowner would need to earn $62,372 per year (see below). The required income is less than the median income, which was not the case in 1988. Housing, in theory, has become more affordable in Fayette in the past 30 years.



 *Source: USM Institute for Real Estate Research and Education 1988, Maine State Housing Authority 2018*

Generally speaking, any household earning the median income should be able to afford a home in Town. However, the US Census estimates that more than 100 Fayette households earned less than $50,000 in 2017. In other words, those 102 Fayette households, if buying a home today, would be unable to afford one. MSHA also estimates the ability of local households to afford median priced homes. They estimate that 46.7% of Fayette households are unable to afford the median priced home in Town.

**Rentals**

Fayette lacks a sizable renter population and the below table details the limited changes between 2000 and 2017 in both the cost and affordability of rentals in Fayette. The median rent charged increased by a staggering 95.6%, a rate far greater than both inflation and home value appreciation. Units with a cash rent of less than $500 per month effectively left the market. Rentals in this range were commonplace in 2010. Most notably, however, is the rental vacancy rate. In 2000, there was a 10.3% rental vacancy rate. By 2010, that number decreased significantly to 1.2%. Fayette has a current rental vacancy rate of 0.0%, indicating that Fayette is underserved in the rental market.

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|  | **COST OF RENTER-OCCUPIED HOUSING UNITS, 2000 - 2017** |
|  | 2000 | 2010 | 2017 |
| Median Monthly RentSpecified Renter-Occupied Units | $575 | $563 | $1,125 |
|  # of Units With Cash Rent of: Less than $500 $500 to $999 $1,000 to $1,499 $1,500 or more  | 41000 | 235163 | 0370 |
| Rent as a Percentage of Household income:Less than 20 percent20 – 30 percent30 percent or more | 2102 | 10464 | 073 |
| Rental Vacancy Rate | 10.3% | 1.2% | 0.0% |
|  | Source: US Census, American Community Survey  |

**Fayette’s Place in the Region**

According to the Census, between 2000 and 2017, Fayette’s 65% increase in median home value is substantial. According to MSHA, the increase in home value is even greater. MSHA estimates that the median home price in Fayette increased 116.7% between 2000 and 2018. Of the towns in the chart below, only neighbor Mt. Vernon, at a 129.3% increase in median home value (from $90,500 in 2000 to $207,500 in 2018), saw a greater appreciation in value. Furthermore, Manchester, which had the greatest median home value in 2000 ($124,300), experienced the second lowest appreciation (55.3%). Livermore Falls is a true outlier in the group, experiencing negative growth in home values during the same time frame.



 *Source: 2000 Census, Maine State Housing Authority*

Continuing with MSHA numbers, Fayette’s median home price is greater than Kennebec County on the whole. It shares similar values with its other neighboring communities. In 2018, median home values were $205,000 in Readfield and $210,000 in Wayne. The median value of homes in Kennebec County was $160,000.

After looking at Fayette’s median home values and median income level, one may assume that, when compared to its neighbors, it is just as affordable. However, just 12.5% of Fayette households spend more than 30% of their income on housing, as illustrated below.



 *Source: 2000 US Census & 2017 ACS*

In fact, the 12.5% of Fayette residents that spend 30% or more of their income on housing is the lowest rate in the region and represents a 45.9% reduction since 2000. Fayette and Winthrop were the only towns that saw a reduction in this rate. Readfield is the only neighboring town with a similar rate (18.1%). It should be noted, however, that the lack of a rental market may skew the appearance of housing affordability in town.

 *Source: 2000 US Census & 2017 ACS*

Are there any subsidized rent programs /participating housing complexes in Fayette? Any planned?

**Projections**

Referring to the population projections in the Community Profile, it is difficult to anticipate much demand, if any, for housing. The US Census Bureau believes that Fayette has experienced negative growth since 2010. KVCOG, however, anticipates Fayette’s 2030 population growing to around 1,300 residents. The 256 new residents would, using 2017’s average household size, require around 100 new homes. However, that does account for the trending decline in household size. Any significant reduction in household size will add to the demand for new housing.

Fayette’s average household size will not shrink indefinitely and it has recently slowed and even ticked back up. Housing projections, therefore, need to take this factor into account. If we safely assume that the average household size will shrink another five percent over the next fifteen years, the average will drop to 2.33 persons per household. In order to house the roughly 1,300 residents, the Town would need to contain 558 occupied households. Barring any unforeseen incident that greatly reduces the Fayette housing stock, this number is easily attainable.

Contrastingly, the Office of the State Economist project’s Fayette’s population in 2036 to be 1,148. This flat growth would require 44 new housing units, assuming a median household size of 2.33 persons. This would require just 2.5 new homes per year.

**Current Housing Regulations:**

**Other:**

-Lakefront development trends from annual reports

-Senior living- Hallowell has closest

-Contact Tara (Principal) for number of students on free/reduced lunch (tie into affordability)

-Keep Me Warm

-Echo Lake Lodge potentially counted as rentals for 2010 numbers?

-Lack of apartments is issue

-Multi use development feasibility- apartment, senior living, market, day care, etc.

**Housing**

A. **State Goal / Minimum Policy**

To encourage and promote affordable, decent housing opportunities for all Maine citizens.

B. **Analyses**

To generate minimum analyses to address state goals, use Conditions and Trends data in Section 3.8(C) to answer the following questions.

(1) How many additional housing units (if any), including rental units, will be necessary to accommodate projected population and demographic changes during the planning period?

(2) Is housing, including rental housing, affordable to those earning the median income in the region? Is housing affordable to those earning 80% of the median income? If not, review local and regional efforts to address issue.

(3) Are seasonal homes being converted to year-round use or vice-versa? What impact does this have on the community?

(4) Will additional low and moderate income family, senior, or assisted living housing be necessary to meet projected needs for the community? Will these needs be met locally or regionally?

(5) Are there other major housing issues in the community, such as substandard housing?

(6) How do existing local regulations encourage or discourage the development of affordable/workforce housing?

C. **Conditions and Trends**

Minimum data required to address Analyses:

(1) The community’s Comprehensive Planning Housing Data Set prepared and provided to the community by the Maine State Housing Authority, and the Office, or their designees.

(2) Information on existing local and regional affordable/workforce housing coalitions or similar efforts.

(3) A summary of local regulations that affect the development of affordable/workforce housing.

D. **Policies**

Minimum policies required to address state goals:

(1) To encourage and promote adequate workforce housing to support the community’s and region’s economic development.

(2) To ensure that land use controls encourage the development of quality affordable housing, including rental housing.

(3) To encourage and support the efforts of the regional housing coalitions in addressing affordable and workforce housing needs.

E. **Strategies**

Minimum strategies required to address state goals:

(1) Maintain, enact or amend growth area land use regulations to increase density, decrease lot size, setbacks and road widths, or provide incentives such as density bonuses, to encourage the development of affordable/workforce housing.

(2) Maintain, enact or amend ordinances to allow the addition of at least one accessory apartment per dwelling unit in growth areas, subject to site suitability.

(3) Create or continue to support a community affordable/workforce housing committee and/or regional affordable housing coalition.

(4) Designate a location(s) in growth areas where mobile home parks are allowed pursuant to 30-A M.R.S.A. §4358(3)(M) and where manufactured housing is allowed pursuant to 30-A M.R.S.A. §4358(2).

(5) Support the efforts of local and regional housing coalitions in addressing affordable and workforce housing needs.

(6) Seek to achieve a level of at least 10% of new residential development built or placed during the next decade be affordable.