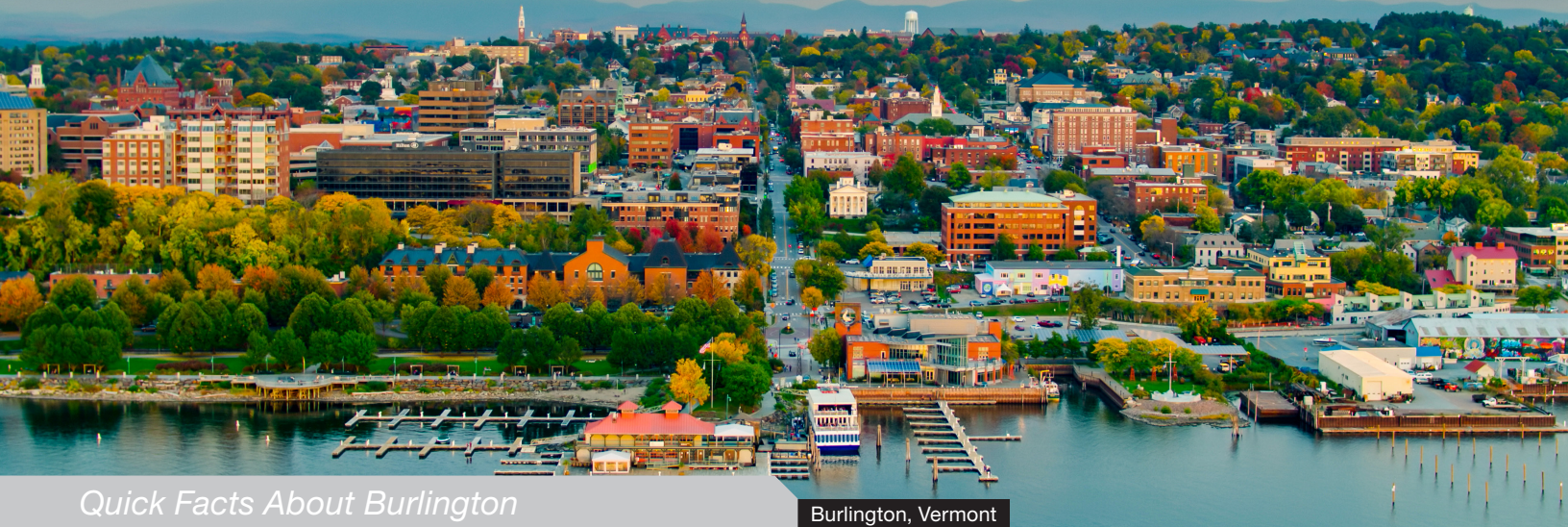


HUD PD&R Housing Market Profiles

Burlington-South Burlington, Vermont

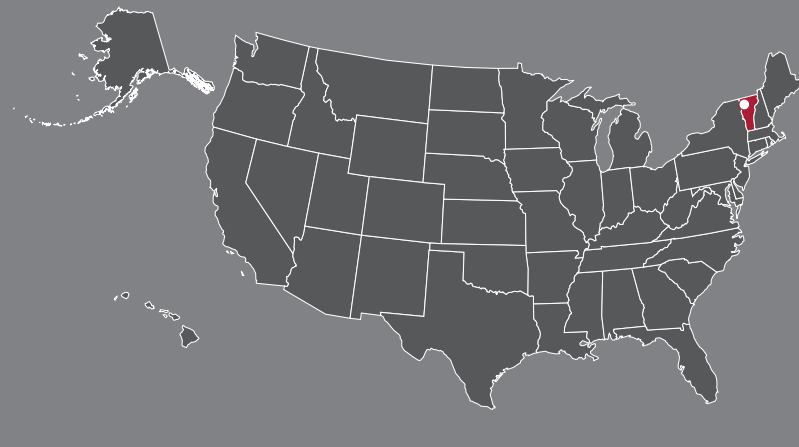


Quick Facts About Burlington

Burlington, Vermont

By Mildred Jara Ramirez | As of August 1, 2022

- Current sales market conditions: tight
- Current rental market conditions: very tight
- Located on the eastern shore of Lake Champlain, the city of Burlington is the most populous city in Vermont, with a population of 44,781 as of July 1, 2021 (U.S. Census Bureau population estimates as of July 1), and it is home to two of the three 4-year institutions of higher education in the metropolitan area—The University of Vermont (UVM) and Champlain College.



Overview

The Burlington-South Burlington, VT Metropolitan Statistical Area (hereafter, Burlington metropolitan area) is located south of the Canada border in northwestern Vermont and includes three counties—Chittenden, Franklin, and Grand Isle. The Burlington metropolitan area is a tourist destination partly because of its proximity to Montreal, Canada, New York City, and Boston. Access to natural resources in or around the metropolitan area, including Lake Champlain, the Green Mountains, and the Adirondack Mountains, allows for outdoor recreational opportunities, such as hiking, skiing, and cruises along the lake. The metropolitan area is also home to three 4-year institutions of higher education, UVM, Champlain College, and Saint Michael's College, with a combined enrollment of approximately 19,200 students during the fall of 2021 (National Center for Education Statistics). The presence of these institutions has supported jobs in the education and health services and the government sectors.

- As of August 1, 2022, the estimated population of the Burlington metropolitan area is approximately 228,100, representing an average increase of 1,300, or 0.6 percent,

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PD&R

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annually since July 2021. Net in-migration, which averaged 900 people a year, accounted for 69 percent of population growth since 2021; net natural increase accounted for the remaining 31 percent.

- From April 2020 to July 2021, during the early stages of the COVID-19 pandemic, population growth was slower, averaging 840 people, or 0.4 percent, a year because of net natural decline, which averaged 40 people a year; net in-migration accounted for all population growth, averaging 880 people a year (U.S. Census Bureau population estimates). For context, from April 2010 to April 2020, the population increased an average of 0.6 percent each year;

net in-migration and net natural increase, which averaged 770 and 620 people a year, accounted for 55 and 45 percent of population growth, respectively (U.S. Census Bureau decennial census counts).

- The college-age population, ages 18 to 24, accounts for a relatively large share of the population in the metropolitan area compared with Vermont and the nation, in large part because of the presence of UVM, Champlain College, and Saint Michael's College. In 2021, approximately 13 percent of the population was college-aged, compared with 10 percent in Vermont and 9 percent in the nation (2021 American Community Survey [ACS] 1-year data).

Economic Conditions

The Burlington metropolitan area has a geography similar to the Burlington-South Burlington, VT Metropolitan New England City and Town Area (hereafter, Burlington NECTA). This report uses the Burlington NECTA in the discussion of nonfarm payroll jobs because data are readily available for NECTAs from the U.S. Bureau of Labor Statistics. All other data in this report relate to the metropolitan area.

The economy in the Burlington NECTA is recovering from significant job losses that occurred in early 2020 because of the countermeasures taken to slow the spread of COVID-19. As of July 2022, approximately 78 percent of the 24,200 jobs lost during March and April 2020 have been recovered (monthly

data, not seasonally adjusted). The rate of job growth in the NECTA has decelerated during the past year; however, job gains have been relatively strong—up 2.0 percent during the 3 months ending July 2022 from the same period a year earlier. For context, nonfarm payrolls in the NECTA grew at an average annual rate of 1.4 percent from 2010 through 2019, before the onset of the pandemic.

During the 3 months ending July 2022—

- Nonfarm payrolls in the Burlington NECTA averaged 120,800, representing an increase of 2,400 jobs, or 2.0 percent, from the 3 months ending July 2021, when nonfarm payroll growth was stronger—up by 9,000 jobs, or 8.2 percent.

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During the 3 months ending July 2022, 8 of the 11 payroll sectors in the Burlington metropolitan area added jobs or were unchanged from a year ago.

	3 Months Ending		Year-Over-Year Change	
	July 2021 (Thousands)	July 2022 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	118.4	120.8	2.4	2.0
Goods-Producing Sectors	18.3	18.9	0.6	3.3
Mining, Logging, & Construction	6.1	6.4	0.3	4.9
Manufacturing	12.2	12.5	0.3	2.5
Service-Providing Sectors	100.1	101.9	1.8	1.8
Wholesale & Retail Trade	18.1	18.1	0.0	0.0
Transportation & Utilities	3.5	3.4	-0.1	-2.9
Information	2.2	2.2	0.0	0.0
Financial Activities	4.6	4.5	-0.1	-2.2
Professional & Business Services	15.4	15.8	0.4	2.6
Education & Health Services	21.4	22.0	0.6	2.8
Leisure & Hospitality	11.0	11.8	0.8	7.3
Other Services	3.9	4.0	0.1	2.6
Government	20.2	20.1	-0.1	-0.5
Unemployment Rate	3.0%	1.9%		

Note: Numbers may not add to totals due to rounding.

Source: U.S. Bureau of Labor Statistics

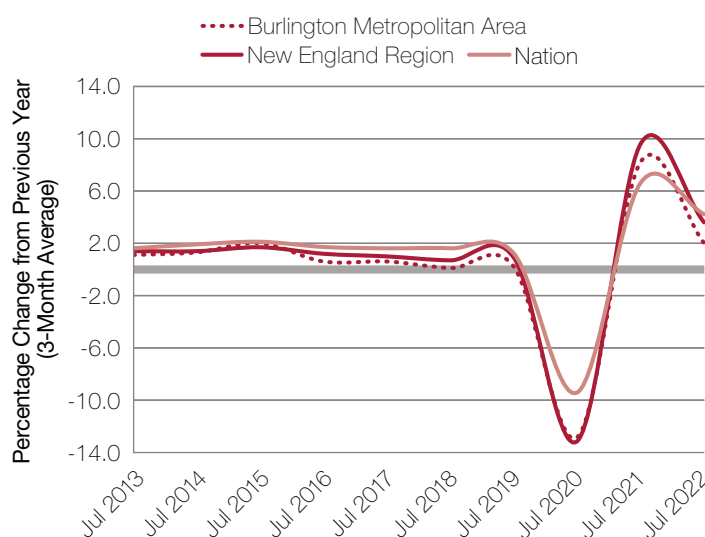


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- The fastest and largest job increase was in the leisure and hospitality sector, which grew by 800 jobs, or 7.3 percent, compared with an increase of 3,600 jobs, or 48.2 percent, during the same period a year earlier; job additions in the sector accounted for 33 percent of net job gains in the NECTA. The opening of new restaurants during the past year, including Bramble in the town of Essex, Kestrel Coffee Roasters in the city of Burlington, and May Day also in the city of Burlington, contributed to job growth in the sector.
- The education and health services sector is the largest sector in the Burlington NECTA, accounting for 18 percent of all nonfarm payrolls; that sector and the professional and business services sector had the second and third largest job gains, up by 600 and 400 jobs, or 2.8 and 2.6 percent, respectively, from a year ago. Partially offsetting these gains were losses in the transportation and utilities, the financial activities, and the government sectors, which declined by 100 jobs each, or 2.9, 2.2, and 0.5 percent, respectively, from a year ago.
- The unemployment rate in the Burlington NECTA averaged 1.9 percent, down from 3.0 percent during the 3 months ending July 2021 and from 7.3 percent during the 3 months ending July 2020. By comparison, the unemployment rate in the nation averaged 3.7 percent during the 3 months ending July 2022, down from 5.8 during the same period a year earlier and from 11.6 percent during the 3 months ending July 2020.

The education and health services and the government sectors are the largest sectors in the Burlington NECTA, with 22,000 and 20,100 jobs, respectively, during the 3 months ending July 2022. The University of Vermont Medical Center (UVM) and UVM, the largest university in Vermont, provide a strong economic base to the Burlington NECTA, supporting jobs in the education and health services and the government sectors. In the fall of 2021, graduate and undergraduate enrollment at UVM totaled 13,826 students, increasing 4 percent from the fall of 2020 (UVM Office of Institutional Research and Assessment). Based

The rate of job growth in the Burlington metropolitan area was lower than the rates for the New England region and the nation during the 3 months ending July 2022.



Source: U.S. Bureau of Labor Statistics

Largest Employers in the Burlington Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
The University of Vermont Medical Center	Education & Health Services	5,591
The University of Vermont	Government	3,991
GlobalFoundries Inc.	Manufacturing	2,500

Note: Excludes local school districts.

Source: Vermont Business Magazine 2021–2022 Book of Lists

on the most recent study, UVM contributed more than \$1.33 billion to the economy in Vermont during the 2014 to 2015 fiscal year (UVM), and The UVM Health Network, which includes UVM, contributed more than \$2.24 billion to the states of Vermont and New York (The UVM Health Network, 2014).

Sales Market Conditions

The sales housing market in the Burlington metropolitan area is tight, with an estimated sales vacancy rate of 0.7 percent—down from 1.7 percent in April 2010 when conditions were soft. Strong net in-migration and a limited supply of for-sale inventory contributed to the tight market conditions. During July 2022, a 1.3-month supply of homes was available for sale, down from 1.8 months in July 2021 and from 3.0 months in July 2020 (Redfin, a national real estate brokerage). The average number

of days a home remained on the market was low, at 7 days during July 2022, unchanged from July 2021 and much lower than 43 days during July 2020.

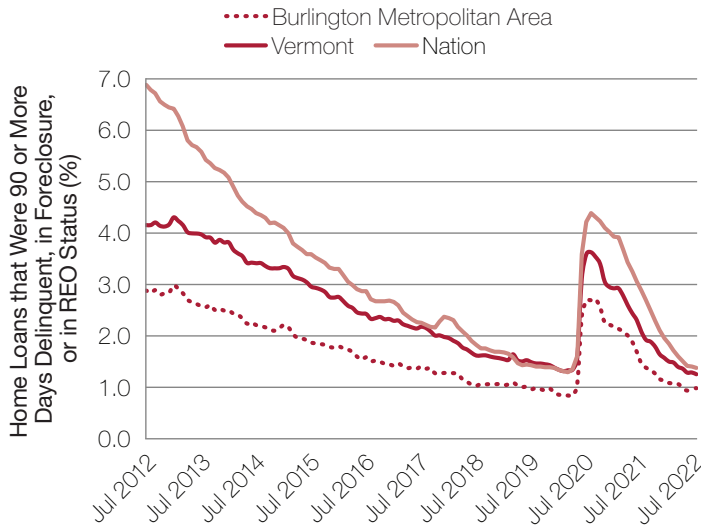
The percentage of home loans in the Burlington metropolitan area that were seriously delinquent or had transitioned into real estate owned (REO) status fell to 1.0 percent in July 2022 from 1.5 percent in July 2021 (CoreLogic, Inc.). The percentage has declined nearly each month since reaching a recent high of

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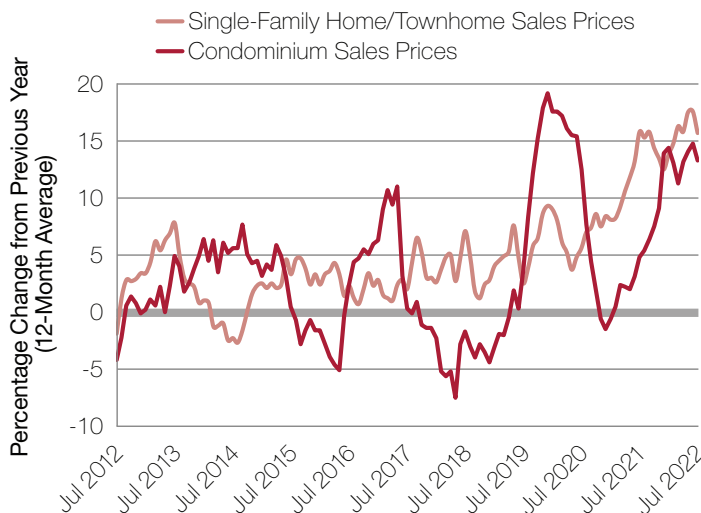
2.7 percent in September 2020. At the same time, the economy has been recovering following the recent economic contraction caused by the COVID-19 pandemic. The July 2022 rate in the Burlington metropolitan area was below the 1.3-percent rate for Vermont and the 1.4-percent rate for the nation.

The rate of seriously delinquent mortgages and REO properties in the Burlington metropolitan area has decreased significantly since reaching a recent peak in September 2020.



REO = real estate owned.
Source: CoreLogic, Inc.

The average sales price of single-family homes and townhomes in the Burlington metropolitan area rose at a faster pace than the average sales price of condominiums during the past 2 years.



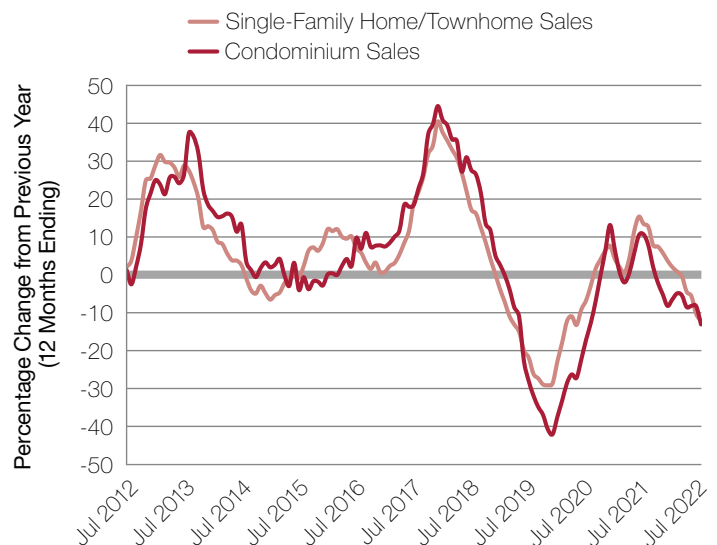
Note: Includes new and existing homes.
Source: Zonda

During the 12 months ending July 2022—

- Approximately 3,075 new and existing single-family homes and townhomes were sold in the metropolitan area, representing a decline of 420 homes, or 12 percent, from the 12 months ending July 2021 (Zonda). Lower levels of for sale-inventory contributed to the decline in the number of sales.
- The average sales price of new and existing single-family homes and townhomes reached an all-time high of \$451,700, an increase of 16 percent compared with the 12 months ending July 2021, when the average sales price also increased 16 percent from a year earlier. By comparison, the average sales price increased an average of 4 percent a year from 2012 through 2020.
- Sales of new and existing condominiums declined by 110, or 13 percent, to 760 units sold, partly because of a sharp increase in the average sales price, which rose 13 percent from a year ago. By comparison, sales of new and existing condominiums increased 11 percent during the 12 months ending July 2021, when the average sales price increased 5 percent from a year earlier.
- The average sales price of new and existing condominiums was \$336,900, approximately 25 percent lower than the average sales price of new and existing single-family homes and townhomes.

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Sales of single-family homes, townhomes, and condominiums in the Burlington metropolitan area declined during the past year.



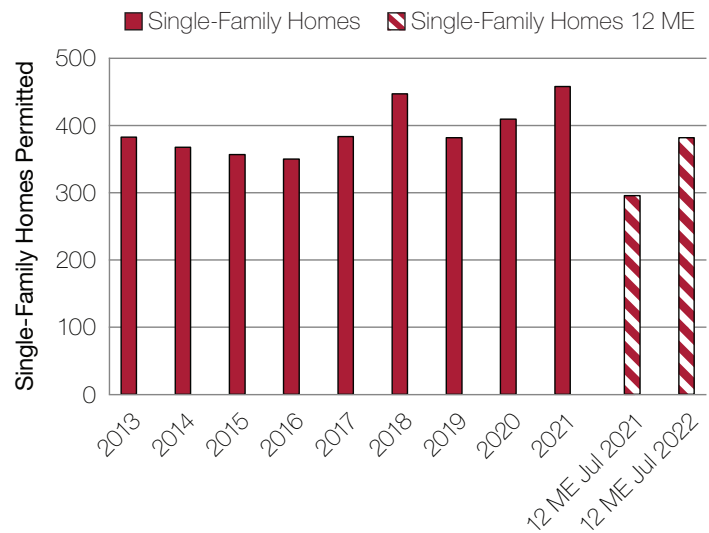
Note: Includes new and existing homes.
Source: Zonda

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Home construction, as measured by the number of single-family homes permitted, reached the highest level in 15 years during 2021, when nearly 460 single-family homes were permitted. High levels of net in-migration, partly resulting from expanded remote work opportunities following the onset of the pandemic, contributed to the rise in new home construction.

- During the 12 months ending July 2022, approximately 380 single-family homes were permitted, a 29-percent increase from the nearly 300 homes permitted during the 12 months ending July 2021 (preliminary data).
- During the 12 months ending July 2022, Chittenden County accounted for nearly 64 percent of all single-family homes permitted in the Burlington metropolitan area, with 250 homes permitted, representing a nearly 86-percent increase from a year earlier. Single-family homes permitted in Franklin and Grand Isle Counties during the same period accounted for 31 and 5 percent, respectively, of total single-family home construction in the metropolitan area, nearly unchanged from a year earlier.
- New home construction is underway at Clearview in the town of Milton in Chittenden County. Home sites are being developed by Sterling Homes, which will include single-family homes and duplexes built in multiple phases; the current phase of construction will have 15 single-family homes and 1 duplex, with prices starting from the low \$500,000s.

After declining in 2019, single-family homebuilding activity in the Burlington metropolitan area increased in 2020 and 2021.



12 ME = 12 months ending.

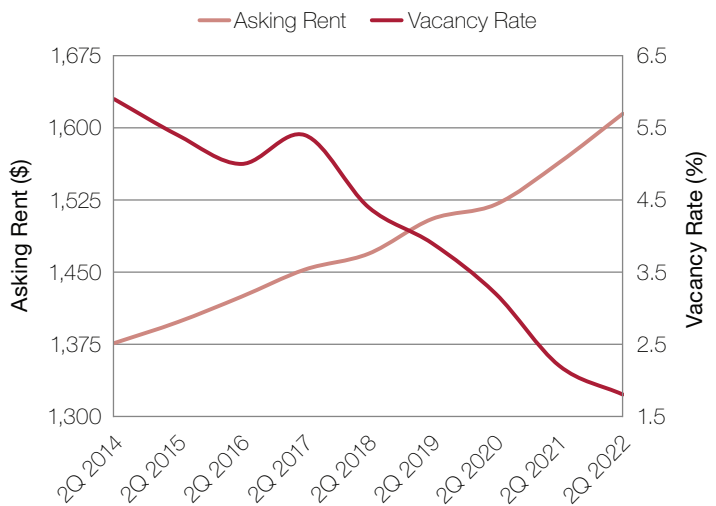
Sources: U.S. Census Bureau, Building Permits Survey; 2013–21—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Rental Market Conditions

Rental market conditions in the Burlington metropolitan area are very tight, relatively unchanged from a year ago but tighter than conditions in 2010 when the market was slightly tight. A rise in the number of renter households since 2010 has generally outpaced the construction of new rental units, contributing to the tightening of the rental market. Structures with five or more units, typically apartments, are the most common types of rental units in the metropolitan area, accounting for 50 percent of all occupied rental units in 2019, up from 35 percent in 2010 (2010 and 2019 ACS 1-year data). Single-family homes accounted for 18 percent of all occupied rental units during 2019, down from 21 percent in 2010.

- The overall rental vacancy rate (including single-family homes, mobile homes, and apartments) is estimated at 2.0 percent as of August 1, 2022, down from 4.5 percent in 2010.
- During the second quarter of 2022, the apartment market in the metropolitan area was also very tight, with a vacancy rate of 1.8 percent, down from 2.2 percent during the

During the second quarter of 2022, the apartment vacancy rate in the Burlington metropolitan area was at the lowest level in at least 8 years.



2Q = second quarter.
Source: CoStar Group

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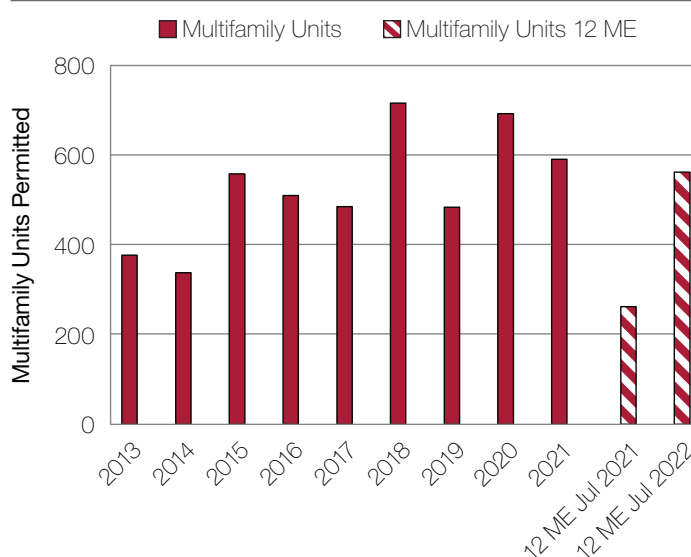
second quarter of 2021 (CoStar Group). The average apartment asking rent was \$1,614, up 3 percent from \$1,564 during the second quarter of 2021.

- The apartment vacancy rate in the CoStar Group-defined Burlington market area, which includes most of the city of Burlington and UVM, was 1.6 percent during the second quarter of 2022, down significantly from 4.1 percent during the second quarter of 2021. A 2-percent increase in student enrollment at UVM during the spring of 2022 compared with the spring of 2021 coincided with the decline in the vacancy rate. The average apartment rent in the Burlington market area was \$1,585, up 4 percent from \$1,519 during the second quarter of 2021.
- In July 2022, the average vacancy rate for professionally managed single-family homes was 1.2 percent, unchanged from July 2021 but slightly lower than 1.3 percent in July 2020 (CoreLogic, Inc.). The average rent for professionally managed, three-bedroom single-family homes was \$2,580 in July 2022, up 14 percent from a year earlier.

Multifamily construction in the Burlington metropolitan area, as measured by the number of units permitted, has been at higher levels compared with previous years since 2015. Tight apartment market conditions have contributed to the increased construction of new units.

- During the 12 months ending July 2022, approximately 560 multifamily units were permitted, a more than two-fold increase from the 260 units permitted during the previous 12-month period (preliminary data).
- After averaging 360 units permitted from 2013 through 2014, multifamily permitting increased to an average of 580 units a year from 2015 through 2021 in response to tightening apartment market conditions. Since 2013, approximately 4 percent of all multifamily units permitted in the metropolitan area were for condominiums, down from 5 percent of all multifamily units permitted during 2011 and 2012.

Multifamily units permitted in the Burlington metropolitan area increased during the 12 months ending July 2022 compared with a year earlier.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2013–21—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

- The Nest, a 49-unit apartment community currently under construction in downtown Burlington, will consist of one-bedroom and two-bedroom apartment units with rents ranging from \$1,800 to \$4,400. The completion of the development is expected by December 2022, bringing more rental supply to the city of Burlington, where UVM students primarily reside.
- Stuart Avenue Apartments, a 36-unit Low Income Tax Credit development under construction in the town of Colchester, is expected to be complete by the spring of 2023. It will include 14 one-bedroom, 14 two-bedroom, and 8 three-bedroom units, ranging from 600 to 1,200 square feet, and it will be affordable to households earning at or below 50, 60, and 80 percent of the area median income (AMI).

Terminology Definitions and Notes

A. Definitions

Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Existing Home Sales	Includes regular resales and REO sales.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Decline	Resident deaths are greater than resident births.
Net Natural Increase	Resident births are greater than resident deaths.
Rental Market/ Rental Vacancy Rate	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.
Seriously Delinquent Mortgages	Mortgages 90+ days delinquent or in foreclosure.

B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
2.	The Burlington-South Burlington, VT Metropolitan NECTA includes parts of Addison, Chittenden, Franklin, Grand Isle, Lamoille, and Washington Counties in Vermont. It includes all the major employment and population centers in the Burlington-South Burlington Metropolitan Statistical Area.