

CHAPTER 3

POPULATION AND HOUSING

1. Introduction

This chapter of the master plan examines the changing characteristics of Conway's population and housing stock over the past two decades. The first sections focus on the historical growth rate of the population, as well as demographic composition relative to age and income. Comparisons are also presented with regard to Conway's population growth relative to those of other municipalities in Carroll County. In addition, estimates are provided about seasonal fluctuations in Conway's total population and two different long-term growth projection scenarios are described.

The second part of the chapter provides information on the changing environment associated with Conway's housing supply and residential real estate market. An overview is presented about total housing growth, changes in housing mix in terms of the types of housing units constructed, and the affect that this housing growth has had on historical land use patterns. This is followed by an assessment of local and regional real estate market conditions, as well as an assessment of affordable housing.

In order to obtain data and information for this chapter, four principle methods were used. The first consisted of an analysis of population and demographic data that was provided by the U.S. Census. Where Census data information was not available, demographic data was obtained from Claritas, Inc. – a subscription-based provider of demographic data and information. It should be noted that the estimates provided by Claritas are consistent with the latest Census data. The second involved an analysis of property assessment records that was provided by the Town of Conway. Municipal assessment records provide information about key characteristics of residential and non-residential property within the town. The third method involved interviews with local real estate professionals (property managers and brokers) and municipal and state officials associated with affordable housing initiatives in order to obtain anecdotal information relative to the local residential real estate market. Finally, the fourth method involved analysis of regional real estate sales data provided by the New Hampshire Housing Finance Authority and the New Hampshire Association of Realtors which provided a context for analyzing the regional real estate market.

2. Summary of Findings and Conclusions

The following points summarize key population and housing findings and conclusions presented within this chapter. Additionally, various implications associated with population and housing changes are discussed.

In terms of population changes, the rate of Conway's population growth in the 1990s was slower than the growth rate during the 1970s and 1980s. However, the majority of Conway's recent population growth has been due more to the in-migration of individuals from outside of Conway, rather than by natural increase. The most interesting population findings include:

- Between 1960 and 2000, Conway added over 3,600 residents to its year-round population – representing an increase of 85%.
- The most significant portion of Conway's population growth occurred between 1970 and 1980, when

the population increased by 2,293 individuals.

- Between 1980 and 2000, Conway's population grew at a consistent rate of 27% during the 1980s and 23% during the 1990s. However, the towns with the fastest percentage growth rates were located in the southern portion of Carroll County, while towns in the northern portion of the county had slower population growth rates.
- During the 1980s, it is estimated that 35% of Conway's population growth was due to the migration of new residents into the town. However, during the 1990s, it is estimated that over 70% of Conway's population growth was the result of net migration – people moving into the town.
- Based on Conway's historic growth rate of approximately 1% per year, it is projected that Conway's population will increase to approximately 10,400 residents by 2020.
- Between 1990 and 2000, Conway experienced a decrease in the number of pre-school children (under 5 years) and young adults (20-24 years), and an increase in the number of school age children (5-19 years), middle-age families (35-54 years), near seniors (55-64 years) and seniors (65 years and over).

The development of residential dwelling units in Conway has been strong over the past two decades. Since 1996, the residential real estate market has experienced an upswing in the number of units sold, as well as the average selling price. Current trends indicate that numerous homebuyers are now interested in more affordable housing options such as manufactured homes. Other housing findings include:

- Conway currently has 5,927 housing units which is an increase of 428 units (7.8%) since 1990. Between 1980 and 1990, Conway experienced a surge in residential construction with the number of housing units increasing by 27% (1,169 units).
- Between 1990 and 1999, Conway issued the second largest number of residential building permits (532) for new construction in comparison with other communities in Carroll County.
- Throughout the 1990s, the Town of Conway issued approximately the same number of single family and multi-family residential building permits; approximately 40% of the total permits for each type of dwelling unit. Between 1990 and 2000, the number of permits issued for manufactured homes has steadily increased on an annual basis, which may be an indication that homebuyers are turning toward this type of affordable housing option as a reaction to steadily increasing prices within the region's housing market.
- Prior to the 1990s, residential development was primarily concentrated in small subdivisions (which gradually progressed into the expansion of these subdivisions into larger ones) and small isolated parcels. The most notable residential development pattern exhibited in the 1990s was the continued development of very large remote parcels (southeastern part of Conway) outside of the traditional urban areas.
- Both Conway and the region experienced strong residential real estate markets during the mid to late 1990s. Between 1996 and 2000, the number of single family housing units sold in Conway increased 103%, while the average sale price increased to \$111,619 representing a growth rate of 34%.
- Of Conway's 5,927 housing units, 1,797 are for seasonal use – representing approximately 30% of the town's total housing stock. Since 1990, the number of seasonal housing units has declined by about 9%.

Throughout the 1990s, Conway households experienced a gradual shift out of lower income brackets into higher income brackets. Despite this change, there are still a significant number of low-income households within the community. Household income findings include:

- Between 1990 and 2001, a shift of households out of the lower income brackets and into the upper income brackets occurred in Conway. This is particularly evident in the \$75,000 to \$99,999 and \$100,000 and over income brackets.
- Currently there are approximately 1,248 households (35%) in Conway that are classified as low income households (those which earn under \$25,000 per year – which represents approximately 50% of the median family household income in rural New Hampshire communities). Of the 1,248 low-income households in Conway, approximately 35% are headed by individuals who are 65 years of age or older.

Based on the population and housing findings presented throughout this chapter, implications about how Conway may change in the future include:

- The nature of Conway's population growth (in-migration rather than natural increase) has already affected the town's land use patterns and will no doubt continue to affect future development activities in the town.
- As with most communities, the aging of Conway's population will likely require a broadening and/or shifting in municipal services and infrastructure, as well as an evaluation of land use regulations and policies in order to ensure that these changes are addressed in future development initiatives.
- Because Conway enjoys the economic benefits of being a resort destination, the town must provide municipal services and infrastructure that is capable of handling the large influx of seasonal residents and tourists. This type of infrastructure demand has the potential to dramatically alter land use patterns and strain the community fiscally. In order to maintain a balanced approach to development, future land use regulations, design guidelines and policies will have to ensure that town-wide environmental, social, fiscal and economic impacts are considered in evaluating development proposals.
- Due to the steadily increasing demand for housing caused by the popularity of Conway, coupled with a low supply of housing units within lower price ranges, the town will have to consider policy changes that encourage the future development of affordable housing alternatives for residents. Failure to adopt measures that encourage the future development of affordable housing could constrict the availability of labor that might in turn negatively impact local economic activities.

3. Population Trends

During the past forty years the population of Conway, as determined by the U.S. Bureau of the Census, increased by 100% (4,306 people). A significant portion of this population growth, however, occurred between 1970 and 1980 when the town's population increased by 2,293 individuals, a growth rate of over 47% during that decade.

Between 1980 and 2000, the Town of Conway experienced fairly consistent growth, but at a rate somewhat slower than the 1970s. As shown in Table 3-1, Conway's population increased from 7,158 in 1980 to 8,604 in 2000, representing an increase of about 1,500 residents, or about 21%. Over this twenty year period, the greatest gains in population growth were experienced within the 1980s, as the population increased by 782

residents (11%). Population growth in the 1990s slowed marginally with the number of new residents increasing by 664 (8.4%).

	1980	1990	2000	# Change 80-90	% Change 80-90	# Change 90-00	% Change 90-00
Conway	7,158	7,940	8,604	782	10.9%	664	8.4%
Carroll County	27,931	35,592	43,887	7,661	27.4%	8,295	23.3%

Source: U.S. Census

Although Conway has undergone consistent population growth over the past twenty years, Carroll County has experienced exceptional growth over the same time period. Between 1980 and 2000, Carroll County's population increased by 15,956 residents – representing a growth rate of 57%, or nearly three times the rate experienced in Conway over the same time period. Population growth within the County, on a percentage basis, has been fairly consistent throughout the 1980s and 1990s, increasing by 7,661 (27.4%) residents between 1980 and 1990, and 8,295 residents (23.3%) between 1990 and 2000.

As the economic, healthcare, recreational, population and cultural “hub” of Carroll County and the Mount Washington Valley, it is important to understand the unique characteristics of Conway's population growth, as well as the distribution of people throughout the County. Table 3-2 presents a summary of population changes for all towns in Carroll County between 1980 and 2000. The table indicates, as previously noted, that the County grew at a fairly constant rate between 1980 and 2000, supporting a total population increase of 27% between 1980 and 1990, and 23% between 1990 and 2000. What is noteworthy however, is that the total population growth between 1980 and 2000 is not evenly distributed throughout the County. For example, towns with the largest population increases (nearly or in some cases doubling in size) such as Effingham (113%), Moultonboro (103%) and Wakefield (90%) are located in the southern tier of the County, while towns with slower population growth such as Conway (20%), Jackson (30%), Hart's Location (37%) and Chatham (37%) are located in the northern tier (Figure 3-1). This finding suggests that the population growth experienced in the County's southern tier communities has been influenced by quality of life factors associated with the Lakes Region of New Hampshire, as well as the economic growth and prosperity which has migrated north from the Greater Boston area into New Hampshire's southern and seacoast regions.

	1980	1990	2000	# Change			% Change			Pop. Capture Rate 80-00
				80-90	90-00	80-00	80-90	90-00	80-00	
Albany	383	536	654	153	118	271	39.9%	22.0%	70.8%	1.7%
Bartlett	1,566	2,290	2,705	724	415	1,139	46.2%	18.1%	72.7%	7.1%
Brookfield	385	518	604	133	86	219	34.5%	16.6%	56.9%	1.4%
Chatham	189	268	260	79	-8	71	41.8%	-3.0%	37.6%	0.4%
Conway	7,158	7,940	8,604	782	664	1,446	10.9%	8.4%	20.2%	9.1%

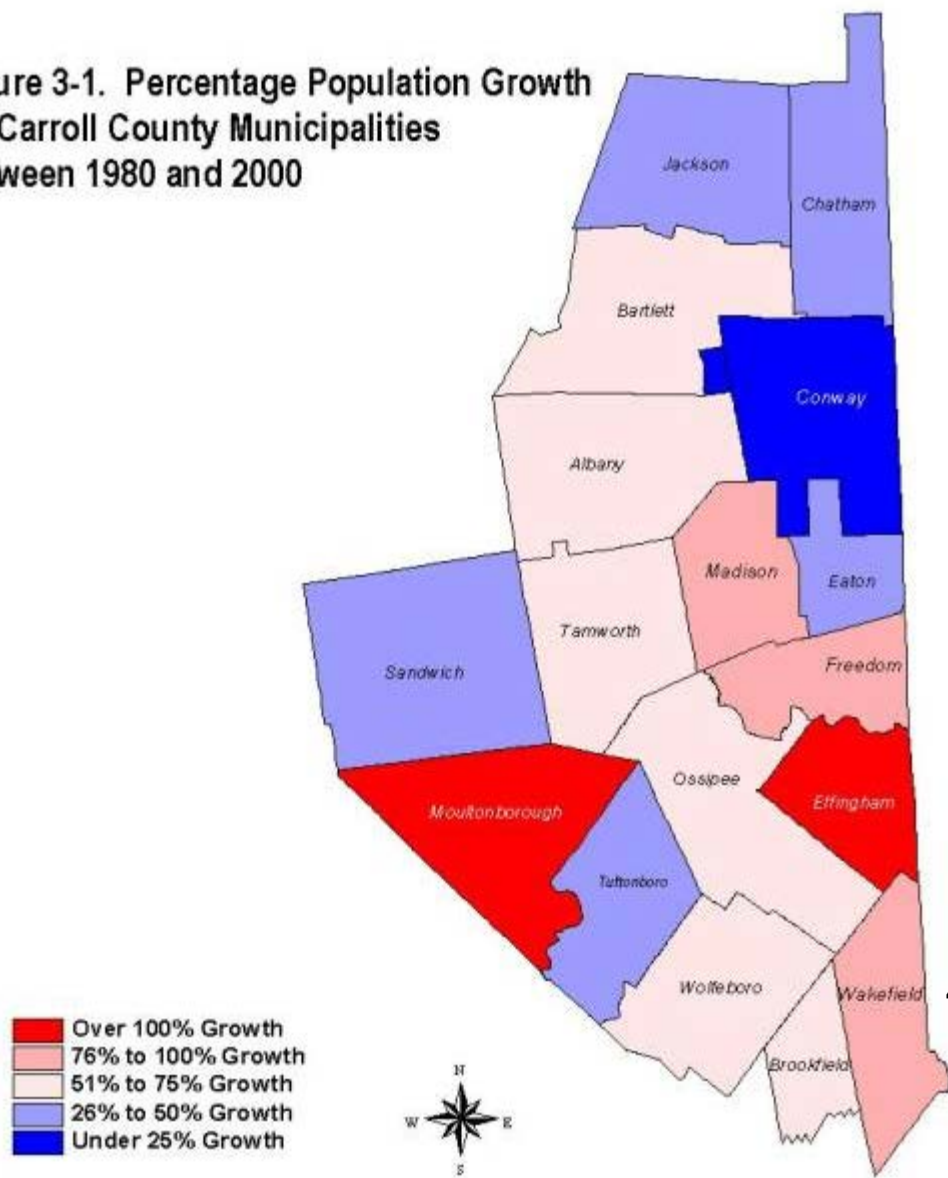
Although percentage growth rates are a useful tool for comparing relative growth among municipalities, it is equally important to examine the actual

Eaton	256	362	375	106	13	119	41.4%	3.6%	46.5%	0.7%	increase in population
Effingham	599	941	1,273	342	332	674	57.1%	35.3%	112.5%	4.2%	within a regional context.
Freedom	720	935	1,303	215	368	583	29.9%	39.4%	81.0%	3.7%	As previously noted,
Hart's Location	27	36	37	9	1	10	33.3%	2.8%	37.0%	0.1%	Conway's total
Jackson	642	678	835	36	157	193	5.6%	23.2%	30.1%	1.2%	population increased
Madison	1,051	1,704	1,984	653	280	933	62.1%	16.4%	88.8%	5.8%	from 7,158 in 1980 to
Moultonboro	2,206	2,956	4,484	750	1,528	2,278	34.0%	51.7%	103.3%	14.3%	8,604 in 2000. This
Ossipee	2,465	3,309	4,211	844	902	1,746	34.2%	27.3%	70.8%	10.9%	represents an addition of
Sandwich	905	1,066	1,286	161	220	381	17.8%	20.6%	42.1%	2.4%	almost 1,500 residents
Tamworth	1,672	2,165	2,510	493	345	838	29.5%	15.9%	50.1%	5.3%	over the twenty year
Tuftonboro	1,500	1,842	2,148	342	306	648	22.8%	16.6%	43.2%	4.1%	period, which represents
Wakefield	2,237	3,057	4,252	820	1,195	2,015	36.7%	39.1%	90.1%	12.6%	the fifth largest actual
Wolfeboro	3,968	4,807	6,083	839	1,276	2,115	21.1%	26.5%	53.3%	13.3%	increase of any
<i>Carroll County</i>											
<i>Total</i>	27,931	35,592	43,887	7,661	8,256	15,956	27.4%	23.3%	57.1%	100.0%	municipality in Carroll

Source: New Hampshire Office of State Planning

County over the same time period. The municipalities that experienced larger numeric population gains included Moultonboro (2,728), Wolfeboro (2,115), Wakefield (2,015) and Ossipee (1,746).

Figure 3-1. Percentage Population Growth for Carroll County Municipalities Between 1980 and 2000



4. Components of Population Change

Population growth is comprised of two primary components: natural increase (number of births less the number of deaths) and the net migration of people moving into or out of a

community. As shown in Table 3-3, most of Conway's population increase during the 1990s was due to migration rather than natural increase. Furthermore, the net migration of new residents moving into Conway dramatically increased in the 1990s as compared to the 1980s. The change in the natural increase component can be attributed to both the aging and movement of the baby boom generation out of the prime child-bearing years (20 to 34), as well as the attractiveness of the quality of life in the Mount Washington Valley to people living in other parts of New Hampshire and/or Massachusetts.

Town of Conway			
Population Change	Natural Increase	Net Migration	Net Migration as % of Pop. Change

1980-1989	817	526	291	35.6%
1990-2000	664	185	479	72.1%
Source: NH Department of Health and Human Services				

Another component of a town's population is the age distribution of its residents. As shown in Table 3-4, Conway, like almost all communities, is experiencing a general aging of the population caused by the progression of the large number of baby boomers into older age cohorts. Specifically, Conway's median age in 2000 was 39.9 years which represents an increase of five years since 1990. Projections indicate that Conway will continue to age over the next four years, with the median age increasing to 40.5 years by 2006. It is anticipated that the town's median age should continue to creep upward due, in part, to the continued aging of the population as well as the in-migration of baby boomers and near seniors who are attracted to the area's high quality of life for retirement.

As illustrated in Table 3-4, the number of near seniors (55-64), as a percentage of Conway's total population, has increased from 8.6% in 1990 to 9.7% in 2000 – representing an increase of approximately 1%. Furthermore, Claritas, Inc. estimates that the percentage of near seniors in Conway is expected to increase by another 3% between 2001 and 2006. In terms of overall actual and percentage gains, there are approximately 835 near seniors in Conway, which denotes an increase of 155 (23%) since 1990. Projections indicate that the number of near seniors is expected to grow faster than any other cohort in Conway increasing by 268 residents (33%) between 2001 and 2006.

	1990		2000		# Change 90-00	% Change 90-00
	#	%	#	%		
65 and Over	1,112	14.0%	1,329	15.4%	217	19.5%
55 to 64	680	8.6%	835	9.7%	155	22.8%
35 to 54	2,162	27.2%	2,797	32.5%	635	29.4%
25 to 34	1,432	18.0%	1,097	12.7%	-335	-23.4%
20 to 24	664	8.4%	411	4.8%	-253	-38.1%
5 to 19	1,329	16.7%	1,677	19.5%	348	26.2%
Under 5	561	7.1%	458	5.3%	-103	-18.4%
Total	7,940	100.0%	8,604	100.0%	664	8.4%
Median Age		34.9		39.9		

Source: U.S. Census

The largest portion of Conway's population is the middle-age (35-54) cohort which is currently 32.5% of the total population; this represents an increase of 5% since 1990. In addition to representing the largest gains in terms of percent of the total population between 1990 and 2000, the middle-age cohort experienced the largest actual and percentage growth of any cohort over the same time period, increasing by 635 (29.4%). Projections indicate that the middle-age cohort should lose a very small number of residents (23 or 0.8%) between 2001 and 2006. Having a large number of middle-age persons is often viewed as beneficial to a community because members of this respective cohort are generally at the peak of their income earning potential and are on track to move into the near senior cohort.

Interestingly, Conway has experienced a decline in the number of residents in the young families/singles (25-34) cohort over the past decade. Between 1990 and 2000, the number of residents in the young families/singles declined by 335, representing a decrease of 23%. This decline in the number of young families/singles is expected to continue over the next five years. As residents within this cohort typically start to have families, a decline in the number of residents within this cohort may lead to reductions in school enrollment in five to ten years. However, this reduction may be offset by established families with school age children moving into Conway over the same time period.

5. Household Characteristics

The population growth and age distribution of Conway's residents, combined with the nationwide trend of an increase in the number of single-parent households, has resulted in a corresponding impact on household growth and size. Currently the average household in Conway is comprised of 2.27 persons. As shown in Table 3-5, this represents a decrease of 0.10 persons (4.2%) between 1990 and 2000, and 0.10 persons (4%) between 1980 and 1990. Carroll County households, although a bit larger, are shrinking at a slightly slower pace as compared to Conway households. Households throughout the entire County experienced a similar reduction in size (4.1%) as Conway households (4.2%) during the 1990s.

	1980	1990	2000	# Change 80-90	% Change 80-90	# Change 90-00	% Change 90-00
Conway	2.47	2.37	2.27	-0.10	-4.0%	-0.10	-4.2%
Carroll County	2.51	2.45	2.35	-0.06	-2.4%	-0.10	-4.1%

Source: U.S. Census

As a result of this reduction in household size, combined with a modest increase in population, the number of households increased at a faster rate than population growth. For example, while Conway's population grew by 11.5% in the 1980s and 8.4% between 1990 and 2000, household growth, as shown in Table 3-6, increased by 14.8% and 12.3% over the same respective time periods. Projections for the next five years indicates that household growth rates should be virtually identical to each jurisdiction's population growth rate.

	# Households			# Change	% Change	# Change	% Change
	1980	1990	2000	80-90	80-90	90-00	90-00
Conway	2,879	3,306	3,714	427	14.8%	408	12.3%
Carroll County	11,074	14,253	18,351	3,179	28.7%	4,098	28.8%

Source: U.S. Census

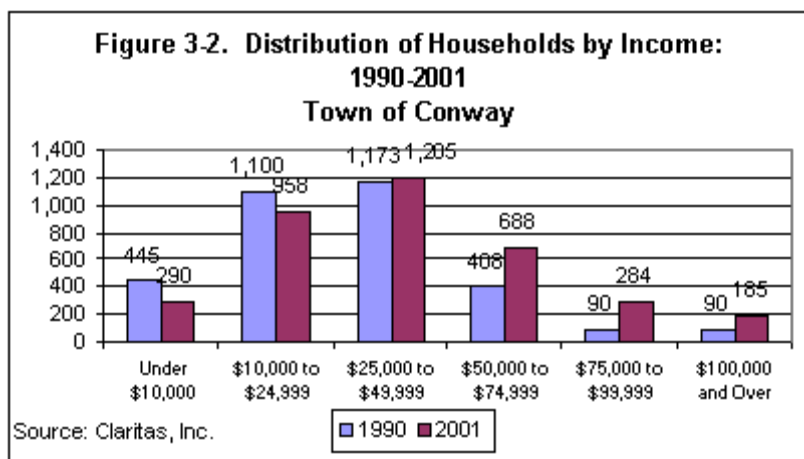
In terms of income trends, the Town of Conway currently has a median household income of approximately \$35,500 – which represents an increase of approximately \$8,700 (32%) since 1990, and \$14,200 (113%) between 1980 and 1990. As shown in Table 3-7, Conway's median household income is slightly less than the County's median household income level for all the time periods presented. However, although Conway's income level is slightly less, it increased by approximately 5% more than the County's level over the same time periods. Income projections indicate that existing household income characteristics in Conway and Carroll County should continue over the next five years, with the County having a slightly higher income level while Conway experiences a larger income growth rate. With Conway's consistently higher income growth rates over the past twenty years, as compared to the County, the disparity between Conway and the County's income level should be virtually nil by 2006-2010. That being said, addressing affordable housing issues on a regional scale should also be recognized.

**Table 3-7. Median Household Income Trends: 1980-2001
Town of Conway and Carroll County**

	1980	1990	2001	\$ Change 80-90	% Change 80-90	\$ Change 90-01	% Change 90-01
Conway	\$12,586	\$26,812	\$35,494	\$14,226	113.0%	\$8,682	32.4%
Carroll County	\$13,557	\$28,240	\$36,126	\$14,683	108.3%	\$7,886	27.9%

Source: Claritas, Inc.

As shown in Figure 3-2, between 1990 and 2001, Conway experienced a gradual shift of households out of lower income brackets into higher income brackets. This is particularly evident in the \$75,000 to \$99,999 and \$100,000 and over brackets, where the number of households in each bracket increased by 194 (216%) and 95 (106%), respectively, between 1990 and 2001. Despite these gains, the total number of households with incomes below \$25,000, which represents approximately 50% of the median family income in non-metropolitan areas of New Hampshire [1], was estimated at 1,248 households – representing about 35% of the total households. Based on this percentage, it appears that there are still a significant number of households in financial need within Conway. Furthermore, of the 1,248 households earning below \$25,000, approximately 35% were headed by individuals who are 65 years or older.



As indicated in Table 3-8, although Carroll County currently has a slightly higher percentage of households in the upper-income levels (\$75,000 or more), both the County and Conway have a similar distribution of households across all other income levels. Additionally, between 1990 and 2001, the growth of upper-income households in Conway increased by 161% - a pace which is comparable but slightly less than the 163% growth experienced in the County.

Table 3-8. Distribution of Households by Income 1990-2001

	1990		2001		# Change 1990-2001	% Change 1990-2001
	Households	% of Total	Households	% of Total		
Town of Conway						
Under \$10,000	445	13.5%	290	8.0%	-155	-34.8%
\$10,000 to \$24,999	1,100	33.3%	958	26.5%	-142	-12.9%
\$25,000 to \$49,999	1,173	35.5%	1,205	33.4%	32	2.7%
\$50,000 to \$74,999	408	12.3%	688	19.1%	280	68.6%
\$75,000 to \$99,999	90	2.7%	284	7.9%	194	215.6%
\$100,000 and Over	90	2.7%	185	5.1%	95	105.6%
Total	3,306	100.0%	3,610	100.0%	304	9.2%
Carroll County						
Under \$10,000	1,704	12.0%	1,364	7.7%	-340	-20.0%
\$10,000 to \$24,999	4,486	31.5%	4,387	24.7%	-99	-2.2%
\$25,000 to \$49,999	5,197	36.5%	6,379	35.9%	1,182	22.7%

Seasonal Population Estimates

Located in the heart of the White Mountains region, Conway is one of the most desirable and traveled tourist destinations in the state. As such, the area is subject to a significant influx of visitors attracted by a variety of outdoor activities, tourist attractions and

\$50,000 to \$74,999	1,938	13.6%	3,204	18.0%	1,266	65.3%
\$75,000 to \$99,999	531	3.7%	1,381	7.8%	850	160.1%
\$100,000 and Over	397	2.8%	1,058	6.0%	661	166.5%
Total	14,253	100.0%	17,773	100.0%	3,520	24.7%
Source: Claritas, Inc. and RKG Associates, Inc.						

shopping opportunities. Some of these visitors reside in seasonal housing units located in Conway, while other tourists seek

accommodations in a wide range of motels and similar lodging facilities in the Mount Washington Valley region. Whatever type of temporary lodging used by visitors and tourists, the Town of Conway must provide municipal facilities and services (e.g. sewer, water, roadways, police, fire, etc.) for a population greater than just the number of permanent residents identified by the U.S. Census. Although many of these visitors may only be staying in Conway for a short period of time, most municipal facilities have to be constructed and maintained on a year-round basis.

Since the use of seasonal dwelling units occurs in somewhat unpredictable patterns, it is difficult to estimate, with any certainty, the number of people that should be added to Conway's year-round population as a result of the occupancy of these types of units. However, the Institute for New Hampshire Studies' latest estimates indicate that the average travel party size visiting the state was 2.7 persons (Spring 2000). Therefore, based on a conservative estimate of three persons per seasonal unit suggests that if all of Conway's seasonal units (estimated at 1,797 dwelling units) were occupied simultaneously, the town's population would increase by approximately 5,400 people.

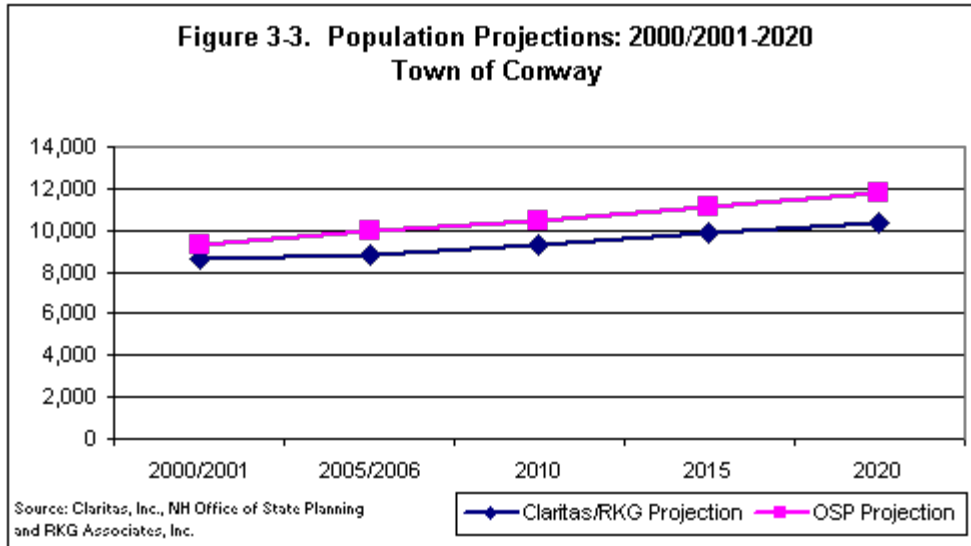
In addition to seasonal housing units, many tourists stay in rooms at local resorts, motels, hotels and bed and breakfast establishments. According to the Mount Washington Valley Chamber of Commerce and Visitor's Bureau, the entire Mount Washington region contains approximately 7,000 beds within lodging facilities. Conservatively assuming that each lodging room contains two beds, this translates into approximately 3,500 rooms within the region. This value is in-line with the 1991 estimate of 2,800 rooms identified in a study prepared by RKG Associates, Inc. in the same year for the New Hampshire Department of Transportation^[2]. Under the conservative assumptions that half of the lodging rooms in the Mount Washington Valley are in Conway (3,500 rooms total) and each room contains the average travel party of three persons, it is estimated that Conway's population could increase an additional 10,500 individuals during a peak travel period with full room occupancy. Therefore, factoring in the 5,400 occupants of seasonal dwelling units added to the 10,500 individuals staying in lodging facilities, it is estimated that Conway's population could conceivably increase to 24,500 during peak tourism periods. This represents an increase of about 185% over the residential population of Conway identified by the U.S. Census Bureau for the year 2000.

7. Population Projections

The potential long-term growth of a town such as Conway is dependant on many external regional, statewide and national factors such as economic conditions, real estate values and cycles, infrastructure capacity, the availability of land, etc. Basic population projection models typically do not consider these external regional, statewide and national forces and are therefore less accurate since they rely exclusively on historical population growth rates. The population projections presented within this section are a combination of estimates from the New Hampshire Office of State Planning and Claritas, Inc. However, since Claritas' population projections only extend five years to 2006, the consultant used Conway's historical growth rate between 1980 and 2001 (approximately 1% per year) and applied the growth rate to Claritas' 2006 population estimate over the next fourteen years (to 2020) to generate a long-range forecast. Neither population projection considers external factors and therefore should be interpreted as population "guideposts". Since build-out (land scarcity and increasing prices) and infrastructure capacity issues could limit growth rates in southern New Hampshire over the next twenty years, combined with the attraction of the quality of life within the Lakes Region and Carroll County, population growth in Conway could exceed current

and/or historic projection models.

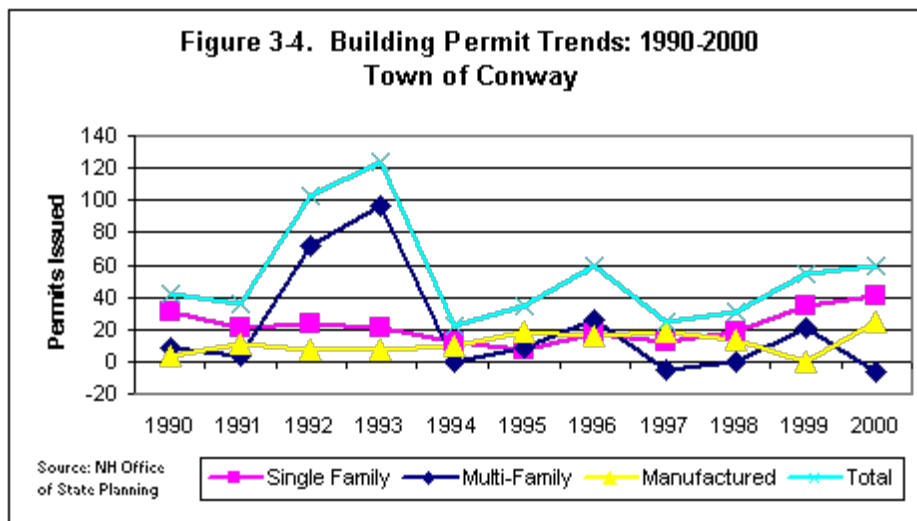
As shown in Figure 3-3, based on recent population estimates and a historic population growth rate of approximately 1% annually, it is estimated that Conway's population would be approximately 10,400 by 2020 – increasing by approximately 1,800 residents (21%). For comparative purposes, population projections prepared by the New Hampshire Office of State Planning (NHOSP) estimates that Conway's total population will increase to approximately 12,000 by 2020 – representing a growth rate of 28%. It should be noted that the NHOSP projection was generated in 1997 using pre-Census baseline (2000) population estimates, which were slightly higher than the Claritas baseline (2001) estimate. Furthermore, the NHOSP projection is based on Conway's share of Carroll County's growth (capture rate) over the past thirty years. The methodology used by NHOSP has produced annual population growth rates in Conway that are one-half to one-third of a percentage point higher than the projection prepared for this master plan.



8. Housing Supply and Construction Trends

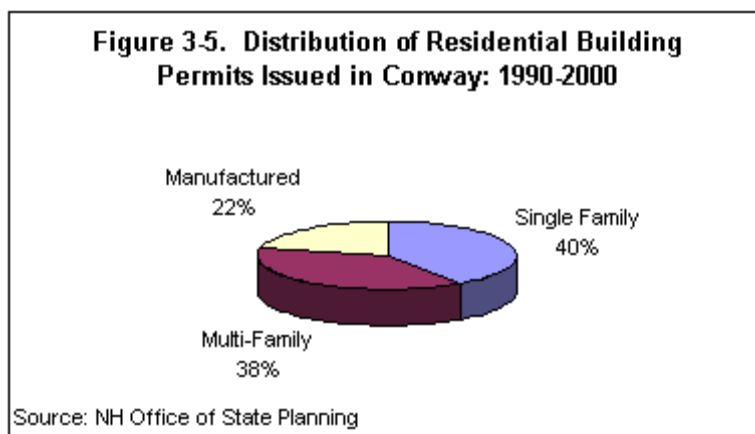
Compared to other towns within Carroll County, Conway's housing supply has undergone considerable expansion over the past ten years. According to the U.S. Census, Conway had 5,927 housing units in 2000, which represents an increase of 428 units (7.8%) since 1990. Interestingly, the increase in housing units (7.8%) is 4.5% less than the household growth rate for the town between 1990 and 2000. This increased growth of households, as compared to housing units throughout the 1990s indicates that Conway's housing supply has not kept up with changes in demand.

According to the NHOSP, between 1990 and 2000, 592 residential building permits were issued for new dwelling units in Conway. As shown in Figure 3-4, the total number of permits issued appears to spike heavily in 1992/1993 which is due to the issuance of a proportionately large number of multi-family permits. Excluding the 1992/1993 surge in multi-family building permits, the number of permits issued has remained relatively constant within a range of between 30 and 60 permits annually throughout the 1990s.



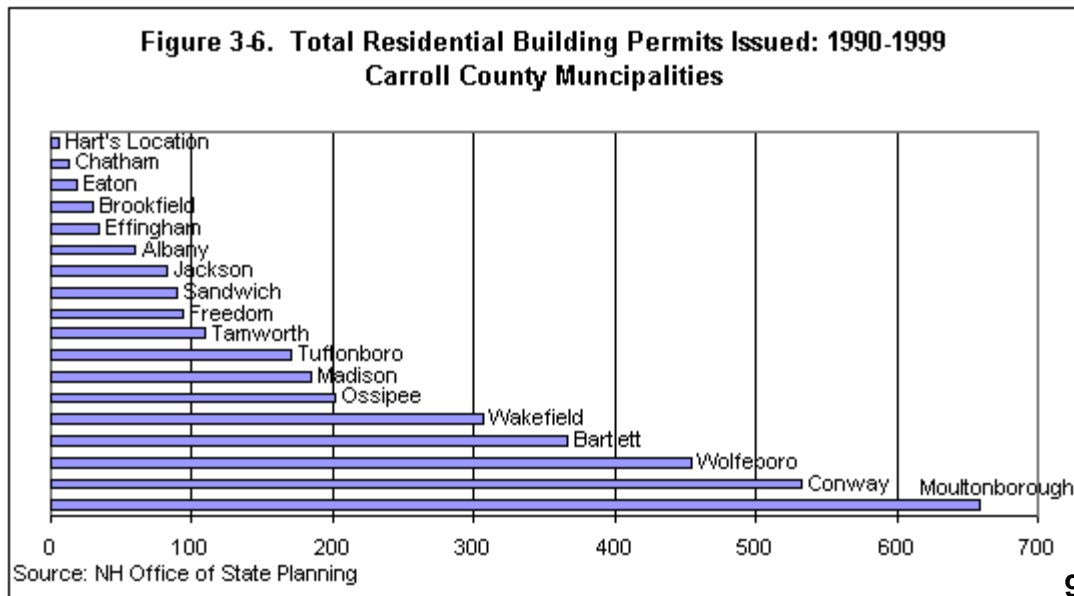
The spike in the issuance of multi-family building permits in 1992/1993 is attributed to the development of the Northbrook Condominiums on Ledgewood Drive in North Conway. This development consisted of eight separate buildings with a total of twelve units in each building. Notwithstanding the Northbrook development, this decline in construction activity in Conway during the early 1990s and the resurgence of construction in the late 1990s is indicative of the economic downturns and expansions experienced throughout New Hampshire during those time periods.

In terms of the distribution of the total number of building permits issued throughout the 1990s, the proportion of single family and multi-family permits issued were about the same, at approximately 40% each (Figure 3-5). Interestingly, between 1990 and 2000, the number of manufactured home permits issued increased on an annual basis. This increase in the number of manufactured homes may be an indication that homebuyers are turning toward this type of lower cost housing option as a reaction to steadily increasing prices within the region's housing market. More details concerning the regional real estate market are provided in a subsequent section of this chapter.



From a regional perspective, Conway issued the second largest number of residential building permits for new construction over the last decade when compared to other communities in Carroll County. As shown in Figure 3-6, Conway was second only to Moultonborough in terms of the total number of building permits issued between 1990 and 1999. Although population growth has been most precipitous in towns in the southern portion of Carroll County, there does not appear to be the same linkage or correlation for residential construction activity. For example, the southern towns of Moultonborough and Wakefield experienced significant percentage gains in population throughout the 1990s (52% and 39% respectively), and also experienced considerable residential construction activity over the same time period (17% and 10% growth in the number of permits issued respectively). However, there are examples of more northerly communities,

such as Conway and Bartlett, which experienced significant residential construction (10% and 11% growth in the number of building permits issued) with only modest population increases (8% and 18% respectively) over the same time period. Furthermore the Town of Effingham, which experienced the largest percentage population increase of any town in Carroll County, issued only 34 residential building permits (the fifth lowest total of any town in the County).



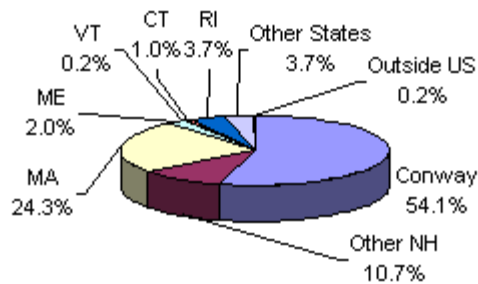
9. Seasonal Housing

In addition to housing units that are occupied on a year round basis, Conway, as a tourist and vacation destination, has a significant portion of its housing supply that is only used on a seasonal basis. Typically seasonal housing units are primarily used during the peak tourist periods, which in many communities is summer. However, due to Conway's niche as both a summer outdoor recreation and shopping area and winter ski destination, many seasonal housing units in the town (comprised of both condominium and non-condominium dwelling units) are used at different time periods throughout the year.

According to the 2000 Census, Conway had 5,927 housing units of which 1,797 are designated as seasonal units – representing approximately 30% of the total housing stock. Based on Census data, Conway, between 1990 and 2000, experienced a reduction of 400 dwelling units classified as seasonal. This represents a 9% decline in seasonal dwelling units as a share of the total housing stock. The drop in the number of seasonal housing units could be attributed to the conversion of some of these dwellings to year-round units. However, the drop in the number of seasonal units may also be attributed to a change in the Census Bureau's definition of a seasonal unit.

In addition to the information on seasonal housing units provided by the Census, Conway's property assessment database was used to identify, in general terms, an estimate of seasonal housing units. It must be noted that this type of analysis provides only a "broad-brush" indicator of seasonal housing as the database does not distinguish whether each respective unit is seasonal or year-round. The assumption was made that due to the attraction of Conway as a seasonal destination, that the majority of units owned by individuals who list a mailing address outside of Conway would be using the Conway property as a seasonal or secondary home. It was also assumed that a small portion of the units owned by individuals who live outside of Conway are rented to local residents. This type of analysis, however, does not indicate seasonal units within Conway that are owned by Conway residents. As indicated in Figure 3-7, 54% of the single family units, condominiums and mobile homes are owned by Conway residents. About 25% of these dwelling units are owned by people who list Massachusetts as their mailing address.

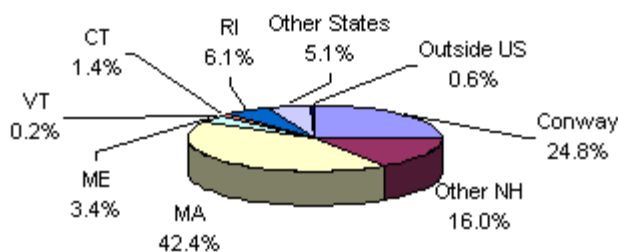
Figure 3-7. Origin of Homeowners: Town of Conway



*Note: Includes single family units, condominiums and mobile homes.
Source: Town of Conway assessment database.

Although Conway residents own the majority of the residential units analyzed in Figure 3-7, when the origin of ownership for condominium units is analyzed, individuals from outside of Conway own a majority of these units. As indicated in Figure 3-8, Conway residents own one quarter of the condominium units with 16% of the units owned by New Hampshire residents that list an address outside of Conway. It is interesting to note that over 40% of the condominium units are owned by individuals from Massachusetts - by far the largest origin of ownership for condominiums in Conway.

Figure 3-8. Origin of Condominium Owners: Town of Conway



Source: Town of Conway assessment database.

10. Age of Housing Stock and Geographic Distribution

The age of a community's housing stock can provide an indication about the condition, quality and safety of the housing units. Older units may have been constructed to standards, from the perspective of building codes and life safety requirements, that may not be as demanding especially in regard to multi-family units. As indicated in Table 3-9, approximately 75% of Conway's housing stock could be considered relatively new having been constructed over the past 40 years (since 1960). Approximately 8% of the housing stock was constructed between 1940 and 1960, with the remaining 18% being constructed before 1940. It should be noted that in order to determine the age of housing units within Conway's housing stock, the Assessor's database for the date of construction (year built) of all residential dwellings was tabulated. As such, reliable year built data was only available for a portion of Conway's housing stock namely single family homes, multi-family homes and condominium units. Year built data was not available for mobile homes (both in parks and on individual lots) and was therefore omitted from the analysis.

Table 3-9. Age of Housing Stock*

Town of Conway	
Year Built	% of Total
Pre-1940	17.7%
1940-49	4.1%

1950-59	3.8%
1960-69	7.8%
1970-79	23.5%
1980-89	32.8%
1990-00	10.4%

*Note: For the purposes of this analysis, the housing stock includes only single family, multi-family and condominium units.

Source: Town of Conway Assessor's Database

As shown in Table 3-9, approximately one out of every three housing units in Conway was constructed during the 1980s – which coincides with the large influx of residents during the same time period.

Based on year built data obtained from the town's assessment records, the location of new home construction in Conway has been mapped (Map 3-1) which illustrates how residential development patterns have evolved over time. Between 1940 and 1969, most of the residential development occurred within a combination of small subdivisions (near Trout Pond for example) and numerous sporadic isolated lots – many of which are waterfront parcels on Conway Lake.

The residential development patterns during the 1970s shifted into larger subdivisions, primarily located off of secondary roads, including the areas near Woodland Grove, Thorn Street, Birch Hill, Echo Lake, and Old Mill Road.

The building boom of the 1980s brought about the continued development of existing subdivisions (Birch Hill and along the Saco River) as well as the development of smaller concentrated residential areas (near Pequawket Pond and Weston Way). Additionally, new residential growth, primarily single family homes on large lots, started to spread into the less developed areas of Conway.

Residential growth in the 1990s continued with the build-out of existing subdivisions (Birch Hill) as well as sporadic small subdivision developments (Cranmore Brook area). The most notable residential development pattern exhibited in the 1990s was the continued development of very large remote parcels outside of the traditional urban areas (southeastern part of Conway).

11. Housing Values, Market Trends and Rental Rates

An analysis of housing values and sales provides an indication of the strength of a community's housing market with regard to impacts on the property tax base, the growth in value over time, as well as how sales prices are trending. The supply and demand for housing also affects the affordability of housing within a community. In order to understand the housing market within Conway and the surrounding region, home sales data was analyzed. The three sources of data consulted for this analysis included residential sales provided by Conway's property assessment records, as well as regional and statewide sales data provided by the New Hampshire Housing Finance Authority and the New Hampshire Association of Realtors.

**Table 3-10. Existing Home Sales: 1996-2000
White Mountain Regions*, North Country
Region and New Hampshire**

White Mountain	North Country	New Hampshire

In terms of the regional housing market, according to the New Hampshire Association of Realtors, 769 homes were sold in the year 2000 within the White Mountain Region^[3], which represents an increase of 74% (327 homes) since 1996. It should be noted

	Region	Region	
1996	442	291	13,812
1997	503	336	16,069
1998	686	678	19,887
1999	802	722	20,998
2000	769	750	20,348
# Change 96-00	327	459	6,536
% Change 96-00	74.0%	157.7%	47.3%

*Note: White Mountain Region consists of Albany, Bartlett, Chatham, Chocorua, Conway, Eaton, Effingham, Freedom, Hale's Location, Jackson, Madison, Ossipee and Tamworth.
Source: New Hampshire Association of Realtors

that this data includes the sales of both existing homes and newly constructed units. Comparatively, the White Mountains Region outperformed the state in terms of existing home sales growth by about 27%. However, it is interesting to note that the North Country Region^[4] experienced homes sales growth that outperformed both the State (by 110%) and the White Mountains Region (by 84%). Table 3-10 presents a summary of home sales within the White Mountain and North Country Regions as well as the state of New Hampshire.

[Map 3-1 Res. Dwellings by year built](#)

As is the case with the growth in home sales, the median sale price of homes has also experienced significant change. Between 1996 and 2000, the median sale price for both new and existing homes in Carroll County increased from \$90,000 to \$109,900, representing an increase of \$19,900 (22%). As illustrated in Figure 3-9, over the same time period the median sale price for homes in Coos County increased from \$65,000 to \$70,000, representing an increase of \$5,000 (8%). The dramatic increase in home sales in the North Country Region/Coos County coupled with the relatively flat sale price growth suggests that this portion of the state is probably an affordable alternative to the White Mountains/Carroll County Region.

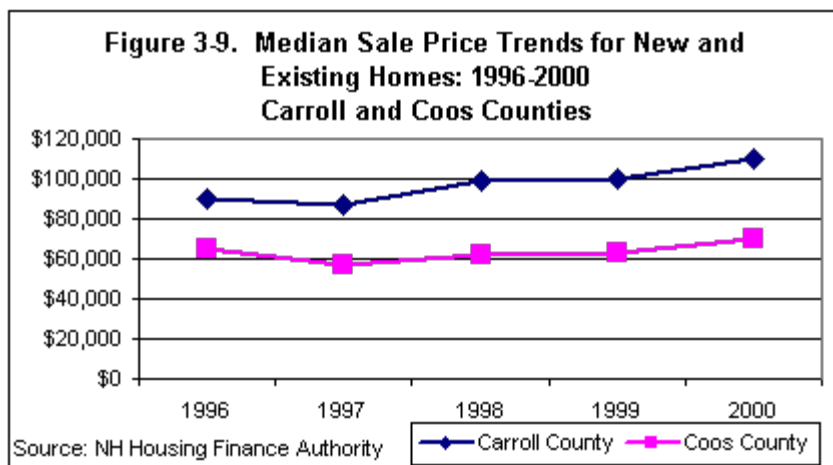


Table 3-11 presents a summary of residential sales in Conway between 1996 and 2000, as provided by the town's assessment records. These sales provide a reliable representation of Conway's current residential real estate market conditions since only arms-length transactions, (sales that do not include foreclosures, distress sales, sales between relatives or government agencies, etc.) were evaluated.

**Table 3-11. Average Annual Sales Price* of Residential Housing Units: 1995-2000
Town of Conway**

Unit Type	1995		1996		1997		1998		1999		2000		1995-2000	
	# Sales	Sale Price	# Sales	Sale Price	# Sales	Sale Price	# Sales	Sale Price	# Sales	Sale Price	# Sales	Sale Price	\$ Change	% Change
Single Family	77	\$80,529	67	\$83,466	76	\$87,608	86	\$91,916	141	\$97,740	136	\$111,619	\$31,091	38.6%
Multi-Family	N/A	N/A	N/A	N/A	4	\$138,950	5	\$123,940	11	\$118,845	5	\$96,483	N/A	N/A
Condominium	17	\$82,371	32	\$68,884	48	\$75,360	60	\$83,247	72	\$79,824	79	\$81,632	-\$739	-0.9%
Mobile Home**	23	\$23,941	20	\$23,832	24	\$23,721	27	\$17,674	27	\$20,785	29	\$26,790	\$2,848	11.9%
Total	117	\$69,672	119	\$69,031	152	\$75,004	178	\$78,632	251	\$85,248	249	\$92,201	\$22,529	32.3%

*Note: Only includes arms-length transactions.
**Note: Includes mobile homes in parks and on owner occupied land
Source: Town of Conway Assessment Department.

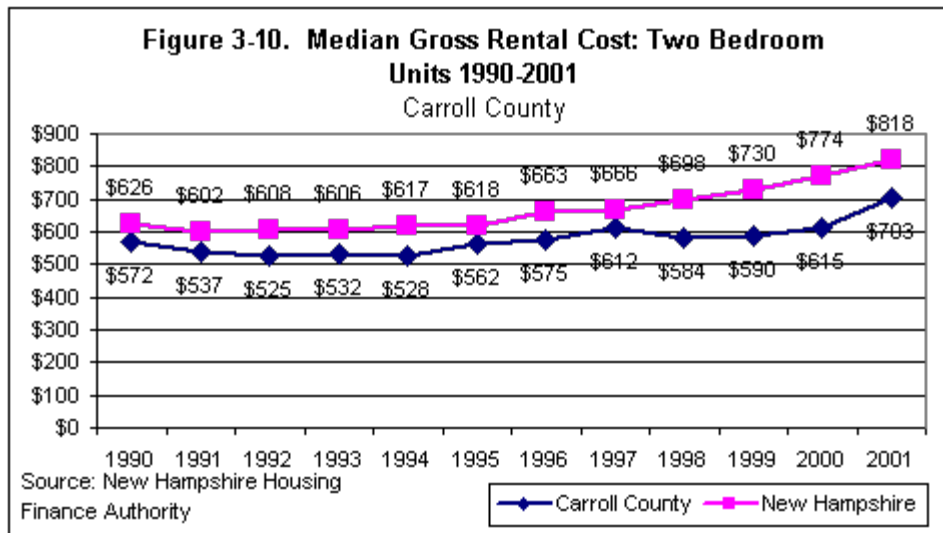
The data indicates that the residential real estate market in Conway has emulated the regional real estate market throughout the late 1990s, with strong growth in the number of units sold (of all types) as well as the average sales price. This strong growth is exhibited in the dramatic increase in the number of single family units sold, from 67 in 1996 to 136 in 2000, representing an increase of 103%. Although the total number of units sold declined slightly between 1999 and 2000, the overall demand for homes in Conway has pushed the average sales price for a single family home from \$83,466 in 1996 to \$111,619 in 2000, representing an increase of over \$28,000 (34%) over this short timeframe.

Other types of residential dwelling units have experienced growth in both the number of units sold and the average selling price. For example, between 1996 and 2000, the number of condominiums sold has more than doubled from 32 to 79 units, with the average selling price increasing from \$68,884 to \$81,632 (19%). Mobile homes (also referred to as manufactured housing) appear to be the affordable housing option in Conway with the average selling price being less than \$27,000^[5] in 2000. This finding is substantiated by the steady annual increase in the number of manufactured home building permits issued by the town between 1990 and 2000.

Based on an analysis of the arms-length transactions of residentially zoned land in Conway between 1996 and 2000, indications are that the pace of land sales has been increasing. With the exception of 1997, the number of residential acres sold has increased annually with 27 acres sold in 1996 and 102 acres sold in 2000 – representing an increase of 75 acres (274%). An analysis of the weighted average sale price per acre indicates that during the sample period, residential land has been selling at between \$3,600 and \$16,400 per acre. Discussions with realtors in Conway revealed that prices for buildable lots vary throughout Conway based on location, view, topography, buildable area and infrastructure services available to the parcel. Due to the variety of site factors, prices normally range from \$8,000 to \$50,000 per acre.

In contrast to the for-sale housing market, readily available information relative to the rental market in Conway is practically non-existent. In order to effectively determine the strength of the residential rental market in Conway, a market study would need to be completed. However, rental market information is available at the regional level. The New Hampshire Housing Finance Authority (NHHFA) prepares an annual rental housing survey^[6] which provides a snapshot of the residential rental market at the county and state level. The NHHFA 2001 survey for Carroll County, which was based on a small sample of developments, found that the monthly median gross rents for apartments were as follows: a one bedroom unit, \$515; two bedrooms, \$703; and, three bedrooms, \$936. Between 1990 and 2001, the median gross rent for a two bedroom unit in Carroll County increased by \$131 (23%). As indicated in Figure 3-10, median rental rates for two bedroom units in Carroll County have generally modeled the statewide trend line for median rent. However, median rental rates for two bedroom units in Carroll County are generally between 80% and 90%

of the statewide rental rate.



12. Affordable Housing

The issue of affordable housing within New Hampshire has become one of the more contentious problems facing the state and local communities. The booming economic growth experienced throughout the state during the late 1990s and into 2000, fostered employment growth that resulted in an influx of workers into New Hampshire to fill newly created positions. However, although the expansion of the state economy produced positive economic indicators (very low unemployment and increases in the gross state product), these benefits have also contributed to skyrocketing home sale prices and rental rates and plummeting vacancy rates.

In a recent report, entitled *Feeling the Pinch: Wages and Housing in New Hampshire*, completed by the New Hampshire Housing Forum, housing, economic and wage findings show how affordable housing across the state has reached crisis proportions. The findings include:

- New home costs have risen sharply during the late 1990s to a median sale price of \$180,000 in 1999; while the median sale price of existing homes has risen to \$120,000;
- Between 1995 and 2000, the rent for the average two bedroom apartment unit in New Hampshire increased 25% from \$618 to \$774, while wages have remained relatively stagnant;
- Increased population growth coupled with low multi-family housing production has pushed vacancy rates below 1% in most cities and towns and 1.6% statewide;
- Despite the economic expansion, only the top fifth of New Hampshire families gained in real income over the last decade;
- Although single family construction has recovered to pre-boom levels, new construction of multi-family units has not. Currently there is a cumulative shortfall of approximately 25,000 rental units throughout the state.

The lack of affordable housing throughout the state is only exacerbated by the decline in real income for most New Hampshire families. Between 1988 and 1998, the average real income (income dollar amounts adjusted to compensate for inflation) for the bottom four-fifths of New Hampshire families declined anywhere from 3.5% to 15%. Only the top fifth of New Hampshire families experienced growth in real income, increasing by about 9% over the last decade.

The findings of this report indicates that the lack of affordable housing are further compounded by the fact

that significant portions of New Hampshire's employment base are structured around low-wage service industry jobs. For example, 38% of the jobs in New Hampshire paid less than \$10 an hour in 1997. Occupations within earning incomes at this level include child care workers, safety and security officials and social service workers. A way to define the affordability gap is to analyze what a family would need in order to afford housing in the state – commonly referred to as a “housing wage”. Using a formula incorporating the statewide median gross rent level for a two bedroom apartment, the widely accepted 30% of gross income standard for housing costs and a typical working week, a family in New Hampshire needs a wage of at least \$14.88 per hour in order to afford housing. In order to meet this wage level and provide basic shelter needs, many families must incorporate two wage earners which typically introduces the need for child care that then places additional strains on the family budget. The report continues to paint a bleak picture for access to affordable housing throughout the state by indicating that 45% of renters throughout the state (50% in Carroll County) cannot afford the fair market rent for a two bedroom dwelling unit.

Typically affordable housing issues affect larger urban areas such as the major cities across the country. However, the lack of affordable housing also impacts suburban and smaller communities as well. In a survey of least affordable housing released in January 2002 by the National Association of Homebuilders (NAHB), the Portsmouth-Rochester region ranked as the tenth least affordable community in the country. The other nine communities, such as large urban and suburban areas are all located in California. The list is compiled annually by the NAHB which compares family incomes and home prices for metropolitan areas around the country. The latest survey is based on third-quarter income and home price estimates for 2001.

As many households are priced out of the expensive home purchase market, many are turning to an increasingly popular and viable affordable housing alternative – manufactured housing. Manufactured housing includes both trailer-style mobile homes and prefabricated homes set on permanent foundations. A typical double-wide manufactured home in New Hampshire sold for approximately \$60,000 in 1997. The attractiveness of this type of housing alternative has grown in popularity across the state increasing 11% to a total of 46,375 units in 1999 – representing 8% of the total housing units in New Hampshire^[7].

In order to address the affordable housing crisis in New Hampshire, the New Hampshire Housing Forum report offers several recommendations or principles to guide decision makers in responding to the housing shortage issues. These principles include:

- *Face the Problem Squarely:* Due to the inevitability of population growth, communities opposing growth export housing problems to neighboring communities thus creating problems not only for their neighbors, but for the state as a whole;
- *Recognize that Low Wages are as Much a Part of the Problem as Low Housing Supply:* The wages of workers in the services sector have not kept pace with the cost of housing. Although solutions to the wage problem are not given, wages must be part of the overall discussion on affordable housing;
- *Take Advantage of Discounts:* The state should take advantage of all federal housing funds and appropriate matching state funds where applicable;
- *Discourage “No Vacancy” Community Land Use Planning:* Although zoning authority is delegated to local municipalities, the state should encourage mechanisms to ensure that local planning efforts do not limit the construction of housing in certain communities;
- *Reward Creativity:* The state should provide incentives such as tax credits, conservation grants and school aid, to communities who are actively engaged in dealing with the affordable housing problem.

13. Affordable Housing in Conway

As outlined in the previous section, the lack of affordable housing is a significant problem for New Hampshire. The U.S. Department of Housing and Urban Development provides definitions of area income levels that reflect a range between very low (50% of area median family income), low (80% of area median family income) and median income levels. For the purposes of this analysis, a moderate income level of 150% of the median family income level has been provided. Table 3-12 presents a comparison of income levels ranging from 50% to 150% of the median family income threshold for Carroll County housing market as of 2001. In addition to the income levels, the table also identifies the maximum housing costs for home ownership and renter households, based on 28% and 30%, respectively, of the total gross income. Typically, real estate and financial analysts consider that homeowners should allocate no more than 28% of their gross income and renters should allocate no more than 30% of their gross income for housing expenses.

Table 3-12. Estimated Maximum Housing Cost Based on Percentage of Median Family Household Income Levels Carroll County Housing Market		
Owner Occupied Units		
	Family Income	Max. Annual Housing Cost(1)
150% of Median	\$61,950	\$17,346
Median	\$41,300	\$11,564
80% of Median	\$33,040	\$9,251
50% of Median	\$20,650	\$5,782
Renter Occupied Units		
	Family Income	Max. Monthly Rent(2)
150% of Median	\$61,950	\$1,549
Median	\$41,300	\$1,033
80% of Median	\$33,040	\$826
50% of Median	\$20,650	\$516
(1) Based on 28% of gross income		
(2) Based on 30% of gross income		
Source: U.S. Department of Housing and Urban Development and RKG Associates, Inc.		

Table 3-13 presents two scenarios related to the annual housing costs required to purchase a average priced (\$111,619) single family home in Conway in 2000. The first assumes a 10% downpayment and a 6.5% interest rate, and the second a slightly higher interest rate of 7.5% with a 5% downpayment. Under the first homeownership scenario, households within Carroll County that have incomes ranging from the median to the 150% of the median would be able to purchase the average priced home in Conway based on the sale prices of 2000. Households within the 80% and 50% income range would not be able to afford a median priced home in Conway. Under the second scenario, only households in the 150% range would be able to afford the average priced house in Conway. It is conceivable that households at the median income level could afford the cost, however they would be at the margin allocating 28.2% of their income toward shelter. Households within the 80% and 50% income range could not afford the average priced home in Conway based on 2000 sales values. Discussions with real estate professionals in Conway indicate that since 2000, the residential real estate market has become even "tighter" with almost no single family homes on the market listing for \$100,000 or less. Units that are selling for under \$100,000 are typically very small, in poor condition or are manufactured housing.

	10% Down 6.5% Interest	5% Down 7.5% Interest
Average Sale Price (1)	\$111,619	\$111,619
Down Payment	\$11,162	\$5,581
Mortgage Amount	\$100,457	\$106,038
Annual Mortgage Amount	\$7,620.00	\$8,892
Real Estate Taxes (2)	\$2,482	\$2,482
Insurance (3)	\$279	\$279
Annual Housing Cost	\$10,381	\$11,653

(1) Based on arms-length sales in 2000, Conway Assessment Department.
(2) Based on 2000 tax rate of \$22.24/\$1,000
(3) Factored at \$2.50/\$1,000
Source: RKG Associates, Inc.

The conclusions derived from the above scenarios reinforces the findings outlined in the New Hampshire Housing Forum's affordable housing study in that many households are priced out of the current housing market. If interest rates were to reverse their current course and start to creep upward, affordability would decline further.

For the purpose of examining the affordability of rental units, the median rent rate for a two bedroom unit, based on rent information provided by the NHHFA (Figure 3-10) was used. The median rent for a two bedroom apartment unit in Carroll County in 2001 was \$703 based on the NHHFA rent survey. As illustrated in Table 3-12, this rental rate for a two bedroom unit would be considered affordable for family households with incomes between 80% and 150% of the median income in Carroll County. However, those households at 50% of the median would not be able to afford the two bedroom unit in Carroll County without paying more than 30% of their gross income.

Table 3-14 provides a distribution of households in Conway based on their income range relative to the median family income in Carroll County for 2001. The data shows that housing affordability may be an issue for households at or below the median family household income level. Additionally, seniors may be most the affected as almost 70% of senior households have incomes below the County median income level.

Income Range	Total HH	% of Total	# HH over 65	% of 65+ HH
Over 150% of Median	1,157	32.0%	136	18.2%
Median	681	18.9%	106	14.2%
50-80% of Median	524	14.5%	72	9.6%
0-50% of Median	1,248	34.6%	435	58.1%
Total	3,610	100.0%	749	100.0%

Source: Claritas, Inc. and RKG Associates, Inc.

In addition to the market-rate housing options outlined above, there are an estimated 142 assisted housing units in Conway as shown in Table 3-15. Since Conway has no dedicated housing authority to assist in the

production of affordable housing in the town, individuals interested in renting a subsidized apartment unit must either register with the NHHFA for a Section 8 voucher or register with one of the project-based United States Department of Agriculture (USDA) subsidized developments. The Section 8 program provides vouchers for low-income families and individuals which entitles the holder to pay 30% of their income towards shelter with the balance being subsidized through either the state or federal government. The USDA program is a project-based initiative whereby qualified applicants may apply 30% of their income towards rent within the respective development with the difference being made-up by the federal government.

Property Name	Program	Number of Assisted Units		
		Elderly/Handi.	Family	Total
Sonata Housing	Sec. 8	8	0	8
Appletree Village	Sec. 8	22	0	22
Pondview	Sec. 8	12	0	12
Brookside	USDA	0	20	20
Millbrook	Sec. 8	0	24	24
Whitman Woods	Sec. 8	24	0	24
Pinewood	USDA	32	0	32
Total		98	44	142

Source: RKG Associates, Inc.

Of the 142 affordable units identified in Conway, only 44 (31%) are dedicated for families with the remainder designated for elderly and/or handicapped residents. According to interviews with property managers at each of the assisted housing developments in Conway, demand for rental-assisted units is very high with most developments being 95% to 100% occupied - generally considered to be fully occupied. Within the largest concentration of assisted housing developments in Conway located on Grove Street (Brookside, Millbrook, Whitman Woods and Pinewood), waiting lists for a rental assisted unit range from three months to three years depending on the respective development.

14. Implications for the Future

The population and housing trends discussed in this chapter have numerous implications with regard to how Conway will function as a community in the future. Conway's dramatic surge in population growth during the 1970s and 1980s and subsequent slowdown in growth during the 1990s, coupled with being a resort destination, has highlighted issues which are common with similar resort destination communities. These issues include the character of population growth, changing demographics of the community, the pressure placed on municipal infrastructure and services to handle the influx of seasonal residents, and the lack of affordable housing.

Although population growth has influenced the type of development that has historically occurred in Conway, the nature of the population growth in the future will probably have more of an influence on the character of Conway. For example, Conway's population growth has changed from one based primarily on natural increase to one that is based more on in-migration. This type of trend, if it continues, has already affected and will no doubt continue to alter land use patterns and future development initiatives within the town.

A significant element of the changing nature of Conway's population growth are changes in the demographic characteristics of the town's population such as the shifts in age groups, decreasing household size, the reductions in the number of young singles and families, and the growing number of near seniors and seniors. Accommodating the various needs of these different groups will likely require a broadening and/or

shifting in municipal services and infrastructure, as well as an evaluation of land use regulations and policies in order to ensure that these changes are addressed in future development efforts.

Conway's position as a regional hub, as well as a tourist destination, is an economic benefit in that tourism provides considerable economic support to the community. However, the downside to being one of the foremost shopping and outdoor recreation destinations in northern New England is having to provide infrastructure and services for a population base that swells to approximately three times the resident population during peak tourist periods. In order to maintain a balanced context sensitive approach to development, future land use regulations, design guidelines and policies will have to consider town-wide environmental, social, fiscal and economic impacts in evaluating land use development proposals. This type of approach has been incorporated in other resort destinations to mitigate the double-edged sword associated with a tourism-based economy.

Finally, with the steadily increasing demand for housing caused by the popularity of Conway, coupled with a lack of housing units within lower price ranges, the town will have to consider changes in local policies in order to encourage the future development of affordable housing alternatives for residents. Failure to adopt measures that encourage the development of affordable housing could constrict the availability of labor that might in turn negatively impact local economic activities.

[1] A 2001 median family income estimate of \$49,900 (for non-metropolitan areas within New Hampshire) was provided by the U.S. Department of Housing and Urban Development.

[2] *New Hampshire Department of Transportation Conway Project: Technical Memorandum Number 2 – Socio-Economics and Land Use*. RKG Associates, Inc., June, 1991.

[3] The White Mountains Region consists of the Towns of Albany, Bartlett, Chatham, Chocorua, Conway, Eaton, Effingham, Freedom, Hale's Location, Jackson, Madison, Ossipee and Tamworth.

[4] The North Country Region consists of the Towns of Academy Grant, Atkinson, Bath, Bean's Grant, Bean's Purchase, Benton, Berlin, Bethlehem, Burbanks, Cambridge, Chandler's Purchase, Clarksville, Colebrook, Columbia, Crawford's Purchase, Cutt's Grant, Dalton, Dix's Grant, Dixville, Drummer, Easton, Errol, Erving's Location, Franconia, Gilmanton, Gorham, Green's Grant, Hadley's Purchase, Haverhill, Jefferson, Kilkenny, Lancaster, Landaff, Lisbon, Littleton, Lyman, Martin's Location, Meserve's Purchase, Milan, Millsfield, Monroe, Northumberland, Ordell, Pinkham's Grant, Pittsburg, Randolph, Sargent's Purchase, Shelburne, Stewartstown, Strafford, Success, Sugar Hill, Thompson, Wentworth, Whitefield, Woodsville.

[5] Includes mobile homes in parks and on owner occupied land.

[6] *2001 Rental Cost Survey* is available through the New Hampshire Housing Finance Authority.

[7] According to estimates prepared by the New Hampshire Office of State Planning.