LEBANON HOUSING TASK FORCE
OCTOBER 20, 2025 - 8:15 AM
COUNCIL CHAMBERS, CITY HALL OR REMOTE VIA VIRTUAL PLATFORM
LEBANONNH.GOV/LIVE

1. Call to Order

A. To participate in this meeting, please join live via Microsoft Teams or call 929-229-5356 (access code: 591 267 55#). If you have trouble accessing this meeting, please email Catheryn Hembree.

2. Approval of Minutes

A. September 15, 2025

3. Study Items

A. Housing Opportunity Grant: Public Outreach Events

B. Housing Opportunity Grant: Discussion of Completed Studies

C. Housing Accelerator Briefing

D. Lead Education: Ryan Dube

4. Other Business

5. Future Agenda Items

6. Adjournment

The order of agenda items is subject to change.

Meetings are open for in-person and remote attendance. Members of the public who wish to attend remotely may do so by going to LebanonNH.gov/Live where you will find instructions on how to enter the meeting. Members of the public will be able to participate and ask questions through the City's virtual platform or by phone. Please note: Should technical difficulties occur during the meeting that disrupt virtual or phone connection(s), the meeting will continue without remote access capabilities.
Any person with a disability who wishes to attend this public meeting and needs additional accommodation, please contact the ADA coordinator at City Hall by calling 603-448-4220 at least 72 hours in advance so that the City can make any necessary arrangements.

If you have any questions, please contact the Planning and Development Department by sending an e-mail to planning@lebanonnh.gov, or by calling 603-448-1457, or by visiting the Planning and Development Office located in City Hall during regular work hours, Monday through Thursday, 7AM to 5PM. You can view the entire agenda packet on the City's website at LebanonNH.gov/Agendas.

DRAFT

LEBANON HOUSING TASK FORCE
REGULAR MEETING MINUTES
Remote Via Microsoft Teams
LebanonNH.gov/Live
Monday, September 15, 2025
8:15 AM

MEMBERS PRESENT: **Tim McNamara, Chair, Andrew Faunce, Vice Chair (Virtual), Ryan Dube, Dave Duncan (Virtual), Sarah Riley, Ellen Smith Ahern, Tia Winter**

MEMBERS ABSENT: **John D'Entremont**

STAFF PRESENT: **Nathan Reichert, Director, Planning & Development, Cathryn Hembree, Associate Planner, Planning & Development**

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1. CALL TO ORDER:

Meeting was called to order at 8:15AM by Mr. Tim McNamara, Chair

Mr. Nathan Reichert read the preamble.

2. APPROVAL OF MINUTES:

Ms. Winter MOVED to approve August 18, 2025 Minutes
Seconded by Mr. Ryan Dube

**** The MOTION was approved (4-0). Ms. Ahern abstained.***

Mr. Faunce arrived at 8:19AM, after the vote was completed.

3. STUDY ITEMS:
A. Public Engagement Events Update

Ms. Hembree, Mr. Faunce, and Ms. Smith Ahern attended the Farmers Market, and had their first Farmers Market event and said it was very successful. They also had a ConCom meeting the same evening, September 11, 2025. Mr. Reichert said that it too was successful, and that they had a robust conversation, targeted at people within the conservation community. He perceived that the two groups work well together, and he said that Valley News reported on this meeting.

Ms. Hembree said that there will be an LGBTQ meeting at City Hall at 5:00PM on September 16th. Also, they are hosting an event at Salt Hill Pub with the Upper Valley Business Alliance and the Young Professionals Group, on September 25th, 4:00PM -6:00PM.

Ms. Hembree and Mr. Reichert will attend the Farmers Market again on September 25th.

On September 29th, Ms. Hembree will be at Kilton Library September 29th from 10:00AM to 2:30PM, so that anyone that wants to talk with them can.

October 2nd she will attend the PTO meeting at the high school on Hanover Street.
October 6th, there will be a luncheon at LISTEN and Ms. Hembree and Mr. Reichert will attend.

Ms. Smith Ahern suggested they also attend the upcoming PTO meeting being held October 16th; it was agreed they will plan to attend this meeting as well.

Ms. Riley asked to talk about the Environmental Justice Team overview (it was to have been on today's agenda), and Mr. Richard Ford Burley is attending today virtually, for that reason. He is from the DEI commission and participated on this team along with Ms. Riley and 3 others (Jonathan Chafee, Mary Maxfield and Devon Wilke). The team consisted of all volunteers (zero cost the City) and started approximately 2 years ago. They went through the different functions that the City goes through and looked at both the City definitions and Federal definitions of environmental justice (now remarkably absent under the current administration) and focused on 2 main things, access to the benefits of the environment and protection from the risks. The most important item they landed on was the importance of housing. The people that feel the effects of the environment the most and are subject to the most risks are the **unhoused**. So, the Environmental Justice Team highlighted this at the beginning of their summary.

They interviewed most City departments, and they utilized data from a survey of the homeless. People without housing often also lose their documentation and personal possessions. This team made recommendations, and he thinks the report is self-explanatory. The report will be distributed to Housing team members for their review.

Mr. Burley then spoke about the document titled Fiscal Impact Model Methodology, and it has several focus areas, starting with Housing, as noted above. Environmental Justice is the fair treatment and meaningful involvement of all Lebanon community members regardless of race, skin color, national or ethnic origin, cultural, group language, general identity or expression, sexual orientation, mental or physical ability, age, religion, political opinion or activity, economic status, immigration status or housing status, in decisions that affect their access to and quality of interaction of the natural environment. For environmental justice to be achieved, the following must be considered: 1- Environmental risks 2- Access to environmental benefit and 3- Involvement in policy investment and advocacy decisions made effecting or related to environmental issues. Protection from environmental risks and access to environmental benefits should be fair and equitable and the decision-making processes surrounding environmental issues should mainly involve those who stand affected.

Some other topics include Environmental Quality, Ecological Protections and Transportation, etc. An important aspect of their findings is that it does not matter what kind of guidelines the City has in place, if they are not enforced, and development must be done in such a way that they can be enforced.

For example, the top priority under housing is to have a **full minimum housing code with inspections, a minimum housing officer and staff for enforcement**; and a switch from a reactionary posture to a proactive and preventative effort to maintain the quality of housing units in the City.

It was also noted as a priority to revisit the "camping ban" City Code 49, to reduce the criminalization of homelessness while still protecting ecologically sensitive areas, and also to provide accessible shelter options for unhoused people, including a permanent, year-round shelter as well as micro-dwellings as transitional solutions.

Mr. Burley continued through the document of recommendations, highlighting and explaining key points. This document was presented to the City Council and approved by them, so it is available for review in its entirety on the City of Lebanon website.

This team made recommendations for lead in housing and incenting contractors. Mr. Dube added to this by saying that he is partnering with DHHS and that they have a list created of all locally certified lead contractors. He also has received grant money to train new contractors/inspectors to become certified, and he is currently in the enrolling process of signing up Lebanon contractors to get free education of RRP (renovate, repair, paint for homes built before 1978). Also, these contractors can become certified as lead abatement specialists, which is in high demand. Grants are available for these weeklong classes. Currently there are only about a dozen firms with this certification.

Mr. Reichert added that the City's two building officials have advanced training, one being certified for abatement) that allow them to manage abatement projects. He elaborated more about the how this impacts current housing stock built before 1978. He stated that more education is needed for more inspectors and contractors.

Mr. Dube spoke about the budget and how cities that have implemented initiatives around lead abatement have experienced not only healthier children, but for every dollar spent at the State and municipal levels, budgets have been approved by $17 for every $1 spend on abatement. Schools are greatly impacted by this, since they are responsible for teaching children with brain development issues, as a result of exposures to lead. This issue can be attacked on multiple fronts, including but not limited to human, health, budget, and environmental. Mr. Dube suggested they bring this into a separate conversation as some point. Chair McNamara thanked him.

B. Housing Opportunity Grant: Final Fiscal Analysis from RKG Consulting

Ms. Hembree covered the highlights of Per Acre Impacts. The information that the City has is current and detailed and highly accurate. We know how many children live where, resulting in the Net Fiscal Impact per acre. Impacts vary greatly based on type of property.

Single family (peripheral) have a negative net fiscal impact whereas Condominium Units and Townhouses, and Multi-Family Rental Apartments lead at having the most positive net fiscal impacts. These areas present an opportunity for the City and align with survey results of peoples' preferences for housing.

Mr. McNamara reminded the TF that we will still see a mix of housing her including single family homes being built here.

Ms. Hembree asked what kind of incentives can the City offer to get the housing we want? Mr. McNamara said we are still waiting for more data. Mr. Dube added that they need to take a reserved approach since condominiums are nuanced and have posed challenges in the past. He also asked what would be the correlated costs for each of these types of housing, to make them a reality? This would be worthwhile getting this from contractors. This can help inform next steps.

Task Force members were asked to read through the Final Fiscal Analysis from RKG Consultant, the Environmental Justice study, and the Needs assessment, prior to the next meeting. These will be the focus of their next meeting in October.

Mr. Reichert shared that basements in Single Family homes are currently not impacted by impact fees nor are units less than 500 square feet. These will be reviewed this year, for possible changes.
Mr. Faunce recommended that the City share this research and identify real life situations with potential homeowners, as well as developers, to help them understand the types of preferred housing here in Lebanon both for economic as well as social reasons.

He also cautioned that if we offer incentives to developers, citizens could become concerned, so we need to get out ahead of this, to foster understanding.

The topic of lead was brought up again, Many people think it is more complicated than it actually is. Mr. Dube explained that much work only requires RRP, not the full abatement education. There is confusion and lack of awareness.

Right now, the State is offering a free one-day class, to get the RRP training. There are also grants available for more involved education, via a one-week class, to become certified as noted above. It was agreed that it would be good to get the word out about this free program.

Mr. McNamara asked Mr. Reichert what applications related to housing the City has currently. Mr. Reichert said Merrick 343 Phase II is working its way through the permitting process. The Brickyard project is awaiting the arrival of their overpasses. The lead time is about 8 weeks. The goal is to cut the road in this Fall and then to get their permits for their first building in the Spring of 2026. He said there are no large developments. Rock Ridge has several properties (approximately 25) they are going to start in their 3rd phase. Ms. Riley asked the status of the Woolen Mills project and was told that to date, they have not had a formal building permit paid for. Mr. Dube thinks that it is possibly being impacted by recent changes in lead regulations.

The Muse project is in limbo they think, due to changes in DC.

Prospect Hills properties are all being lived in. There is another 100 units starting for their Phase II. These too will be rentals only.

There is also a big tower project at DHMC that is underway and will be ongoing.

Additionally, there is a large project under consideration by DHMC, a cross-mod subdivision behind Jesse's; P&D does quarterly meetings and expects an update soon. The goal is to get permitting in order so that they can break ground in early 2026. These would be prebuilt homes (HUD code/modular home) being attached to a permanent foundation and adding amenities such as garages on site. They key is to bring these in under $200-250,000. DHMC would have these for their mid-level employees. DHMC will own the land, put in their own roads and infrastructure. They will retain a "repurchase option" at a defined cost.

Mr. McNamara said these are becoming very popular in Canada and could provide opportunity here in Lebanon as well.

4. OTHER BUSINESS:

A. Housing Opportunity Grant Consultant

B. Public Engagement Events

5. FUTURE AGENDA ITEMS:
A. Incentives the City can do to promote construction – see above

6. ADJOURNMENT:

Ms. Riley MOVED for adjournment
Seconded by Mr. Faunce

****The Vote on the MOTION was approved (6-0).***

The meeting was adjourned at 9:51 AM

Respectfully submitted,
Cinda Mersel
Recording Secretary **

City of Lebanon, NH
Fiscal Impact Analysis

DRAFT

August 2025

Fiscal Impact Analysis Overview & Methodology

FISCAL IMPACT MODEL METHODOLOGY

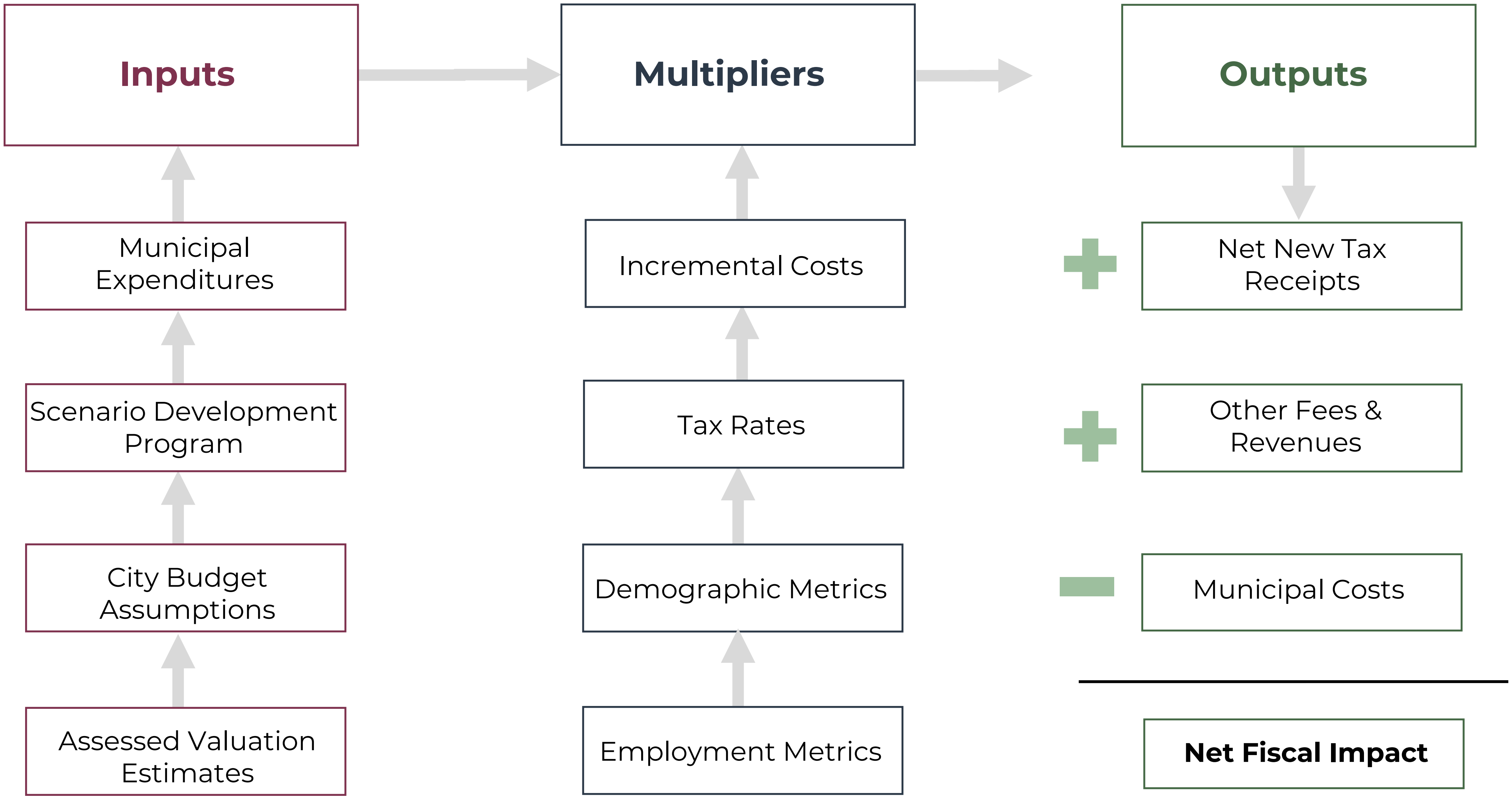
A fiscal impact analysis estimates the municipal revenues and costs associated with development and growth. Revenues include local taxes (property, excise, etc.) and various fees and other payments, while costs include the provision of municipal services (public safety, education, public works, general government, etc.). While several approaches exist to determine fiscal impacts, all are based on the common assumption that current local operating costs and revenues are the best basis for determining future costs and revenues. These approaches therefore utilize recent data on municipal service costs in the host community, as well as current tax rates and other revenue sources to calculate the net fiscal impact.

The primary focus is on the city's General Fund since that is typically where tax revenues and most municipal service costs are accounted. RKG applied an incremental cost approach to both the General Fund and the city's school budget to determine the cost borne by the city resulting from both residential and commercial development. The approach involves looking at the line-items of each budget to determine if an expenditure is either fixed or incremental. Fixed costs are costs which would occur irrespective of development, an example being the salary of the Police Chief, this is unlikely to be impacted by new development. Conversely, the costs associated with police officer wages and equipment are classified as incremental as they are likely to change based on the addition of more residents in city that may result from new residential development.

Fiscal impact approaches are 'static', that is, they assume that the project (or scenario in this case) is fully built-out and housing units are occupied. This assumption allows a comparison of the financial effect of the entire scenario on municipal costs and revenues. While larger-scale developments are often constructed over a multi-year period, municipal costs and revenues occur in equal proportions, therefore this steady-state approach does not detract from the appropriateness or accuracy of this method. It should also be noted that the fiscal impact analysis is only concerned with local public costs and expenditures, and not with state or other jurisdictional funding. For this fiscal impact analysis, RKG constructed a model to measure the fiscal impacts for different combinations of potential development in Lebanon.

The diagram on the next page illustrates at a high level the flow of information and inputs that go into RKG's fiscal impact model.

FISCAL IMPACT MODEL FLOW



HISTORICAL CHANGES IN LEBANON'S DEMOGRAPHICS

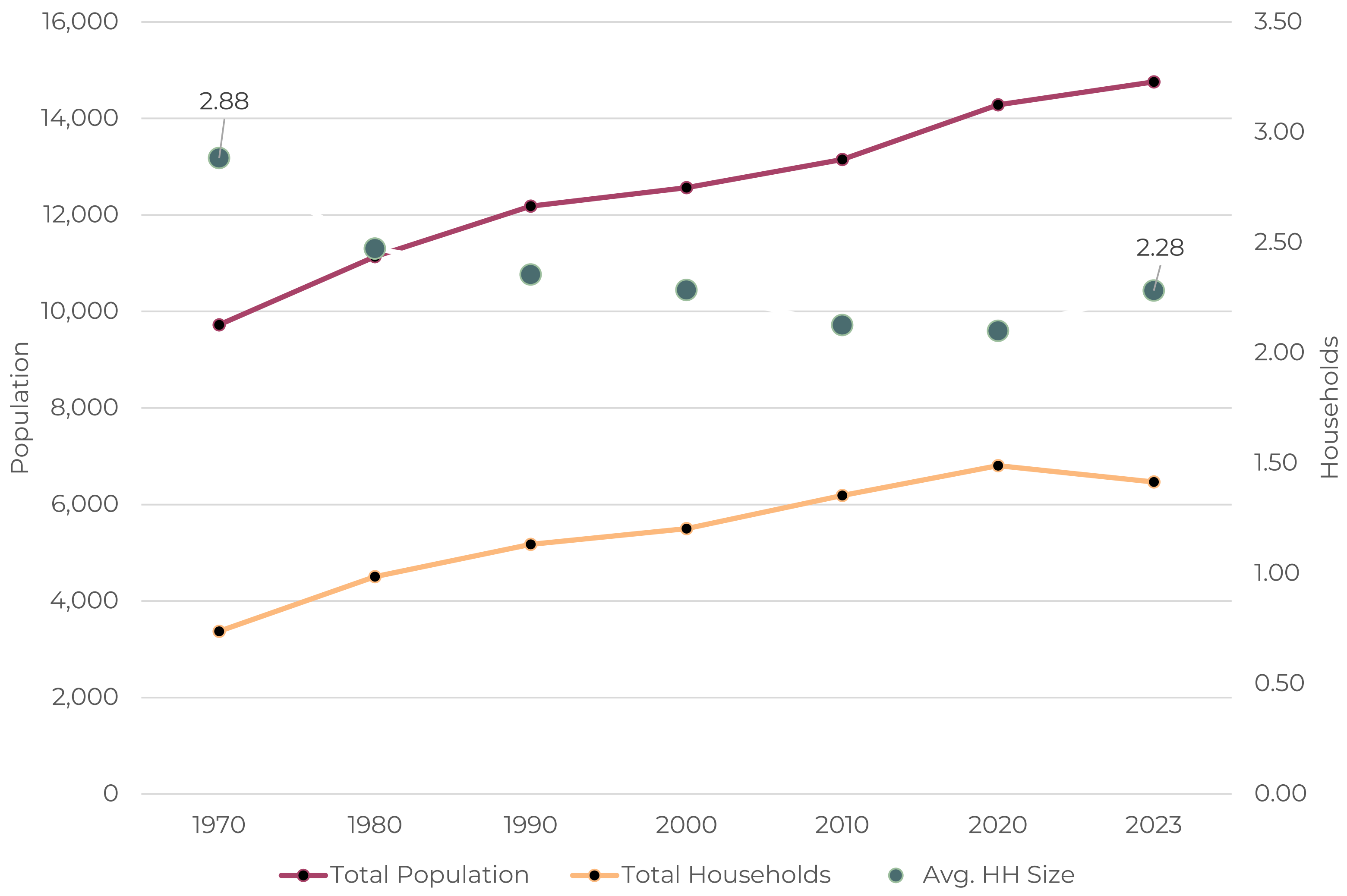
Before sharing the analysis and results of the fiscal impact model, it is important to understand the demographic patterns and shifts in Lebanon that are impacting both housing demand and the financial costs the town and school district face.

Understanding shifts in population, household formation, and average household size are important when looking at the financial implications of development and change. As new development comes online, there will be additional service demands on city departments and the school district. Depending on where that new development is located and who resides in the new housing, those impacts can vary.

Going back as far as 1970, Lebanon's total population has increased at a slower pace than total household formation. This typically indicates that household size is decreasing. The graph on the right compares population growth, household formation growth, and average household size. In 1970, Lebanon's average household size was 2.88 person, and by 2023 had declined to 2.28 person.

Part of the household size decline is Lebanon's percentage of older adult households and households with fewer children.

CHANGE IN POPULATION, HOUSEHOLD, AND AVERAGE HOUSEHOLD SIZE



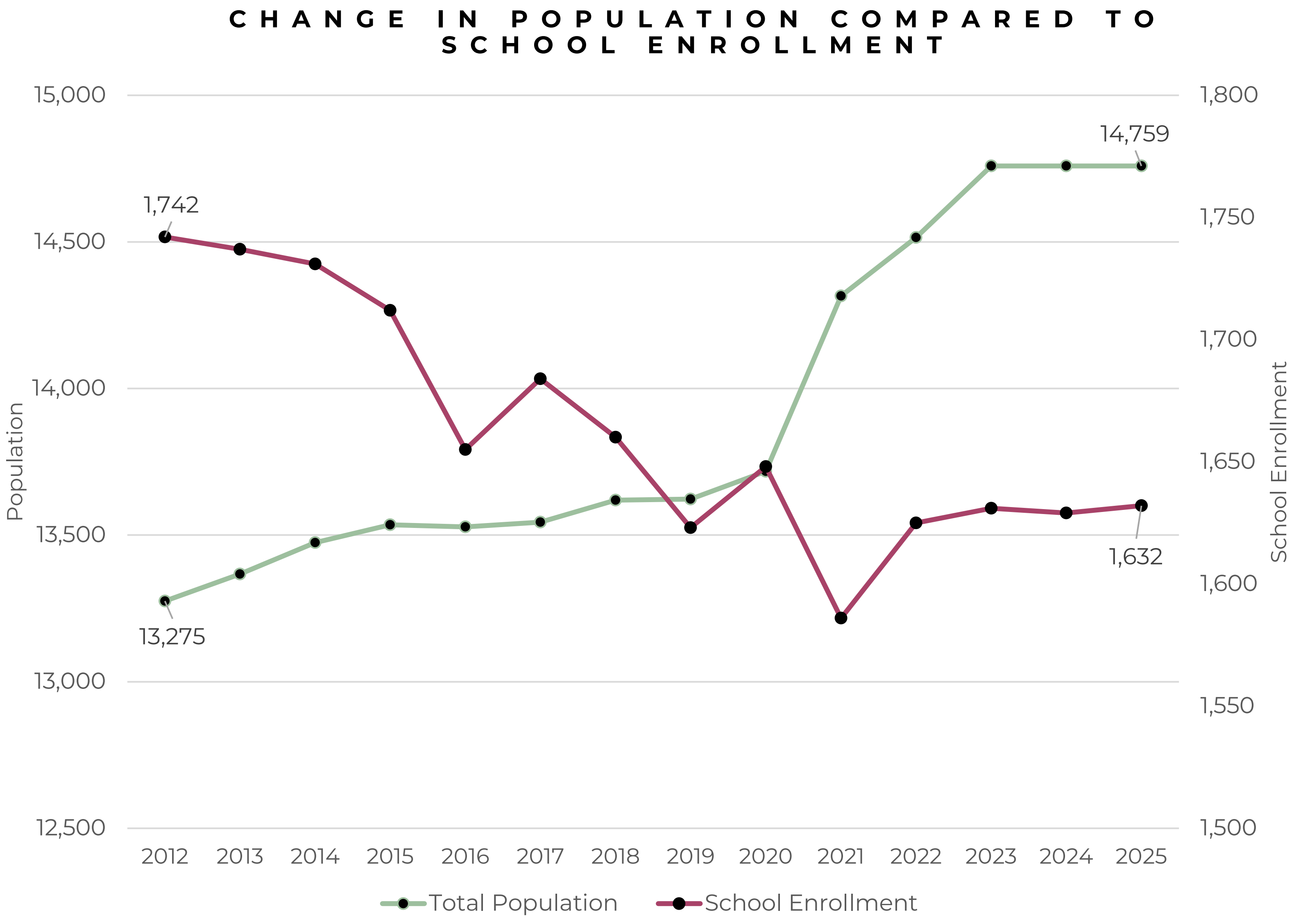
Source: NHGIS IPUMS, US Census ACS.

HISTORICAL CHANGES IN LEBANON'S DEMOGRAPHICS

Going back as far as 2012, we see a similar pattern in total population change compared to the total school enrollment year over year. Total population increased in Lebanon by nearly 2,500 people while school enrollment declined by 110 students.

While the pandemic had an impact on enrollment, the downward trend in enrollment had been occurring for eight years prior to that. Since the pandemic, enrollment has been relatively stable.

As we project out the impacts of school enrollment from new residential development it is important to note that school impacts may not be as significant as residents imagine given the demographic shifts in Lebanon.



Source: US Census ACS, NH DOE.

FISCAL IMPACT MODEL ASSUMPTIONS

To test the fiscal impact of new development in Lebanon, RKG Associates constructed a fiscal impact model to understand the potential tax revenues from new multifamily development compared to the municipal and school costs to support that development. The fiscal impact model relies on numerous data points and assumptions regarding potential revenues from the development and anticipated municipal and school costs.

To estimate municipal revenues, RKG utilized the city's most recent property tax rate and existing property values and tax collections. To estimate the future valuation of new development, RKG used the income approach to value new properties based on their expected financial performance.

For municipal and school costs, RKG was provided with the city's municipal and school budget spreadsheets covering all departments and municipal costs. Each line item in the budget was assigned a value of fixed or incremental to derive per household and per employee costs in the fiscal impact model. For the budget evaluation, RKG used the FY25 city and school budget.

KEY MODEL ASSUMPTIONS

- City tax rates
- Current multifamily assessed values
- Existing property values and taxes
- Incremental governmental expenditures
    - General government
    - Public safety – Police
    - Public safety – Fire
    - Public works
    - Schools
    - Other
- Student generation rates per residential unit
- Development scenario inputs

FISCAL IMPACT MODEL ASSUMPTIONS

To derive potential property taxes, RKG had to develop estimates for future assessed values. RKG utilized an income-based approach to valuation which calculates an estimated Net Operating Income (NOI) for all rentable property types and a cap rate to generate an estimate of assessed value for tax purposes. This approach is commonly used by assessors for valuing rental properties. For-sale unit values were based on a comparable approach looking at recent sales in Lebanon of newer/comparable units.

It is assumed that in the future newly developed multifamily rental properties would have a distribution of unit types similar to that of the broader region with 5% studios, 40% 1 beds, 45% 2 beds, and 10% 3 beds. This is how future multifamily rental apartments are modeled in this analysis.

The table on the right illustrates some of the values that go into calculating the estimated assessed value for each housing type.

To calculate the assessed value, a valuation is created for each component of the development program. From there, RKG applied the FY25 city property tax rate of $26.28 per $1,000.

MULTIFAMILY ASSUMPTIONS

Use Category	Gross SQFT per Unit	Rent per SQFT	Value per Unit
Market Rate Studio Apts	517	$4.86	$251,817
Market Rate One Bed Apts	534	$5.39	$288,129
Market Rate Two Bed Apts	968	$2.85	$276,313
Market Rate Three Bed Apts	1,596	$2.03	$323,832
Multifamily Rental Townhome	1,436	$2.14	$307,721

FOR SALE ASSUMPTIONS

Use Category	Average Sales Price Per Unit Value
Single Family Home	$670,000
Townhome	$453,500
Condominium	$454,500

ESTIMATING MUNICIPAL COSTS

The flip side to the property tax/revenue component of the fiscal impact model are the municipal service costs. To estimate municipal service costs, RKG reviewed the city's FY25 line-item budget for each department. Within each department's budget, RKG identified costs that are likely to increase with the addition of a new household or employee in city (incremental costs). We anticipate costs such as police staff salaries, library expenditures, or maintenance of recreation fields to increase with new households or employees while a department head's salary or hours for Legal Counsel to experience little to no impact (fixed costs).

RKG identified all costs that are likely to vary (incremental costs) with the addition of new development as a subset of the City's total operational budget. Our variable costs account for 37% of the City's departmental budgets as shown in the table to the right.

The "Other" category accounts for items such as debt service, unemployment, retirement, and insurance. In our experience, some of these line items may increase with new residents while others represents costs already incurred by the City that would not be impacted by new development. For example, our fiscal impact model includes group health and life insurance, workers compensation, and medicare/social security tax, but does not include benefits to existing retirees or debt from capital expenditures. Staff who have already retired and capital projects already undertaken should be born by existing residents, not new development.

Once the incremental budget is established, it must be apportioned to residential and non-residential uses to properly account for the impact of residential and non-residential development. For that we use a breakout of assessed value from the Assessor which shows 49.4% of Lebanon's assessed value driven by residential with 50.6% driven by commercial/industrial/personal property.

Variable Costs by City Department (FY25)

Use Category	Total Budget	Incremental Budget	% of Total
General Gov't	$11,307,941	$1,213,372	11%
Public Safety – Police	$7,870,374	$4,909,920	62%
Public Safety - Fire	$5,919,700	$4,188,850	71%
Public Works	$6,426,066	$2,176,284	34%
Other (Including Benefits)	$15,113,571	$4,627,740	31%
TOTALS	**$46,637,651**	**$17,116,166**	**37%**

Source: City of Lebanon FY25 Budget, RKG Associates.

Assessed Value by Property Class (FY25)

Class	Value	% of Total
Residential	$1,374,874,336	49.4%
Commercial/Industrial/Personal Prop.	$1,406,034,109	50.6%
Total	**$2,780,908,445**	**100.0%**

Source: NHDRA 2025, RKG Associates.

ESTIMATED MUNICIPAL COSTS

After calculating the incremental costs by department and the share of the incremental budget allocated to residential uses, we must calculate municipal costs on a per household (HH) basis. This forms the basis of our estimates for calculating future costs of the residential development under each scenario.

The cost allocation table by residential use to the right summarizes the calculations used to estimate the per HH costs. The incremental budget for impacted departments is aggregated into four primary cost categories:

- General Government (all departments that aren't listed below)
- Public Safety – Fire
- Public Safety – Police
- Public Works
- Other (Including Benefits)

The incremental budget for each service category is multiplied by the residential share of total assessed value on the prior page and then divided by the total number of households in Lebanon. This formula provides the incremental costs that new housing units may generate.

The municipal costs for each scenario can then be compared to the gross property tax revenues described on the prior pages to begin the process of calculating the net fiscal impact to the city from each development scenario.

Total Households in Lebanon

Category	Totals
Total Households (HHs)	6,468

Source: US Census 2019-2023 Estimates.

Cost Allocation Table

Cost Category	Residential Incremental Budget	Cost per HH
General Gov't	$599,406	$93
Public Safety – Police	$2,425,500	$375
Public Safety - Fire	$2,069,292	$320
Public Works	$1,075,084	$166
Other (Including Benefits)	$2,286,104	$353
TOTALS	**$8,455,386**	**$1,307**

Source: City of Lebanon FY25 Budget, RKG Associates.

ESTIMATING EDUCATION COSTS

Recognizing education costs are often the single largest line item in a city's budget, RKG developed estimates for the number of school aged children that could result from the addition of each residential unit in the development scenarios and an incremental cost per pupil. School costs, like municipal costs, are then deducted from the gross property tax estimates for each scenario to project the net fiscal impact of the development in each scenario.

The industry standard for developing estimates for new school children is to use school aged children (SAC) ratios that are applied to new development on a per unit basis. To develop the SAC ratios for Lebanon's scenario analysis, RKG utilized actual student counts for every addresses across the town categorized by single family, townhome, condominium, and multifamily structures. We divided the total number of students by the total number of units in each residential category to generate the student ratios in the table to the right. This data was provided to RKG by the Town of Lebanon and the Lebanon School District.

RKG then calculated an incremental education cost specific to Lebanon's school budget based on the FY2025 budget information provided by the Lebanon School District. Developing an incremental per pupil school cost utilizes the same process described in the municipal cost section. For example, RKG would consider the superintendent's salary or a high school principal's salary as a fixed cost (not likely to increase with new students), but would consider new textbooks, equipment, teachers, aides, or transportation costs to be incremental (would likely increase with new students). This analysis is only concerned with incremental costs as it is highly unlikely Lebanon would hire another superintendent or high school principal if enrollment increased as a result of new multifamily development. RKG did account for the same categories of benefits and insurance costs for the school department as we did for city departments which have been incorporated into the incremental school budget and cost per pupil.

Using local General Fund expenditures only (net of state aid and grants), the estimated incremental cost to educate a child in the Lebanon School District was **$20,962**. This accounts for **62%** of the full cost to educate a child in Lebanon of **$33,745**. The full cost is equivalent to taking the entire local school budget divided by the total enrollment. The incremental cost only takes those costs that are likely to increase with new students divided by the total enrollment.

By multiplying the local cost to educate a child by the number of school children in each scenario we can estimate total education costs. These costs, along with municipal costs, are then then netted against the gross property tax revenue for each scenario later in this analysis.

SCHOOL ASSUMPTIONS

Unit Type	Lebanon's SAC Ratio per Unit	NH's SAC Ratio per Unit
Single Family	0.22	0.40
Condominium/Townhome	0.26	0.10
Multifamily	0.16	0.10

Source: City of Lebanon, Lebanon School District Student Counts, 2025, NH Fiscal Impact Model User Guide.

Budget Category	FY25 Incremental School Budget	% of Total School Budget	Per Pupil Cost
All Budgeted Expenditures	$34,020,545	62%	$20,962
Totals	**$34,020,545**	**62%**	**$20,962**

Source: Lebanon School District, FY2025.

Fiscal Impact Model Demo

(The following slides do not represent an actual development proposal and are intended to provide examples of fiscal impacts of different residential typologies)

ESTIMATING IMPACTS – PER UNIT IMPACTS

To test the fiscal impact model, RKG analyzed the impact of 10 units of housing for each typology to illustrate the estimated revenues and costs of new development. RKG tested two unit mixes for multifamily rental apartments which include the typical regional breakdown of units by bedroom type as well as one that is skewed toward studio and 1-bed units reflecting Lebanon's recent development trends. The table below describes each housing typology and its impacts.

Estimated Fiscal Impact per 10 Units

Use Type	Gross Property Tax	Gross School Tax	Vehicle Registration Fee	Town Costs	School Costs	Net Fiscal Impact
Single Family Units	$83,415	$92,661	$4,484	-$13,073	-$62,885	**$104,602**
Townhouse Units	$56,461	$62,719	$4,484	-$13,073	-$62,885	**$47,706**
Condominium Units	$56,585	$62,857	$4,484	-$13,073	-$62,885	**$47,969**
Multifamily Rental Townhomes	$38,311	$42,558	$4,484	-$13,073	-$62,885	**$9,395**
Multifamily Rental Apartment Units	$35,428	$39,356	$4,484	-$13,073	-$41,923	**$24,272**
Multifamily Rental Apartments (Studio/1 Bed)	$33,612	$37,337	$4,484	-$13,073	-$20,962	**$41,398**

Townhouse and condo units are modeled here to encompass different types of "missing middle" housing such as duplexes, triplexes, side-by-side attached townhomes, or vertical condominium living.

ESTIMATING IMPACTS – PER UNIT IMPACTS

To test the fiscal impact model, RKG analyzed the impact of 100 units of housing for each typology to illustrate the estimated revenues and costs of new development. The table below describes each housing typology and its impacts.

Estimated Fiscal Impact per 100 Units

Use Type	Gross Property Tax	Gross School Tax	Vehicle Registration Fee	Town Costs	School Costs	Net Fiscal Impact
Single Family Units	$834,150	$926,610	$44,836	-$130,726	-$461,153	**$1,213,716**
Townhouse Units	$564,608	$627,191	$44,836	-$130,726	-$544,999	**$560,908**
Condominium Units	$565,853	$628,574	$44,836	-$130,726	-$544,999	**$563,536**
Multifamily Rental Townhomes	$383,112	$425,578	$44,836	-$130,726	-$544,999	**$177,800**
Multifamily Rental Units	$354,285	$393,555	$44,836	-$130,726	-$335,384	**$326,565**
Multifamily Rental Apartments (Studio/1 Bed)	$336,116	$373,372	$44,836	-$130,726	-$167,692	**$455,906**

ESTIMATING IMPACTS – PER ACRE IMPACTS

It is important to recognize the land and infrastructure resources required to build single family homes or townhomes compared to multifamily structures. The density and units per acre are typically much higher for multifamily housing than for single family, meaning the town would realize far more taxable value per acre with multifamily than with single family. This could also help the town focus new housing in locations where infrastructure and services are already available.

Estimated Fiscal Impact per Acre

Use Type	Unit Count	Gross Property Tax	Gross School Tax	Vehicle Registration Fee	Town Costs	School Costs	Net Fiscal Impact
Peripheral Single Family	1 Unit	$4,171	$4,633	$224	-$654	-$20,962*	**-$12,587**
Infill Single Family	4 Units	$16,683	$18,532	$897	-$2,615	-$20,962	**$12,536**
For Sale Townhouse Units	10 Units	$56,461	$62,719	$4,484	-$13,073	-$62,885	**$47,706**
Rental Townhouse Units	10 Units	$38,311	$42,558	$4,484	-$13,073	-$62,885	**$9,395**
Condominium Units	15 Units	$84,878	$94,286	$6,725	-$19,609	-$83,846	**$82,434**
Multifamily Rental Units	15 Units	$53,143	$59,033	$6,725	-$19,609	-$62,885	**$36,408**
Multifamily Rental Apartments (Studio/1 Bed)	15 Units	$50,417	$56,006	$6,725	-$19,609	-$41,923	**$51,617**

*Assumes 1 single family home and one school aged child.

ESTIMATING IMPACTS – PER ACRE IMPACTS

It is important to recognize the land and infrastructure resources required to build single family homes or townhomes compared to multifamily structures. The density and units per acre are typically much higher for multifamily housing than for single family, meaning the town would realize far more taxable value per acre with multifamily than with single family. This could also help the town focus new housing in locations where infrastructure and services are already available.

Estimated Fiscal Impact on 10 Acres

Use Type		Gross Property Tax	Gross School Tax	Vehicle Registration Fee	Town Costs	School Costs	Net Fiscal Impact
Peripheral Single Family	5 Units	$41,708	$46,331	$2,242	-$6,536	-$41,923	**$41,820**
Infill Single Family	40 Units	$166,830	$185,322	$8,967	-$26,145	-$104,808	**$230,166**
For Sale Townhouse Units	80 Units	$564,608	$627,191	$44,836	-$130,726	-$544,999	**$560,908**
Rental Townhouse Units	80 Units	$383,112	$425,578	$44,836	-$130,726	-$544,999	**$177,800**
Condominium Units	150 Units	$848,779	$942,860	$67,254	-$196,090	-$817,499	**$845,304**
Multifamily Rental Units	150 Units	$531,427	$590,333	$67,254	-$196,090	-$482,115	**$510,810**
Multifamily Rental Apartments (Studio/1 Bed)	150 Units	$504,174	$560,058	$67,254	-$196,090	-$251,538	$**683,858**

Lebanon Fiscal Impact Analysis

Lebanon, NH

August 2025

Lebanon, NH Housing Needs Assessment

March 2025

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Introduction

The City of Lebanon, New Hampshire, is a vibrant and growing community in the heart of the Upper Valley, serving as a regional hub for healthcare, education, and commerce. The presence of Dartmouth Hitchcock Medical Center, one of the region's largest employers, has driven substantial economic growth and increased workforce demand. This has created a need for housing that can accommodate a large, diverse group of healthcare workers, educators, and other professionals, highlighting the demand for both affordable and market-rate options. As Lebanon continues to grow, its housing market faces both opportunities and challenges that reflect regional trends while also being shaped by the city's unique characteristics.

The Lebanon Housing Needs Assessment seeks to provide a comprehensive understanding of the current state of housing in the city. This is accomplished by analyzing demographic shifts, housing demand, and affordability challenges. This assessment explores the diverse housing needs of Lebanon's residents, from low-income renters to potential homeowners, and provides insight into the broad forces driving housing trends, including economic factors, development patterns, and population dynamics. By identifying gaps in the housing market and assessing the supply and demand across various income levels and housing types, this report aims to guide Lebanon's future housing policy and planning decisions, ensuring the city can meet the diverse housing needs of its residents.

Demographics

Key Findings

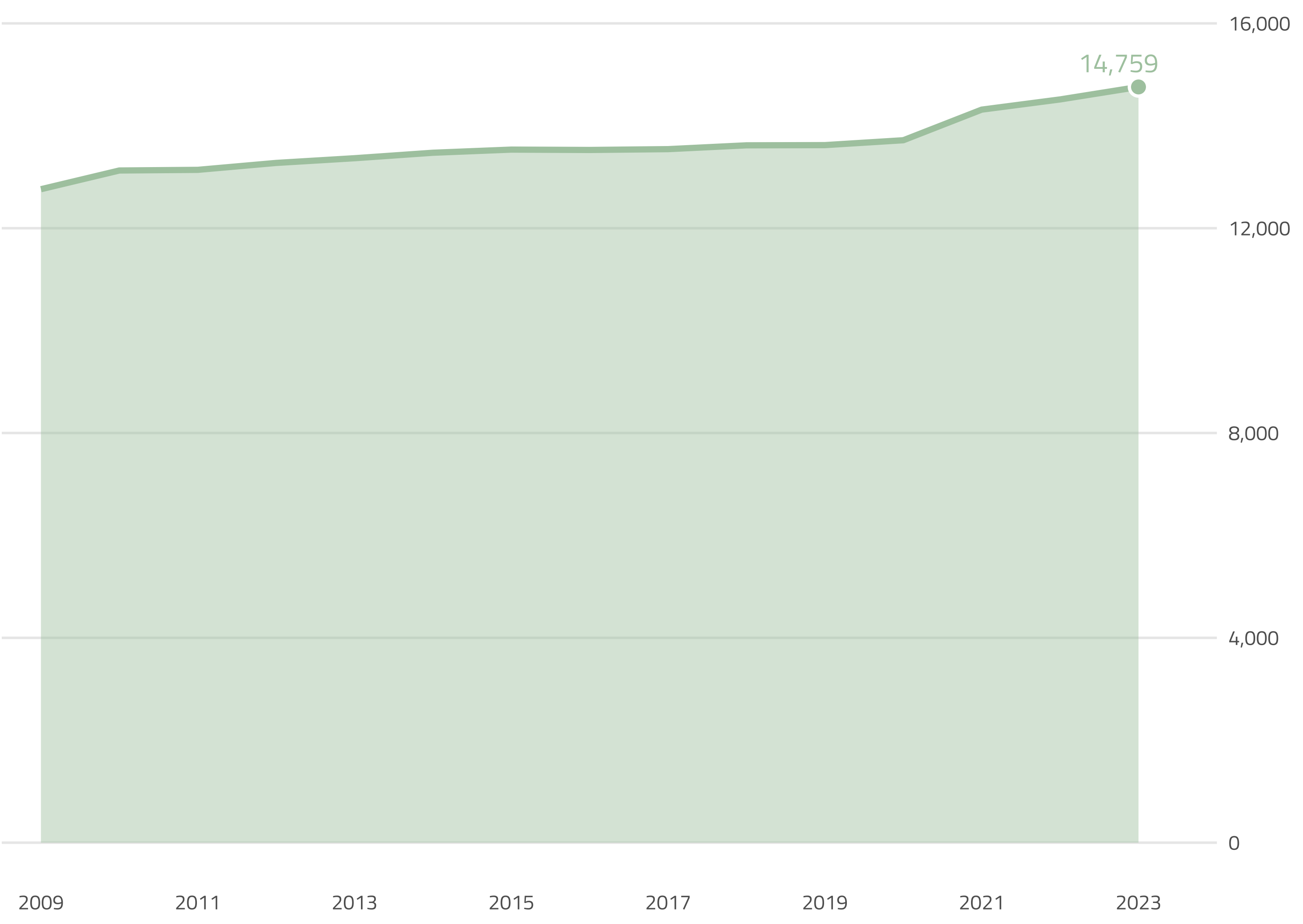
- **Population and Demographics:** Lebanon's population is growing, with an increase in young professionals and aging-in-place trends among older residents. The presence of DHMC has attracted many young professionals to the city, although they tend to be more transient, often staying for less than five years. Household sizes are shifting, with more 2-person households and fewer larger family households.
- **Housing Supply and Market Trends:** The city has an even split between renters and homeowners. Owner-occupied housing is mostly single-family homes, while rentals are more diverse, concentrated in small multi-unit buildings. Low vacancy rates indicate a tight rental market.
- **Income, Educational Attainment and Housing Affordability:** Over the past decade, Lebanon has experienced increases in both educational attainment and incomes, reflecting the city's highly educated workforce. However, while rising incomes indicate economic growth, they also contribute to the widening affordability gap, making housing less accessible for lower-earning households.

Population

LEBANON'S POPULATION IS PROJECTED TO GROW.

Lebanon has experienced steady population growth in recent years, with a greater increase experienced over the past five years. As of the latest estimates, the town's population stands at approximately 14,759 residents, representing a 9% increase over the past decade. Looking ahead, projections indicate that Lebanon's population will continue to grow, reaching an estimated 15,590 by 2030. However, long-term forecasts suggest a slower growth rate beyond 2030, with the population expected to reach 15,356 by 2050.

Change in Total Population



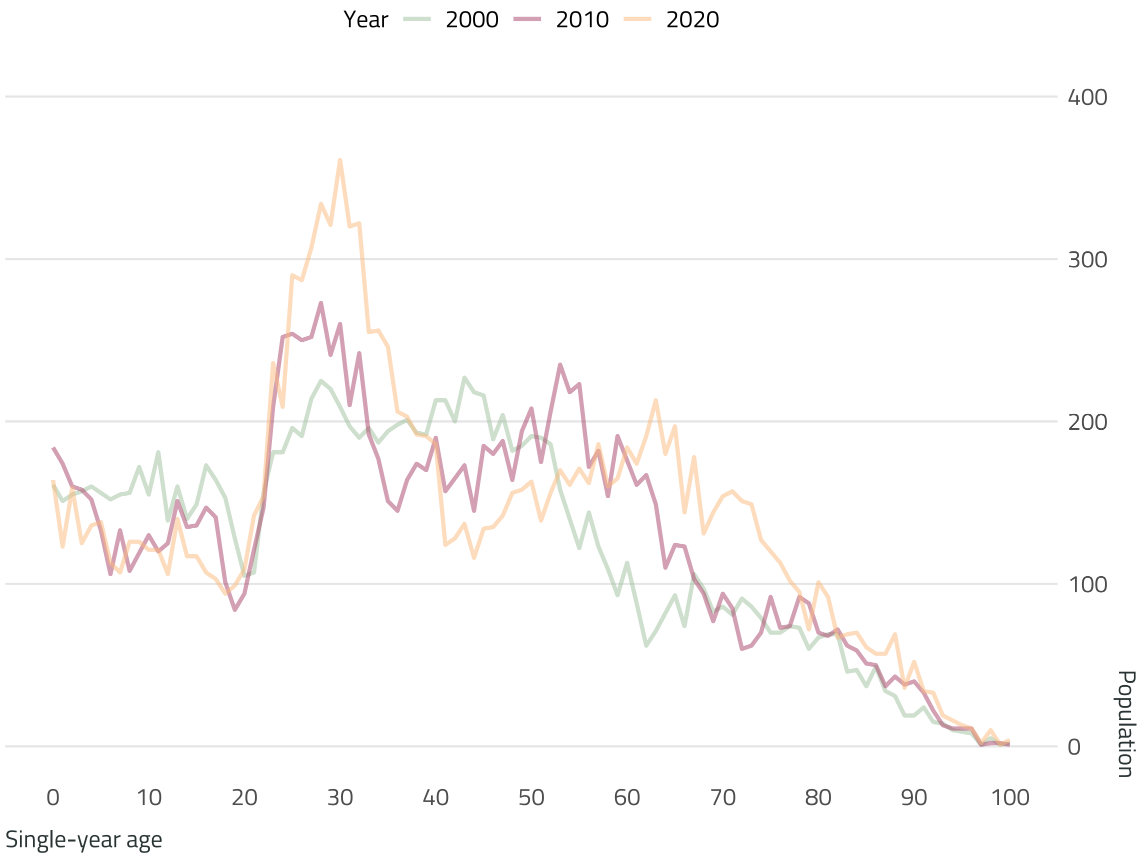
ACS 5-Year Estimates

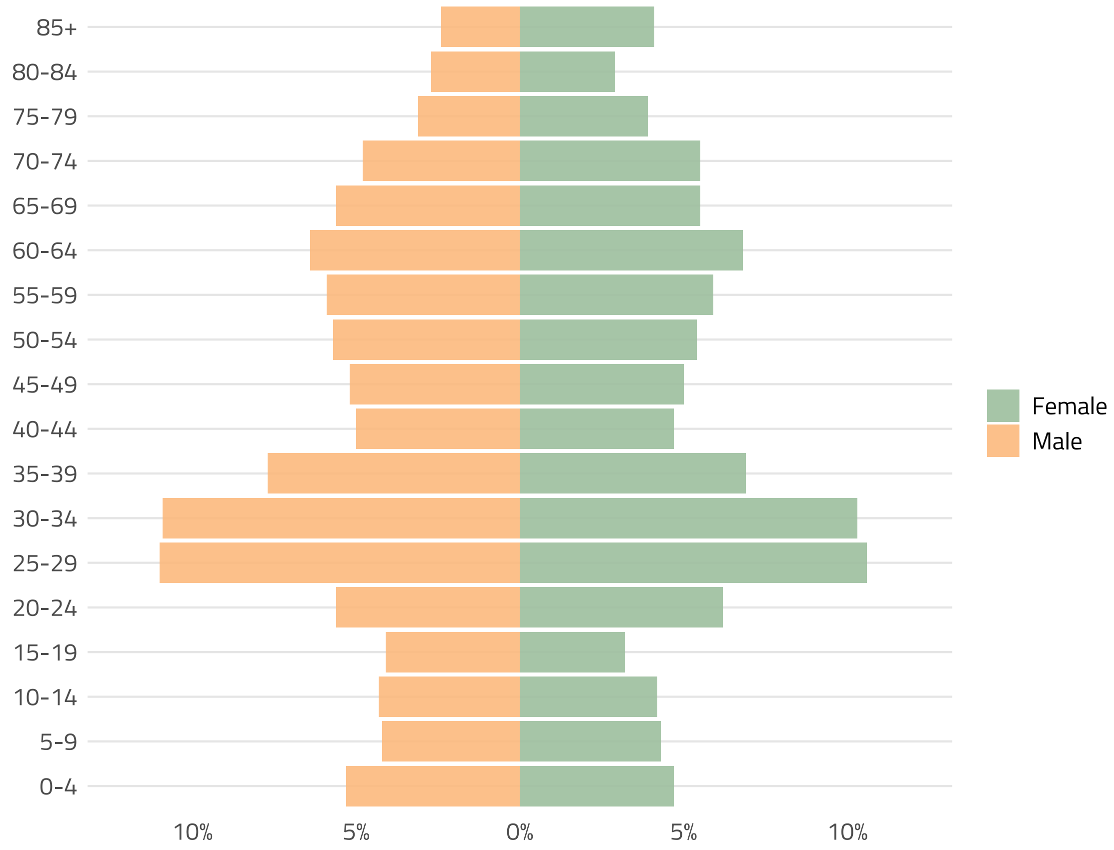
Source: US Census Bureau ACS 2018 and 2023 5-Year Estimates, UVLS Regional Housing Need Assessment 2023

Population and Age

Lebanon's population is becoming more diverse, with a noticeable increase in young professionals over the past decade. The graph on the left highlights shifting age distribution trends over the past 20 years, particularly among this cohort.
A key trend is the aging-in-place pattern among residents who were between 50 and 60 years old in 2010, as a similar number of residents are now in the 60 to 70 age group in 2020. At the same time, Lebanon has seen an influx of young professionals aged 25 to 35, driven in part by employment opportunities in the region. This shift reflects a gradual transition toward a younger demographic.

Change in Age Distribution





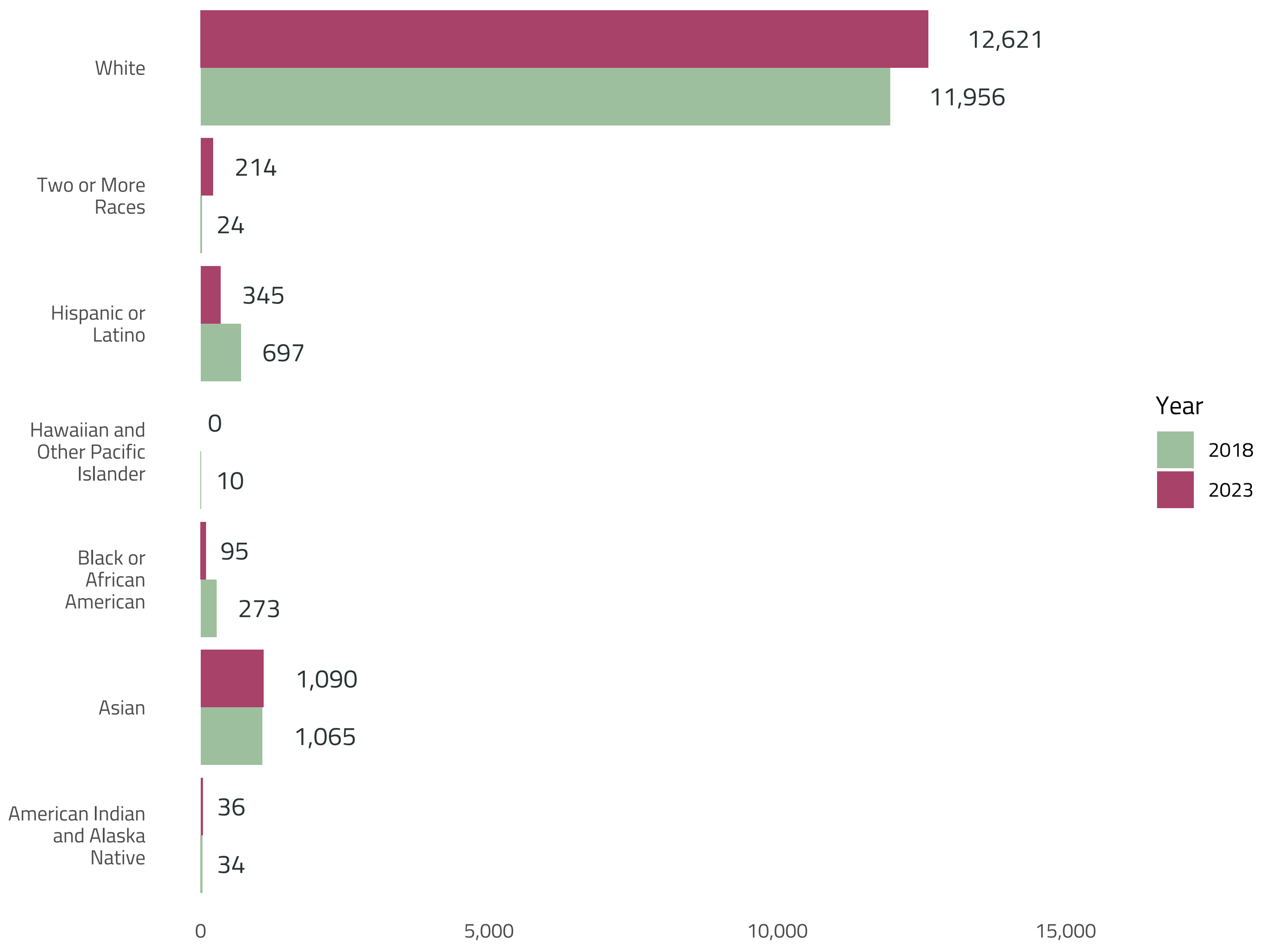
Source: US Census Bureau Decennial Estimates

Race and Ethnicity

LEBANON REMAINS PREDOMINANTLY WHITE.

Over the past decade, Lebanon's population has grown, with the number of residents identifying as white increasing by approximately 6%, now exceeding 12,600 people. In contrast, the town has seen declines in racial and ethnic diversity, with the number of residents identifying as Black or Hispanic/Latino decreasing by more than 50%. As a result, these groups continue to represent a small share of the community. Therefore, Lebanon has remained largely homogeneous, with minimal changes in racial and ethnic composition over the past ten years.

Population by Race/Ethnicity



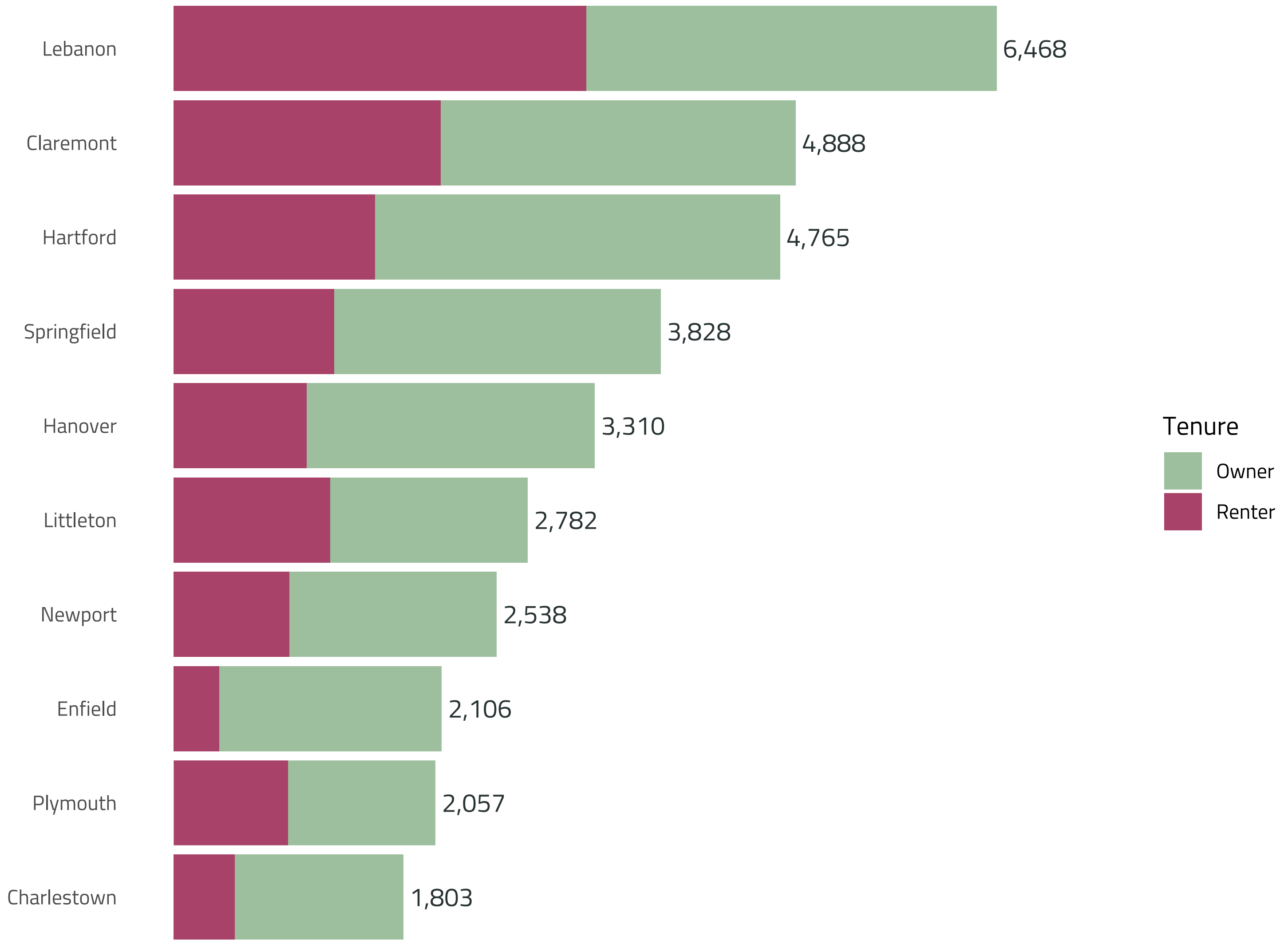
Source: NH Housing, US Census Bureau ACS 5-Year Estimates

Households

LEBANON HAS THE HIGHEST NUMBER OF TOTAL HOUSEHOLDS IN THE REGION AND AMONG COMPARABLE COMMUNITIES.

Lebanon has a nearly even split between renter households (3,244) and owner households (3,224), totaling approximately 6,500 households. This makes Lebanon the largest community in the region by household count, surpassing neighboring towns such as Hartford, Hanover, and Enfield. The balanced distribution of renters and homeowners reflects Lebanon's diverse housing market, which is shaped by its role as an economic and employment hub, attracting a mix of residents seeking both rental and homeownership opportunities.

Number of Households by Tenure



Source: US Census Bureau ACS 5-Year Estimates, 2023

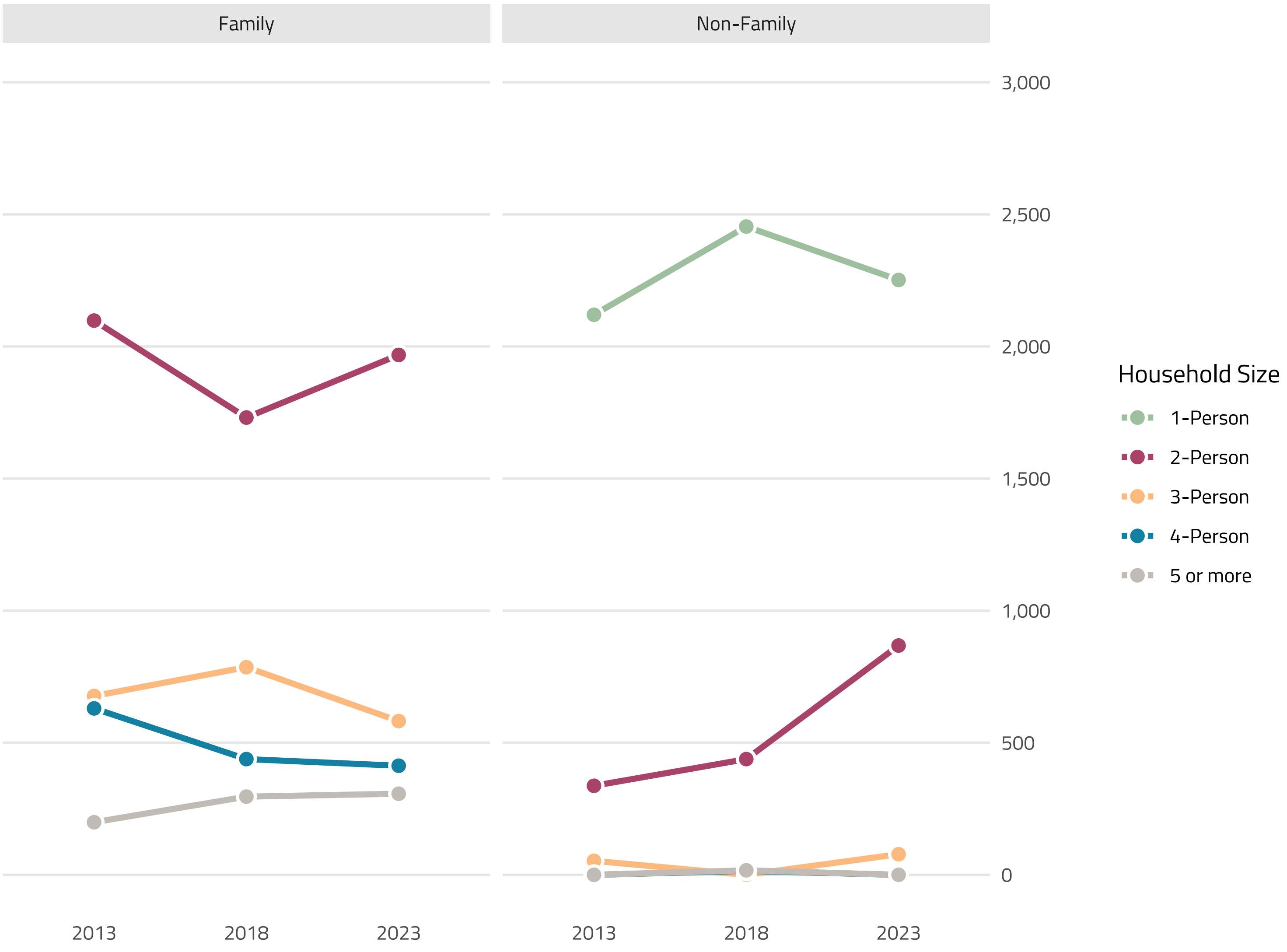
Family Households

LEBANON HAS A GROWING SHARE OF 2-PERSON HOUSEHOLDS.

Lebanon has approximately 3,270 family households and 3,200 non-family households, reflecting a balanced mix that aligns with the town's even split between owner and renter households. Single-person households remain the largest non-family household type (about 2,250, or 35% of all households), though 2-person non-family households have grown to 870 since 2013 (about 13% of all households), suggesting an increase in couples or shared living arrangements. Family households have seen a rise in 2-person households (now around 2,000, or 30% of all households), while 3-person family households have declined to 580 (9%). Larger family households (3-4 people) have slightly decreased, while those with 5 or more have remained steady. These trends indicate a shifting household composition, with potential implications for housing demand, affordability, and the need for diverse housing options to accommodate both smaller households and families.

Source: US Census Bureau ACS 5-Year Estimates, 2018 and 2023

Change in Family Households



The Census defines a family household as a household maintained by a householder who is in a family. A family is any two or more related people residing together.

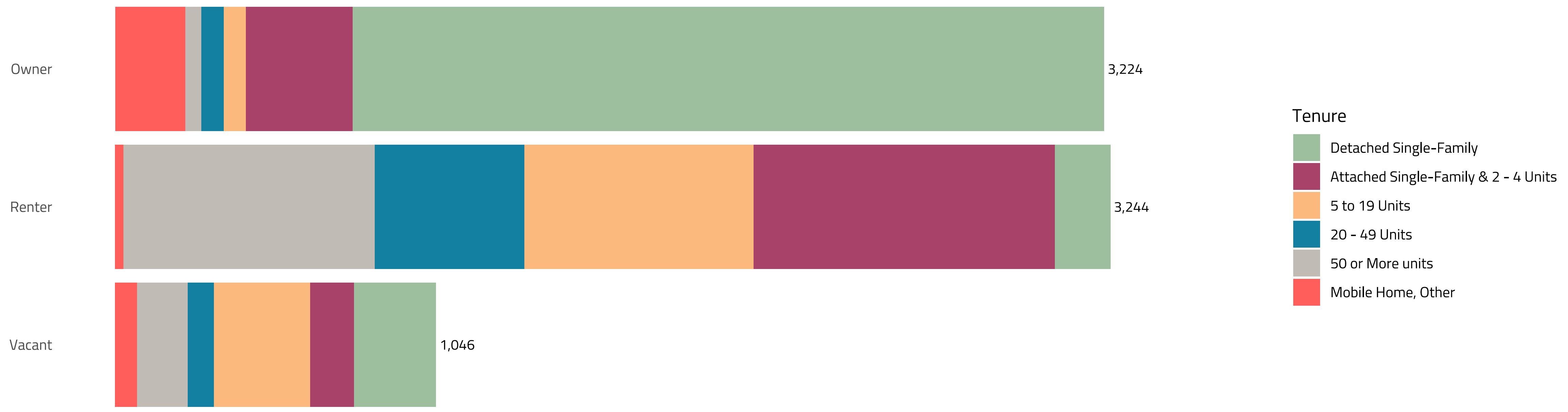
Units in Structure

OWNER-OCCUPIED HOUSING IS PRIMARILY SINGLE-FAMILY HOMES, WHILE RENTER-OCCUPIED HOUSING SHOWS GREATER DIVERSITY.

The majority of owner-occupied units in Lebanon are in single-family homes, while renter-occupied households are more evenly distributed across a range of multifamily structures, reflecting a diverse housing market. The highest concentration of rental units is in buildings with 1 to 4 units, followed by those with 5 to 19 units and 50 or more units. Despite overall low vacancy rates, vacancies are more pronounced in multifamily buildings, indicating a tightening rental market, particularly in smaller, multi-unit structures. This could suggest growing demand for rental options in Lebanon, especially as the population continues to shift toward younger, more mobile households seeking affordable rental opportunities.

Existing Housing Stock

Housing Units by Structure Type



Source: US Census Bureau ACS 5-Year Estimates, 2018 and 2023

Household Income

LEBANON HOUSEHOLDS ARE SHIFTING TO HIGHER INCOMES.

Between 2019 and 2023, the estimated median income in Lebanon was $92,288. Over the past decade, household incomes in Lebanon have shifted toward higher income brackets, with the $100,000–$149,999 and $200,000+ income groups seeing the largest increases—resulting in a 136% rise in households earning over $100,000. On the other hand, households earning less than $75,000 have decreased by approximately 1,000 households (a 27% drop). This shift correlates with a growing number of residents attaining higher levels of education, as higher educational attainment is often associated with higher earning potential. The trend suggests that while more residents are pursuing higher education and securing higher-paying jobs, lower-earning households may face increased challenges in housing affordability.

Household Income Distribution

Source: US Census Bureau ACS 5-Year Estimates, 2018 and 2023

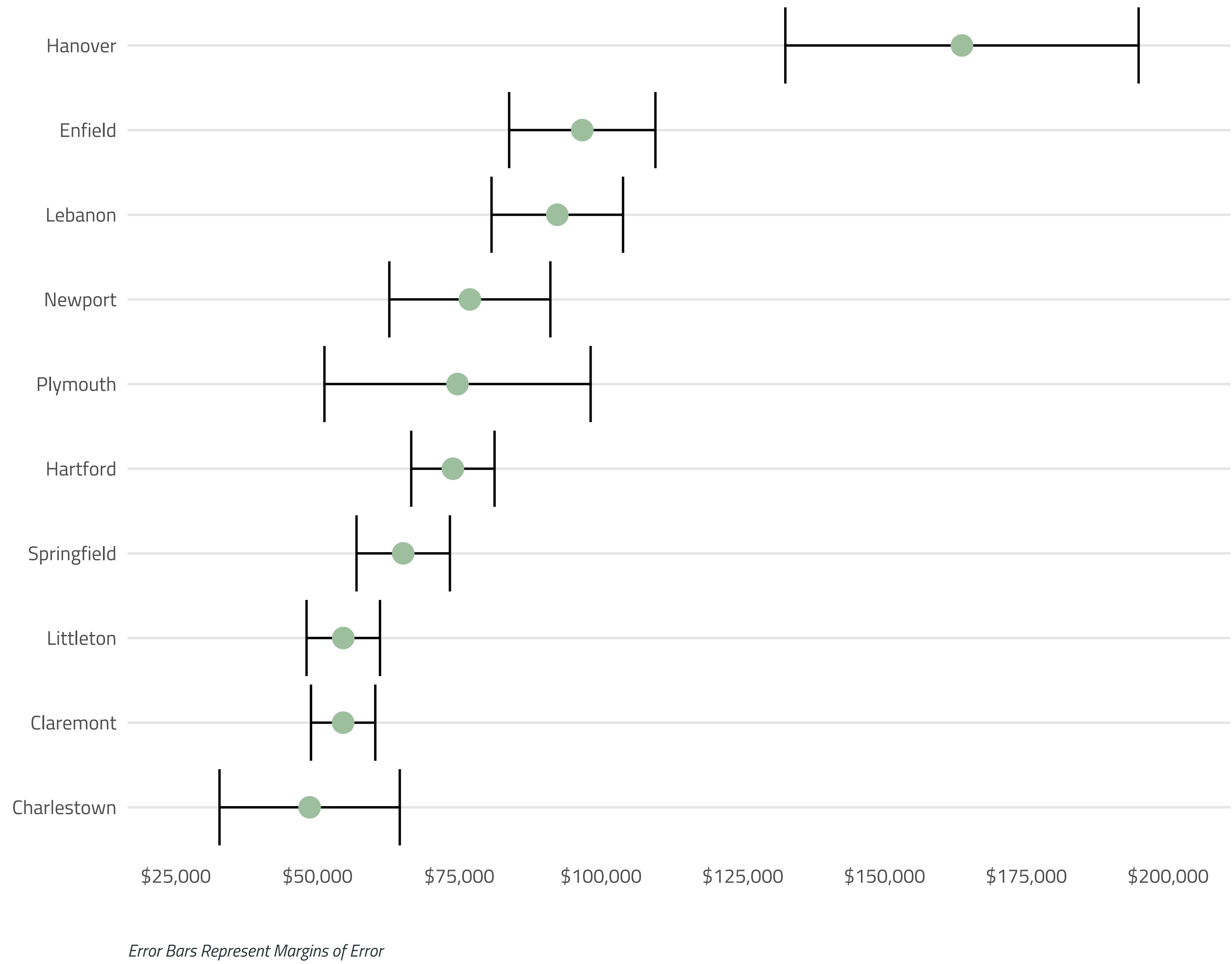
Household Income

RKG

LEBANON'S MEDIAN HOUSEHOLD INCOME IS ON THE RISE.

Lebanon residents rank among the highest earners in the region, trailing only Hanover, with incomes comparable to those in Enfield and Newport. In 2023, Lebanon's median household income was $92,288, marking a 35% increase from $68,975 over the past decade. This rise in income reflects the town's economic growth, driven in part by large employers such as DHMC, Hypertherm, and Novo Nordisk, which offer higher-paying jobs and attract employees with higher levels of educational attainment. However, while higher incomes are improving overall economic stability, they also contribute to growing disparities in housing affordability for lower-earning households.

Median Household Incomes



Source: US Census Bureau ACS 5-Year Estimates, 2018 and 2023

Household Income

THERE IS A GROWING INCOME GAP BETWEEN RENTERS AND HOMEOWNERS IN LEBANON.

When breaking down household income by tenure, a clear divide emerges between renter and owner households in Lebanon. Owner households tend to have higher incomes, with the largest increase over the past decade seen in those earning over $150,000. In contrast, while renter households saw an increase in those earning between $100,000 and $149,999, the majority still earn less than $75,000. This highlights the financial disparity between renters and homeowners, with renters more likely to earn lower incomes. This income gap can contribute to challenges in housing affordability, as renters may struggle to keep pace with rising rents and home prices, while higher-earning owner households are better positioned to withstand these pressures.

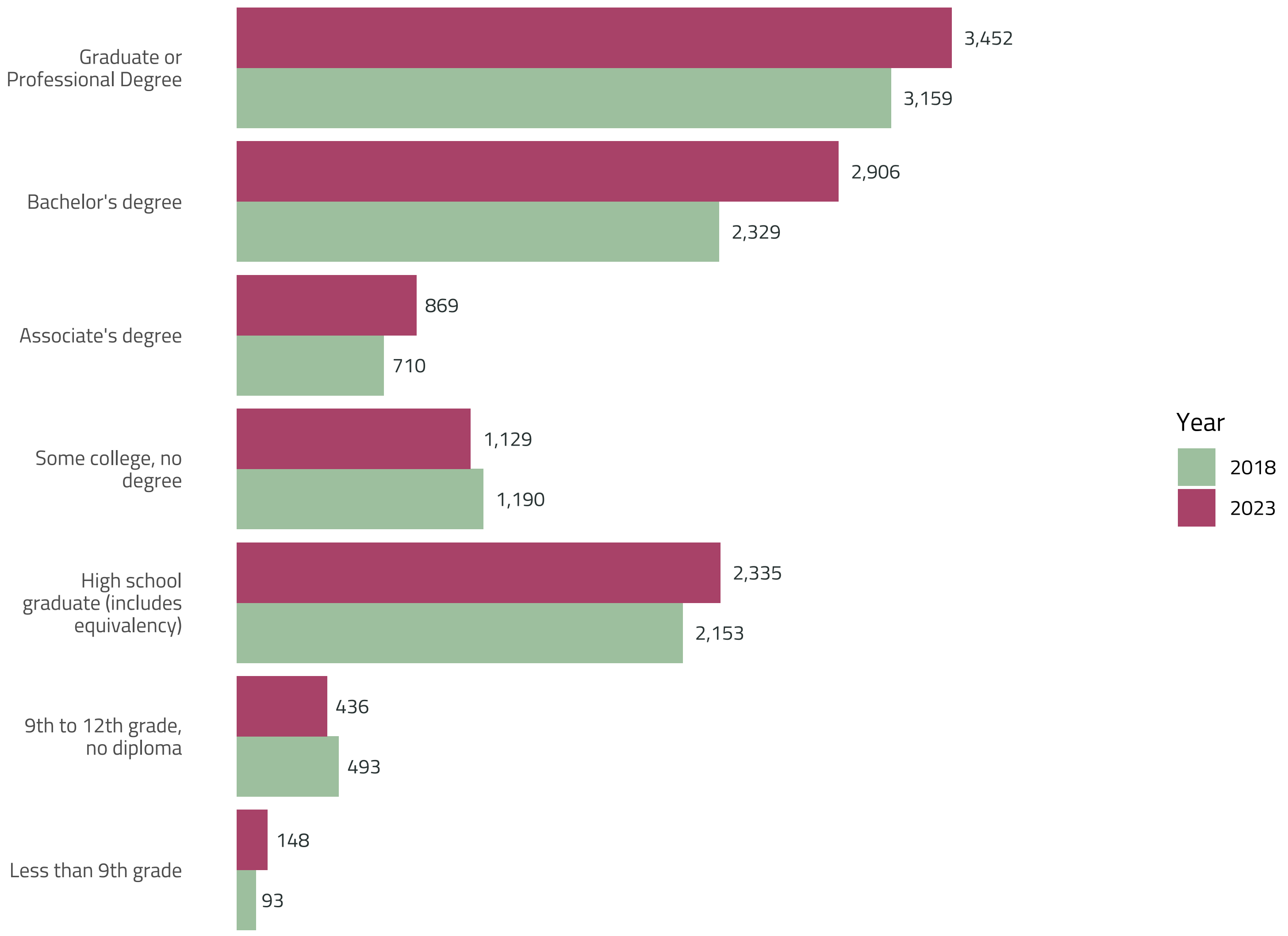
Source: US Census Bureau ACS 5-Year Estimates, 2018 and 2023

Education

LEBANON HAS A HIGHLY EDUCATED POPULATION WITH INCREASING LEVELS OF EDUCATIONAL ATTAINMENT.

Lebanon has seen a rise in educational attainment, which aligns with increasing household incomes. Over the past decade, the number of residents with a high school diploma grew by 8%, while those with an associate's degree increased by 22%. The number of bachelor's degree holders rose by 25% to approximately 2,900 residents, and those with graduate or professional degrees grew by 9% to 3,500 residents. This trend highlights a growing emphasis on higher education, which may be contributing to increased earning potential and economic mobility in the community.

Educational Attainment, 25+



Source: US Census Bureau ACS 5-Year Estimates, 2018 and 2023

School Enrollment

STUDENT ENROLLMENT IN LEBANON IS RECOVERING POST-PANDEMIC.

The Lebanon Public School District includes two elementary schools, one middle school, one high school, and an alternative education program. The city is also home to a campus of River Valley Community College, a public institution with locations in Claremont, Keene, and Lebanon.

Over the past decade, student enrollment in the Lebanon School District has declined by about 100 students since 2014. However, enrollment has started to rebound in recent years, increasing after hitting a low of 1,586 students in 2021. This decline in enrollment mirrors a broader statewide trend, which has been influenced by factors such as the lingering effects of the COVID-19 pandemic and shifting demographics across New Hampshire.

Lebanon School District Enrollment, 2014 – 2025

Source: NH Department of Education

Economy

Key Findings

- **Job Growth & Sector Trends:** Lebanon's employment grew by 11% since 2014, with Healthcare, Retail, and Professional Services leading growth, while Construction and Transportation jobs declined.
- **Housing Affordability Challenges:** Many workers, especially in lower-paying industries, struggle to afford Lebanon's high home prices ($450,000 median) and rents ($2,448 median).
- **Workforce Commuting Patterns:** 83% of Lebanon's workers commute from outside the city, while over half of residents work elsewhere, highlighting regional economic ties and housing mismatches.
- **Shift Toward Higher-Wage Jobs:** The city's economy is transitioning toward knowledge-based industries, with strong wage growth in Professional Services and Healthcare.

Employment

Top Five Employment Growth Sectors 2014-2024

Industry Sector	2014-2024 Change	2024 Avg. Earning
Health Care and Social Assistance	1,161	$113,080
Government	261	$89,463
Professional, Scientific, and Technical Services	229	$215,936
Finance and Insurance	217	$140,991
Transportation and Warehousing	131	$49,279

Top Five Employment Growth by Occupation 2014-2024

Occupation Category	2014-2024 Change	2024 Adjusted Median Annual Earnings
Healthcare Practitioners and Technical Occupations	905	$77,175
Business and Financial Operations Occupations	374	$58,970
Management Occupations	317	$96,159
Transportation and Material Moving Occupations	248	$30,696
Community and Social Service Occupations	159	$44,017

TOTAL EMPLOYMENT IN LEBANON GREW BY 11% SINCE 2014.

In 2024, Lebanon's largest employment growth sectors were Health Care and Social Assistance, Government, and Professional, Scientific, and Technical Services. The Health Care sector was the city's largest employer, with approximately 8,400 workers earning an average annual salary of $113,080. Government, the second-largest growth sector, employed around 530 people, with an average salary of $89,460.

Despite competitive wages in some industries, homeownership remains out of reach for many workers. As of November 2024, the median home sale price in Lebanon had climbed to $450,000, making it difficult for even higher-paid professionals to afford a home. Additionally, 35% of Lebanon's 20,200 jobs are in industries paying below the citywide average annual earnings of $100,800. For example, Accommodations and Food Services workers, earning an average of $36,300 annually, face challenges affording housing, with median gross rent reaching $2,448 in 2023.

Over the past decade, employment growth was strongest in Healthcare Practitioners and Business and Financial Operations, reflecting shifts in Lebanon's job market. Meanwhile, six major occupational groups—including Production and Sales-related jobs—saw employment declines since 2014.

Source: LightCast 2024.4 QCEW Employees, New Hampshire Housing Rental Cost Trends

Economy

Employment

Top Ten Largest Employment Sectors 2024

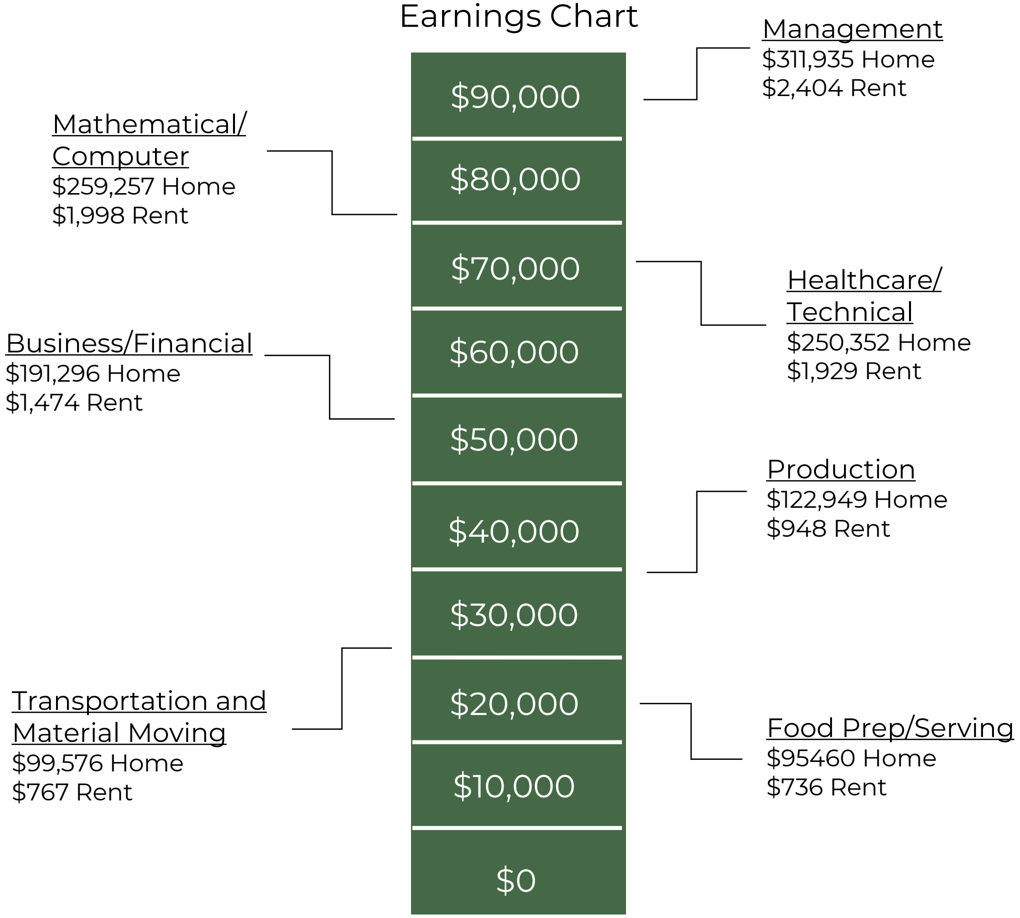
Industry Sector	2024 Jobs	2024 Avg. Earning
Health Care and Social Assistance	8,398	$113,080
Retail Trade	2,793	$49,728
Manufacturing	1,338	$108,776
Accommodation and Food Services	1,322	$36,287
Educational Services	1,231	$127,247
Professional, Scientific, and Technical Services	1,161	$215,936
Other Services (except Public Administration)	991	$51,964
Government	530	$89,463
Finance and Insurance	515	$140,991
Administrative and Support and Waste Management and Remediation Services	443	$74,715

Top Ten Largest Occupation Categories 2024

Occupation Category	2024 Jobs	2024 Adjusted Median Annual Earnings
Healthcare Practitioners and Technical Occupations	4,272	$77,175
Office and Administrative Support Occupations	2,727	$37,399
Sales and Related Occupations	1,694	$30,174
Healthcare Support Occupations	1,484	$38,090
Food Preparation and Serving Related Occupations	1,439	$29,427
Management Occupations	1,283	$96,159
Transportation and Material Moving Occupations	1,213	$30,696
Business and Financial Operations Occupations	971	$58,970
Production Occupations	943	$37,901
Educational Instruction and Library Occupations	727	$55,653

What Can Different Jobs/Earnings Afford in Lebanon?

Earnings Chart



MANY OF LEBANON'S LOWEST-PAID WORKERS CANNOT AFFORD RENT OR HOMEOWNERSHIP AT MEDIAN PRICES. With a median gross rent of $2,448 per month and a median home sale price of $450,000, many employees in Lebanon's top ten largest occupations are unable to afford housing at these prices.

Source: US Census Bureau ACS 5-Year Estimates, LightCast 2024.4 QCEW Employees, HUD Income Limits, RKG Associates

Economy

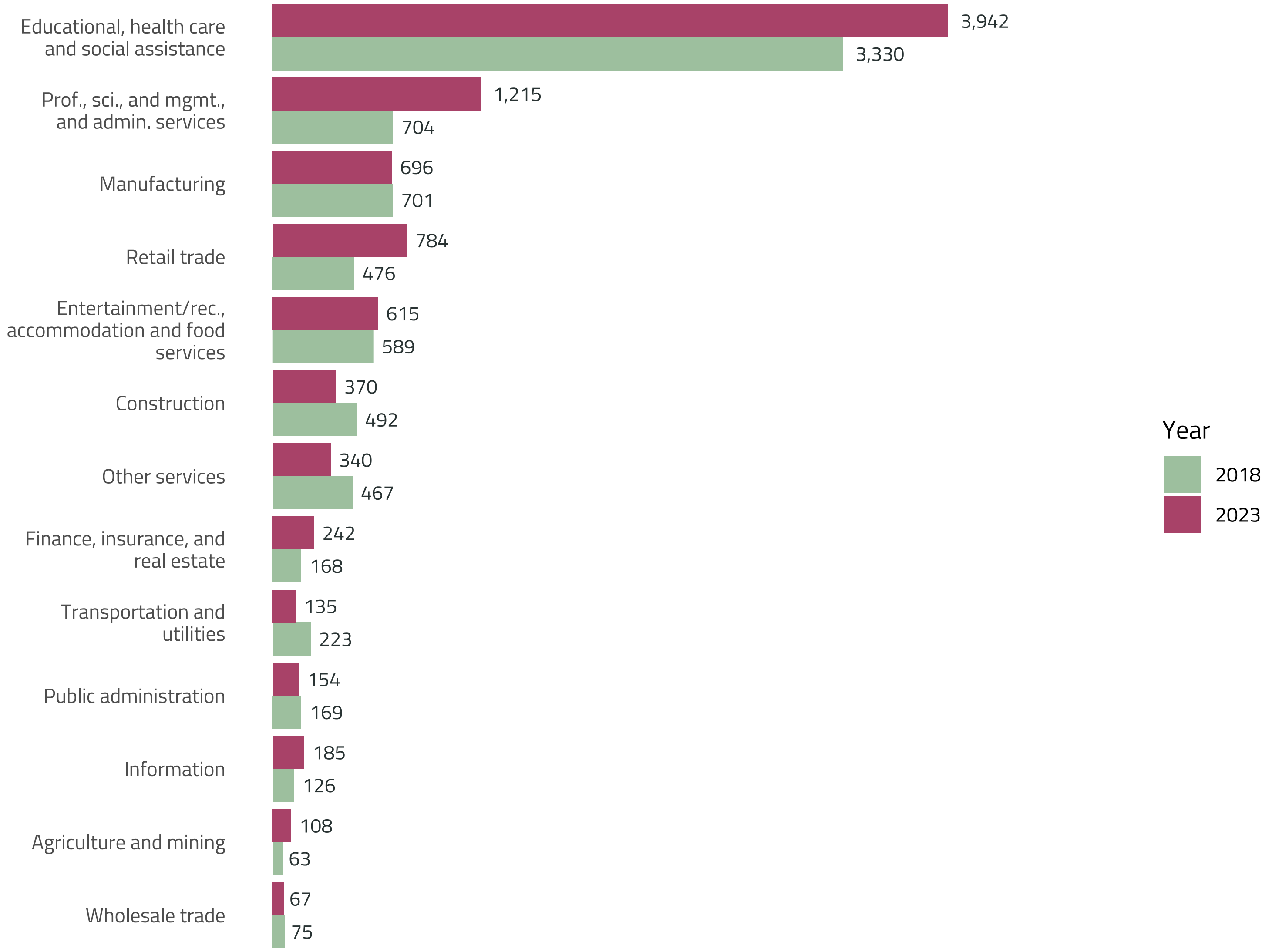
Industry Employment

LEBANON’S EDUCATIONAL, HEALTH CARE, PROFESSIONAL SERVICES AND RETAIL TRADE SECTORS ARE GROWING.

The largest employment sector in Lebanon is the Educational, Health Care, and Social Assistance industry, which employs nearly 4,000 workers and has grown by 18% over the past decade. This reflects the city's role as a regional hub for medical and social services, largely driven by Dartmouth-Hitchcock Medical Center and other health-related institutions. The Professional, Scientific, and Management sector has grown by 73% since 2014, while the Retail Trade sector has increased by 65%, strengthening Lebanon’s position as a commercial hub for the Upper Valley.

Conversely, industries such as Construction, Other Services, and Transportation and Utilities saw the largest declines, each shrinking by more than 25%. This shift may present a challenge for unit construction, as a decline in these sectors could impact the demand for housing and the availability of workers for construction projects. Overall, these shifts may indicate a changing economic landscape, with demand shifting toward knowledge-based and service-oriented industries while traditional trades and infrastructure-related jobs decline.

Resident Employment by Industry



Source: US Census Bureau ACS 5-Year Estimates, 2018 and 2023

Employment

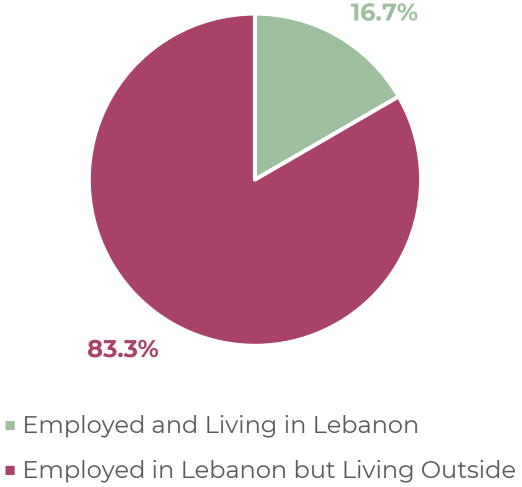
THE MAJORITY OF LEBANON'S WORKERS LIVE OUTSIDE OF TOWN.

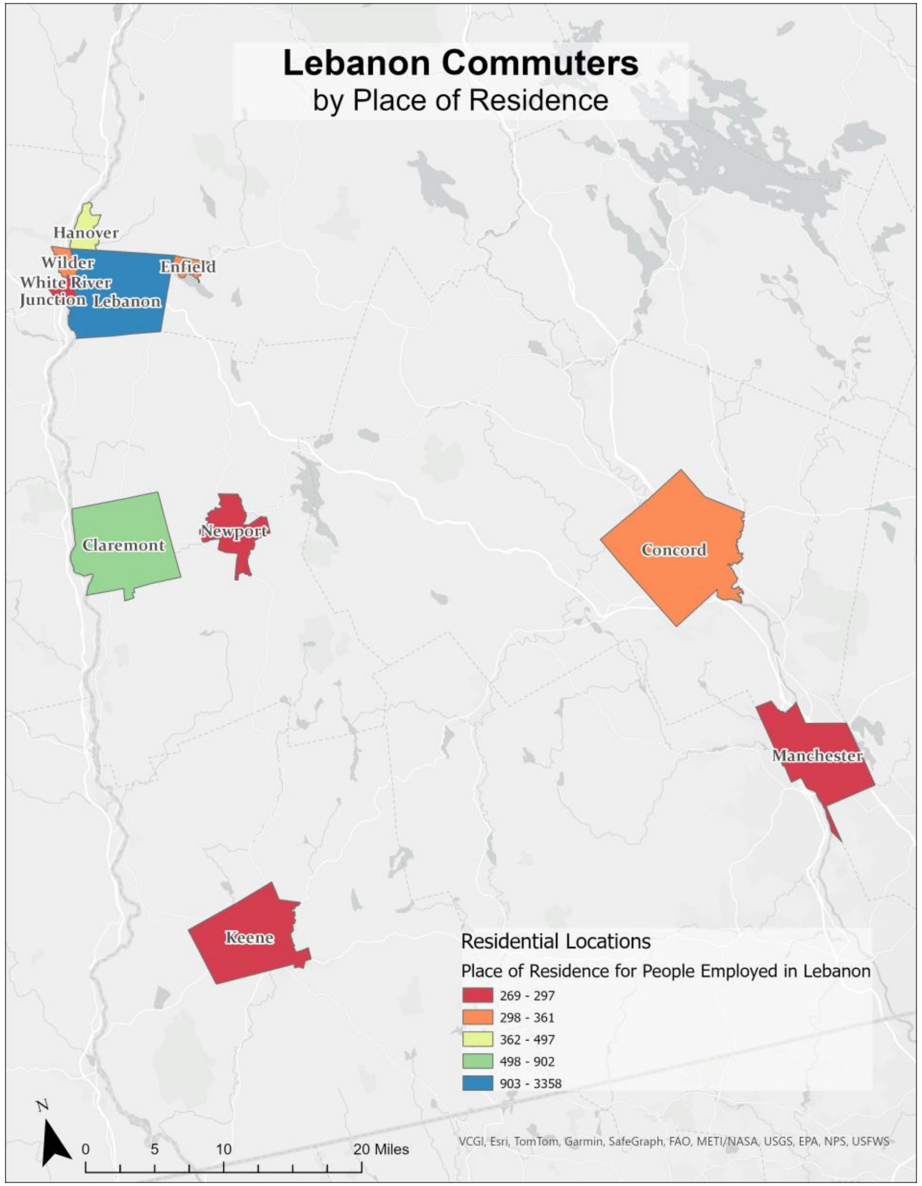
Approximately 83% of workers in Lebanon commute from surrounding areas, underscoring the city's role as a central employment hub in the region. Workers from towns like Hanover, White River Junction, and Claremont are drawn to Lebanon's diverse job sectors, including healthcare, retail, and professional services. As a result, demand for housing in Lebanon is influenced by workers seeking more affordable housing options closer to their workplaces. However, given the high costs of living and limited housing supply within the city, many workers may be seeking housing in nearby areas that offer better affordability while still providing proximity to their jobs in Lebanon. This trend is likely to continue shaping the local housing market and may impact its long-term economic sustainability.

Top Ten Places of Residence for People Employed in Lebanon, 2022

Place	Job Count	Share
Lebanon city, NH	3,358	16.7%
Claremont city, NH	902	4.5%
Hanover CDP, NH	497	2.5%
Wilder CDP, VT	361	1.8%
Concord city, NH	343	1.7%
Enfield CDP, NH	340	1.7%
Keene city, NH	297	1.5%
Newport CDP, NH	287	1.4%
White River Junction CDP, VT	275	1.4%
Manchester city, NH	269	1.3%

Employment Efficiency (All Jobs) Among People Employed in Lebanon, 2022





Source: U.S. Census Bureau OnTheMap 2022

Employment

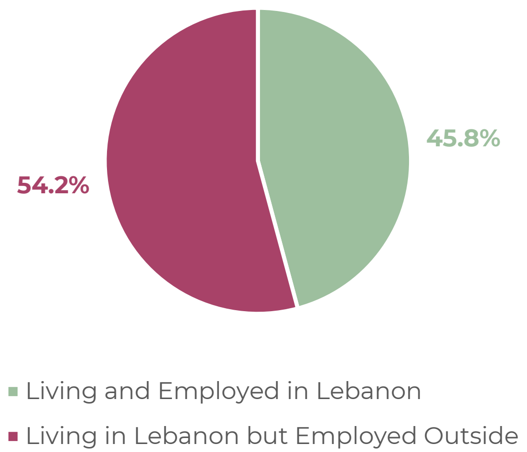
MORE THAN HALF OF LEBANON'S RESIDENTS COMMUTE TO JOBS OUTSIDE OF TOWN.

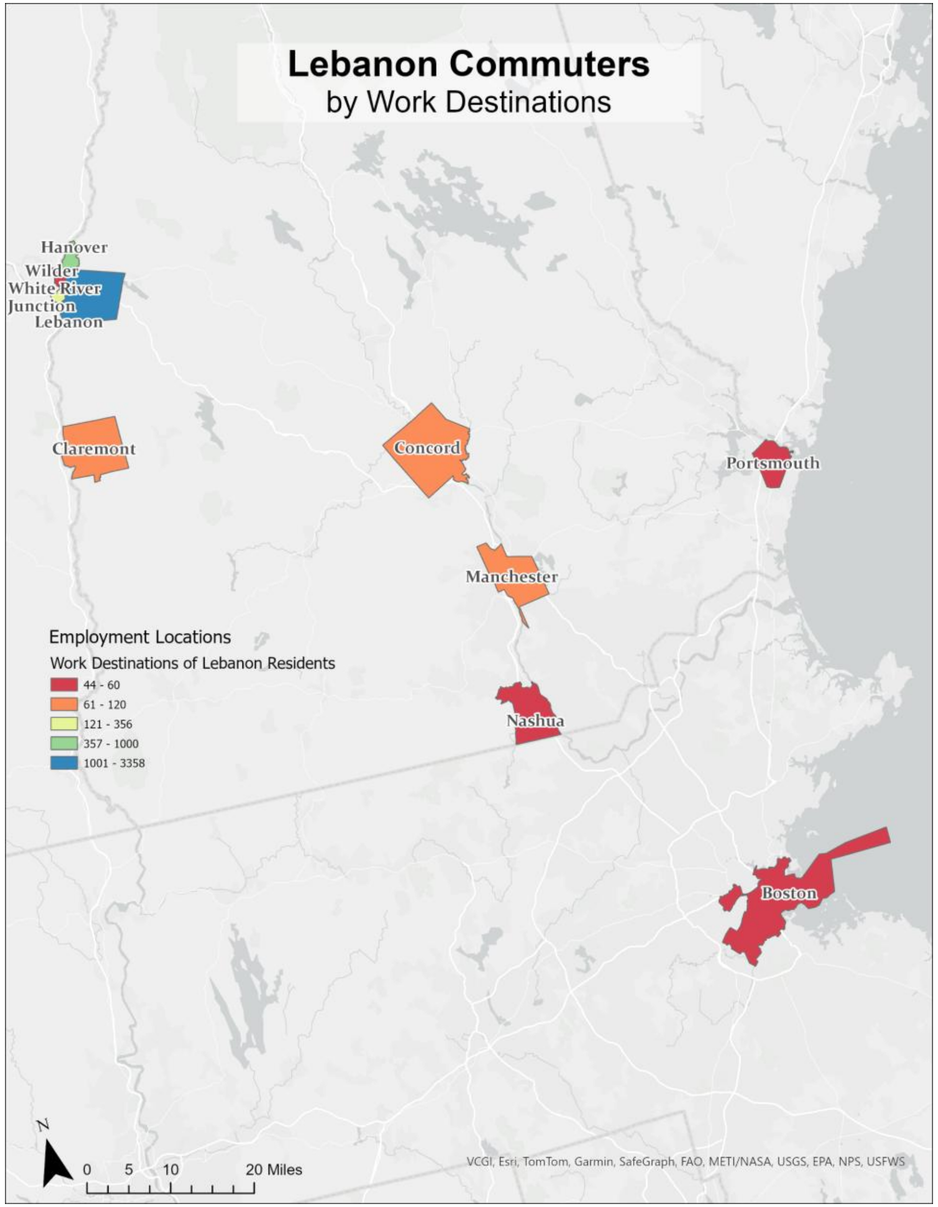
In Lebanon, approximately 46% of residents work within the city, highlighting the abundance of local job opportunities. This reflects Lebanon's role as an economic hub in the Upper Valley, with key industries such as healthcare, retail, professional services, and education providing a range of employment options. With nearly half of residents both living and working in the city, many benefit from shorter commutes and easier access to their jobs. Meanwhile, other residents commute to nearby communities like Hanover, White River Junction, and Claremont for work. This commuter flow underscores the economic ties between Upper Valley communities, where workers often live in one municipality and commute to another based on factors such as housing affordability, quality of life, and transportation access.

Top Ten Work Destinations of Lebanon Residents, 2022

Place	Job Count	Share
Lebanon city, NH	3,358	45.8%
Hanover CDP, NH	1,000	13.6%
White River Junction CDP, VT	356	4.9%
Claremont city, NH	120	1.6%
Concord city, NH	120	1.6%
Manchester city, NH	117	1.6%
Wilder CDP, VT	60	0.8%
Nashua city, NH	52	0.7%
Portsmouth city, NH	46	0.6%
Boston city, MA	44	0.6%

Labor Market Efficiency (All Jobs) Among People Living in Lebanon, 2022





Source: U.S. Census Bureau OnTheMap 2022

Work from home has accelerated in Lebanon over the past 10 years.

Residents Working from Home in 2014

478

↓

Residents Working from Home in 2023

1,788

The number of Lebanon residents working from home grew by about 1,300 workers in the past ten years. This trend accelerated with the onset of, and recovery from, the COVID-19 pandemic. Lebanon's strategic location near major employment opportunities provides convenient access to transportation options for workers who commute to the office on a hybrid schedule.

Source: US Census Bureau ACS 5-Year Estimates

Housing Market Conditions

Key Findings

- **Shift in Household Sizes:** The majority of households in Lebanon are small, with 79% consisting of one or two people. Renters are more likely to live alone, while homeowners typically have two-person households. This trend highlights the increasing demand for smaller living arrangements, driven by factors like an aging population and the transient nature of the community, particularly among young professionals and students.

- **Tenure Trends:** Most renters in Lebanon are under 44 years old, while homeowners are predominantly over 55, with homeownership being largely driven by older residents. A recent influx of renters, especially since 2018, has led to a more transient population, while homeowners tend to be more established, having lived in the city for longer periods. Renters are mainly concentrated in areas around Dartmouth Hitchcock Medical Center and downtown Lebanon.

- **Low Vacancy Rates, Rising Prices & Market Competition:** Lebanon's housing market is highly competitive, with both rental and owner-occupied vacancy rates remaining low (3.1% and 1.5%, respectively). This limited availability, coupled with rising demand, has pushed home prices and rents higher, worsening affordability challenges and making it more difficult for buyers and renters to secure housing.

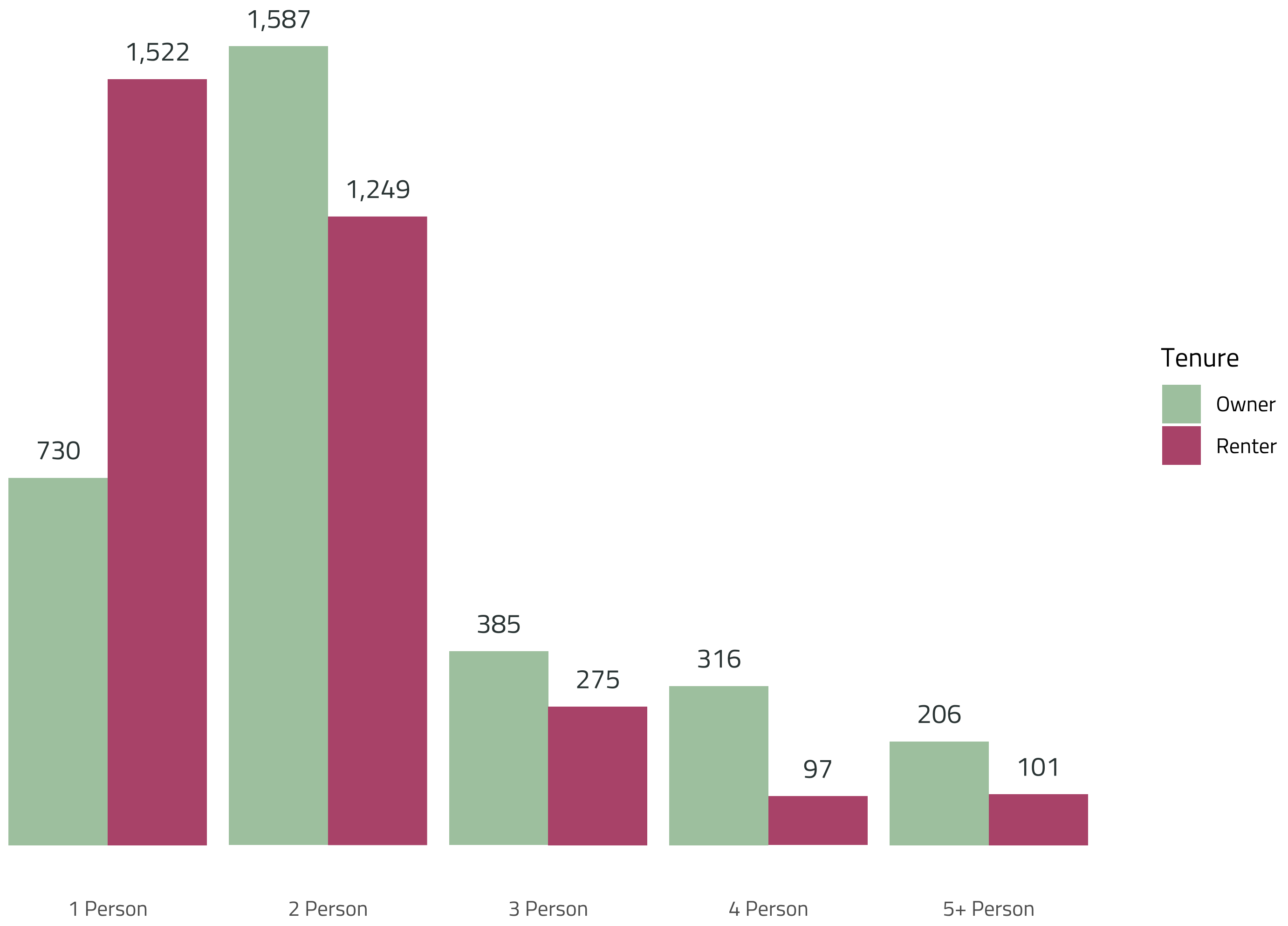
- **Cost Burden & Housing Affordability**: Nearly half of Lebanon's renters are burdened by high housing costs, with 43% spending more than 30% of their income on rent. Of these, 22% are severely cost-burdened, paying more than 50% of their income on housing. Homeowners with mortgages also face financial strain, indicating increasing challenges in securing affordable housing in the city.

Household Size

LEBANON HAS A HIGH CONCENTRATION OF SMALLER HOUSEHOLDS.

The distribution of household size by tenure in Lebanon reveals a high proportion of smaller households, with 79% consisting of one or two people. Renters are more likely to live alone, while homeowners more commonly live in two-person households. Although larger households are more prevalent among homeowners, they make up a smaller share of the overall household distribution in Lebanon. This trend reflects broader demographic patterns, including an aging population, shifting household compositions, and the transient nature of the community, where a significant portion of residents—such as young professionals, students, and temporary workers—seek smaller, more flexible living arrangements. These dynamics contribute to the high demand for one- and two-person households, shaping Lebanon's housing market and rental landscape.

Household Size by Tenure

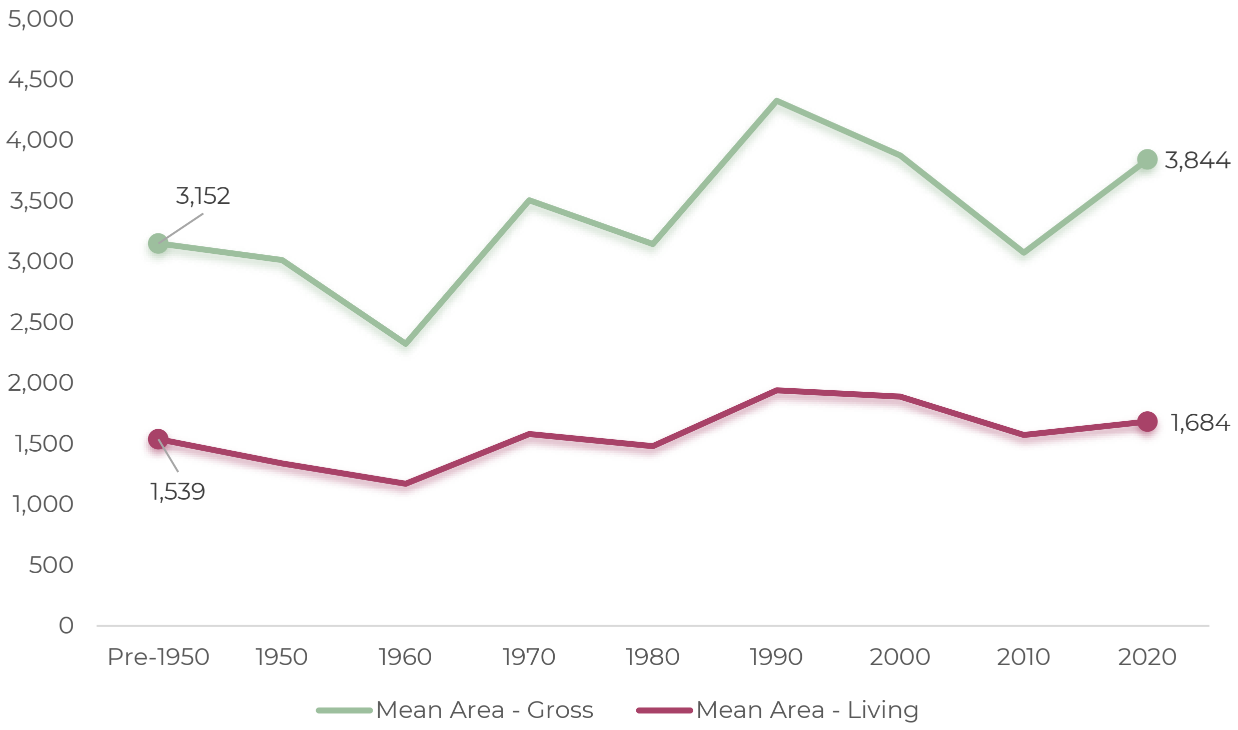


Source: US Census Bureau ACS 5-Year Estimates, 2018 and 2023

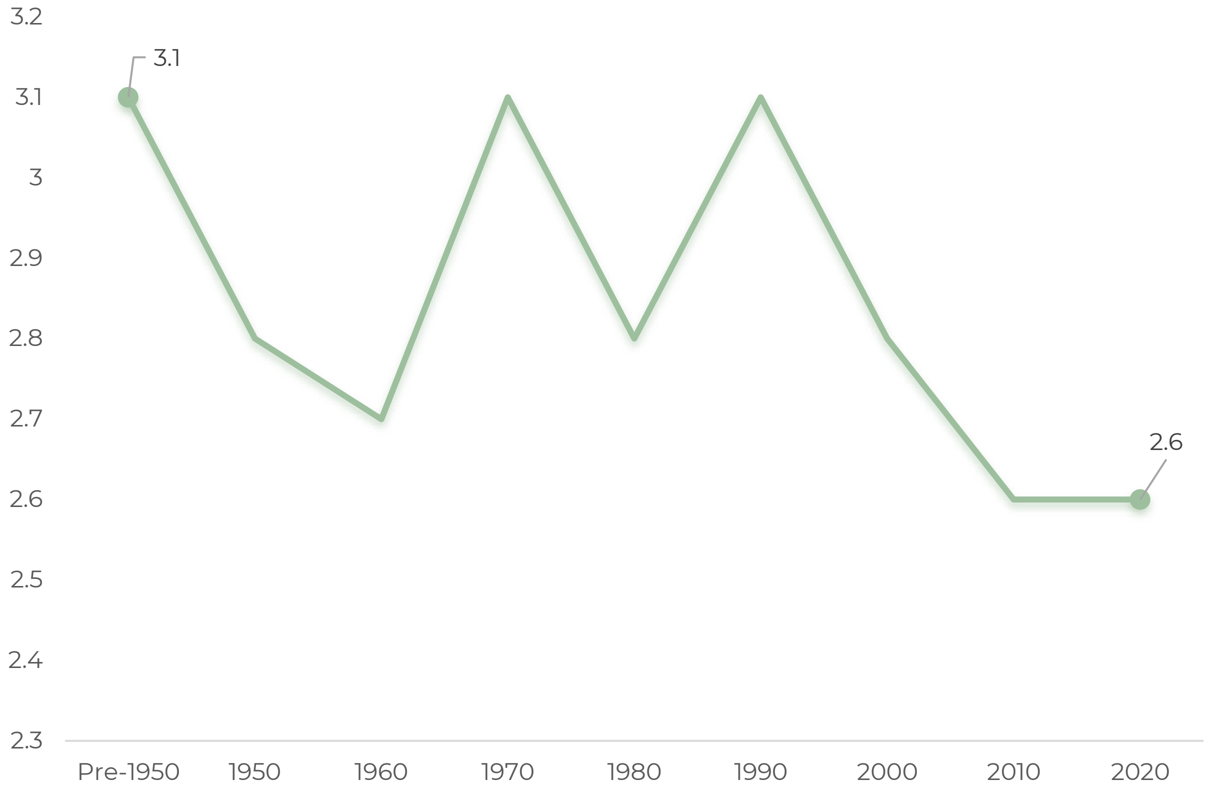
Household Size

Over the decades, the size and layout of single-family homes in Lebanon have evolved in response to economic shifts, housing preferences, and market trends. From pre-1950 to 1960, both gross and living areas declined, reflecting a move toward smaller homes, with the average number of bedrooms dropping from 3.1 to 2.7. In the 1970s, home sizes grew again, likely driven by suburban expansion and demand for more space, with bedroom counts rising back to 3.1. This trend continued into the 1980s and 1990s, peaking in the 1990s when homes reached their largest average size, signaling a preference for more spacious living. However, the 2000s and 2010s saw a slight decline, likely due to economic downturns and shifting priorities. By 2010, the average bedroom count had decreased to 2.6, where it has remained. Though bedroom counts stayed steady, single-family home sizes increased slightly by 2020—though not to 1990s levels.

Average Household Size by Square Feet by Decade



Mean Number of Bedrooms by Decade



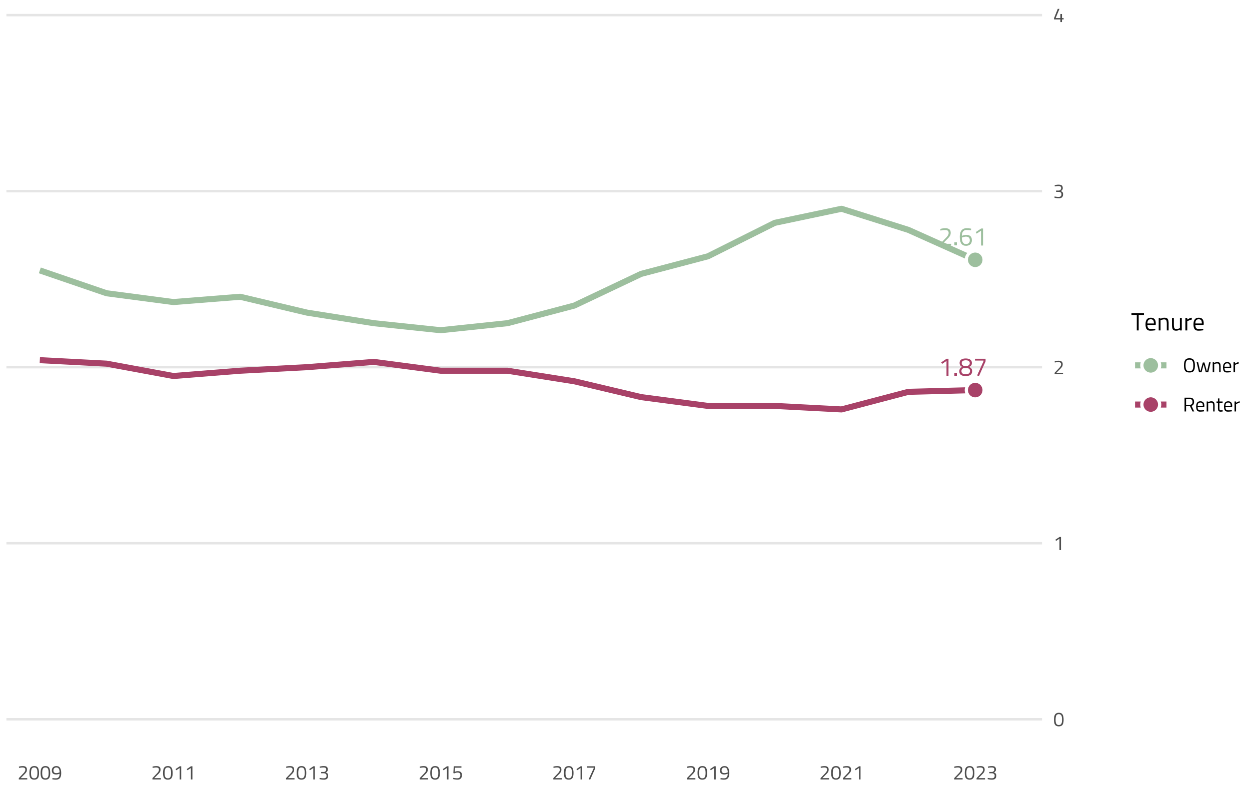
Source: City of Lebanon

Household Size

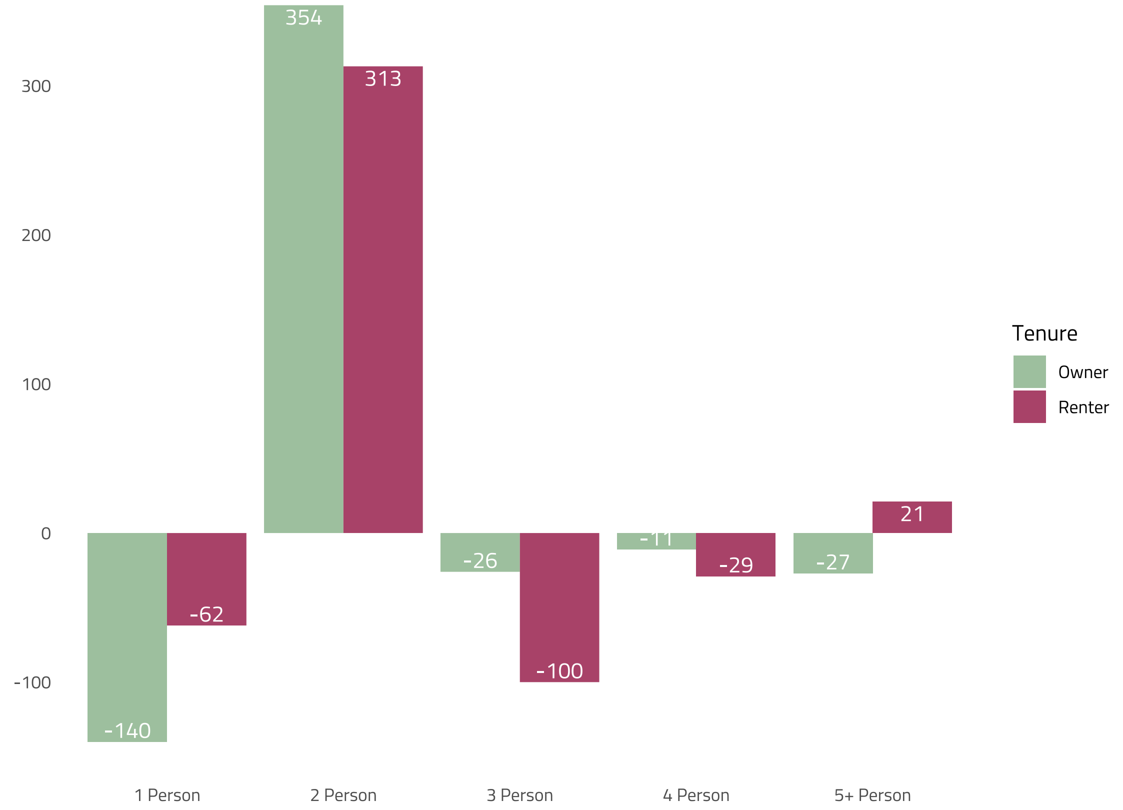
THE NUMBER OF 2-PERSON HOUSEHOLDS IN LEBANON IS INCREASING.

Over the past twenty years, average household sizes in Lebanon have remained relatively stable, with some fluctuations. Renter households have consistently had an average size just under two people, while owner-occupied households have typically ranged between 2 and 3 people since 2009. The most notable increase was seen in two-person households, which grew in both renter and owner categories. Conversely, one-person households saw the largest decrease among owners, while renters experienced a decline in households with three people.

Change in Average Household Size



Change in Household Size by Tenure



Source: US Census Bureau ACS 5-Year Estimates, 2018 and 2023

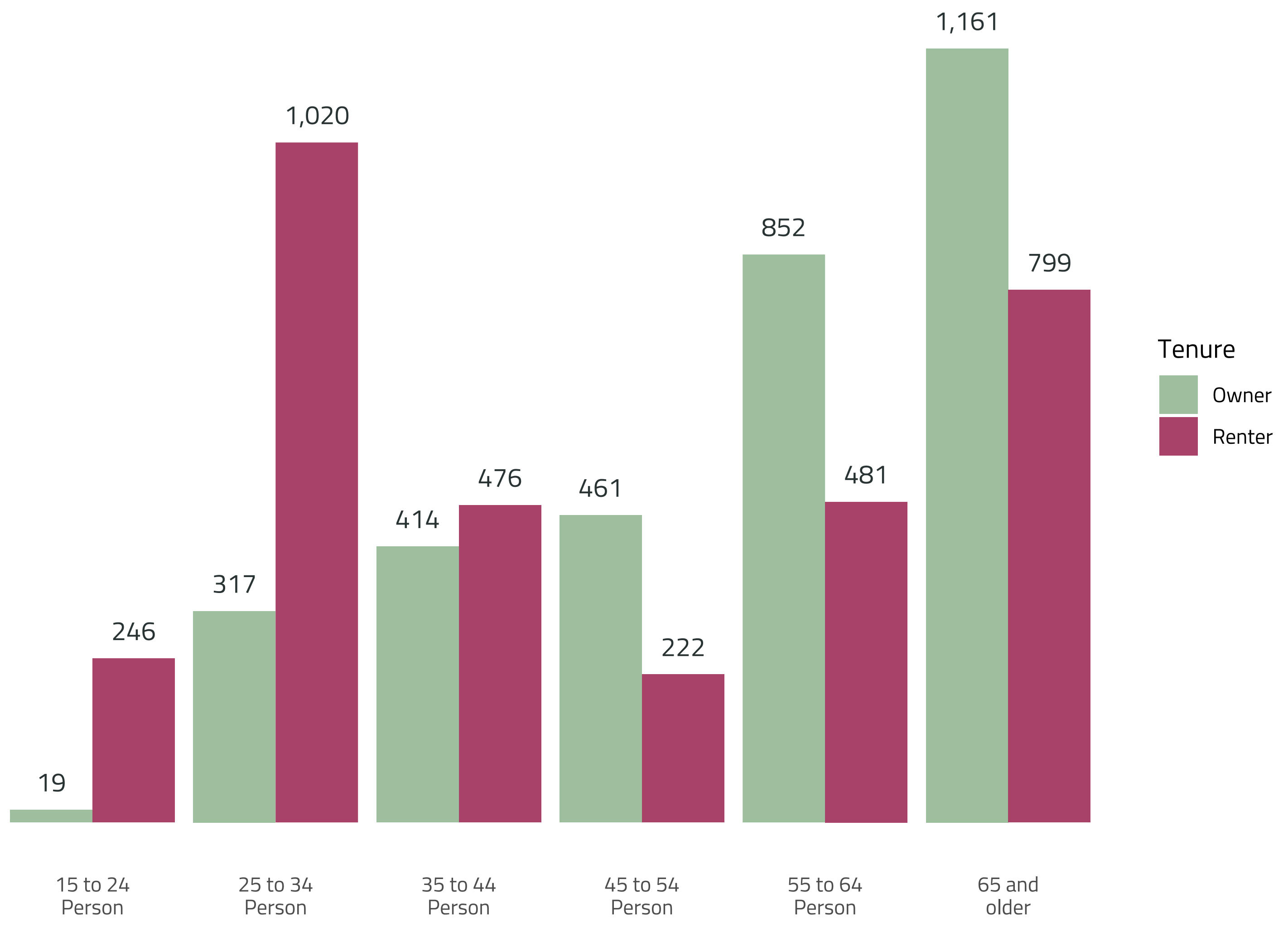
Household Age

RKG

OLDER RESIDENTS DRIVE LEBANON'S HOMEOWNERSHIP MARKET.

In Lebanon, most renters are under 44 years old, while most homeowners are over 55, reflecting broader demographic and housing trends. The largest group of renters falls within the 25-34 age range, a stage in life when many prioritize flexibility due to career mobility or financial constraints. However, the second-largest group of renters is those aged 65 and older, suggesting that some older adults may be downsizing, opting out of homeownership responsibilities, or facing financial barriers. Meanwhile, homeownership is most prevalent among residents 65 and older, highlighting a divide where some seniors have attained long-term housing stability while others remain in the rental market. These patterns emphasize the need for a diverse range of housing options to accommodate Lebanon's evolving population and housing preferences.

Household Age by Tenure



Source: US Census Bureau ACS 5-Year Estimates, 2018 and 2023

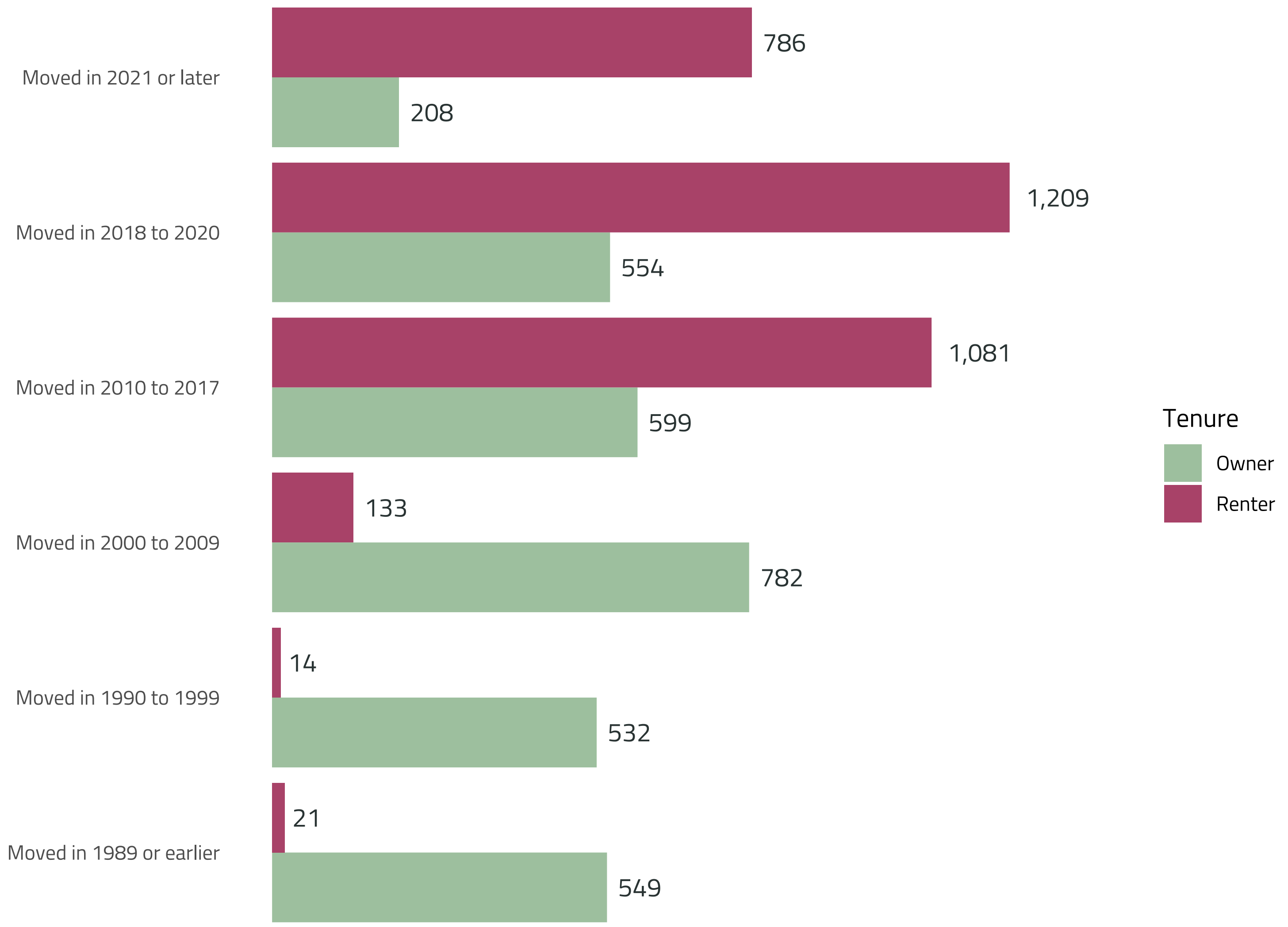
Households

MOST RENTERS MOVED TO LEBANON AFTER 2018, WHILE THE MAJORITY OF HOMEOWNERS HAVE LIVED IN THE CITY SINCE BEFORE 2010.

Over the past decade, Lebanon has seen a notable increase in new residents, particularly among renters. In the last five years, around 2,750 new residents moved to the city, with renters making up the majority of this influx. About 27% of these new arrivals were homeowners.

This pattern points to greater residential stability among homeowners, many of whom have been in Lebanon for a longer period, while renters—who make up a larger share of recent newcomers—are more likely to be in a transitional phase. DHMC also plays a role, leasing many rental units for their employees, though these workers tend to stay for shorter periods. This could impact housing demand, as renters may seek more flexibility, while homeowners represent a more established population in the community.

Year Householder Moved In



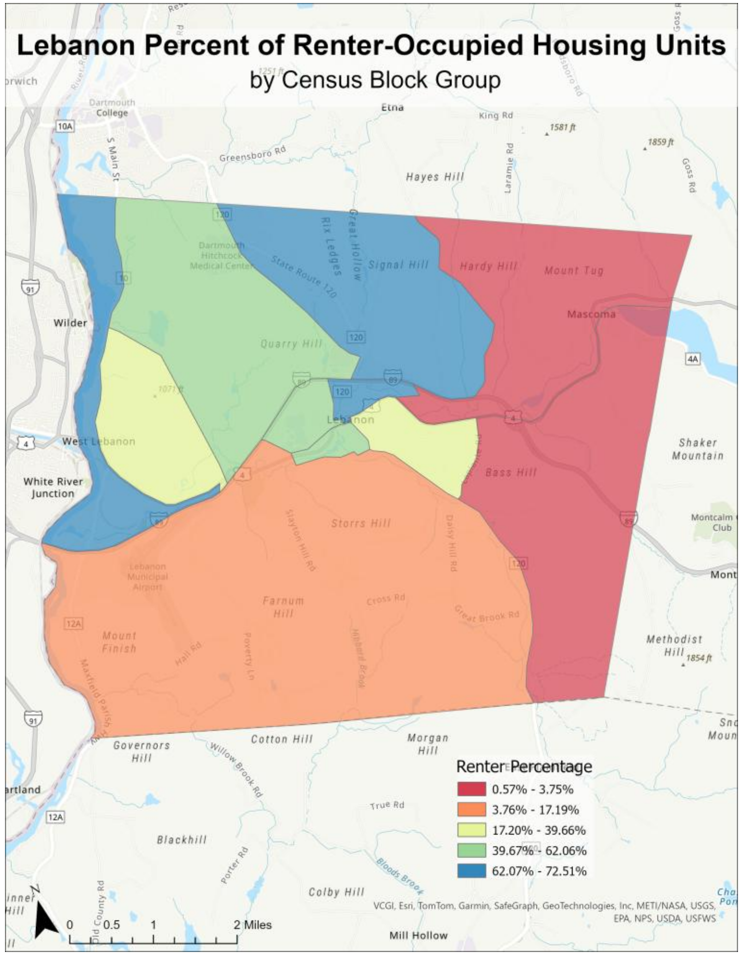
Source: US Census Bureau ACS 5-Year Estimates, 2018 and 2023

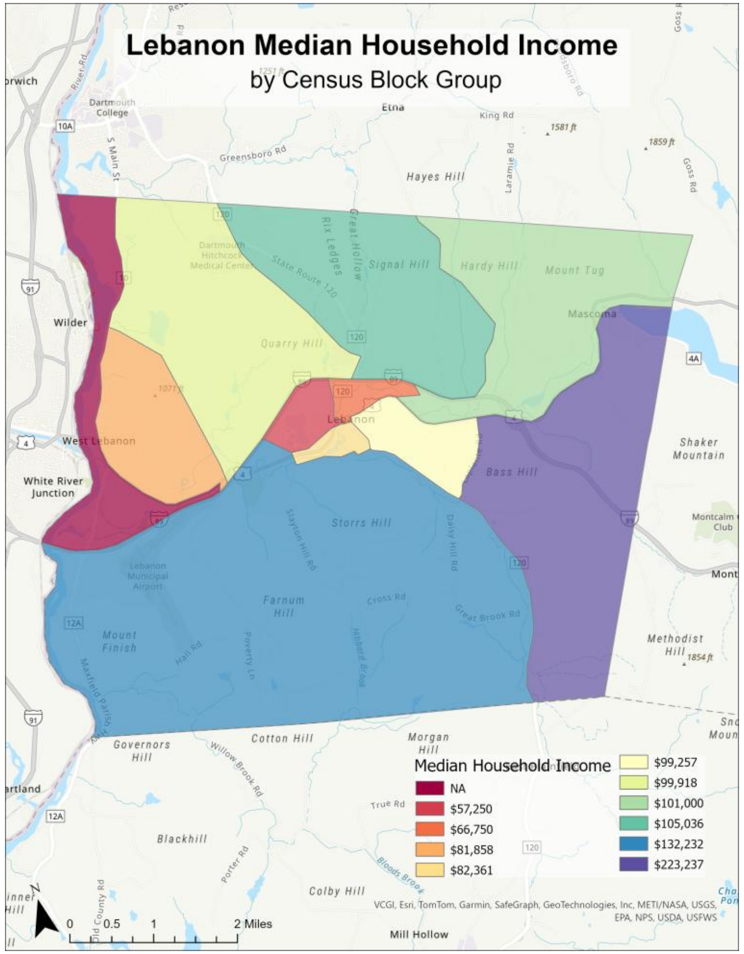
Households

RENTER-OCCUPIED UNITS ARE MOST CONCENTRATED IN THE NORTHWESTERN PART OF TOWN, PARTICULARLY AROUND DARTMOUTH HITCHCOCK MEDICAL CENTER.

The maps to the right show a correlation between areas with higher percentages of renter-occupied units and lower median household incomes in Lebanon. Specifically, several Block Groups surrounding the downtown area, which have higher renter occupancy rates, also tend to have some of the lowest household incomes in the town. This pattern aligns with broader trends, as downtown areas typically have a higher concentration of rental housing. In the Block Groups surrounding the Dartmouth-Hitchcock Medical Center, there is a high concentration of renters alongside higher median incomes, which reflects the higher wages earned by workers in the healthcare sector.

The downtown area is a prime example where lower-income renter households may face increased risk of cost burden, displacement, and eviction, particularly due to the current economic climate. This highlights the need for a balanced approach to housing development in the downtown area, incorporating both affordable and market-rate housing options to meet the diverse needs of the community.





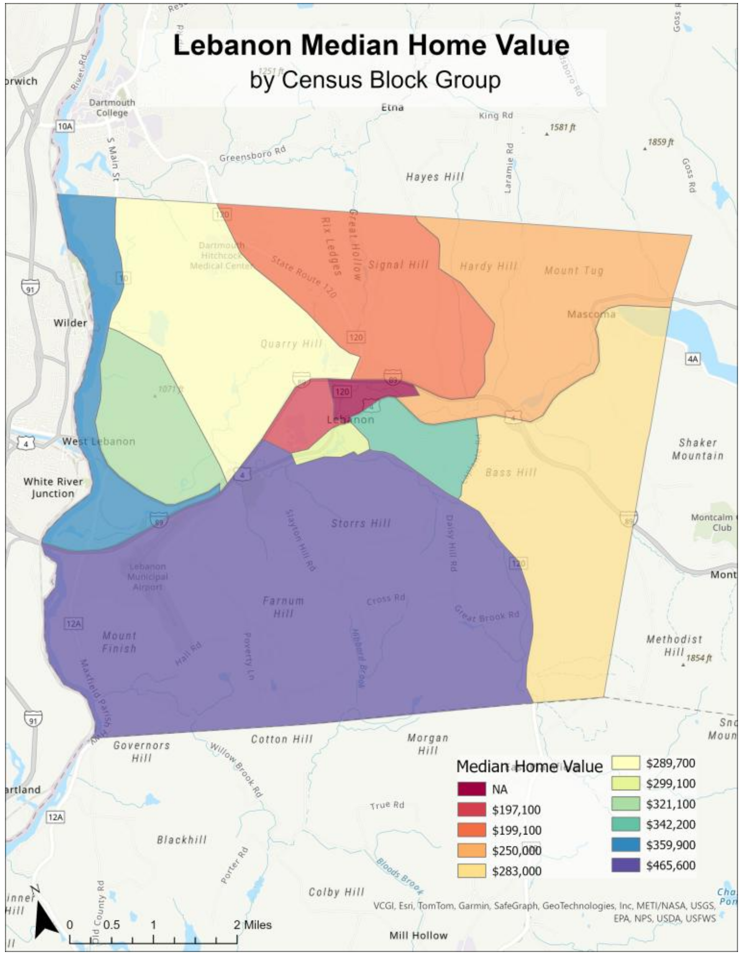
Source: US Census Bureau ACS 5-Year Estimates, 2023

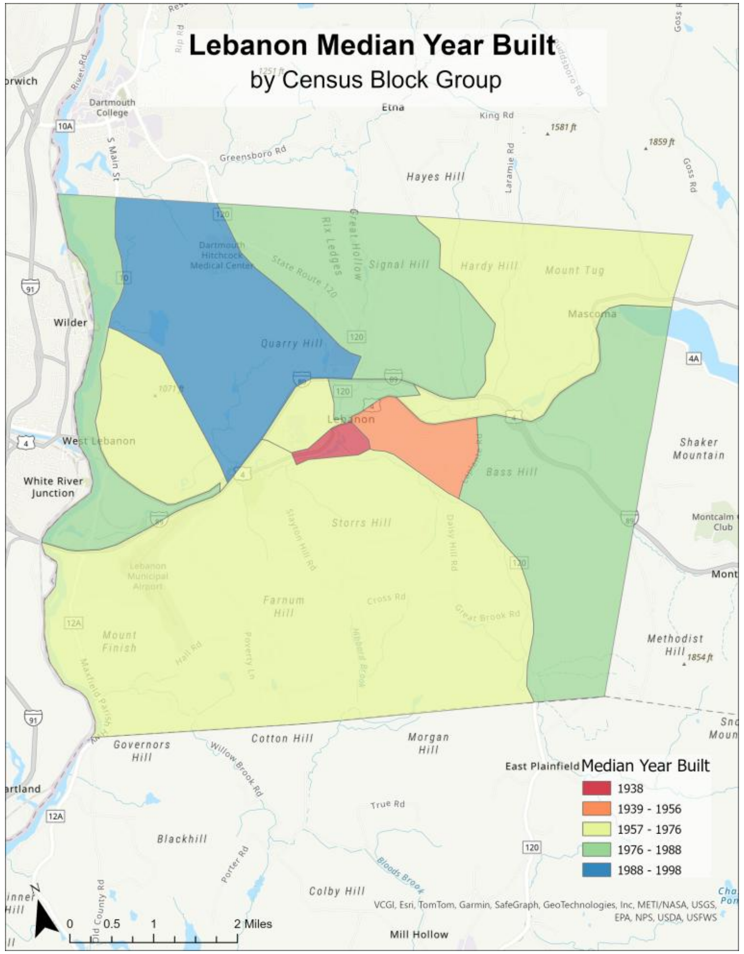
Households

SOME OF LEBANON'S HIGHEST MEDIAN HOME VALUES ARE FOUND IN AREAS WITH OLDER HOMES.

The distribution of home values and housing age in Lebanon indicates that other factors are influencing home prices in the city. Typically, there is a connection between newer construction and higher property values. However, in Lebanon, the highest median home values are found on the western side of the city, where many homes were built before 1976. The block group with the newest construction is near Dartmouth Hitchcock Medical Center, reflecting development activity in the area. This trend highlights the high demand in Lebanon, where the housing stock is limited and factors like location play a more significant role in determining home prices.

When examining Lebanon's downtown, typical trends become clearer. Certain areas with older homes are correlated with lower prices, reflecting broader market trends where modern design, updated amenities, and energy efficiency drive demand. Additionally, Block Groups with higher renter percentages tend to have lower median home values and a greater proportion of aging housing units.





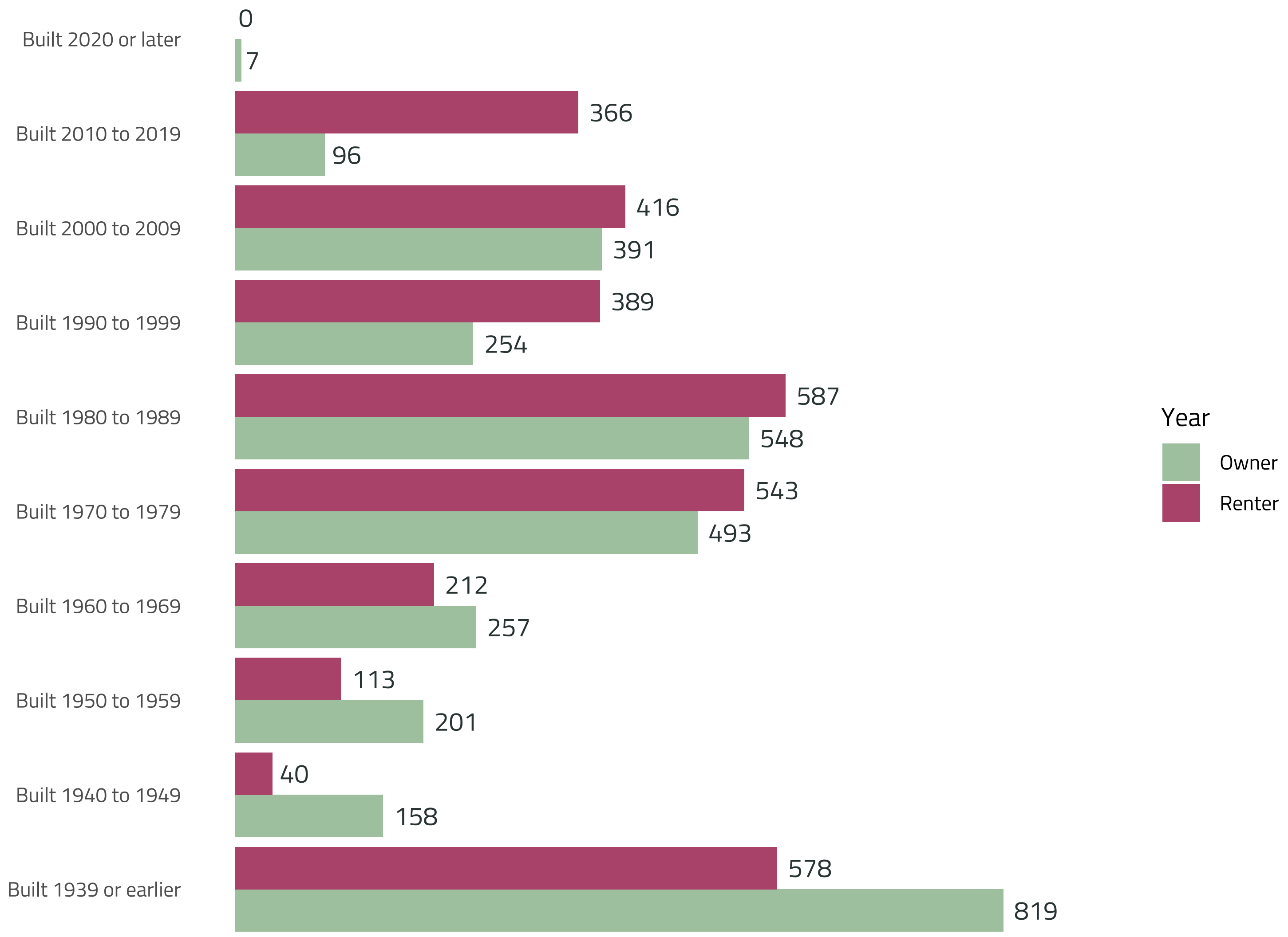
Source: US Census Bureau ACS 5-Year Estimates, 2023

Year Built

LEBANON HAS AN AGING HOUSING STOCK.

The majority of owner-occupied households in Lebanon were built before 1980, with the largest concentration of these homes dating back to before 1939. In contrast, most rental properties were constructed after 1980, with the largest share built between 1980 and 1989. Since 1970, rental structures have outpaced owner-occupied ones in terms of new construction, with approximately 2,300 rental units built compared to 1,800 owner-occupied units. This suggests a shift toward increased rental development, in response to the growing demand for rental housing. The increase in rental properties is likely driven by an influx of renters, particularly younger adults and individuals seeking flexible living arrangements, which continues to shape the city's housing market.

Year Built by Tenure



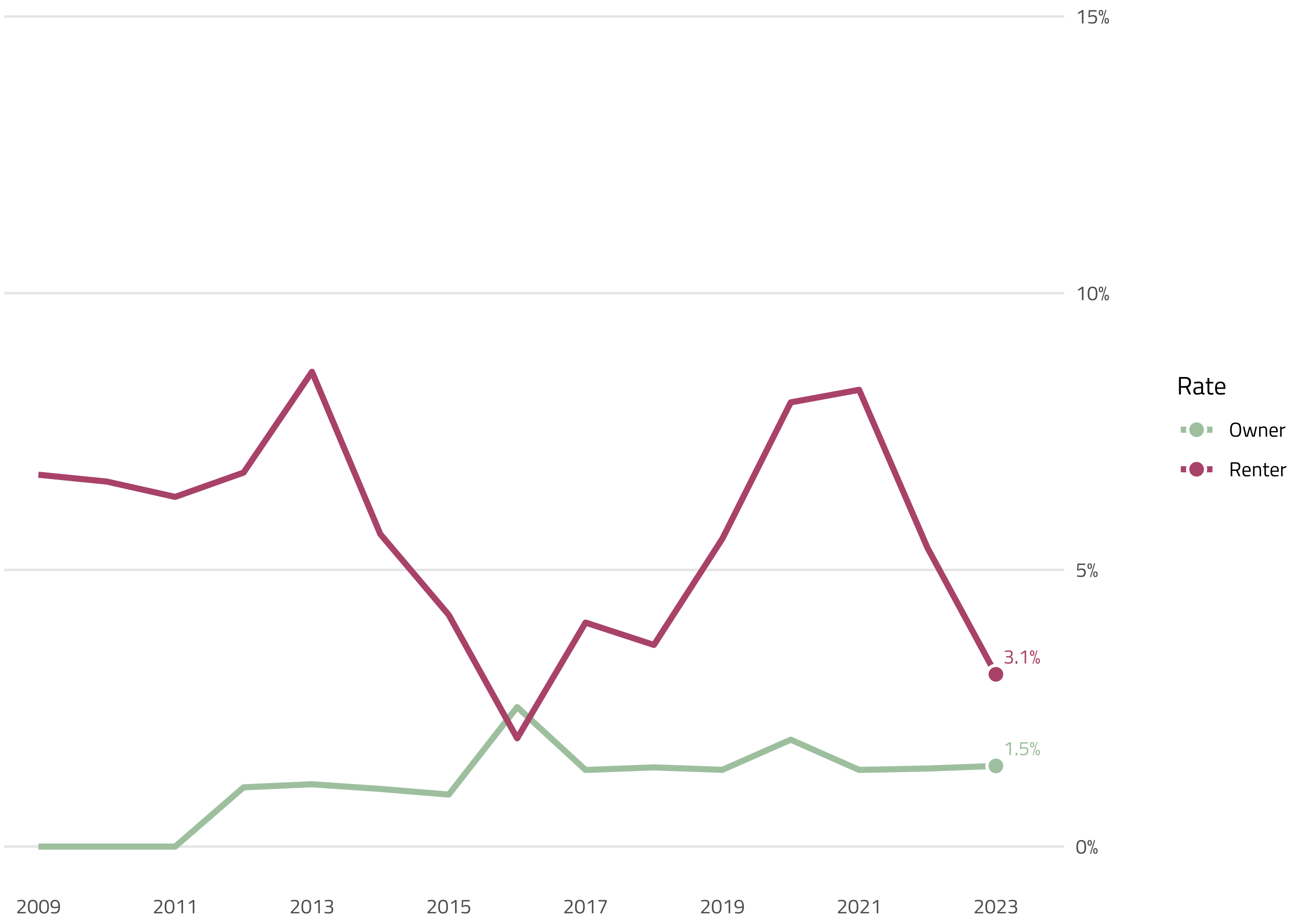
Source: US Census Bureau ACS 5-Year Estimates, 2018 and 2023

Vacancy

LEBANON'S VACANCY RATES REMAIN LOW – INDICATING A TIGHT HOUSING MARKET.

Vacancy rates for rental units in Lebanon have been steadily decreasing, signaling rising demand for rental housing. Since 2009, renter vacancy rates have dropped to 3.1%, suggesting that rental units are being quickly filled, likely due to the influx of new residents, a growing preference for flexibility in housing, and rising housing costs. For owner-occupied housing, vacancy rates have remained exceptionally low, with a slight increase in vacancy, rising from 0% to 1.5% in 2023. This reflects a highly competitive market for homeowners, with very few properties available for sale. Typically, a healthy vacancy rate hovers between 5% and 8%, so the current rates indicate both high demand and limited availability in Lebanon's housing market.

Vacancy Rates by Tenure



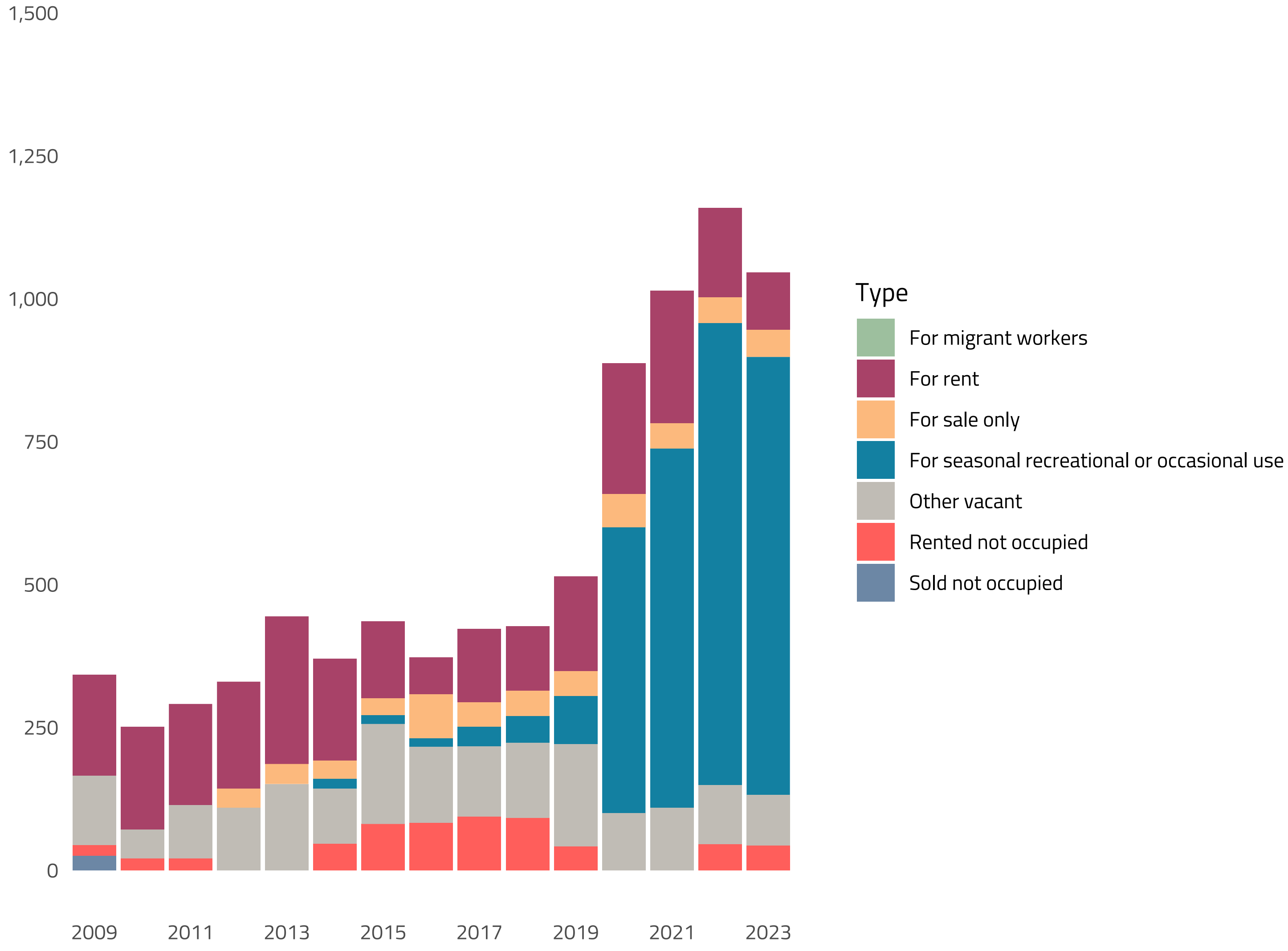
Source: US Census Bureau ACS 5-Year Estimates, 2018 and 2023

Vacancy

LEBANON HAS AN INCREASING NUMBER OF SEASONAL VACANCIES.

Over the past five years, Lebanon has seen an increase in vacancies, particularly for seasonal, recreational, or occasional uses. Rental vacancies have remained relatively steady since 2009, while vacancies for properties listed for sale have stayed critically low, signaling a highly competitive market. Additionally, "other" vacant properties, which refer to units that are not currently occupied, have remained steady. These units are typically vacant for various reasons, such as ongoing repairs or renovations, the owner choosing not to rent or sell, using the unit for storage, or circumstances where the owner is elderly and living in a nursing home or with family members. Other reasons for vacancy include properties being held for the settlement of an estate or being in the process of foreclosure. This pattern indicates a mix of intentional vacancy and market factors contributing to the limited availability of housing in Lebanon.

Vacant Units by Type



Source: US Census Bureau ACS 5-Year Estimates, 2023

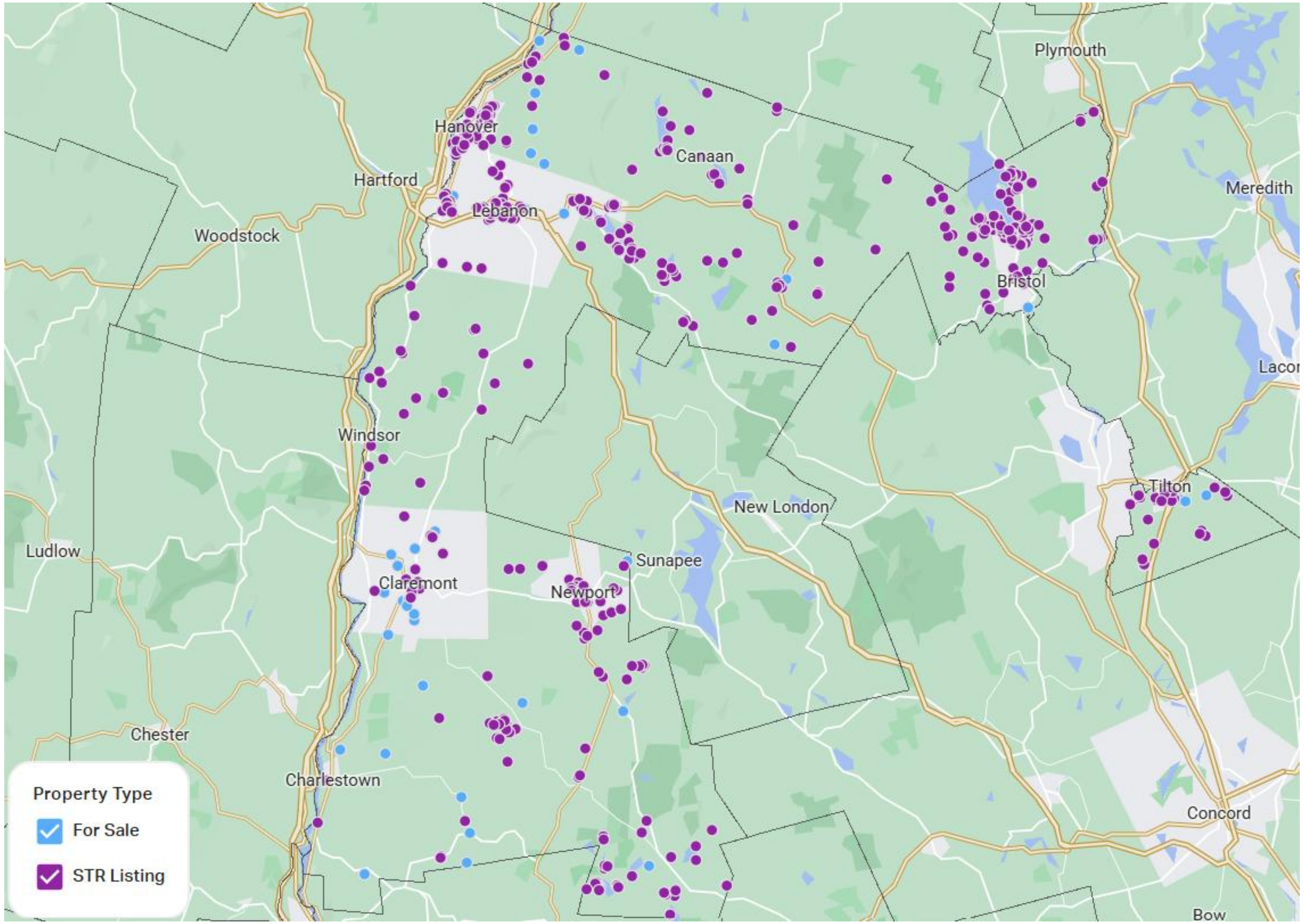
Housing

LEBANON HAS A GROWING NUMBER OF SHORT-TERM RENTALS.

The Claremont/Lebanon short-term rental (STR) submarket extends across neighboring communities such as Hanover, Canaan, Plainfield, Newport, and Charlestown. There are currently 535 STR listings and 50 properties for sale in the region. Many of these rentals are clustered along major transportation corridors, suggesting that location and ease of access to key routes are driving factors behind the concentration of seasonal and short-term accommodations.

The prevalence of STRs highlights the area's broad appeal, which is influenced by both regional tourism and outdoor recreation opportunities. Visitors are drawn to the Upper Valley for activities like hiking, skiing, and exploring the Connecticut River Valley, fueling demand for short-term stays.

Additionally, the region's proximity to Dartmouth-Hitchcock Medical Center and Dartmouth College creates a steady flow of visitors—families of patients and students, prospective students, visiting faculty, and medical professionals—all of whom often seek flexible, short-term housing options. This demand further supports the growth of the STR market in the Claremont/Lebanon area.



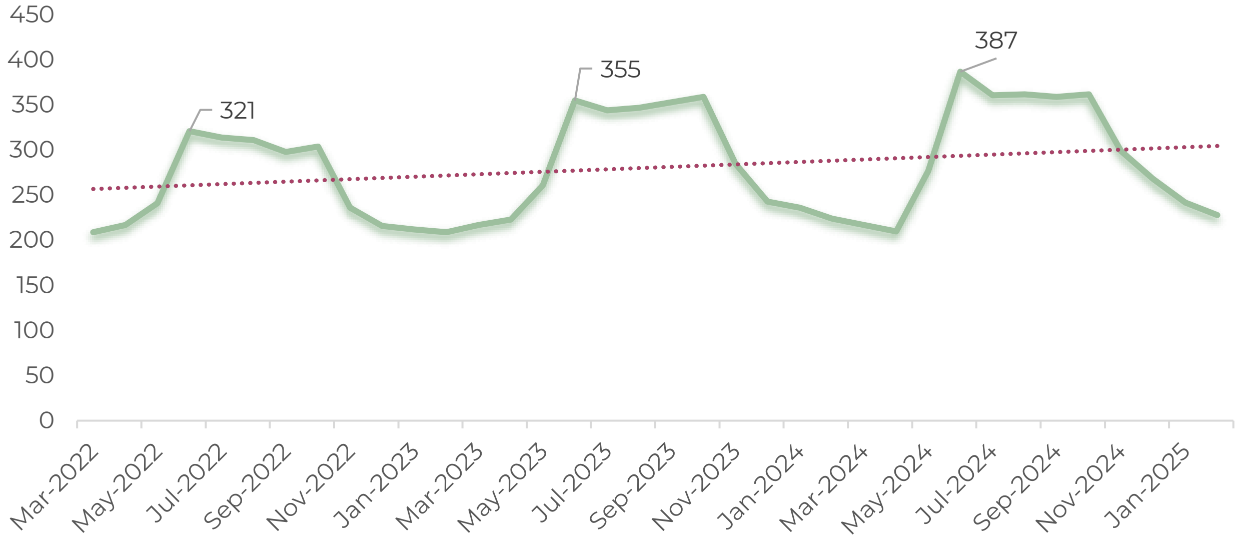
Source: AirDNA Market Data 2025

Housing

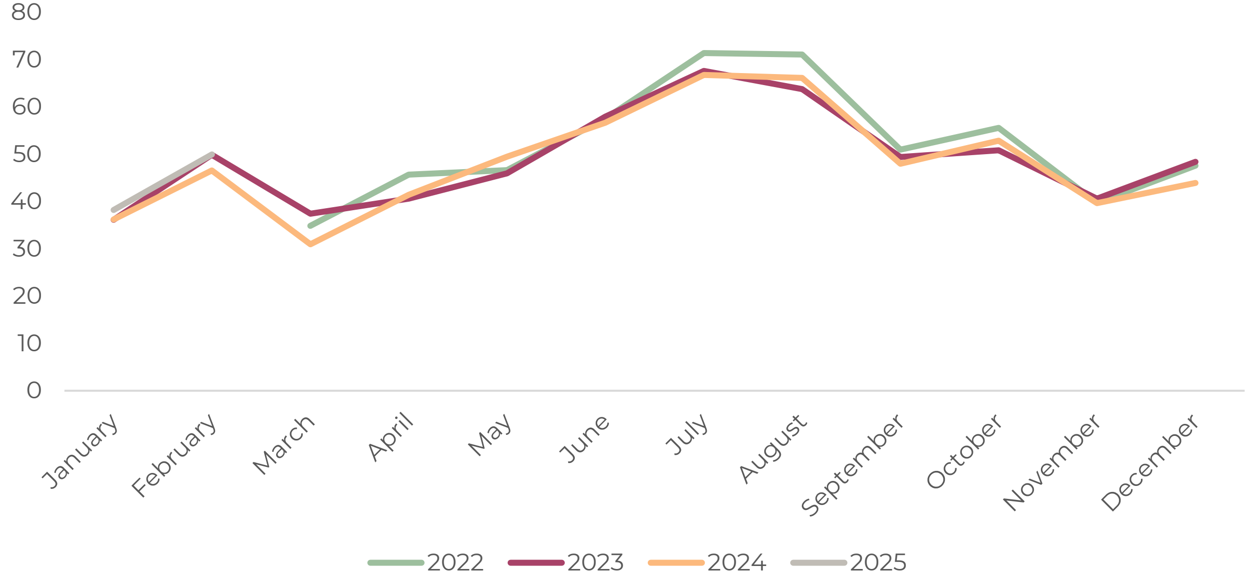
THE CLAREMONT/LEBANON SUBMARKET HAS A HIGH CONCENTRATION OF SHORT-TERM RENTALS.

The Claremont/Lebanon short-term rental (STR) market has experienced steady growth and clear seasonal fluctuations over the past three years. Active listings typically peak during the summer, with the highest numbers recorded in June, July, and August. For example, active listings rose from 321 in June 2022 to 387 in June 2024, marking the highest level in the dataset. These seasonal peaks align with increased tourism and outdoor recreation in the Upper Valley during the warmer months. In contrast, listings decline during the late fall and winter, with the lowest activity occurring between November and March, when demand is lower and some property owners may shift to personal use or seasonal closures. Overall, the consistent year-over-year growth in listings suggests rising demand for short-term accommodations, driven by the region's appeal for visitors and proximity to major institutions such as Dartmouth College and Dartmouth-Hitchcock Medical Center.

Active monthly listings of short term rentals, particularly during peak summer months, have increased from 2022 to 2024.



Summer occupancy peaked in 2022; rates of occupancy have remained high through 2024.



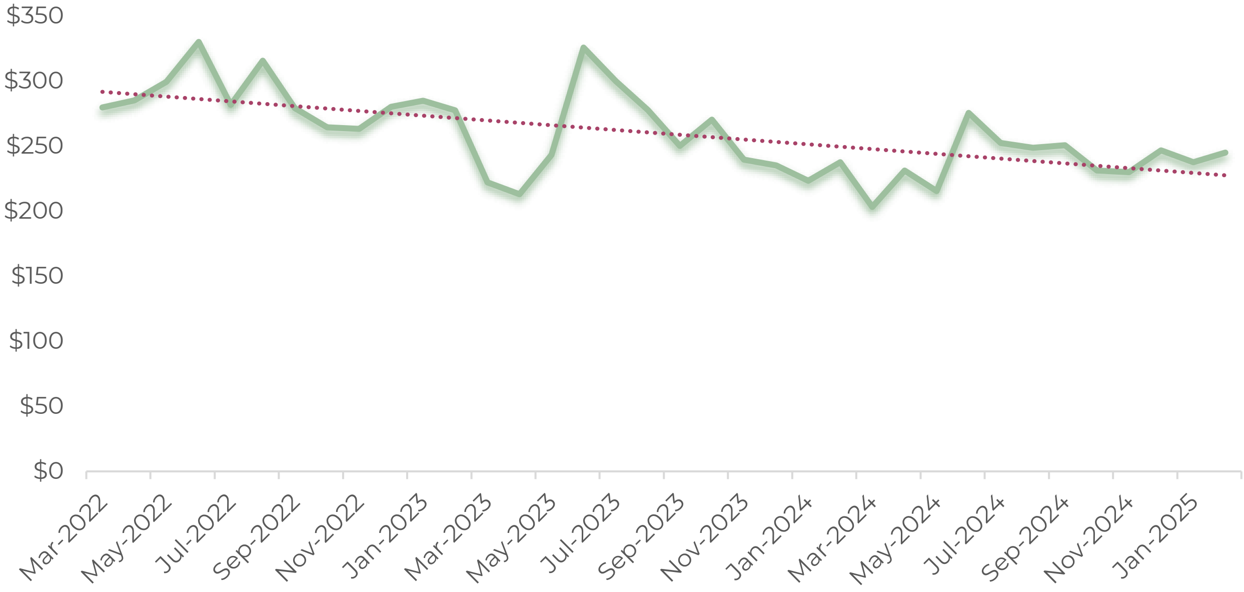
Source: AirDNA Market Data 2025

Housing

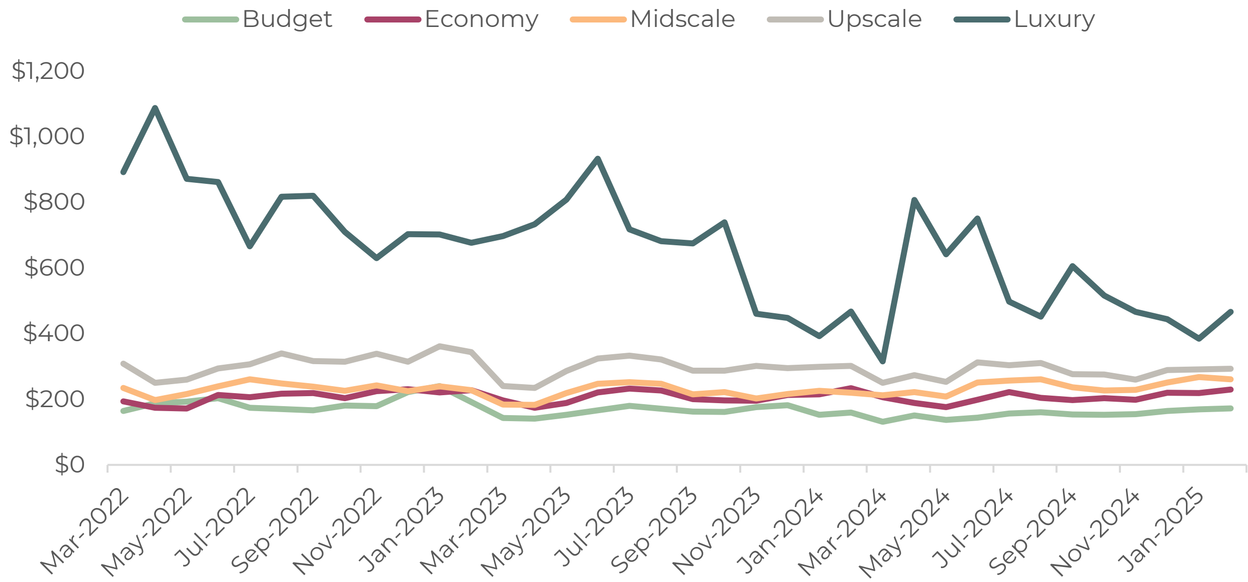
THE DECLINE IN AVERAGE DAILY RATES IS LARGELY DRIVEN BY FALLING PRICES FOR LUXURY SHORT-TERM RENTALS.

The average daily rate (ADR) for short-term rentals in the Claremont/Lebanon submarket shows clear seasonal variation and a gradual decline over time, largely driven by decreasing prices for luxury rentals. Rates typically peak during the summer months, reflecting higher demand from tourists and visitors, with the highest recorded ADR of $330 in June 2022. By June 2024, however, the peak summer rate had dropped to $276. While luxury rentals have seen the most pronounced declines in pricing, other tiers—including budget, economy, midscale, and upscale properties—have remained relatively consistent in their rates over the past three years. This trend suggests a softening in demand for high-end properties while steady rates among the lower-tier rentals indicate ongoing demand for more affordable options. The overall decline in ADR reflects both shifting market preferences and an expanding supply of STR units, contributing to greater price competition, particularly at the top end of the market.

The average daily rate has declined over the past three years.



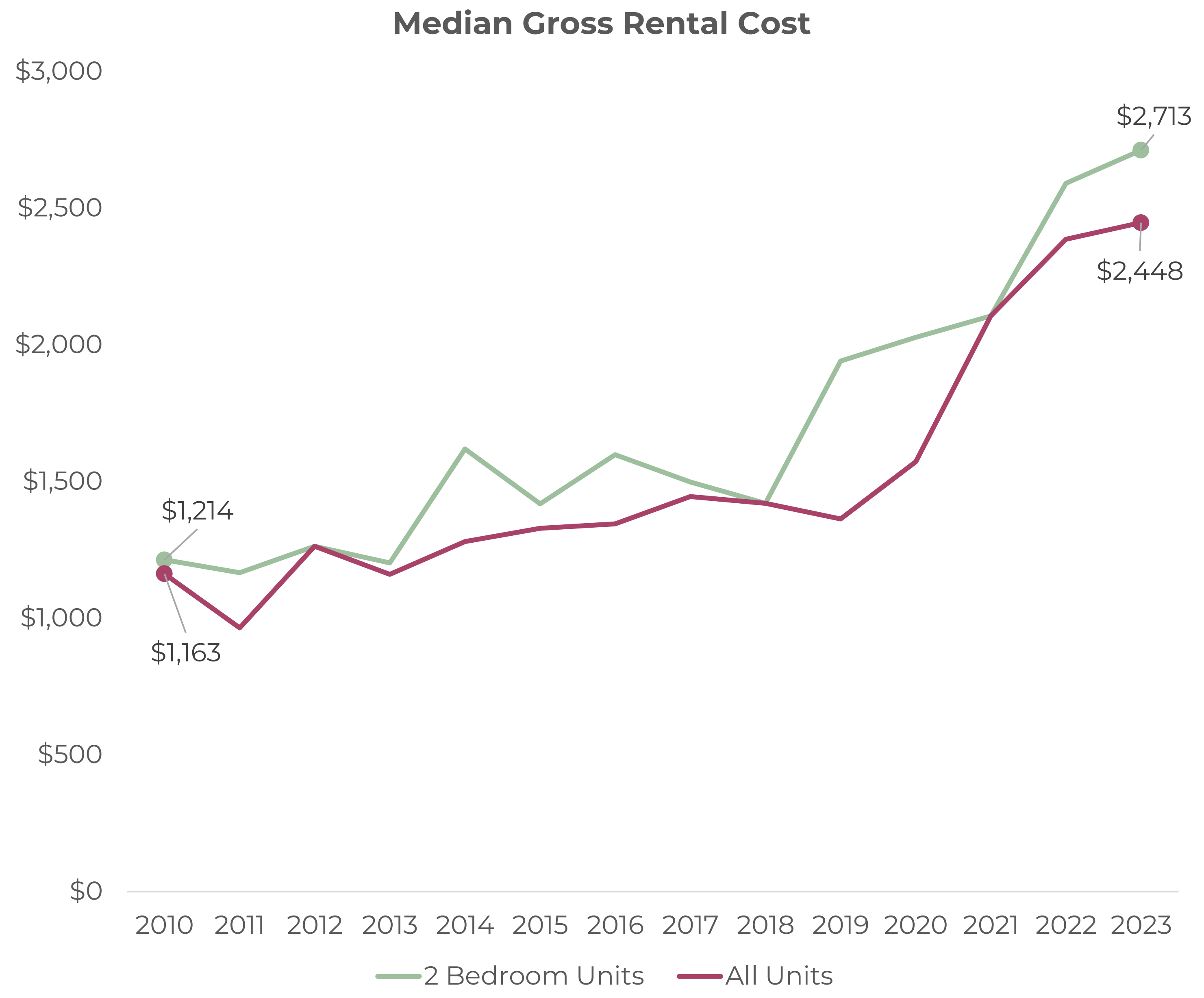
The luxury rental market has seen the largest pricing decrease over the past three years.



Source: AirDNA Market Data 2025

MEDIAN GROSS RENT IN LEBANON IS RISING.

Median gross rents in Lebanon have been steadily rising, especially since 2018, reflecting broader market trends and increasing demand for rental housing. Rent prices across all units have increased from $1,163 in 2010 to $2,448 in 2023, reflecting a 110% increase in 14 years. This surge in rent prices can be attributed to several factors, including a growing population, limited housing supply, and rising construction and maintenance costs. As a result, renters in Lebanon have faced increasing financial pressures, and those entering the rental market today are likely to find themselves paying significantly more than previous renters.



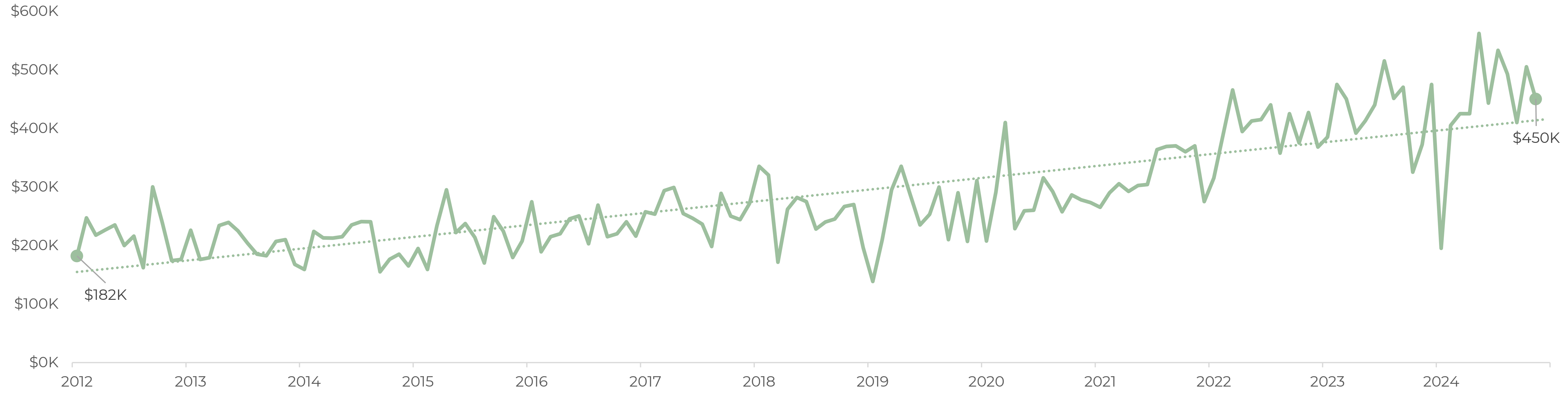
Source: New Hampshire Housing Data, 2025

Median Sales Price

MEDIAN SALE PICES ARE INCREASING IN LEBANON.

The median sales price data for Lebanon, NH, from 2012 to 2024 shows a clear upward trend, with fluctuations along the way. From 2012 to 2016, home prices remained relatively stable, generally ranging between $150K and $250K, with some seasonal variations. Between 2017 and 2019, prices began to rise more consistently, surpassing $300K by late 2019. The most dramatic increase occurred during the pandemic-driven housing boom of 2020 and 2021, with prices regularly exceeding $400K by mid-2021. This trend continued into 2022 and 2023, when home values peaked, surpassing $500K in several months, reflecting strong demand and a limited housing supply. While recent data from 2024 suggests some stabilization, prices remain significantly higher than pre-2020 levels. Overall, Lebanon’s housing market has experienced steady long-term growth, with a sharp post-2020 surge that has reshaped affordability and accessibility in the region.

Median Sales Price, Lebanon, NH, 2012-2024

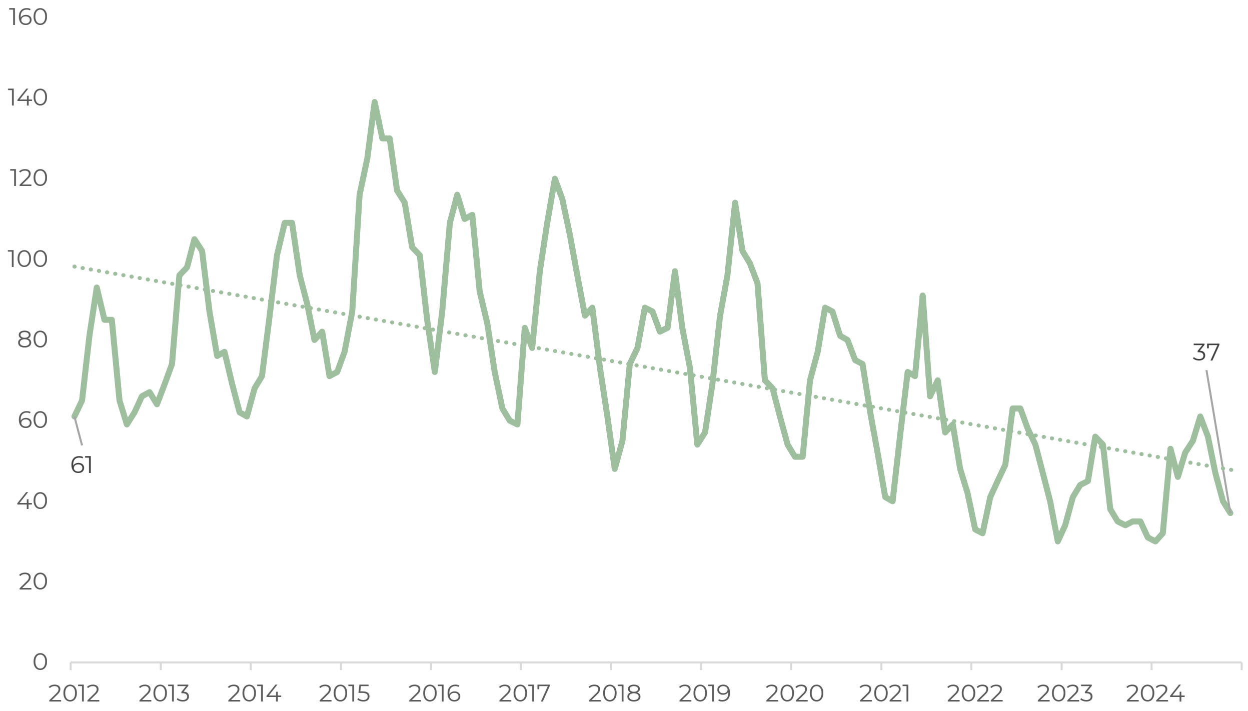


Housing

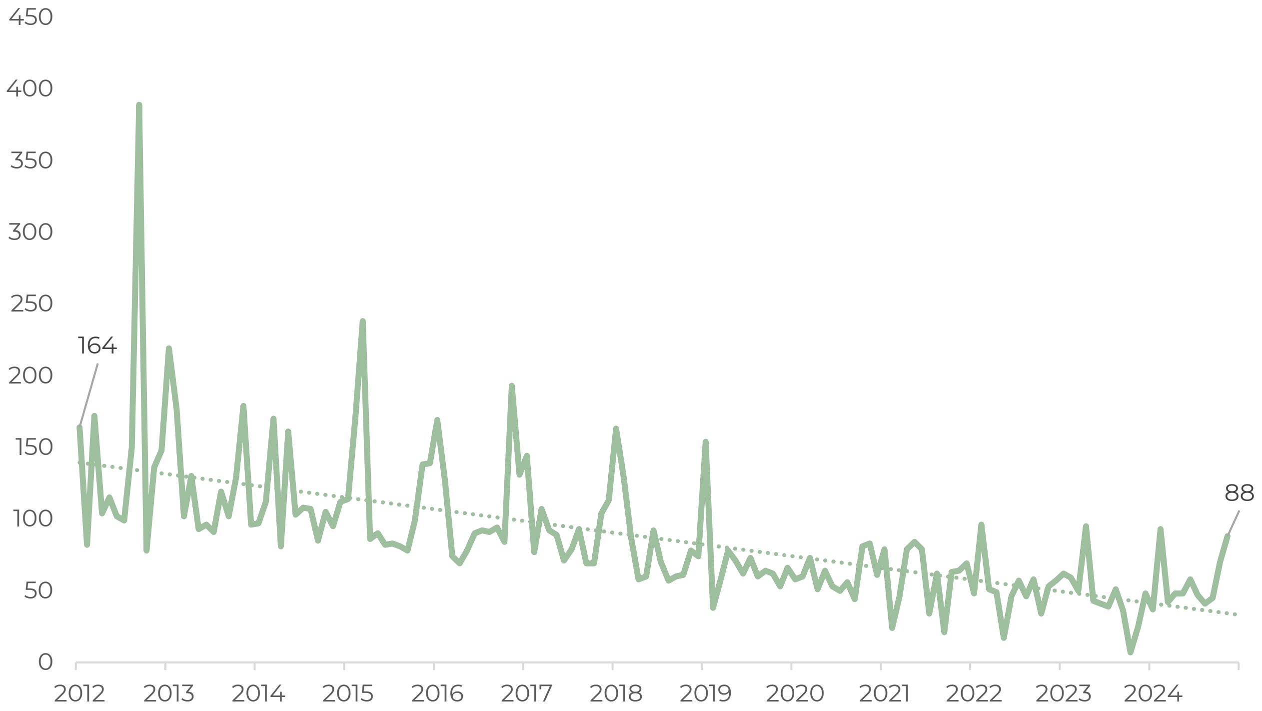
LEBANON IS EXPERIENCING A LIMITED HOUSING INVENTORY.

The Days on Market (DOM) and active listings data for Lebanon show a trend of reduced supply and rising demand, leading to quicker sales and increasing prices. DOM is typically higher in the colder months, like January and February, suggesting slower activity during winter, while it drops in warmer months, such as May and June, indicating faster sales. With active listings declining and homes selling rapidly—averaging just 7 days on the market in October 2023—the market is becoming highly competitive. This limited inventory is making it difficult for buyers, particularly first-time buyers, to secure affordable homes. As a result, home prices are likely to keep rising, exacerbating affordability challenges, especially for renters.

Active Listing, 2012-2024



Days on Market, 2012-2024



Source: Redfin Market Data

Development Pipeline

THE MAJORITY OF LEBANON'S DEVELOPMENT PIPELINE IS PRIMARILY DRIVENT BY MULTIFAMILY DEVELOPMENT.

According to city data, there are approximately 1,500 housing units currently in the development pipeline, with the majority concentrated in multifamily projects. Notably, only about 15% of these projected developments are single-family homes, underscoring the growing emphasis on multifamily housing in Lebanon to meet the demand for more diverse and higher-density living options. This shift reflects a broader trend toward increasing rental housing availability and accommodating the city's changing demographic needs.

Lebanon Housing Pipeline - Last updated 12/14/2021

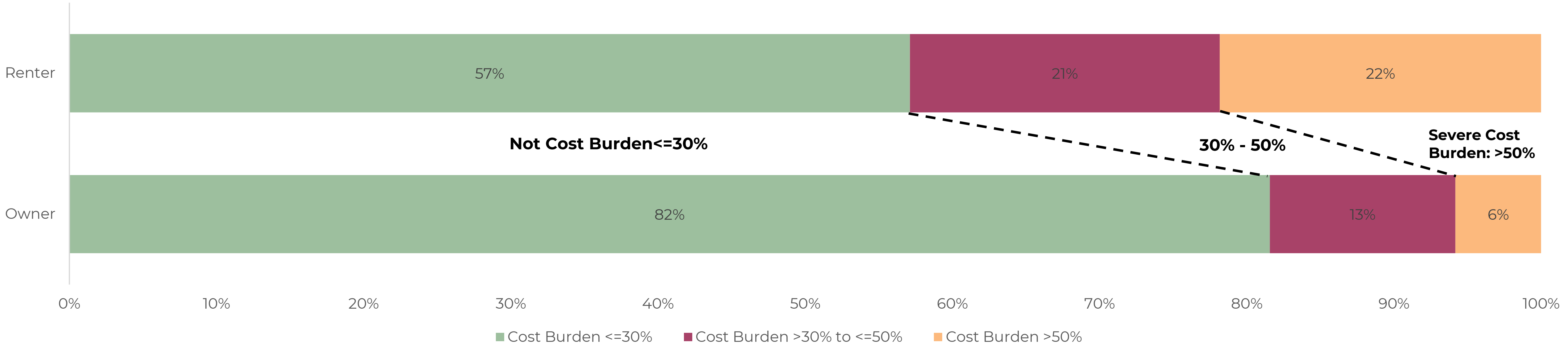
SINGLE FAM DEVELOPMENT							
Project	Map/Lot/Plot	Location	Unit type	Unit Size/Mix	Units Approved/ Proposed	Units Built/ Under way	Units Remaining
Prospect Hills Phase 2	108-2	Prospect Street	One family attached & detached	~2-4 BR, exact mix unknown	117	16	101
Westboro Woods	102-12	Seminary Hill	One family attached & detached	~2-3 BR, exact mix unknown	33	17	16
Mascoma Lake Farms	56-3	Dartmouth College Hwy	One family detached	unknown	3	1	2
Basic Holdings (e.g. Occum Path)	4-5; 4-6	Oak Ridge Rd	One & Two family rental	21-3BRs	21	0	21
Rock Ridge Phase 1	74-3-various; 74-11-various	Old Pine Tree Cemetery Rd	One family attached & detached	~2-4 BR, exact mix unknown	46	19	27
Rock Ridge Phase 2	74-3-various;	Old Pine Tree Cemetery Rd	One family detached	~2-4 BR, exact mix unknown	48	42	6
Rock Ridge Phase 3	74-3-various;	Old Pine Tree Cemetery Rd	One family detached	~2-4 BR, exact mix unknown	45	0	45
River Park-Single lots	58-88 thru 97	Crafts Avenue Extension	One family detached	~2-4 BR, exact mix unknown	11	3	8
Running Tally Single Fam							226

Multi FAM DEVELOPMENT							
Project	Map/Lot/Plot	Location	Unit type	Unit Size/Mix	Units Approved/ Proposed	Units Built/ Under way	Units Remaining
River Park-Phase 1A	44-22	North Main St	Multi-family rental	unknown	125	0	125
Quail I, LP	8-2-200	Lily Lane-Quail Hollow	Multi-family rental	16-1BRs, 16-2BRs	32	0	32
Jolin Salazar-Kish	92-124; 92-125	Bank St	Multi-family rental	1-1BR, 20-2BRs, 5-3BRs	26	0	26
402 Mt. Support (Pat Lumberjack)	24-9; 24-10	Mt. Support Rd	Multi-family rental	~120-1BRs, ~72-2BRs, ~12-3BRs	204	0	204
2 Mascoma Street (Recreo - Sunrise Buffet)	91-251	2 Mascoma St	Multi-family rental	unknown	152	0	152
Molloy Development, LLC	72-20 & 21	89 & 0 Main St W.Leb	Office to Res conversion	unknown	0	0	0
21 Water St (Davison)	91-257	21 Water Street	Convert office space to three apartments	3 apts	3	0	3
Execusuite-School St. School	92-2	School St	Multi-family rental	Studio/1 BR	9	4	5
Lebaon Woolen Mill	91-263; 91-267	25 & 43 Mechanic St; 1 Foundry	Multi-family rental	57 studios, 100-1BRs, 39-2BRs	155	0	155
77 Bank St	92-79	77 Bank St		1-1BR (existing), 7 studios	7	0	7'
BrickYard					474	0	474
Muse Apartments	92-31	22 Spencer		4 studios, 41-1BRs, 27-2BRs, 8-3BRs	80	0	80
Running Tally Multi-Housing							1256

Source: City of Lebanon, 2021

Cost Burden

Cost Burden by Tenure, 2017 – 2021



RENTERS IN LEBANON ARE MORE LIKELY TO BE COST BURDENED COMPARED TO OWNERS.

The CHAS (Comprehensive Housing Affordability Strategy) data, provided by the U.S. Department of Housing and Urban Development (HUD), offers detailed insights into housing affordability, quality, and related factors, using custom analyses of U.S. Census Bureau data. Unlike standard census data, CHAS focuses on issues like housing costs and conditions not typically covered in other reports. A key feature of the CHAS dataset is its use of "adjusted household income," which accounts for the income of all household members, adjusted for inflation to reflect the most recent data. HUD defines a household as "cost burdened" if it spends more than 30% of its income on housing costs, including utilities. However, this measure only considers household income and does not include assets like savings or retirement funds, which can be particularly relevant for older adults living on fixed incomes.

In Lebanon, roughly 21% of renters spend between 30% and 50% of their income on housing costs, while about 22% spend 50% or more, meaning that around 43% of renter households are considered cost-burdened. This indicates that many renters are struggling with high housing expenses. For homeowners, approximately 19% of owners spend more than 30% of their income on housing costs. While homeowners generally face lower levels of cost burden compared to renters, the data still highlights that a notable number of households in Lebanon are financially strained by housing costs. As housing prices continue to rise, these challenges may become more pronounced, particularly for renters.

Source: CHAS 2021

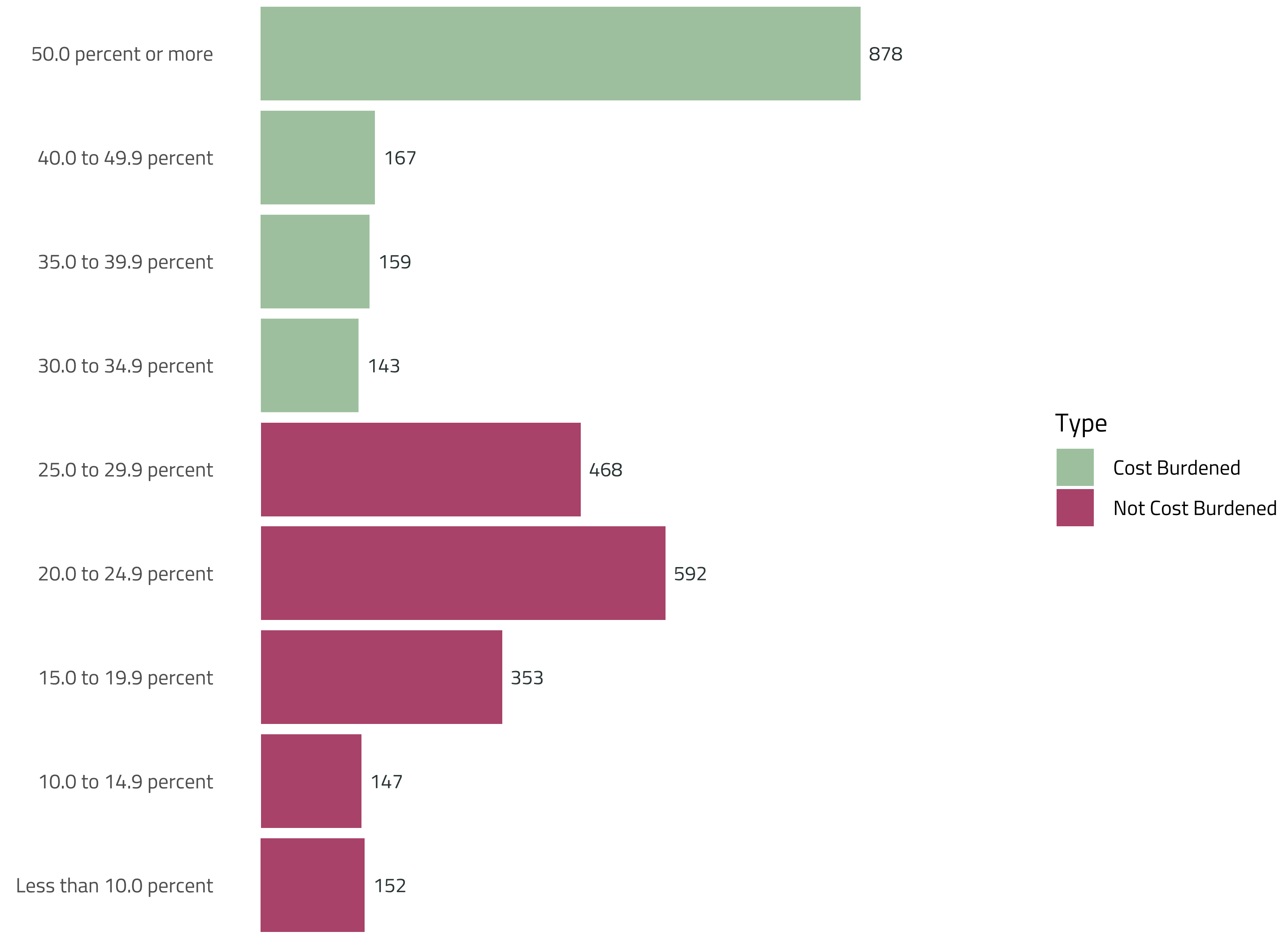
Cost Burdening

ABOUT HALF OF RENTERS IN LEBANON EXPERIENCE COST BURDENS.

Over the past decade, Lebanon has seen an increase in the number of renters experiencing cost burden. Currently, about 22% of renters, or just under 900 residents, are considered severely cost burdened, spending more than 50% of their income on housing costs.

As rental prices continue to rise in the region, these renters may find it increasingly difficult to keep up with growing housing costs. This could lead to more financial strain for lower-income renters, and may also exacerbate housing instability in the city, highlighting the need for affordable housing solutions to address these challenges.

Rent as a Percent of Income



Source: US Census Bureau ACS 5-Year Estimates, 2023

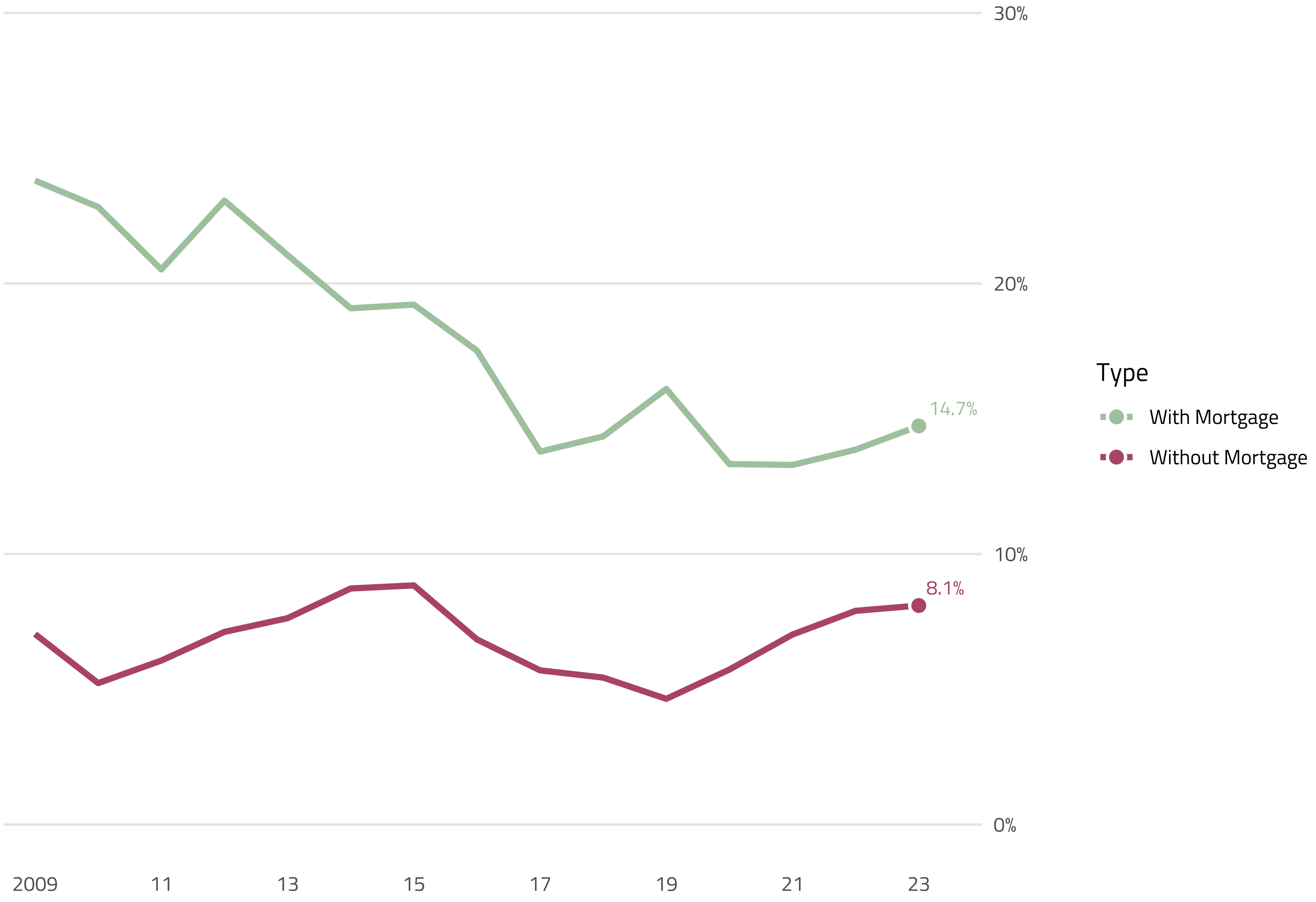
Housing Costs

HOMEOWNERS WITH A MORTGAGE ARE MORE LIKELY TO BE COST BURDENED THAN THOSE WHO OWN THEIR HOMES OUTRIGHT.

In Lebanon, nearly a quarter of owner households have been cost-burdened, spending more than 30% of their income on housing. However, this trend is less pronounced among homeowners without a mortgage, particularly older residents who may have lower incomes but substantial wealth in other assets. These households may not experience the same financial strain despite rising housing costs. Overall, the data indicates that homeowners with a mortgage are more likely to be cost-burdened, as they face ongoing monthly payments that make up a larger share of their income.

Households that spend 30% or more on housing costs

By Mortgage Status



Source: US Census Bureau ACS 5-Year Estimates, 2018 and 2023

Affordability Gap

Key Findings

- **Shortage of Affordable Housing for Low-Income Households:** Approximately 34% of renter households and 12% of owner households earn less than 50% of the Area Median Income (AMI), totaling around 1,500 households. There is a shortage of affordable housing for renters and buyers, with gaps in supply for both extremely low-income and moderate-income households.
- **Tight Supply in the Rental Market:** The rental market faces tight supply, with a critical shortage of affordable units for extremely low-income renters earning below 30% of AMI. Additionally, higher-income renters often occupy lower-priced units, which further reduces availability for lower-income renters, exacerbating affordability challenges across the market.
- **Subsidized Housing Availability:** Lebanon offers various subsidized housing programs for families, seniors, and individuals with special needs, though the supply remains limited and unable to fully meet the demand for affordable housing.

AMI Limits

THE AREA MEDIAN INCOME IN GRAFTON COUNTY IS $108,200.

Area Median Income (AMI) refers to the midpoint of a region's income distribution, where half of the households earn more than the median and half earn less. AMI is a crucial metric used in housing policy to determine affordability and eligibility for various housing programs. For housing, AMI thresholds set the income limits for households that qualify for income-restricted housing units, which include affordable or subsidized housing. These thresholds also determine how much these units can be rented or sold for, ensuring that they remain affordable to those with lower incomes. AMI is often adjusted based on family size, as larger households may need higher incomes to afford similar housing costs. The use of AMI helps create housing policies that aim to address income disparities and promote equitable access to housing across different income levels within a region.

FY 2024 Income Limits Summary, Grafton County

FY 2024 Income Limit Area	Median Family Income	FY 2024 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Grafton County, NH	$108,200	Very Low (50%) Income Limits ($)	$37,900	$43,300	$48,700	$54,100	$58,450	$62,800	$67,100	$71,450
		Extremely Low Income Limits ($)*	$22,750	$26,000	$29,250	$32,450	$36,580	$41,960	$47,340	$52,720
		Low (80%) Income Limits ($)	$60,600	$69,250	$77,900	$86,550	$93,500	$100,400	$107,350	$114,250

Source: HUD Income Limits

Housing Affordability Gap

THERE IS STILL A GREAT NEED FOR AFFORDABLE HOUSING IN LEBANON.

In Lebanon, about 34% of the renter households and 12% of the owner households earn less than 50% of the area median income (AMI), totaling almost 1,500 households. These households often experience housing instability, may rely on housing assistance, and are typically spending more on housing as a percentage of their overall income.

Area Median Income Threshold	Income	Owner Households		Affordable Home Purchase Price			
				FHA		Conventional	
		#	%	Single Family	Condo	Single Family	Condo
30% AMI (Extremely Low Income)	$29,250	185	5.7%	$78,660	$43,602	$94,886	$51,175
50% AMI (Very Low Income)	$48,700	185	5.7%	$130,965	$95,907	$157,981	$114,270
80% AMI (Low Income)	$77,900	446	13.8%	$209,491	$174,433	$252,704	$208,994
100% AMI (Moderate Income)	$97,400	413	12.8%	$261,931	$226,873	$315,961	$272,251
120% AMI (Moderate Income)	$116,880	301	9.3%	$314,317	$279,259	$379,153	$335,443
Above 120% AMI (Middle Income +)	$116,881+	1,693	52.5%	$314,318+	$279,260+	$379,154+	$335,444+

Area Median Income Threshold	Income	Renter Households		Affordable Monthly Rent
		#	%	
30% AMI (Extremely Low Income)	$26,000	662	20.4%	$650
50% AMI (Very Low Income)	$43,300	432	13.3%	$1,083
80% AMI (Low Income)	$69,250	561	17.3%	$1,731
100% AMI (Moderate Income)	$86,600	278	8.6%	$2,165
120% AMI (Moderate Income)	$103,920	257	7.9%	$2,598
Above 120% AMI (Middle Income +)	$103,921+	1,054	32.5%	$2,599+

Source: HUD Income Limits, US Census Bureau ACS 5-Year 2023 Estimates, RKG Calculations

Housing Affordability Gap

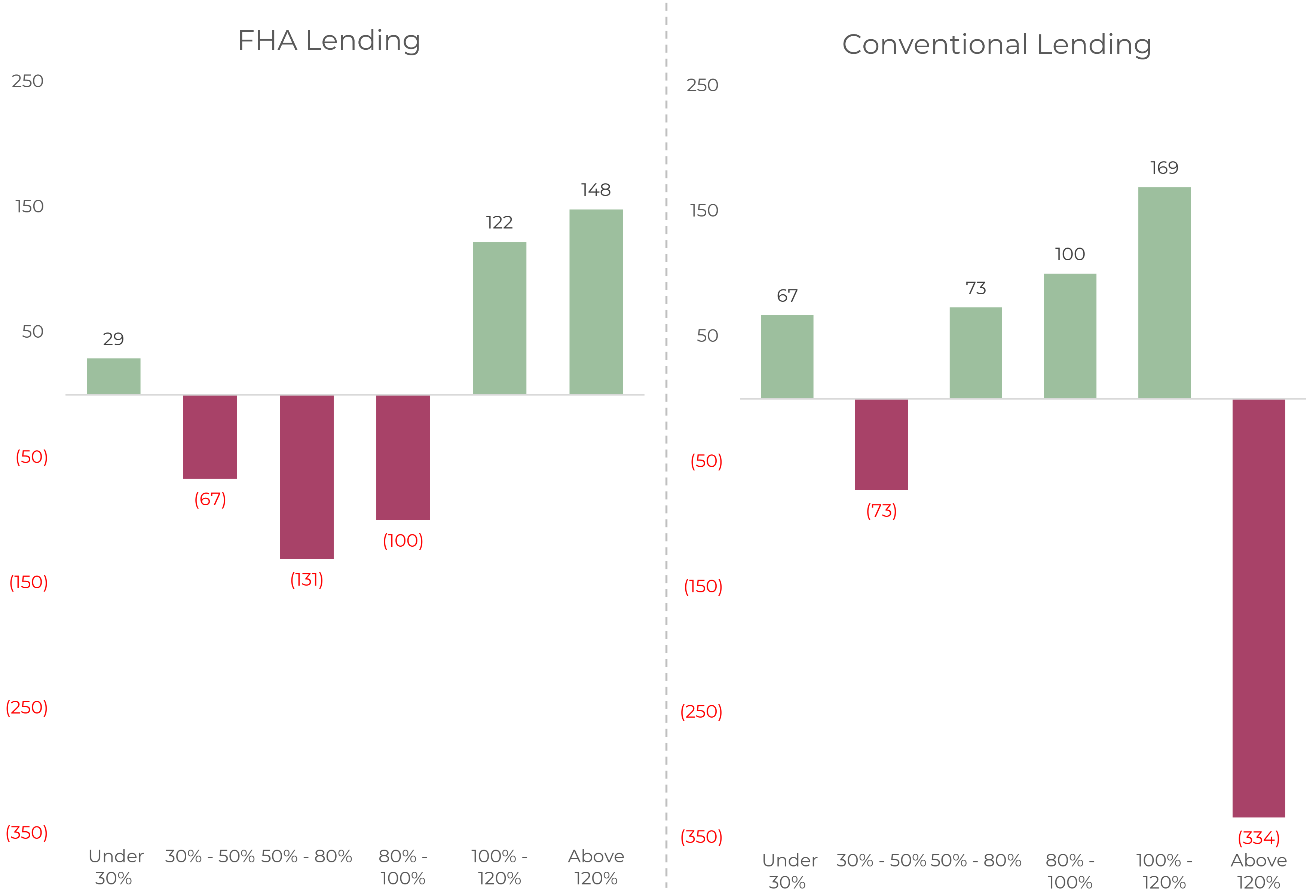
For households earning at or below 30% of AMI, there is a surplus of approximately 70 housing units in the conventional lending scenario and about 30 units in the FHA lending scenario. This suggests that the supply of housing for extremely low-income households is relatively sufficient, though availability may vary based on financing type.

For units priced between 30-80% of AMI, there is a shortage of about 330 units in the FHA lending scenario, indicating a lack of affordable options for households in this income range using FHA loans. In contrast, the conventional lending scenario shows a balanced market at this price point, with supply meeting demand.

For units priced between 80-100% of AMI, there is a shortage of 100 units under FHA financing, making it more difficult for FHA borrowers to secure housing in this range. Meanwhile, the conventional lending scenario shows a surplus of 100 units, suggesting better availability for buyers using conventional financing.

For units priced above 100% of AMI, the FHA lending scenario shows a surplus of 270 units, which may indicate that some higher-income households are purchasing lower-priced homes, reducing the availability of affordable options for others. However, in the conventional lending scenario, there is a deficit of 165 units, meaning there are fewer homes available than needed for conventional loan buyers. This imbalance suggests that conventional loan buyers face greater competition and have fewer choices at higher price points, while FHA borrowers may find it easier to secure housing.

Supply and Demand Gap for Ownership Housing Units, Lebanon



Source: HUD Income Limits, US Census Bureau ACS 5-Year 2023 Estimates, RKG Calculations

Housing Affordability Gap

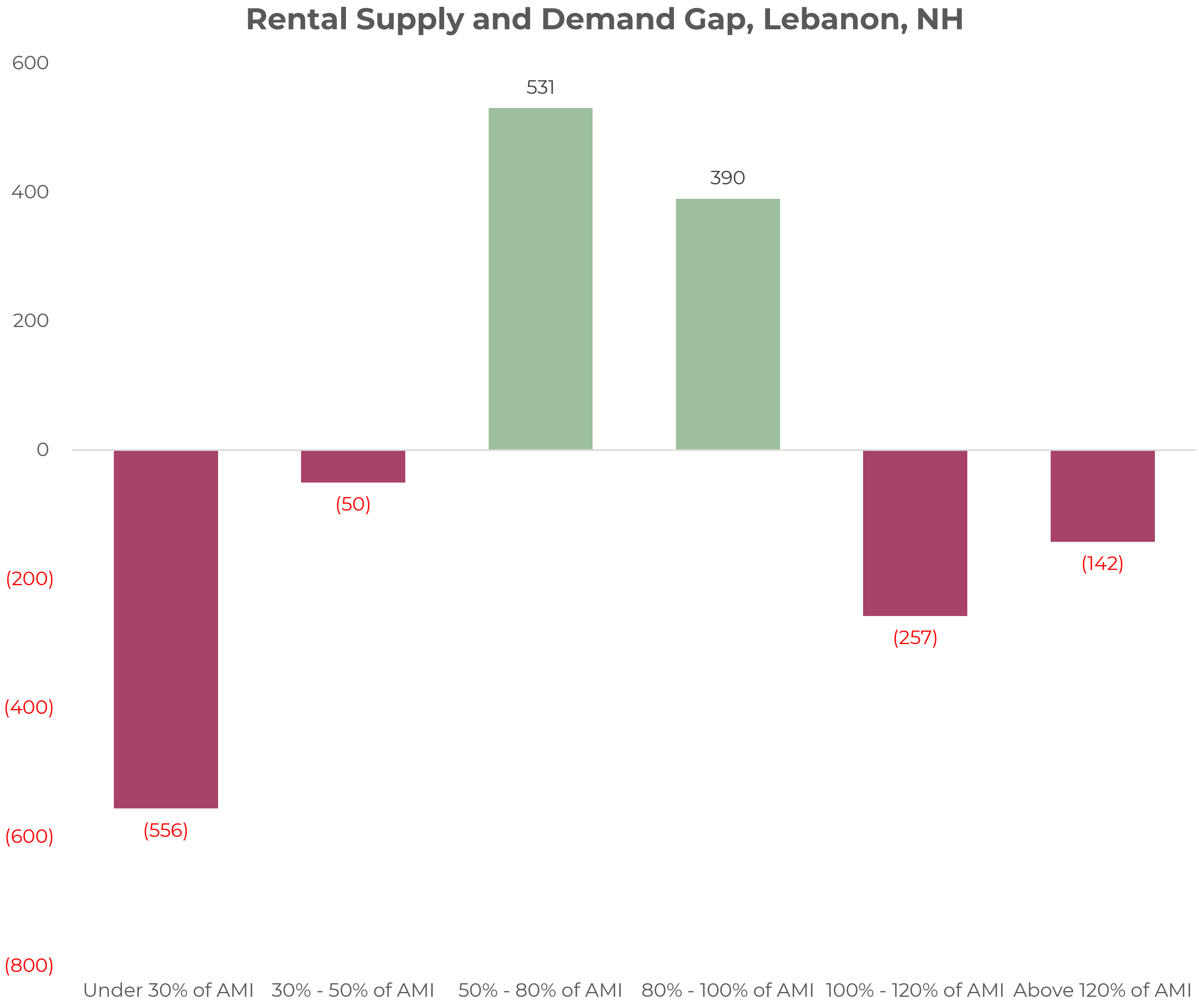
THE RENTAL MARKET FACES TIGHT SUPPLY CHALLENGES AT BOTH THE LOWEST AND HIGHEST INCOME LEVELS.

For extremely low-income renter households, the availability of affordable units is severely constrained. Specifically, there are about 556 more households earning less than 30% of the Area Median Income (AMI) than there are affordably priced units available, with monthly gross rents at or below $650. This indicates a critical shortage of housing options for extremely low-income families.

For units priced between 30-100% of AMI, there is a surplus of about 870 units. However, many of these units are likely occupied by lower-income households who may be paying more than what is financially sustainable, further limiting affordability.

Additionally, there is a gap of approximately 400 units for households earning above 100% of AMI, indicating that even higher-income renters are facing limited housing options.

The shortage of higher-priced rental units in Lebanon creates downward pressure on the overall housing market, reducing availability for lower-income households. Higher-income renters, with greater flexibility in their choices, often occupy lower-priced units, making it even more challenging for those with fewer financial resources to secure affordable housing.



Source: HUD Income Limits, US Census Bureau ACS 5-Year 2023 Estimates, RKG Calculations

Subsidized Housing

Lebanon offers a wide range of subsidized housing options that cater to families, seniors, and individuals with special needs. For families, properties such as Village at Crafts Hill, Tracy Street Apartments, Spencer Square, Romano Place, Riverside/Romano Circle, Rivermere, and Mascoma Village provide a variety of assisted units—many with income-based rents—while Heater Landing offers workforce housing under the Federal IRS Tax Credit Program, and Gile Hill II serves as an additional option without income-based rents. For elderly residents, developments like Rogers House, Quail Hollow (and its Phase II), Quail Ridge Senior Living, Maple Manor, and Lebanon Towers provide assisted, income-based housing designed to meet senior needs. Additionally, Parkhurst Community Housing supports individuals with special needs with 18 assisted units that are not income restricted. Together, these programs highlight Lebanon's commitment to offering diverse and affordable housing solutions to meet the varied needs of its community.

Housing Type	Lebanon
Family Housing	298
Elderly	312
Special Needs	18
Total Assisted	**628**
Total Housing Units	**6,468**
% of Assisted Housing	**9.71%**

Source: Lebanon Housing Authority, New Hampshire Housing, 2025

Challenges

Lebanon is facing several housing challenges driven by a combination of rising demand, limited supply, and affordability concerns. The city serves as a regional job hub, anchored by large employers like DHMC, Novo Nordisk, and Hypertherm. These companies fuel economic growth and drive housing demand, especially for workers who need to live nearby for quick response times. DHMC, in particular, draws a transient population of young professionals and students, adding to Lebanon’s rental market and shaping the city's housing needs. Since 2018, the number of renters has increased, driving demand for both rental and ownership housing. However, housing supply has not kept pace with this demand. Vacancy rates for both rental and owner-occupied homes remain low, making the housing market highly competitive. Home prices and rents have increased substantially, pushing homeownership and renting out of reach for many, particularly those with lower incomes.

A key challenge is the gap between wages and housing costs, with many residents spending a disproportionate amount of their income on housing. This issue is especially acute for lower-income households, with a significant portion of renters experiencing cost burden. Additionally, Lebanon's housing stock is aging, with most owner-occupied homes built before 1980, requiring renovations and updates to meet current demand. Many renters in Lebanon are also part of a transient population, particularly young professionals and students, contributing to a constantly shifting housing demand. These combined factors—growing demand, limited supply, rising costs, affordability struggles, an aging housing stock, and a transient renter population—create a pressing need for targeted housing solutions that can meet the city's evolving demographic and economic needs.

ASSOCIATES INC

EXISITING CONDITIONS ANALYSIS FOR THE TOWN OF LEBANON, NEW HAMPSHIRE

March 2025

City of Lebanon, New Hampshire

Housing Market Analysis

Table of Contents

Note: Throughout this document words or phrases highlighted in blue indicate a hyperlink to specific source material.

Introduction

Lebanon, the largest city in the Upper Valley, serves as a central hub for employment, services, and housing in the region, drawing residents from surrounding towns and even neighboring states. Over the past decade, the city has experienced measurable growth in young professionals and working-age adults, countering the broader statewide trend toward an aging population. This influx of new residents is reshaping household composition, with nearly 80% of households now consisting of one- or two-person units, and renters especially concentrated among younger, more mobile residents seeking flexibility. Lebanon's housing market reflects these demographic dynamics, with increasing demand for both rental and for-sale housing, rising home prices, and steadily climbing rents that outpace local income growth. The city's economy is anchored by major employers, particularly in health care, education, and professional services, with Dartmouth-Hitchcock Medical Center serving as a key driver of both workforce and housing demand. This analysis examines key trends in housing supply, development patterns, affordability pressures, and market competition, providing a comprehensive overview of Lebanon's housing landscape, the challenges facing residents across income levels, and the misalignment between local wages and available housing options.

Market Analysis – Key Findings

- **Regional Hub for Growth** – Lebanon is the largest city in the Upper Valley and continues to grow, attracting young professionals and working-age residents while much of New Hampshire trends older.
- **Household Composition is Shifting** – Nearly 80% of households are one- or two-person, with renters especially concentrated in single-person households. This reflects both aging in place and an influx of younger, mobile residents.
- **Rising Incomes but Growing Divide** – Median household income rose 35% over the past decade to $92,288, driven by high-paying sectors like healthcare and professional services. However, households earning under $75,000 have declined by 27%, intensifying affordability challenges.
- **Employment Concentration in Healthcare & Services** – Health care, education, and retail dominate local employment, with DHMC acting as the anchor. Lebanon accounts for 42% of the regional workforce and attracts thousands of commuters daily.
- **Rapid Home Price Growth** – Median home prices more than doubled since 2015 (from $205,000 to $451,000), far outpacing local income growth.
- **High Competition for Homes** – Nearly half of all homes sold in 2022–2023 closed above asking price, underscoring the scarcity of for-sale inventory.
- **Multifamily Market Centered in Lebanon** – Over 90% of new multifamily units built in the Upper Valley since 2015 are in Lebanon, positioning the city as the focal point of regional rental demand and investment.
- **Low Vacancy, Rising Rents** – Rental vacancy rates remain extremely low, and rents have continued to climb, reflecting strong ongoing demand.
- **Affordability Pressures** – Roughly one in five renters are severely cost burdened, paying more than 50% of income on housing. Even moderate-income households increasingly struggle to find options within budget.
- **Mismatch Between Wages and Housing Costs** – Growth in health care and professional jobs supports high-end demand, but lower-wage service workers face limited access to both rental and ownership markets.

Market Analysis Approach

For this market analysis, RKG Associates is utilizing a range of data sources to provide the City of Lebanon with an assessment of the housing market in the region. The approach integrates multiple data sources to understand both current conditions and longer-term trends:

American Community Survey
Demographic, Household Data

Lightcast
Industry Employment and Wage Data

Redfin
Real Estate and Market Data

CoStar
Real Estate and Market Data

These sources were combined to provide a comprehensive snapshot of housing market conditions in the City of Lebanon and the broader Core Upper Valley region. RKG's analysis focused on the following components:

- For-sale and rental housing markets: Assessed demand pressures, affordability of available units, and potential mismatches between supply and local needs.
- Demographic, housing, and income trends: Evaluated changes in population, household income, housing tenure, and affordability over time.
- Multifamily market performance and development patterns: Analyzed the current supply of multifamily housing and the role of recent construction in addressing demand.

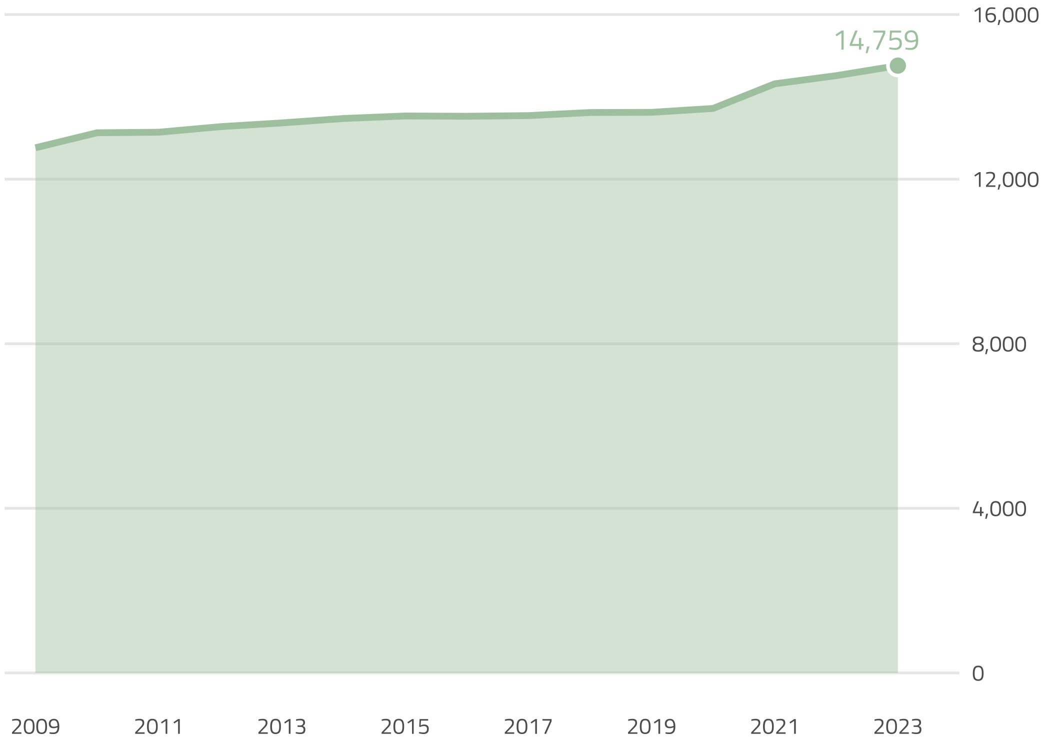
Together, these components offer an integrated view of the housing landscape – linking long-term demographic and economic trends with real-time market activity to support data-informed recommendations.

Lebanon Overview

Demographics & Economics

Lebanon is the largest and one of the fastest-growing communities in the Upper Valley region.

Change in Total Population, Lebanon, NH



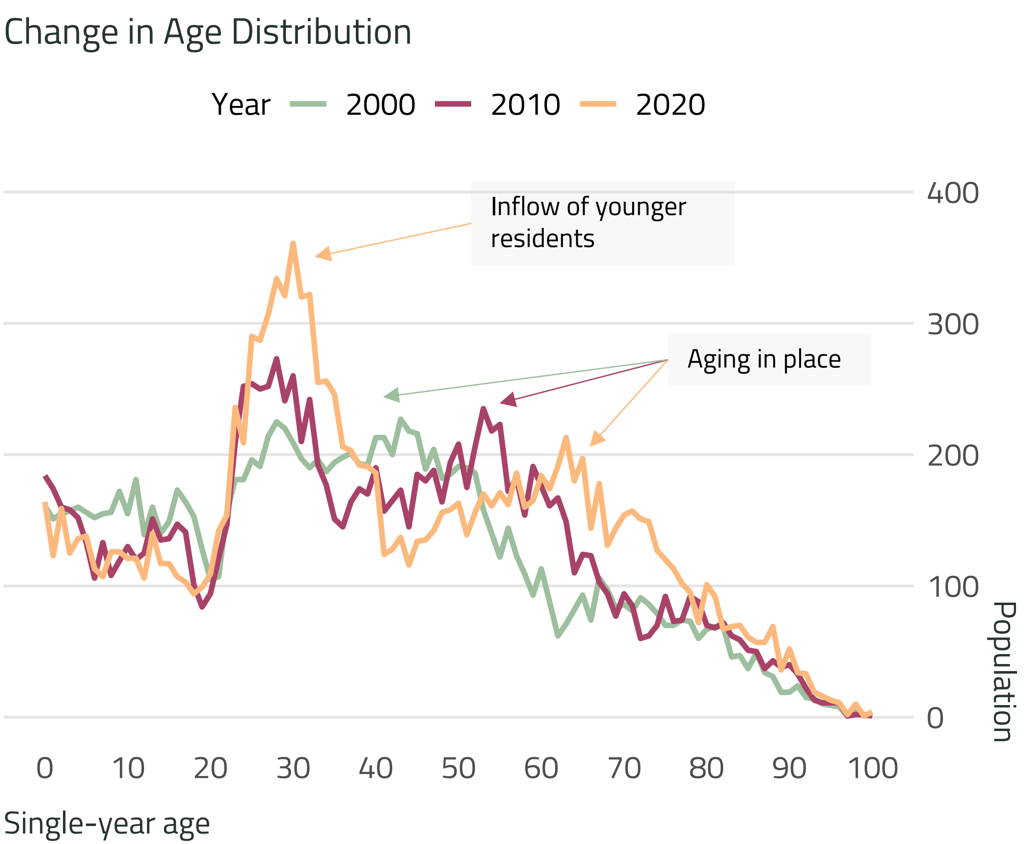
ACS 5-Year Estimates

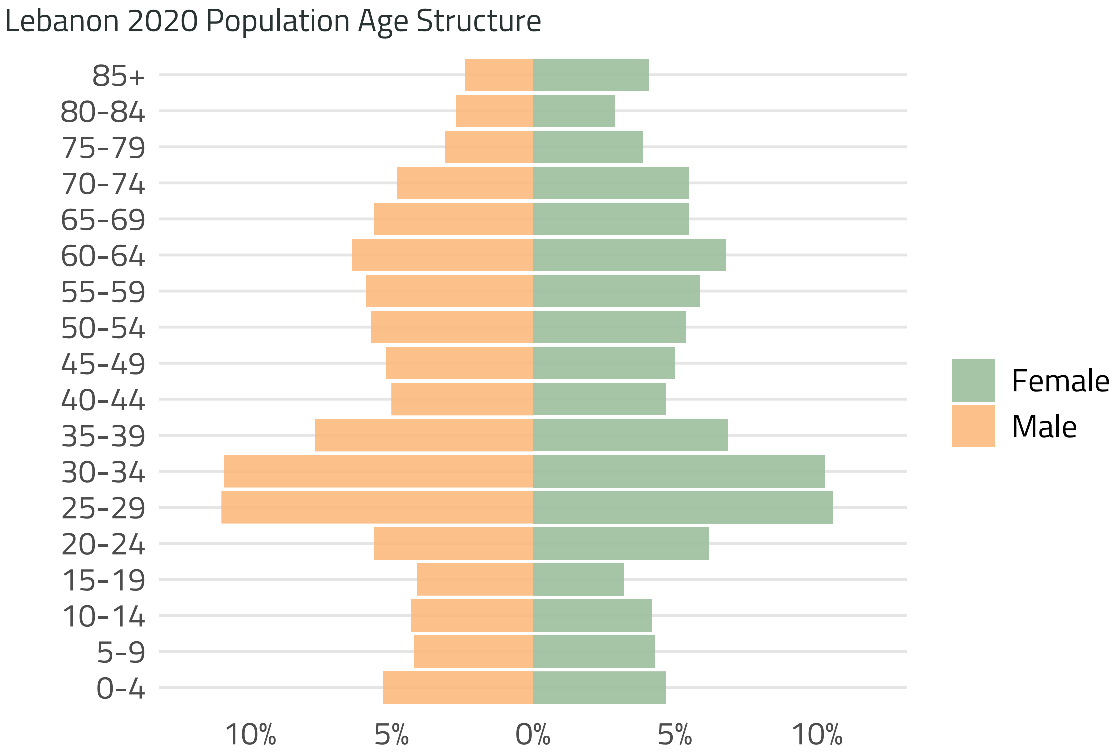
Town/City	2018	2023	Change (#)	Change (%)
Lebanon, NH	13,619	14,759	1,140	8.4%
Claremont, NH	13,016	13,054	38	0.3%
Hanover, NH	11,512	11,702	190	1.7%
Hartford, VT	9,678	10,713	1,035	10.7%
Springfield, VT	9,049	9,088	39	0.4%
Plymouth, NH	6,731	6,618	-113	-1.7%
Newport, NH	6,386	6,357	-29	-0.5%
Littleton, NH	5,927	6,031	104	1.8%
Haverhill, NH	4,616	4,608	-8	-0.2%
Enfield, NH	4,570	4,488	-82	-1.8%
Canaan, NH	3,917	3,801	-116	-3.0%
Norwich, VT	3,335	3,628	293	8.8%
Windsor, VT	3,415	3,552	137	4.0%
Hartland, VT	3,443	3,462	19	0.6%

Source: ACS 5-Year Estimates

Lebanon is the most populous community in Grafton County and remains the largest city in the broader Upper Valley region. While many surrounding towns have experienced population growth in recent years, Lebanon has seen the greatest increase in young professionals and working-age residents, reinforcing its role as a regional employment and service hub.

An increasing number of young professionals relocating to Lebanon is contributing to the city's population growth.





Data source: 2020 decennial Census

Lebanon is experiencing a demographic shift, with a growing concentration of young professionals and working-age residents—an opposite trend from the state overall, where the population is skewing older.

The graphs above illustrate two key dynamics: many long-time residents are aging in place, while there's been a noticeable influx of individuals aged 25 to 45, likely attracted by local employment opportunities.

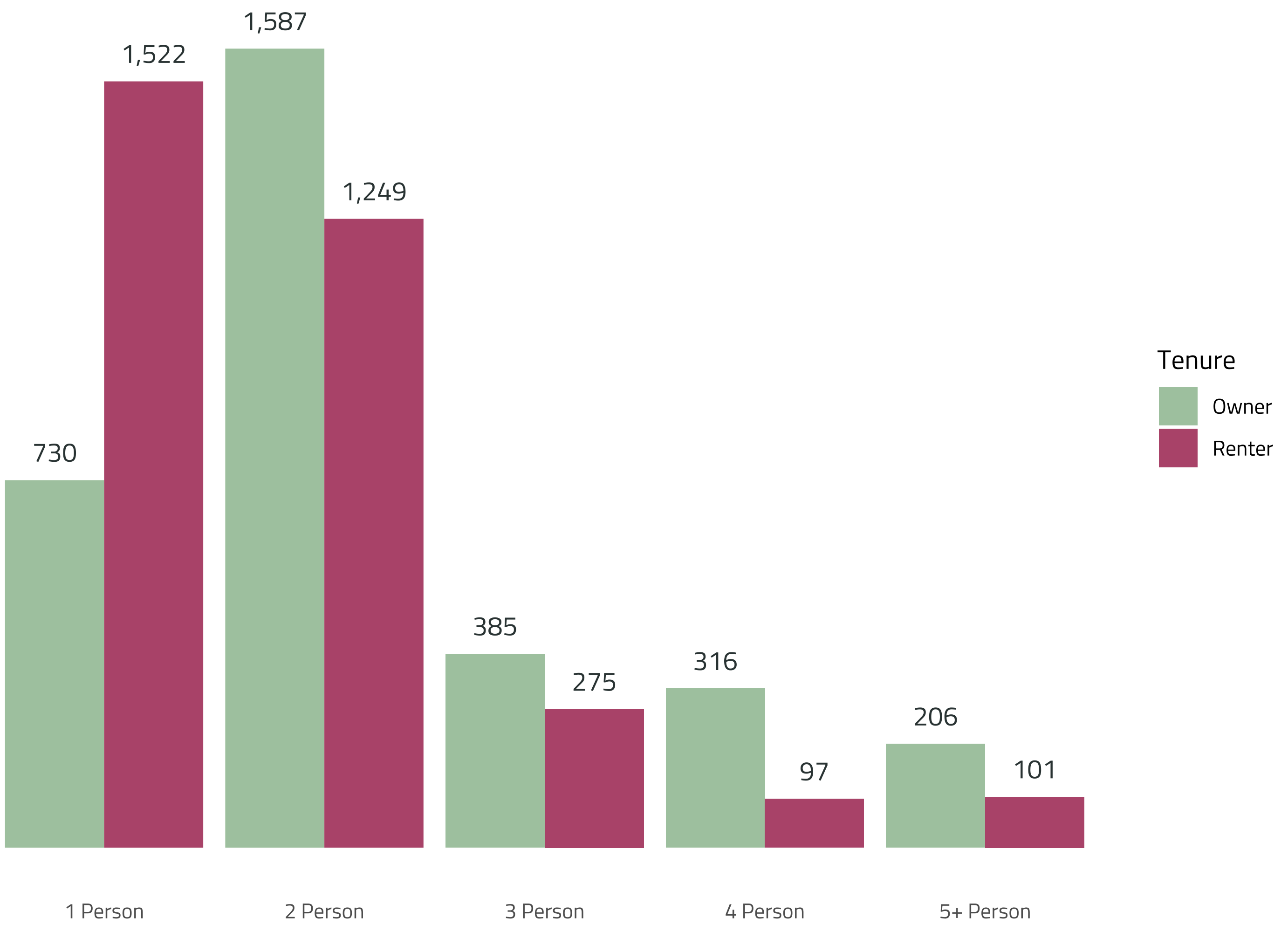
Source: US Decennial Census

The distribution of household size by tenure in Lebanon reveals a high proportion of smaller households, with 79% consisting of one or two people. Renters are more likely to live alone, while homeowners more commonly live in two-person households. Although larger households are more prevalent among homeowners, they make up a smaller share of the overall household distribution in Lebanon. This trend reflects broader demographic patterns, including an aging population, shifting household compositions, and the transient nature of the community, where a significant portion of residents—such as young professionals, students, and temporary workers—seek smaller, more flexible living arrangements. These dynamics contribute to the high demand for one- and two-person households, shaping Lebanon's housing market and rental landscape.

Source: 2023 ACS 5-Year Estimates

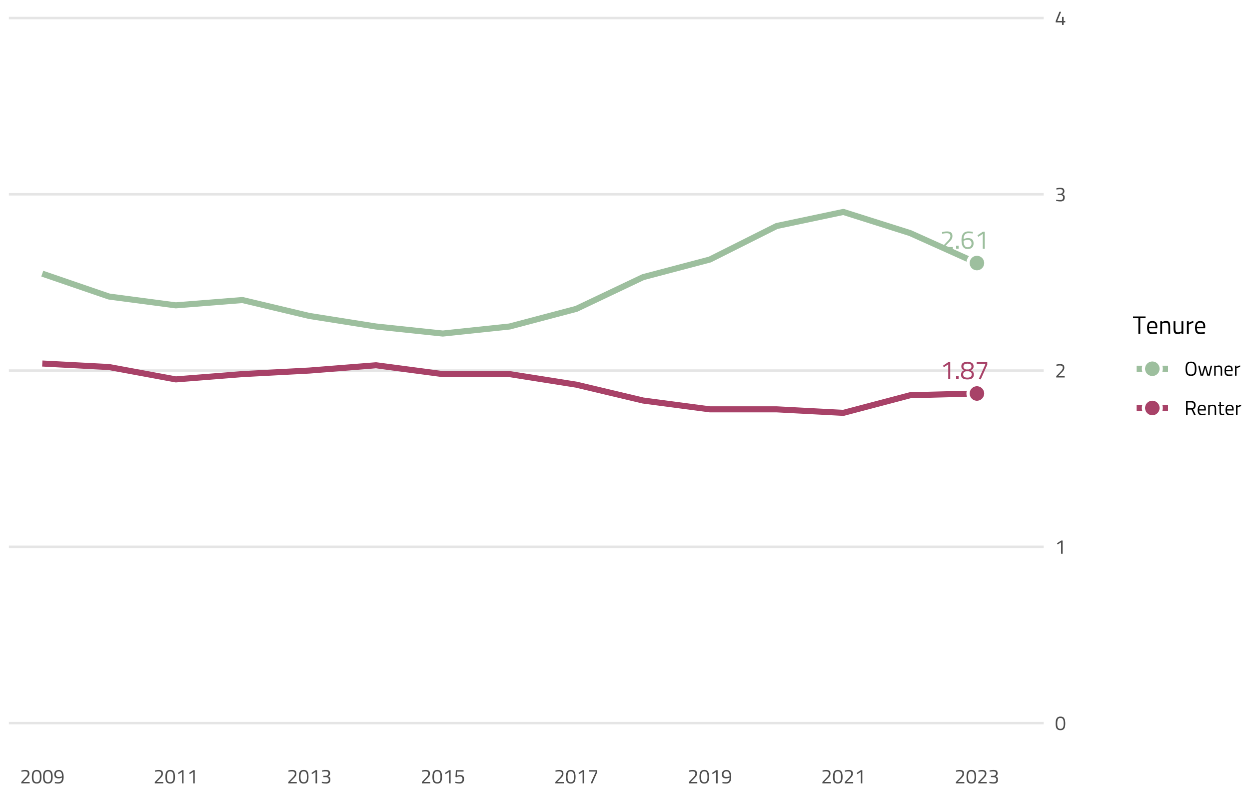
Lebanon has a high concentration of smaller households.

Household Size by Tenure

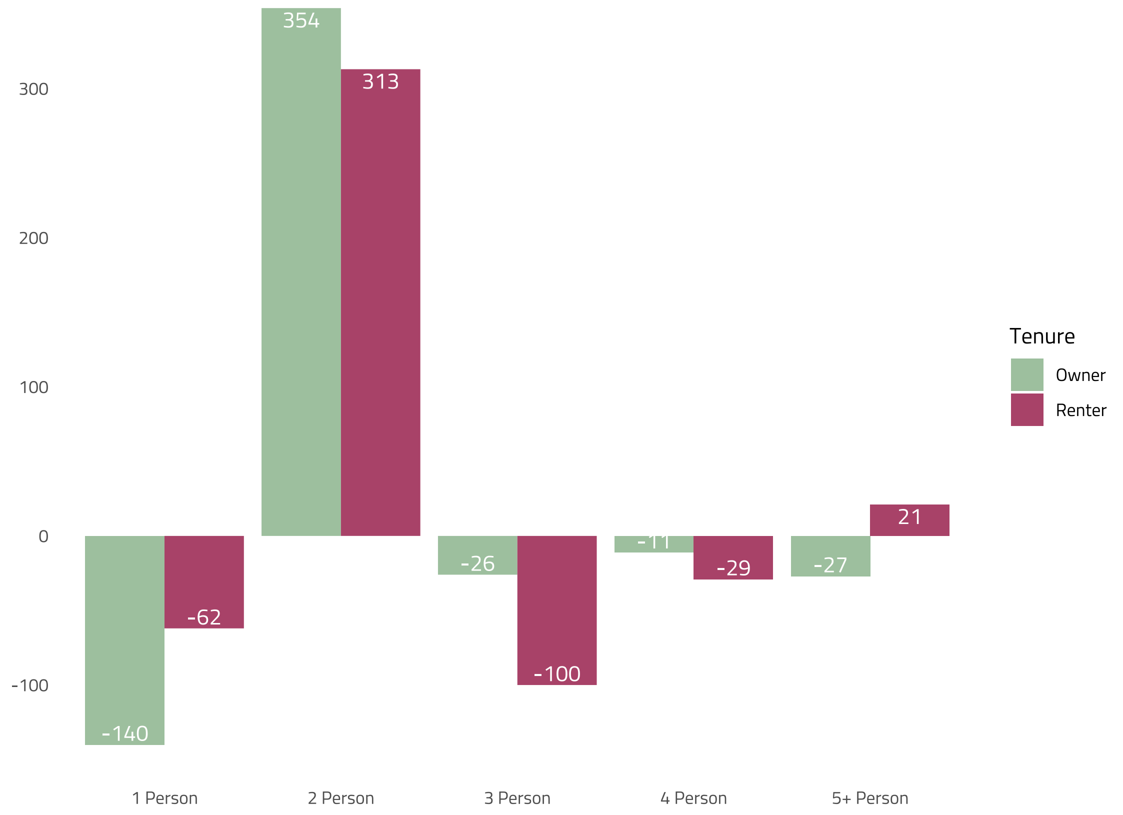


Lebanon's household growth over the past decade was led by two-person households.

Change in Average Household Size



Change in Household Size by Tenure



Over the past two decades, household sizes in Lebanon have remained fairly stable. However, two-person households have increased across both renter and owner categories. Among owners, one-person households declined, while among renters, households with three people saw the largest drop. Overall, these trends suggest a shift toward smaller household formations, particularly among two-person households.

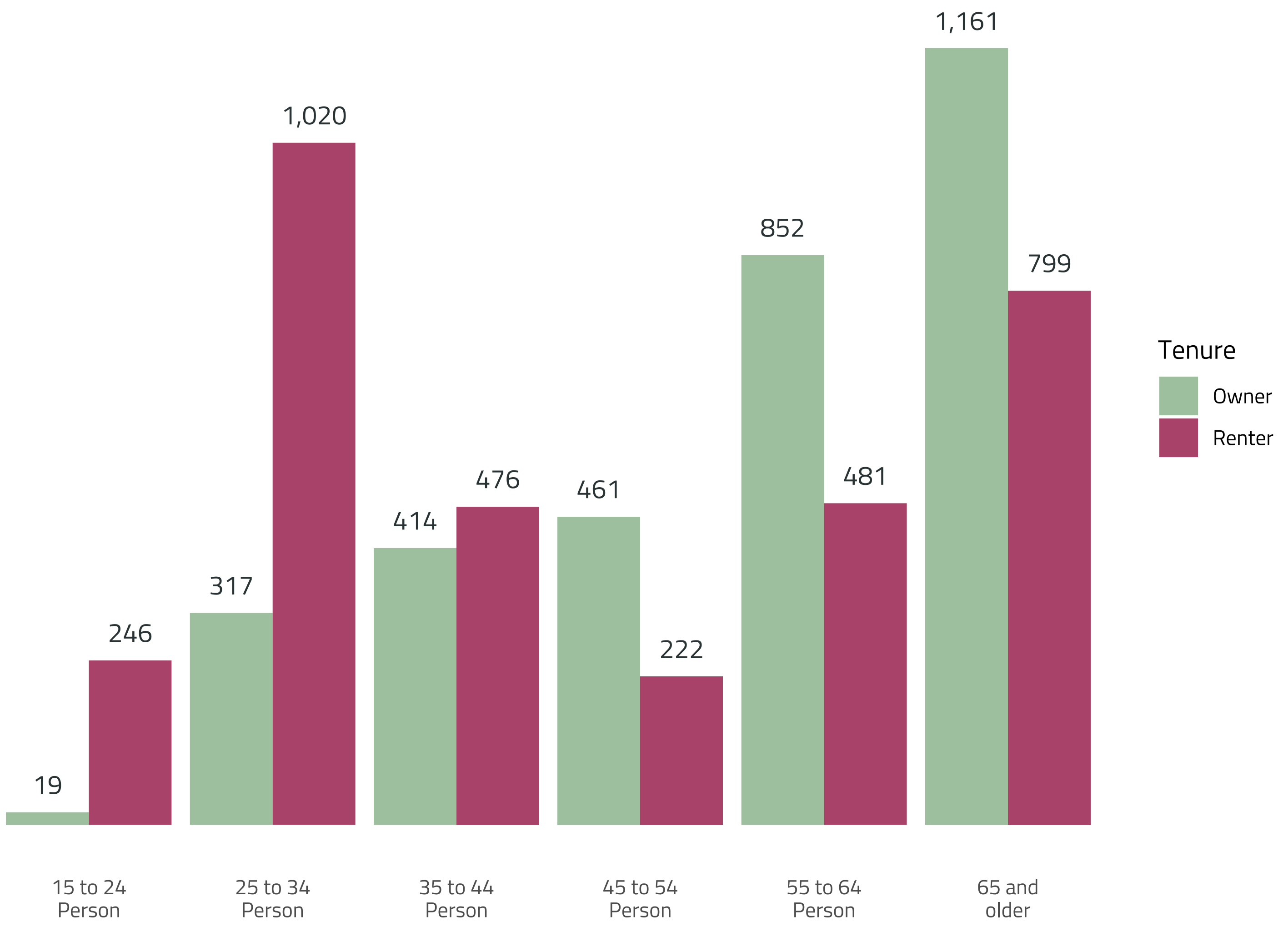
Source: ACS 5-Year Estimates

In Lebanon, most renters are under 44 years old, while most homeowners are over 55, reflecting broader demographic and housing trends. The largest group of renters falls within the 25-34 age range, a stage in life when many prioritize flexibility due to career mobility or financial constraints. However, the second-largest group of renters is those aged 65 and older, suggesting that some older adults may be downsizing, opting out of homeownership responsibilities, or facing financial barriers. Meanwhile, homeownership is most prevalent among residents 65 and older, highlighting a divide where some seniors have attained long-term housing stability while others remain in the rental market. These patterns emphasize the need for a diverse range of housing options to accommodate Lebanon's evolving population and housing preferences.

Source: 2023 ACS 5-Year Estimates

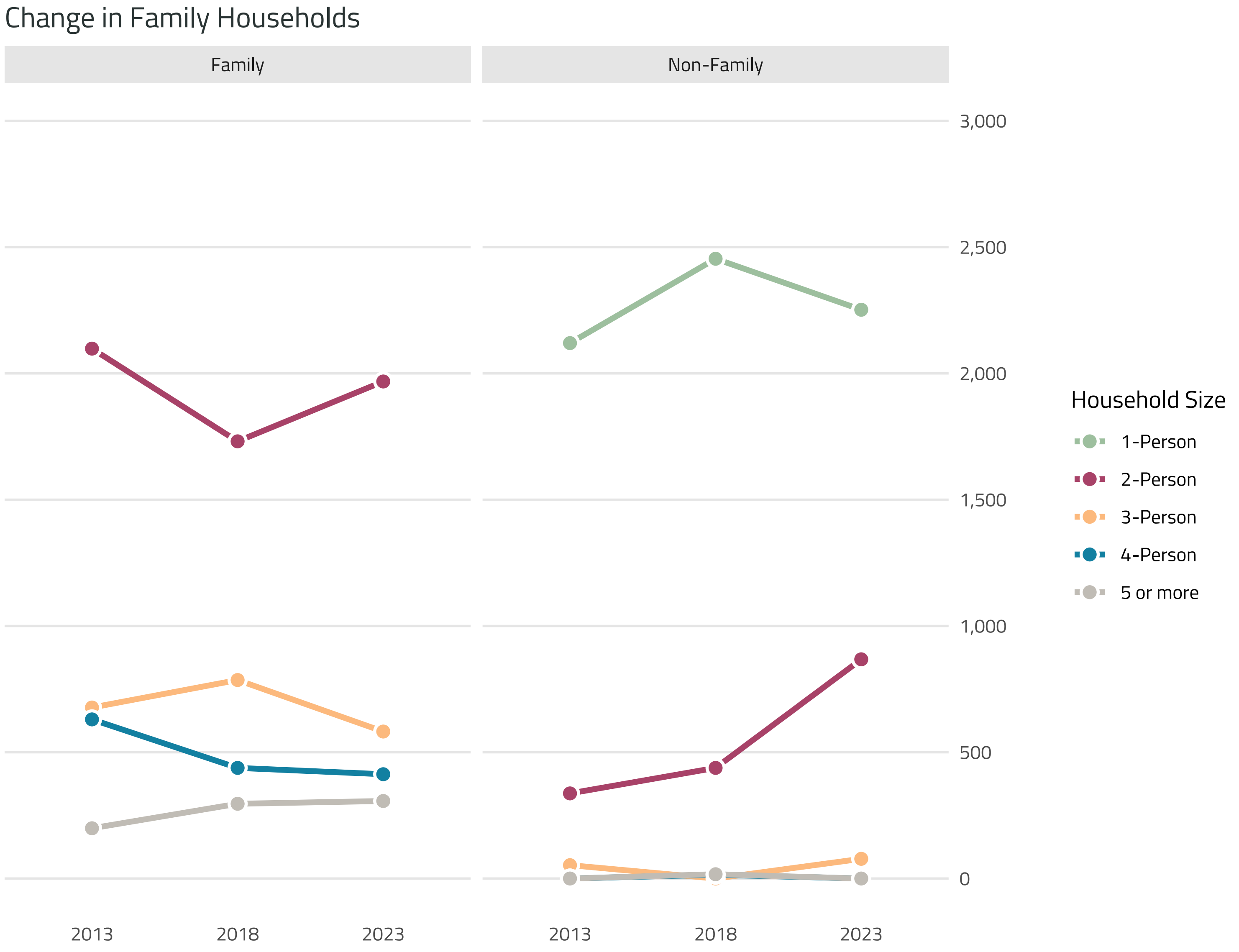
Older residents drive Lebanon's homeownership market.

Household Age by Tenure



Lebanon's household composition is nearly evenly split between family (3,270) and non-family (3,200) households, reflecting the town's balanced renter-owner mix. Single-person households remain the most common non-family type (2,250, or 35%), but growth in 2-person non-family households (870, or 13%) points to more couples or shared living arrangements. Among families, 2-person households have increased, while larger households (3 or more people) have declined or held steady. These shifts suggest changing household dynamics that may influence demand for a wider range of housing types and sizes.

Lebanon saw growth in both 2-person family and non-family households.



Source: ACS 5-Year Estimates

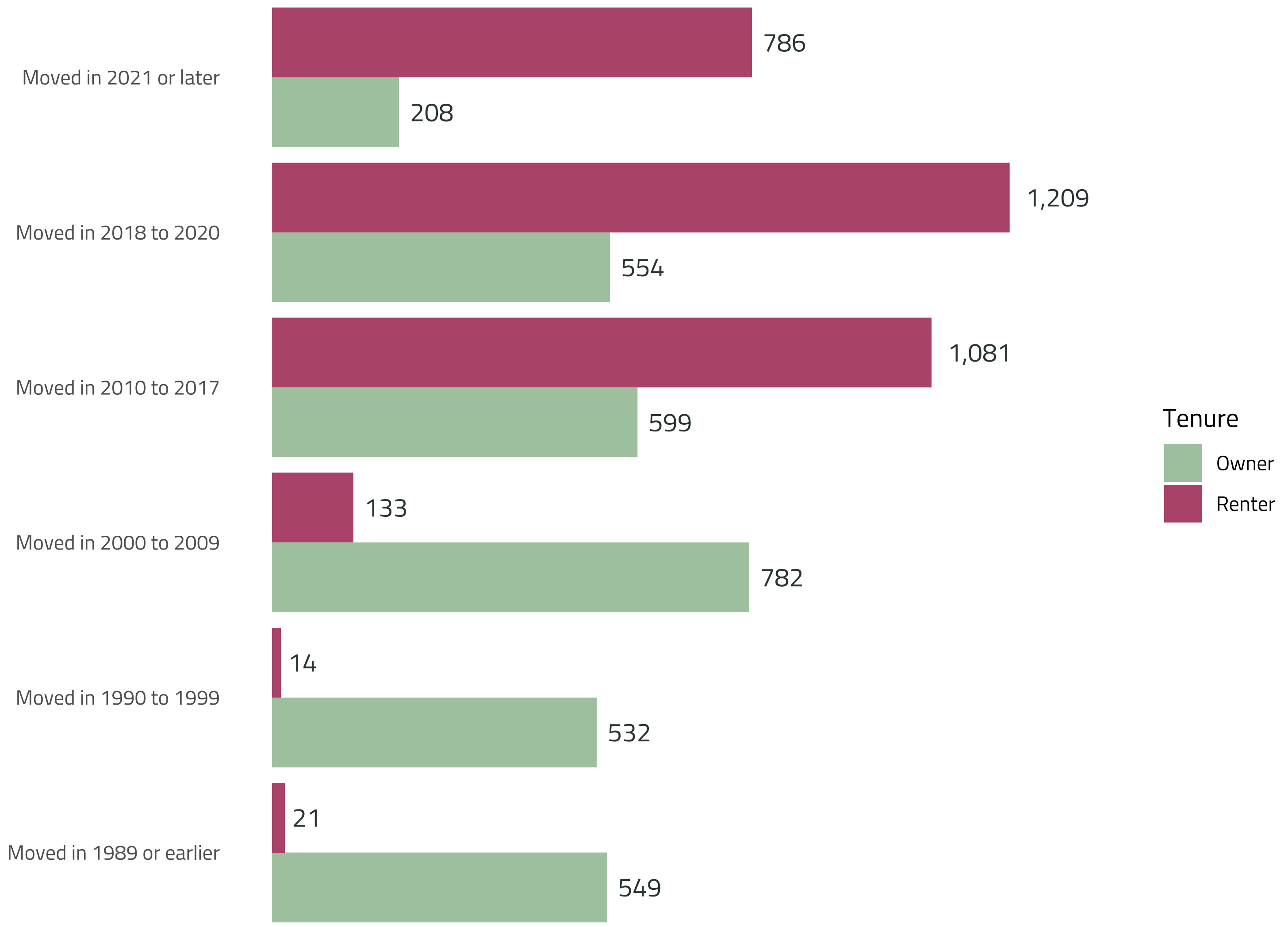
Households

MOST RENTERS MOVED TO LEBANON AFTER 2018, WHILE THE MAJORITY OF HOMEOWNERS HAVE LIVED IN THE CITY SINCE BEFORE 2010.

Over the past decade, Lebanon has seen a notable increase in new residents, particularly among renters. In the last five years, around 2,750 new residents moved to the city, with renters making up the majority of this influx. About 27% of these new arrivals were homeowners.

This pattern points to greater residential stability among homeowners, many of whom have been in Lebanon for a longer period, while renters—who make up a larger share of recent newcomers—are more likely to be in a transitional phase. DHMC also plays a role, leasing many rental units for their employees, though these workers tend to stay for shorter periods. This could impact housing demand, as renters may seek more flexibility, while homeowners represent a more established population in the community.

Year Householder Moved In



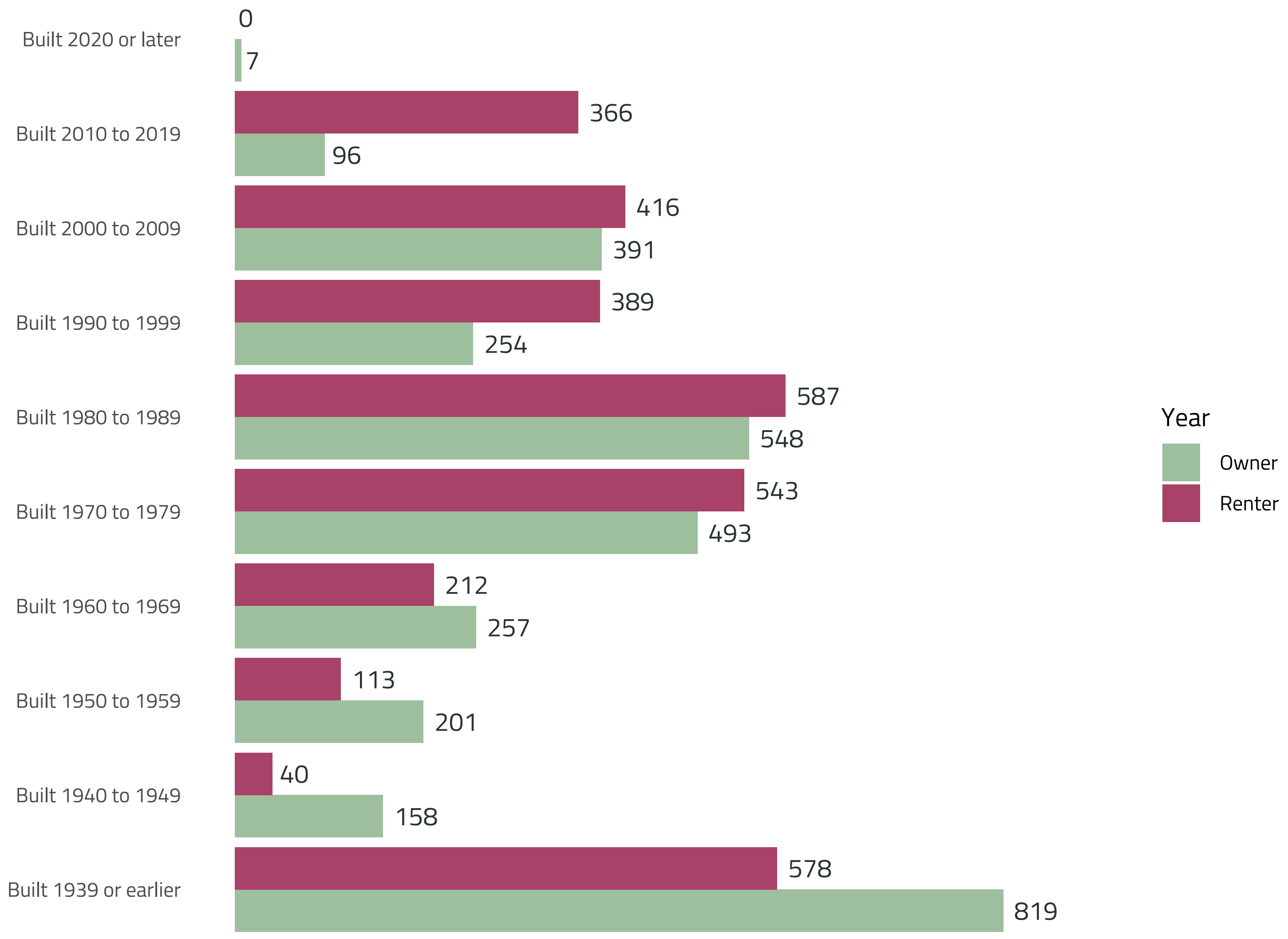
Source: US Census Bureau ACS 5-Year Estimates, 2018 and 2023

Year Built

LEBANON HAS AN AGING HOUSING STOCK.

The majority of owner-occupied households in Lebanon were built before 1980, with the largest concentration of these homes dating back to before 1939. In contrast, most rental properties were constructed after 1980, with the largest share built between 1980 and 1989. Since 1970, rental structures have outpaced owner-occupied ones in terms of new construction, with approximately 2,300 rental units built compared to 1,800 owner-occupied units. This suggests a shift toward increased rental development, in response to the growing demand for rental housing. The increase in rental properties is likely driven by an influx of renters, particularly younger adults and individuals seeking flexible living arrangements, which continues to shape the city's housing market.

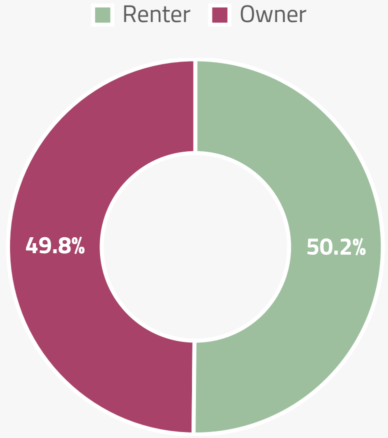
Year Built by Tenure



Source: US Census Bureau ACS 5-Year Estimates, 2018 and 2023

Lebanon has the highest number of total households in the region, with a nearly even split between renters and homeowners. It surpasses neighboring communities such as Hartford, Hanover, and Enfield in both overall household count and number of rental households. This balanced tenure distribution highlights the diversity of Lebanon's housing market, which is shaped by its role as the regional economic and employment center. As a result, the city attracts a broad mix of residents—including those seeking rental options and those pursuing homeownership.

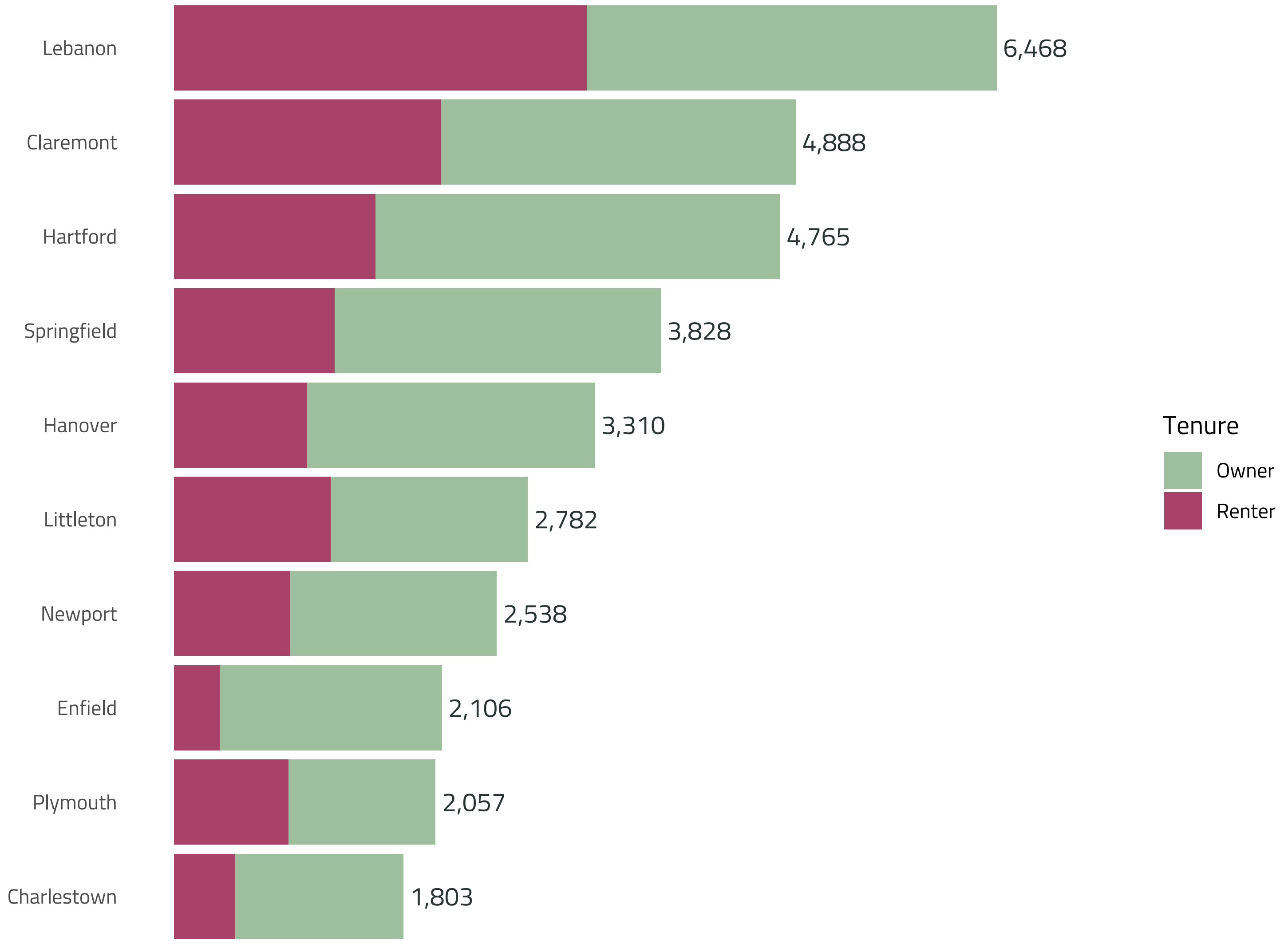
Lebanon Tenure Rates



Source: 2023 ACS 5-Year Estimates

Lebanon has the highest density of total households & renter households.

Number of Households by Tenure



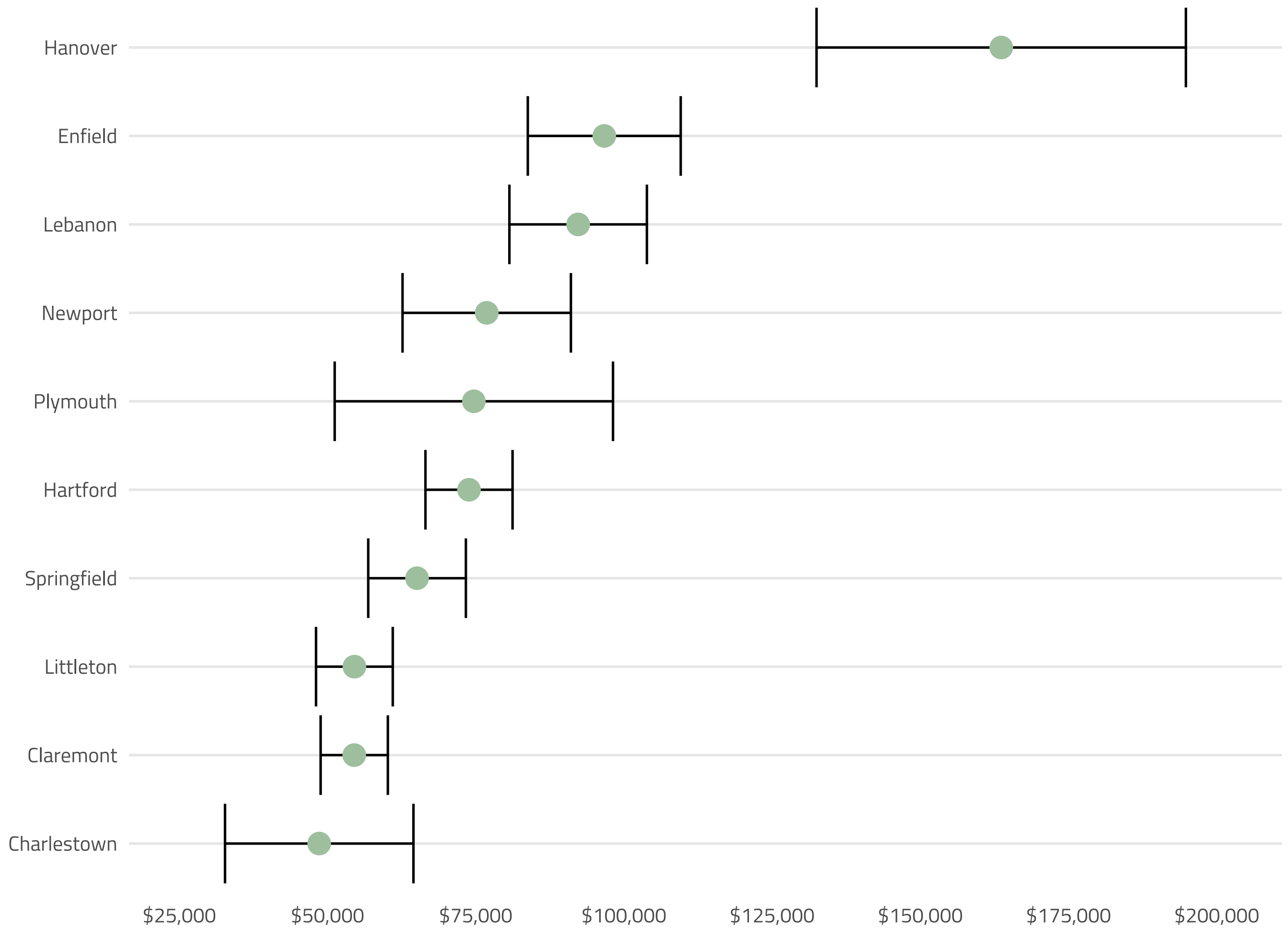
Household Income

RKG

LEBANON'S MEDIAN HOUSEHOLD INCOME IS ON THE RISE.

Lebanon residents rank among the highest earners in the region, trailing only Hanover, with incomes comparable to those in Enfield and Newport. In 2023, Lebanon's median household income was $92,288, marking a 35% increase from $68,975 over the past decade. This rise in income reflects the town's economic growth, driven in part by large employers such as DHMC, Hypertherm, and Novo Nordisk, which offer higher-paying jobs and attract employees with higher levels of educational attainment. However, while higher incomes are improving overall economic stability, they also contribute to growing disparities in housing affordability for lower-earning households.

Median Household Incomes



Error Bars Represent Margins of Error

Source: US Census Bureau ACS 5-Year Estimates, 2018 and 2023

Lebanon saw increases in high-income households.

Household Income Distribution

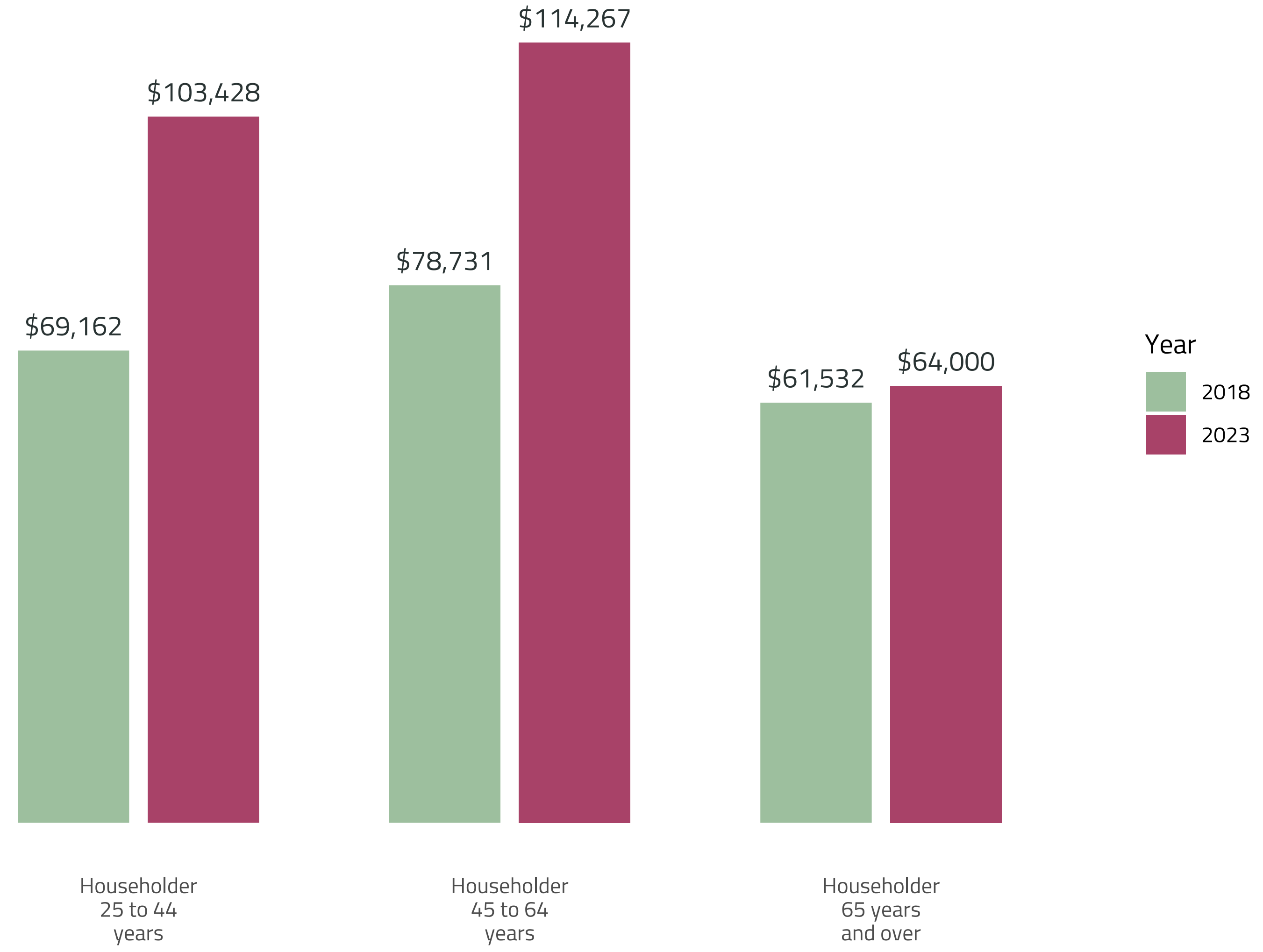
Between 2019 and 2023, the estimated median income in Lebanon was $92,288. Over the past decade, household incomes in Lebanon have shifted toward higher income brackets, with the $100,000–$149,999 and $200,000+ income groups seeing the largest increases—resulting in a 136% rise in households earning over $100,000. On the other hand, households earning less than $75,000 have decreased by approximately 1,000 households (a 27% drop). This shift correlates with a growing number of residents attaining higher levels of education, as higher educational attainment is often associated with higher earning potential. The trend suggests that while more residents are pursuing higher education and securing higher-paying jobs, lower-earning households may face increased challenges in housing affordability.

Source: 2018 - 2023 ACS 5-Year Estimates

Working-age residents (25–64) have seen nearly 50% income growth over the past ten years.

Over the past decade, Lebanon experienced substantial growth in median household incomes among adults ages 25 to 64, who are typically in their prime earning years. For residents ages 25 to 44, median income rose from $69,162 to $103,428, an almost 50% increase, while those ages 45 to 64 saw median incomes rise from $78,731 to $114,267, a 45% increase. In contrast, incomes among residents 65 and older remained relatively flat, increasing just 4% over the same period. This income growth among working-age households is likely tied to the expansion of high-wage sectors like healthcare and education in the region. While the trend supports housing demand and local spending, it also underscores a growing affordability gap for older residents, many of whom are not benefiting from this economic shift.

Median Household Income by Age of Householder

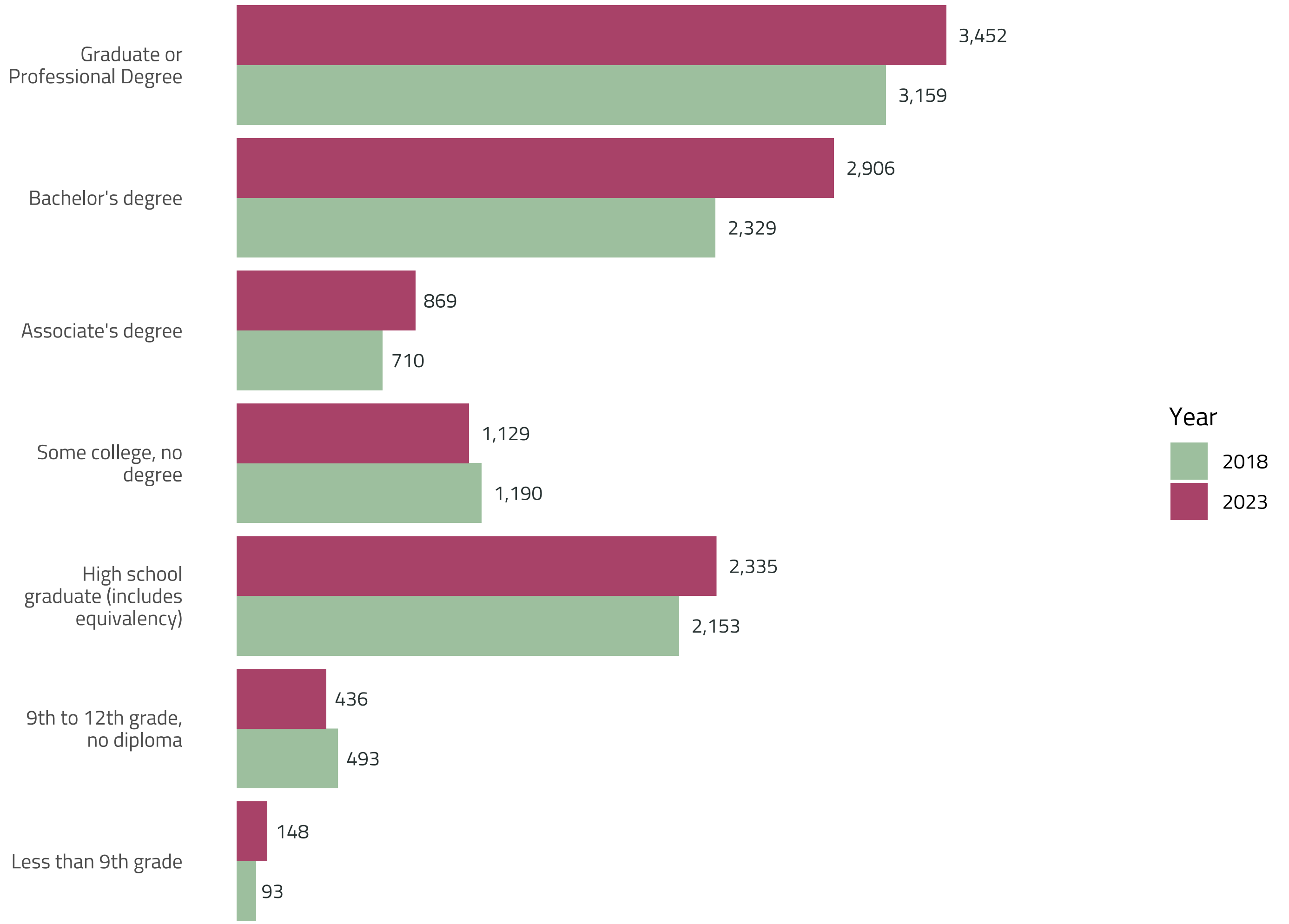


Source: 2018 - 2023 ACS 5-Year Estimates

More than half of Lebanon's employment base has a Bachelor's degree or higher.

Lebanon has seen a rise in educational attainment, which aligns with increasing household incomes. Over the past decade, the number of residents with a high school diploma grew by 8%, while those with an associate's degree increased by 22%. The number of bachelor's degree holders rose by 25% to approximately 2,900 residents, and those with graduate or professional degrees grew by 9% to 3,500 residents. This trend highlights a growing emphasis on higher education, which may be contributing to increased earning potential and economic mobility in the community.

Educational Attainment, 25+



Source: 2018 - 2023 ACS 5-Year Estimates

Renter-occupied housing in Lebanon includes a diverse mix of unit types.

The majority of owner-occupied units in Lebanon are in single-family homes, while renter-occupied households are more evenly distributed across a range of multifamily structures, reflecting a diverse housing market. The highest concentration of rental units is in buildings with 1 to 4 units, followed by those with 5 to 19 units and 50 or more units. Despite overall low vacancy rates, vacancies are more pronounced in multifamily buildings, indicating a tightening rental market, particularly in smaller, multi-unit structures. This could suggest growing demand for rental options in Lebanon, especially as the population continues to shift toward younger, more mobile households seeking affordable rental opportunities.

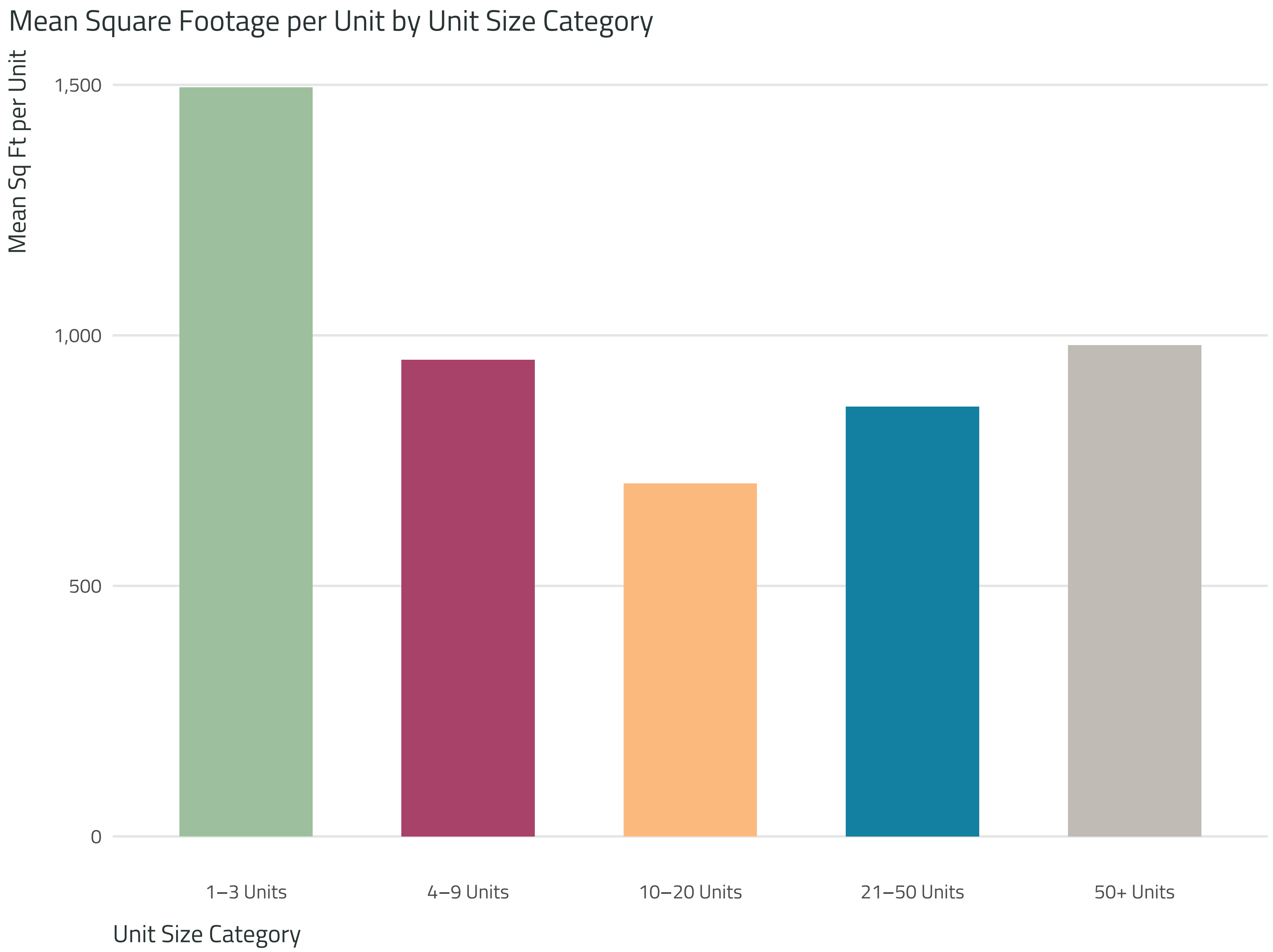
Existing Housing Stock

Housing Units by Structure Type

Source: 2018 - 2023 ACS 5-Year Estimates

Structures with fewer units tend to offer more square footage per unit on average.

Smaller residential buildings with 1–3 units tend to offer the most spacious units, averaging nearly 1,500 square feet per unit. As the number of units per building increases, the average unit size declines sharply, with buildings containing 10–20 units offering the smallest units at just over 700 square feet on average. Interestingly, unit sizes begin to increase again in larger buildings, with those containing 21–50 units and 50 or more units averaging 858 and 981 square feet per unit, respectively. This trend suggests that mid-sized buildings are generally the most space-efficient but offer the most compact living spaces, while the largest developments may include a broader mix of unit types, including some larger apartments.

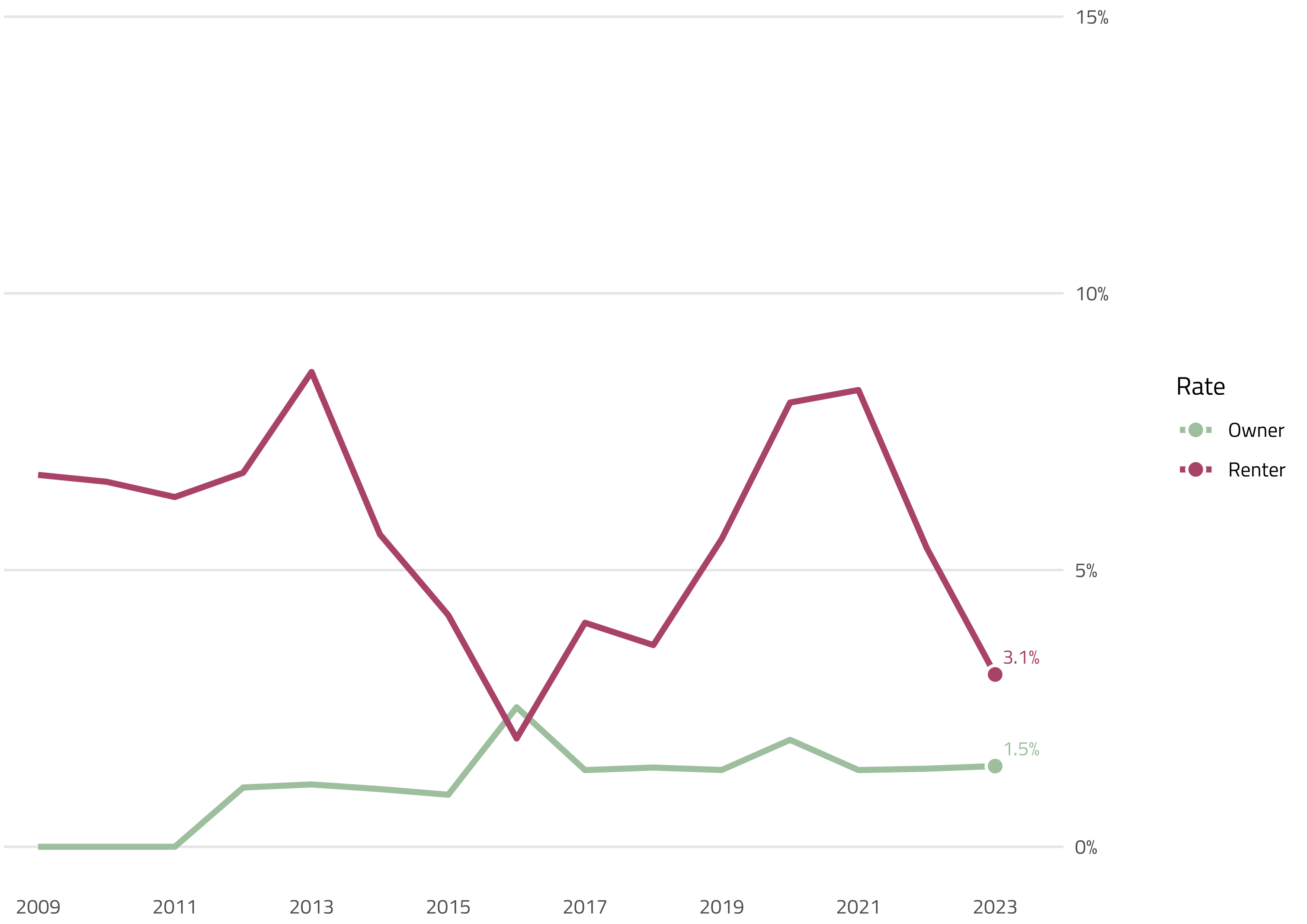


Source: Lebanon Assessment Data

Lebanon's vacancy rates for both owner and renter units remains critically low.

Vacancy rates for rental units in Lebanon have been steadily decreasing, signaling rising demand for rental housing. Since 2009, renter vacancy rates have dropped to 3.1%, suggesting that rental units are being quickly filled, likely due to the influx of new residents, a growing preference for flexibility in housing, and rising housing costs. For owner-occupied housing, vacancy rates have remained exceptionally low, with a slight increase in vacancy, rising from 0% to 1.5% in 2023. This reflects a highly competitive market for homeowners, with very few properties available for sale. Typically, a healthy vacancy rate hovers between 5% and 8%, so the current rates indicate both high demand and limited availability in Lebanon's housing market.

Vacancy Rates by Tenure

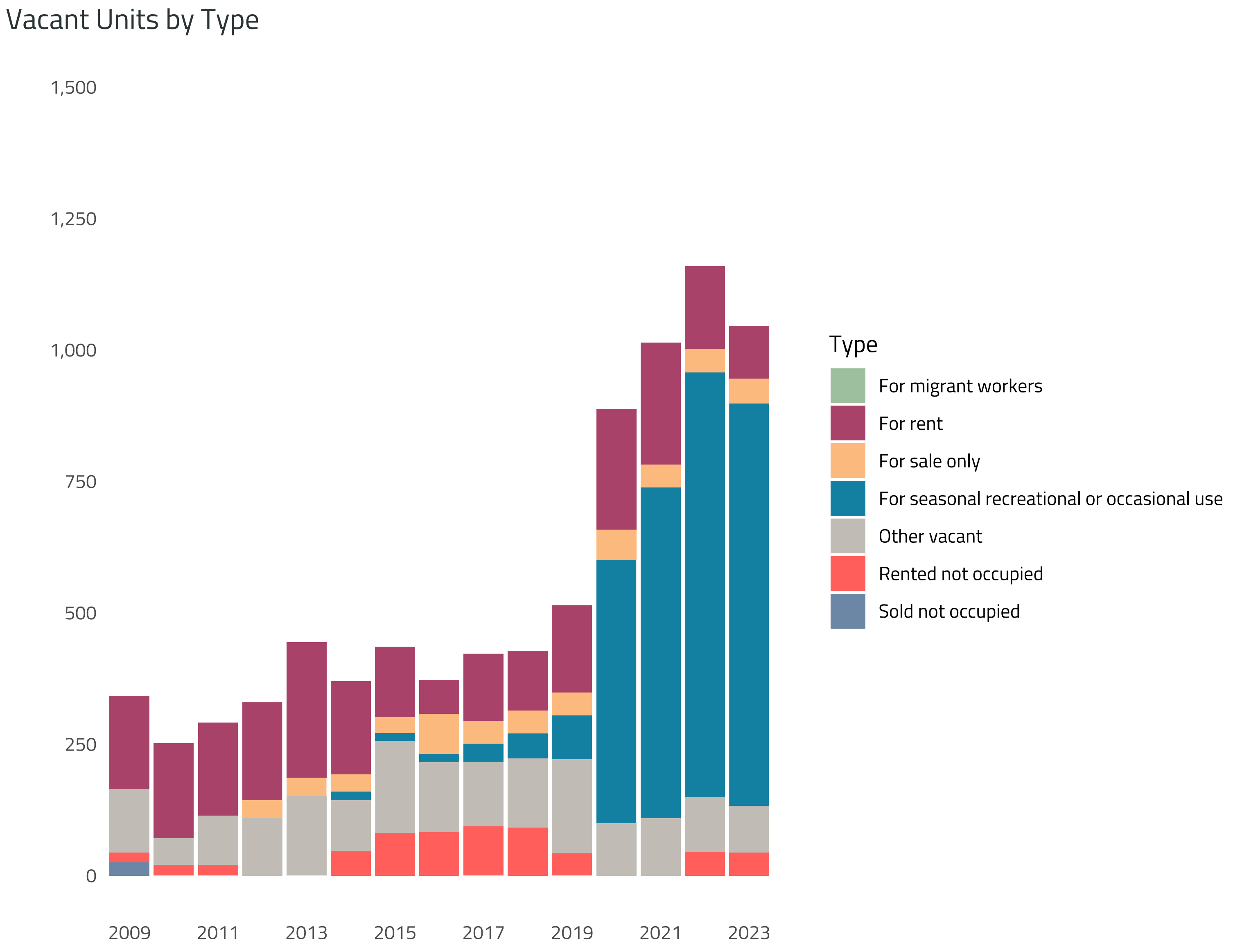


Source: 2018 - 2023 ACS 5-Year Estimates

Over the past five years, Lebanon has seen an increase in vacancies, particularly for seasonal, recreational, or occasional uses. Rental vacancies have remained relatively steady since 2009, while vacancies for properties listed for sale have stayed critically low, signaling a highly competitive market. Additionally, "other" vacant properties, which refer to units that are not currently occupied, have remained steady. These units are typically vacant for various reasons, such as ongoing repairs or renovations, the owner choosing not to rent or sell, using the unit for storage, or circumstances where the owner is elderly and living in a nursing home or with family members. Other reasons for vacancy include properties being held for the settlement of an estate or being in the process of foreclosure. This pattern indicates a mix of intentional vacancy and market factors contributing to the limited availability of housing in Lebanon.

Source: 2018 - 2023 ACS 5-Year Estimates

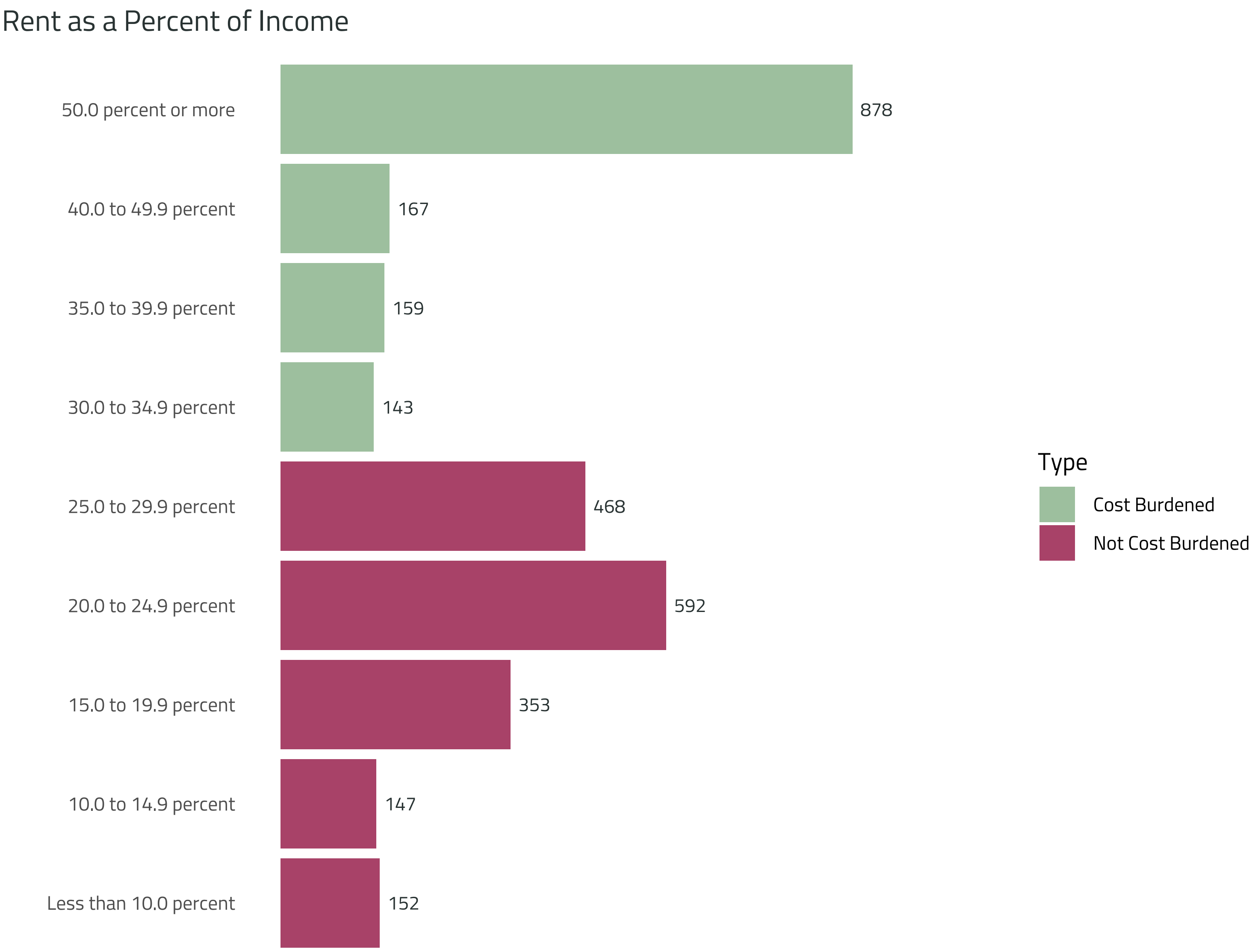
Lebanon has an increasing number of seasonal vacancies.



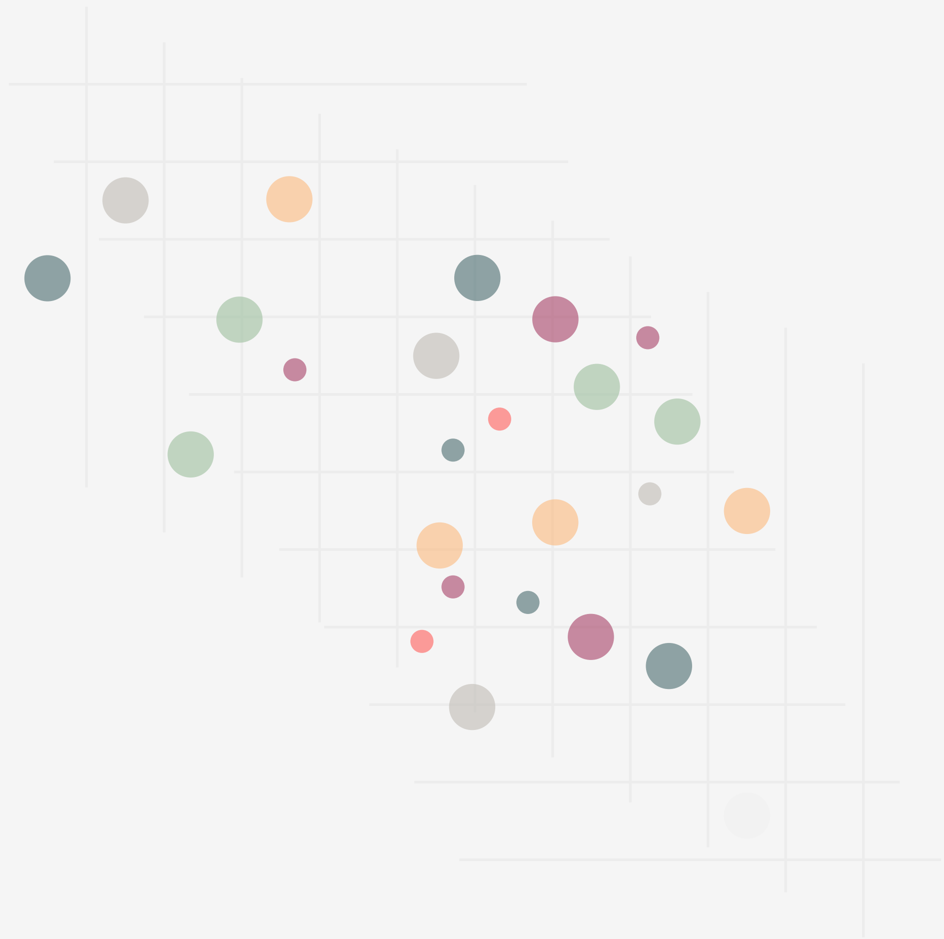
44% of renters spend 30% or more of their incomes on housing costs.

Over the past decade, Lebanon has seen an increase in the number of renters experiencing cost burden. Currently, about 22% of renters, or just under 900 residents, are considered severely cost burdened, spending more than 50% of their income on housing costs.

As rental prices continue to rise in the region, these renters may find it increasingly difficult to keep up with growing housing costs. This could lead to more financial strain for lower-income renters, and may also exacerbate housing instability in the city, highlighting the need for affordable housing solutions to address these challenges.



Source: 2018 - 2023 ACS 5-Year Estimates



Source: OpenStreetMap Contributors

Lebanon Overview

Labor Market and Economy

As of 2022, approximately 46% of Lebanon residents both lived and worked within the city, accounting for about 17% of the total workforce employed in Lebanon. The remaining 83% of workers commute from neighboring communities such as Hanover, Claremont, and Hartford, VT. This dynamic highlights Lebanon's dual role: it not only supports a strong local live-work population but also functions as a key regional employment hub. The city's ability to attract a large commuter workforce suggests a diverse and robust economy that offers a wide range of job opportunities across industries, matching the skills, qualifications, and career goals of both residents and regional workers.

Nearly half of Lebanon's residents both live and work within the city.

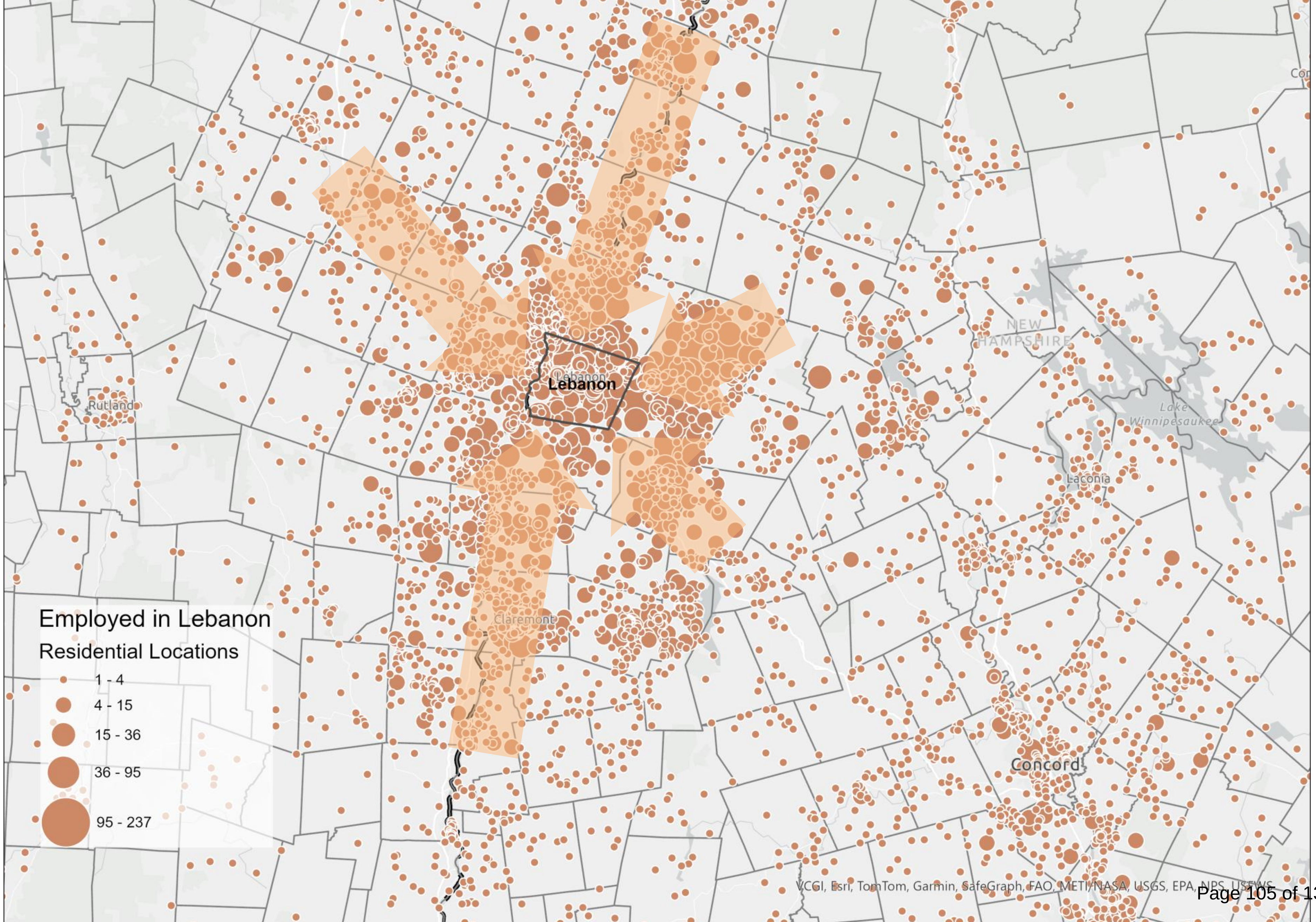
Home Area	Count of workers	Share
Lebanon	3,358	16.7%
Claremont	902	4.5%
Hanover	497	2.5%
Wilder	361	1.8%
Concord	343	1.7%
Enfield	340	1.7%
Keene	297	1.5%
Newport	287	1.4%
White River Junction	275	1.4%
Manchester	269	1.3%

Work Destination Area	Count of Workers	Share
Lebanon	3,358	45.8%
Hanover	1,000	13.6%
White River Junction	356	4.9%
Claremont	120	1.6%
Concord	120	1.6%
Manchester	117	1.6%
Wilder	60	0.8%
Nashua	52	0.7%
Portsmouth	46	0.6%
Boston	44	0.6%

Source: US Census 2022 LEHD

Many of Lebanon’s workers commute from nearby communities in the Upper Valley region.

Lebanon is a key employment hub for both the Upper Valley region and the state of New Hampshire. The city draws a substantial number of commuters from surrounding communities while also retaining a large share of its own residents in the local workforce. Major sectors such as health care and social assistance, retail trade, and manufacturing account for approximately 62% of all jobs in the city.

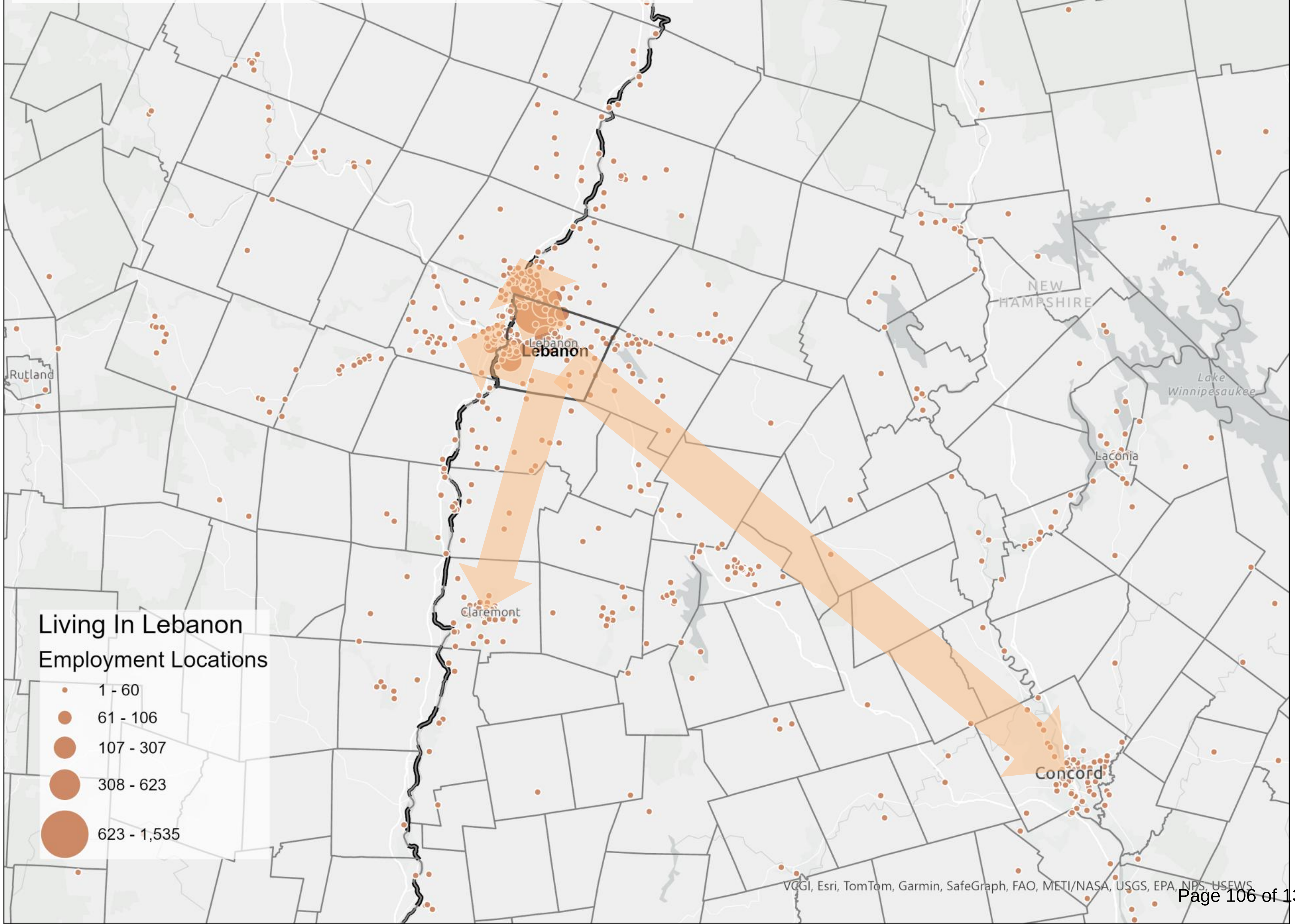


Source: US Census 2022 LEHD

Many Lebanon residents also work within the city, reflecting the strong alignment between local employment opportunities and the community's workforce. Those who commute outside of Lebanon typically travel to nearby cities such as Claremont and Concord, suggesting regional connectivity and access to a broader job market beyond city limits.

Source: US Census 2022 LEHD

Many of Lebanon's residents also work in the city.



Lebanon's most competitive industries are Health Care and Social Assistance, Retail Trade, and Manufacturing.

		Lebanon				UVLSR				
NAICS	Description	2014 Jobs	2024 Jobs	% Change	Share	2014 Jobs	2024 Jobs	% Change	Share	Lebanon Share of UVLSR
62	Health Care and Social Assistance	7,238	8,398	16%	42%	10,232	11,876	16%	25%	18%
44	Retail Trade	2,800	2,793	(0%)	14%	5,858	5,839	(0%)	12%	6%
31	Manufacturing	1,390	1,338	(4%)	7%	5,684	5,324	(6%)	11%	3%
72	Accommodation and Food Services	1,221	1,322	8%	7%	3,214	3,237	1%	7%	3%
61	Educational Services	1,288	1,231	(4%)	6%	6,097	5,917	(3%)	12%	3%
54	Professional, Scientific, and Technical Services	932	1,161	25%	6%	1,689	2,053	22%	4%	2%
81	Other Services (except Public Administration)	1,075	991	(8%)	5%	1,498	1,397	(7%)	3%	2%
90	Government	269	530	97%	3%	4,850	4,672	(4%)	10%	1%
52	Finance and Insurance	298	515	73%	3%	984	1,055	7%	2%	1%
56	Administrative and Support and Waste Management and Remediation Services	435	443	2%	2%	1,408	1,356	(4%)	3%	1%
42	Wholesale Trade	449	443	(1%)	2%	989	784	(21%)	2%	1%
51	Information	432	327	(24%)	2%	577	484	(16%)	1%	1%
48	Transportation and Warehousing	107	237	122%	1%	413	525	27%	1%	0%
23	Construction	86	182	111%	1%	975	1,215	25%	3%	0%
55	Management of Companies and Enterprises	70	126	81%	1%	213	369	73%	1%	0%
71	Arts, Entertainment, and Recreation	55	67	23%	0%	825	1,082	31%	2%	0%
53	Real Estate and Rental and Leasing	55	64	16%	0%	240	309	29%	1%	0%
22	Utilities	<10	19	Insf. Data	0%	74	105	43%	0%	0%
11	Agriculture, Forestry, Fishing and Hunting	<10	<10	Insf. Data	Insf. Data	212	241	13%	1%	Insf. Data
21	Mining, Quarrying, and Oil and Gas Extraction	33	<10	Insf. Data	Insf. Data	63	32	(50%)	0%	Insf. Data
99	Unclassified Industry	<10	<10	Insf. Data	Insf. Data	<10	28	Insf. Data	0%	Insf. Data
		18,235	**20,198**	**11%**		**46,101**	**47,899**	**4%**		

Lebanon serves as the employment hub of the Upper Valley Lake Sunapee Region, accounting for roughly 42% of the region's workforce and employing 18% of its health care and social assistance workers.

Source: Lightcast QCEW Estimates 2025 Q1

Lebanon's most competitive industries are projected to continue growing through 2034.

		Lebanon				UVLSR				
NAICS	Description	2024 Jobs	2034 Jobs	% Change	Share	2024 Jobs	2034 Jobs	% Change	Share	Lebanon Share of UVLSR
62	Health Care and Social Assistance	8,398	9,126	9%	43%	11,876	12,754	7%	26%	18%
44	Retail Trade	2,793	2,812	1%	13%	5,839	5,914	1%	12%	6%
31	Manufacturing	1,338	1,378	3%	7%	5,324	5,486	3%	11%	3%
72	Accommodation and Food Services	1,322	1,376	4%	7%	3,237	3,327	3%	7%	3%
61	Educational Services	1,231	1,319	7%	6%	5,917	6,127	4%	12%	3%
54	Professional, Scientific, and Technical Services	1,161	1,234	6%	6%	2,053	2,265	10%	5%	2%
81	Other Services (except Public Administration)	991	993	0%	5%	1,397	1,461	5%	3%	2%
90	Government	530	507	(4%)	2%	4,672	4,454	(5%)	9%	1%
52	Finance and Insurance	515	505	(2%)	2%	1,055	991	(6%)	2%	1%
56	Administrative and Support and Waste Management and Remediation Services	443	464	5%	2%	1,356	1,346	(1%)	3%	1%
42	Wholesale Trade	443	402	(9%)	2%	784	770	(2%)	2%	1%
48	Transportation and Warehousing	237	247	4%	1%	525	545	4%	1%	0%
51	Information	327	243	(26%)	1%	484	395	(18%)	1%	0%
23	Construction	182	196	8%	1%	1,215	1,297	7%	3%	0%
55	Management of Companies and Enterprises	126	140	11%	1%	369	432	17%	1%	0%
71	Arts, Entertainment, and Recreation	67	74	11%	0%	1,082	1,138	5%	2%	0%
53	Real Estate and Rental and Leasing	64	57	(12%)	0%	309	316	3%	1%	0%
22	Utilities	19	19	(5%)	0%	105	106	1%	0%	0%
11	Agriculture, Forestry, Fishing and Hunting	<10	<10	Insf. Data	Insf. Data	241	267	11%	1%	Insf. Data
21	Mining, Quarrying, and Oil and Gas Extraction	<10	<10	Insf. Data	Insf. Data	32	36	13%	0%	Insf. Data
99	Unclassified Industry	<10	<10	Insf. Data	Insf. Data	28	49	73%	0%	Insf. Data
		20,198	**21,102**	**4%**		**47,899**	**49,475**	**3%**		

Overall, Lebanon's employment growth is concentrated in health care, education, and service-related industries, closely following regional trends in the UVLSR but with a stronger emphasis on health care's share.

Source: Lightcast QCEW Estimates 2025 Q1

If the City of Lebanon were to house 25% of the projected 2034 regional workforce, it would need to accommodate approximately 1,918 additional workers.

Projected Employment Change

Lebanon Resident-Workers (2022) – **3,358**

Target Resident Share of 2034 Workforce (25%) – **5,276**

Estimated New Resident-Workers by 2034 – **1,918**

Potential Additional Households by 2050 – **872**

As of 2022 estimates, nearly 17% of Lebanon's workforce also lives in the city. By 2034, the workforce is projected to grow to 21,102 workers. If 25% of these workers were to both live and work in Lebanon, the city would need to accommodate approximately 1,918 additional resident workers.

Applying an average household size of 2.2 persons per household, this could mean an estimated future demand for another 872 housing units in the town by 2034.

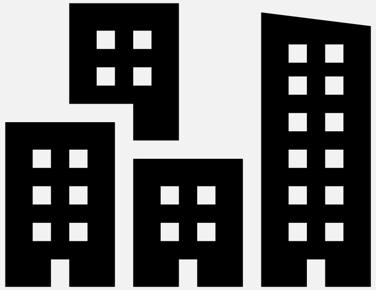
A further decrease in average household size, particularly among renter households, could drive increased demand for new units.

Source: US Census 2022 LEHD, Lightcast QCEW Estimates 2025 Q1, RKG Associates

New housing in Lebanon is better aligned with higher-income newcomers than existing residents.

Median property value of single-family homes built after 2015:

$467,350



Median Monthly Rent:

$2,500

Median Household Income:

$92,288

Although new housing units are being added, they are largely out of reach for many local residents. The median property value for homes built since 2015 is approximately $467,350 which is well above what a typical household in Lebanon can afford based on local income levels.

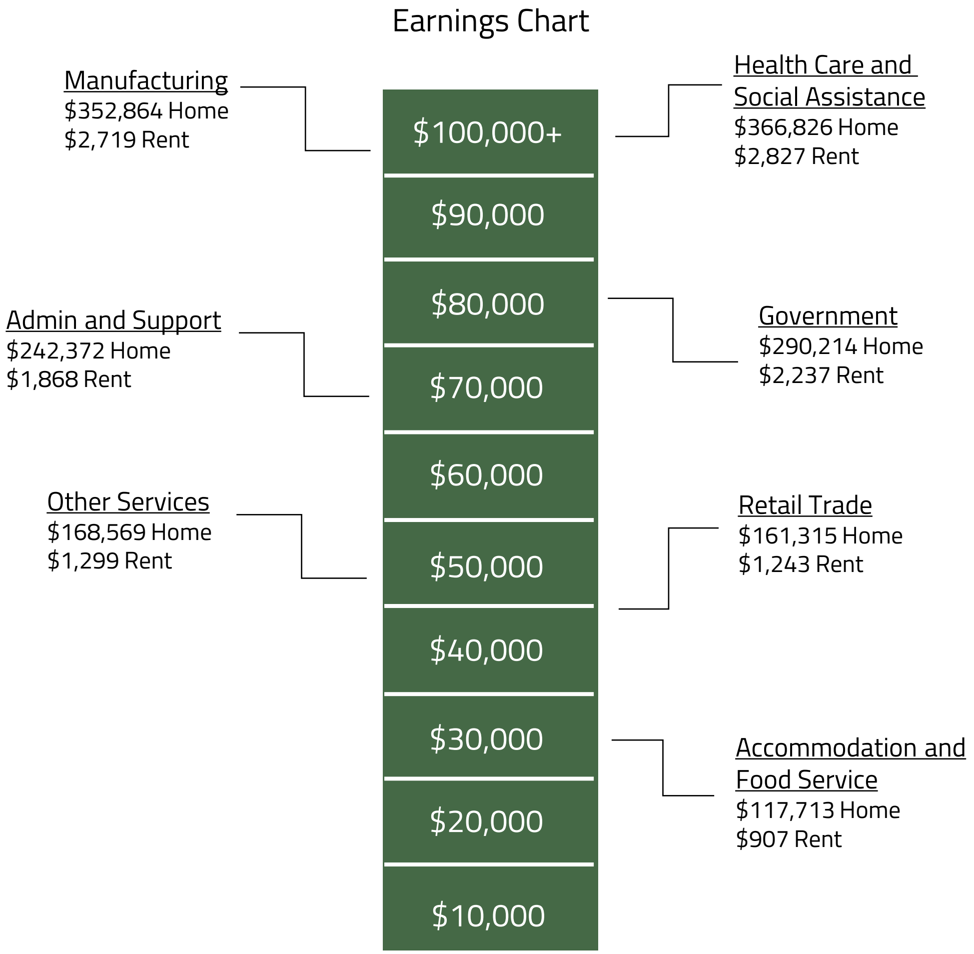
Source: CoStar, Oxford Economics, Lebanon Assessment Data, 2023 ACS 5-Year Estimates

Employment

Top Ten Largest Employment Sectors 2024

Industry Sector	2024 Jobs	2024 Avg. Earning
Health Care and Social Assistance	8,398	$113,080
Retail Trade	2,793	$49,728
Manufacturing	1,338	$108,776
Accommodation and Food Services	1,322	$36,287
Educational Services	1,231	$127,247
Professional, Scientific, and Technical Services	1,161	$215,936
Other Services (except Public Administration)	991	$51,964
Government	530	$89,463
Finance and Insurance	515	$140,991
Administrative and Support and Waste Management and Remediation Services	443	$74,715

What Can Different Jobs/Earnings Afford in Lebanon?



Homeownership at Current Prices Often Requires Dual Incomes, Even for Lebanon's Highest Earners

Housing costs in Lebanon have risen to levels that often require two or more incomes to afford, placing considerable strain even on higher earning households. While sectors like Health Care and Professional Services offer wages that generally exceed local affordability thresholds, many of the region's largest employers such as Retail, Food Services, and Other Services pay average salaries below $55,000. At these income levels, most workers face significant barriers to both homeownership and market-rate rentals, limiting their ability to secure stable, affordable housing. This disparity highlights a critical affordability gap that affects a wide range of workers across the local economy and underscores the need for housing solutions that better align with the incomes of Lebanon's workforce.

Source: US Census Bureau ACS 5-Year Estimates, LightCast 2024.4 QCEW Employees, HUD Income Limits, RKG Associates

Employment

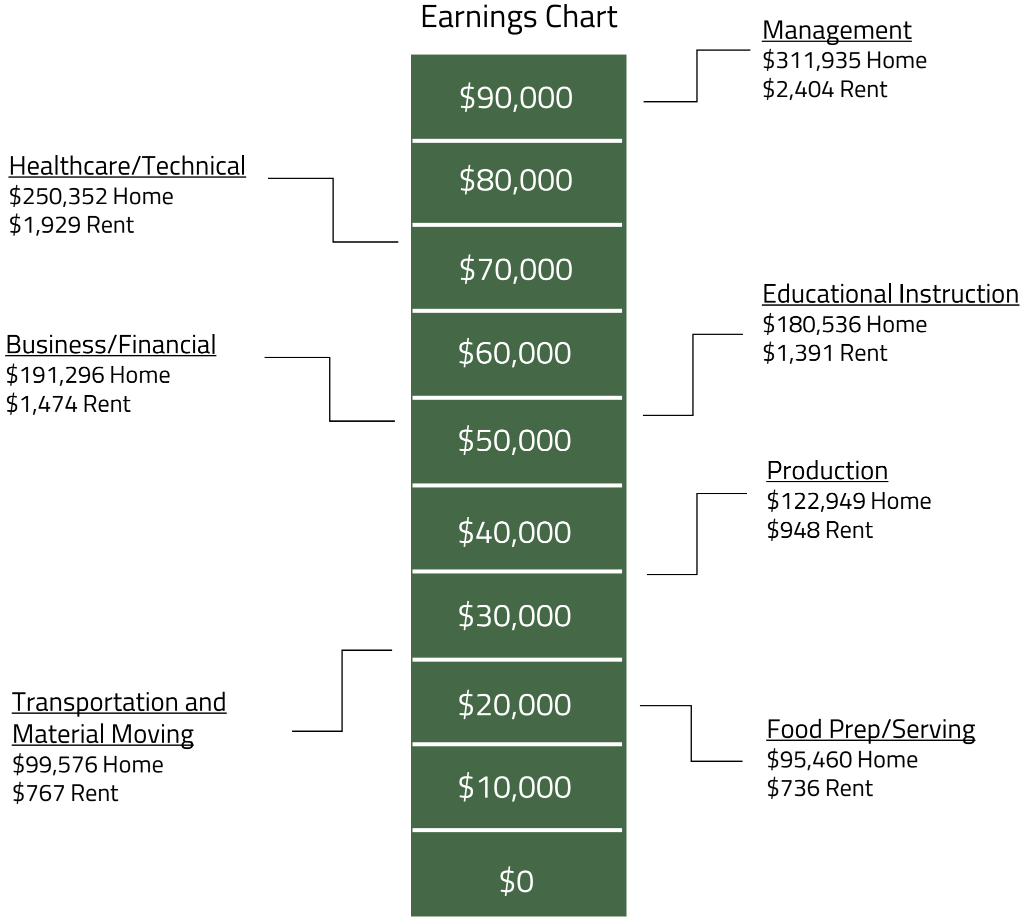
Top Ten Largest Occupation Categories 2024

Occupation Category	2024 Jobs	2024 Adjusted Median Annual Earnings
Healthcare Practitioners and Technical Occupations	4,272	$77,175
Office and Administrative Support Occupations	2,727	$37,399
Sales and Related Occupations	1,694	$30,174
Healthcare Support Occupations	1,484	$38,090
Food Preparation and Serving Related Occupations	1,439	$29,427
Management Occupations	1,283	$96,159
Transportation and Material Moving Occupations	1,213	$30,696
Business and Financial Operations Occupations	971	$58,970
Production Occupations	943	$37,901
Educational Instruction and Library Occupations	727	$55,653

Many of Lebanon's Lowest-Paid Workers Cannot Afford Rent or Homeownership at Median Prices.

Lebanon's housing costs have outpaced wages in many of the city's most common occupations, making it increasingly difficult for lower-paid workers to find stable housing. Roles in Office Support, Food Service, and Sales, each with median earnings under $40,000, represent a large portion of the local labor force but fall far short of the income needed to afford median rent or home prices without being cost-burdened. Even vital occupations like Healthcare Support and Education, do not meet local affordability thresholds. This gap between wages and housing costs reflects a broader mismatch in the market, where the people who keep the city running struggle to live in it.

What Can Different Jobs/Earnings Afford in Lebanon?



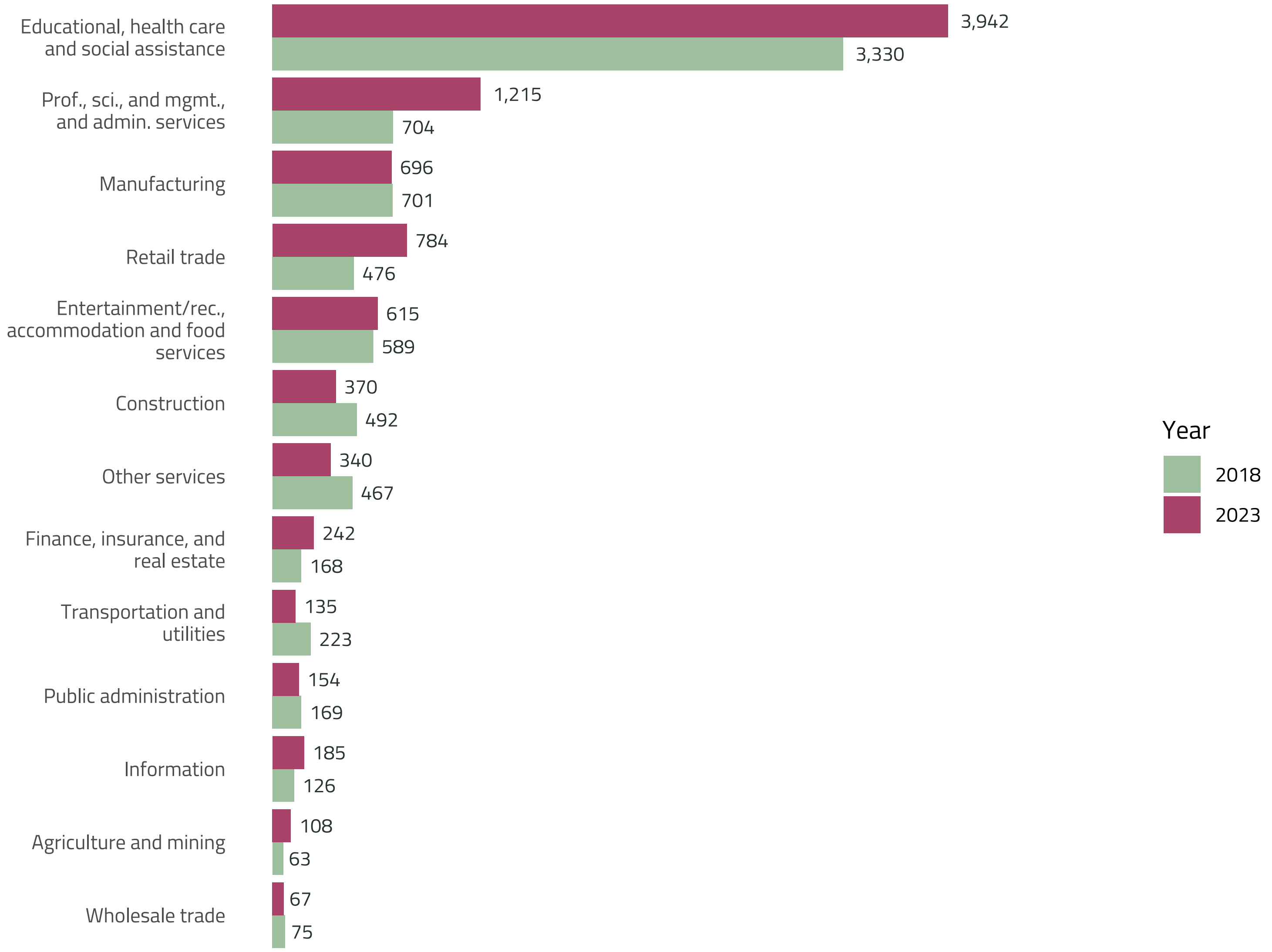
Industry Employment

LEBANON’S EDUCATIONAL, HEALTH CARE, PROFESSIONAL SERVICES AND RETAIL TRADE SECTORS ARE GROWING.

The largest employment sector in Lebanon is the Educational, Health Care, and Social Assistance industry, which employs nearly 4,000 workers and has grown by 18% over the past decade. This reflects the city's role as a regional hub for medical and social services, largely driven by Dartmouth-Hitchcock Medical Center and other health-related institutions. The Professional, Scientific, and Management sector has grown by 73% since 2014, while the Retail Trade sector has increased by 65%, strengthening Lebanon’s position as a commercial hub for the Upper Valley.

Conversely, industries such as Construction, Other Services, and Transportation and Utilities saw the largest declines, each shrinking by more than 25%. This shift may present a challenge for unit construction, as a decline in these sectors could impact the demand for housing and the availability of workers for construction projects. Overall, these shifts may indicate a changing economic landscape, with demand shifting toward knowledge-based and service-oriented industries while traditional trades and infrastructure-related jobs decline.

Resident Employment by Industry



Source: US Census Bureau ACS 5-Year Estimates, 2018 and 2023

Work from home has accelerated in Lebanon over the past 10 years.

Residents Working from Home in 2014

478

Residents Working from Home in 2023

1,788

The number of Lebanon residents working from home grew by about 1,300 workers in the past ten years. This trend accelerated with the onset of, and recovery from, the COVID-19 pandemic. Lebanon’s strategic location near major employment opportunities provides convenient access to transportation options for workers who commute to the office on a hybrid schedule.

Source: US Census Bureau ACS 5-Year Estimates

Stakeholder Interview Insights

Housing is Too Expensive and Unstable for Many Residents

"People can't afford housing here – even teachers and staff often have to live 40 to 50 miles away."

- Longtime residents and families struggle to remain due to cost burdens or poor housing conditions, with few local alternatives.
- Teachers and essential workers often live far away, as local prices make it difficult to live where they work.
- Many employees leave after 2–4 years, frustrated by the lack of for-sale housing and high rental costs.

Market Demand Is Strong, But Supply Is Inflexible and Mismatched

"People will take Lebanon at this price – it's price-driven, not amenity-driven."

- Buyers are active, but inventory is scarce and expensive, forcing decisions based purely on affordability.
- Current development priorities (e.g., studios and small apartments) do not reflect actual demand. There's a need to recalibrate toward family-sized and entry-level ownership units.
- Renters, especially essential workers, seek $1,800–$2,000/month units, but most available rentals are priced well above that. Buyers are looking for homes in the $300K–$400K range, but inventory is limited or in poor condition.

High Development Costs and Regulatory Barriers are Suppressing New Development

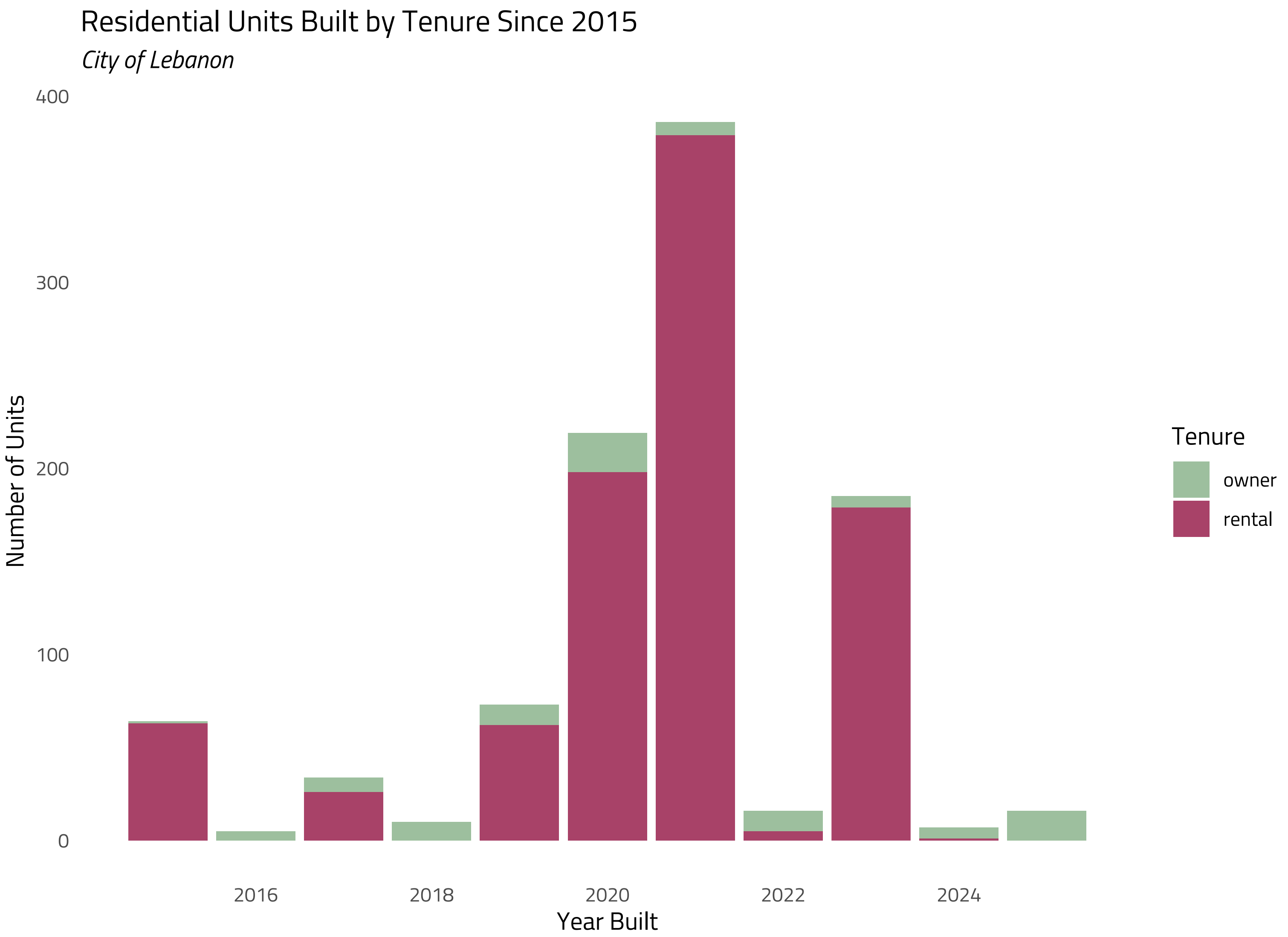
"Lebanon is one of the hardest places in the region to build."

- Acquisition, labor, and material costs are all high, making it difficult to deliver affordable or even market-rate housing. Carrying costs and development fees add to the challenge.
- Even experienced local builders are looking elsewhere due to slow processes and a lack of incentives.
- Developers describe Lebanon as one of the most challenging places to build in the region, citing strict zoning, long permitting timelines (often 2–3 years), and community opposition.

Source: RKG Associates

Since 2015, 1,018 units have been added to the local housing stock.

According to city assessment data, 130 properties have been developed since 2015, contributing a total of 1,018 new housing units to the local stock. Between 2015 and 2025, residential development has largely emphasized rental housing, which has consistently outpaced owner-occupied construction in most years. Rental unit growth peaked notably in 2020, 2021, and 2023, with the highest increase occurring in 2021 when 379 units were added. Owner-occupied housing grew more steadily, generally adding between 1 and 21 units annually. In some years, including 2016, 2018, and 2025, only owner-occupied units were reported. Following strong rental development through 2021 and 2023, rental additions declined sharply in 2022 and 2024. Overall, these trends suggest a market prioritizing rental housing growth, while owner-occupied development continues at a consistent but modest rate.



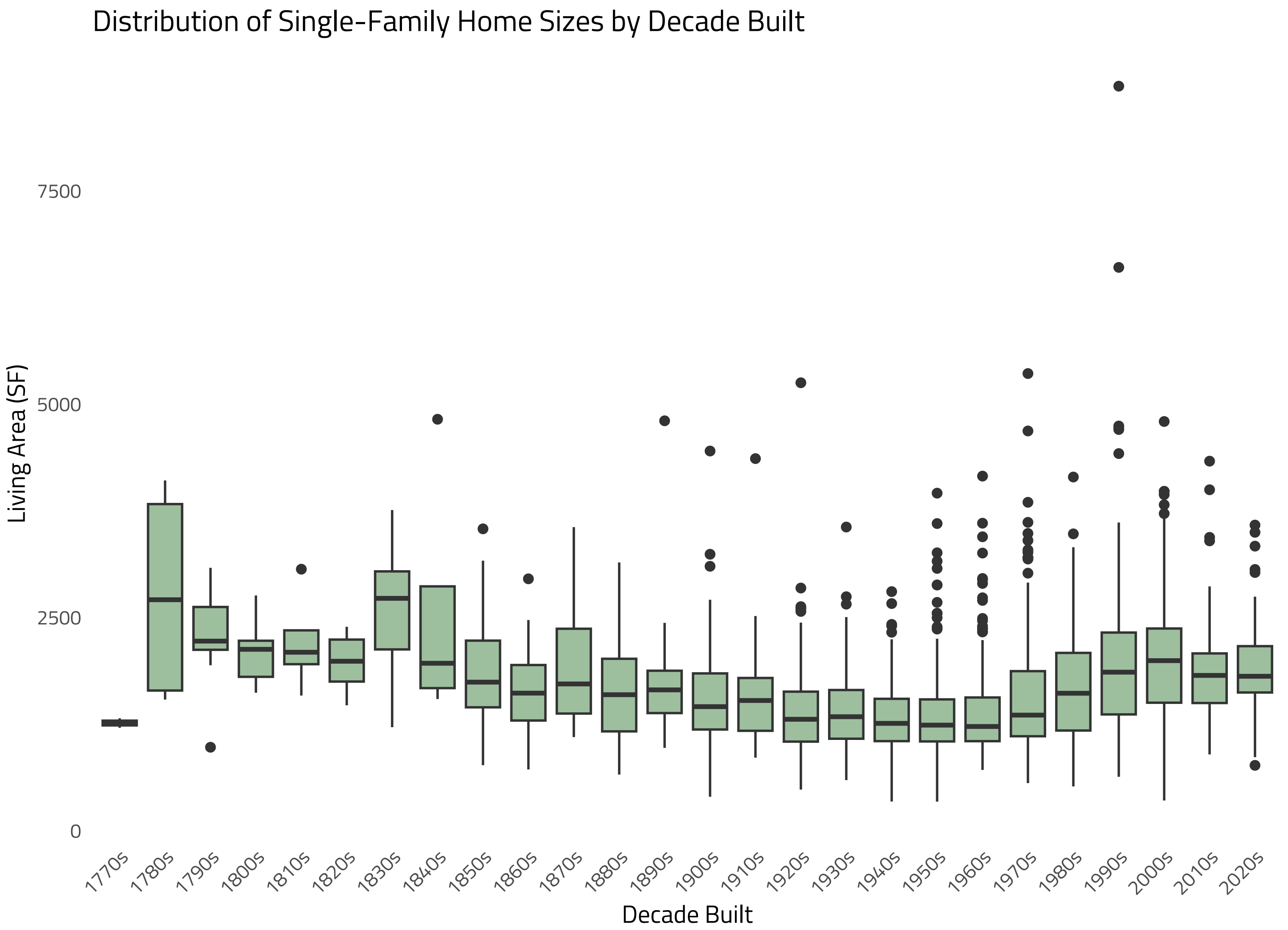
Source: Lebanon Assessment Data

Source: Lebanon Assessment Data

Median single-family home size has nearly doubled since the mid-20th century, growing from around 1,200 square feet in the 1950s to nearly 2,000 square feet in the 2000s.

The existing single-family housing stock spans over two centuries of development, reflecting shifting construction trends and lifestyle preferences over time. Homes built prior to 1900 are relatively large, with many exceeding 2,000 square feet, though these represent a smaller share of the total stock and may reflect only the most durable or historically preserved properties. From the early 1900s through the 1950s, median home sizes declined steadily, reaching a low point of around 1,200 to 1,300 square feet – typical of compact, postwar housing construction. Beginning in the 1960s, home sizes began to grow again, with each subsequent decade seeing larger median square footage. This trend peaked in the 2000s, when homes reached a median size of nearly 2,000 square feet. More recent construction in the 2010s and 2020s shows a modest decrease in size, suggesting a potential shift in market preferences or development constraints. Overall, the size of single-family homes has increased over time, with older, smaller homes still comprising a sizable portion of the housing stock, particularly those built between 1900 and 1970.

Source: Lebanon Assessment Data

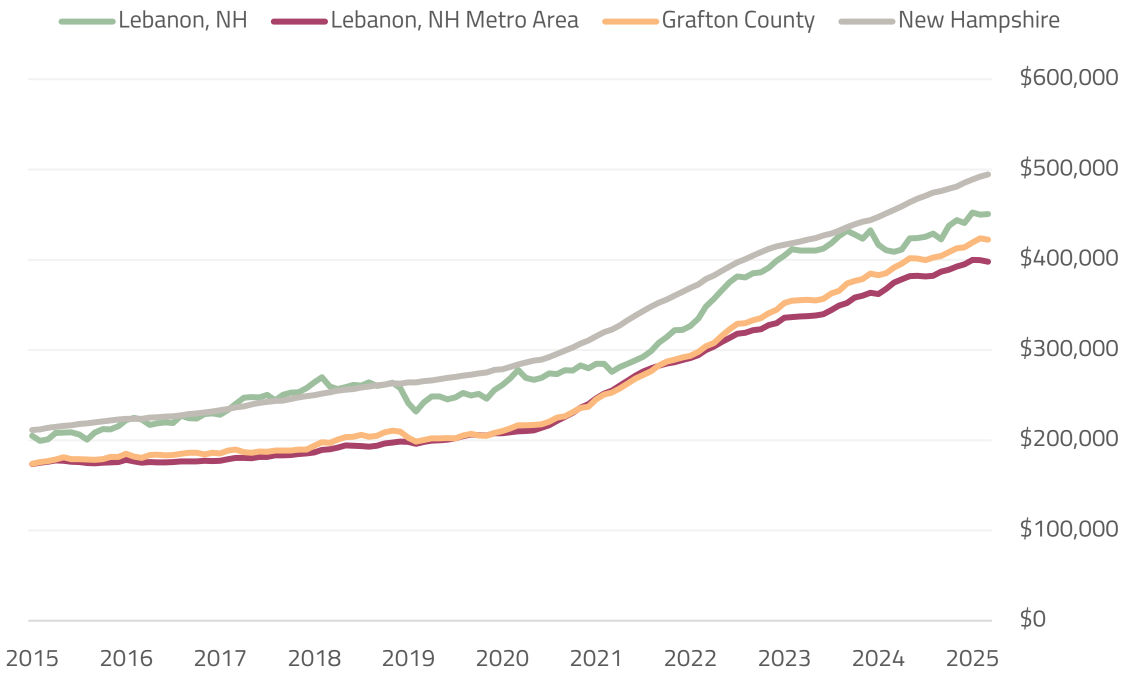


Source: Assessment Data

Median sales prices in Lebanon and the region are rising.

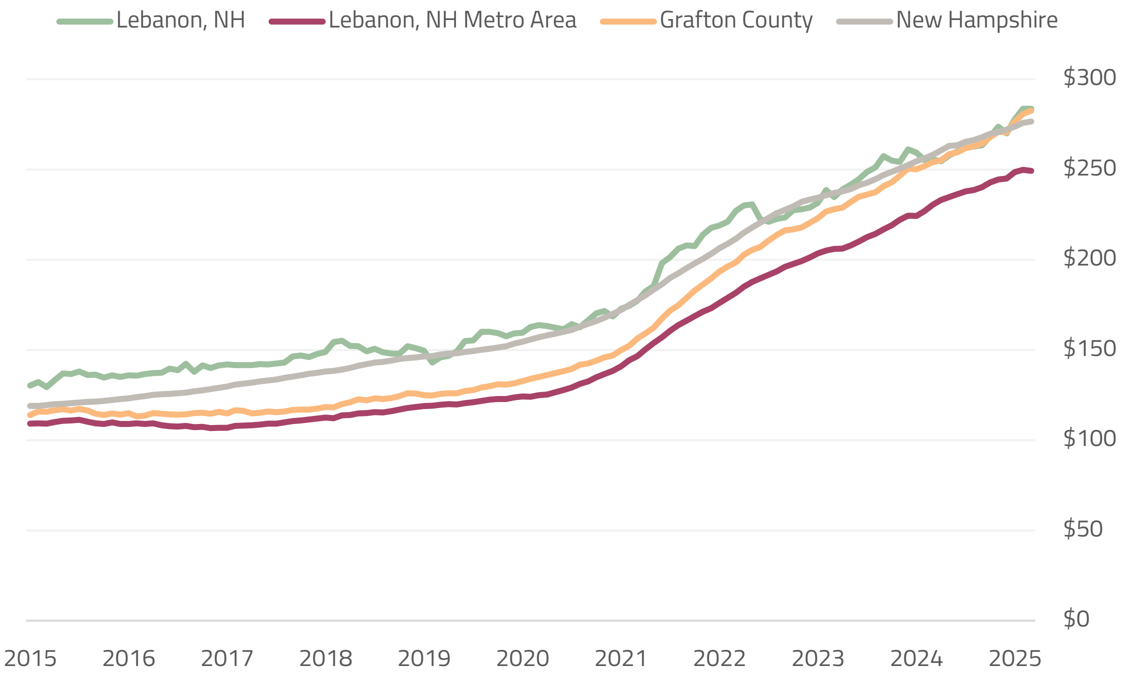
Median Single Family Sales Prices

12-month moving average



Median Price per SQFT Single Family

12-month moving average

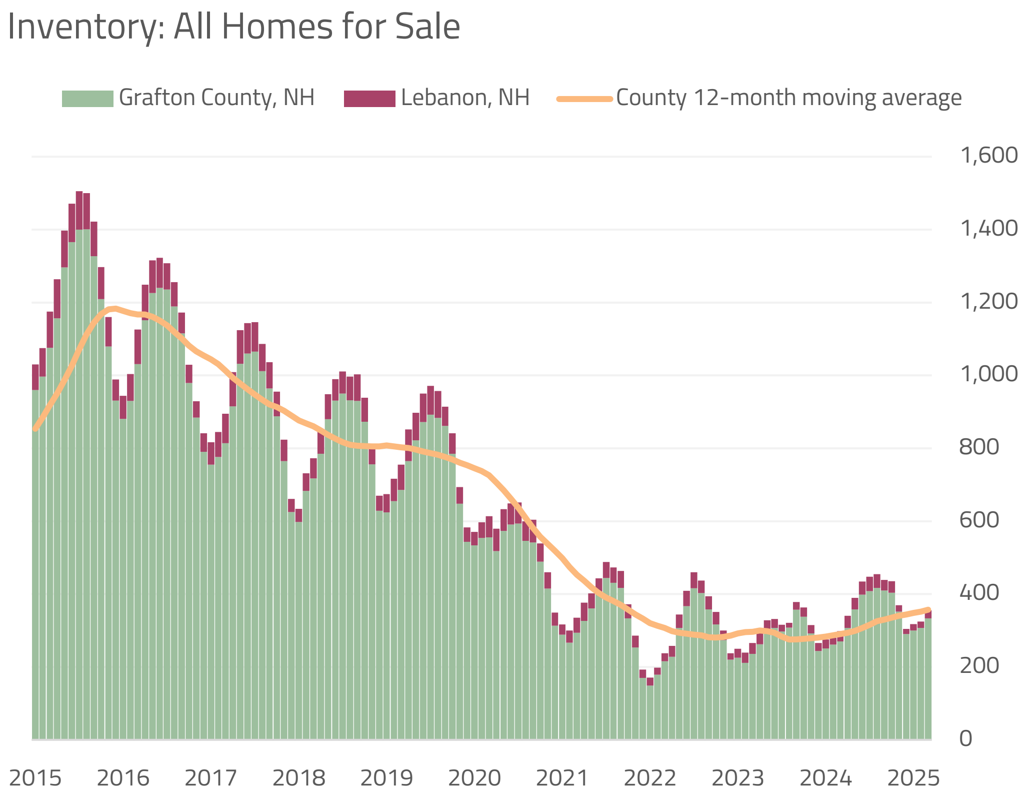


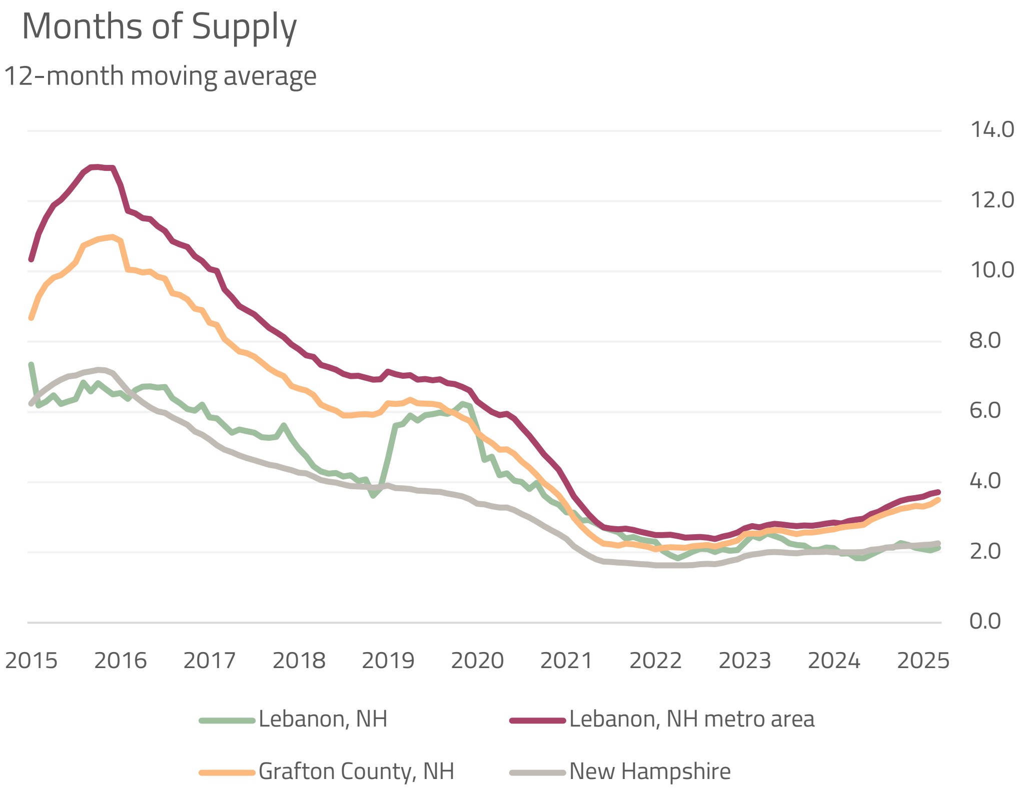
Over the past decade, median home sales prices have risen steadily across Lebanon, the greater metro area, Grafton County, and New Hampshire as a whole—especially since 2020. This sharp increase reflects the lingering effects of the COVID-19 pandemic, which reshaped housing preferences and spurred demand in less densely populated areas.

With limited housing supply, prices have more than doubled in many areas. Grafton County's median sales price rose from $174,000 in 2015 to $422,000 in 2025, while Lebanon saw an increase from $205,000 to $451,000.These trends reflect the region's growing appeal and the mounting strain on affordability and housing access.

Source: Redfin Market Data

Lebanon and the greater region has seen a decrease in housing inventory, signaling a rise in demand for homes.





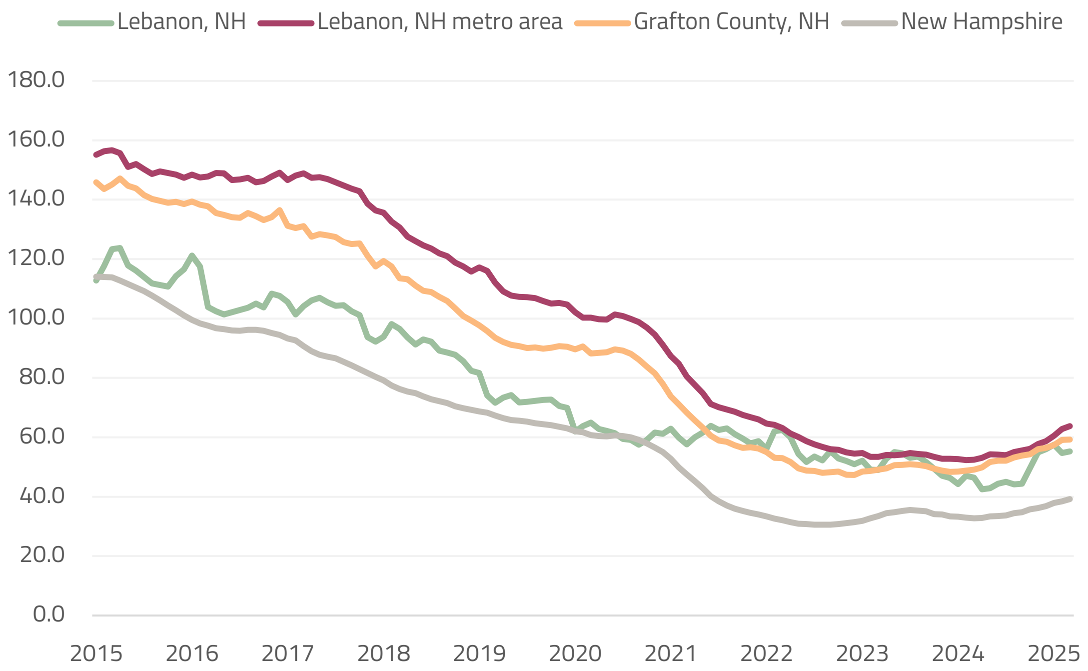
Since 2020, housing inventory across Grafton County, Lebanon, and the broader metro area dropped sharply, driven by pandemic-related disruptions and heightened demand. This scarcity fueled intense competition and kept home prices elevated. By late 2021, Lebanon's months of supply fell to just about two and a half months, signaling a severe shortage of homes for sale. Although inventory levels began to stabilize by mid-2021 and gradually improved by 2024, with months of supply rising slightly to just over three months, they remain well below pre-pandemic norms. Limited supply continues to challenge buyers and sustain upward pressure on prices.

Source: Redfin Market Data

Homes in Lebanon are selling quickly and above asking prices, reflecting strong market demand.

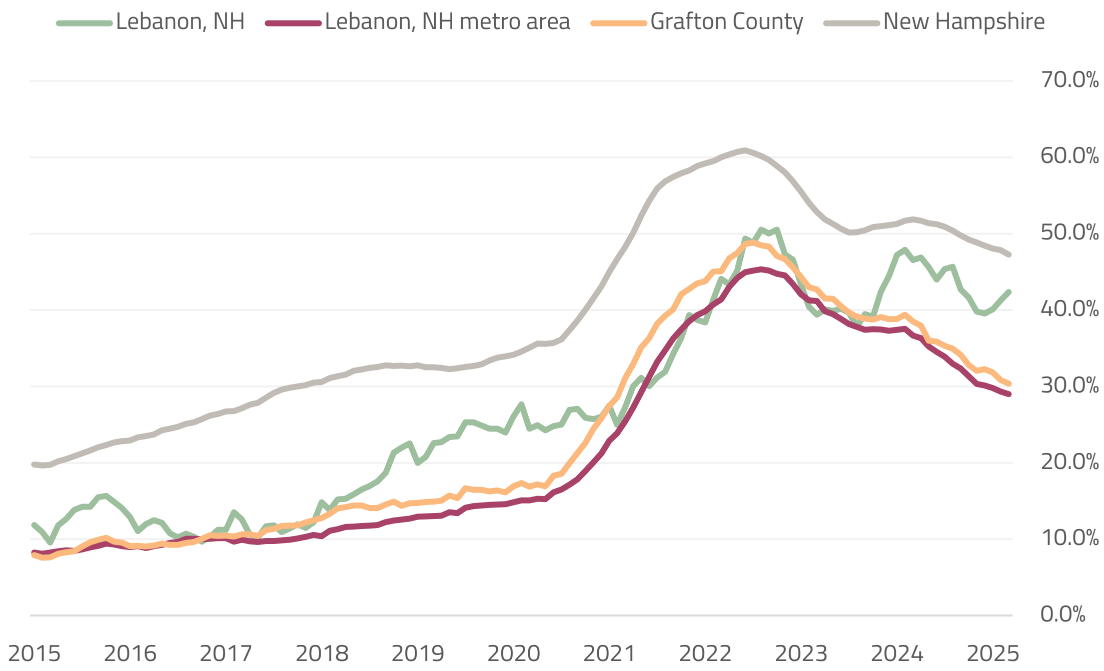
Days on Market

12-month moving average



Percentage of Homes Sold Above Asking

12-month moving average



Over the past decade, the number of days homes stay on the market has dropped across Grafton County, the Lebanon metro area, and Lebanon itself. In 2015, homes in the broader metro area and county typically stayed on the market for over 140 days, falling to about 60 days by 2025. In Lebanon, the decline was more gradual, from around 120 days in 2015 to just under 60 days by 2025. While Grafton County and the metro area saw a sharp post-2020 drop due to pandemic-driven demand, Lebanon's steady decline reflects a consistently competitive local market.

This trend is also seen in sales patterns. During the pandemic, homes selling above asking price surged, peaking at 40-50% in 2022. Although this dropped to about 30% in the metro area and county by 2024, Lebanon continues to see 40-50% of homes selling above asking, indicating strong ongoing demand.

Source: Redfin Market Data

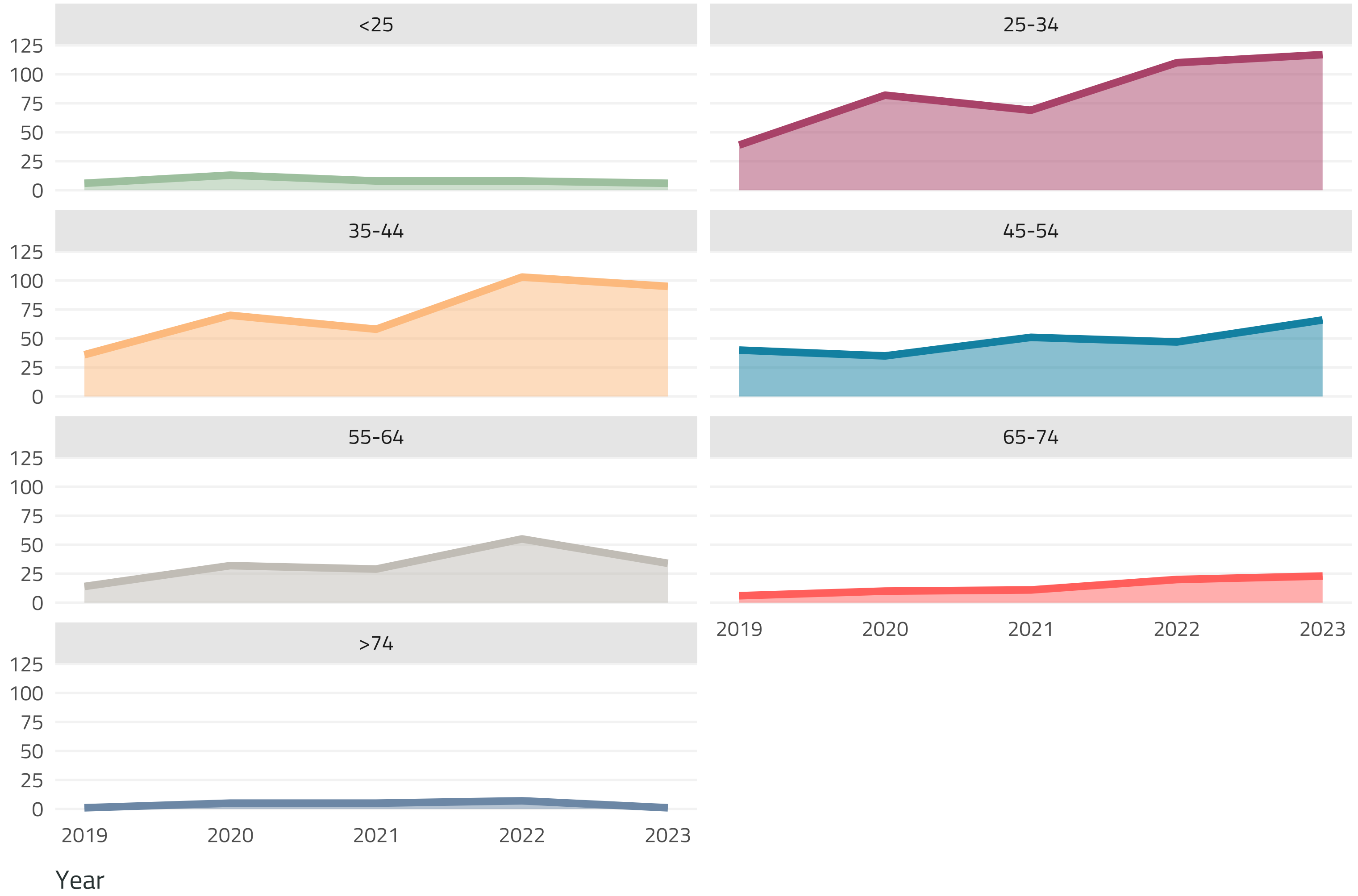
Between 2019 and 2023, single-family home purchase loan activity showed that the 25-34 and 35-44 age cohorts consistently led in loan volume. The 25-34 group increased from 39 loans in 2019 to 117 in 2023, and the 35-44 group rose from 36 to 95 loans over the same period. These trends indicate strong and growing homebuying demand among younger and early middle-aged adults. The 45-54 age group experienced some fluctuations, starting at 40 loans in 2019, dipping in 2020, but ultimately increasing to 66 loans by 2023. Older age groups, such as 55-64 and 65-74, saw more modest activity with some growth, though the 55-64 group peaked in 2022 before declining slightly in 2023. The youngest buyers under 25 and the oldest over 74 consistently showed the lowest loan counts, reflecting limited home purchase activity in these segments. Overall, the data suggests that younger and middle-aged adults have been the primary drivers of the single-family home loan market in recent years, with gradual engagement from older buyers as well.

Source: HMDA, 2019-2023

25–44-year-olds dominate the single-family home purchase loan market in Lebanon.

Single-Family Home Purchase Loans by Applicant Age

City of Lebanon (2019-2023), (n = 1,312)

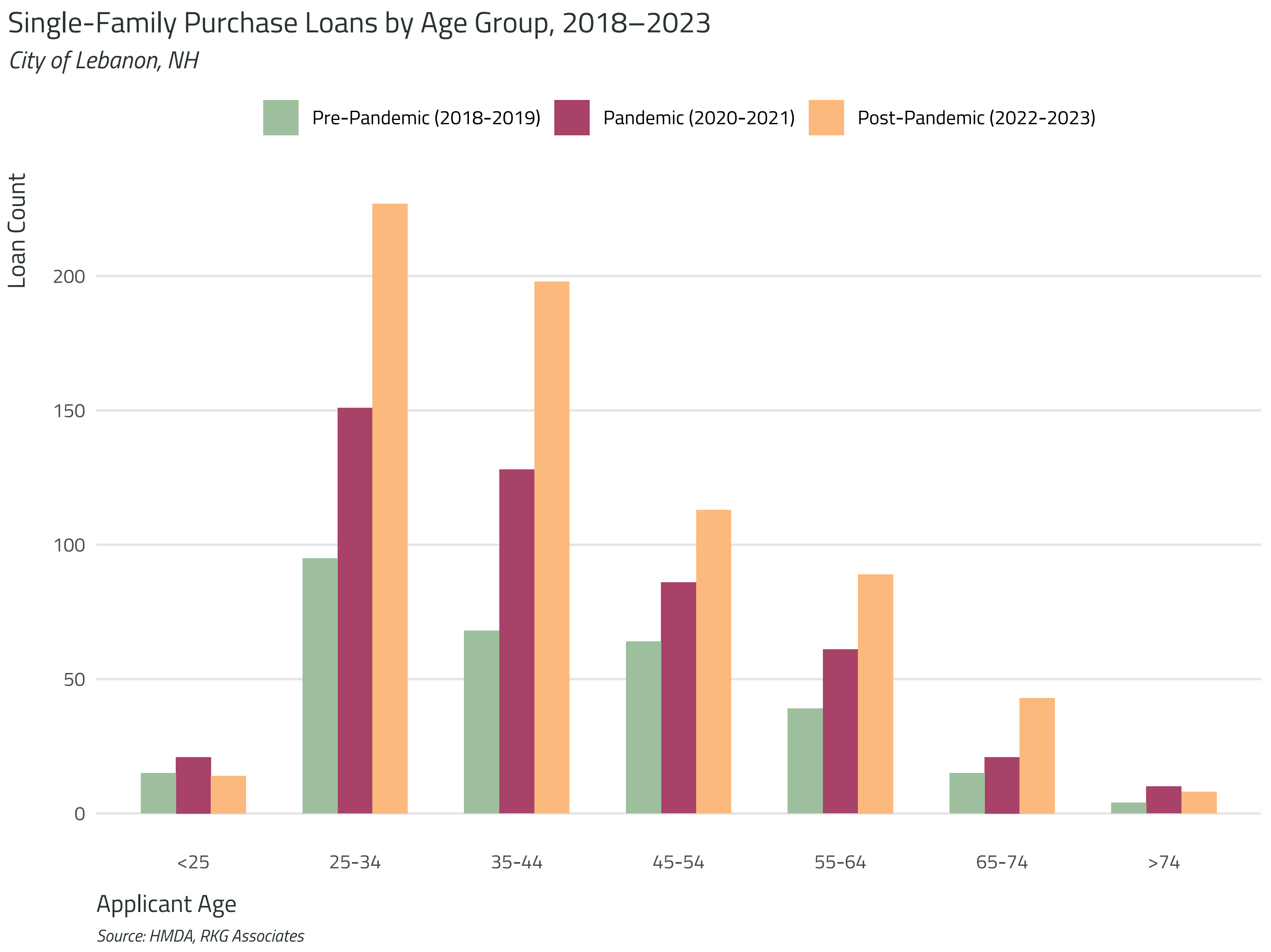


Source: HMDA, RKG Associates

Single-family home purchase trends before, during, and after the pandemic reveal how buyer demand has evolved in recent years in Lebanon. Prior to the pandemic, loan activity was relatively limited, with 25 to 34-year-olds and 35 to 44-year-olds accounting for 95 and 68 loans, respectively. During the pandemic, both groups became more active despite market uncertainty, increasing to 151 and 128 loans. This upward trend continued in the post-pandemic years, with 227 loans for 25 to 34-year-olds and 198 for 35 to 44-year-olds – more than doubling their pre-pandemic totals. These patterns highlight the growing role of younger and early middle-aged households in driving home purchase demand, signaling continued pressure on the local housing market to supply homes that align with the needs and incomes of this emerging buyer base.

Source: HMDA, 2019-2023

25–44-year-olds dominate the single-family home purchase loan market in Lebanon.

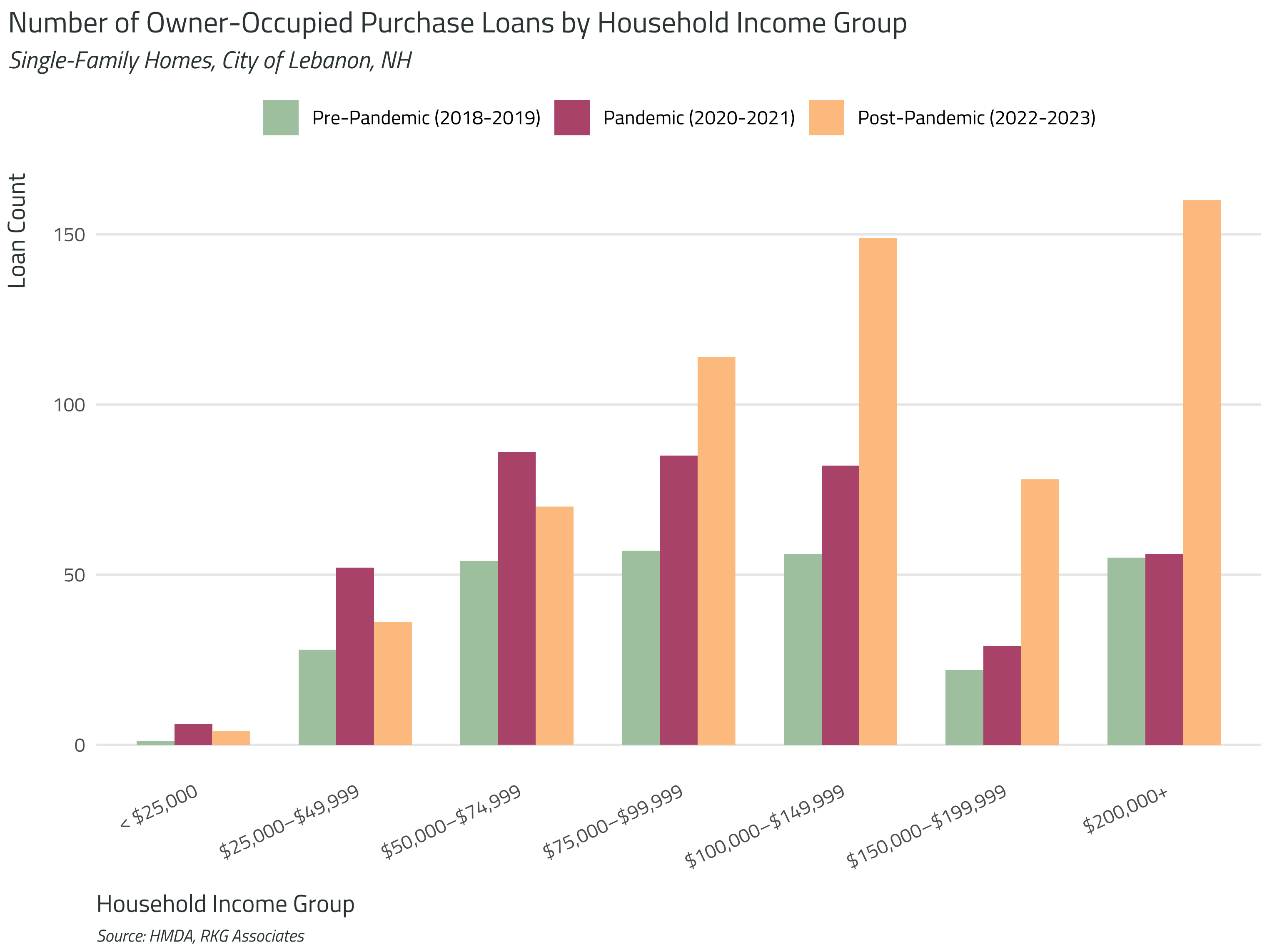


The largest post-pandemic increase in purchase loan activity came from households earning $200,000 or more, rising from 55 loans in 2018–2019 to 160 loans in 2022–2023, nearly a tripling in volume. This suggests a growing presence of higher-income buyers in the local market. At the same time, households in the $100,000–$149,999 and $150,000–$199,999 income groups also saw substantial increases in loan activity. Together, these three upper-income brackets accounted for the majority of loan growth after 2020.

These shifts reflect how Lebanon's for-sale housing market has become increasingly shaped by higher-income buyers, especially following the onset of the pandemic. This pattern reinforces what many local stakeholders have observed: demand pressure is highest among wealthier households, with fewer lower-income households able to compete in the purchase market.

Source: HMDA, 2018-2023

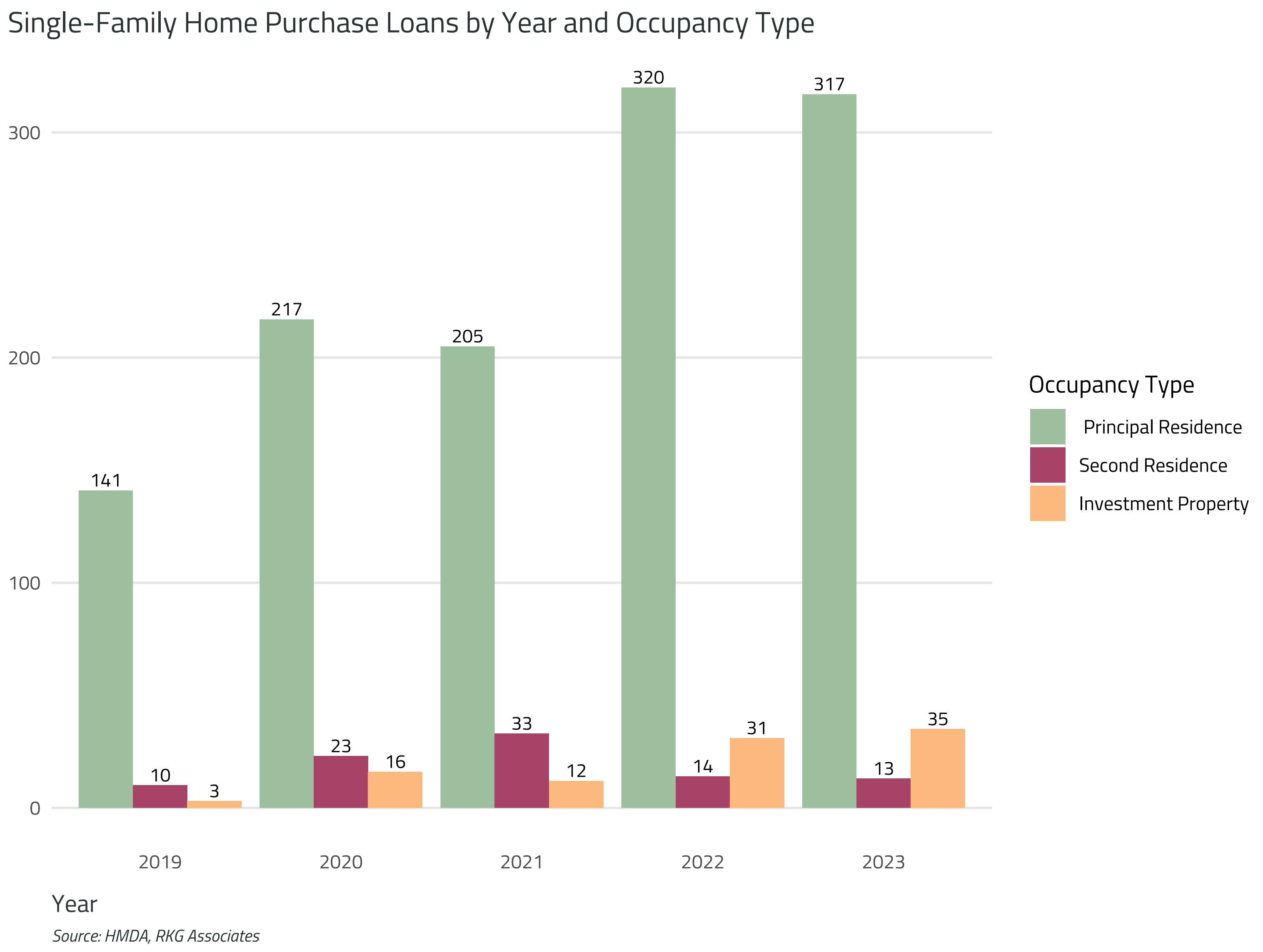
Households earning more than $100,000 accounted for the sharpest increase in single-family home purchase loans.



From 2019 to 2023, the volume of single-family home purchase loans shows steady growth, particularly for principal residences. Loans for principal residences increased from 141 in 2019 to over 300 in both 2022 and 2023. Second residence loans remained relatively low and stable, ranging between 10 and 33 annually. Investment property loans also grew, rising from 3 in 2019 to 35 in 2023, indicating a growing interest in real estate as an investment. Overall, the data reflects a consistent increase in owner-occupied home purchases, with moderate activity in second homes and investment properties.

Source: HMDA, 2019-2023

The number of single-family home purchase loans is increasing.



The highest volume of single-family secondary home purchase loans occurred during the pandemic years.

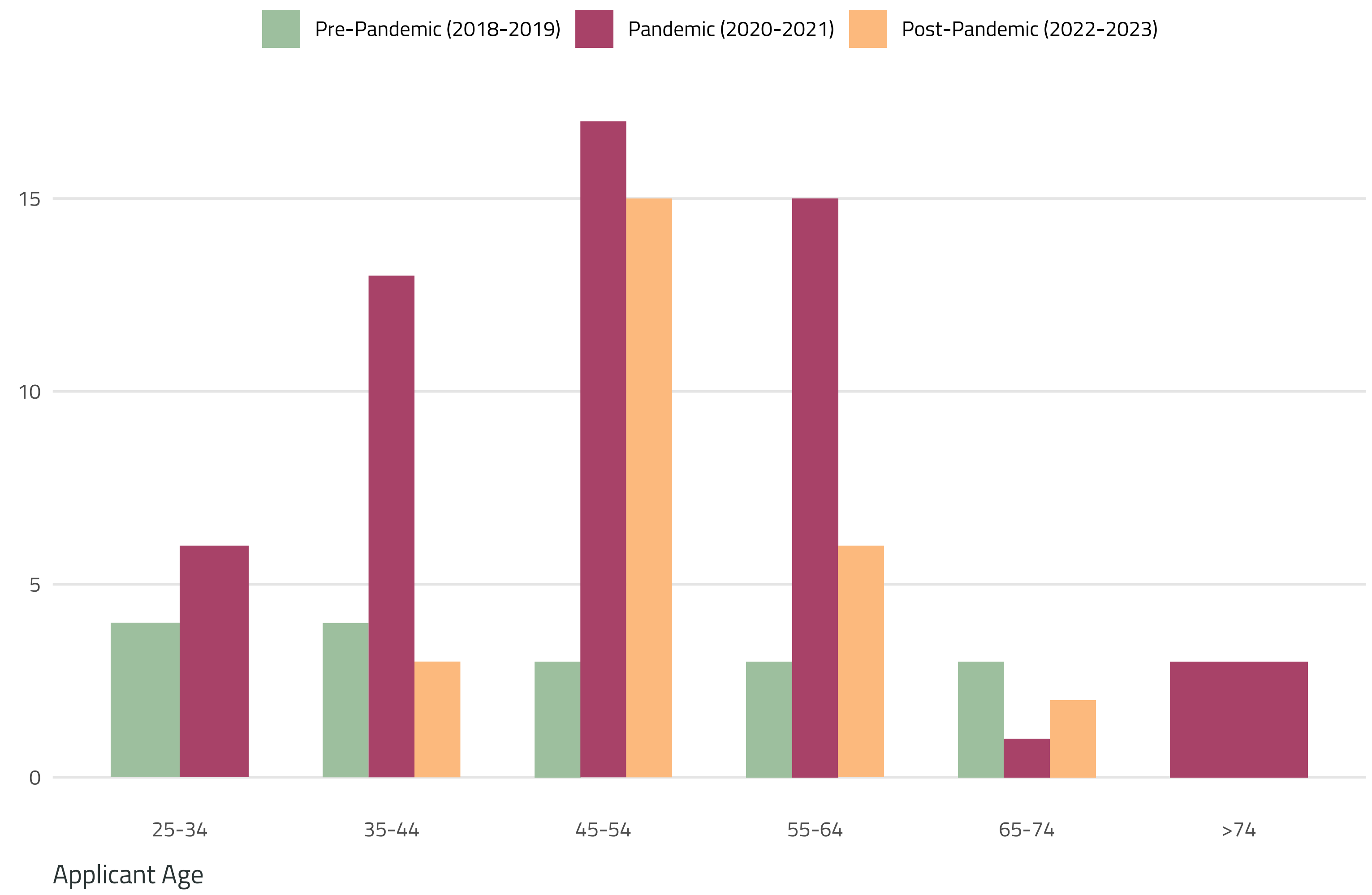
Secondary home purchase activity in Lebanon surged during the pandemic, with the highest number of loans recorded between 2020 and 2021. This period saw an increase in demand for second homes, aligning with broader regional and national trends as remote work, lifestyle shifts, and investment motivations drove interest in the region.

The most active buyer group during this time was households aged 45–54, who consistently showed strong participation before, during, and after the pandemic. Their heightened activity may reflect both financial capacity and a life stage conducive to investing in second properties, whether for seasonal use, rental income, or future retirement.

This pattern highlights how the pandemic accelerated existing demographic divides in home ownership, reinforcing the role of age and income in shaping who participates in this segment of the housing market.

Single-Family Secondary Home Purchase Loans by Age Group, 2018-2023

City of Lebanon, NH

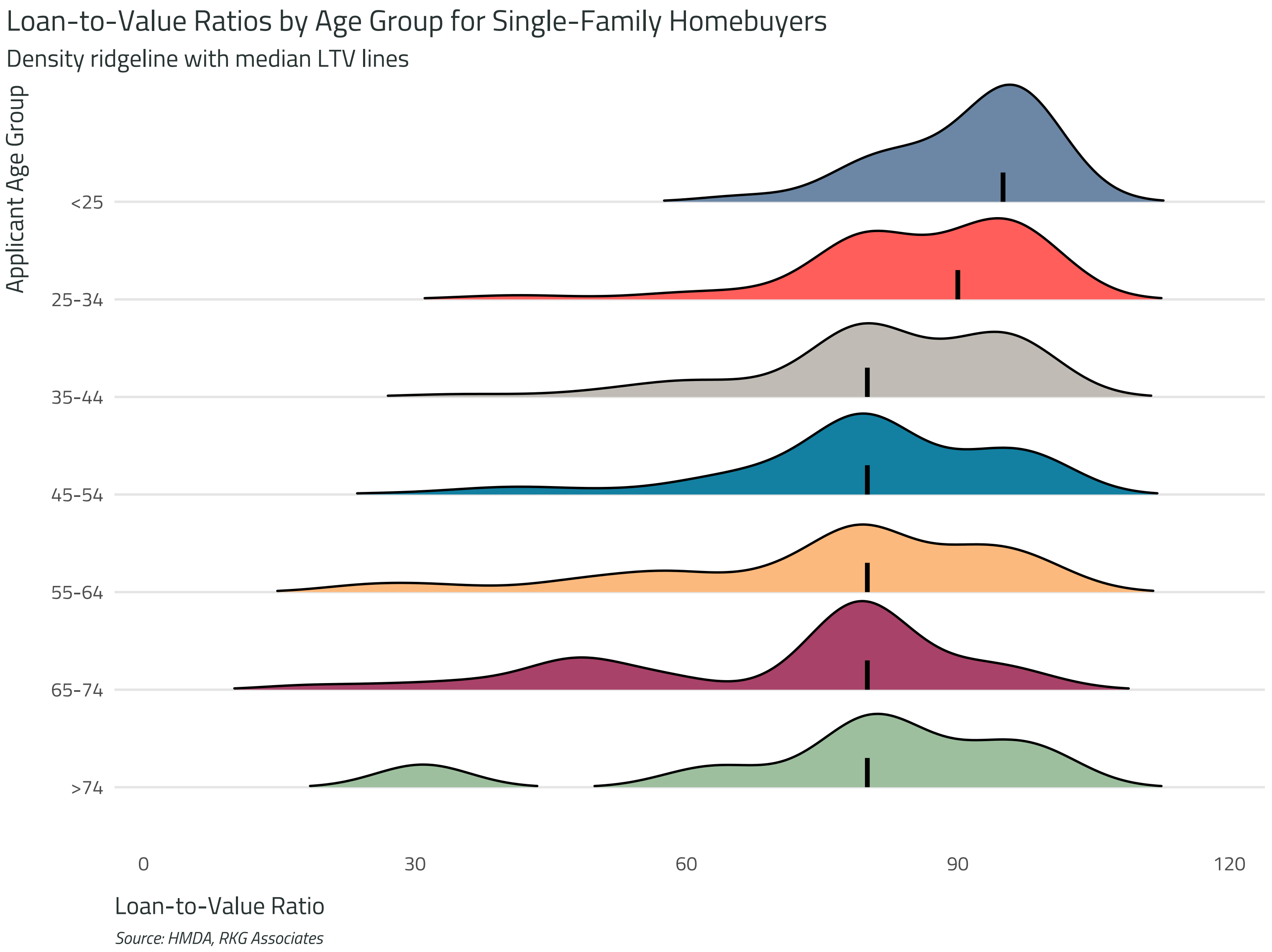


Source: HMDA, RKG Associates

Source: HMDA, 2018-2023

The median property value of mortgaged homes from 2019 to 2023 was $355,000.

In Lebanon, younger homebuyers typically finance about 95% of their purchase price with smaller down payments, while buyers 35 and older usually put down around 20%, reflecting common lending patterns and slightly higher financing among younger buyers compared to national averages.



Source: HMDA, 2019-2023

Lebanon is projected to grow by 1,249 housing units by 2040.

Lebanon Estimates 2030

2030 New Units Total	Owners 2030	Below 100% AMI	Above 100% AMI	Renters 2030	Below 60% AMI	Above 60% AMI
848	567	169	398	280	59	221

Lebanon Estimates 2040

2040 New Units Total	Owners 2040	Below 100% AMI	Above 100% AMI	Renters 2040	Below 60% AMI	Above 60% AMI
1,249	820	244	576	429	91	338

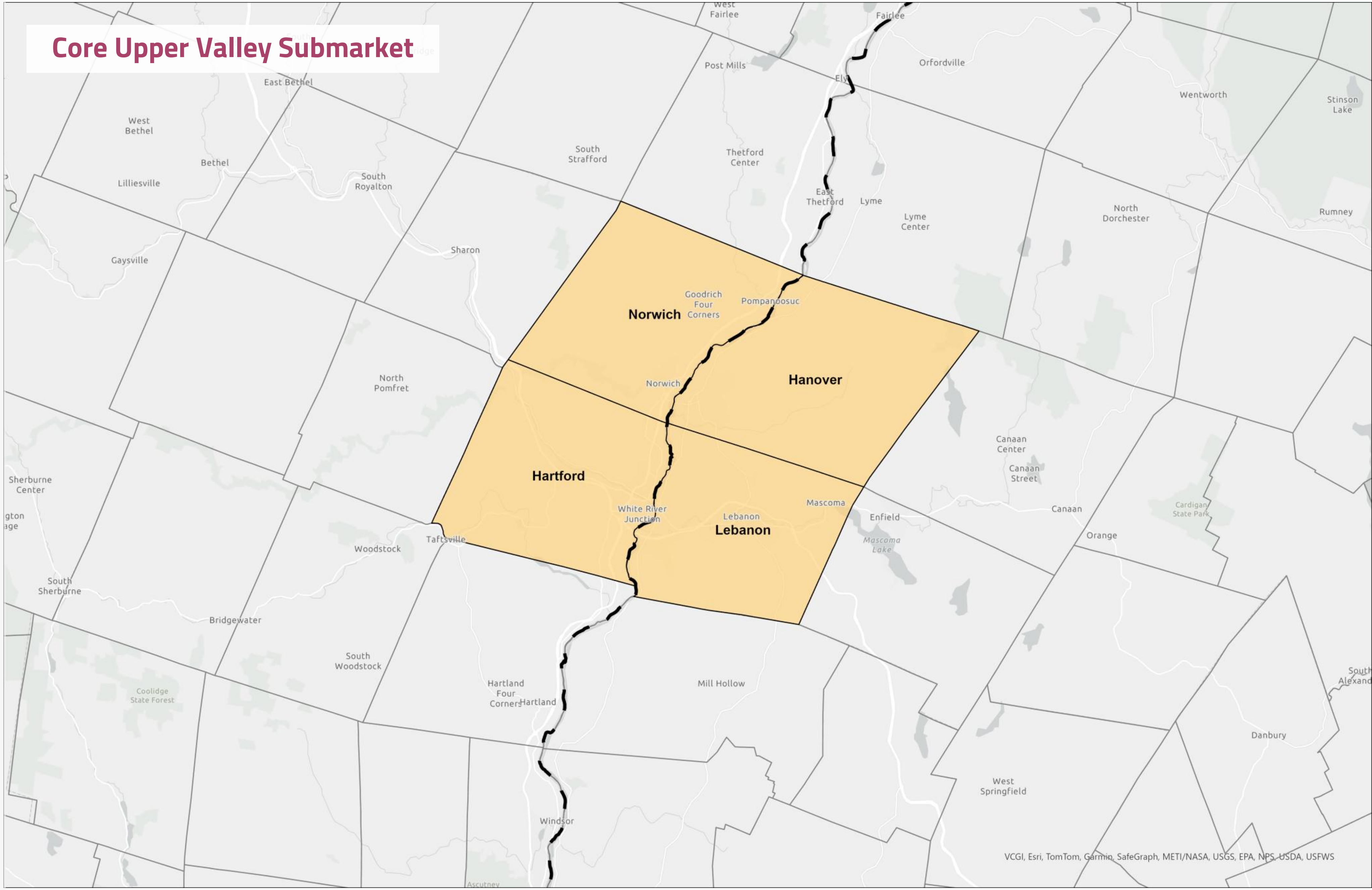
* Estimates are cumulative

Based on the Fair Share Tables from the Upper Valley Lake Sunapee Regional Housing Needs Assessment, it is estimated that Lebanon should be prepared to accommodate demand for 848 units by 2030 and 1,249 units by 2040. Of these units by 2040, 820 should be for owners, with about 30% affordable to households with income of 100% AMI and less. Another 429 should be for renters, with 21% affordable to renters with income of 60% AMI and less.

Source: UVLR Housing Needs Assessment, 2023

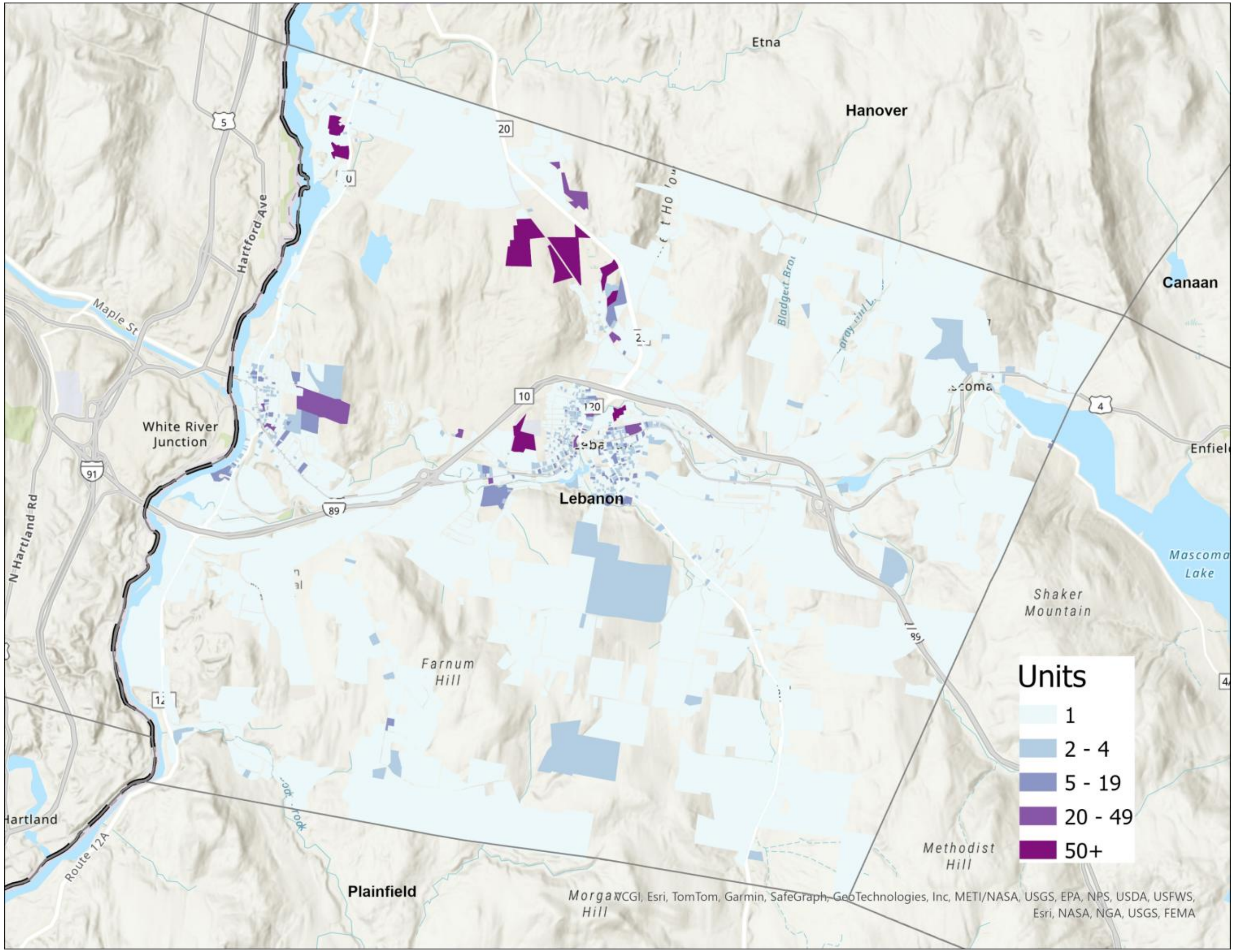
To compare market conditions within Lebanon to a broader submarket within the region, the communities highlighted in Orange represent what is referred to as the submarket throughout this report.

Lebanon is compared to this collection of communities as well as the county to benchmark performance and the underlying fundamentals of the multifamily market.



Multifamily housing in Lebanon is concentrated downtown, with clusters of larger developments near Dartmouth Hitchcock Medical Center and West Lebanon.

The map to the right shows all multifamily properties by number of units in Lebanon, revealing a concentration of multifamily developments in West Lebanon and downtown Lebanon. The largest multifamily developments are clustered around DHMC, reflecting demand for housing near a regional large employer. In contrast, downtown Lebanon features a higher density of smaller multifamily properties. This distribution highlights how institutional anchors shape both the scale and location of multifamily housing in the Upper Valley.



Source: City of Lebanon Assessment Data

The figure on the right shows multifamily construction and leasing trends in the Core Upper Valley submarket over the past decade, highlighting moderate demand for rental housing.

Based on historical trends over the past ten years, on average, when new developments are introduced, the market absorbs about 14 units per quarter. At this pace, it would take roughly 36 quarters—or about 9 years—to fully absorb 500 new units and reach market stabilization. This trend points to steady demand for multifamily housing in the region, though absorption rates can vary depending on economic conditions, rental affordability, and changing tenant preferences.

Figure Key

Net Absorption

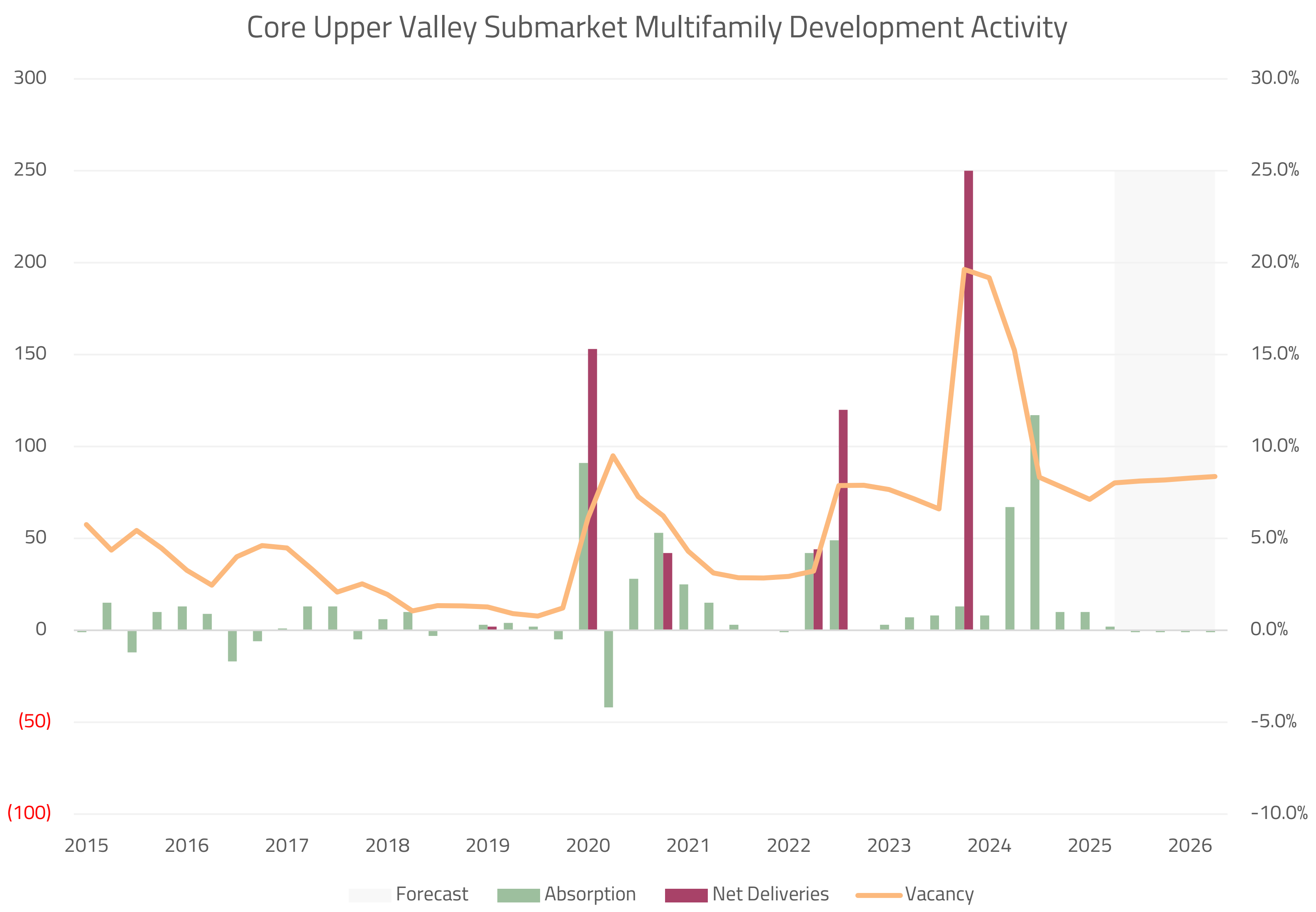
For existing buildings, the measure of total square feet occupied (Move-In) minus the total space vacated (Move-Out). A positive number means more space was moved into than vacated while a negative number represents the opposite.

Net Deliveries

Represents the total amount of new construction (in SF) minus the total amount of space removed from the market (either by demolition or repurposing).

Source: Costar Analytics

The Core Upper Valley Submarket has steady demand for rental units.



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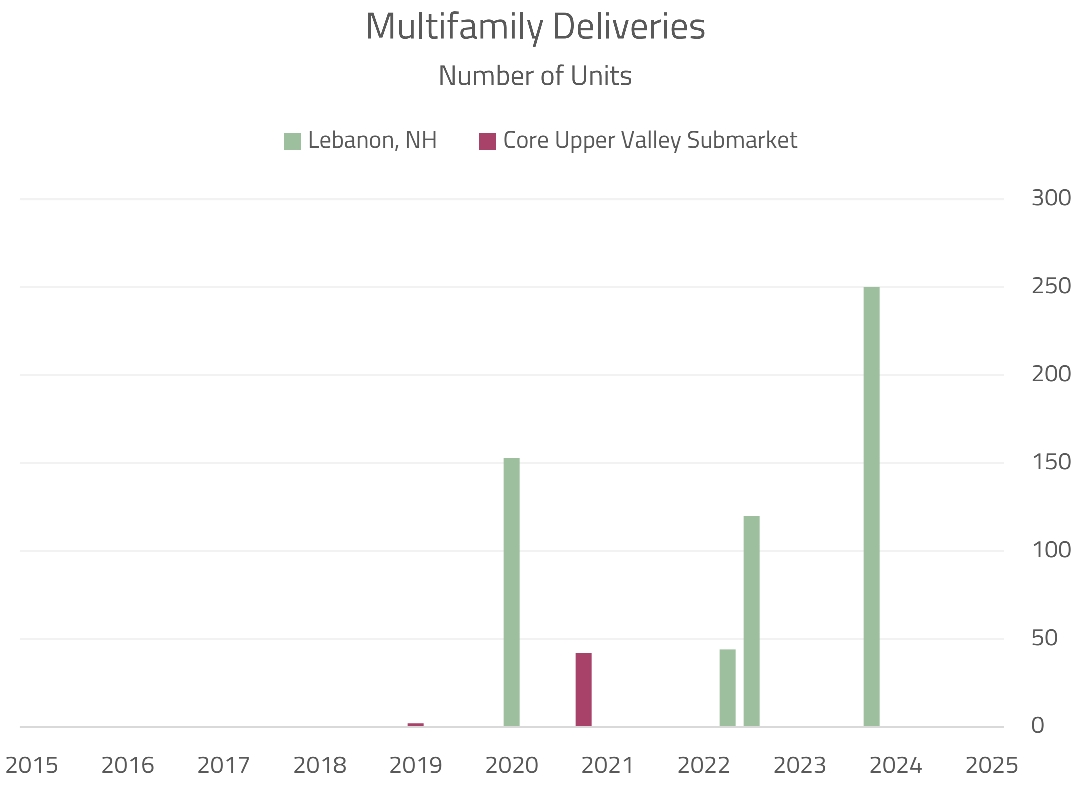
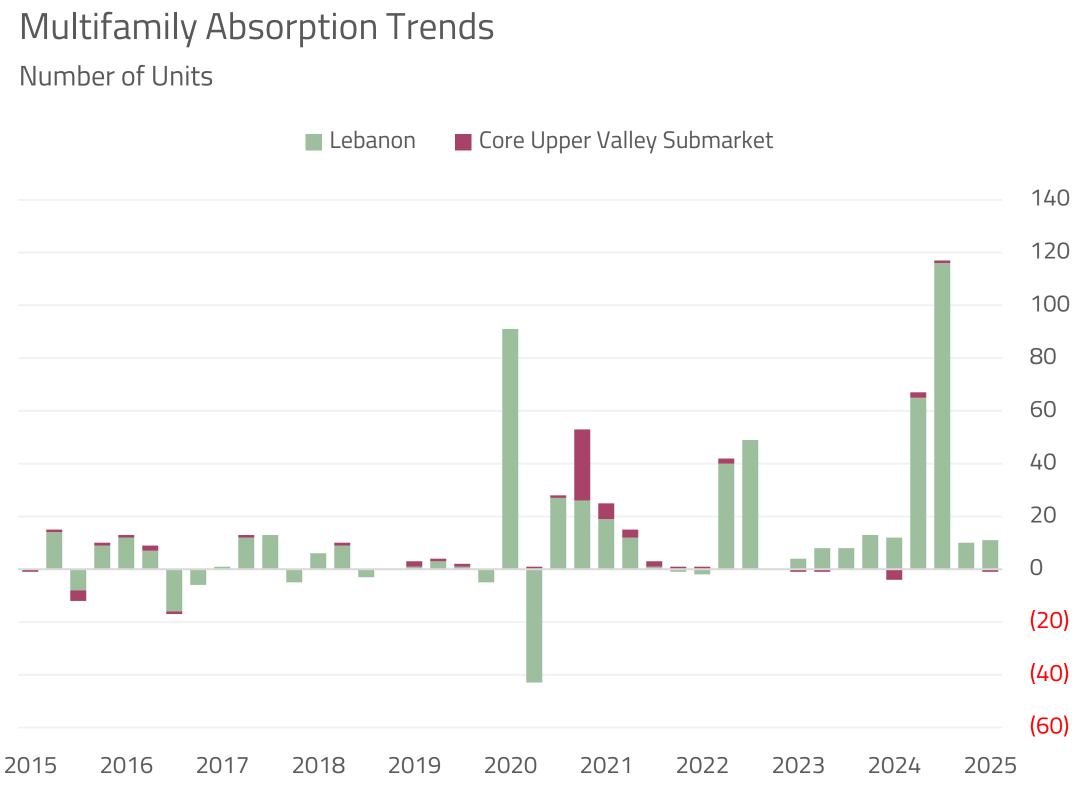
Lebanon is the primary driver of multifamily development in the Core Upper Valley Submarket.

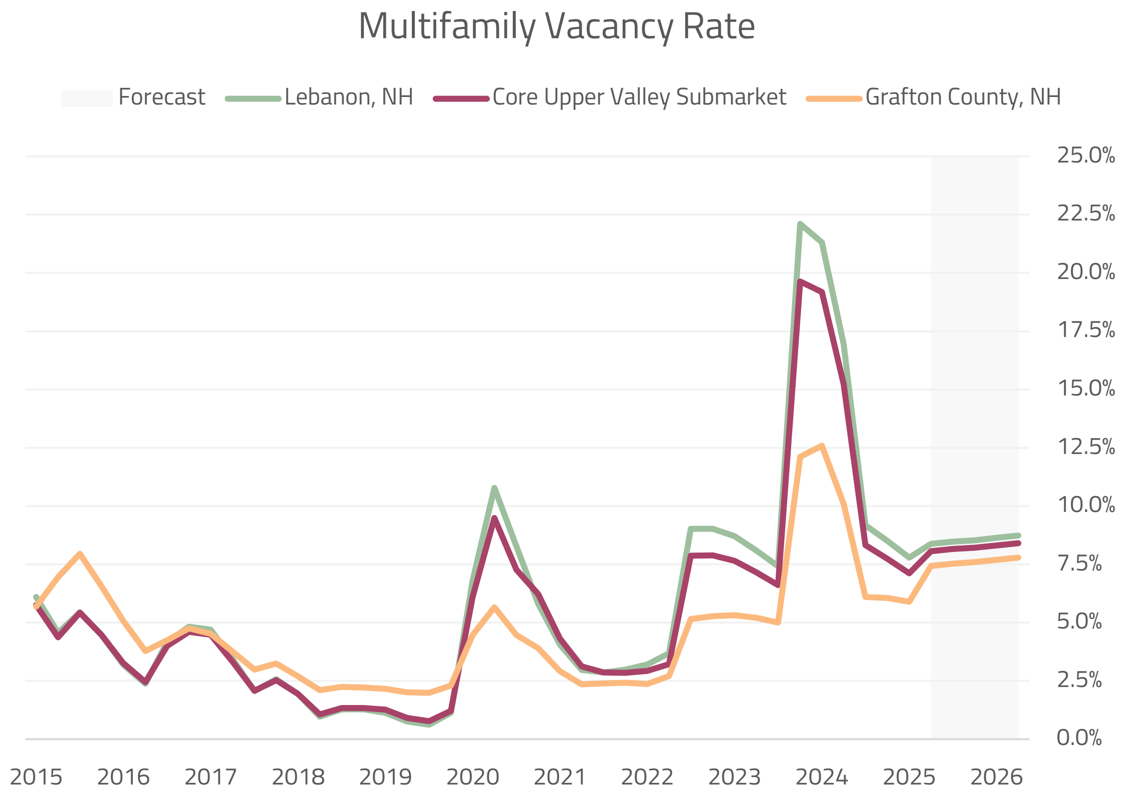


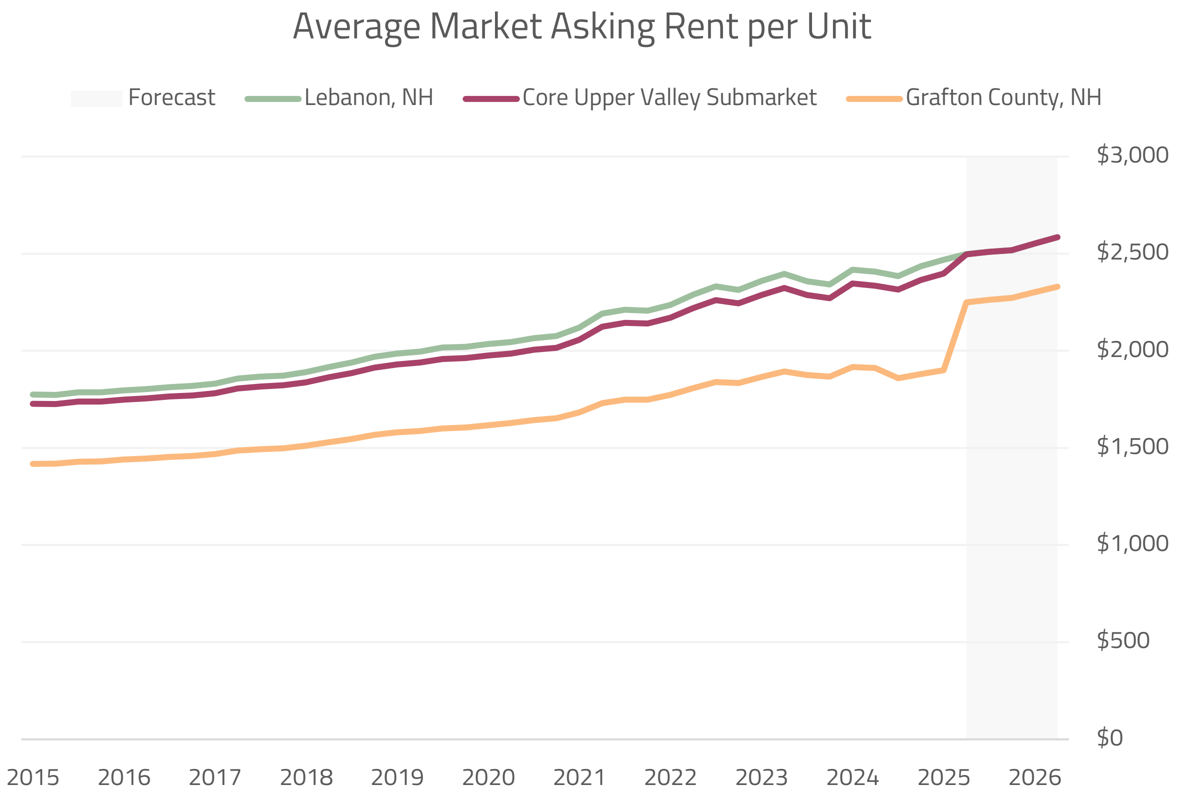


The charts above compare multifamily deliveries and absorption in the Core Upper Valley submarket, with Lebanon's activity highlighted in green. From 2015 to 2019, the region saw little to no multifamily development, but growth accelerated in 2020, largely driven by projects in Lebanon. This indicates that Lebanon is the focal point of multifamily development in the Core Upper Valley submarket, with surrounding municipalities not keeping pace. When looking at absorption trends in Lebanon, the multifamily units delivered in 2020 were leased quickly. About 60% of these units were absorbed within the same quarter, reflecting stable demand for housing. Despite limited multifamily development in the submarket over the past decade, the continued absorption in Lebanon underscores the need for additional housing options in the area.

Source: Costar Analytics

Vacancy rates for multifamily properties in Lebanon fall within the range typically considered healthy.



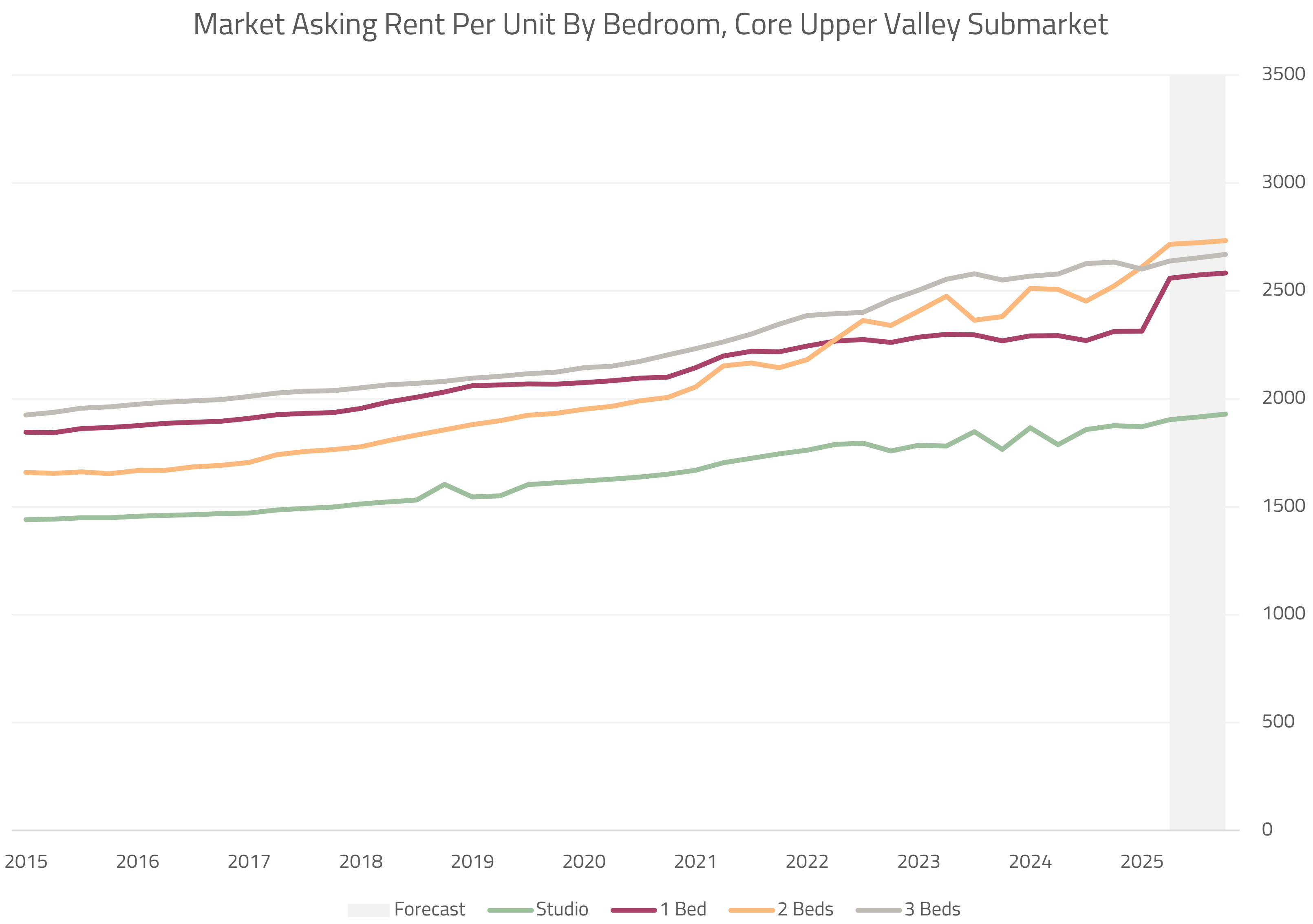


Over the past decade, vacancy rates for multifamily developments in Lebanon, the Core Upper Valley submarket, and Grafton County have fluctuated but have generally trended upward, particularly after 2021. Sharp increases in vacancy were recorded in 2020, 2022, and 2024, each aligning with new multifamily deliveries in Lebanon. The largest spike occurred in 2024, following a substantial number of new units delivered in the third quarter. This rise likely reflects the typical lag between new supply entering the market and fully leasing the space. Vacancy rates are projected to remain between 7.5% and 8.5% through 2026—still within the range considered healthy for multifamily housing, though at the higher end—suggesting the market may need additional time to fully absorb recent additions. Despite fluctuations in vacancy, average asking rents in Lebanon and the Core Upper Valley submarket have consistently remained about $250 higher than the county average. However, rent growth in Lebanon has largely mirrored broader market trends over the past decade, suggesting that while Lebanon commands a premium, its rental market moves in step with regional patterns.

Source: Costar Analytics

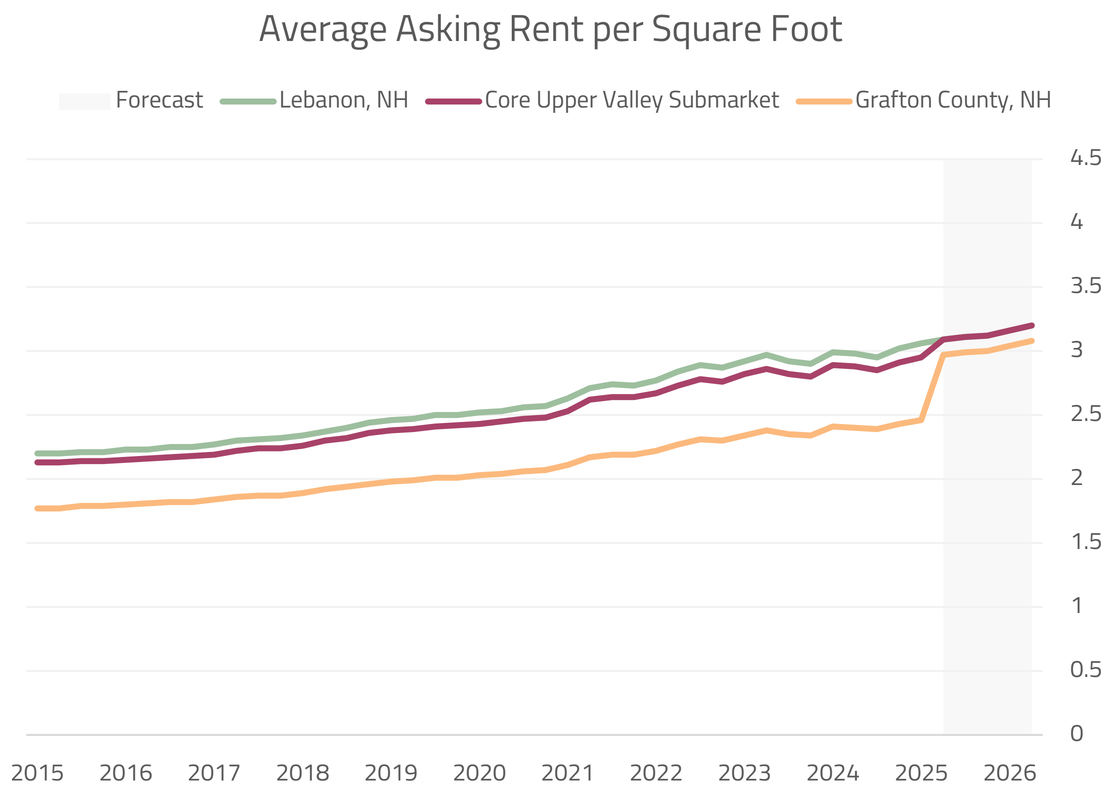
From 2015 to early 2025, asking rents across all unit types in the Core Upper Valley submarket have steadily increased. Studio rents rose from approximately $1,440 to $1,930, while one-bedroom units increased from $1,845 to $2,580, and two-bedrooms from $1,659 to $2,730, reflecting sustained demand across smaller units. Three-bedroom rents climbed from about $1,925 to over $2,650, with more pronounced increases since 2020, likely tied to regional population and employment growth. The consistent upward trend suggests tight supply conditions and growing pressure on affordability, particularly for two- and three-bedroom units.

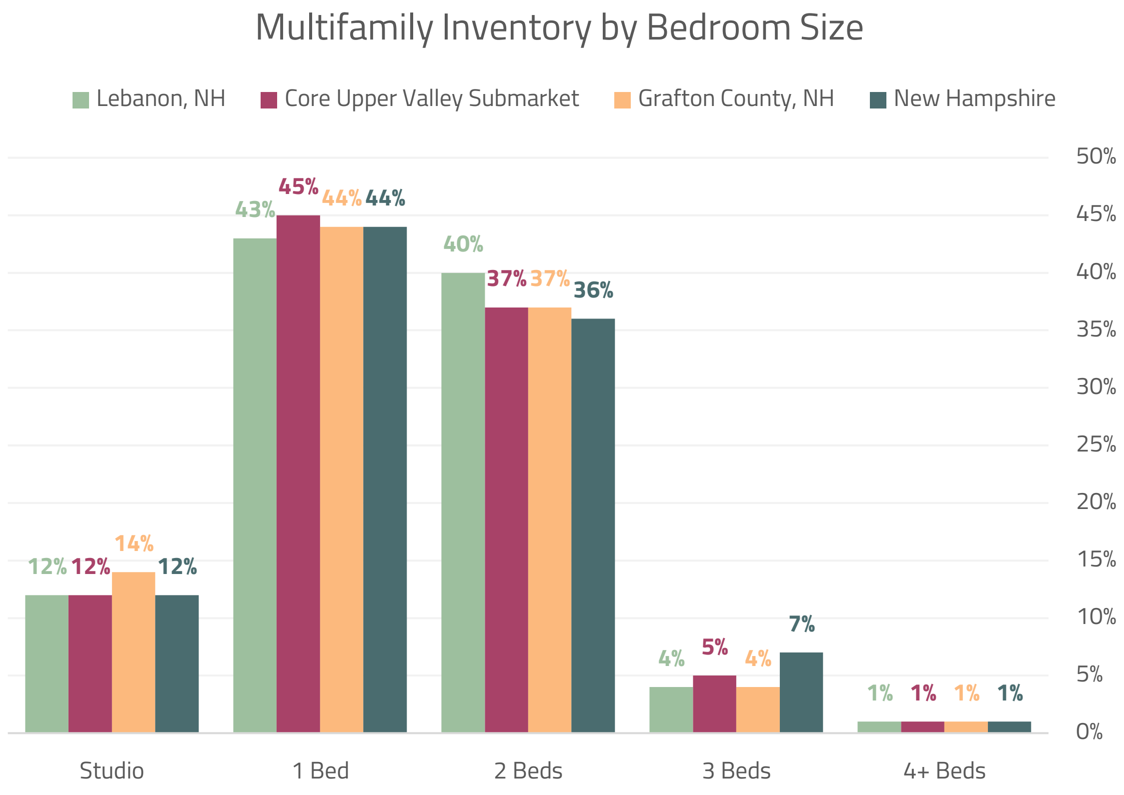
The Core Upper Valley Submarket has steady demand for rental units.



Source: Costar Analytics

Lebanon's multifamily inventory is concentrated in 1- and 2- bedroom units.





By comparing average asking rents on a per square foot basis, Lebanon, the submarket and Grafton county have experienced consistent and stable growth, reflecting broader regional trends. Additionally, unit sizes in all areas are comparable, suggesting alignment in the types of properties available across Lebanon, the region and the state.

Prices are expected to continue rising at a moderate pace, suggesting sustained demand for rental properties in the market. This continued demand underscores the strength of the residential sector in both the city and broader region.

Source: Costar Analytics

Since 2015, the submarket has added 7 multifamily properties, 5 of which are in Lebanon.

343 Mount Support Rd – The Marek
Lebanon, NH
Year Built: 2023
Units: 250
Type: 4 Star Mid-Rise Apartments
Occupancy: 86.8%

25 Foothill St – Hanover Place Residences
Lebanon, NH
Year Built: 2022
Units: 120
Type: 3-star Mid-Rise Apartments
Occupancy: 93.3%

42 Wolf Rd – Stone Farm
Hanover, NH
Year Built: Renov. 2019
Units: 145
Type: 3-star Garden Apartments
Occupancy: 84.8%

Since 2015, the submarket has seen the addition of seven multifamily developments totaling 613 new units. The city of Lebanon has captured the majority of this activity, with five projects contributing 567 units—over 90% of the recent supply. In total, the submarket contains roughly 1,700 multifamily units, 88% of which are located in Lebanon. This concentration highlights Lebanon's central role in meeting regional demand for rental housing and its continued attractiveness for multifamily investment.

Source: CoStar, Oxford Economics

Newer multifamily units are getting smaller, but less affordable.

21 Spencer Street – Emerson Place
Year Built: 2004
Units: 160
Unit type: 2 bed/2 bath
Unit size: 1,107 – 1,153 sq ft
Price per unit: $2,785 - $2,900

343 Mount Support Rd – The Marek
Lebanon, NH
Year Built: 2023
Units: 250
Unit types: 1 bed/1 bath
Unit size: 514-759 sq ft
Price per unit: $2,625 - $2,900

6 Juniper Circle – Summit on Juniper
Year Built: 2021
Units: 308
Unit types: 1 bed/1 bath, 2 bed/2 bath, 3 bed/2 bath, 4 bed/4 bath
Unit size: 513-1,241 sq ft
Price per unit: $2,199 - $5,796

Lebanon's recent multifamily development has introduced a large number of new rental units, but these additions have largely consisted of small apartments with high monthly rents. Most of the new units are one- or two-bedroom apartments under 1,200 square feet, with some as small as 500 square feet. Despite their modest size, these units often command rents well above $2,500 per month, with some reaching over $5,000 depending on size and layout. This pattern points to a rental market increasingly geared toward higher-income households, making it difficult for many residents to afford housing. The high cost of new construction, combined with strong demand from nearby institutions and a limited supply of alternatives, has contributed to a rental landscape where affordability is out of reach for many.

Source: Emerson Place, The Marek South, Summit on Juniper

Final Takeaways

Lebanon's housing market is currently characterized by high demand, constrained supply, and rapidly rising costs, placing increasing pressure on both renters and homeowners, particularly among lower- and moderate-income households. Over the past decade, median home prices have more than doubled, far outpacing local income growth, while rental vacancy rates remain extremely low, leading to intense competition for available units. Multifamily development has been heavily concentrated in Lebanon, which serves as the focal point for regional rental demand; however, much of this new construction consists of smaller, higher-priced apartments that do not fully meet the needs of families or moderate-income households. Market trends point to a growing presence of higher-income buyers and renters, while essential workers, service employees, and households earning below $75,000 face significant barriers to accessing appropriately sized and affordable housing. Limited for-sale inventory, rising construction costs, and regulatory barriers further slow the delivery of new units that align with local demand. Collectively, these trends highlight how Lebanon's demographic shifts, economic growth, and housing supply dynamics interact to shape the city's current and evolving residential landscape.

Lebanon Market Analysis
August 2025