

## CHAPTER FIVE

### HOUSING

Housing provides people with basic shelter and a setting for their daily activities. It is the master plan issue that affects everyone most personally. In a broader sense, housing forms the framework for the Town's land use pattern and largely determines its overall character. The stability of a community can be gauged by such housing data as length of residence and percentage of older homes in the housing stock. Because the Town of Dover's land use is overwhelmingly residential, its future will largely be decided by the strength of the housing market in the context of residential zoning decisions.

The growing demand for housing in Dutchess County, as well as in the entire New York Metropolitan area, has led to a rapid escalation of housing costs for both rental and owner-occupied units. Dover needs to assess this changing housing situation and the possible effects that limited housing alternatives will have on its current residents. This chapter will analyze existing housing characteristics, costs and affordability factors in order to predict the future demand for housing in Dover.

#### HOUSING SUPPLY

According to the 1990 census the Town of Dover contained 3,018 housing units, as shown in Table 5.1. This represents an 18.8% increase from 1980. The data also shows that nearly twice as many homes were built between 1970 and 1980 as between 1980 and 1990. The rate of growth in number of housing units in Dover during the 1970s exceeded the rates of the neighboring towns as well as the countywide average. Between 1980 and 1990, however, Dover's rate of growth fell back. The countywide average remained below the Town's rate for the 1980s.

Table 5.1  
NUMBER OF HOUSING UNITS, TOWN OF DOVER AND NEIGHBORING MUNICIPALITIES,  
1970-1990

Municipality*	1970	1980	% Change 1970-1980	1990	% Change 1980-1990
Dover	1,631	2,540	55.7%	3,018	18.8%
Amenia	1,218	1,709	40.3	1,821	6.6
Beekman	1,368	2,099	53.4	3,176	51.3
Pawling	1,959	2,405	22.8	2,580	7.3
Union Vale	614	892	45.3	1,340	50.2
Washington	1,442	1,658	15.0	2,070	24.8
Dutchess County	69,126	86,852	25.6	97,632	12.4

Source: U.S. Bureau of the Census

\*Towns including villages

HOUSING CHARACTERISTICS

Types of Housing

It is important from a planning perspective to see what types of housing stock exist and what is currently being built. Table 5.2 classifies the number of 1990 units by type of structure. The Town of Dover has the lowest percentage of detached single-family homes (52.2%) among the neighboring municipalities and the highest percentage of mobile homes (26.4%) and five or more family (11.3%) structures. Dover's relatively high percentage of mobile homes and multi-family dwellings suggests that the Town may attract smaller families, single-person households, older people, and lower income families who cannot afford or do not desire single-family homes.

Table 5.2  
NUMBER OF UNITS BY TYPE OF STRUCTURE, TOWN OF DOVER AND NEIGHBORING MUNICIPALITIES, 1990

Municipality	Detached 1- family (% of Total)	Mobile home	Attached 1-family	2 - family	3 or 4- family	5+ family
Dover	1,575 (52.2%)	796	36	138	103	340
Amenia	1,038 (57.0%)	403	15	125	114	105
Beekman	2,269 (71.4%)	192	493	80	53	71
Pawling*	2,101 (81.4%)	5	51	128	97	170
Union Vale	1,074 (80.1%)	16	50	62	30	92
Washington	1,481 (71.5%)	16	62	166	156	141

Source: U.S. Bureau of the Census  
\*including village

Table 5.3  
TYPE OF OCCUPANCY, 1990

	Total Units	Total Occupied Units	Owner Occupied	Renter Occupied	Vacant*
Dover	3,018	2,493	1,815 (60.1%)	678 (22.5%)	525* (17.4)
Dutchess Co.	97,632	89,567	61,899 (63.4%)	27,668 (28.3%)	8,065 (8.3%)

Source: U.S. Bureau of the Census  
\*includes for sale (45), for rent (244), occasional use (111), and other (125). This number may be inflated due to census enumeration procedures.

Type of Occupancy

Table 5.3 shows the distribution of housing units by type of occupancy. In 1990, 60.1 percent of housing units in the Town of Dover were owner occupied. This is slightly below the county average of 63.4 percent. The Town's percentage of renters (22.5%) was also below the county figure (28.3%), but matched the average percentage of renters in neighboring towns (22.2%). Note from Table 5.3 that the vacancy rate for the Town was twice the county average. It was also slightly above the average vacancy rate of neighboring townships (14.9%). Included in the account of total units are 111 units that were classified as seasonal, recreational or occasional use by the census. This number represents the minimum estimate for seasonal units.

Age of Housing Stock

The breakdown of the housing stock by age in Table 5.4 reveals that 28.6 percent of Dover's 1980 housing stock was built before 1939. This was lower than the 38.1 percent average of neighboring towns, and slightly lower than the countywide average of 30.6 percent. A large percentage of older houses represents opportunities for the renovation of a stock of traditional-style housing, but deterioration of the stock can lead to problems. Dover also had a relatively high, 32.1 percent, of its homes built in the 70's, compared to a 21.9 percent average in neighboring towns and a 21.4 percent county figure.

Table 5.4  
Age of Housing Stock  
Dover and Neighboring Towns, as of 1980

Municipality	Built 1939 and Earlier	1940-49	1950-59	1960-69	1970-MAR'80
Dover	717(28.6%)	222( 8.9)	290(11.6)	472(18.8)	804(32.1)
Amenia	707(42.7%)	120( 7.2)	221(13.3)	270(16.3)	339(20.5)
Beekman	310(16.6%)	205(11.0)	222(11.9)	488(26.1)	642(34.4)
Pawling*	1029(49.2%)	174( 8.3)	305(14.6)	401(19.2)	182( 8.7)
Union Vale	215(24.5%)	41( 4.7)	107(12.2)	213(24.3)	300(34.2)
Washington Dutchess	938(57.4%)	106( 6.5)	174(10.6)	217(13.3)	189(11.6)
County	26118(30.6%)	6885( 8.1)	14378(16.8)	19820(23.2)	18244(21.4)

\*Excludes village

Source: U.S. Bureau of the Census

HOUSING COSTS

Owner-Occupied Units

From 1980 to 1990 the median housing value in Dutchess County rose 202 percent, from \$49,300 to \$149,000 according to the census. During that same period, Dover's median housing value climbed from \$44,200 to \$138,000, a 214 percent increase. Table 5.6 shows that while Dover's

median value in 1990 remains below countywide averages, the percent increase in housing values not only exceeded that of Dutchess County, but most of the towns in the vicinity as well. Even with the larger percentage increases, Dover's housing stock remains relatively less expensive than the housing stock in the county and surrounding municipalities.

Table 5.5  
Median Value of Owner-Occupied Units, 1980-1990

Municipality	1980	1990	% Change
Dover	\$44,200	\$138,700	214%
Amenia	45,000	130,000	189%
Beekman	62,500	161,700	158%
Pawling	66,300	179,300	170%
Union Vale	49,200	172,100	250%
Washington	62,500	161,100	158%
Dutchess County	49,300	149,000	202%

Source: U.S. Bureau of the Census

Rental Units

In 1980, the median monthly contract rent in Dover was \$189. In 1990, the median rental figure had climbed to \$440, an increase of 133 percent. While the Town's median rental cost was substantially less than the Dutchess County figure of \$530, the rate of growth for the County, 135 percent, closely matched Dover's growth rate. According to the Dutchess County Rental Housing Survey, most of the Town's rental units are contained in accessory apartments or in multi-family homes.

Affordability Factors

Affordable housing has become a familiar phrase without a consistent meaning. A precise definition is difficult because of the many forces that influence the housing market, including land values, mortgage interest rates, demographic shifts, and unemployment levels, to name a few. The concept of affordability seems even more elusive when competitors in the local housing market come from neighboring counties to the south, bringing with them different standards of what is affordable.

At its most basic level, affordability is a relationship between housing prices and income. For example, between 1980 and 1990, owner-occupied housing costs in Dover rose 214 percent and rental rates climbed 133 percent, while median family income levels gained only about 100 percent from 1980 to 1991 (1991 figures based on U.S. Department of Housing and Urban Development estimates). In other words, housing generally became less affordable for Dover residents.

In order to establish housing goals for the Town of Dover and understand the problems of target groups that are most affected by the high cost of

housing, such as single households, first-time home buyers, and the elderly, more specific guidelines are necessary. The key variables in determining relative affordability of housing are the rental index, the purchase price multiplier, and the price/income gap. For the purposes of devising guidelines, affordable housing is defined as housing which a family making 100% or less of the town median income can afford.

The rental index is a method used by the U.S. Department of Housing and Urban Development (HUD) to compute the maximum gross rent a given household can afford. In times past, this was set at 25 percent of the household's monthly income, or one week's pay. Recent economic conditions have increased that cap to 30 percent of monthly income. However, many households are actually paying an even greater portion of their income for rent.

The purchase price multiplier is used by real estate agents to determine the affordability or, more accurately, the maximum mortgage approval amount for potential home buyers. In today's market a household may generally, barring any major indebtedness, afford a house costing 2.5 times their annual income, depending on the lending institution and personal circumstances. However, because carrying charges, such as property taxes, do not decrease proportionately with the decrease in prices, this multiplier approaches 2.0 if the purchase price decreases substantially below the market rate. The 1991 estimate for median income, based on HUD figures, is about \$42,000 for Dover (constant 1980 Dover percentage, 89.7%, of Dutchess County 1991 median, \$47,000). Using an average multiplier of 2.25, a household which earned the town median income could qualify for a mortgage of \$94,500, and with a 10 percent down payment, purchase a house priced at up to \$104,000. The fact that this is only 70 percent of the median value of a house in Dutchess County in 1990, and 75 percent of the median value of a house in the Town of Dover, illustrates the affordability crisis that has developed in the 1980s. Only very small houses or "handyman specials" with additional rehabilitation costs are generally available at these prices. Also, these figures do not include closing costs, which can average \$6,000 to \$8,000 on a \$100,000 house. On the other hand, using the rental index, this same median household could theoretically afford a maximum gross rent with utilities included of \$1,050, generally above average monthly rents for this area.

These variables are used for determining the specific price/income gap affecting households entering the housing market. For the purpose of this analysis, long-time homeowners with substantial equity in their homes are not included. However, it should be noted that these homeowners are just as affected by the rising housing costs of property taxes and maintenance.

#### Income Target Groups

Different problems and strategies arise for more moderate and lower income households. For this purpose, separate responses are determined from three target groups.

Group I consists of households earning 80 to 100 percent of the Dover median income. In 1980 (the latest year for which this data is available), 12.6 percent of families earned between 80 and 100 percent of the median income.

Group II consists of households earning between 50 and 80 percent of the Town's median income. In 1980, this group represented approximately 20.8 percent of all Dover's households.

Group III consists of households earning less than 50 percent of the median. The 1980 census data reported approximately 16.6 percent of households earned less than 50 percent of the median income.

The housing options for each group are displayed in Table 5.6, using 1991 HUD estimates for median income to bring the dollar amounts up to current values.

Table 5.6  
Housing Costs and Options

	Group I 80-100% Median	Group II 50-80% Median	Group III Less than 50% Median
Income Range	\$33,727-42,159	\$21,079-33,727	\$0-21,079
Mortgage Ceiling	\$75,885-94,858	\$47,428-75,885	up to \$47,428
Maximum Gross Rent	\$843-1,053	\$527-843	up to \$527
Possible Housing Options	Luxury Apartments, House Rentals, Severely limited Choice of Single-Family Homes	Most Rental Options, Modular or Mobile Homes on Small Lots, Cottage/Bungalows	Smaller Rental Accessory Apartments, Older Mobile Homes, Subsidized Housing
Constant 1980 Ratio of Dover Households Affected	12.6%	20.8%	16.6%
Base Rate:	Dover Estimated Median Household Income for 1991: \$42,159 (Based on HUD estimates)		
Assumptions:	Mortgage Ceiling = 2.25 X Gross Income Maximum Rental = 30% Gross Monthly Income (includes utilities)		

Due to the absence of affordable housing, some localities are experiencing an exodus of the young adult work force and the elderly. When adequate rental housing is available in sufficient numbers, target groups I and II can be accommodated. Group III, however, earning less than \$21,079 per household and having the most limited housing choices,

includes many entry-level blue and white collar workers. Volunteer firefighters, municipal employees, farmhands, laborers, clerical, and service workers often fall within this income group. Communities in high housing demand areas are being compelled to sharply increase salaries (and property taxes) to recruit and retain emergency personnel, school teachers, and other government employees when low cost housing is not available. Significant numbers of young people who grew up in Dover, and retired, lifelong residents could be forced to leave because of the lack of housing alternatives.

#### HOUSING DEMAND

Rapid economic development in Dutchess County and the metropolitan area to its south has fueled an ever-increasing demand for housing. Housing prices have skyrocketed in Westchester and other downstate counties, as well as in Connecticut. Many people employed in those areas have been forced to look for homes in Dutchess County, a trend which is partly responsible for the local increases in housing costs. This regional market drive, combined with changing household formation patterns and the large percentage of vacant land in Dover, will likely produce a steady demand for residential development.

Table 5.7 shows the projected housing needs for Dover, given the two rates of population growth as discussed in Chapter Four. According to the projection, the minimum number of units needed over the next 19 years is 529 and the maximum is 951. At present construction rates of an average of 48 units per year (1980s), sufficient housing stock would be created to meet both the low and the high estimate of need.

Table 5.7  
Projected Housing Demand, 1990-2010

Projection Method*	Occupied Units	Total Units Needed		Percent Increase 1990-2010
	1990	2000	2010	
NYS DEC	2,493	3,259	3,444	38.1%
Regression Analysis	2,493	2,725	3,022	21.2%

\*Population Projection as given in Table 4.9; Persons Per Household = 2.7 (1990).

Source: U.S. Bureau of the Census, New York State DEC, and Dutchess County Planning Department.

## SUMMARY AND IMPLICATIONS FOR PLANNING

The characteristics of Dover's housing stock provide a broader range of options compared to most rural communities in Dutchess County. Dover has the highest number of mobile homes and multi-family units amongst the five neighboring municipalities. It also has a relatively low average cost for owner occupied units in the area. But the latest census figures also show that the median value of those units is increasing at a faster than average rate compared to surrounding communities and Dutchess County as a whole.

The key factor in determining household choices is affordability. In 1980, median income Dover households could afford to purchase median value houses. By a wide margin, that is no longer true. The rising demand for housing and subsequent higher costs have made home ownership impossible for a large percentage of Dover's residents. Rental units are needed for the significant numbers of current residents, including single households and elderly persons, who cannot finance the purchase of a home on their incomes. A variety in size of units is also important given the declining average household size and more flexible household formation patterns.

Unrestrained by community guidelines, market forces will operate on a regional basis to drive up local housing prices to match the inflated levels of the nearby New York Metropolitan Area. If Dover sets clear goals for housing needs of all types, in varying price ranges, and follows through with ordinance provisions to facilitate such goals, developers will respond accordingly. Without specific strategies to provide diversity in the housing stock, the Town of Dover's current mix of income groups will likely shift toward more affluent residents over the long term.