

# Housing in Greater Boston:

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*how did we get here and where are we  
going?*

*City Awake  
Our Convention  
October 23<sup>rd</sup>, 2017*

# Who We Are

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MHP is a quasi-public state agency started in 1985

**MISSION: Use private investment to bring more affordable housing to Massachusetts**



# **What We Do**

- ▶ **Permanent financing for affordable rental housing**
- ▶ **ONE Mortgage program**
- ▶ **Community Assistance team**
- ▶ **Research on housing data and supporting policy efforts**



# Where do you live?

- A. In Boston, Cambridge, or Somerville
- B. In Malden, Medford, Everett, Watertown, Newton, or Quincy
- C. Somewhere else

**Do you:**

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A. Rent?

B. Own?

# **Where do you work?**

A. In Boston

B. In a community bordering Boston

C. Somewhere else



A photograph of the Boston skyline at dusk, viewed from across the water. The sky is a mix of blue and orange, and the city lights are beginning to glow. Several prominent skyscrapers are visible, including the cylindrical Prudential Tower. In the foreground, two dark, cylindrical mooring posts are visible in the water. A large white ferry is docked at the waterfront, and other smaller boats are visible in the harbor.

# 10<sup>th</sup> largest U.S. metro by population (Boston MSA)

Data Sources:  
U.S. Census Bureau American Community  
Survey, 2011-2015 5-year estimates



**4<sup>th</sup>  
largest  
U.S.  
innovation  
economy  
(Boston MSA)**





WRITE ME

CALL ME

EMAIL ME

TEXT ME



**BABY  
BOOMERS**

**X**

**Y**

**Z**

**Boomers**

1946 - 1964

**Generation - X**

1965-1980

**Generation - Y**

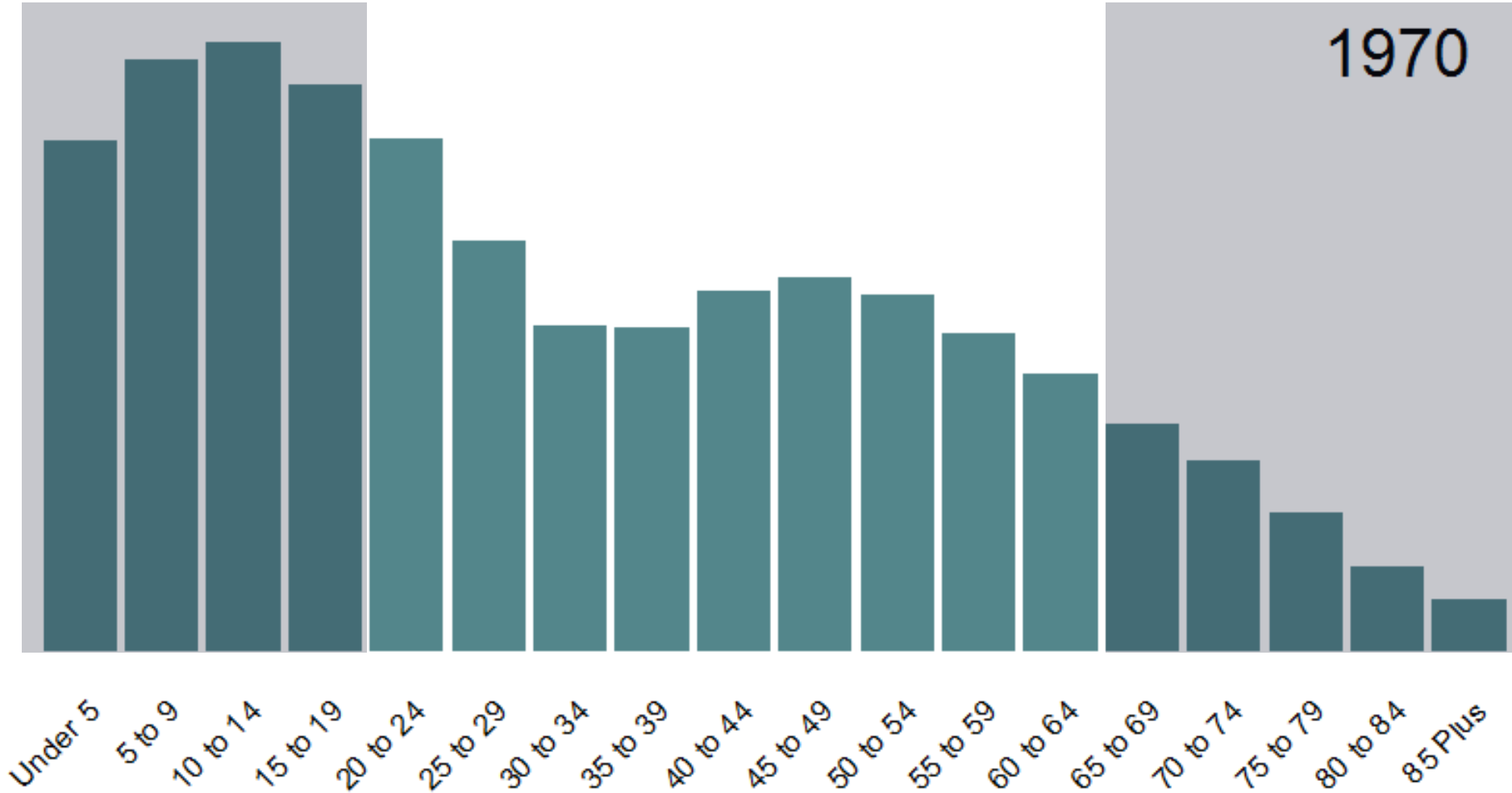
1981 - 1994

**Generation - Z**

1995 - 2005

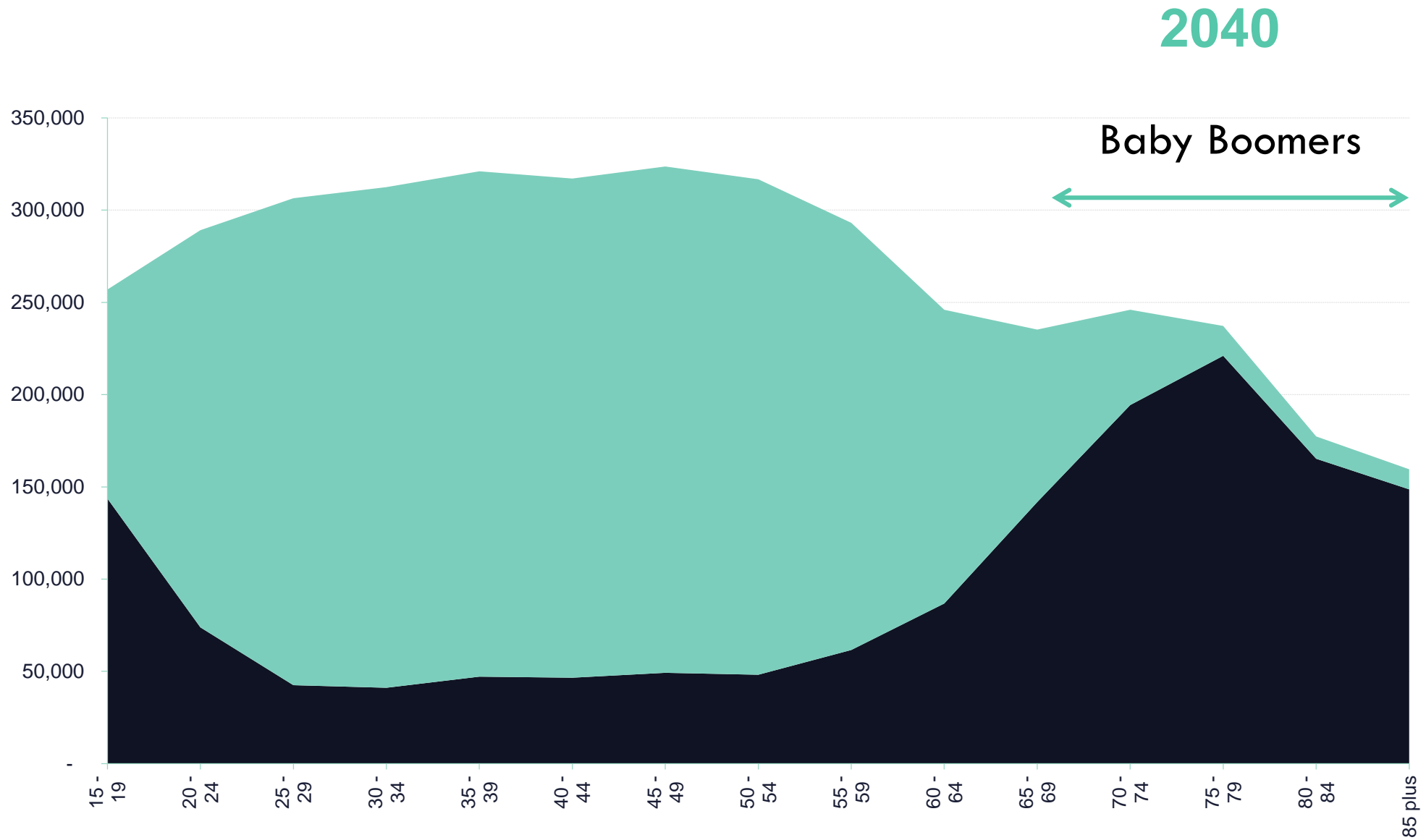
# Silver Tsunami

Massachusetts population by age cohort by year: 1970 to 2016

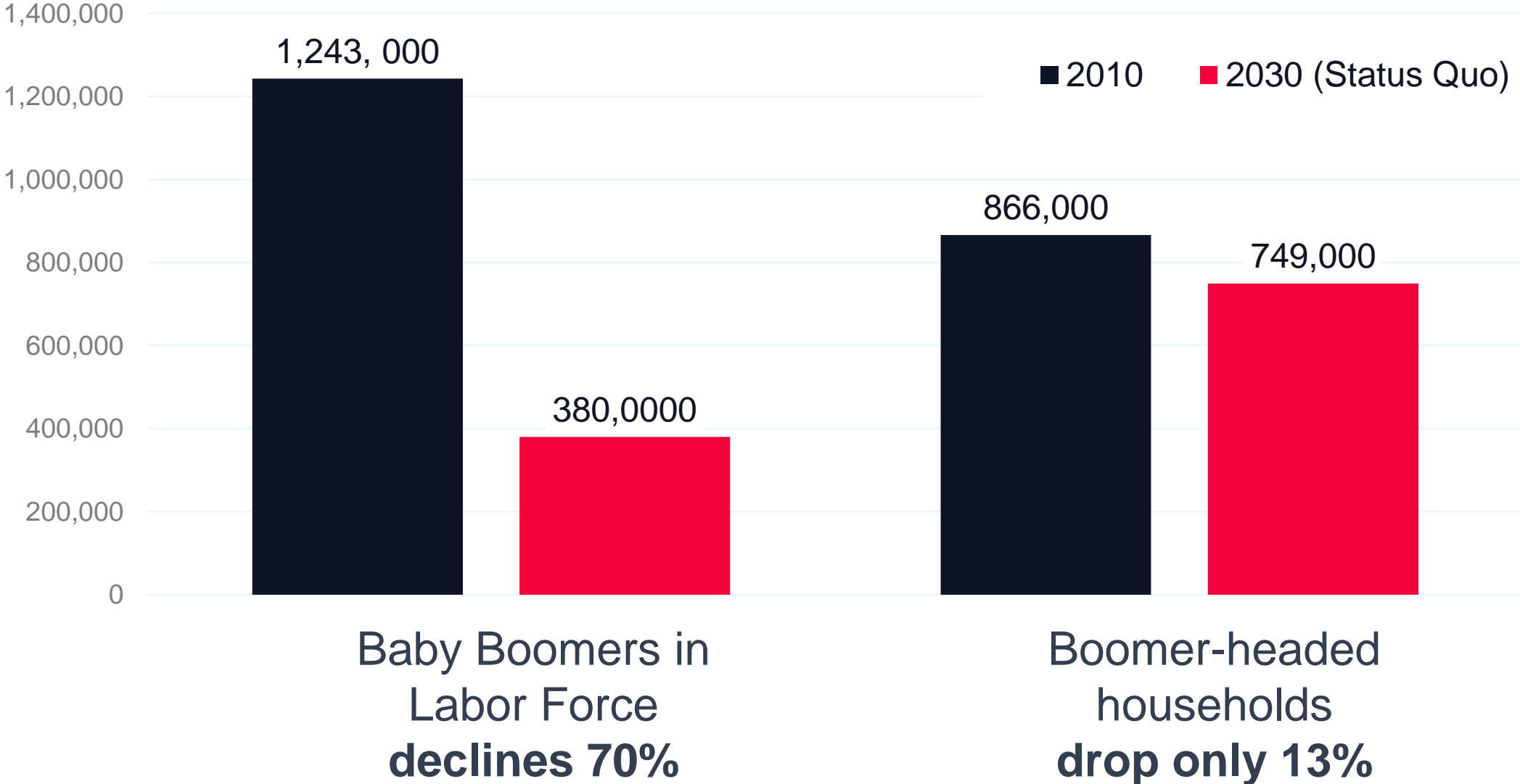


Data source: U.S. Census Bureau, Population Estimates Program

**Baby Boomers currently comprise 49% of labor force, but not for long.**



# Baby Boomer Workers and Households 2010 – 2030, Metro Boston



Data Source: U.S. Census Bureau Population Estimates & American Community Survey, 2011-2015 5-year estimates. Projections by MAPC

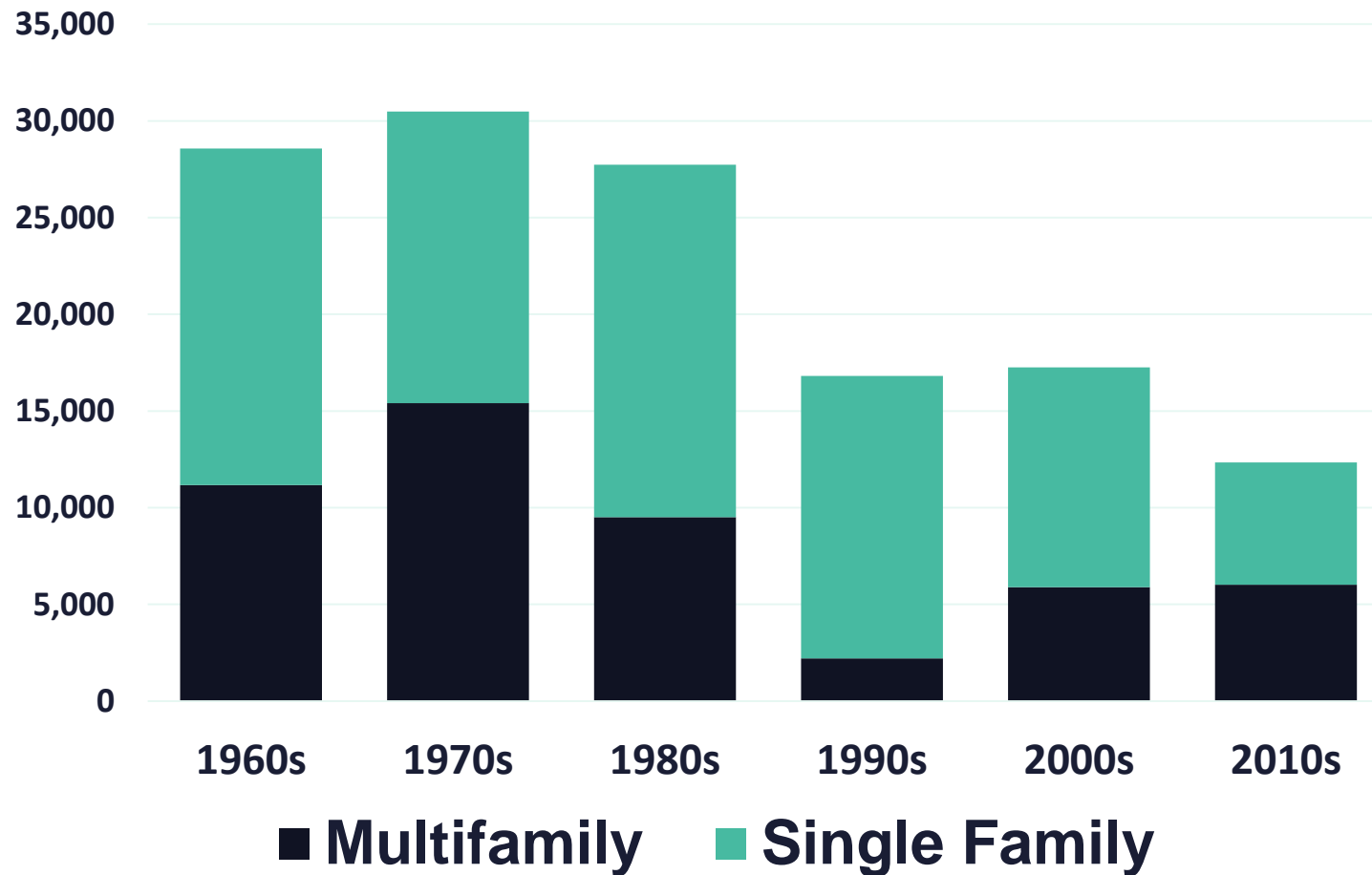


A wide-angle photograph of a city street. On the left, a tall, grey concrete building is under construction, with several red tower cranes extending into the sky. In the center, a street with cars and pedestrians is visible. On the right, a modern building with a glass and metal facade stands prominently. The sky is blue with some light clouds. The text "But... look at all the cranes!" is overlaid in the center of the image.

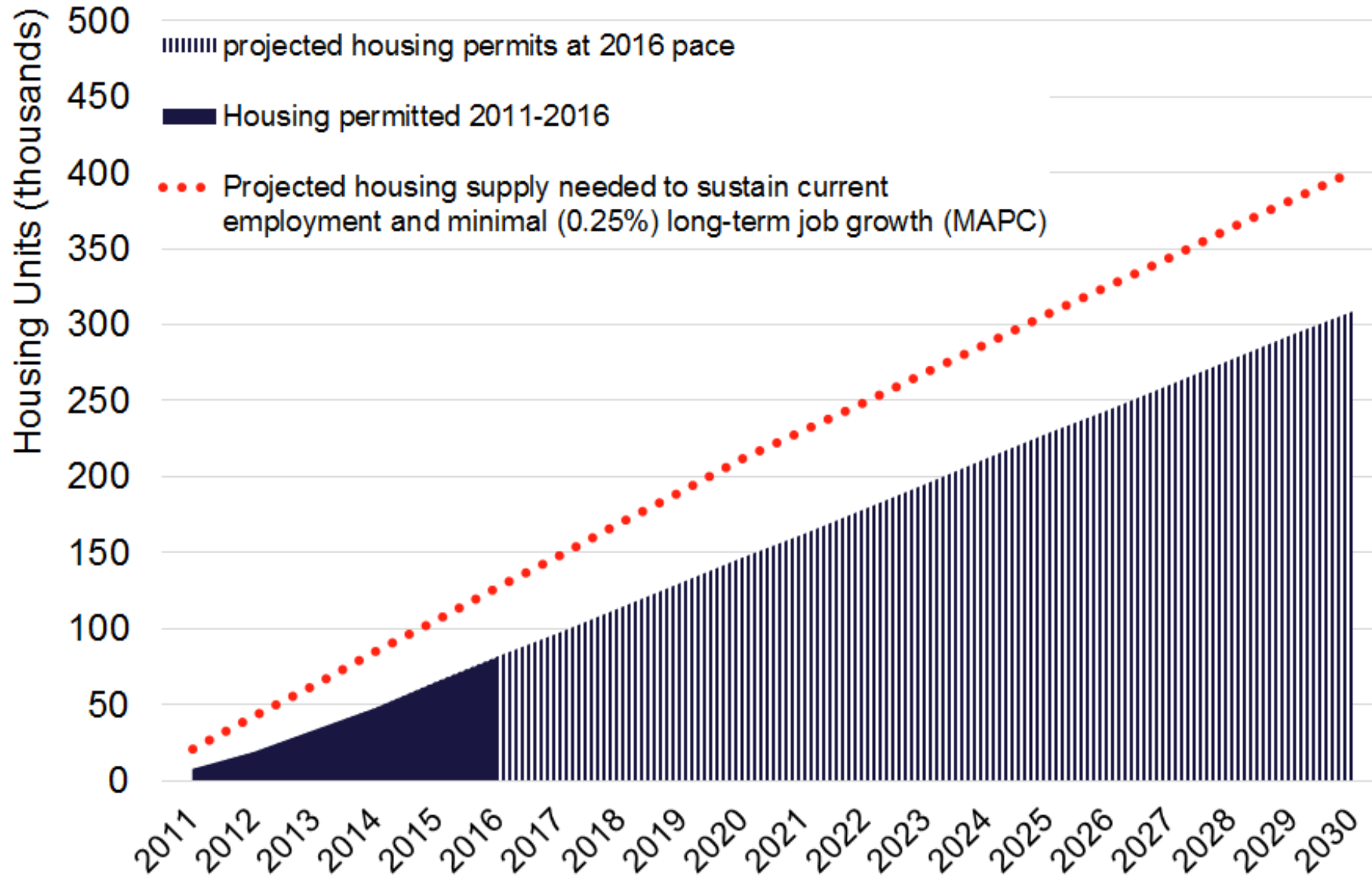
**But...  
look at all the cranes!**

# Actually...

## Annual Housing Production in Massachusetts by Decade

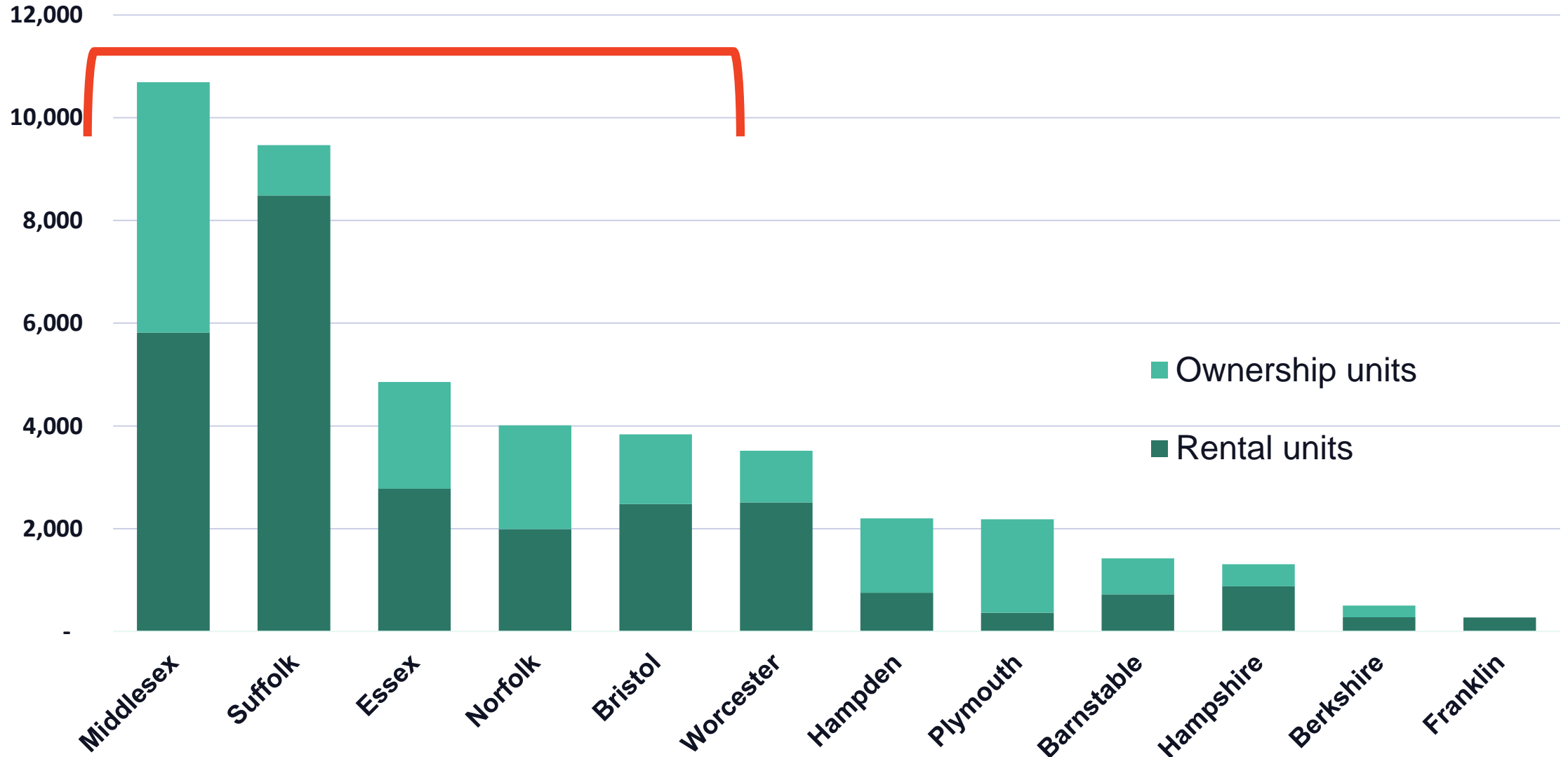


# MA Housing Production Compared to Projected Demand 2011-2016



**We are  
not on  
track to  
meet  
demand.**

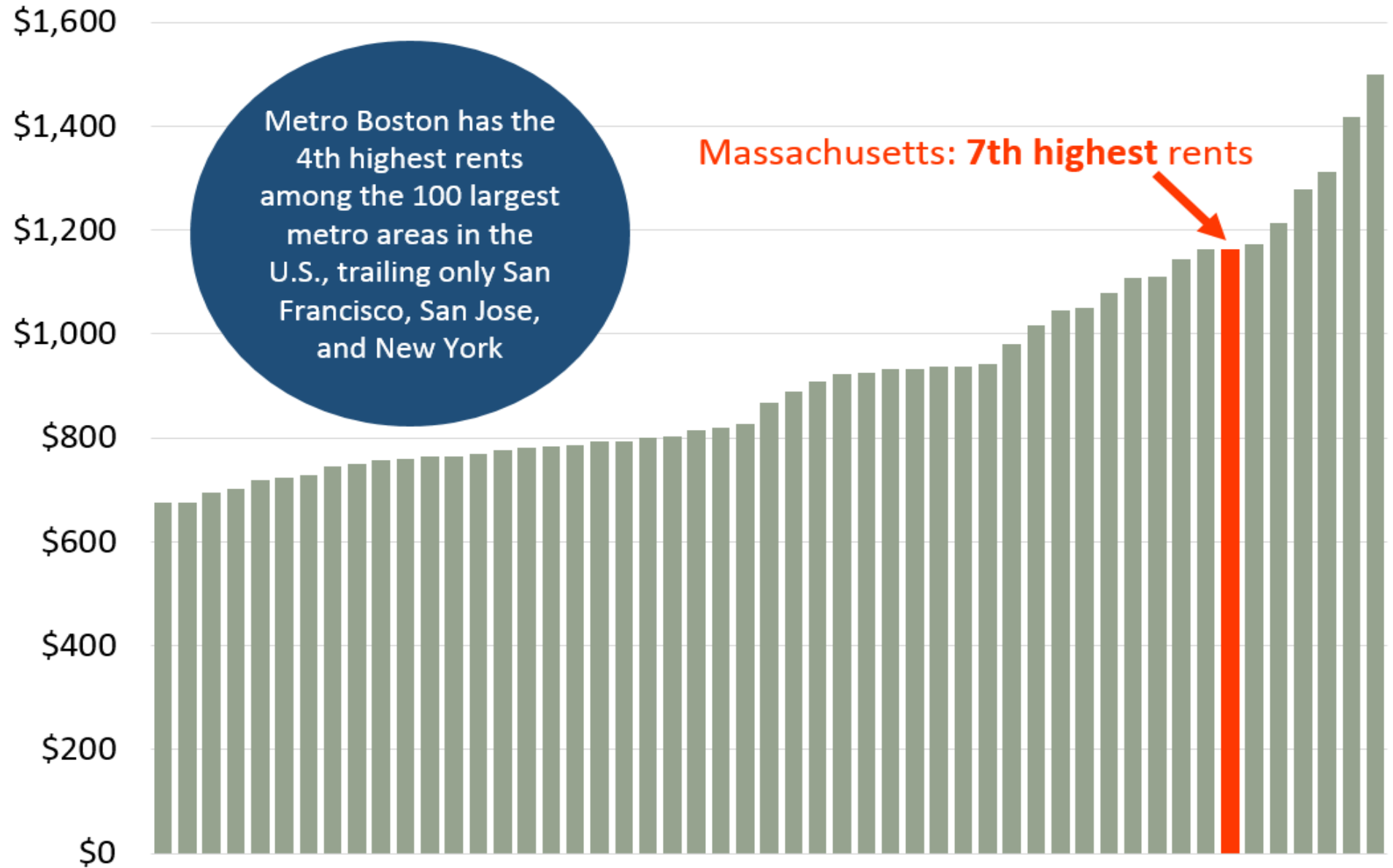
# Without adding any new people or new jobs, the state's housing supply is already far short of demand. Most of that shortfall is in metro Boston.





Highly ranked again—but not what we want.

## Median Rent by State



# Low inventory, and it costs a lot

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Menu

The Boston Globe

Business & Tech

Get tickets  Next week - Globe Live

## Another month of higher prices, and fewer homes for sale


By ED LEEFELDT / MONEYWATCH / September 26, 2017, 6:00 AM

### Too many homebuyers and not enough homes

Menu

The Boston Globe

Style

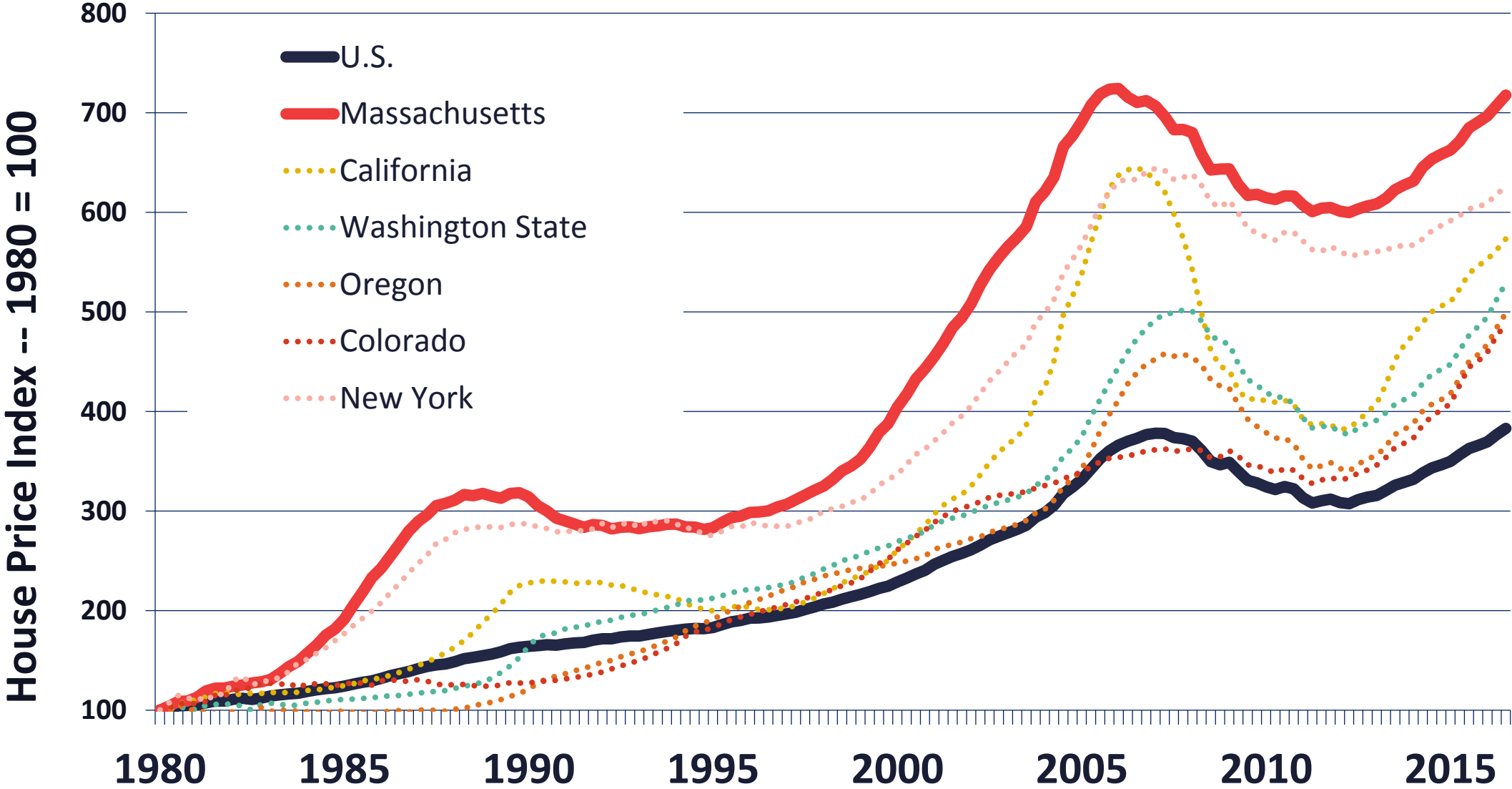
Get tickets  Next week - Globe Live

**One bedroom. No parking. One million dollars.**

**Median home price in Mass. tops \$400,000 for the first time**

High demand, low inventory continues to raise prices

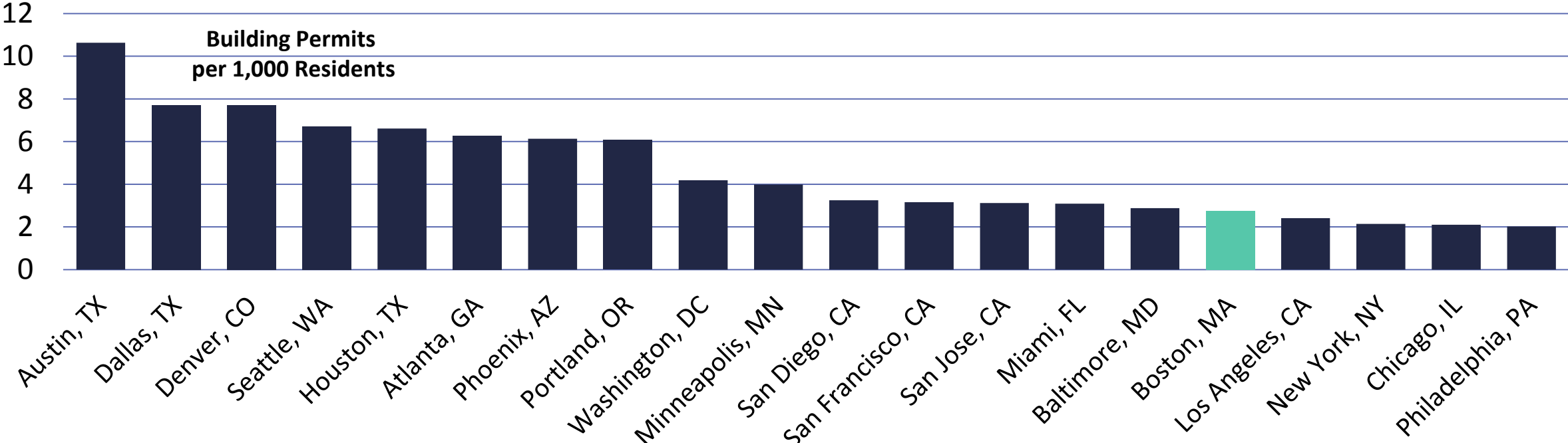
# Our home prices used to be in line with the US



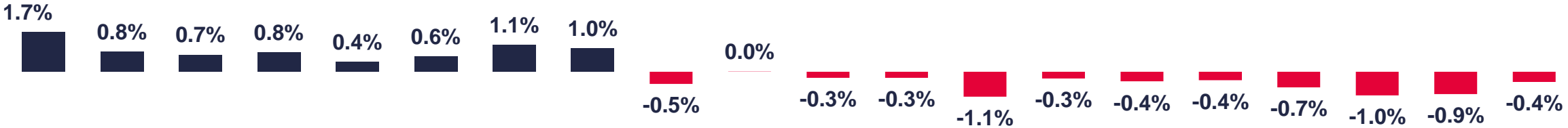
Data source: Federal Housing Finance Agency, House Price Index – All Transactions

# How is the competition doing?

Building Permit Rates of the 20 Largest Innovation Economy Metros



Net metro-to-metro migration, 2015-2016



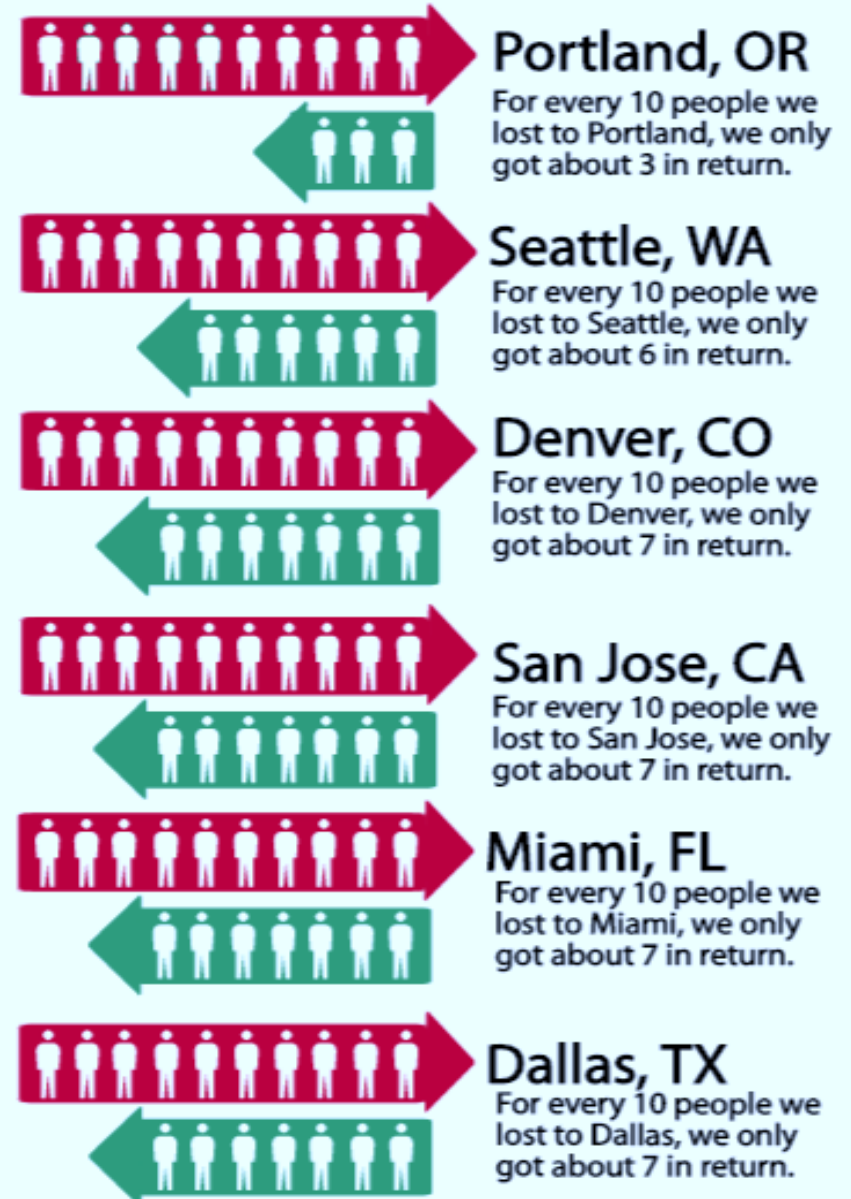
Source: U.S. Census Bureau, 2016 Building Permits Survey and 2016 Population Estimates



Not only did Metro Boston lose on domestic net migration from 2015-2016, we lost people directly to some of our top innovation economy competitors.

## Largest Migration Imbalances with Competitors

Source: U.S. Census Bureau, 2011-2015  
American Community Survey



# Don't take our word for it....

Over **2/3 of employers** claim home prices and rental costs have affected their ability to recruit **qualified candidates.**

*Northeastern University survey of businesses in Greater Boston, April 2017*

**“High housing costs** and housing availability are a **major concern** of businesses looking to expand or relocate in Massachusetts.”

*MassEcon report, March 2017*

“The things that keep me up at night about other tech companies considering Boston are **transportation and housing** [challenges], less so about a fight for talent.”

*HubSpot chief people officer as quoted in the Boston Globe, 9/21/2017*

**It's just because it's awesome  
here, right?**

# Zoning for sprawl

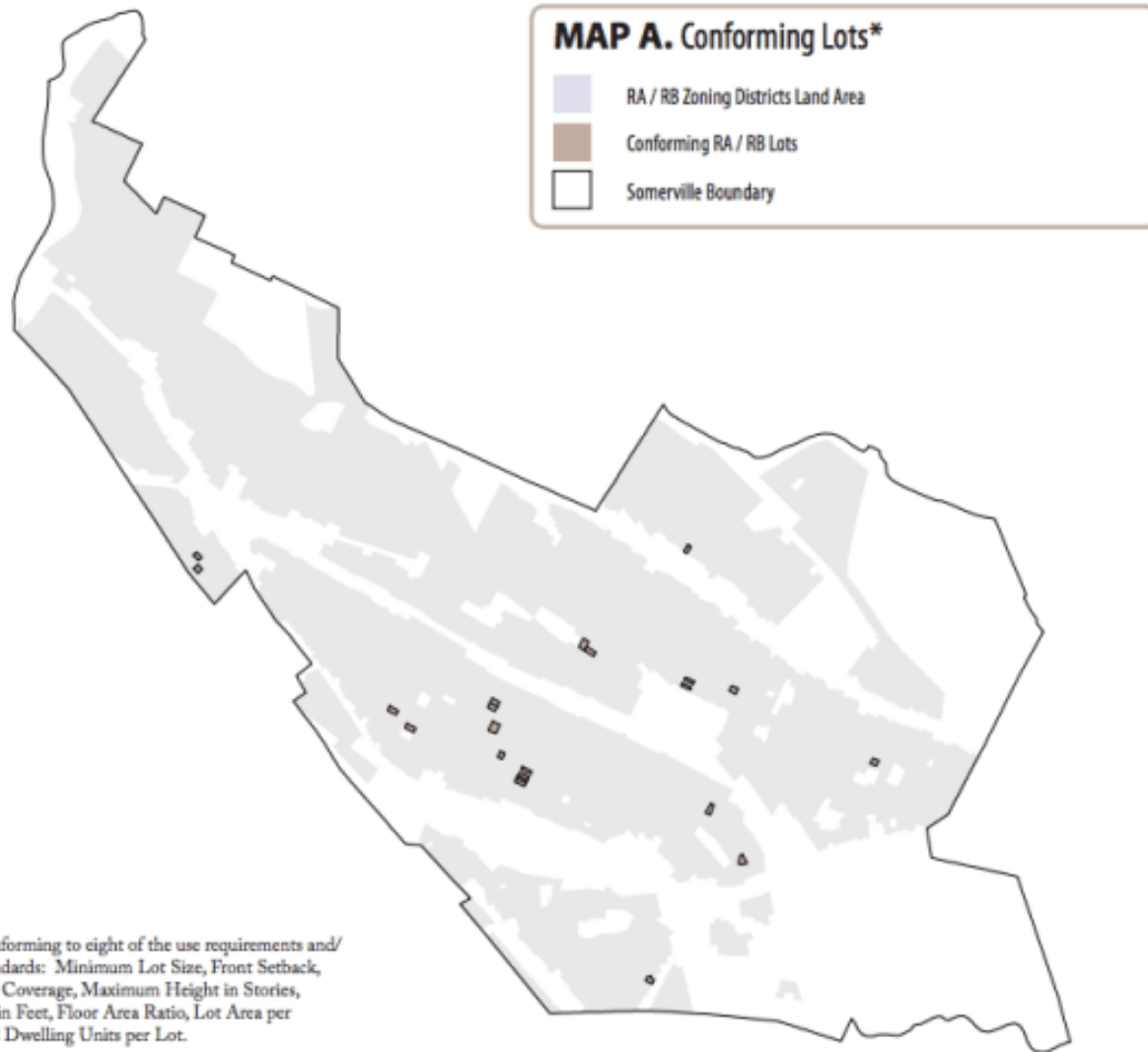
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# Illegal Somerville?

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Only 22 residential buildings meet the current zoning code.

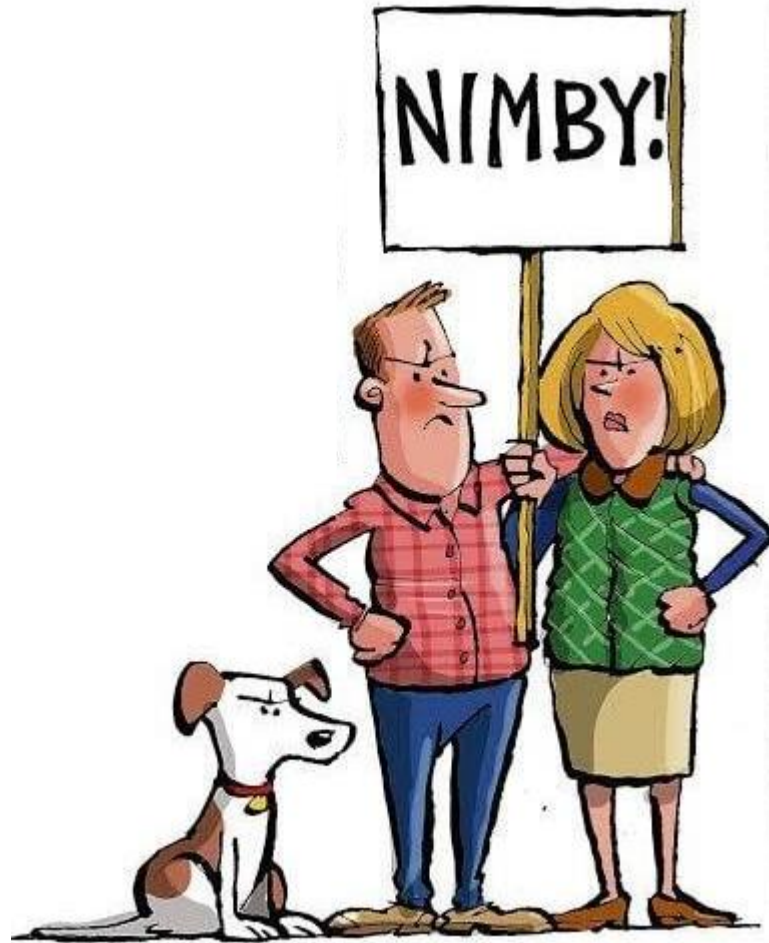
All the others are too dense, too close to the road, takes up too much of the lot is too tall, etc.

\* Lots shown are conforming to eight of the use requirements and/or dimensional standards: Minimum Lot Size, Front Setback, Maximum Ground Coverage, Maximum Height in Stories, Maximum Height in Feet, Floor Area Ratio, Lot Area per Dwelling Unit, and Dwelling Units per Lot.



# Local opposition

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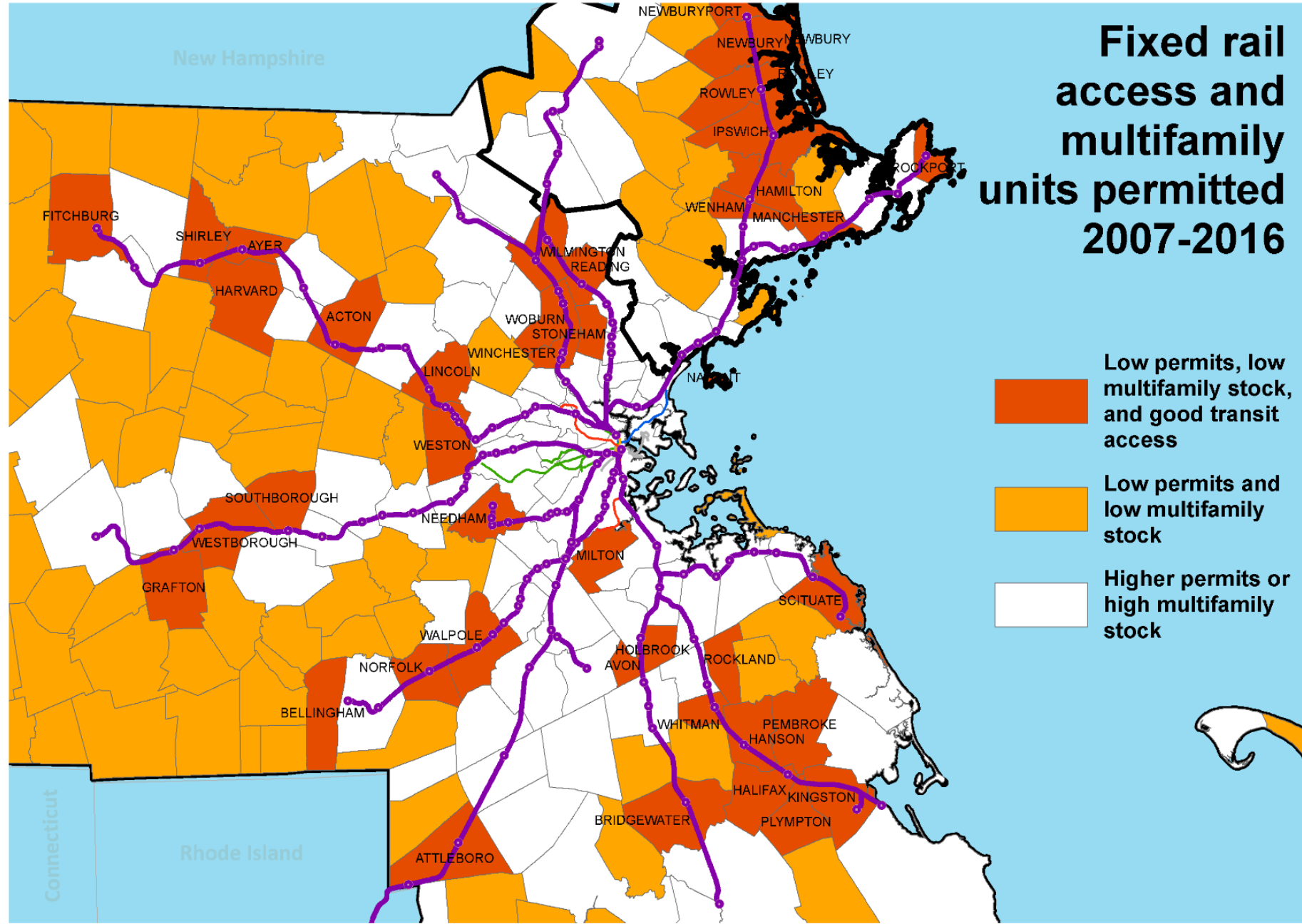
# Housing issues don't exist in a bubble



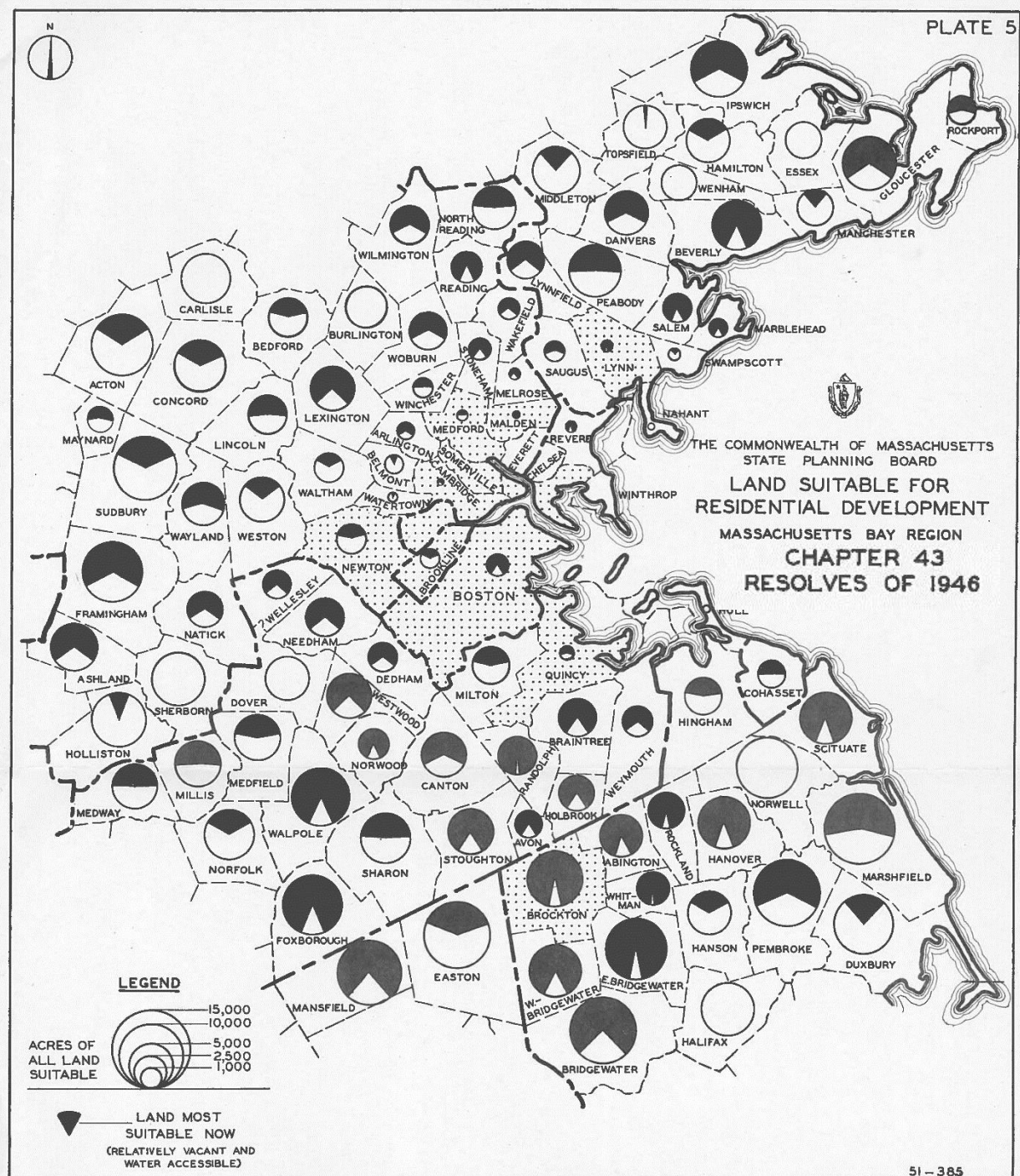


**Five communities permitted 64% of all non single family units: Boston, Cambridge, Quincy, Chelsea, and Canton.**

**33 of 81 communities with transit access permitted less than 100 units each.**



We used  
to do a  
little  
better.



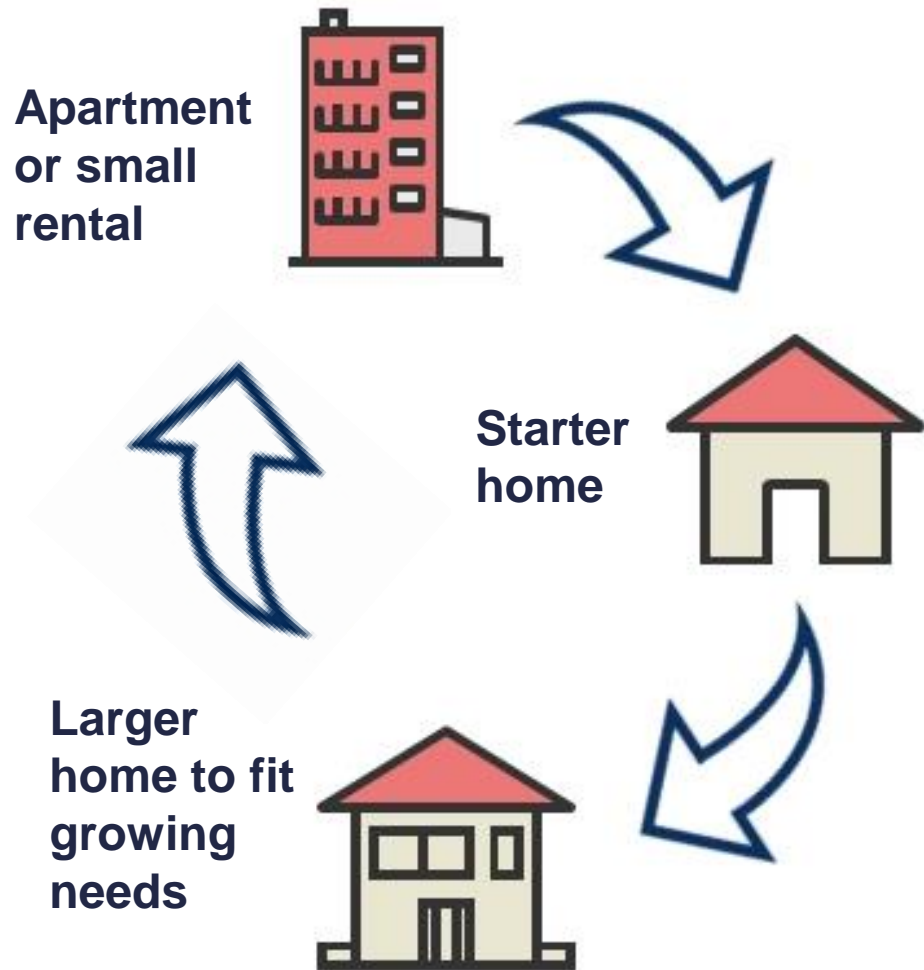
# The impact of decades of this approach

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- ▶ Less supply
- ▶ Fewer choices
- ▶ Fewer places that fit shifting preferences
- ▶ More expensive



# What about the “American Dream”?

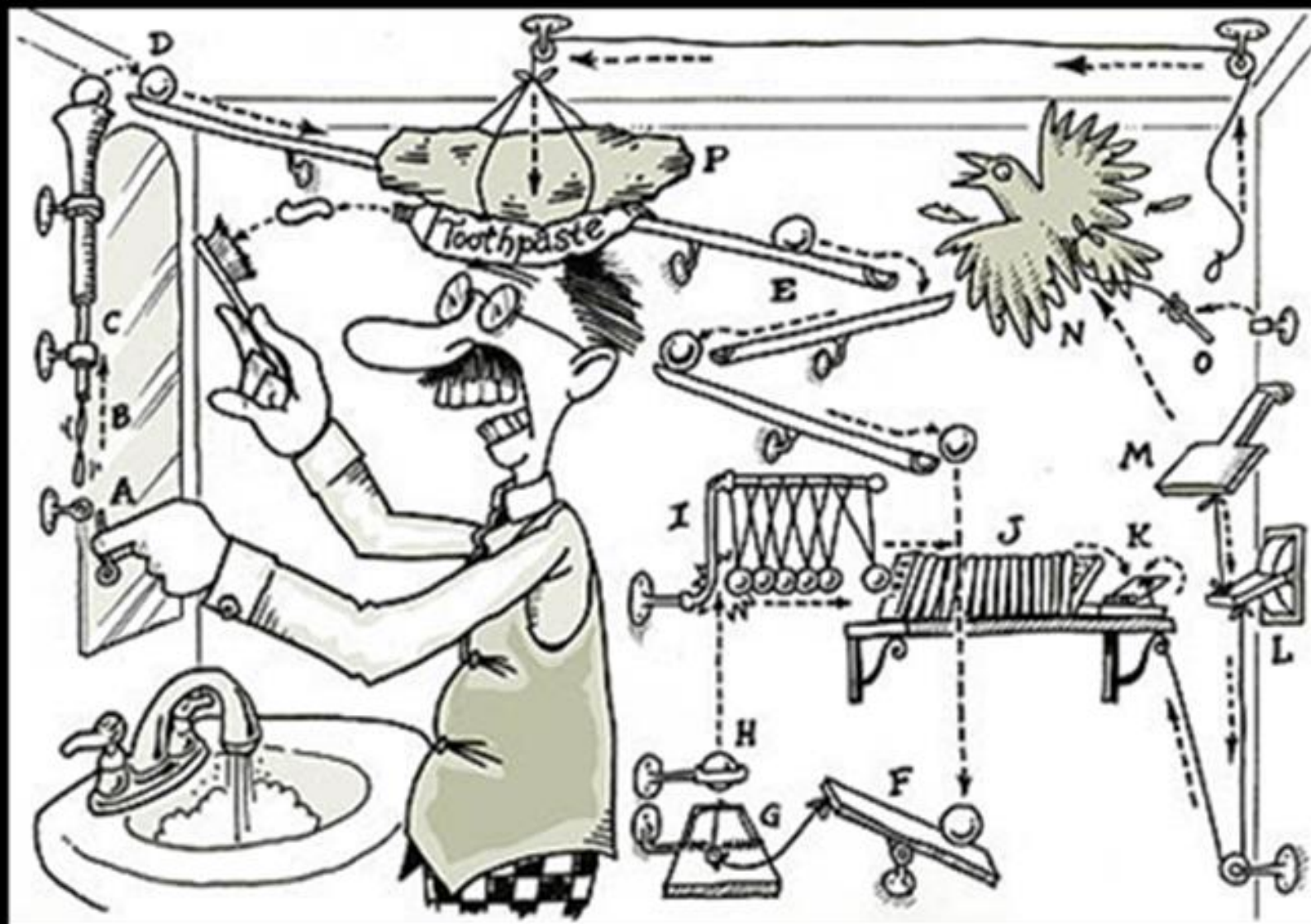


# “affordable” vs. “Affordable”

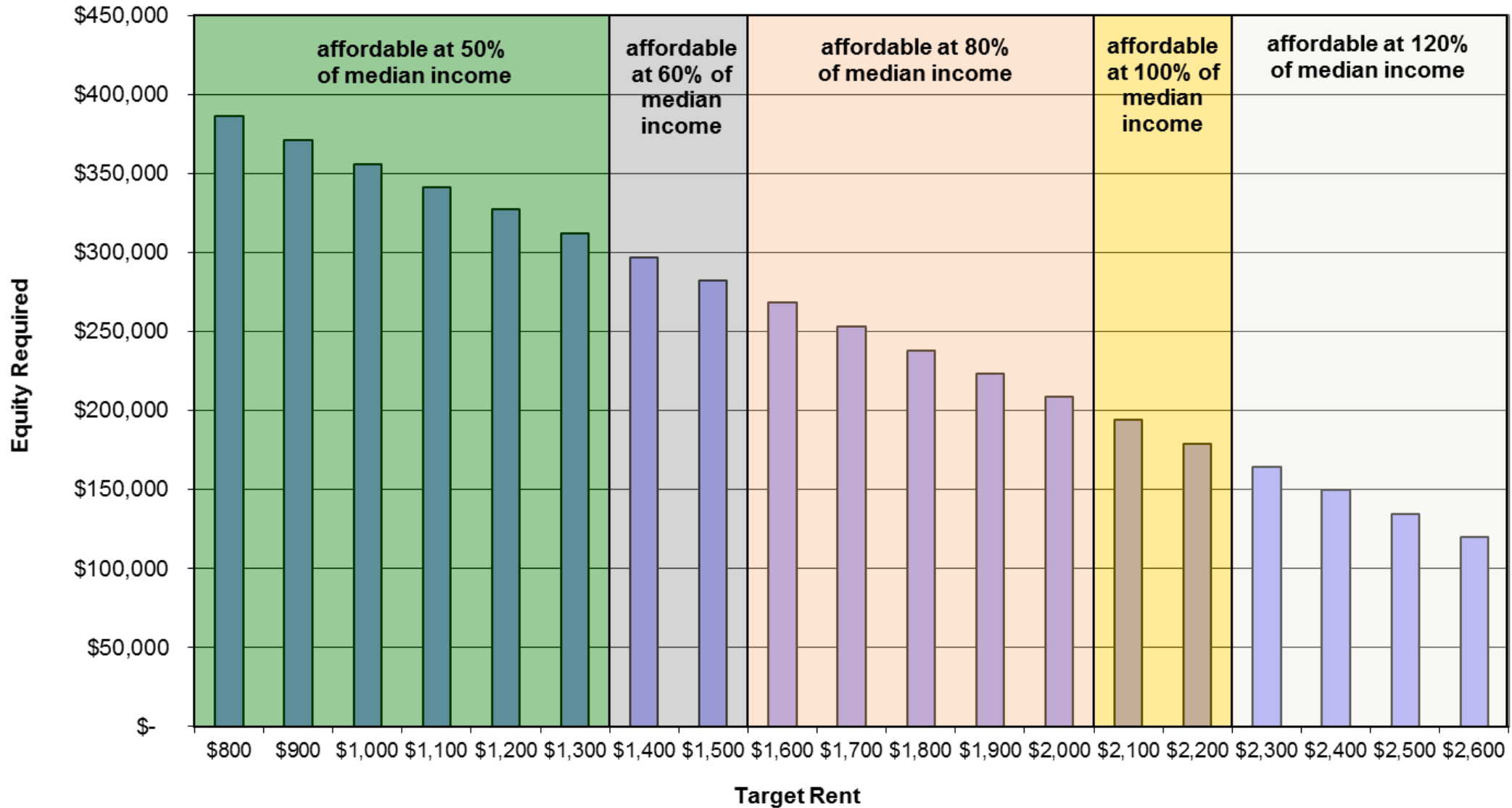
## Boston MSA 2017 Income Limits

Household Number	1 person	2 person	3 person	4 person
<b>30% AMI</b>	\$21,700	\$24,800	\$27,900	\$31,000
<b>50% AMI</b>	\$36,200	\$41,400	\$46,550	\$51,700
<b>80% AMI</b>	\$54,750	\$62,550	\$70,350	\$78,150
<b>110% AMI</b>	\$79,640	\$91,080	\$102,410	\$113,740

# Our Housing Delivery System: As Simple as Getting Toothpaste on a Brush



# It costs a lot.





# To Recap

- ▶ Boston is innovative and booming
- ▶ But we compete with other places for those jobs and people
- ▶ Housing is expensive in Greater Boston (duh)
- ▶ Lack of housing options could make us less competitive
- ▶ Our housing woes are the product of purposeful regulations and restrictions, and demographic shifts will make it worse
- ▶ But we can work to shift the tide!



# So what can we do?

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Show up to hearings and meetings!



# Talk to your Local and State Elected Officials

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# Talk to your Friends and Family

**"He said he was for affordable housing, then he wanted to downzone my block."**

↑ Neighbors for more neighbors | **Talk to your friends about zoning.**

# **Learn More- Attend our next Event!**

## **“Why is Housing So Expensive?!”**

Nov 6<sup>th</sup>

4:00 – 7:00pm

District Hall, Seaport

Networking, conversation, more info on zoning and the impacts on fair housing, more talk on policy and how to take action, and most importantly, food!

# Questions/Discussion

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