

An aerial photograph of a city skyline, likely Chicago, with a dense forest in the foreground and a multi-lane highway with traffic in the lower right. A large yellow arrow points from the left towards the right, containing the text.

# Why is housing so expensive?

A blue arrow pointing from the right towards the left, containing the text.

**District Hall  
November 6, 2017**

# Who are we?

MHP is a quasi-public state agency started in 1985

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



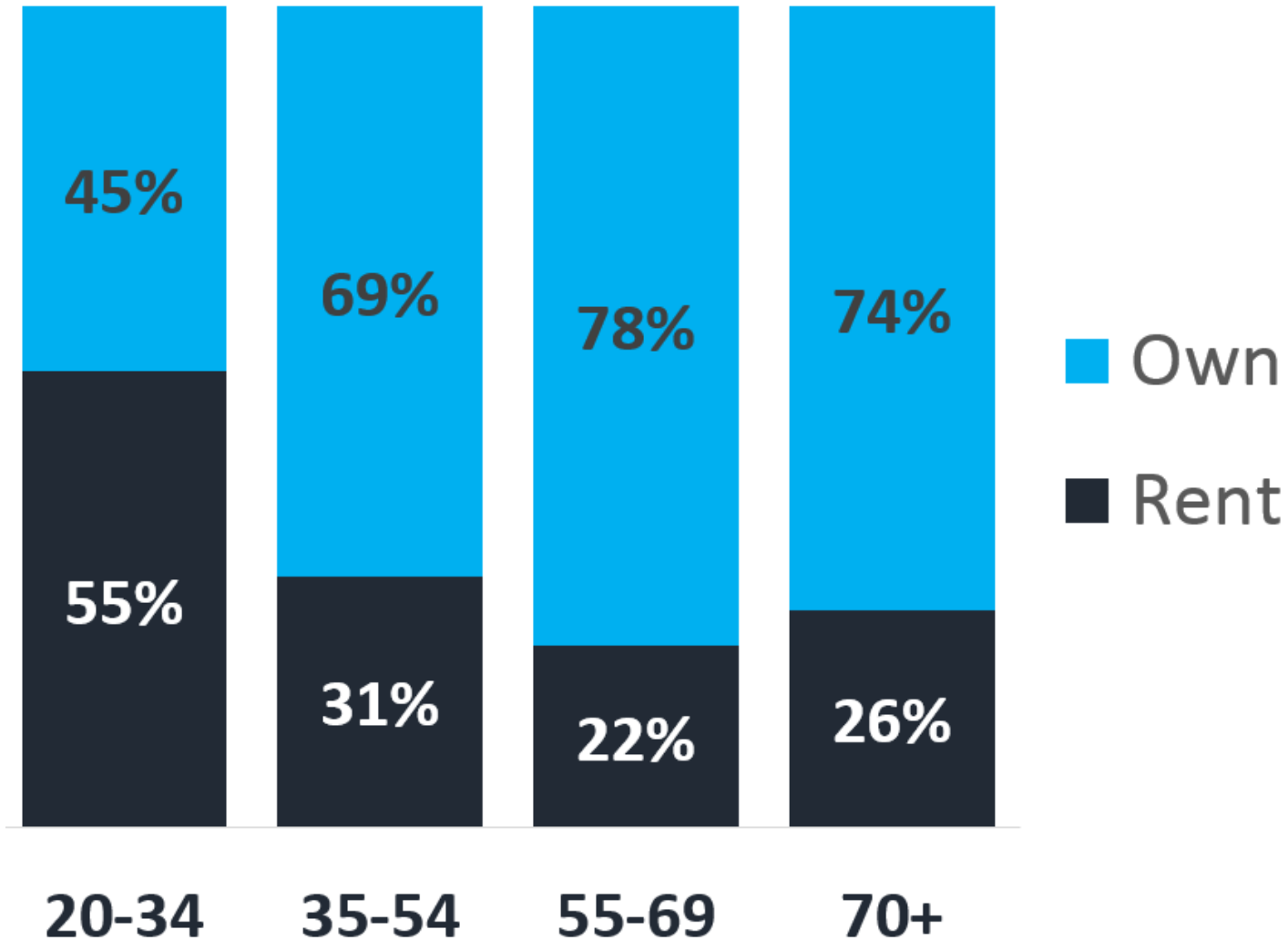
# What do we do?

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





# Young households are more likely to be renters



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

**41% of households under 34 pay more than 30% of income on housing**



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

# Young households are more concentrated in urban areas

50% of millennials are concentrated in just 23 communities across the state



# We are more likely to live with our parents

The share of young adults living with their parents is at the highest its been since 1940, at the end of the Great Depression.

- *Pew Research Center, May 2016*



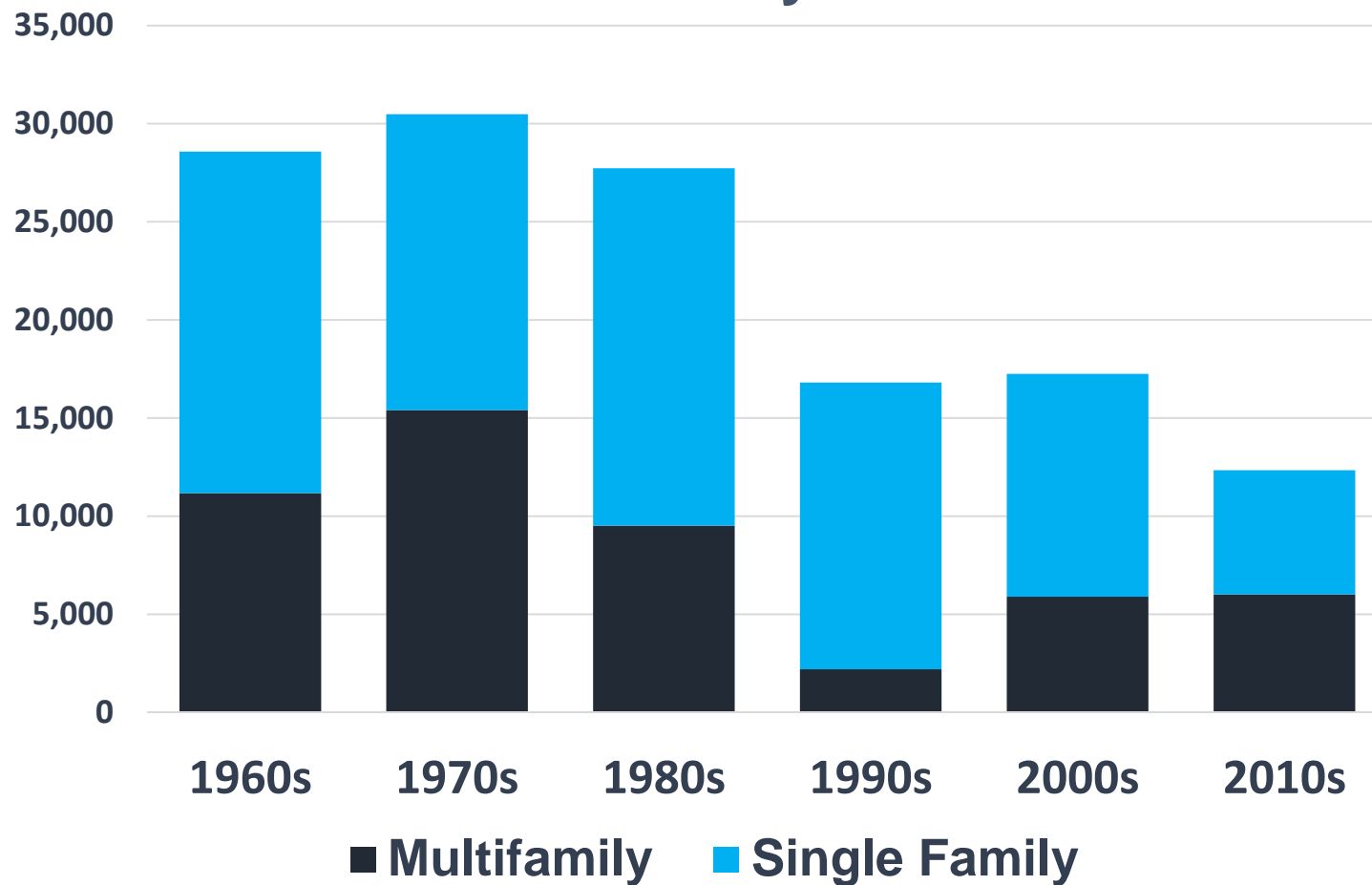




**Look at all the cranes!**

# Actually...

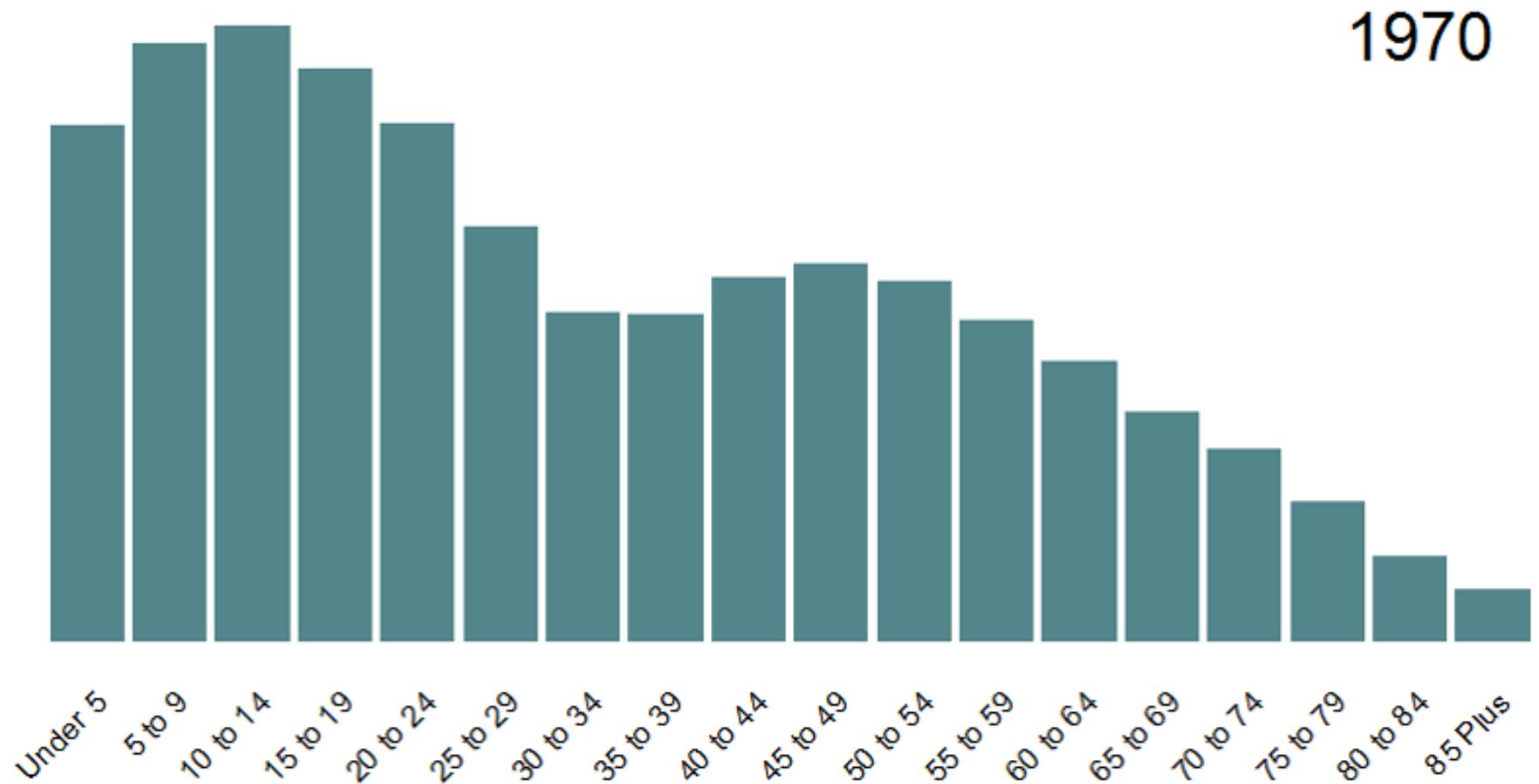
## Annual Housing Production in Massachusetts by Decade



Data source: U.S. Census Bureau, Building Permit Survey

# Silver Tsunami

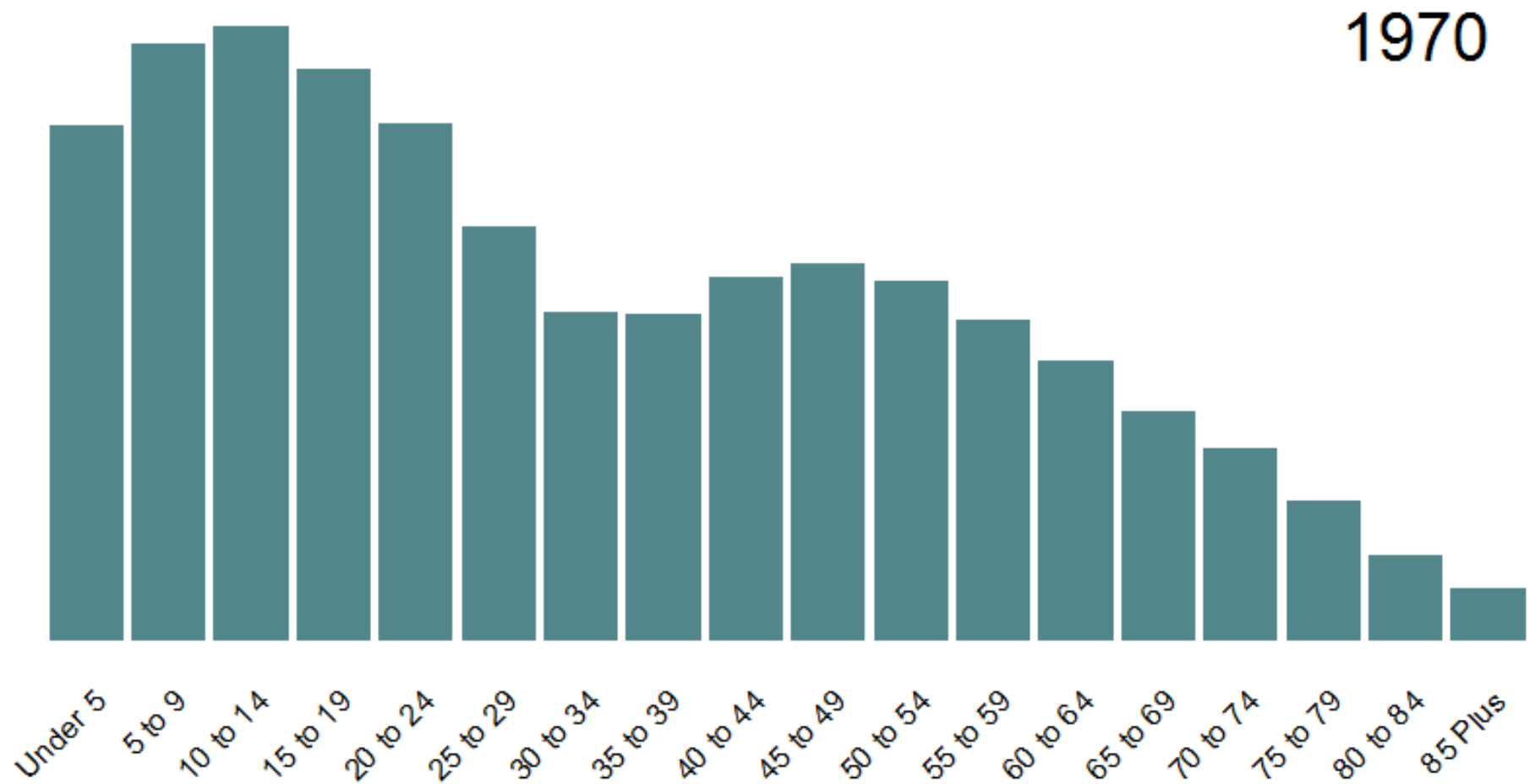
Massachusetts population by age cohort by year: 1970 to 2016



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

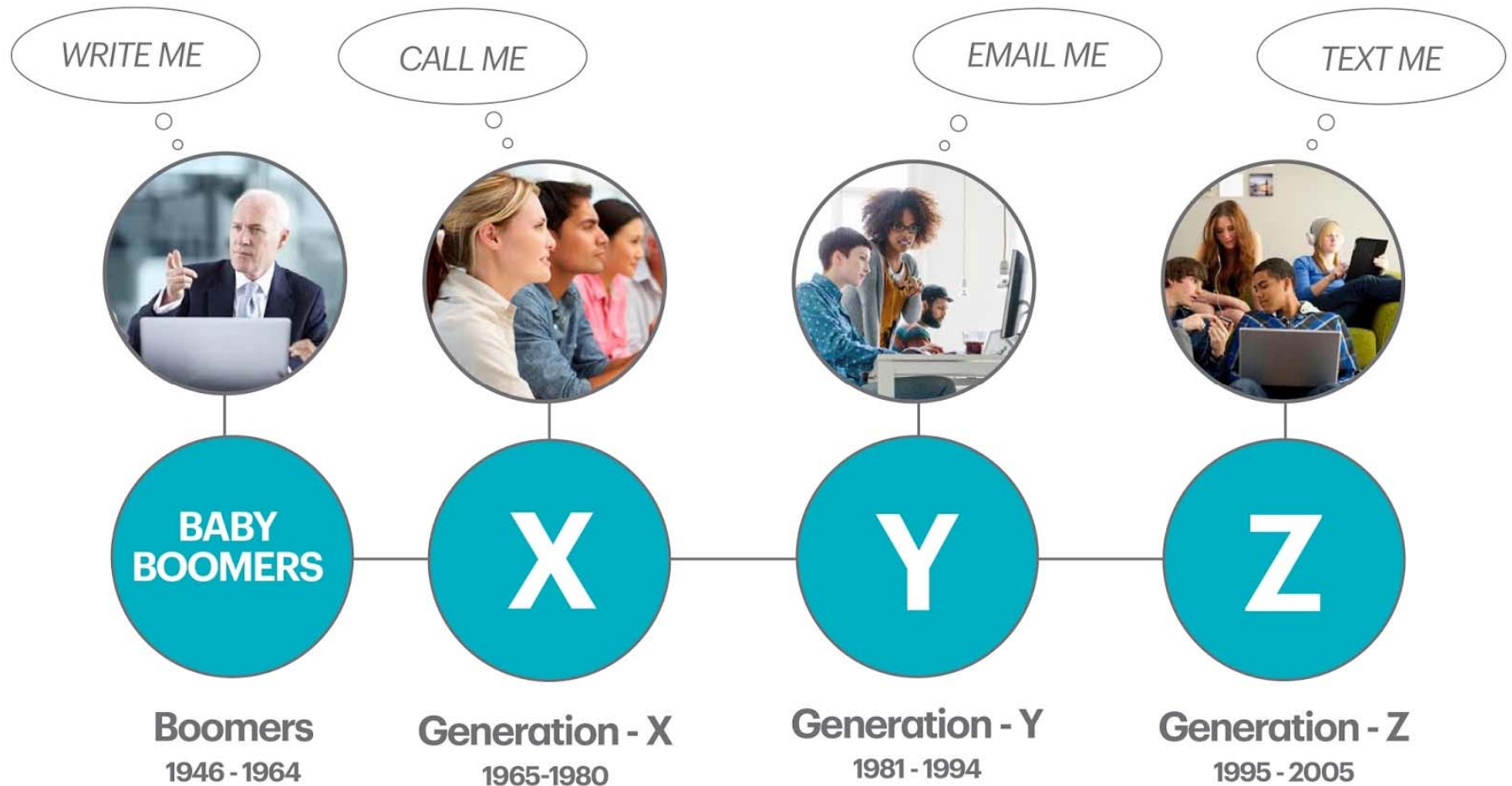
# Silver Tsunami

Massachusetts population by age cohort by year: 1970 to 2016



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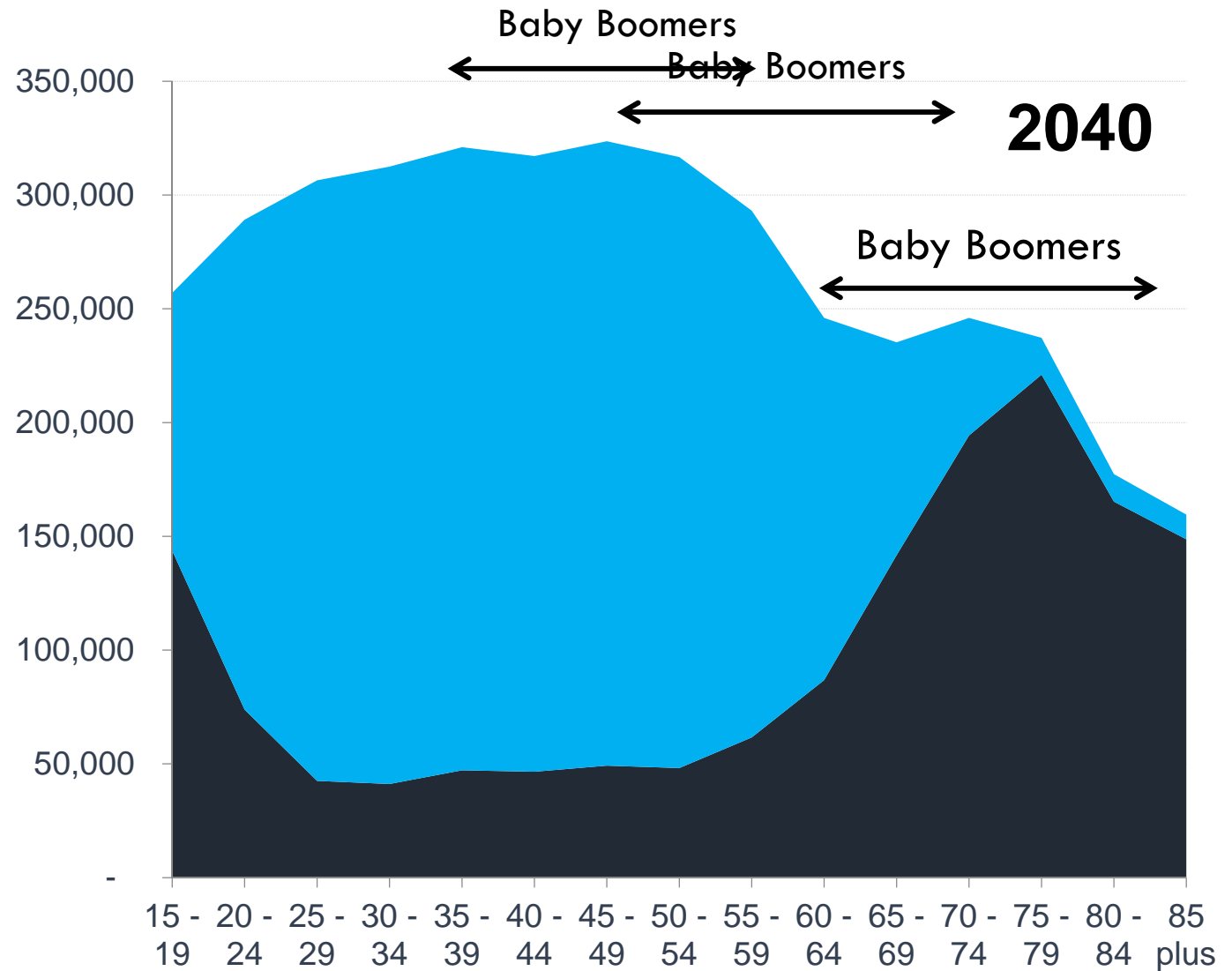
# Generations in the workforce



# Demographic change is coming to the labor force

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

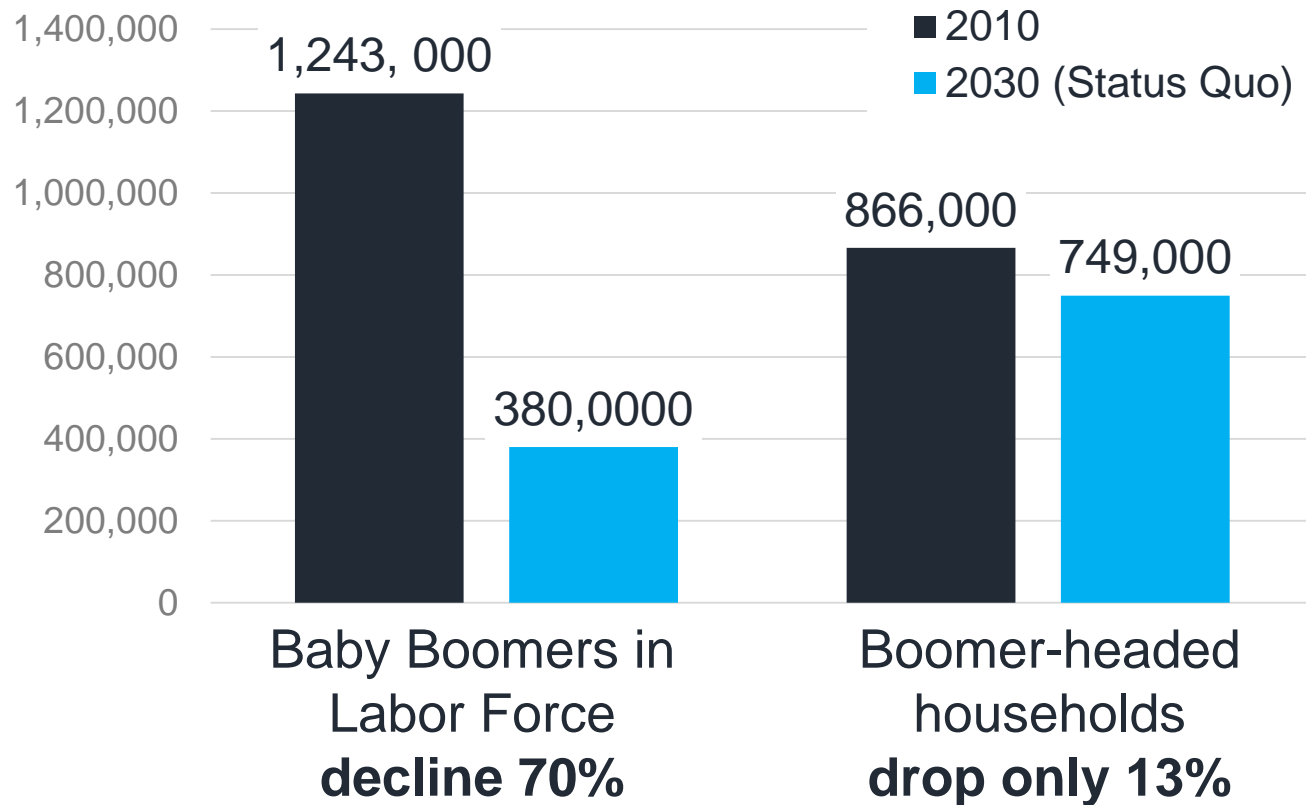
■ In Labor Force  
■ Not In Labor Force



Data Source: U.S. Census Bureau Population Estimates & American Community Survey, 2011-2015 5-year estimates, MAPC population and labor force predictions for Greater Boston

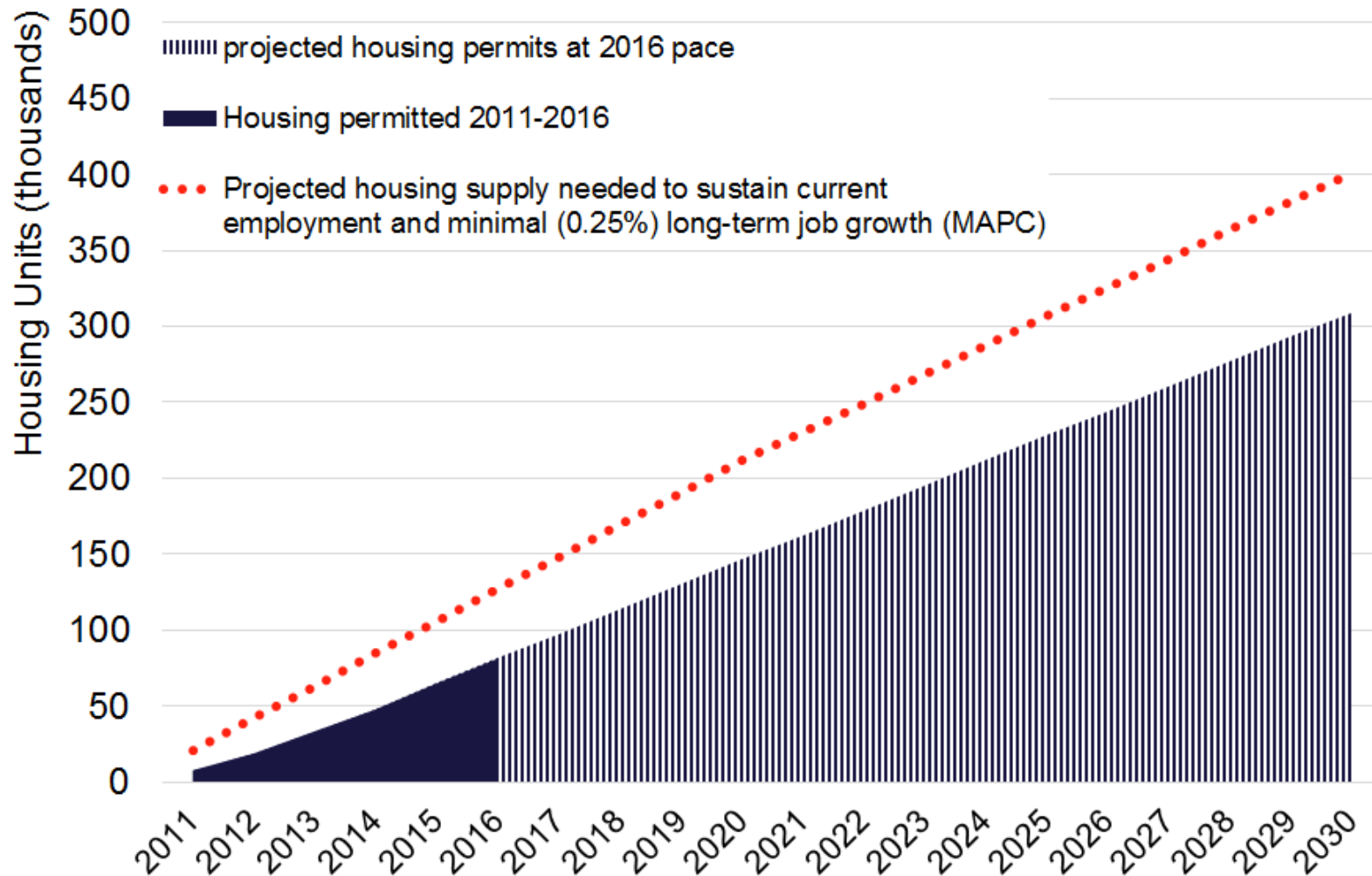
# Out of the workforce, but not out of the housing market

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



# We are not on track to meet regional demand projections

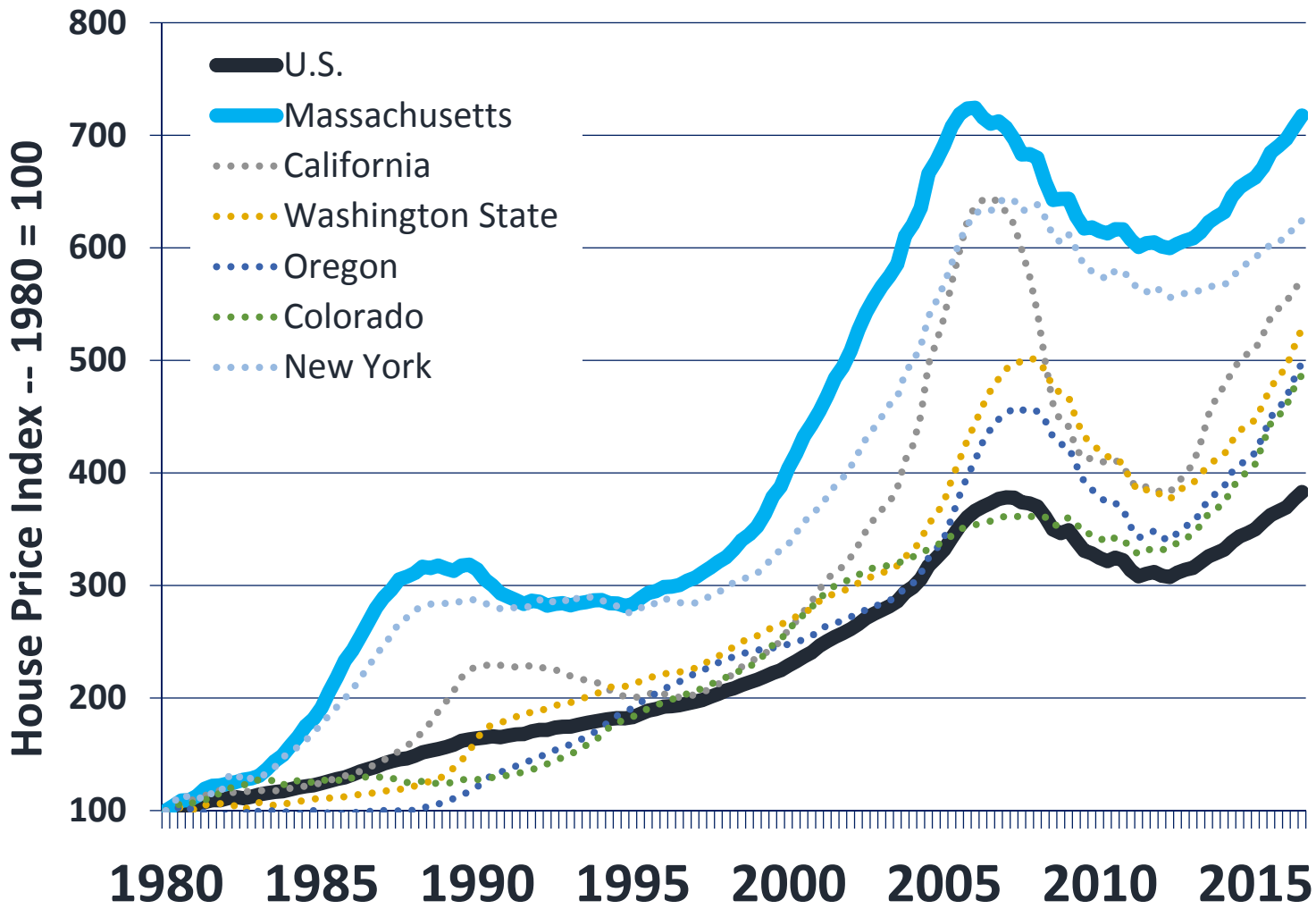
## MA Housing Production Compared to Projected Demand 2011-2016



Data Sources: Metropolitan Area Planning Council & U.S. Census Bureau Housing Permits Survey



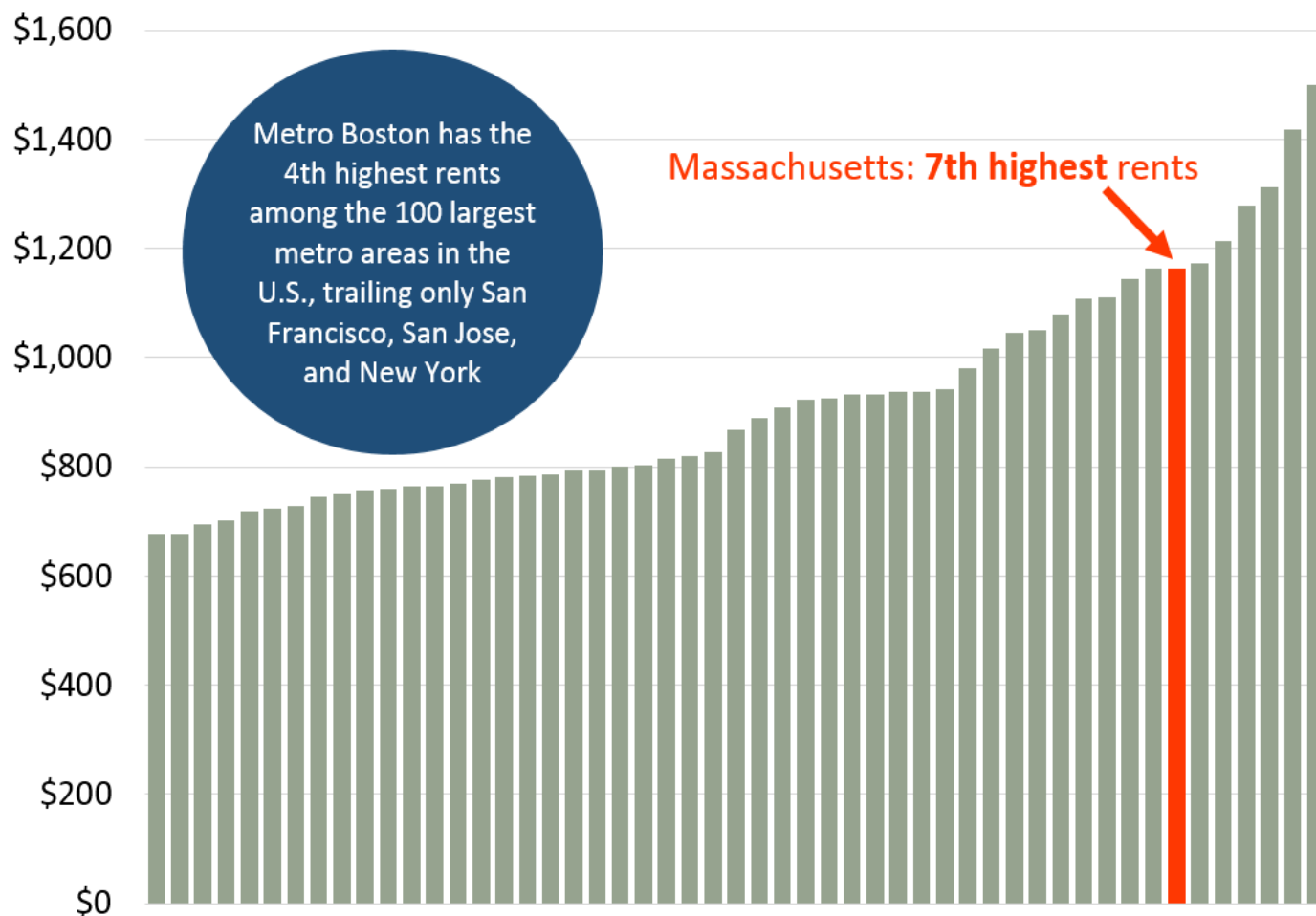
# Home prices have surged



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

# Rents are high

Median Rent by State



State data from U.S. Census Bureau, 2015 ACS;  
Metro data from apartmentlist.com, National Rent Report, May 2017

# This isn't news to you

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 20, 2017, 6:00 AM

### Too many homebuyers and not enough homes

Menu

The Boston Globe

Style

Get tickets



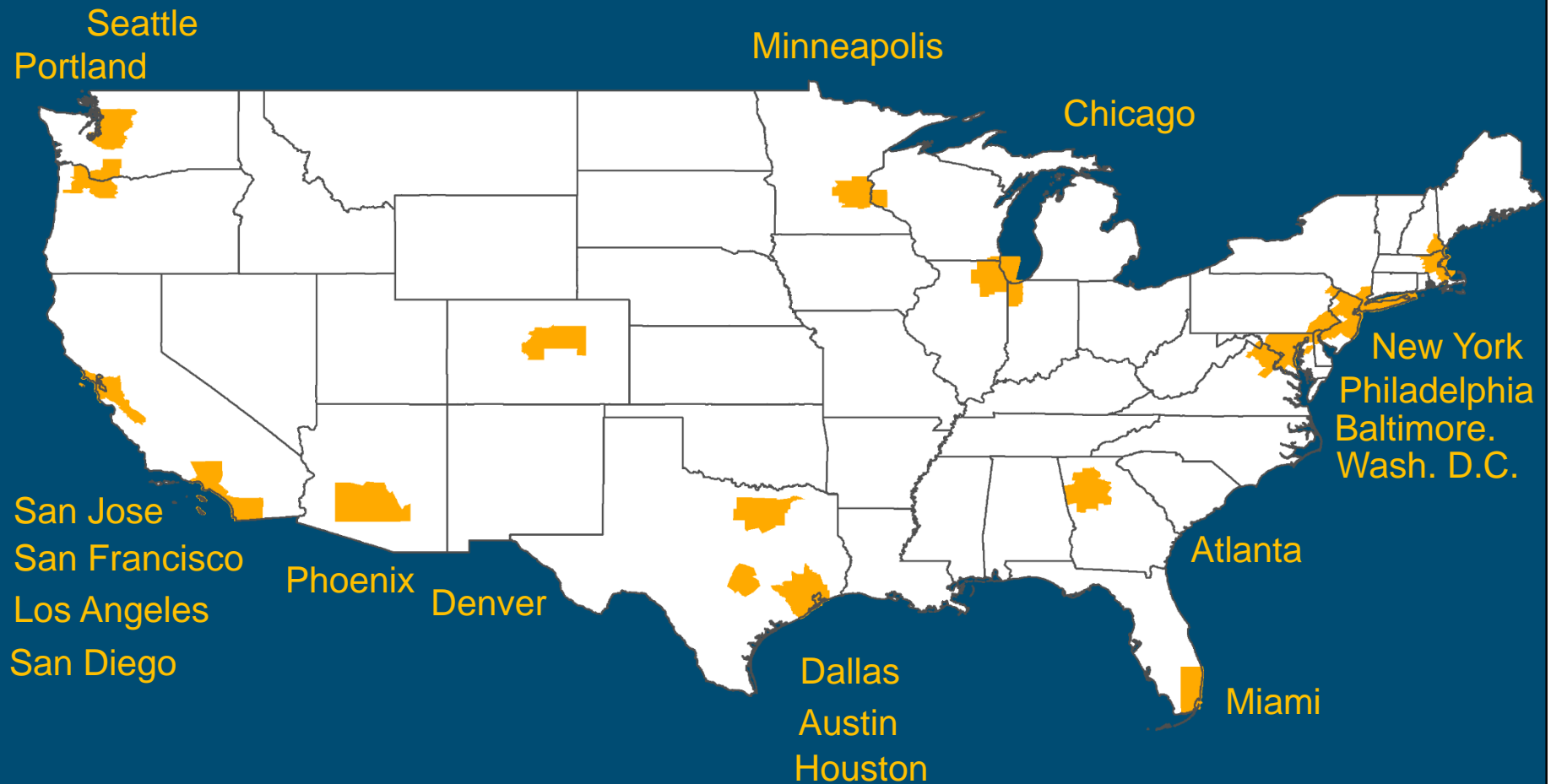
Next week - Globe Live

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

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

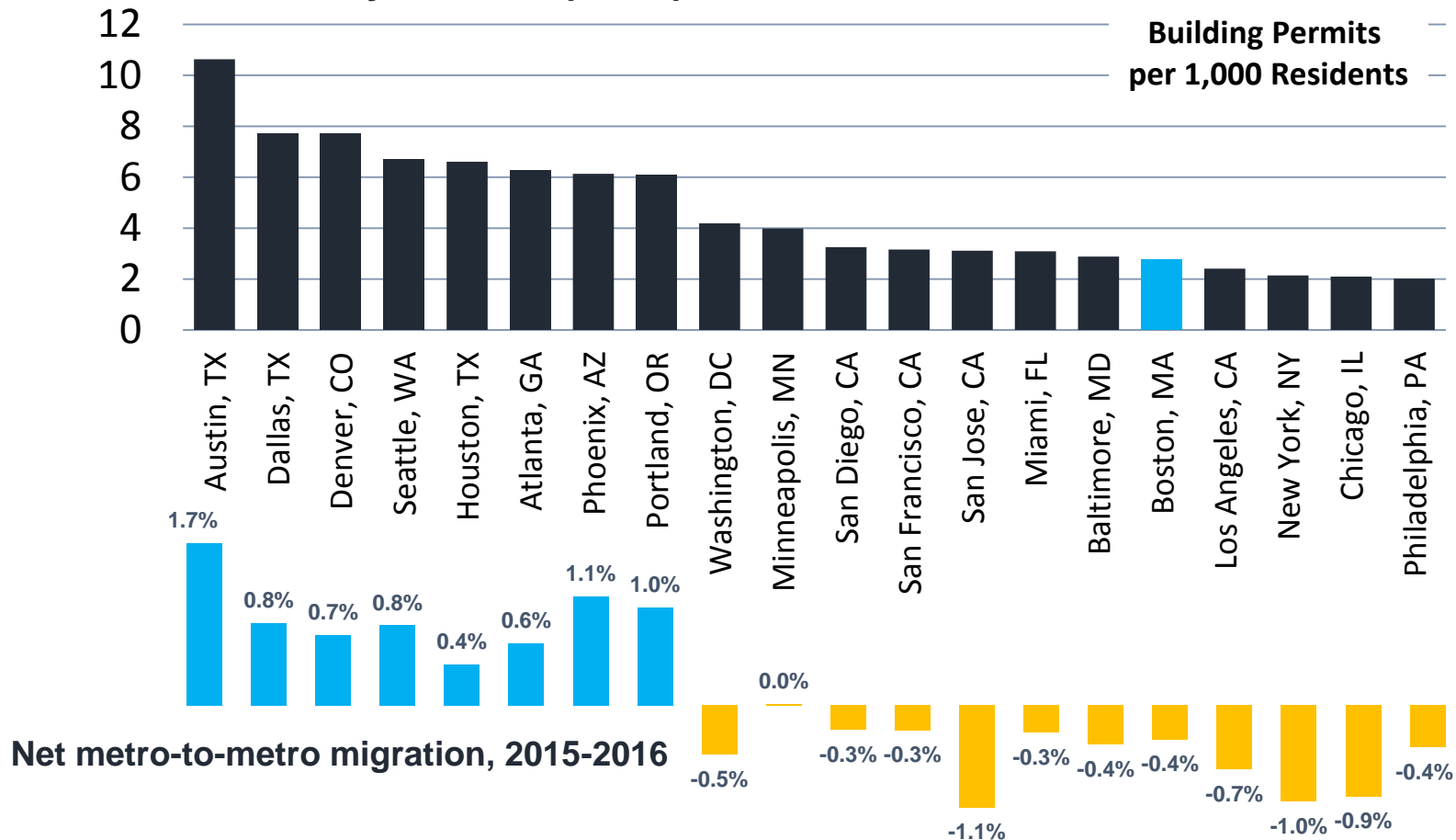
High demand, low inventory continues to raise prices

# We are special, but not unique



# Other metros are producing more housing... and getting results

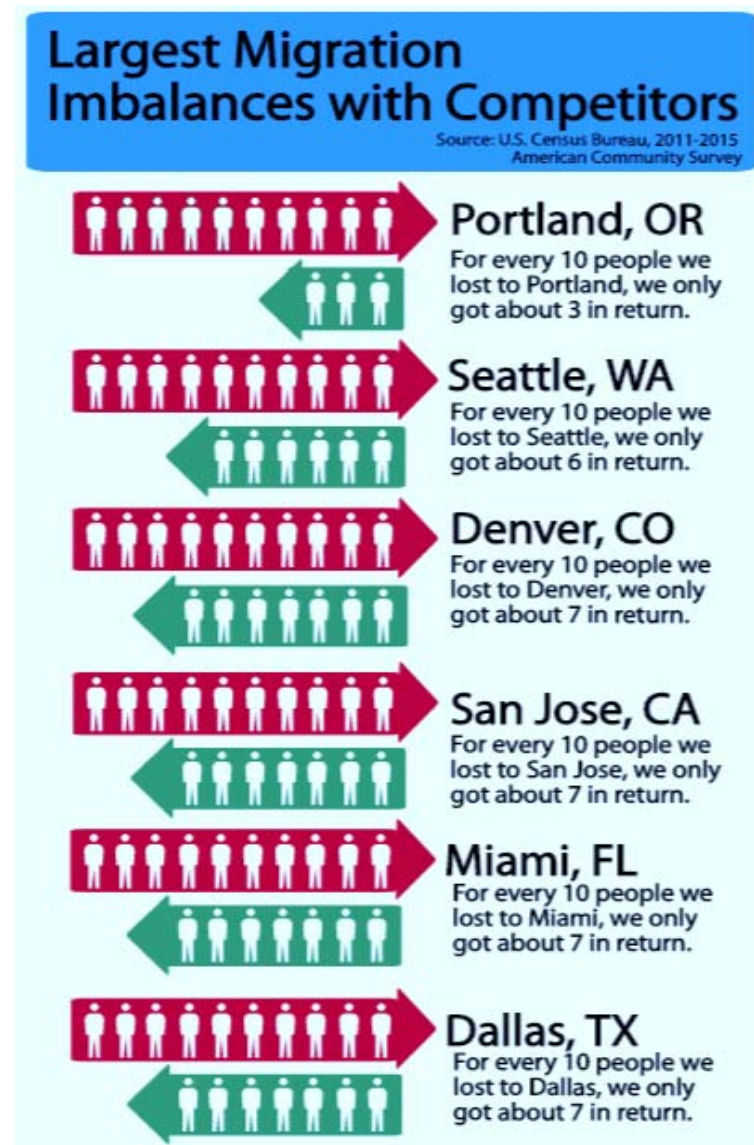
**Building Permit Rates of the 20 Largest Innovation Economy Metros (2016)**



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

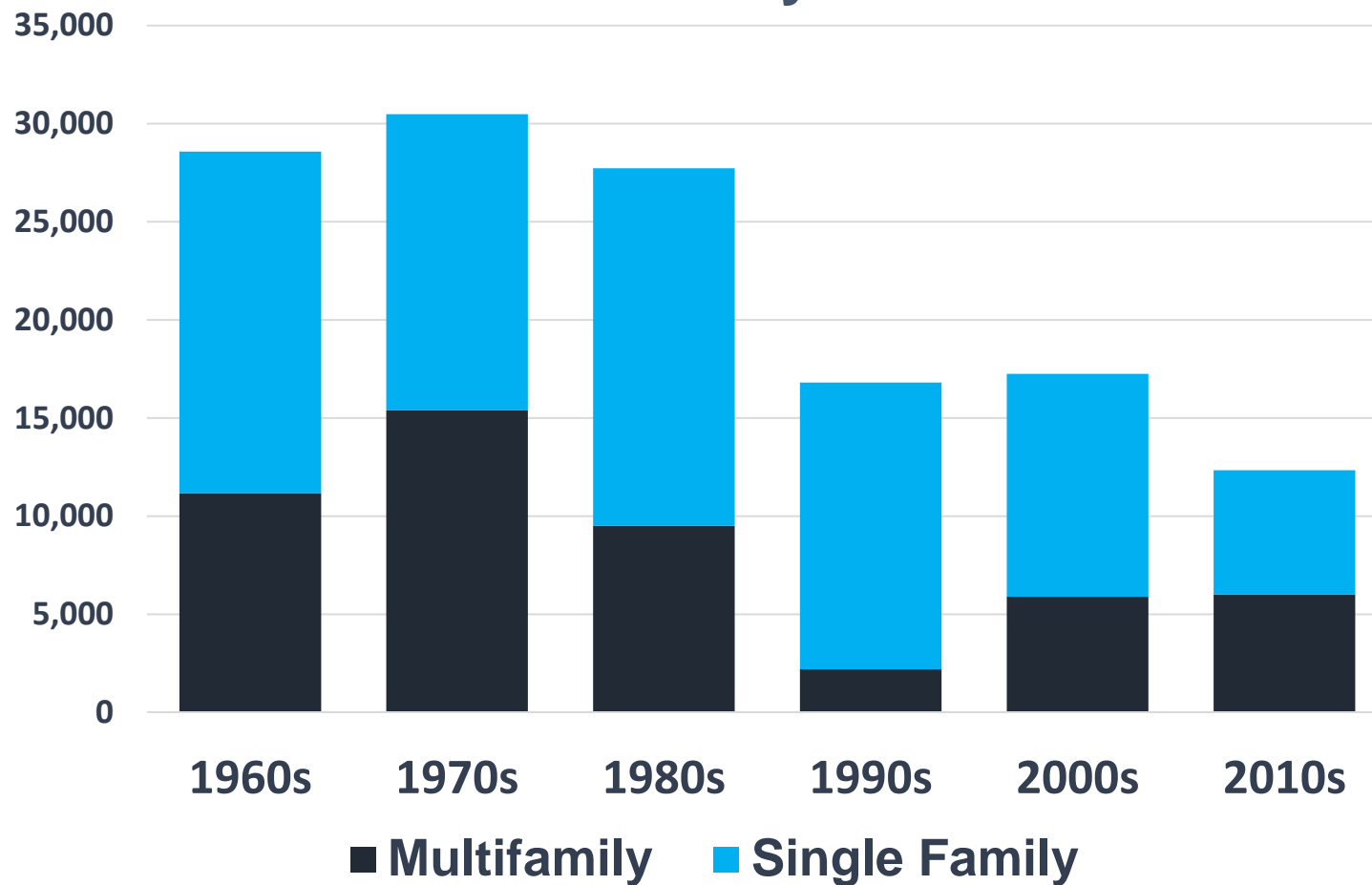
# When it comes to migration, we're losers

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.



# Higher levels of production in prior decades led to more choice

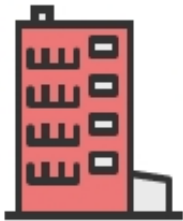
## Annual Housing Production in Massachusetts by Decade



Data source: U.S. Census Bureau, Building Permit Survey

# Is this still the “American Dream”?

Apartment  
or small  
rental



Starter  
home

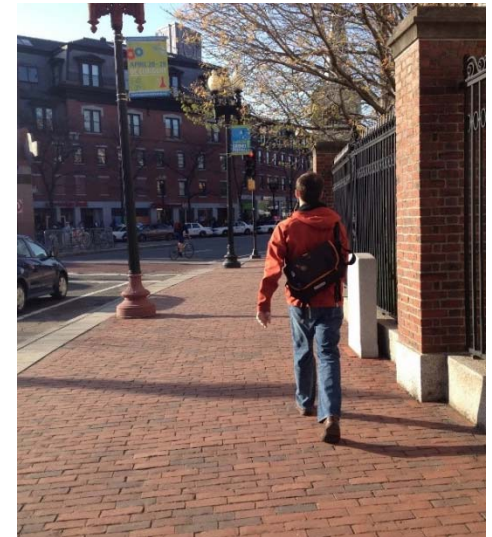


Larger  
home to fit  
growing  
needs





# Housing is part of our regional system



# Housing isn't determined regionally



351 cities and towns with zoning authority.

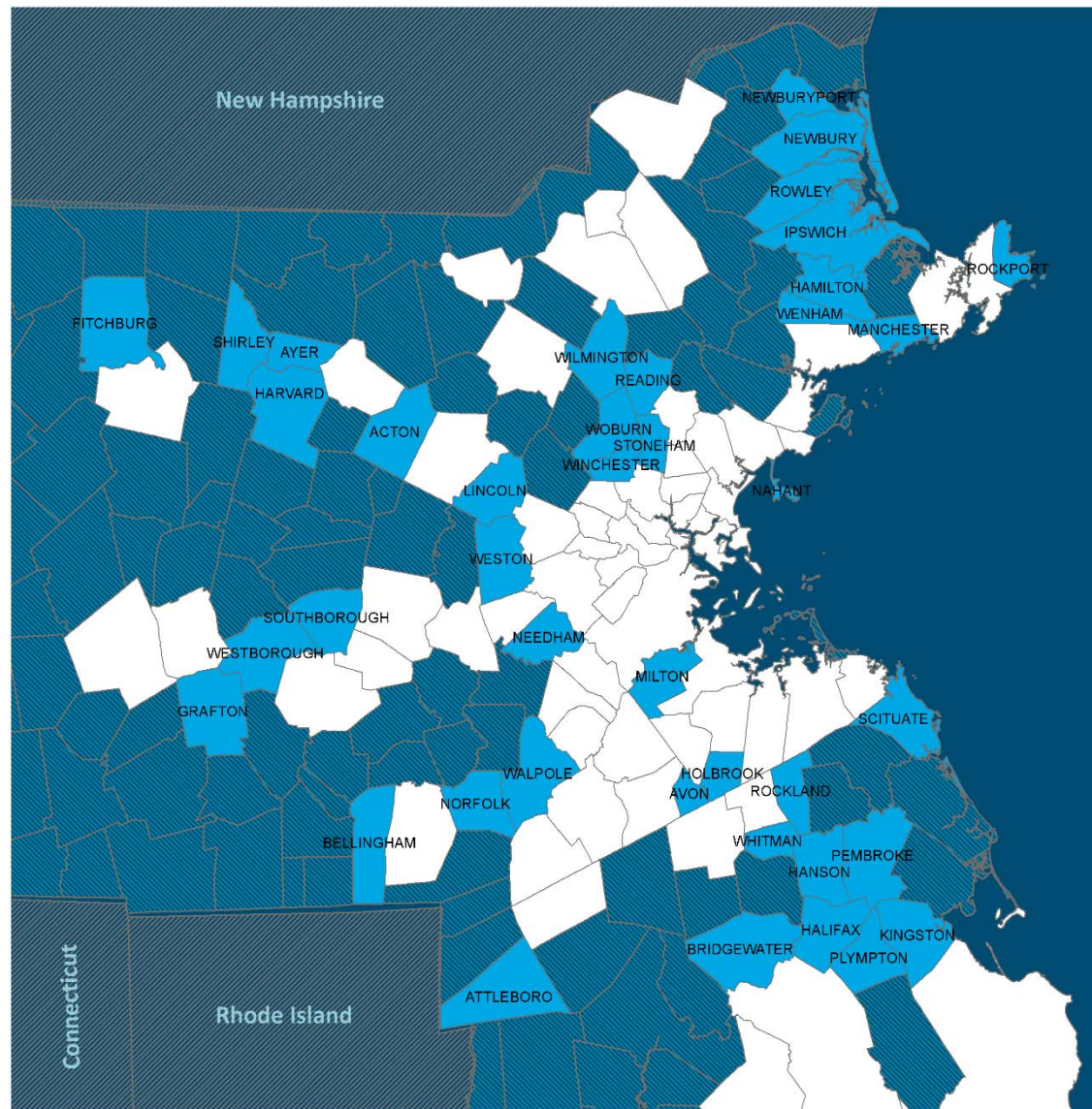
Each city and town has six approval entities. That means there are at least 1,700 approval authorities



# Regional transit investments have not been met with regional housing solutions

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

44 of 97 communities with good transit access permitted fewer than 100 multifamily units over the past decade



**Fixed rail access and multifamily units permitted 2007-2016**

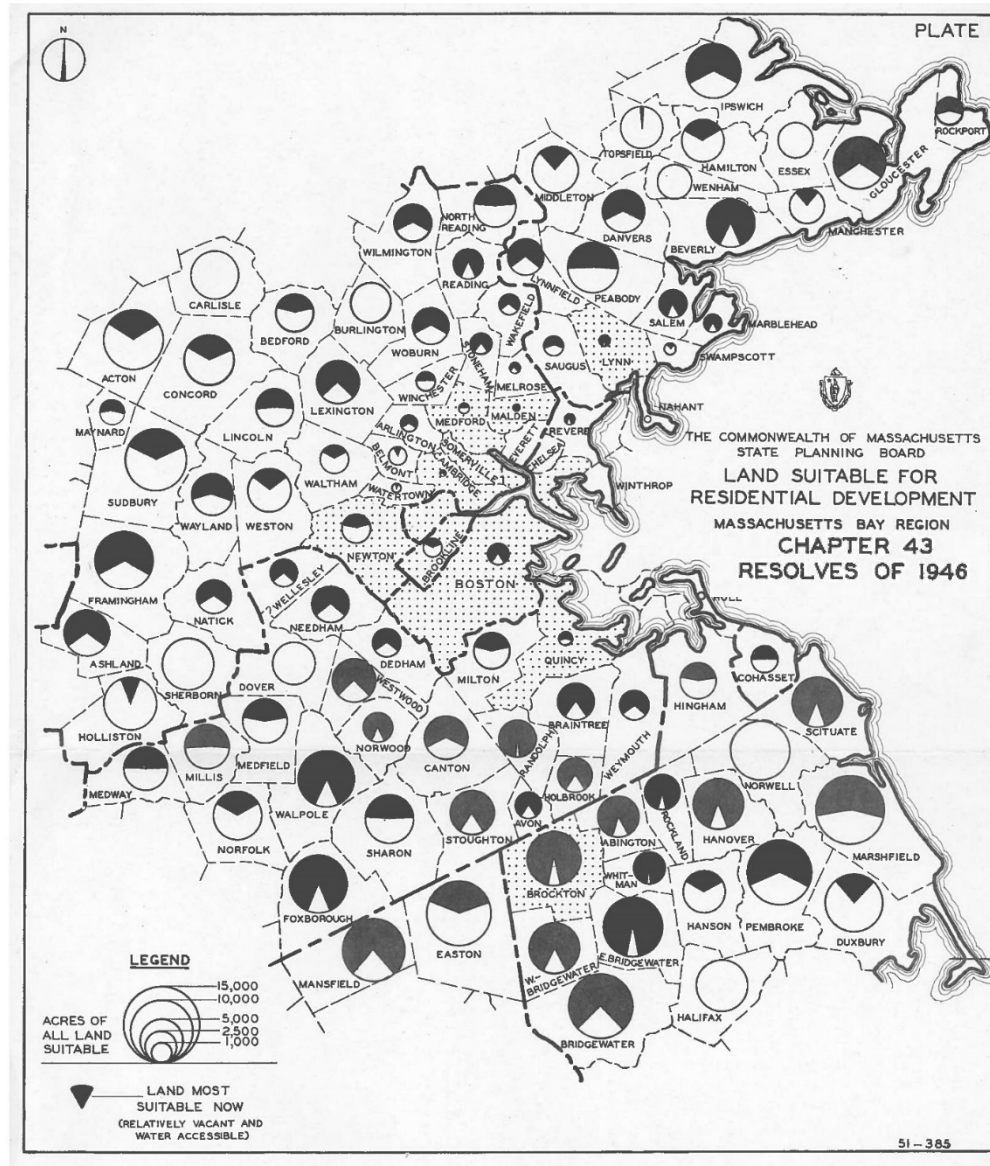
< 100 multifamily permits  
< 50% multifamily stock



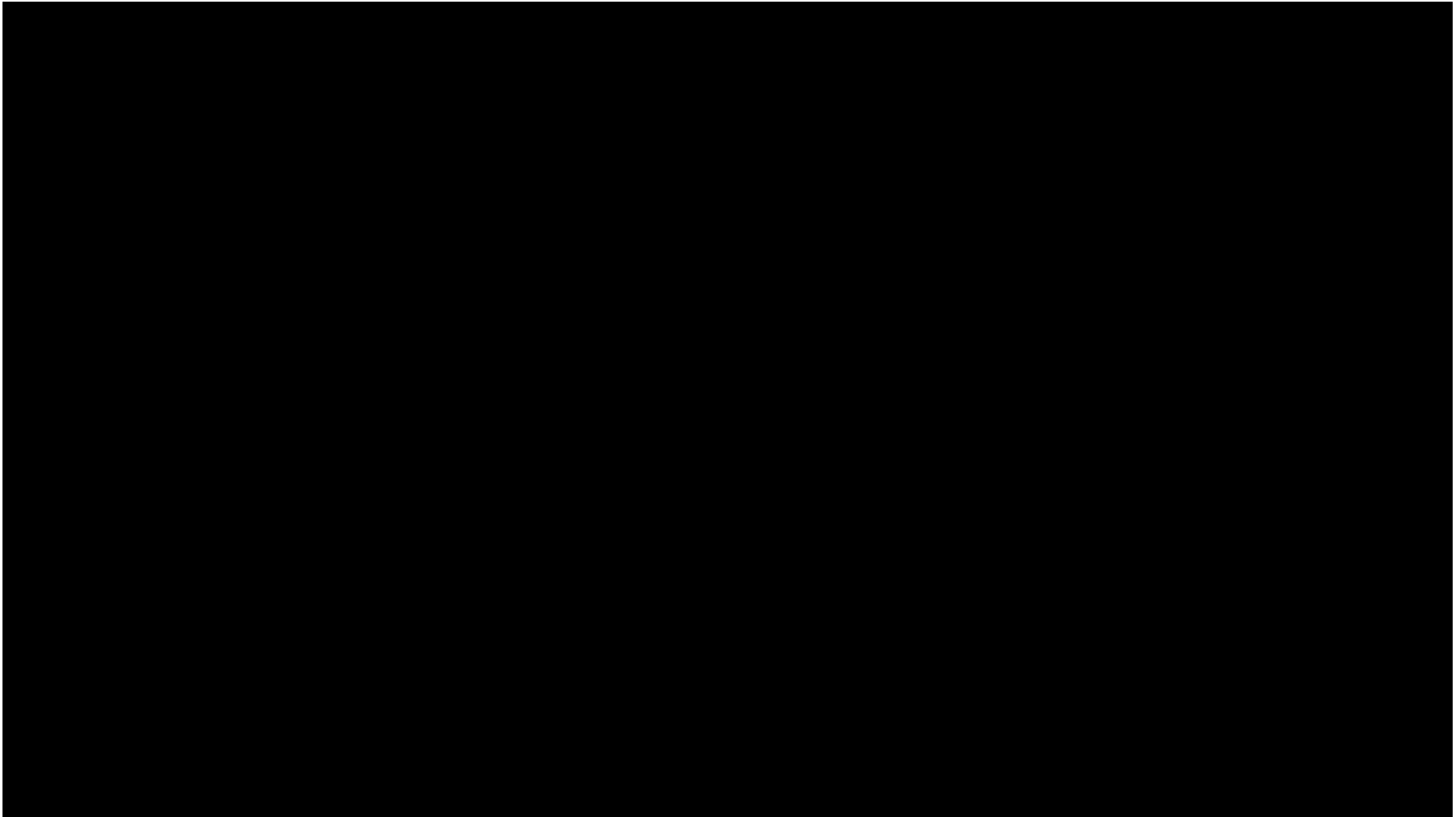
**MHP**  
CENTER for HOUSING DATA

Data Source:  
U.S. Census Bureau,  
Building Permit Survey, 2007-2016

# We used to do a little better



# Housing musical chairs



# Questions and Discussion

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HOUSING DATA**