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Report, tables, and executive summary posted at: <ftp.mapc.org/projections> (zipfile—password: embargo2040)

Data, visualizations, and report posted at: www.metrobostondatacommon.org/visualizations/2296/

For immediate release:

TO KEEP ECONOMY ON TRACK, METRO BOSTON WILL NEED UP TO 435,000 NEW HOUSING UNITS BY 2040

Changes in population will have dramatic effects on housing needs, workforce, and economy in Greater Boston in 2040

BOSTON — Two out of five workers in Greater Boston will be retired by the year 2030, so the region must attract younger workers from elsewhere if the economy is to keep growing. Housing those young workers, in addition to the growing senior population, will require the creation of 435,000 new housing units—mostly multifamily, and mostly in urban areas—by 2040, says a new report issued by the Metropolitan Area Planning Council (MAPC).

If current demographic and housing trends continue according to the report’s “Status Quo” scenario, the region’s population would grow 6.6% over the next three decades, and will be decidedly older. The population age 65 and older may increase 82%, but the working-age population will remain essentially unchanged. Without an influx of younger workers, the number of jobs in the region could grow by less than 1% from 2010 to 2040.

“More than a million of the region’s workers will be retired by the year 2030,” says Marc Draisen, Executive Director of MAPC. “To fill those jobs and grow the economy we need to reverse the trends that see so many young workers leaving Metro Boston.”

Indeed, attracting more young people to the region with the kinds of housing they prefer could result in a “Stronger Region” scenario with a total population increase of 12.6%. The population age 25 to 64 would increase 7%, adding 175,000 new workers to the labor force. The need for new housing will also increase, but not as rapidly: 435,000 new units needed, compared to 305,000 new units needed in the Status Quo scenario.

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Our mission is to promote smart growth and regional collaboration.*

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“This new report,” said Housing and Economic Development Secretary Greg Bialecki, “confirms the need for significant new multi-family housing if we want to attract young people and families and to grow our population,”

“Once again, MAPC is providing an incredibly valuable service to the region,” said Barry Bluestone, Professor of Political Economy, Director of the Kitty and Michael Dukakis Center for Urban and Regional Policy, and Dean in the School of Public Policy and Urban Affairs, all at Northeastern University. “Our towns and cities desperately need this information so as to be prepared for the dramatic changes in the types of housing aging Baby-Boomers and young ‘millennials’ will want and need.”

“Understanding the different levers that determine population growth—and migration in particular—is key for policymakers seeking to attract and retain young and skilled workers to the Metro Boston area,” said Alicia Sasser, Senior Economist at the New England Public Policy Center of the Federal Reserve Bank of Boston. “The MAPC has provided an invaluable service to the region[...].”

Among the report’s key findings:

- If current trends continue, a wave of Baby Boomer retirements and a weak inflow of younger workers will result in very little growth in the labor force and be a drag on the economy. If more young people are attracted and retained, however, the region’s labor force might grow by 7%.
- Even under a slow-growth Status Quo scenario, there will be demand for 305,000 new housing units from 2010 to 2040, an increase of 17%. The Stronger Region scenario would require production of 435,000 new units.
- Most of the new housing demand under either scenario will be among residents now younger than age 44. Residents now over 45 will need fewer housing units in 2020 than they do today due to outmigration and mortality.
- Multifamily housing, both for-sale and rental units, will make up at least 48% as much as 62% of demand.
- Even in suburban municipalities, demand for multifamily units will make up between 28% and 37% of total demand.
- More than half of housing demand will be in urban communities under either scenario—as much as 56% in the Stronger Region scenario.
- The number of school-age children in the region and in most municipalities peaked in 2000 and is likely to decline over the coming decades. The population aged 5 to 14 is projected to fall another 8% to 9% by 2020 and is not likely to fully rebound, even under the Stronger Region scenario.

Developed as part of MAPC’s forthcoming Regional Housing Plan for Metro Boston, these new projections will have broad utility for local housing plans and school enrollment projections, regional transportation planning efforts, and state programs focused on housing and workforce development. In 2012, the Executive Office of Housing and Economic Development adopted the Stronger Region scenario as the basis for the Commonwealth’s multifamily housing production goal of 10,000 multifamily units per year, and that office is now working to coordinate local and state policies to support the achievement of the goal.

For more information on the report, visit www.mapc.org or contact Assistant Director of Data Services Tim Reardon at 617-933-0718 or TReardon@MAPC.org.

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