



NSPC & NSTF Legislative Breakfast

March 22nd, 2024

9:00am – 11:00am

Nahant Life Saving Station, Nahant MA

NPSC | Burlington, Lynnfield, North Reading, Reading, Stoneham, Wakefield, Wilmington, Winchester, Woburn

NSTF | Beverly, Danvers, Essex, Gloucester, Ipswich, Hamilton, Manchester-by-the-Sea, Marblehead, Middleton, Nahant, Peabody, Rockport, Salem, Swampscott, Topsfield, Wenham

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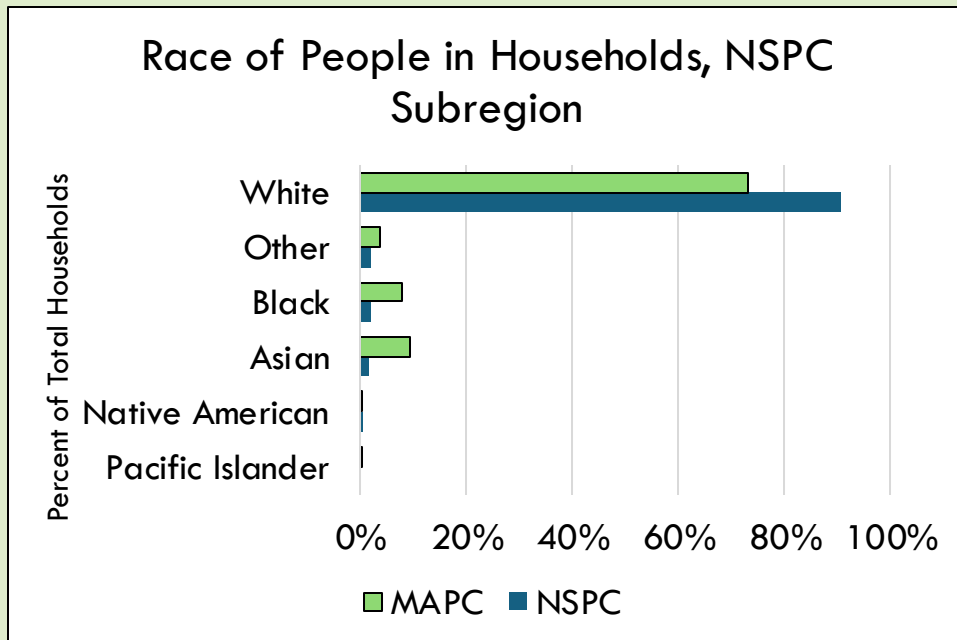
Website : www.mapc.org



CURRENT CONDITIONS - NSPC

MAPC has compiled subregional snapshots to understand local housing conditions and highlight how the Affordable Homes Act and other state-level investments and policies can support cities and towns.

Housing choice impacts diversity: Zoning regulations have resulted in fewer housing choices for NSPC residents, and as a result, there are **fewer households headed by people of color** in NSPC communities compared to MAPC overall.



Source: U.S. Census ACS 2018-2022 5-year Estimates.

Few young householders: Only **13% of householders in NSPC are under 35 years old**, 7 percentage points lower, than MAPC overall. Additionally, 26% of households have children in NSPC, almost in line with the MAPC regional average. With few younger families starting households in the subregion, there may be even fewer households with children in the future and it may be difficult to attract new families to move into the NSPC subregion.

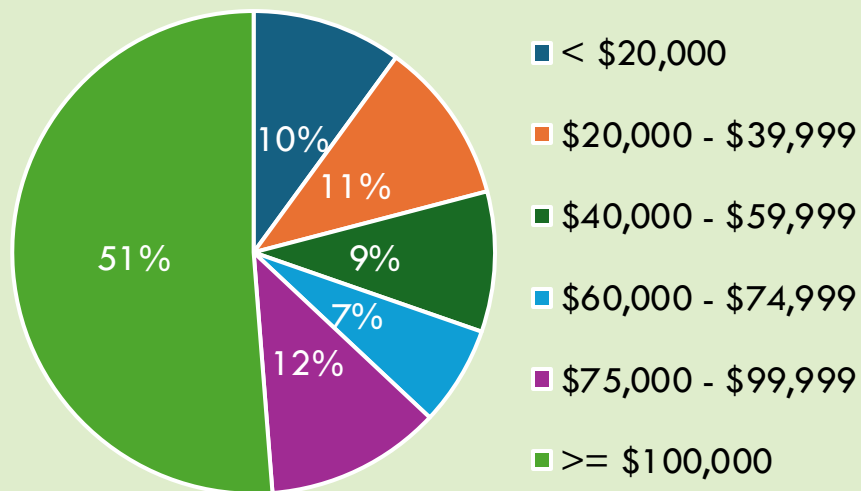
Clean energy transition pending: Over 28% of household in NSPC heat their homes using oil which is 9 percentage points higher than the MAPC average. 17% of households heat their homes using electricity – nearly in line with the MAPC regional average. Replacing fossil fuels with renewable energy sources limits the amount of indoor air pollution to which residents are exposed and moves our region closer to reaching our state's sustainability goals.

CURRENT CONDITIONS - NSPC

Fewer Rental Options: Only **26%** of households are estimated to be renter occupied compared to **42%** across MAPC.

Fewer rental options mean young people, aging residents, or others with lower or fixed incomes may not be able to live in NSPC. Because access to homeownership has historically been less accessible to non-white households, renters also tend to be more diverse.

Unaffordable Housing: 36% of households in NSPC earn less than \$75,000 and are likely eligible for affordable housing.



89% of households earning less than \$35,000 per year and **62%** earning between **\$35,000 and \$75,000** per year are cost-burdened.

Subsidized Housing Inventory: Less than half of NSPC communities have more than 10% of their total units on the SHI. While NSPC has just over 8,000 homes listed on the SHI, when market rates units are removed there are only 3,400 affordable homes (4% of all units) in NSPC. (Source: Housing Navigator)

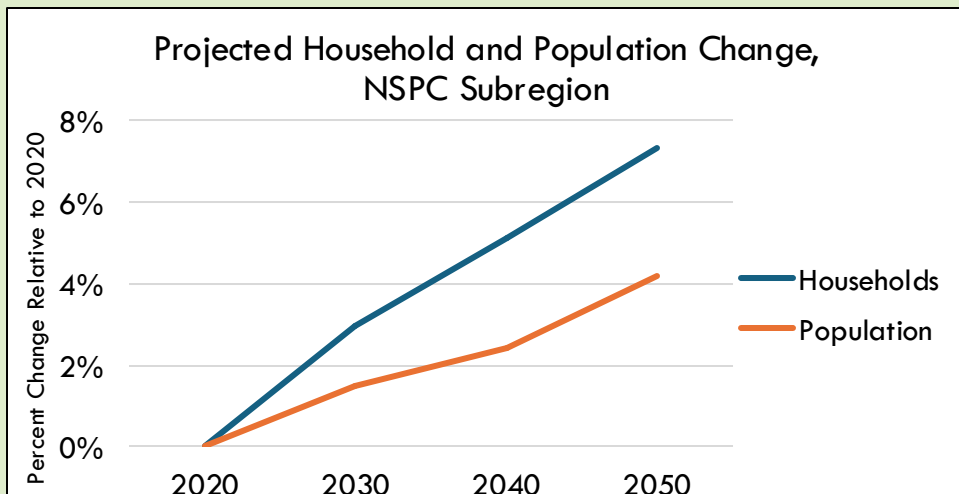
Subsidized Housing Inventory (SHI) Units				
Municipality	Housing Units	SHI Units	SHI Units (%)	Units to 10% Threshold
Burlington	10,376	1,320	12.72%	0
Lynnfield	4,734	562	11.87%	0
North Reading	5,829	546	9.37%	37
Reading	9,901	966	9.76%	24
Stoneham	10,130	497	4.91%	516
Wakefield	11,261	995	8.84%	131
Wilmington	8,294	1,022	12.32%	0
Winchester	8,073	248	3.07%	559
Woburn	17,480	1,874	10.72%	0
NSPC	86,078	8,030	9.33%	578
MAPC	1,412,118	158,875	11.25%	0

MA Executive Office of Housing and Livable Communities (EOHLC)

PROJECTIONS - NSPC

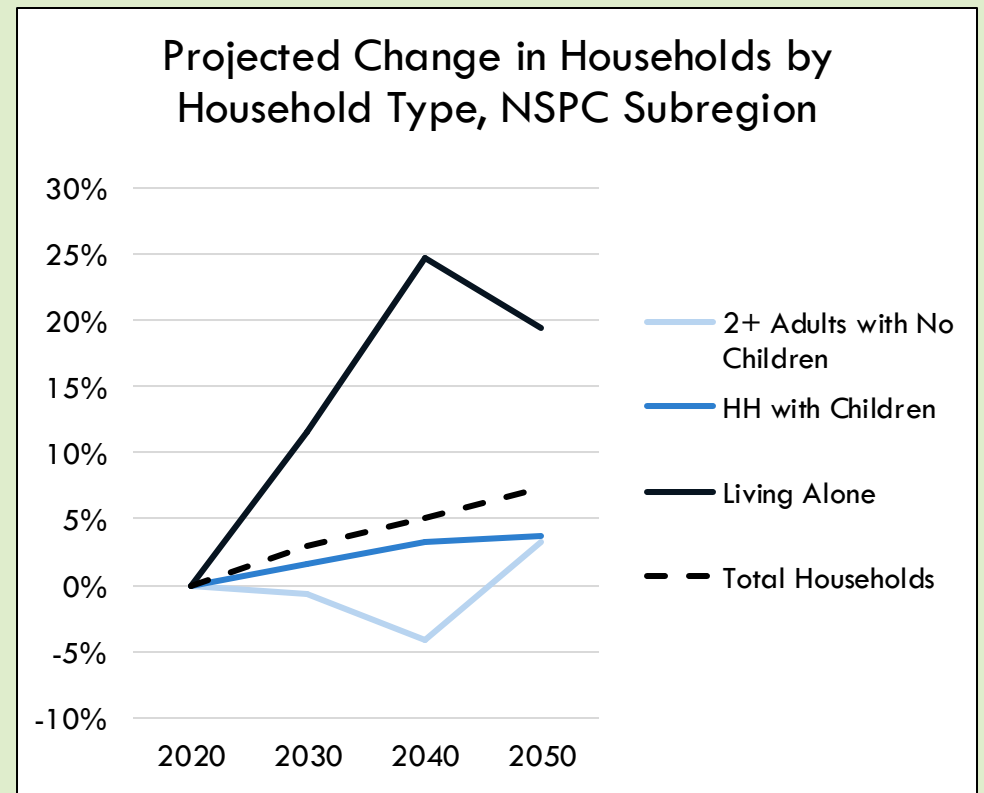
Household size shrinks as more people are projected to live alone : The total population in NSPC is projected to grow about 4% while households are projected to increase by over 7% between 2020 and 2050. Population and households in MAPC are projected to grow by 9% and 13%, respectively.

The number of single-person households is projected to increase by up to 25% by 2040 (relative to 2020). Households with children and two or more adults without kids (roommates or empty nesters, for example) are only projected to increase by less than 5 percent by 2050.



Source: MAPC Socioeconomic Projections 2010-2050.

On average, household sizes are projected to be smaller. Smaller households living in homes that do not match their needs can drive up housing costs for larger households eager to move to the subregion. For example, when empty nesters cannot downsize to a smaller home in their community, there are fewer homes available that meet the needs of larger families.

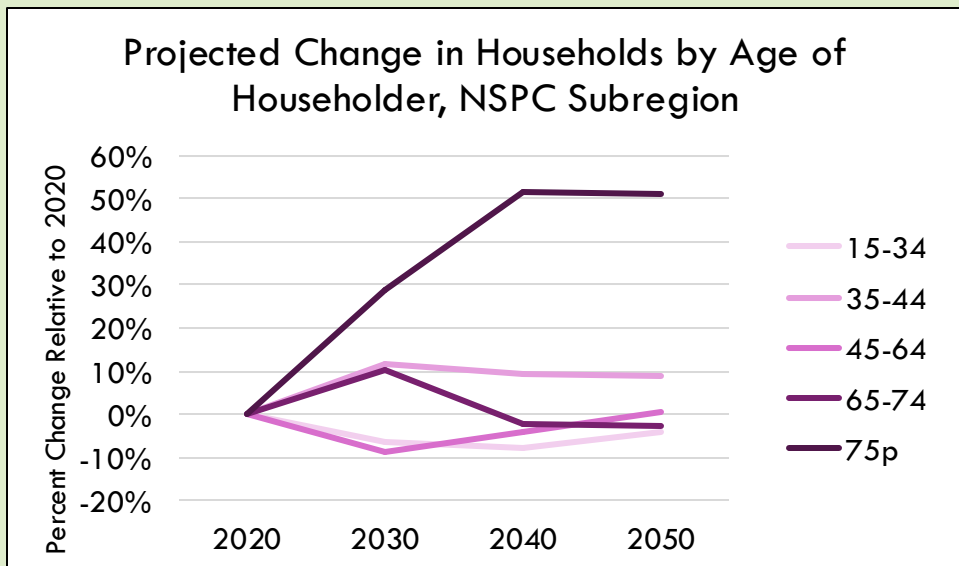


Source: MAPC Socioeconomic Projections 2010-2050.

PROJECTIONS - NSPC

Householders aging across the subregion: Households in NSPC are projected to become much older over the projection period –**households over the age of 75 are estimated to grow by more than 50%** by 2050. Households between the ages of 35 and 64 years old, on the other hand, are projected to see little growth.

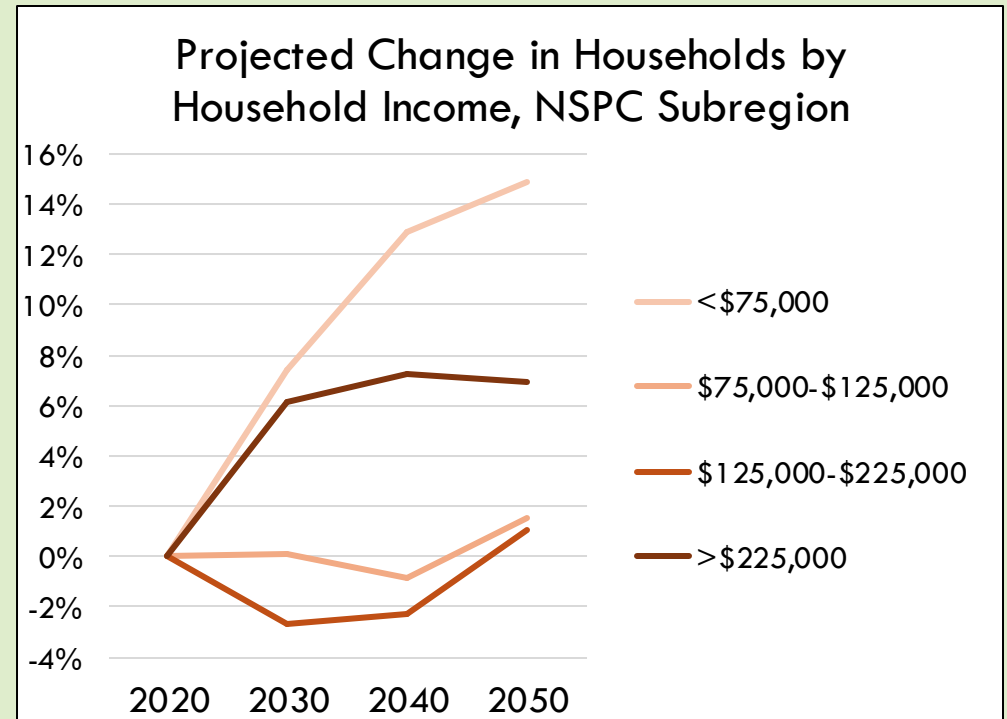
Aging households will need to retrofit their homes with appropriate accommodations or move to smaller houses more conducive to aging in place in their communities.



Source: MAPC Socioeconomic Projections 2010-2050.

Growth in households most likely to be cost burdened: Households earning less than \$75,000 per year are projected to grow by 15% in the NSPC subregion over the projection period. Households earning greater than \$225,000 per year, meanwhile, are projected to increase by nearly 7%.

As more households earning less than \$75,000 form and housing costs increase, a greater number of households in the subregion will become cost burdened.



Source: MAPC Socioeconomic Projections 2010-2050.

ANALYSIS - NSPC

Transfer fee a tool to achieve affordability

goals: If all NSPC communities levied had a 2% local option transfer fee on all transactions in 2022, the subregion could raise nearly **\$22.2 million** for affordable housing.

Of the roughly 2,900 transactions in the region that year, **just 571** of them would have required sellers to pay a transfer fee.

Transfer fee revenue can help communities reach and exceed their minimum 10% SHI threshold. Building more modern, affordable housing will:

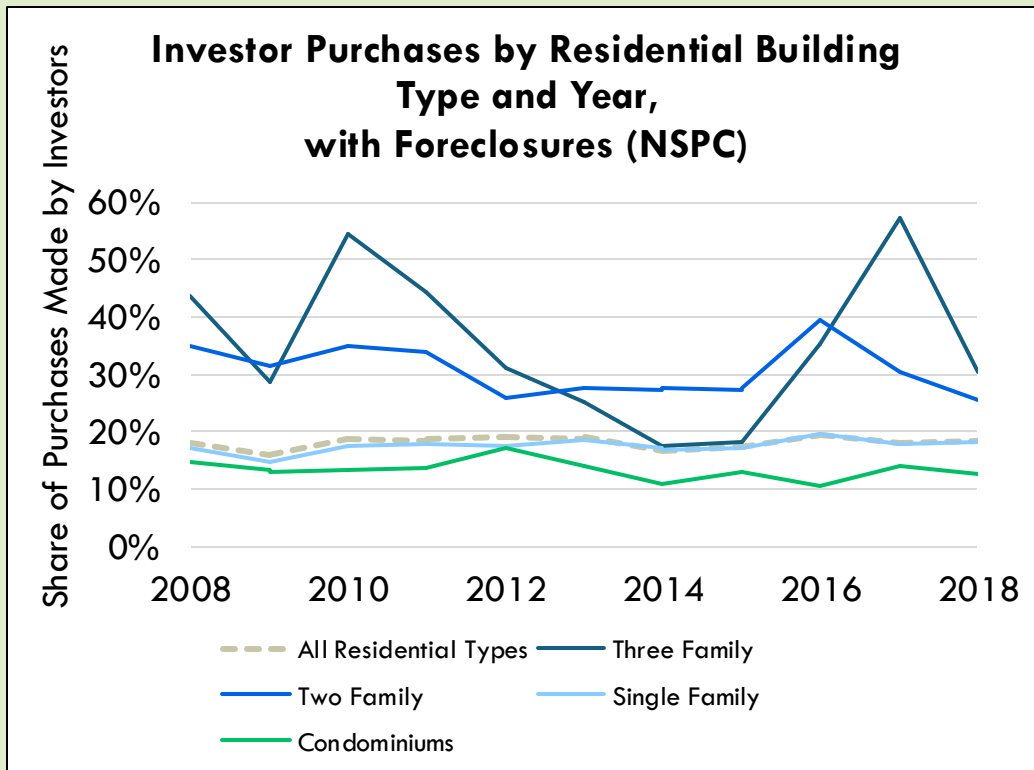
- Reduce the number of cost-burdened households
- Reduce the number of housing units reliant on fossil fuels for home heating
- Provide more flexible rental housing options

Estimated Transfer Fee Revenue

Year	Subregion	Total Sales	Total Eligible Sales	0.5% Fee	1% Fee	2% Fee
2018	NSPC	3218	292	\$2,602,733.98	\$5,205,467.95	\$10,410,935.90
2019	NSPC	3266	312	\$5,649,390.79	\$11,298,781.58	\$22,597,563.16
2020	NSPC	3018	371	\$3,761,552.47	\$7,523,104.94	\$15,046,209.88
2021	NSPC	3443	539	\$7,701,180.90	\$15,402,361.81	\$30,804,723.62
2022	NSPC	2923	571	\$5,549,586.99	\$11,099,173.98	\$22,198,347.96

ANALYSIS - NSPC

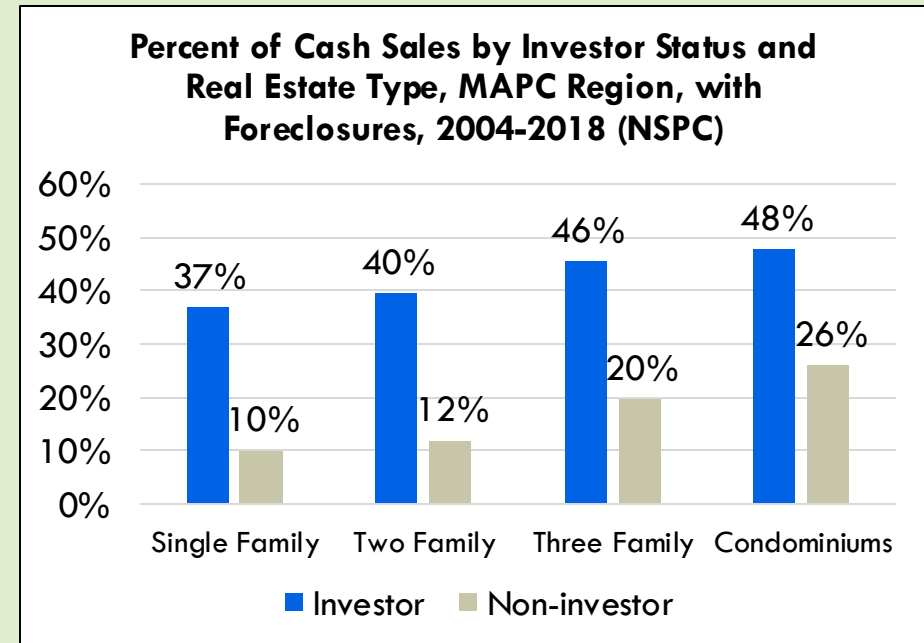
Since 2008, investors bought, on average, **1 in 5 properties in NSPC**. On average over the last decade investors bought 20% of single-family homes and about 30% of two-family homes. Investor purchasing of three-family homes has been volatile – exceeding 50% of homes in 2010 and 2017 and dropping to as low as 20% of homes in 2014 and 2015. These trends indicate challenges for prospective homebuyers.



Source: Warren Group 2000-2022. MAPC Analytical team analysis.

Cash purchases predominant for investors: Buyers who can purchase property in cash have an advantage over those who finance their home as sellers often prefer the faster closing time and limited paperwork that comes with cash sales.

In NSPC communities, **investors were three times more likely to purchase a single-family home with cash** than non-investors.

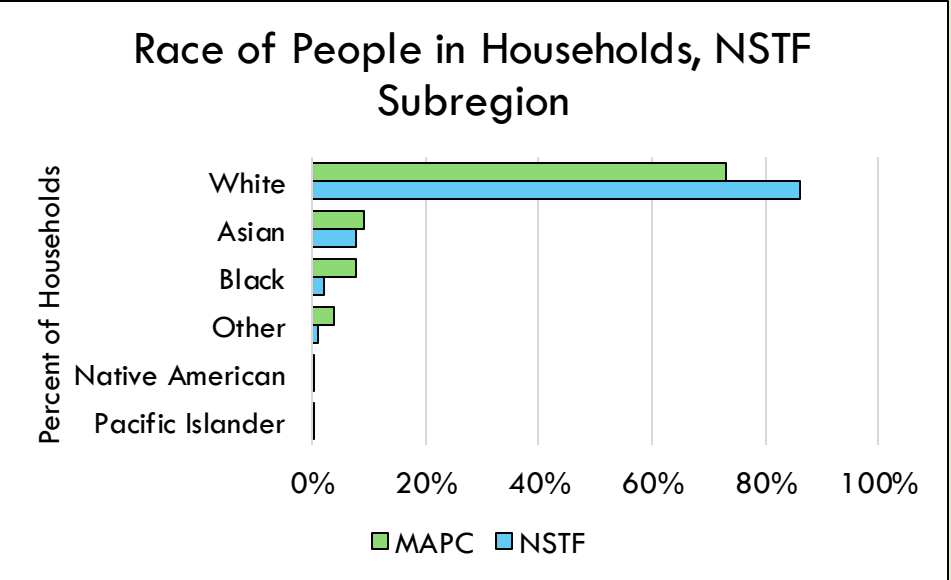


Source: Warren Group 2000-2022. MAPC Analytical team analysis.

CURRENT CONDITIONS - NSTF

Housing choice impacts diversity: Zoning regulations have resulted in fewer housing choices for NSTF residents, and as a result, there are **fewer households headed by people of color** in NSPC communities compared to MAPC overall.

Few young householders: Only 13% of householders in NSTF are under 35 years old, 8 percentage points lower than MAPC overall. Additionally, 32% of households have children in NSTF, 4 percentage points higher than the MAPC average. In the coming years, families may decide to downsize once their kids move out.



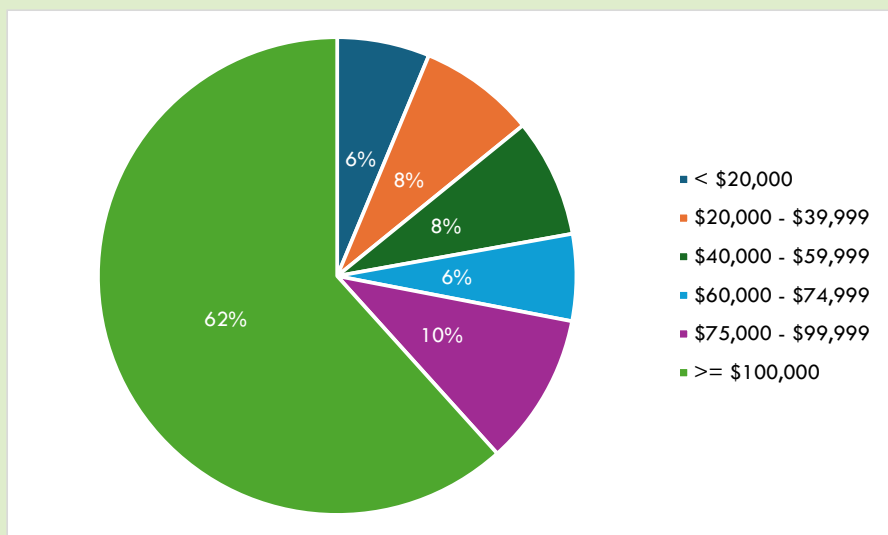
Source: U.S. Census ACS 2018-2022 5-year Estimates.

Clean energy transition pending: Over 35% of household in NSTF heat their homes using oil which is the second highest percentage among all subregions and 16 percentage points higher than the MAPC average. Replacing fossil fuels with renewable energy sources limits the amount of indoor air pollution to which residents are exposed and moves our region closer to reaching our state's sustainability goals.

Fewer Rental Options: Only 33% of households are estimated to be renter occupied in NSTF compared to 42% across MAPC. Fewer rental options mean young people, aging residents, or others with lower or fixed incomes may not be able to live in NSTF. Because access to homeownership has historically been less accessible to non-white households, renters also tend to be more diverse.

CURRENT CONDITIONS - NSTF

Unaffordable Housing: 28% of households in NSTF earn less than \$75,000 and are likely eligible for affordable housing. 88% of households earning less than \$35,000 per year and 66% earning between \$35,000 and \$75,000 per year are cost-burdened.



Subsidized Housing Inventory: Only a third of NSTF communities have more than 10% of their total units on the SHI. While NSTF has just over 11,000 homes listed on the SHI, when market rates units are removed there are only 7,700 affordable homes (6% of all units) in NSTF. (Source: Housing Navigator)

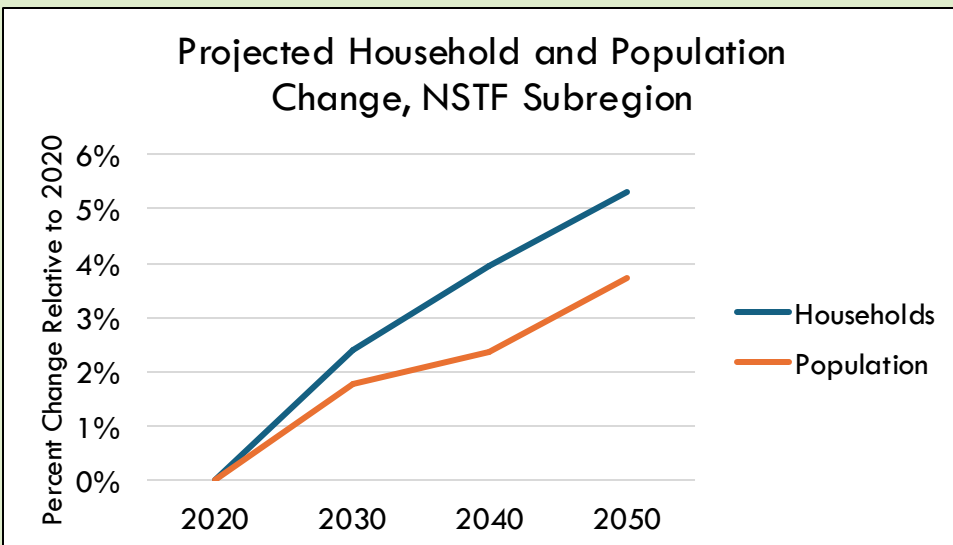
Subsidized Housing Inventory (SHI) Units				
Municipality	Housing Units	SHI Units	SHI Units (%)	Units to 10% Threshold
Beverly	17,754	1,992	11.22%	0
Danvers	11,706	1,178	10.06%	0
Essex	1,549	40	2.58%	115
Gloucester	13,896	1,043	7.51%	347
Hamilton	2,804	114	4.07%	166
Ipswich	6,215	589	9.48%	33
Manchester-by-the-Sea	2,293	115	5.02%	114
Marblehead	8,650	333	3.85%	532
Middleton	3,312	160	4.83%	171
Nahant	1,609	48	2.98%	113
Peabody	23,121	2,585	11.18%	0
Rockport	3,565	135	3.79%	221
Salem	20,235	2,065	10.21%	0
Swampscott	6,262	251	4.01%	375
Topsfield	2,316	201	8.68%	31
Wenham	1,441	178	12.35%	0
NSTF	126,728	11,027	8.70%	1,646
MAPC	1,412,118	158,875	11.25%	0

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PROJECTIONS - NSTF

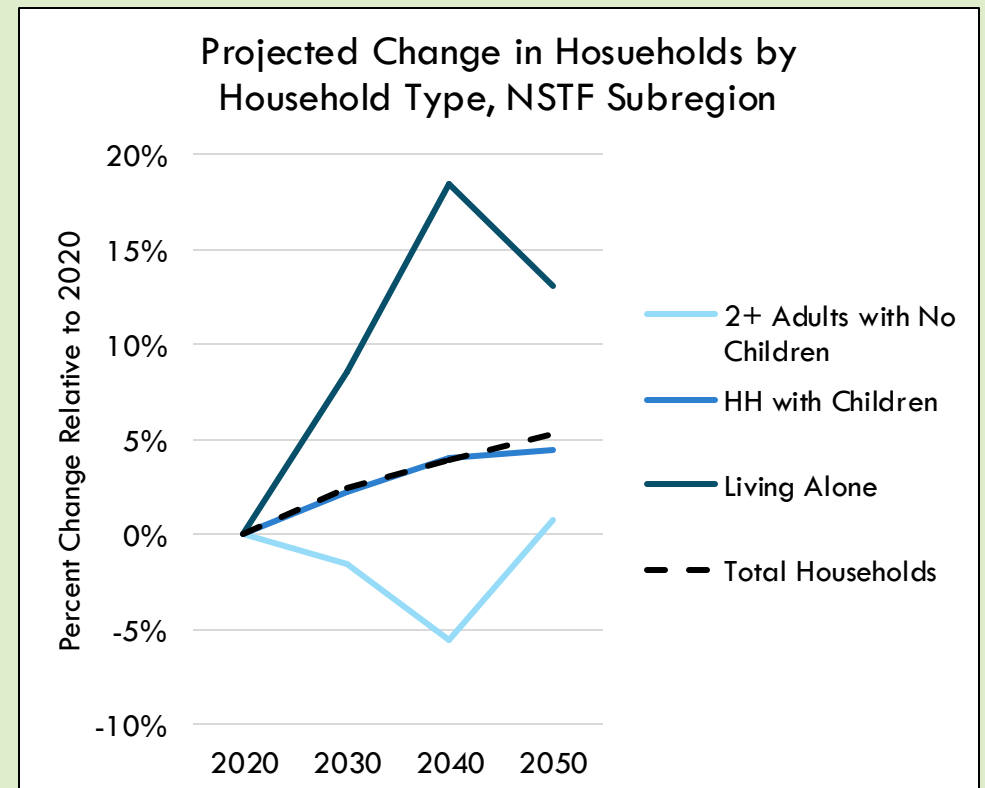
Household size shrinks as more people are projected to live alone : The total population in NSTF is projected to grow about 4% while households are projected to increase by over 5% between 2020 and 2050. Population and households in MAPC are projected to grow by 9% and 13%, respectively.

The number of single-person households is projected to increase by up to 17% by 2040 (relative to 2020). Households with children or two or more adults without kids (e.g., roommates or empty nesters) are projected to increase by less than 5% by 2050.



Source: MAPC Socioeconomic Projections 2010-2050.

On average, household sizes are projected to shrink. Smaller households living in homes that do not match their needs can drive up housing costs for larger households eager to move to the subregion. For example, when empty nesters cannot downsize to a smaller home in their community, there are fewer homes available that meet the needs of larger families.



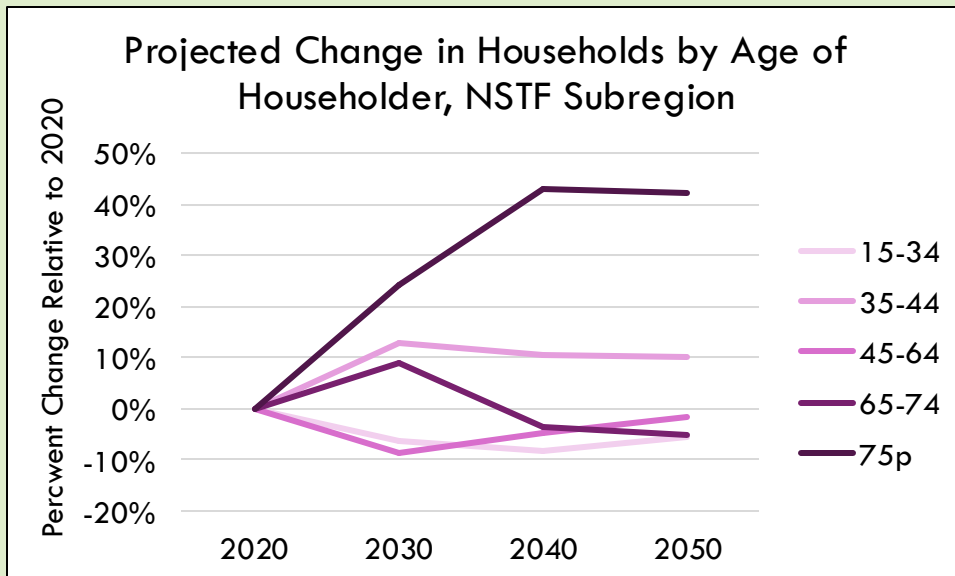
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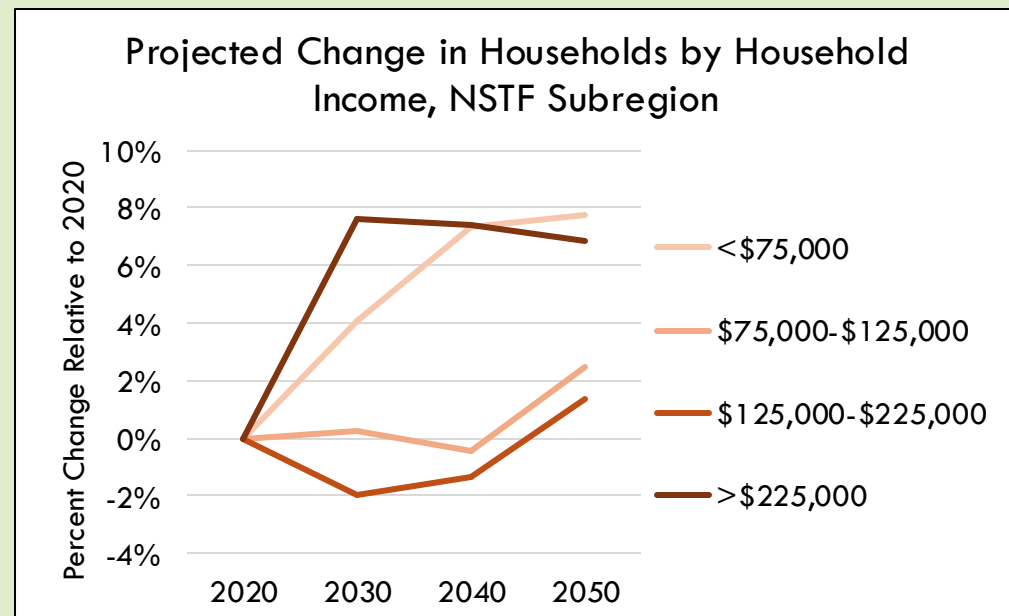
Aging households will need to retrofit their homes with appropriate accommodations or move to smaller houses more conducive to aging in place in their communities.



Source: MAPC Socioeconomic Projections 2010-2050.

Growth in households most likely to be cost burdened: Households earning less than \$75,000 per year are projected to grow by 8% in the NSTF subregion over the projection period. Households earning greater than \$225,000 per year, meanwhile, are projected to increase by nearly the same amount.

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ANALYSIS - NSTF

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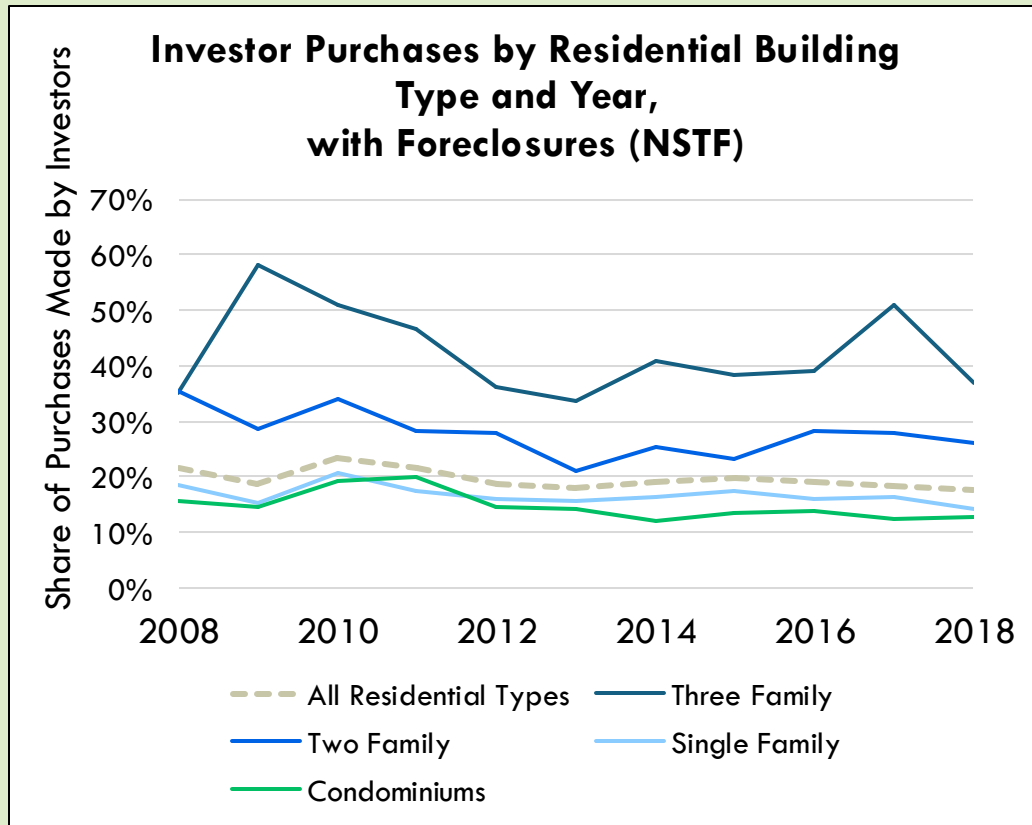
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Year	Subregion	Total Sales	Total Eligible Sales	0.5% Fee	1% Fee	2% Fee
2018	NSTF	4661	293	\$1,425,310.34	\$2,850,620.69	\$5,701,241.38
2019	NSTF	4429	290	\$3,165,332.52	\$6,330,665.05	\$12,661,330.10
2020	NSTF	4452	370	\$2,190,972.40	\$4,381,944.79	\$8,763,889.58
2021	NSTF	4708	663	\$4,922,682.53	\$9,845,365.06	\$19,690,730.12
2022	NSTF	4049	605	\$3,245,917.48	\$6,491,834.97	\$12,983,669.94

ANALYSIS - NSTF

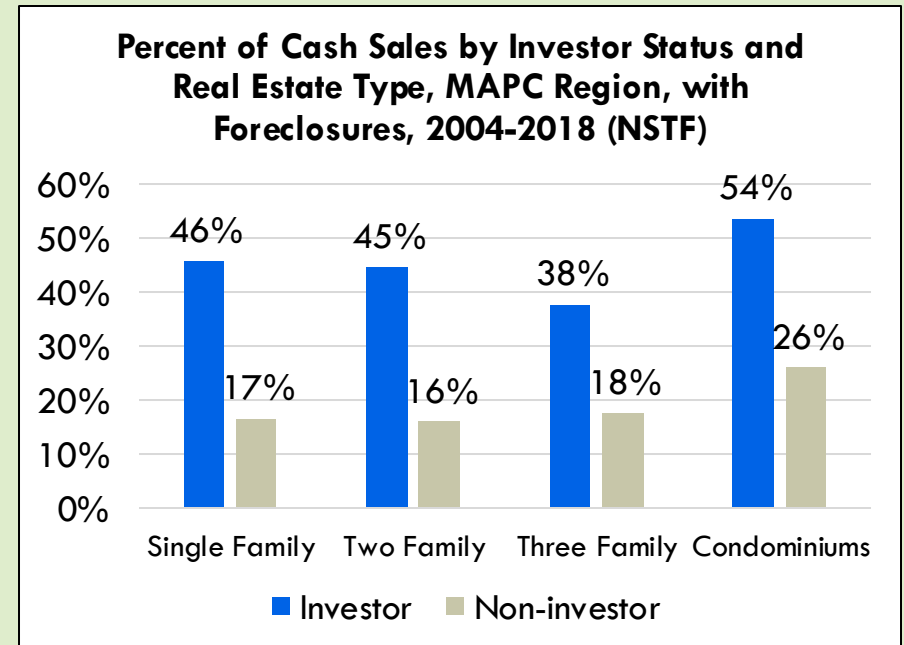
Since 2008, investors bought, on average, **1 in 5 properties in NSTF**. On average over the last decade, investors bought less than 20% of single-family homes, less than 30% of two-family homes, and about 40% of three-family homes. These trends are similar to the whole MAPC region and indicate challenges for prospective homebuyers.



Source: Warren Group 2000-2022. MAPC Analytical team analysis.

Cash purchases predominant for investors: Buyers who can purchase property in cash have an advantage over those who finance their home as sellers often prefer the faster closing time and limited paperwork that comes with cash sales.

In NSTF communities, investors were almost three times more likely to purchase a single-family home with cash than non-investors.



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RESOURCES

DataCommon is MAPC's open data website. It contains tabular and spatial data for Massachusetts, the MAPC region, and all subregions, counties, municipalities, census tracts, and block groups. The site contains data on topics such as population demographics, the economy, the environment, housing, land use, and public health.

<https://datacommon.mapc.org/>

MAPC has prepared updated **projections** of population change, household growth, and housing demand for Metro Boston and its municipalities to help the region and its communities plan for a changing and uncertain future.

<https://www.mapc.org/learn/projections/>

MAPC's **Homes for Profit** report examines the prevalence, characteristics, and spatial patterns of residential property speculation in Greater Boston. The report is paired with an interactive map that lets users filter and visualize a range of municipal and census tract level data related to investor activity in the state.

<http://homesforprofit.mapc.org/>

As part of the **MetroCommon 2050 plan**, MAPC has published numerous research reports that explore some of the most important realities of our region including issues around climate change, land use, housing, and employment.

<https://metrocommon.mapc.org/find-out/publications/all%20topic%20areas>

For more information, please email Brandon Stanaway (bstanaway@mapc.org) or datacommon@mapc.org