



Part I

# CORE METRICS

- 1 Demographics & Economic Trends
- 2 Supply
- 3 Prices, Rents, & Affordability
- 4 Subsidized Housing
- 5 Instability
- 6 State Policy Round-Up

# 1

## DEMOGRAPHICS & ECONOMIC TRENDS

We begin the *2024 Greater Boston Housing Report Card* by examining the region's total population, looking at changes over time.

Greater Boston has been losing population recently, but in 2023, the population grew for the first time in a few years. After a sharp drop during the pandemic, international migration rebounded in 2023, reaching its highest level in over a decade. Although domestic outmigration remains significant, the rate of people leaving the state slowed somewhat in 2023.

We also take a closer look at the overall composition of households because people mostly look for housing as household units rather than as individuals. So, analyzing trends in household composition gives us a more nuanced picture of aggregate demand as well as better information about the different types of housing that our market should provide. And, finally, we look quickly at incomes, analyzing trends over time and comparing by race and housing tenure.

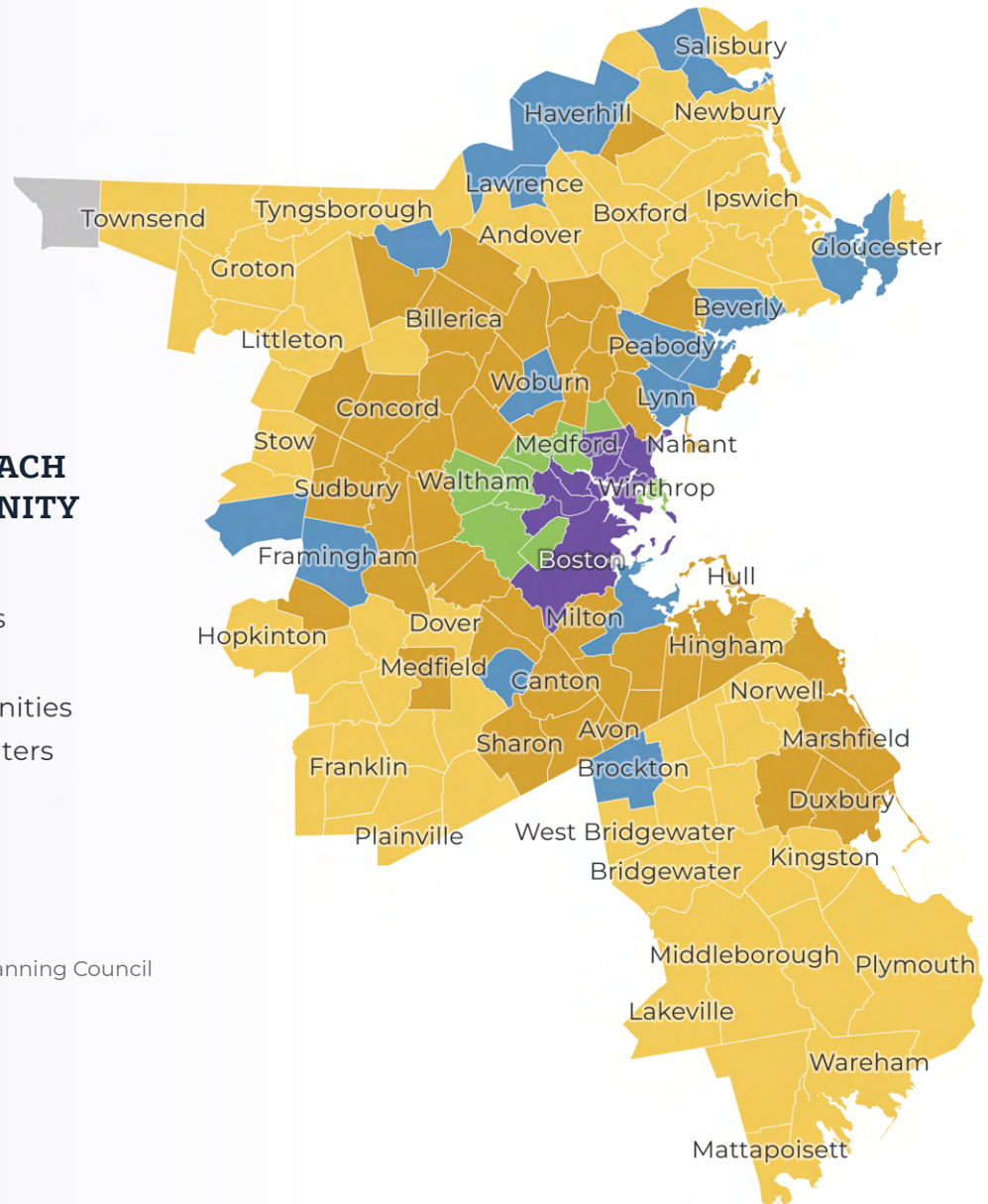
### KEY FINDINGS FROM THIS SECTION INCLUDE:

- ▶ Greater Boston's population has leveled off in recent years, but international immigration helped it tick up in 2023.
- ▶ Greater Boston is aging, its households are smaller and its seniors own larger homes.
- ▶ While median incomes are high in Greater Boston, income inequality is also very high.
- ▶ Homeowner incomes are much higher than renter incomes.

## MODIFIED APPROACH TO MAPC COMMUNITY TYPES

- Developing Suburbs
- Maturing Suburbs
- Metro Core Communities
- Regional Urban Centers
- Rural Towns
- Streetcar Suburb

Map: Boston Indicators  
 Source: Metropolitan Area Planning Council  
 Map data: MassGIS



### NOTE ON OUR USE OF MAPC “COMMUNITY TYPES”

Throughout the *Greater Boston Housing Report Card* we aggregate municipal-level data to one of five community types<sup>1</sup> based on an approach developed by the Metropolitan Area Planning Council (MAPC). Cities and towns are categorized using a mix of factors including land use and housing patterns, demographics, and recent growth trends. Under this approach, for instance, we analyze cities such as Lawrence and Brockton together as Regional Urban Centers even though they’re at opposite ends of the region. For more detailed information on individual cities and towns, see the online data supplement for metrics by municipality.

#### **Brief Description of Community Types and Subtypes Used in This Report:**

*(see MAPC’s report for more)*

**METRO CORE COMMUNITIES**—High-density inner cities

**STREETCAR SUBURBS**—Historic, high-density suburbs near the urban core

**REGIONAL URBAN CENTERS**—High-density urban centers outside of Boston

**MATURING SUBURBS**—Higher-income towns

**DEVELOPING SUBURBS**—Low-density towns with well-defined town centers and room to grow

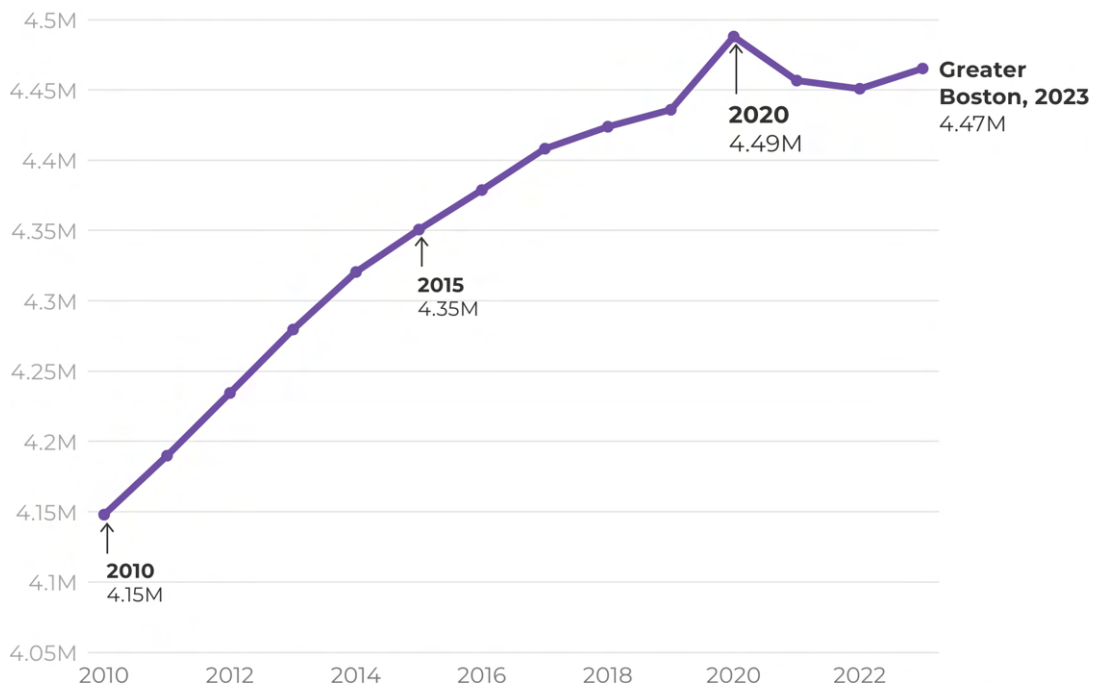
## Greater Boston's population has leveled off in recent years, but international immigration helped it tick up in 2023.

Greater Boston's population grew steadily in the early 2010s, but in more recent years, that growth has slowed. The population peak observed in 2020 was followed by two consecutive years of decline in 2021 and 2022. However, in 2023, the population rebounded slightly, adding 14,000 residents. It's important to note that the spike in 2020 reflects a transition between population datasets from 2010–2019 to 2020–2023. While we've combined both datasets here for narrative clarity, the 2020 figure should not be viewed as a direct continuation of the earlier trend.

This recent uptick reflects broader trends across U.S. metros. Early in the pandemic between 2020 and 2021, many large metro areas (those with more than 1 million residents) lost population.<sup>2</sup> In the last two years, however, many of those metros, including Greater Boston, have begun to rebound.

### POPULATION OF GREATER BOSTON

Five-county definition of Greater Boston including Essex, Middlesex, Norfolk, Suffolk, and Plymouth.



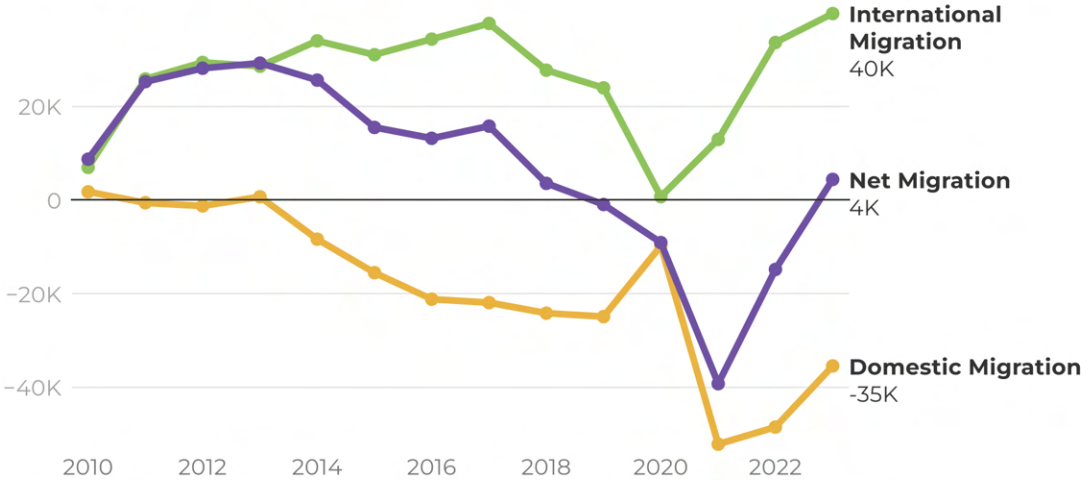
Note: Population estimates restart each census year (in 2010 and 2020), and thus should not be viewed as a continuation of the previous 10 year estimates.

Chart: Boston Indicators · Source: UMDI Population Estimates Program

The resurgence of international immigration is a central component of this new growth. With the pandemic-era slowdown behind us, immigration to Greater Boston reached new heights in 2023. Some of this growth can be attributed to refugees fleeing hardship abroad, but Greater Boston has long been a relatively welcoming destination for all types of new immigrants.<sup>3</sup> Rather than representing a dramatic shift, this recent growth is more a return to prior immigration patterns.

**MIGRATION RELATED POPULATION CHANGE**

Net migration to Greater Boston.



Note: Population estimates restart each census year (in 2010 and 2020), and thus should not be viewed as a continuation of the previous 10 year estimates. Five-county definition of Greater Boston includes Essex, Middlesex, Suffolk, Norfolk, and Plymouth Counties.

Chart: Boston Indicators - Source: 2010 - 2023 U.S. Census Bureau Population Estimates Program.

On the other side of the ledger, Greater Boston has been losing population to other parts of the country for years. Since 2014, more people moved away from the region than to it, and these domestic outflows reached new lows during the pandemic. While domestic outflows slowed a bit in the past two years, we still lost roughly 35,000 residents on net in 2023.

When factoring in gains from international immigration, the region’s net growth due to migration totaled around 4,000 residents in 2023. While a return to growth is good, these increases nevertheless remain lower than at any point prior to 2018. Without a slowdown in domestic outmigration, Greater Boston’s population growth may remain modest for the foreseeable future.

## Greater Boston is aging, its households are smaller and its seniors own larger homes.

Looking at topline population trends is important for getting a sense of who's living here and in need of housing, but people mostly look for housing as household units. To get a more nuanced picture of demand, then, we must also look at change in the composition and size of households over time.

Alongside broader national trends, Greater Boston is growing older. Between 2010 and 2022, the share of 60+ year olds grew 4 percentage points. These older adults now make up almost a quarter of the region's total population, the largest share in more than 50 years. By contrast, falling birth rates and slower migration-related growth mean that the region's younger population has been declining in share since the 1970s.

### THE SHARE OF 60+ YEAR-OLDS GREW BY 4 PERCENTAGE POINTS IN THE LAST 12 YEARS.

Share of population by age group. Greater Boston.

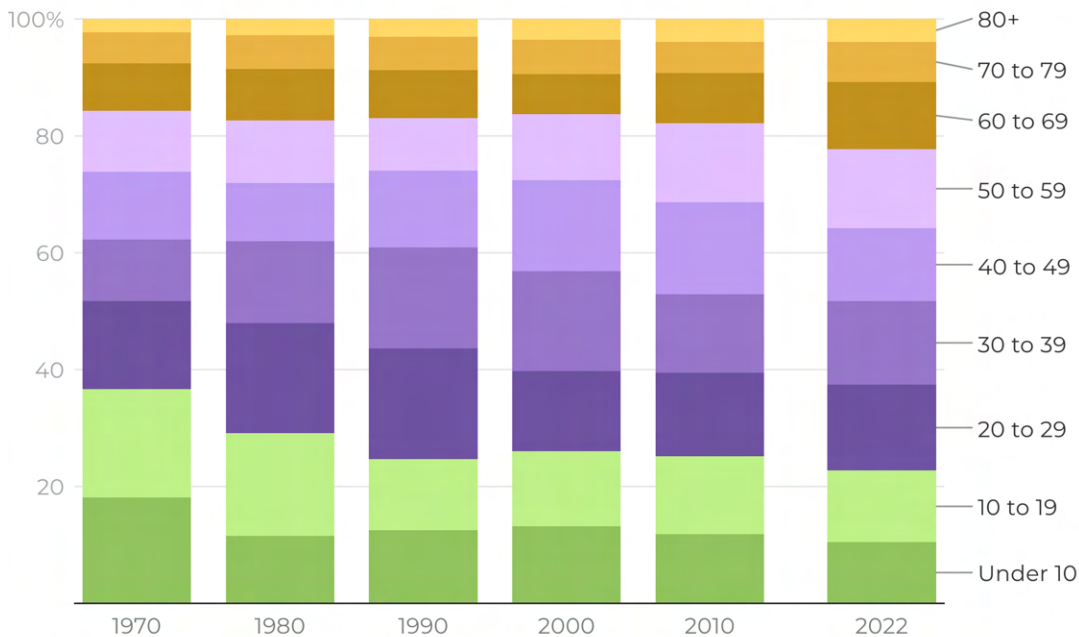


Chart: Boston Indicators · Source: 1970–2000 Census. 2010, 2022 5-Yr American Community Survey. IPUMS, University of Minnesota, [www.ipums.org](http://www.ipums.org).

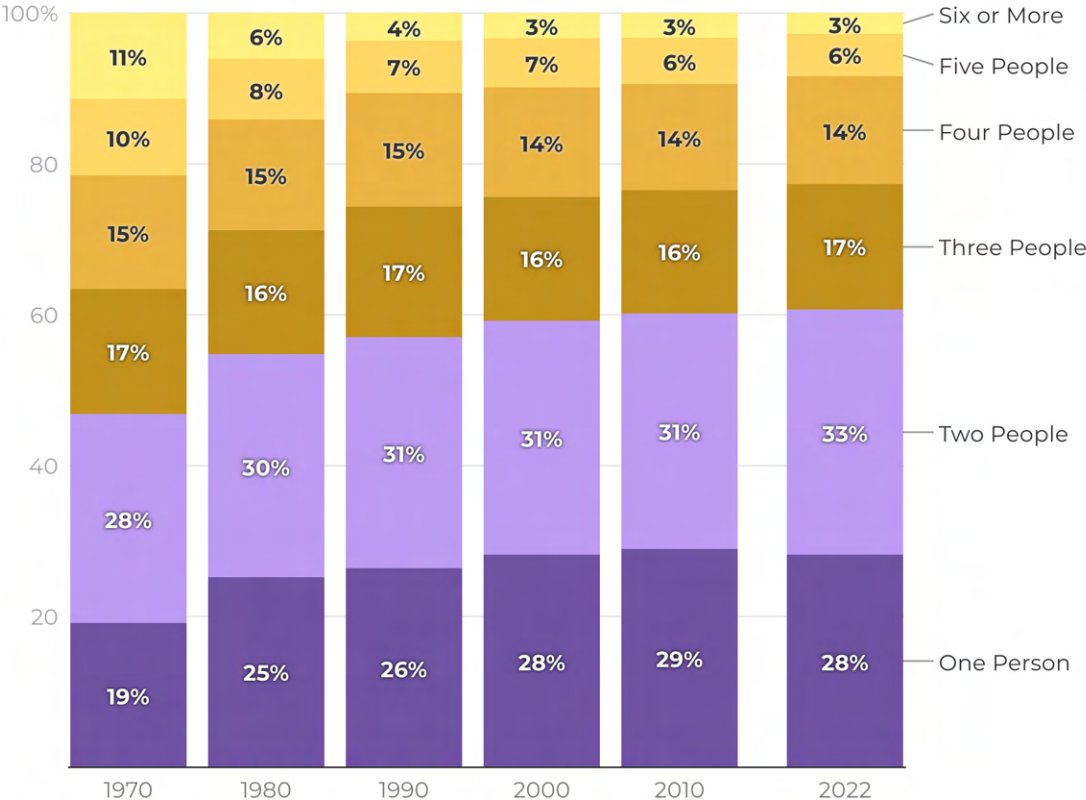
As the region ages, its households are also getting smaller. Looking back to 1970, at the tail end of the Baby Boom, over half of all households were made up of three or more people, usually two parents and one or more children. By 2022, this had flipped, with more than 60 percent of the region's households made up of two or fewer individuals.

This changeover is a result of many different factors. Birthrates have fallen significantly, with many couples forgoing raising children. And for those that do have kids, they tend to have fewer than their grandparents. Plus, Americans are living longer, leading to an aging population that tends to live in smaller households as they become empty nesters and their own kids move on.

It's worth noting that even as younger families have fewer children, one factor pushing in the other direction is a subset of adult children who are living with their parents, often due to challenges paying for housing costs on their own. Please see the Prices, Rents & Affordability section for more detail on this trend and how it affects the reporting of homeownership rates for young adults. Though this growth may complicate the narrative of falling household sizes, ultimately growth here is outpaced by the even more significant increase in one- or two-person households.

**ONE- AND TWO-PERSON HOUSEHOLDS MADE UP ABOUT 60 PERCENT OF THE REGION IN 2022.**

Share of occupied housing units by household size. Greater Boston.



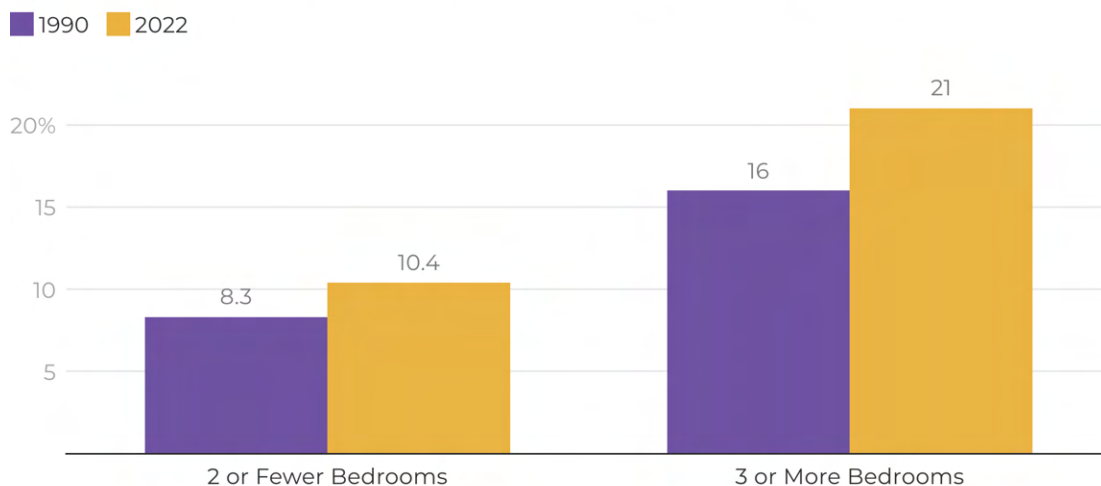
Note: Percentages may not add to 100 due to rounding.  
 Chart: Boston Indicators - Source: 1970 - 2000, U.S. Census. 2010, 2022 5-Yr American Community Survey. IPUMS NHGIS, University of Minnesota, www.nhgis.org.

As Greater Boston ages and its households shrink, it's perhaps unsurprising that older households occupy a growing share of the region's largest homes. In 1990, about 16 percent of all owner-occupied households were large homes (with 3 or more bedrooms) owned by seniors (65 years old or older). By 2022 that share increased by 32 percent, such that in 2022 more than one in five owner occupied homes in the region were owned by seniors. By contrast, the share of smaller (2 or fewer bedrooms) homes owned by seniors increased more slowly, by about 25 percent.

Senior households also tend to live in homes with more excess bedrooms—senior-led households have around 2 bedrooms per household member, as compared to around 1.5 or fewer bedrooms for younger households. There are tradeoffs for the region as seniors occupy these larger homes. Growing families who want additional bedrooms may wind up spending more than they're comfortable with, or simply going elsewhere.<sup>4</sup> Yet senior households who want to downsize to smaller (potentially more accessible) units face the same constraints all buyers face—low vacancies and high mortgage costs. Older owners with paid-off or low interest mortgages may be just as stuck in their situation as younger households. Greater Boston simply isn't producing the smaller, reasonably priced housing that might help these larger homes turn over (see: Supply).

### GREATER BOSTON'S SENIOR HOUSEHOLDS MAKE UP A GROWING SHARE OF THE REGION'S LARGER HOMES.

Share of owner occupied homes headed by 65+ year-olds, by size.



Note: Owner occupied homes includes only those headed by adults 25 years of age or older.

Chart: Boston Indicators · Source: 1990 U.S. Census. 2022 1-Yr American Community Survey. IPUMS, University of Minnesota, [www.ipums.org](http://www.ipums.org)

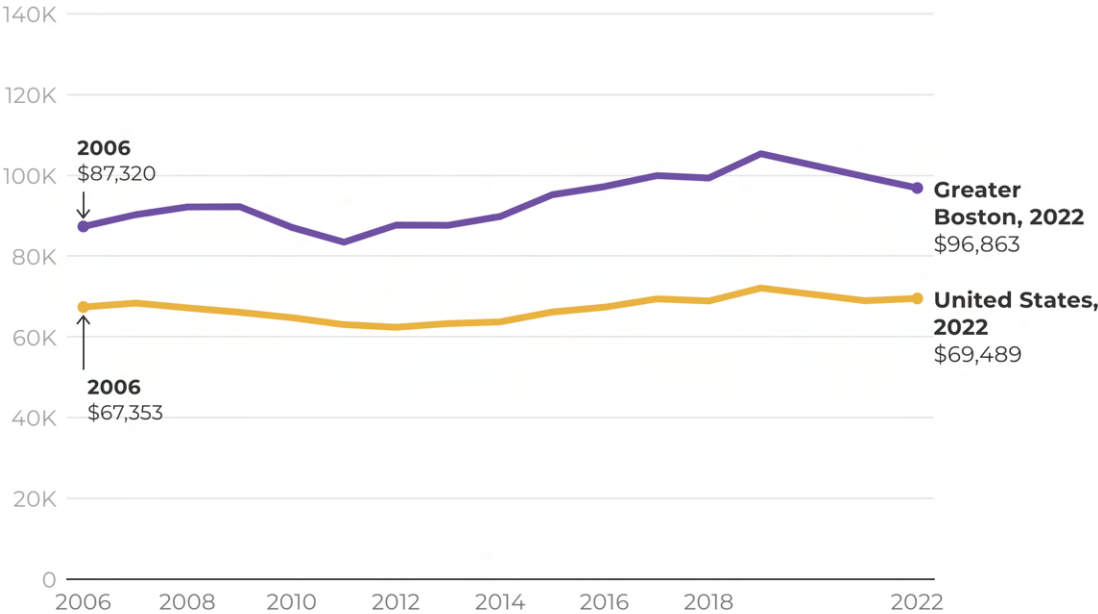


# While median incomes are high in Greater Boston, income inequality is also very high.

A topline look at incomes in the region is relevant, as ability to pay is also an important component of demand for housing. For years now, incomes in Greater Boston have been significantly higher than incomes nationally. Despite a small decline since 2019, median incomes are still about \$9,000 higher today than in 2006 (inflation adjusted). And in 2022, typical incomes in Greater Boston were more than \$27,000 higher than the national average.

## GREATER BOSTON'S HOUSEHOLD INCOME IS MUCH HIGHER THAN THE UNITED STATES OVERALL.

Median household income. 2022 Dollars.



Note: 2020 1-Yr data is excluded.  
Chart: Boston Indicators - Source: 2006 - 2022 1-Yr American Community Survey. IPUMS, University of Minnesota, www.ipums.org.

While these higher incomes are positive, we know that some meaningful portion of this is being consumed by higher housing costs. Further, it's important to remember that "median" reflects the income at the midpoint of the distribution, offering no insight into disparities between the highest and lowest earners. So, to better understand income inequality in the region, we calculate the gap between top and bottom earners, finding that in Greater Boston the mean income of the top 20 percent of households is nearly 20 times that of the bottom 20 percent.<sup>5</sup>

This places Greater Boston third in income inequality among larger U.S. metro areas, trailing only New York and San Francisco, and far exceeding the national average.

### GREATER BOSTON HAS THE THIRD LARGEST GAP BETWEEN HIGH- AND LOW-INCOME HOUSEHOLDS.

Ratio of mean household income at the 80-100th percentile to the 0-20th percentile. Top 25 largest metropolitan statistical areas and the United States. 2023.

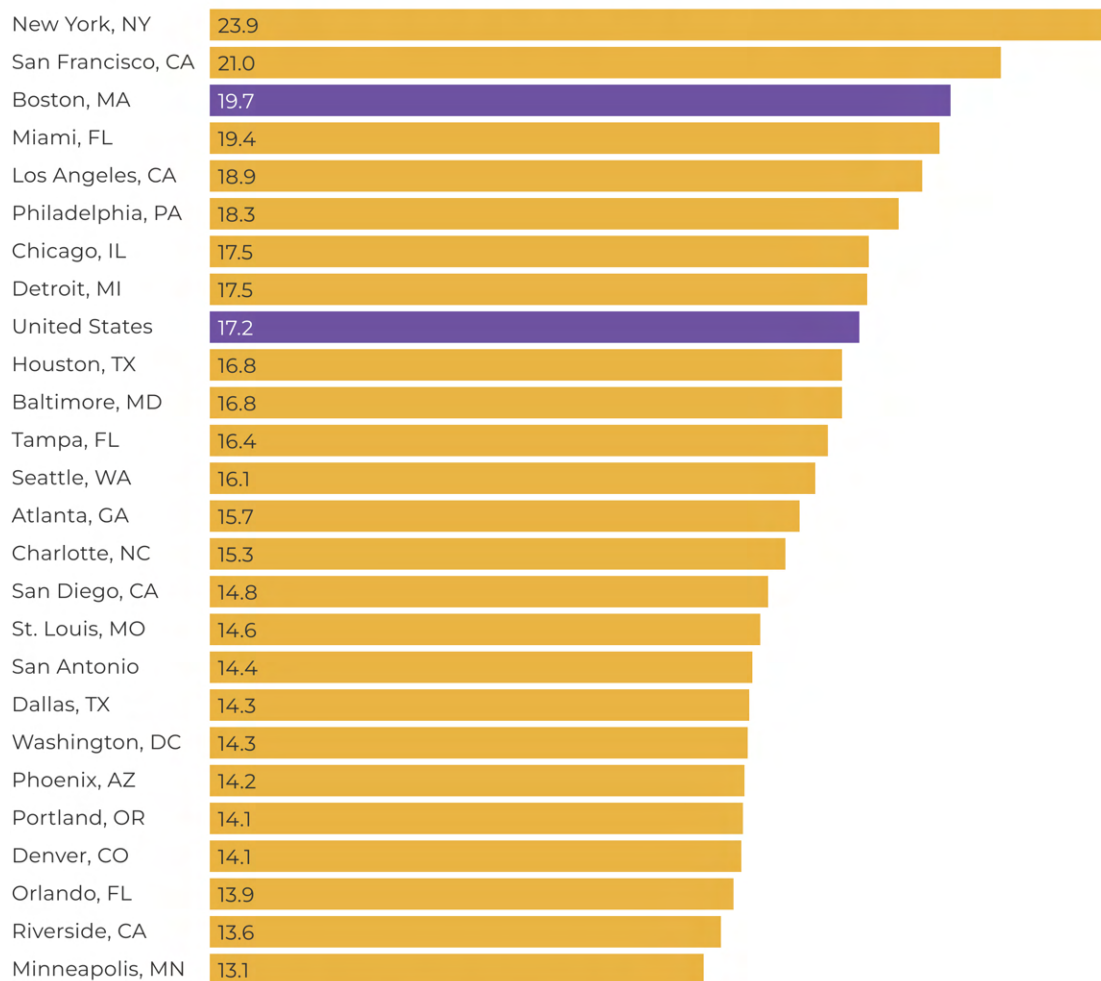


Chart: Boston Indicators · Source: 1-Yr American Community Survey

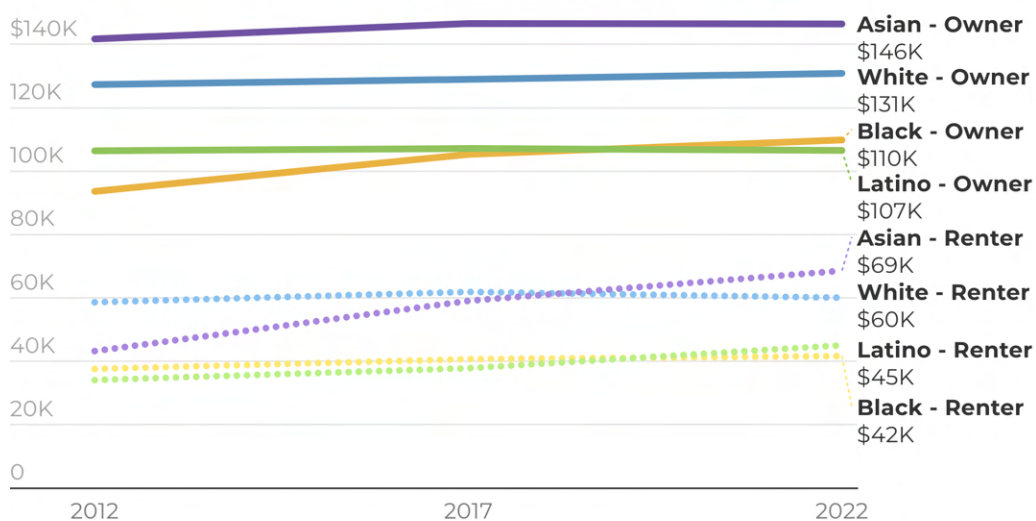
## Homeowner incomes are much higher than renter incomes.

A closer examination of household income data highlights a persistent theme seen in this and previous Report Cards: the significant income and wealth inequality between renters and homeowners, a gap that persists across all racial groups.

Even as median household incomes have grown modestly in recent years, these gains have been limited mainly to Black owners and Asian and Latino renters. Renters are less likely than owners to see gains from rising income as rent increases have often outpaced income growth. As a result, only a small segment of renter households—those with incomes well above the median—are likely to earn enough to eventually afford a home. For higher-income renters capable of affording monthly mortgage payments, homeownership may still remain out of reach. Without financial support from family and friends, even modest down payments can be difficult to afford.

### HOUSEHOLD INCOMES BY TENURE, RACE AND ETHNICITY

Median household income. Greater Boston. 2022 Dollars.



Note: Single-race alone, non-Latino. Latino can be of any race.

Chart: Boston Indicators · Source: 2012, 2017, 2022 5-Yr American Community Survey. IPUMS, University of Minnesota, [www.ipums.org](http://www.ipums.org).

Gaining access to homeownership can yield significant benefits, as well as wealth. Longtime homeowners have seen rapid home value appreciation and the advantage of locked-in low mortgage rates. Renters, by contrast, have faced steadily rising rents without the corresponding wealth gains that come from homeownership (see: Prices, Rents & Affordability).

## 2

# SUPPLY

The shortage of adequate housing is at the heart of many of Greater Boston’s housing challenges. Understanding the dynamics of housing production in the region is therefore crucial to evaluating potential changes in policy or practice that would lead to better alignment of supply and demand.

Historically, the *Greater Boston Housing Report Card* has relied heavily on the U.S. Census Bureau’s Building Permit Survey (BPS) as the primary source of data on housing production. The BPS remains the most comprehensive publicly available resource for tracking housing development at the municipal level. However, inconsistencies in how municipalities report data mean that findings must be interpreted with caution.

This year, we have augmented our analysis by incorporating additional data from the Metropolitan Area Planning Council (MAPC), which includes more detailed information from the 15 inner core cities that make up the Metro Mayors Coalition.<sup>6</sup> This expanded dataset provides a more accurate picture of housing production, but it is limited to the region’s inner core.

### MAJOR FINDINGS FROM THIS SECTION INCLUDE:

- ▶ Greater Boston has some of the oldest housing in the nation.
- ▶ Construction costs remain elevated post-pandemic, and many permitted projects are going unfinished.
- ▶ Production increased throughout the 2010s but has declined over the past couple of years.
- ▶ A small subset of inner core cities is producing most of the region’s new housing, although production slowed in 2023.
- ▶ Rental and homeowner vacancy rates in Greater Boston remain among the lowest nationwide.

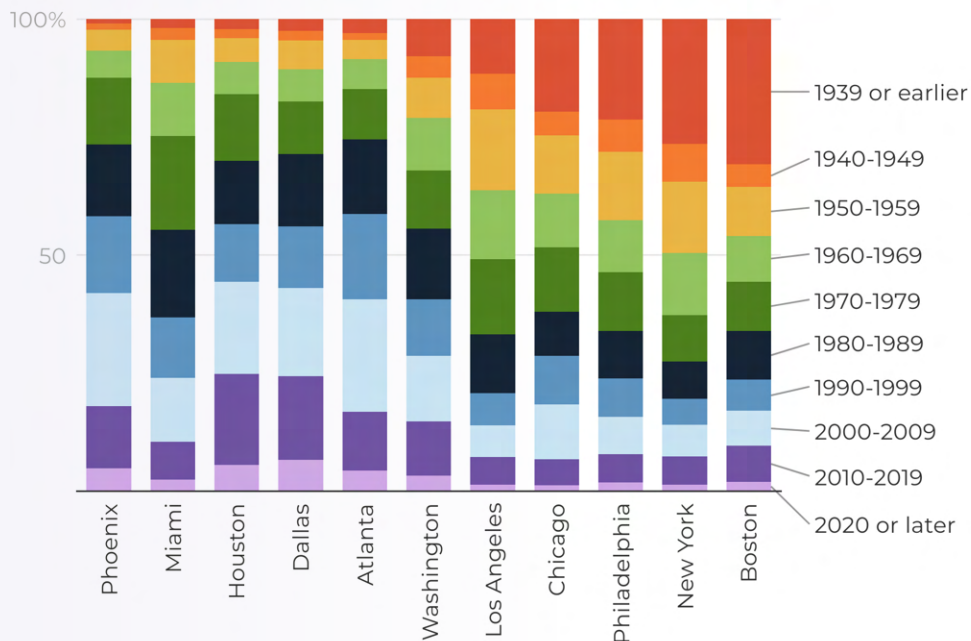
## Greater Boston has some of the oldest housing in the nation.

This region's housing stock is among the oldest in the nation, with over 30 percent of the area's housing units built before 1940. This share is higher than in any of the 10 most populous metro areas in the United States. Other major U.S. cities like Philadelphia and San Francisco (not included in figure) experienced substantial growth before the 20<sup>th</sup> century, but nonetheless have housing stocks largely built during the second half of the 20<sup>th</sup> century, and don't rely on pre-WWII housing stock to the same extent that Boston does.<sup>7</sup> For each of those cities, roughly 20 percent of its housing stock was built before 1940.

The age of Boston's housing stock indicates the region has not been producing housing at a meaningful rate after 1940. This does not bode well for affordability. Generally, a region's older housing is more affordable, but the affordability is only realized when higher-income individuals move into newer units, allowing the older stock to filter down to lower-income households. Without sufficient production of new housing, this filtering process stalls, limiting overall affordability. In many inner-core communities, the housing stock is especially old. For example, more than half of Somerville's housing was built before 1940.

### AGE OF THE HOUSING STOCK

Year housing stock was built by largest MSA. ACS 1-Year 2023.



Source: U.S. Census American Community Survey 2023

## Construction costs remain elevated post-pandemic, and many permitted projects are going unfinished.

Construction cost increases leveled off in the past year, after spiking during the height of the pandemic. As of August 2024, they remain elevated at about 37 percent higher than pre-pandemic levels. Additionally, high borrowing costs compound the challenge for homebuilders, though recent reductions in interest rates could signal a gradual easing of costs in the coming months and years.

These data are national, as the market for construction materials functions mostly on a national level. But specific to Greater Boston, we have reason to believe that other barriers to development, such as permitting delays, design fees, and legal costs, are even more pronounced than in many other parts of the country. The costs associated with materials, financing, and regulatory hurdles combine to significantly slow housing production in our region, and even when housing is built, high costs make it increasingly difficult to deliver units that are affordable to low- and moderate-income households.

### CONSTRUCTION COST INCREASES HAVE LEVELED OFF, BUT REMAIN FAR HIGHER THAN PRE-PANDEMIC.

Producer price index for construction materials in the U.S., January 2000 = 100

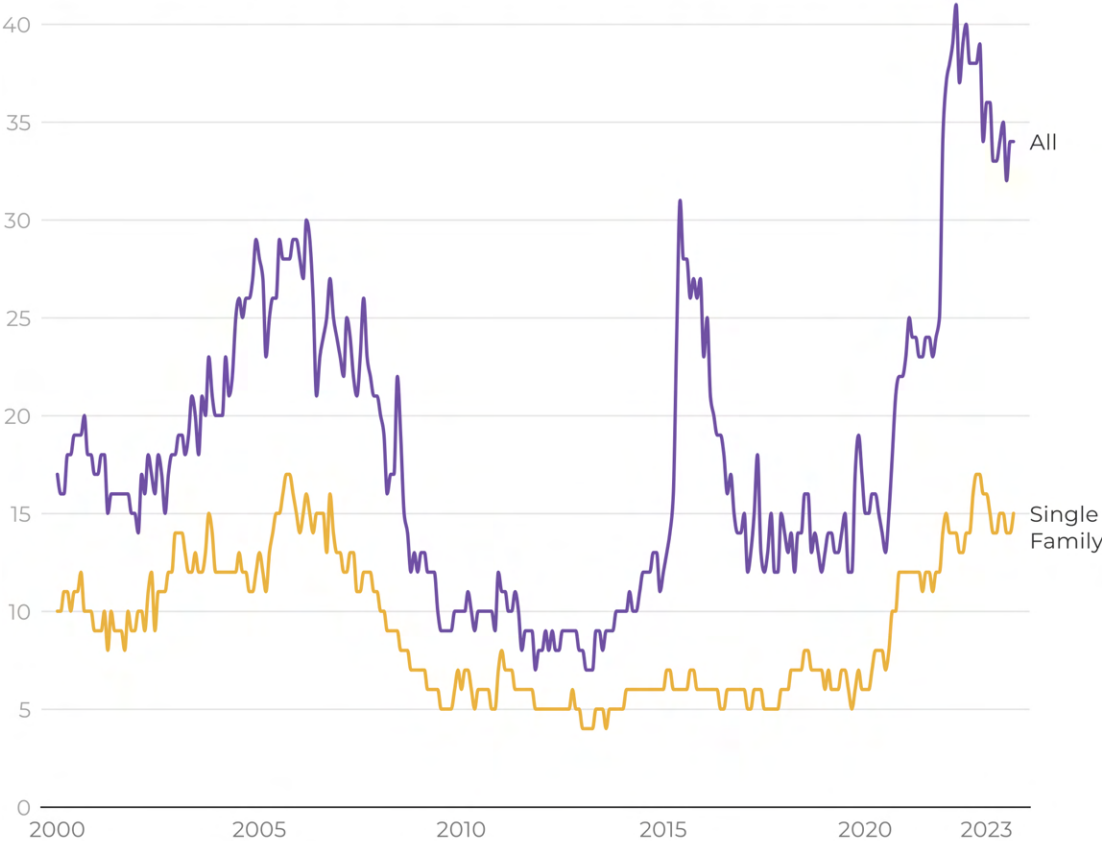


Source: U.S. Bureau of Labor Statistics Producer Price Index

One consequence of these rising building costs is the growing number of housing units permitted to get built but not yet under construction. (Note: This graphic represents data for the entire Northeast region due to limitations in local data, but a March 2024 report by the Federal Reserve Bank of Boston cites 23,000 units stalled in the pipeline in the City of Boston alone as of July 25, 2023.<sup>8)</sup> While the number of units authorized but not started has decreased from a peak of 41,000 in April 2022, it remains high, standing at 34,000 units as of September 2023—still well above the March 2020 level of about 16,000 units. High material and borrowing costs continue to contribute to these delays, as developers struggle to balance construction budgets with projected revenues, making it difficult to move forward with new projects.

**LARGE NUMBERS OF PERMITTED PROJECTS REMAIN ON HOLD DUE TO HIGH CONSTRUCTION AND BORROWING COSTS.**

Monthly counts (in 1000s) of authorized residential units in the Northeast region for which construction has not yet started, January 2000–September 2023.



Source: U.S. Census Survey of Construction

## Production increased throughout the 2010s but has declined over the past couple of years.

The most reliable way to track new housing construction is by counting new housing permits issued. (This measure is imperfect, though. As we've seen, many permitted projects have remained unbuilt in recent years due to rising costs.) The Building Permit Survey estimates reveal that, over the long term, the state of Massachusetts has settled into a pattern of significantly lower housing production compared to the levels seen in the 1970s and 1980s. Even in high-production years, housing output now falls short of what was achieved during earlier peak periods. While there was a modest increase in construction during the 2010s, the last couple of years have seen another slowdown.

### THE PRODUCTION UPTICK DURING THE 2010S STILL LEAVES MASSACHUSETTS FAR BELOW HISTORIC LEVELS.

New housing units permitted annually in Massachusetts, 1960-present. Census Building Permit Survey.

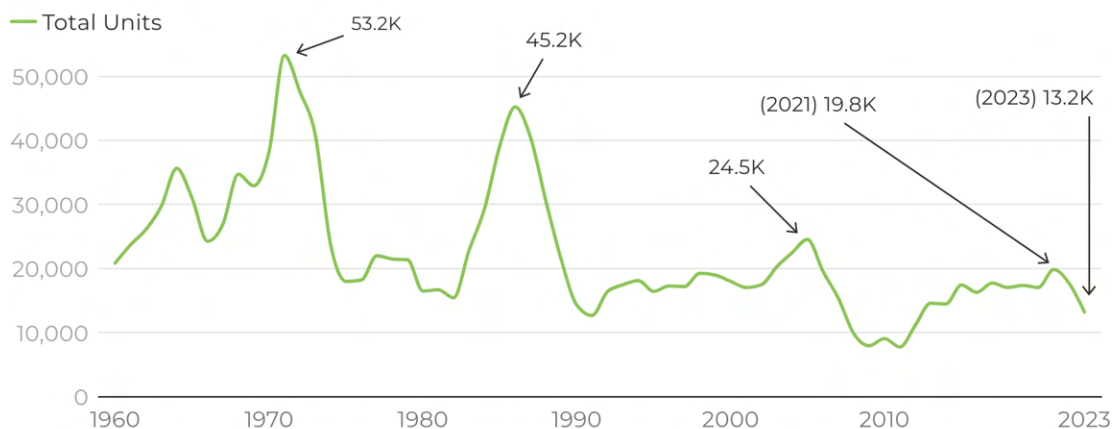


Chart: Updated version of graph appearing in Massachusetts Housing Partnership 2023 Building Momentum Report • Source: U.S. Census Building Permit Survey

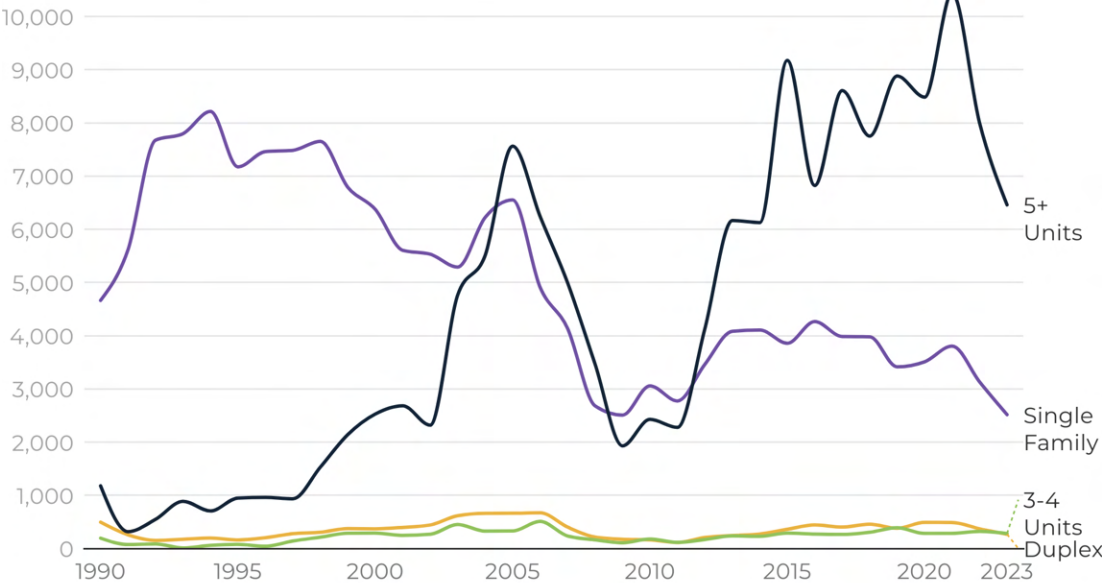
Focusing next on the last 50 years and just for Greater Boston, we see an increase in multifamily housing production (in buildings with 5+ units), although total production during any of these years remains lower than we saw in the 1970s and late 1980s. While single-family housing permits have steadily declined, larger multifamily projects have become a more prominent feature of the region's housing landscape. And despite the increase in large multifamily developments, the production of "missing middle" housing—smaller duplex projects or multifamily projects with three to four units—remains very low.



While we don't yet have local 2024 data on permitting, early signs suggest that multifamily housing production is continuing to slow, as many experts had predicted. Nationally, permits for buildings with five or more units were down 22 percent as of August 2024, compared to the same period in 2023, according to the latest U.S. Census report on new residential construction. While regional data on multifamily permitting for the Northeast isn't yet available, overall permitting trends appear to show a similar decline.<sup>9</sup>

**GREATER BOSTON HOUSING PRODUCTION BY TYPE**

Housing units permitted annually in Greater Boston, by unit type. Census Building Permit Survey 1990-2023.

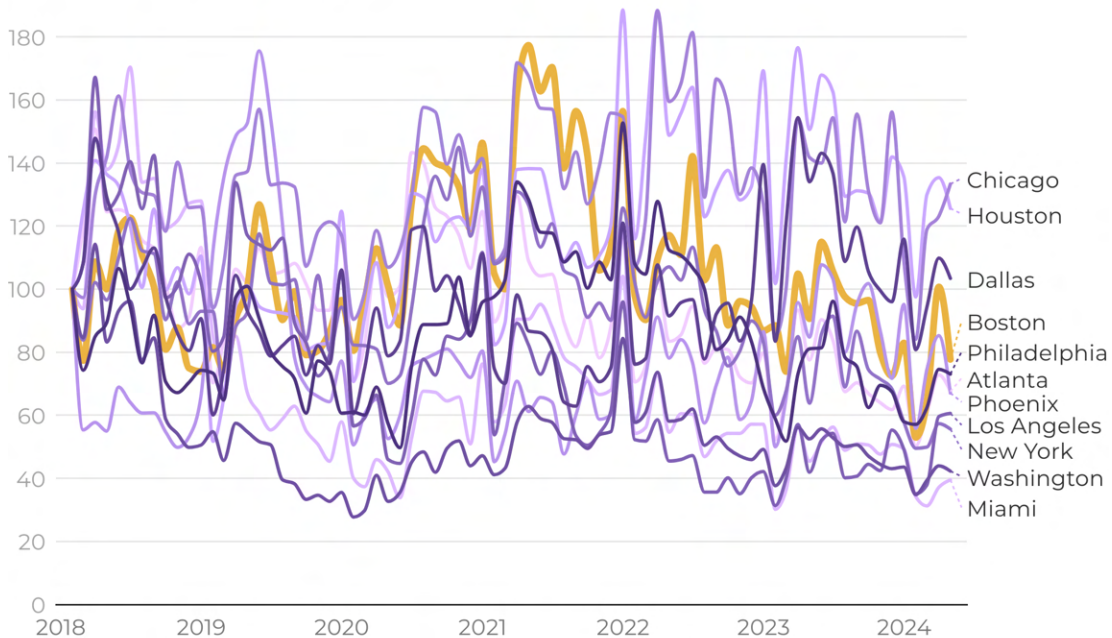


Source: U.S. Census Building Permit Survey

Though sale volume of newly constructed homes can be affected by a multitude of factors including prices or interest rates, sales can still offer a useful proxy for measuring housing production, especially in regions like Greater Boston where homeowner vacancy rates are extremely low. The graph below, based on Zillow estimates, illustrates the trends in new home sales from January 2018 through April 2024, with each region's monthly sales shown relative to its January 2018 levels. Since around 2021, sales have slowed across most regions, with Greater Boston reflecting this trend, ranking around the middle of the pack compared to the top 10 U.S. metro areas by population size. (Boston is number 11.)

## SALES OF NEWLY CONSTRUCTED HOMES ARE DOWN OVER THE LAST THREE YEARS.

Monthly sales of newly constructed homes, by MSA January 2018–April 2024, Indexed to January 2018 = 100



Source: Zillow

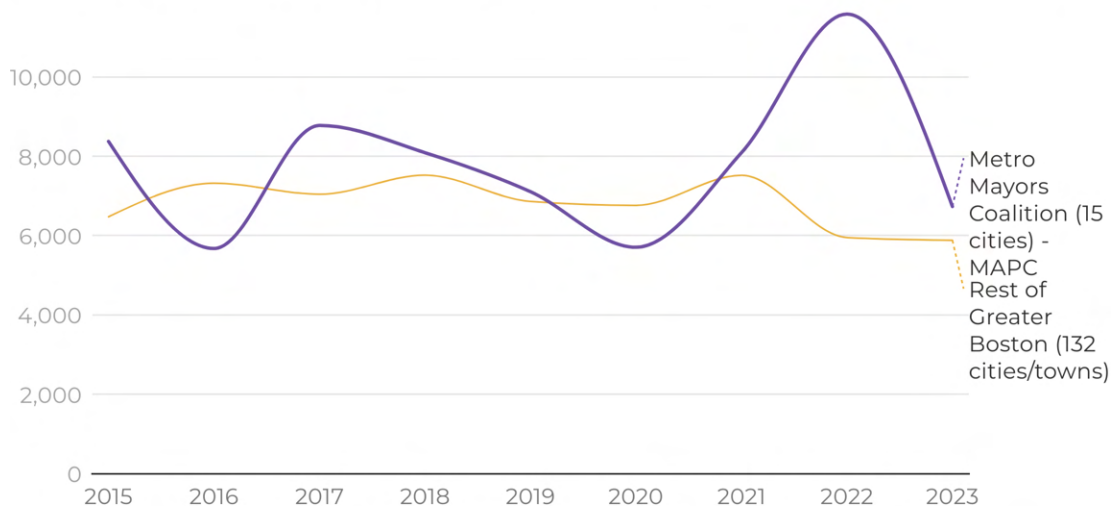
## A small subset of inner core cities is producing most of the region's new housing, although production slowed in 2023.

While data from the Building Permit Survey are the best we have for analyzing production across Greater Boston over time, the dataset has many flaws, and in some cases, levels reported for individual municipalities are downright inaccurate. (For more on these data concerns, please see our detailed discussion in the Supply section of the *2023 Greater Boston Housing Report Card*.) For this reason, here we supplement our analysis of building permits with better administrative data collected by the Metropolitan Area Planning Council directly from the 15 inner core cities that make up the Metropolitan Mayors Coalition (MMC).<sup>10</sup>

Through 2021, the combined MMC cities had been permitting around 7,000 new housing units per year, reflecting a steady commitment to increasing housing supply in the region. Interestingly, this subset of just 15 communities was producing approximately the same number of new homes as the remaining 132 cities and towns in Greater Boston combined (using rough estimates from the BPS for the remaining 132). And in 2022, MMC communities actually outperformed the rest of the region by a sizeable margin, permitting a peak of 11,584 units. However, this momentum did not carry into the following year. In 2023, housing permits within the MMC dropped by more than 40 percent, with just 6,733 units permitted, in tandem with the broader slowdown in multifamily housing construction nationwide. This local fall in permitting puts 2023 numbers back in line with what they had been in the years preceding 2022.

## PERMITTING ACTIVITY, METRO MAYORS COALITION V. REST OF GREATER BOSTON

Residential units permitted annually, Metro Mayors Coalition (data gathered by MAPC) and rest of Greater Boston (Census Building Permit Survey estimates).



Metro Mayors Coalition counts are shown as counted from two different sources, Metropolitan Area Council and the U.S. Census Building Permit Survey.

Source: Metropolitan Area Planning Council, U.S. Census Building Permit Survey, Decennial Census accessed via MAPC Datacommon

A substantial portion of the 2023 decline can be traced to a sharp slowdown in the city of Boston, where new construction approvals plummeted. In Boston, the number of multifamily housing permits dropped from 3,992 units during a relative peak year in 2022 to just 1,878 units in 2023, a decrease of more than 50 percent.

When we look more closely at individual municipalities within the MMC, we observe significant variation in permitting activity. Boston, as expected, stands out due to its size, but a detailed comparison of three-year periods reveals that permitting in Boston proper has gradually declined. In contrast, smaller cities like Everett and Revere have been top performers relative to their existing housing stock, consistently outpacing other municipalities in terms of new housing production. At the other end, Arlington, Melrose, and Winthrop have maintained relatively low levels of housing production.

### **METRO MAYORS COALITION PERMITTING BY MUNICIPALITY.**

Total residential units permitted by municipality, 2015-2023.

<b>Municipality</b>	<b>2015-17</b>	<b>2018-20</b>	<b>2021-23</b>	<b>Total</b>	<b>Total as % of 2010 Stock</b>
Boston	13,676	10,714	9,413	33,803	12.5%
Revere	834	1,022	4,070	5,926	27.0%
Quincy	1,512	1,118	3,261	5,891	13.8%
Cambridge	2,157	2,437	1,229	5,823	12.5%
Everett	315	829	4,647	5,791	34.7%
Somerville	1,080	1,170	1,150	3,400	10.1%
Chelsea	85	914	692	1,691	13.4%
Newton	232	508	710	1,450	4.5%
Medford	665	545	158	1,368	5.7%
Malden	892	364	42	1,298	5.2%
Watertown	770	432	51	1,253	8.1%
Brookline	86	497	459	1,042	4.0%
Winthrop	209	220	115	544	6.6%
Melrose	277	50	181	508	4.3%
Arlington	34	80	231	345	1.7%

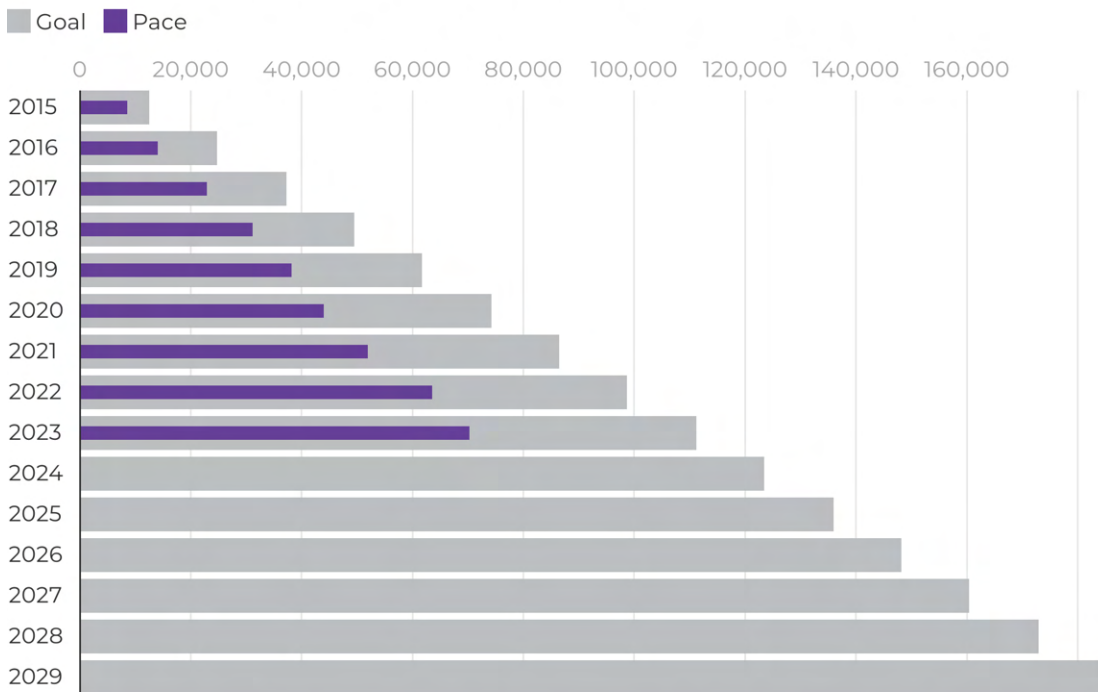
Source: Metropolitan Area Planning Council, U.S. Census Building Permit Survey

It's also worth noting that over the past nine years, the vast majority (86 percent) of new housing built in these 15 cities has come from just the top six producers—Boston, Revere, Quincy, Cambridge, Everett, and Somerville. This concentration of development highlights the critical role these core cities play in shaping the region's housing landscape, with most new units being produced in a handful of high-performing areas.

As highlighted in previous editions of the *Greater Boston Housing Report Card*, the Metro Mayors Coalition has acknowledged the need to build significantly more housing to sustain the urban core's growth. Reflecting this urgency, they set a target of permitting 185,000 new units between 2015 and 2030—an average of just over 12,000 units per year. Despite recent increases in housing production, these 15 cities have collectively permitted only about 63 percent of the units required to stay on pace for their 2030 goal.

### **METRO MAYORS COALITION IS NOT ON PACE TO MEET 2030 PRODUCTION GOAL OF 185,000 NEW UNITS.**

Housing units permitted v. goal pace 2015-2030.



\*The Metro Mayors Coalition housing production goal applies to 15 communities: Arlington, Boston, Braintree, Brookline, Cambridge, Chelsea, Everett, Malden, Medford, Melrose, Newton, Quincy, Revere, Somerville, and Winthrop.

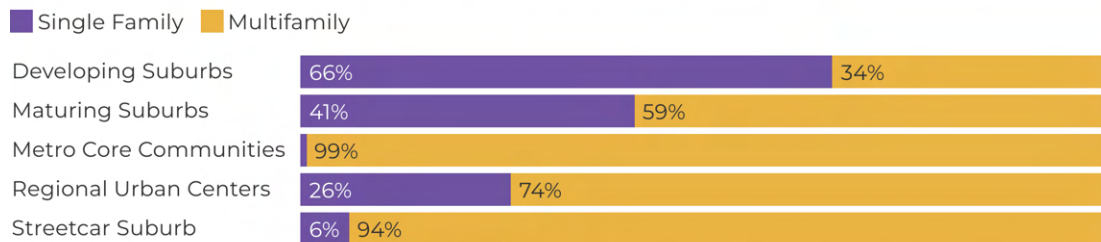
Source: Census Bureau Building Permit Survey

This target is particularly ambitious given that it applies to only a subset of 15 cities, while the Healey-Driscoll administration’s statewide goal is to create 200,000 new housing units by 2030. If we consider 2023 as the starting year for this statewide effort, Massachusetts would need to produce approximately 25,000 units annually to meet the goal. However, in 2023, the state permitted only 13,200 units—well below the target.

Although both goals are currently behind schedule, the Metro Mayors communities have made more progress, particularly toward a more ambitious target. A key factor in their partial success has been the emphasis on multifamily housing, with most new units produced over the past nine years coming from new apartment construction, especially those with 20 or more units. In contrast, the continued focus on building large single-family homes in suburban areas hinders the state’s ability to meet its broader housing needs at scale.

### **METRO CORE COMMUNITIES AND STREETCAR SUBURBS HAVE PERMITTED FAR MORE MULTIFAMILY HOUSING.**

Percent of single family versus multifamily housing units permitted in Greater Boston 2015-2023, by community type.



Data on Metro Mayors Coalition Cities is from Metropolitan Area Planning Council, data for rest of Greater Boston is from Census Building Permit Survey. All Metro Mayors Coalition cities and towns are Metro Core or Streetcar Suburb communities, with the exception of Quincy, which is a Regional Urban Center.

Source: Metropolitan Area Planning Council, U.S. Census Building Permit Survey

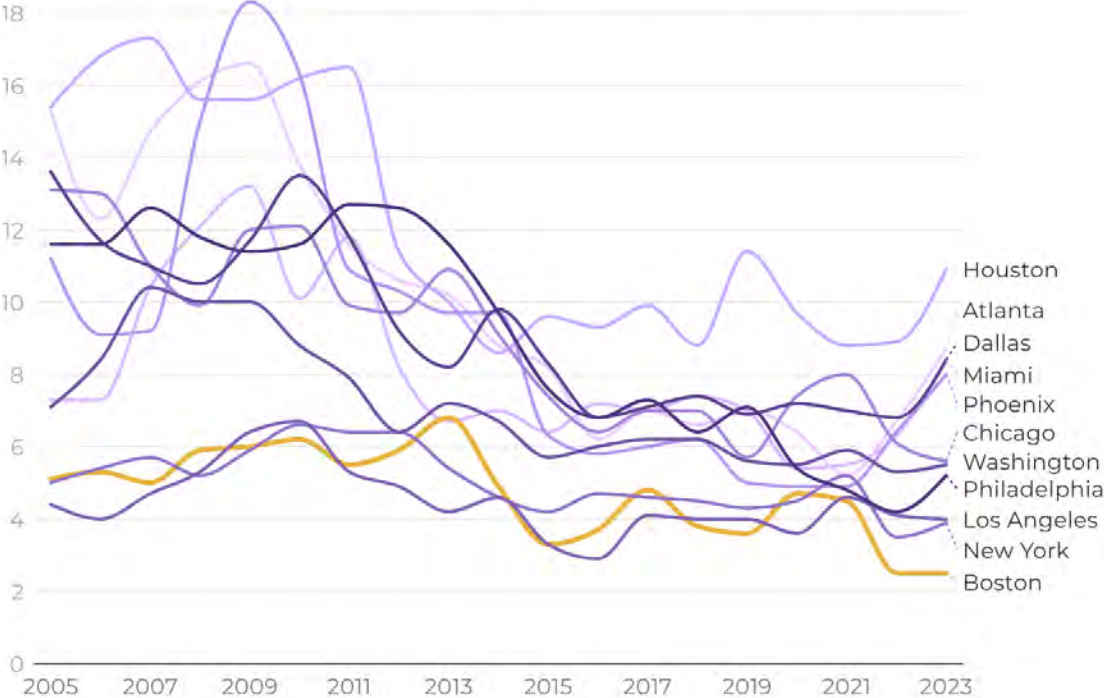
# Rental and homeowner vacancy rates in Greater Boston remain among the lowest nationwide.

While the other supply-side metrics in this section describe the overall housing stock and measures of production, vacancy rates help us assess how effectively supply is meeting demand. Based on the data here paired with numerous reports over the past year highlighting the difficulties in finding available rental or ownership options, it is clear that demand continues to outpace supply in the Boston area.

For years now, Greater Boston has had some of the lowest rental vacancy rates among major U.S. metro areas, and in 2023, while many other cities saw their rates go up, our rental vacancy rate remained extremely low at 2.5 percent. This stagnation contrasts with cities like Houston, Dallas, Phoenix, and Philadelphia, where vacancy rates have risen since 2021 or 2022. While cities like Houston, Dallas, and Phoenix aren't directly comparable to Boston due to their greater availability of land for new development, Philadelphia provides a more relevant point of comparison, and it also saw an increase in 2023.

## RENTAL VACANCY RATES REMAIN EXTREMELY LOW.

Rental vacancy rates by MSA, Census Housing Vacancy Survey 2005-2023.



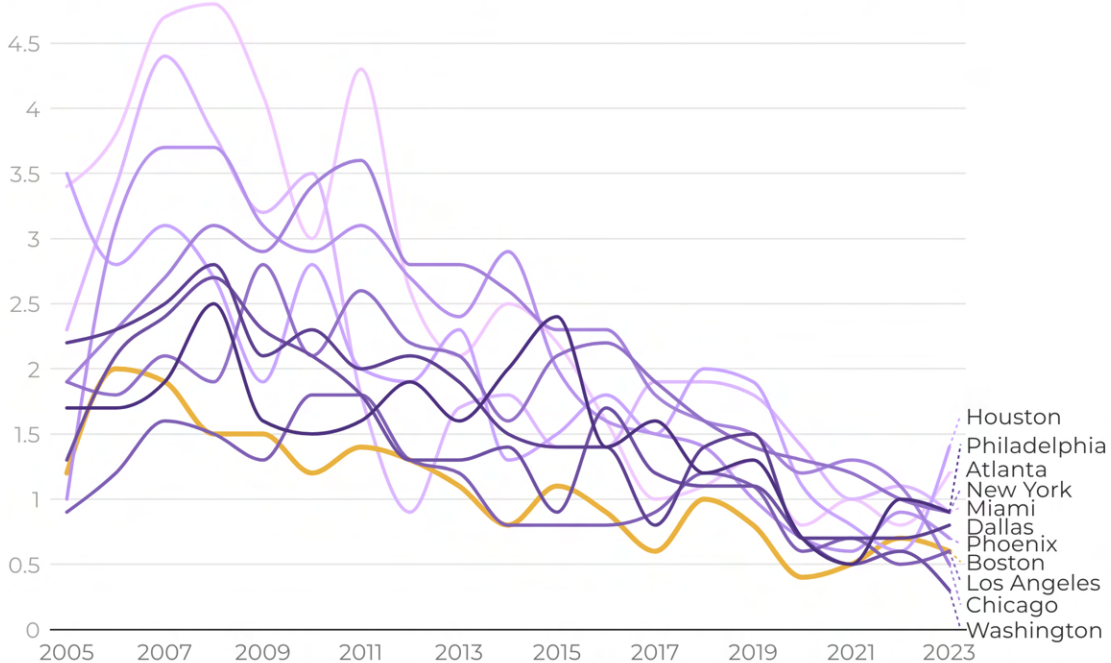
Source: Census Bureau CPS/Housing Vacancy Survey

Meanwhile, homeowner vacancy rates in Greater Boston have increased modestly since 2020 but have generally remained low—and among the lowest of the major metro areas, with only Washington, D.C. and Chicago having tighter vacancy numbers.

The data presented here reflect figures through the fourth quarter of 2023, as reported by the U.S. Census Bureau’s Housing Vacancy Survey. Although more real-time metrics are available from private sources like [BostonPads.com](https://www.bostonpads.com), the accuracy and methodology of such sources can vary widely. The Census surveys a representative sample of the housing stock, which means its estimates are more comprehensive, but they are released quarterly and with a lag. [BostonPads.com](https://www.bostonpads.com), on the other hand, reports vacancies based on the properties listed on its platform, allowing for consistent real-time metrics. While we should take its point estimates with caution, the trends it reports can offer insights into more recent shifts in vacancy rates. According to its early 2024 data, it appears that rental vacancies are slightly higher compared to the same time in 2023, offering some modest good news.<sup>11</sup>

## HOMEOWNER VACANCY RATES REMAIN EXTREMELY LOW.

Homeowner vacancy rates by MSA, Census Housing Vacancy Survey 2005-2023.



Source: Census Bureau CPS/Housing Vacancy Survey





### 3

## PRICES, RENTS, & AFFORDABILITY

**Rents and home prices in Greater Boston have climbed steadily for years, driven by a strong economy paired with constrained housing supply.**

After a brief lull in 2023, the for-sale market has seen renewed price increases through most of 2024. However, with interest rates beginning to decline, the dynamics of the housing market could shift in the near future. Median rents increased alongside home prices for several years, although they've leveled off, or even dipped slightly, during the first three quarters of 2024.

The continued rise in prices has increased the strain on households' capacity to afford housing in Greater Boston. High home prices and high interest rates have increased the amount of cash needed for a down payment, while unrelentingly high rents have made it increasingly tough for would-be first-time homebuyers to save.

This section examines both the sales and rental markets, exploring affordability through the lens of household capacity to afford increasing prices. It also considers recent market trends that have helped drive up sale prices, while observing a few indicators that suggest a shifting housing market.

### MAJOR FINDINGS FROM THIS SECTION INCLUDE:

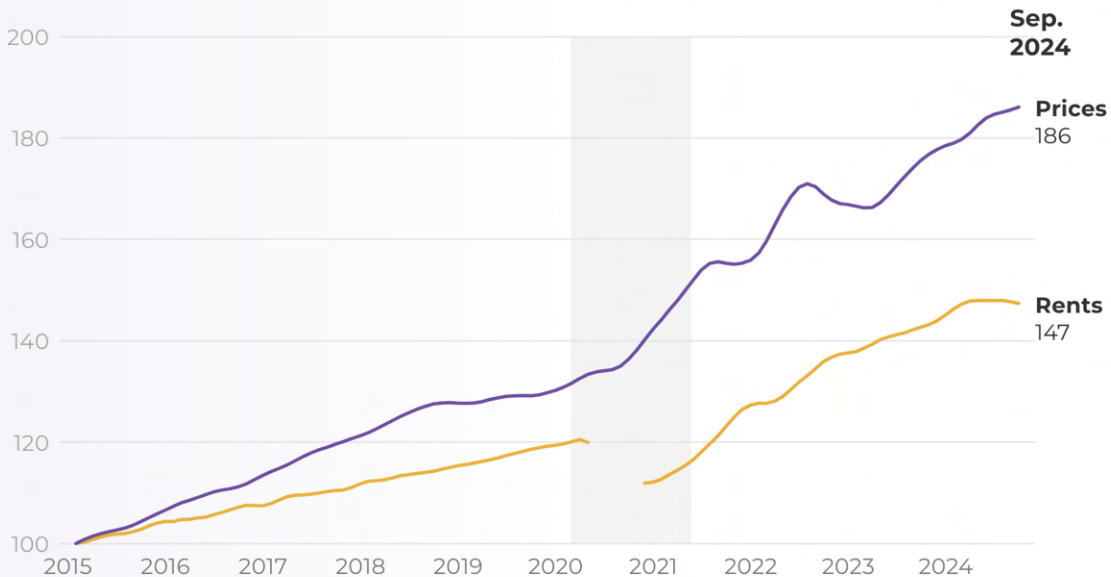
- ▶ For-sale increases have outpaced rent increases, as rents have leveled off in 2024.
- ▶ Home values continue to climb, and median sales prices are now surpassing \$1 million in 35 Greater Boston municipalities.
- ▶ Sales activity remains depressed, although there are recent signs of a modest uptick in activity.
- ▶ High prices and high mortgage rates have combined to push homeownership further out of reach.
- ▶ Homeownership among young adults has declined, likely a result of worsening affordability.
- ▶ Despite slowing growth, rents in Greater Boston remain among the highest in the country.
- ▶ Families need to earn over \$110,000 to "afford" a median two-bedroom apartment in Greater Boston.
- ▶ Housing cost burdens, especially for renters, remain historically high.

## For-sale increases have outpaced rent increases, as rents have leveled off in 2024.

Over the past decade, both home values and rents in Greater Boston have risen significantly, making housing more expensive for everyone. However, typical home values have increased at a faster pace than typical rents. While observed rents have grown by 47 percent since 2015, according to Zillow estimates, home values have surged by 86 percent. This widening gap, combined with higher mortgage rates and declining inventory, has made homeownership an increasingly expensive proposition across the region.

### HOME VALUES HAVE OUTPACED RENT PRICES, THOUGH BOTH ARE UP SIGNIFICANTLY SINCE 2015.

Indexed rate of growth for Zillow ZHVI and ZORI data. Boston MSA. January 2015 = 100.



COVID State of Emergency from March 2020 - May 2021.

Chart: Boston Indicators · Source: Zillow.com

After the pandemic, both sales prices and rents saw rapid increases. However, in recent months sales prices have continued to trend upward while average rents have held constant. While related, the sales market and rental market are each unique in their underlying conditions, trends, and the roles they play in providing market-rate housing. The rest of this section will consider each individually.

## Home values continue to climb, and median sales prices are now surpassing \$1 million in 35 Greater Boston municipalities.

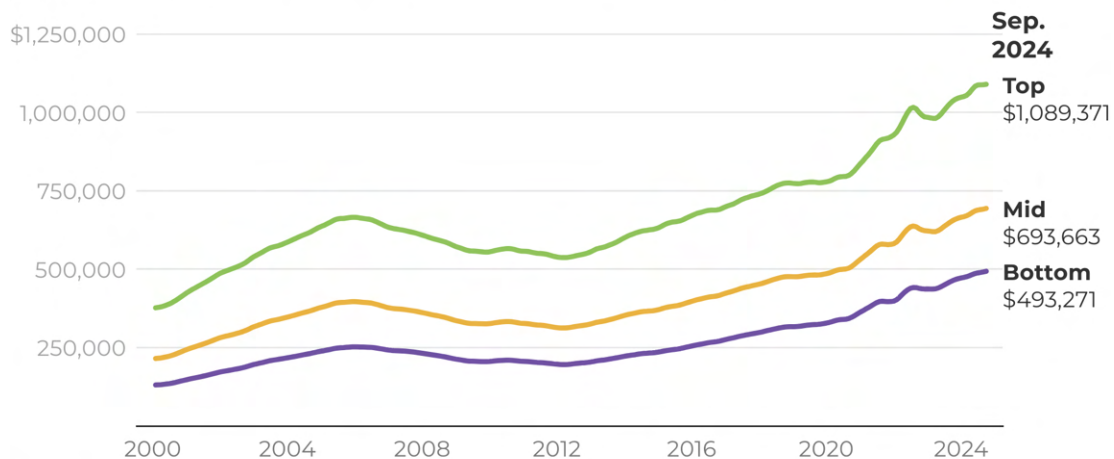
Home values in Greater Boston have continued to rise across market segments throughout 2024. According to the Zillow Home Value Index (ZHVI), home values in the middle tier—representing homes between the 35th and 65th percentile—have risen by more than \$200,000 since 2020.

Home values at the lower end of the market (5th through 35th percentile), have also seen substantial increases, now approaching \$500,000. This reflects a housing market where even entry-level homes are becoming further and further out of reach for many prospective buyers. The top tier of the market, encompassing homes in the 65th to 95th percentile, has experienced the sharpest rise, with typical home values approaching \$1.1 million.

While the Zillow Home Value Index is a useful metric for understanding the value of all homes over time, it does not give us a sense of recent sale prices, which tend to be higher than values of all homes in a given geography. To focus on sale prices, then, we turn to data from The Warren Group. It estimates that the median single-family sales price across Greater Boston was \$795,000, as of August 2024. While down from the June peak of \$835,000, this is still a record high for August.

### HOME VALUES CONTINUE TO RISE AT ALL PRICE POINTS.

Zillow Home Value Index by tier. All homes, smoothed, seasonally adjusted. Boston MSA.



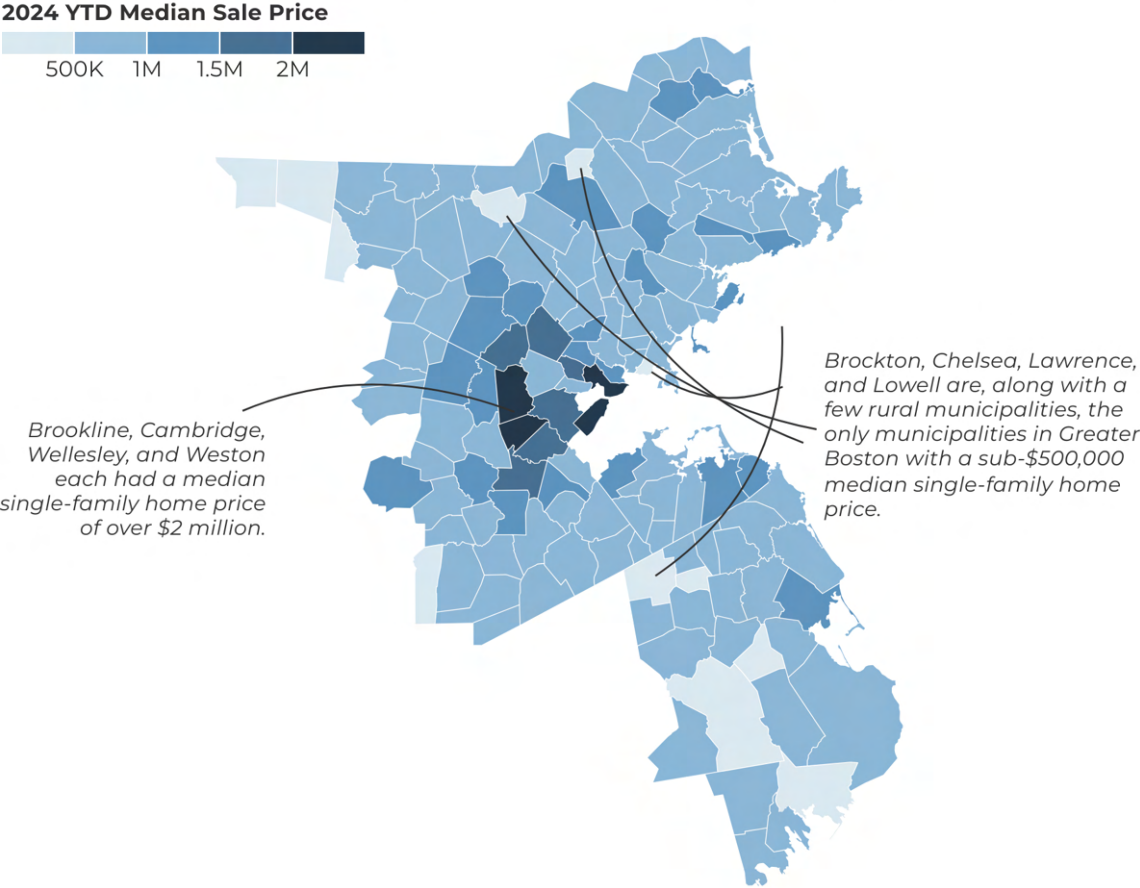
The Zillow Home Value Index (ZHVI) is a measure of the typical home value and market changes across a given region and housing type. The top-tier ZHVI reflects the typical value for homes within the 65th to 95th percentile range; mid-tier covers homes in the 35th to 65th percentile; and bottom-tier covers homes between the 5th and 35th percentile.

Chart: Boston Indicators · Source: Zillow ZHVI Index

At the municipal level, 35 of the region’s 146 municipalities had a median single-family home price above \$1 million through the first six months of 2024 (we look at multiple months of data for municipal estimates, due to smaller total sales volumes). Median sale prices in four municipalities—Brookline, Cambridge, Wellesley, and Weston—surpassed \$2 million in the same timeframe. Meanwhile, median sales prices remain lowest in Gateway Cities like Brockton, Chelsea, Lawrence, and Lowell, as well as in a few rural areas where median prices are still below \$500,000. Despite these regional variations, home prices have been on the rise across the entire region, further constraining affordability and making it more difficult for prospective first-time homebuyers.

**IN THE FIRST SIX MONTHS OF 2024, 35 GREATER BOSTON MUNICIPALITIES HAD A MEDIAN SINGLE-FAMILY SALE PRICE ABOVE \$1 MILLION.**

Median sale price for single-family homes. YTD through June 2024.



Graph contains all available data, including municipalities that had few single-family home sales in the data. City of Boston excluded.

Map: Boston Indicators · Source: The Warren Group · Map data: MassGIS

## Sales activity remains depressed, although there are recent signs of a modest uptick in activity.

As the Federal Reserve began raising interest rates in 2021 to combat inflation, some speculated that sale prices might start falling as higher mortgage rates would squeeze would-be buyers and thus reduce demand. What happened instead was that any decline in demand was negated by a simultaneous decline in supply, as fewer homes went up for sale. Essentially, would-be sellers were scared away because if they swapped houses, they would lose their previous low-interest mortgage and be forced to purchase at the new higher interest rate. This phenomenon of “interest rate lock” resulted in a somewhat stuck housing market.

One way to illustrate the decline in activity is to look at transaction volumes. In 2023, there was a significant drop in activity, with single-family and condo transactions down by 22 percent compared to the previous year. This trend has continued into 2024, with sales volumes through August closely mirroring 2023's levels.

### CUMULATIVE HOME SALES REMAIN DEPRESSED.

Annual cumulative single family + condo transactions for Greater Boston.

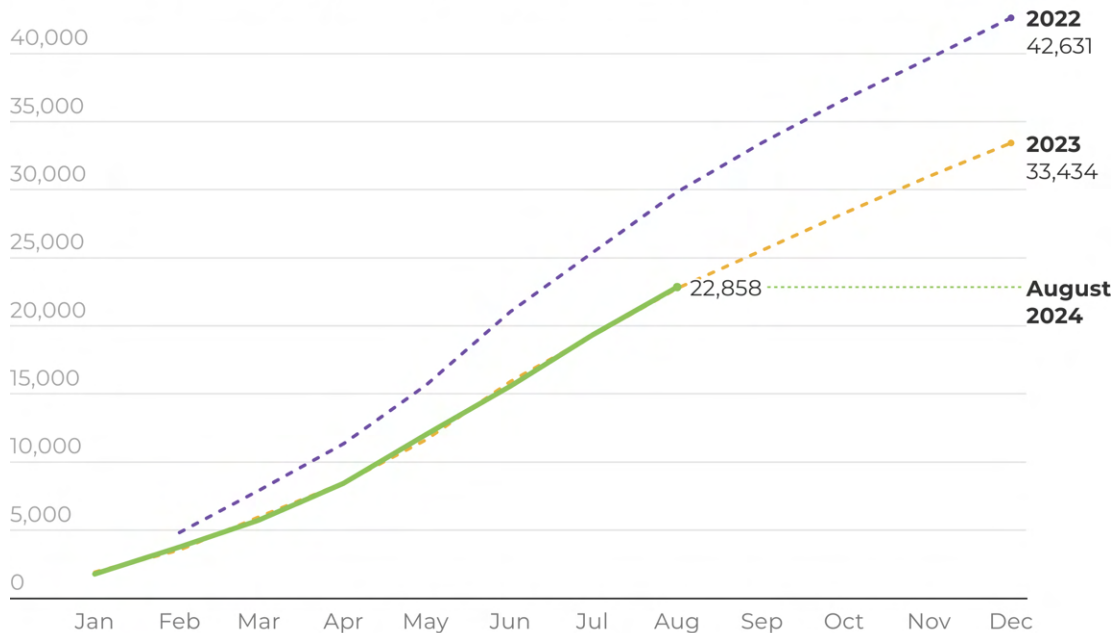


Chart: Boston Indicators - Source: The Warren Group

While it's possible that the decline in sales volumes could be driven by declining buyer demand, other indicators of market activity clearly point to supply constraints as well. Since at least 2016, for instance, and accelerating during the pandemic, both the number of active listings and the median days on the market began to decline. The rate of decline then stabilized in 2022, though both metrics remain below pre-pandemic levels. Coupled with consistently low transaction activity, these indicators point to a housing market that continues to be tight and where the few available listings are quickly snapped up, pushing prices higher and raising the barrier to homeownership.

### CHANGE IN LISTINGS AND DAYS ON MARKET OVER TIME.

Percent change in rolling twelve month average since June 2017. Boston MSA.

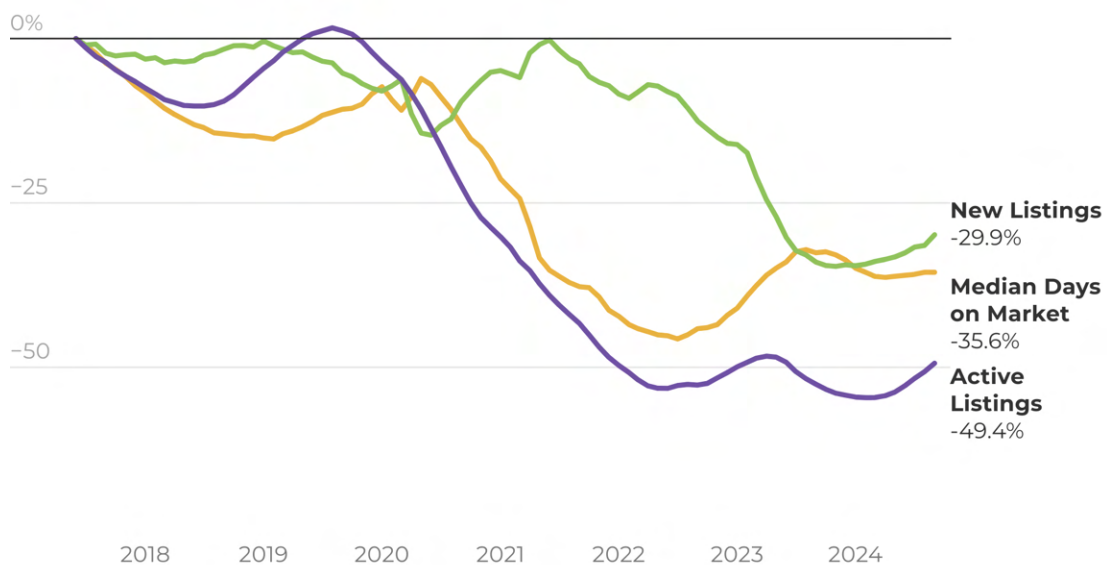


Chart: Boston Indicators • Source: Realtor.com

However, a few factors suggest that the housing market could shift in the near future. Lower mortgage rates might encourage current homeowners with favorable existing rates to consider selling, thereby increasing inventory. In the past year, Greater Boston already saw an uptick in the number of new and active listings, which are also beginning to stay on the market for longer durations. While still far below pre-pandemic activity, continued declines in mortgage rates could help partially reverse years of market inactivity.

## High prices and high mortgage rates have combined to push homeownership further out of reach.

Increasing home prices have pushed homeownership out of reach for many aspiring homebuyers. But the sticker price isn't the only factor driving up costs—higher mortgage rates have compounded the problem, leading to prohibitively high monthly payments and pushing some would-be buyers out of the market.

### THE ANNUAL INCOME NEEDED TO AFFORD A HOME HAS INCREASED SIGNIFICANTLY SINCE 2021.

Estimated annual income needed to afford monthly payments. Greater Boston.

	Low-End Homes (Bottom Third of Market)			Middle-Tier Homes		
	2021	2024	Difference	2021	2024	Difference
Typical Home Price	\$401,530	\$493,271	<b>+\$91,741</b>	\$588,756	\$693,663	<b>+\$104,907</b>
Down Payment & Closing Costs	\$26,099	\$32,063	<b>+\$5,963</b>	\$38,269	\$45,088	<b>+\$6,819</b>
Interest Rates	3%	6.46%	-	3%	6.46%	-
Total Monthly Owner Costs	\$2,566	\$4,141	<b>+\$1,575</b>	\$3,622	\$5,753	<b>+\$2,131</b>
Annual Income Needed	\$99,315	\$160,297	<b>+\$60,981</b>	\$140,206	\$222,716	<b>+\$82,509</b>

Note: Estimates assume a 3.5% down payment on a 30-year fixed rate loan with zero points, 0.3% property insurance, 1.15% property taxes, 3% closing costs, credit score between 680-699, and a maximum 31% debt to income ratio. Low-end homes have values in the 5th to 35th percentile of all homes in Greater Boston, middle-tier homes are in the 35th to 65th percentile. Total monthly owner costs include monthly mortgage payments, property taxes, homeowner's insurance, and private mortgage insurance.

Table: Boston Indicators · Source: Boston Indicators tabulations of Freddie Mac, Primary Mortgage Market Surveys; Zillow ZHVI



To get a sense of how these dynamics have changed in a few short years, the analysis below models monthly ownership costs, using a set of assumptions adopted by researchers at the Joint Center for Housing Studies at Harvard. In 2021, a household needed an income of \$99,315 to “afford” (spend no more than 30 percent of their income on) a typical bottom-tier home priced at \$401,530, assuming a very modest 3.5 percent down payment and a 3 percent mortgage rate.<sup>12</sup> By 2024, however, the price of a typical bottom-tier home had jumped to \$493,271, and interest rates had risen to above 6 percent. As a result, the annual gross income required to afford the least expensive homes in the region with a similar down payment had skyrocketed to \$160,297—a \$61,000 jump in only three years.

The combined effect of these changes from 2021 to 2024 means that monthly ownership costs have increased by \$1,575 for those purchasing a lower-tier home and \$2,131 for those purchasing a middle-tier home, essentially rendering the calculation of buying a home with a small down payment untenable.

## PRICE INCREASES AND INTEREST RATE HIKES HAVE INCREASED THE IMPORTANCE OF A LARGER DOWN PAYMENT.

Estimated annual income needed to afford monthly payments. Greater Boston.

Percent Paid As Down Payment	Low-End Homes (Bottom Third of Market)			Middle-Tier Homes		
	3.5%	20%	Difference	3.5%	20%	Difference
Down Payment & Closing Costs	\$32,063	\$113,452	<b>+\$81,390</b>	\$45,088	\$159,542	<b>+\$114,454</b>
Total Monthly Owner Costs	\$4,141	\$3,224	<b>-\$917</b>	\$5,753	\$4,533	<b>-\$1,220</b>
Annual Income Needed	\$160,297	\$124,792	<b>-\$35,505</b>	\$222,716	\$175,489	<b>-\$47,227</b>

Note: Estimates assume a 6.46% interest rate, low-tier home price of \$493,271 and mid-tier home price of \$693,663, 0.3% property insurance, 1.15% property taxes, 3% closing costs, credit score between 680-699, and a maximum 31% debt to income ratio. Low-end homes have values in the 5th to 35th percentile of all homes in Greater Boston, middle-tier homes are in the 35th to 65th percentile.

Table: Boston Indicators · Source: Boston Indicators tabulations of Freddie Mac, Primary Mortgage Market Surveys; Zillow ZHVI

As a result, the importance of having more money up front, whether that be in the form of a larger down payment or an entirely cash transaction, becomes more pronounced when mortgage rates are high. For example, with a 6.46 percent interest rate, a 20 percent down payment of \$113,452 on a low-tier home would decrease the monthly payment by \$917, in turn lowering the annual income needed to afford an entry-level home by \$35,505.

This combination of record-high home prices and sharply rising mortgage interest rates has dramatically reduced the number of renter households that can afford to buy a home in the region—even at the lower end of the market. The impact is particularly severe for Black and Latino households, who are more likely to be moderate-income renters, deepening the significant racial and ethnic disparities that already exist in the region’s housing market.

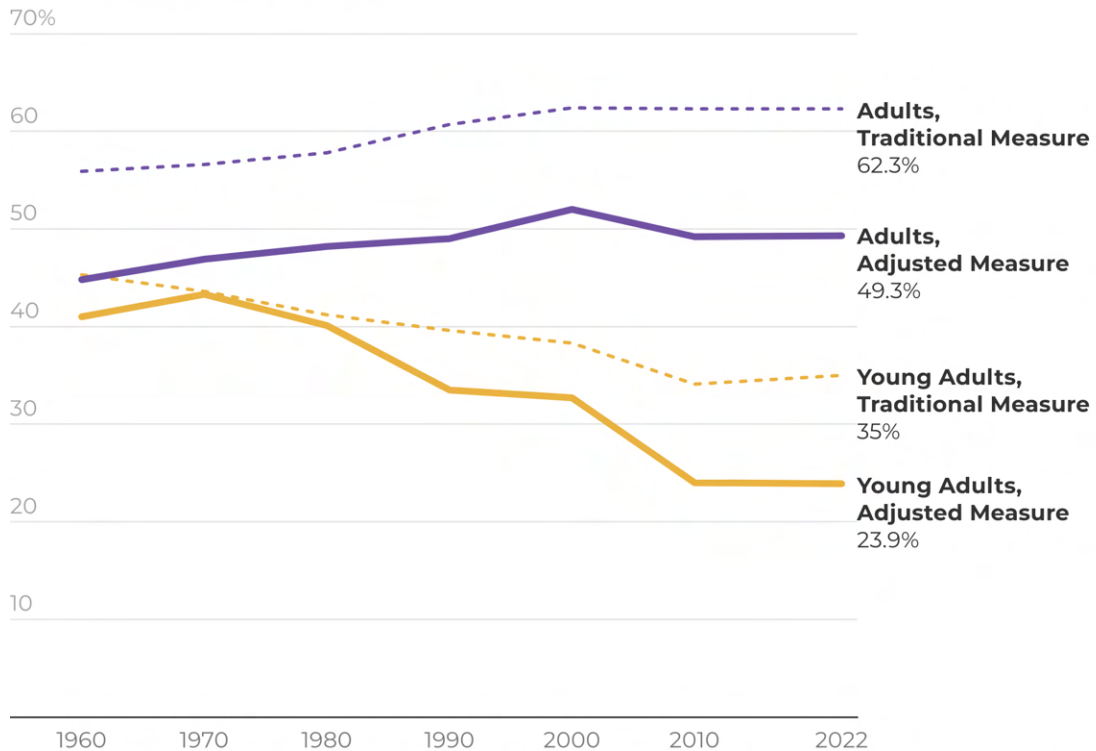
## Homeownership among young adults has declined, likely a result of worsening affordability.

Traditional measures of homeownership often rely on counting the number of household heads who own homes and dividing that by the total number of household heads, including both owners and renters. However, this method understates the true number of people who could potentially own homes or lead their own households, particularly young adults who may be living in alternative housing arrangements, such as with roommates or parents. These individuals, who might otherwise be household heads in different economic circumstances, are overlooked by the traditional approach.

By adjusting the definition of household heads to include all married spouses or unmarried partners and determining how many in this broader group own homes, we can gain a more accurate view of homeownership rates. Adapted from Census Bureau economist [John Voorheis](#),<sup>13</sup> this approach highlights the extent to which homeownership rates are lower than commonly reported. For young adults, the gap is about 11 percentage points lower for the adjusted measure than the traditional measure, and it’s about 13 percentage points lower for all adults. Notable too, under the adjusted measure, the gap between adults and young adults in 1960 was about 3 percentage points. But by 2022 this has expanded to more than 25.

## HOMEOWNERSHIP RATE AMONG YOUNG ADULTS HAS DECLINED SIGNIFICANTLY IN MASSACHUSETTS SINCE 1960.

Homeownership rate in Massachusetts. Adults (18+ years-old) and young adults (25–34-years-old). 1960–2022.



Note: The traditional measure of homeownership looks only at whether the household head owns their own home. To understand who could potentially afford a home, it's useful to look at ownership rates among all adults (18+) and working age younger adults (25–34). Method adapted from John Voorheis, Census Bureau.

Chart: Boston Indicators · Source: 1960 - 2000 Census, 2010, 2022 1-Yr American Community Survey. IPUMS, University of Minnesota, [www.ipums.org](http://www.ipums.org).

This decline underscores the increasing barriers young adults face buying homes in Greater Boston. Limited availability of affordable housing, coupled with challenges in securing appropriate financing, means many young adults are unable to transition into homeownership. Additionally, young adults are increasingly likely to live with their parents or share housing with other couples, leading them to be counted as part of a single household. Many also remain in rental housing longer, unable to break into the market due to the shortage of affordable starter homes.

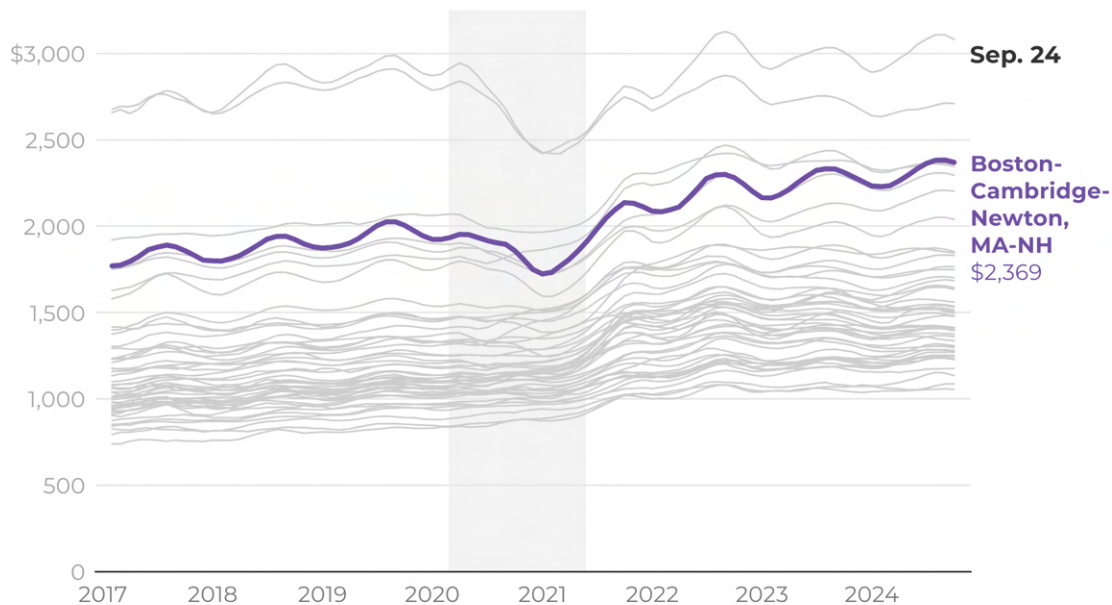
## Despite slowing growth, rents in Greater Boston remain among the highest in the country.

As of September 2024, Greater Boston ranks third in the nation for the highest median rent for two-bedroom apartments. It's important to note that rent prices can be measured in many ways, and different segments of the market—such as smaller studios versus larger family-sized units—can show varied trends. For the purposes of this analysis, we focused on median two-bedroom rents from Apartment List to provide a general sense of what's happening in the middle of the market. The median rent on new leases in Greater Boston was approximately \$2,369 in September 2024, marking a modest \$58 increase compared to one year ago.

While marginally reassuring, this modest growth for 2024 comes on top of many years of increases followed by a dramatic spike in 2021. In fact, the rate of increase between 2020 and 2022 was so pronounced that cumulatively the median rent for a two-bedroom has risen by over 37 percent over the past four years.

### GREATER BOSTON HAS THE THIRD HIGHEST MEDIAN TWO-BEDROOM RENT.

Apartment List rent estimates for top 50 metropolitan areas. Two-bedroom rents. January 2017–September 2024.



COVID State of Emergency from March 2020–May 2021.

Chart: Boston Indicators · Source: Apartment List

The rent estimates provided here encompass the entire Boston Metropolitan Statistical Area, which includes regions in Southern New Hampshire, where rents are generally lower. This inclusion tends to pull down the overall median rent estimates slightly.

Most Greater Boston municipalities also saw median rents increase more gradually over the two-year period from 2022 to 2024 compared to the sharp increases observed from 2020 to 2022. For example, Apartment List estimates that the median rent for a two-bedroom apartment in the city of Boston increased by \$448 between September 2020 and September 2022 yet increased by only \$69 in the two years since. A similar pattern can be seen in all municipalities for which data are available, including at the regional level where the increase between September 2020 and September 2022 was \$422 compared to just \$88 in the last two years. Further, most of the rent increases seen during this second two-year period occurred from 2022 to 2023, with rents increasing little or none through September of 2024.

**FOR MANY GREATER BOSTON MUNICIPALITIES, RENTS INCREASED AT A SLOWER RATE IN THE LAST TWO YEARS THAN THEY DID BETWEEN 2020 AND 2022.**

Apartment List rent estimates for Greater Boston towns with reliable estimates. Two-bedroom monthly rents.

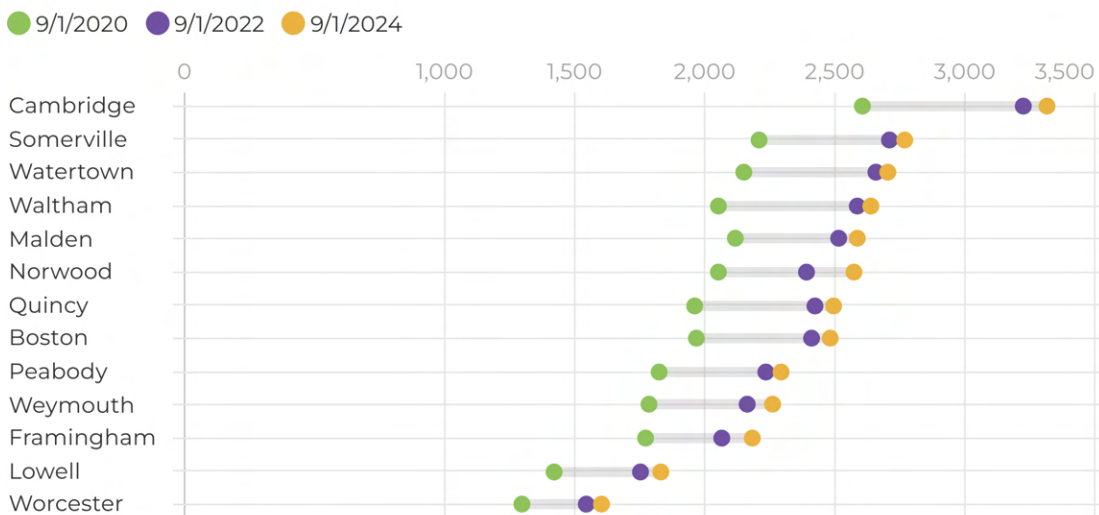


Chart: Boston Indicators · Source: Apartment List

## Families need to earn over \$110,000 to “afford” a median two-bedroom apartment in Greater Boston.

Renting an apartment in Greater Boston remains a financial burden for many low- and moderate-income households. To better understand these dynamics, we looked at the typical costs of renting in the region and compared these to the wages earned by workers in the 20 most common occupations in Greater Boston.

The numbers tell a sobering story. A median two-bedroom apartment, including average utility costs, runs around \$2,773 per month, or \$33,276 annually. To afford this without spending more than 30 percent of their income on housing, a household would need to earn over \$110,000 per year. Notably, this is higher than the \$96,863 median household income for Greater Boston in 2022. In addition, many households earn far less, particularly those in lower-wage jobs, and the 30 percent rule isn’t always a realistic target for them.

The 30 percent threshold for affordability is a simplified guideline, of course. Some families can manage to spend more on housing if they’re able to save in other areas, like transportation, by living in a more convenient location close to work or school. While rents might be higher in these areas, the ability to cut down on commuting costs can make those higher rents more manageable.

### ESTIMATED INCOME NECESSARY TO AVOID SPENDING MORE THAN 30% ON HOUSING COSTS.

Boston MSA.

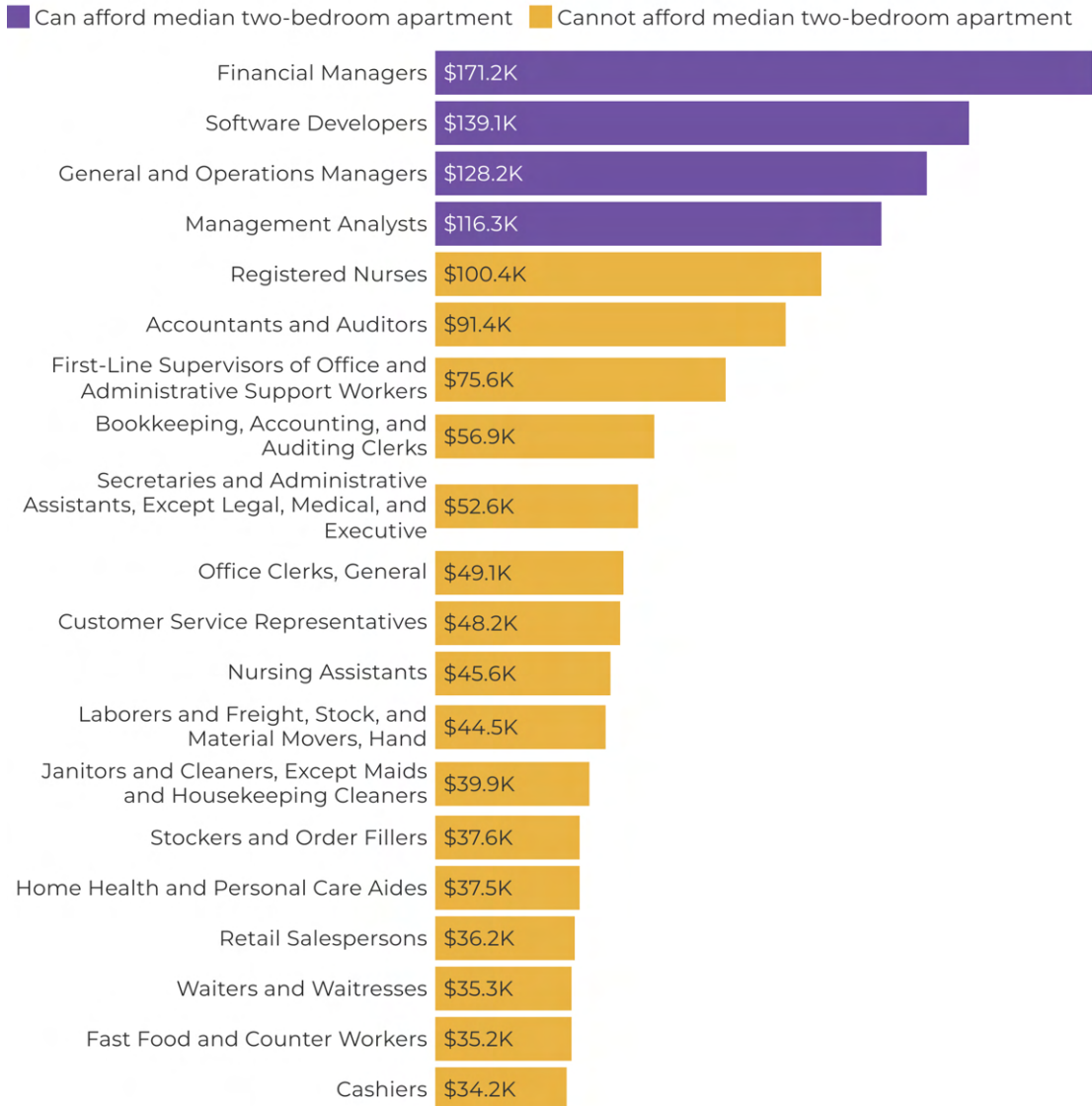
<b>Median two-bedroom rent</b>	<b>\$2,369</b>
Electricity	\$150
Gas	\$130
Water	\$34
Sewer	\$90
Total	\$2,773
<b>Annual total per household</b>	<b>\$33,276</b>
<b>Household income needed to not be cost-burdened</b>	<b>\$110,920</b>

Income threshold determined by Boston Indicators tabulations of rent and utilities costs estimated in ApartmentList and This Old House data. Cost-burdened is defined as spending more than 30 percent of household income on housing.

Table: Boston Indicators · Source: ApartmentList, This Old House.

## OUT OF THE TWENTY MOST COMMON OCCUPATIONS IN GREATER BOSTON, FEW EARN ENOUGH TO AFFORD A MEDIAN TWO-BEDROOM APARTMENT IN GREATER BOSTON.

Median annual income by occupation. Boston MSA.



Income threshold determined by Boston Indicators tabulations of rent and utilities costs estimated in Apartment List and This Old House data. In order to spend a maximum of 30 percent of income on housing costs, we estimate a household would need to make an annual salary of at least \$110,920. Occupations listed are those with the most number of employees in the Boston-Cambridge-Nashua MA-NH metropolitan statistical area as of May 2023 per Bureau of Labor Statistics.

Chart: Boston Indicators · Source: BLS Occupational Employment and Wage Statistics, May 2023.

Furthermore, our calculations focus on median rents, meaning half of all two-bedroom apartments are available for less than the \$2,773 figure. But lower rent prices often come with trade-offs—these units tend to be in less desirable areas with fewer amenities, or they may be of lower quality, which can push up other costs like transportation or maintenance.

When we compare wages, the gap between housing costs and income becomes stark. Of the 20 most common occupations in the region, only four offer median salaries that exceed the \$110,920 needed to “afford” a median two-bedroom apartment. Thirteen of these jobs pay less than \$60,000 per year. For most workers in these lower-paying professions, even combining two incomes wouldn’t be enough to afford the median rent without stretching far beyond the 30 percent benchmark.

## **Housing cost burdens, especially for renters, remain historically high.**

Overall, the percentage of renters who are cost-burdened eclipsed 50 percent in 2023. When we break out renters by income band, we find large and steady increases in cost burden across nearly all low- and moderate-income renter households over the last two decades. From 2005 through roughly 2017, there were gradual increases in the share of renter households spending more than 30 percent of their income on rent, with increases accelerating for all groups from roughly 2017 to 2022. Although there wasn’t a noticeable increase from 2022 to 2023, cost burden shares remained elevated across the region.

Cost burden rates are especially high for those earning below \$75,000 a year. As of 2023, more than 75 percent of households earning less than \$75,000 were spending more than 30 percent of their income on rent.

There are also significant racial disparities within both homeowner and renter rates of cost burden, with Black and Latino households as much as 19 percentage points more likely to be cost-burdened than White and Asian households in both categories. 59 percent of Black renter households and 55 percent of Latino renter households spend more than 30 percent of their income on housing.



## LARGE SHARES OF LOW- AND MODERATE-INCOME RENTER HOUSEHOLDS REMAIN COST BURDENED.

Share of renter households paying more than 30 percent of their income on rent, by income group. Greater Boston.

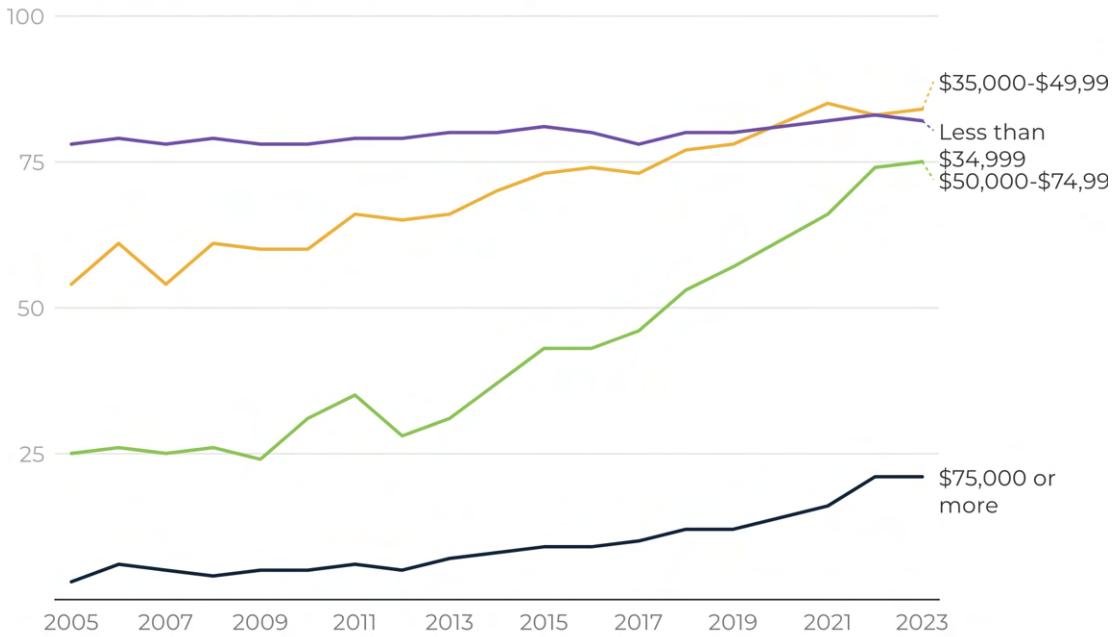
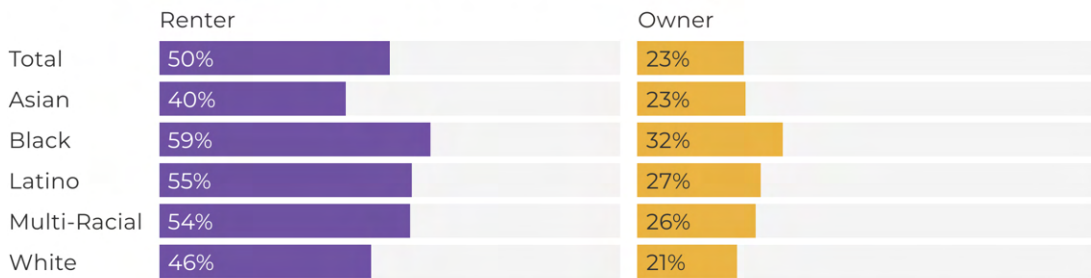


Chart: Boston Indicators - Source: 2005-2023 American Community Survey.

## HALF OF ALL RENTERS ARE COST-BURDENED AS RACIAL DISPARITIES PERSIST FOR BOTH HOMEOWNERS AND RENTERS.

Cost-burden by tenure and race. Greater Boston. 2023.



Note: White, Black, Asian and Pacific Islander are all single-race alone. Latino can be of any race. Other includes Some Other Race Alone and Multiracial non-Latino households.

Chart: Boston Indicators - Source: IPUMS, University of Minnesota.

## 4

# SUBSIDIZED HOUSING

Earlier in this report, we analyzed trends in the production of market-rate housing across Greater Boston. It's equally important to examine how well our region provides subsidized housing for those who are unable to afford housing through the private market.

This is because even if we made dramatic progress in moderating market-rate housing costs, common circumstances like disability, old age, unemployment, underemployment, or low-wage work would lead many families to need some public support to pay for decent housing.

So here, we turn our attention to subsidized housing—various types of rental units designated for low- and moderate-income families, with rents set below market rates. And this year we are fortunate to have access to significantly improved data, thanks to the efforts of Housing Navigator Massachusetts, a unique nonprofit that has developed an online search tool for Massachusetts residents seeking subsidized housing. Through the process of collecting property-level information for its search tool, Housing Navigator built a new dataset that provides a more comprehensive and accurate picture of the current stock of subsidized rental units across the region. It also allows comparisons across municipalities and for more granular analysis of the types of subsidized units being offered.

### KEY FINDINGS FROM THIS SECTION INCLUDE:

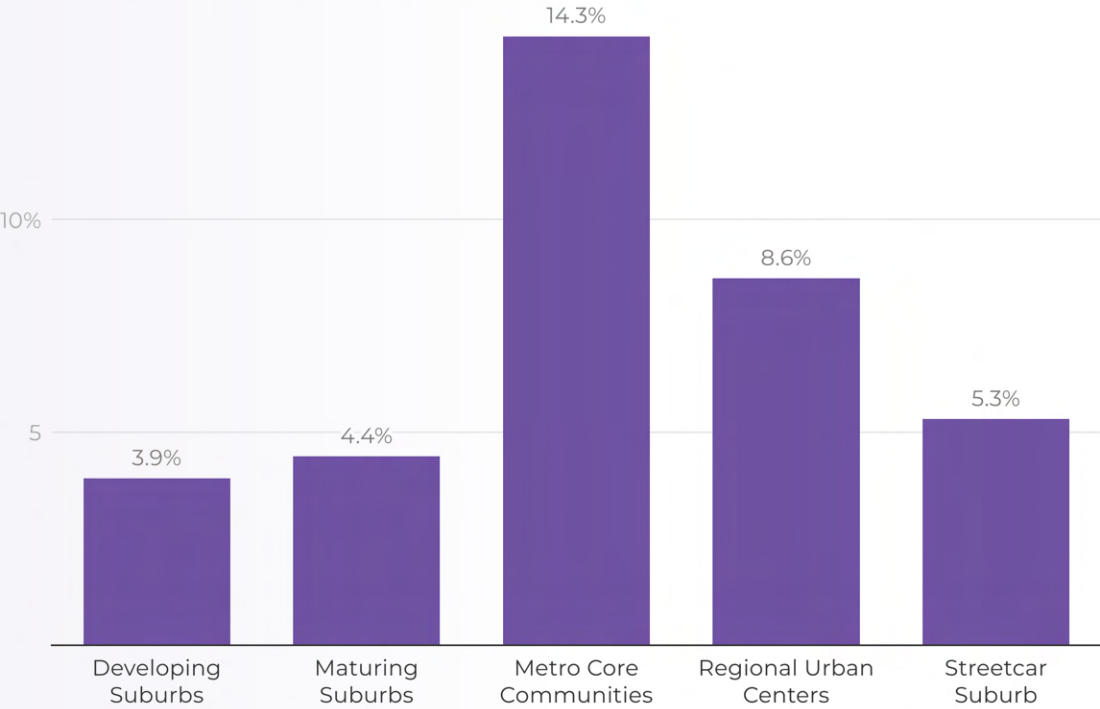
- ▶ Metro Core Communities provide far more subsidized housing than any other community type.
- ▶ Suburbs are far more likely to restrict their subsidized rental housing to seniors only.
- ▶ Nearly half of all subsidized rentals in Greater Boston are one-bedrooms or smaller.
- ▶ Roughly two-thirds of Greater Boston's subsidized housing is rented at a fixed percentage of household income, usually 30 percent.
- ▶ The state's Subsidized Housing Inventory counts many units that are not actually restricted for low- or moderate-income families.

# Metro Core Communities provide more subsidized housing than any other community type.

Whether measured in raw numbers or as a proportion of total housing stock, Metro Core Communities provide significantly more subsidized rental units than any other community type. In this context, “subsidized housing” refers to various types of rental units restricted to low- and moderate-income families, with rents set below market rates (e.g., public housing, inclusionary zoning units, and privately-developed subsidized housing supported by public funds). In contrast, subsidized rentals are notably scarce in all suburban community types, with less than 4 percent of the housing stock in developing suburbs being subsidized. It is important to note that this analysis focuses solely on subsidized rentals, as data on subsidized homeownership units are limited. However, given that subsidized homeownership units are far less common, their inclusion would likely not alter the comparison across community types.

## SUBSIDIZED RENTALS AS A SHARE OF TOTAL HOUSING STOCK

By community type. Greater Boston, 2024.



Source: Housing Navigator Massachusetts 2024, 2020 U.S. Decennial Census

Town-level data on subsidized housing provision is available in the online data supplement to this Report Card, and below we present two charts ranking the top and bottom 10 municipalities. These rankings reflect data from 142 Greater Boston municipalities with reliable estimates. The charts below reflect the patterns observed in our analysis of community types: Many of the top 10 producers are located in Metro Core Communities or Regional Urban Centers, while nearly all of the bottom 10 are in Developing Suburbs.

### TOP 10 PROVIDERS OF SUBSIDIZED RENTAL UNITS.

Subsidized rentals as a percentage of total housing stock in Greater Boston.

Municipality	Pct	County	Community Type
Boston	17.0%	Suffolk County	Metro Core Communities
Lawrence	16.0%	Essex County	Regional Urban Centers
Chelsea	15.5%	Suffolk County	Metro Core Communities
Cambridge	13.6%	Middlesex County	Metro Core Communities
Brockton	11.7%	Plymouth County	Regional Urban Centers
Lowell	11.5%	Middlesex County	Regional Urban Centers
Salem	9.7%	Essex County	Regional Urban Centers
Lynn	9.6%	Essex County	Regional Urban Centers
Beverly	9.3%	Essex County	Regional Urban Centers
Wenham	9.1%	Essex County	Developing Suburbs

Source: Housing Navigator Massachusetts 2024. US Decennial Census 2020 accessed via MAPC Datacommon.

## **BOTTOM 10 PROVIDERS OF SUBSIDIZED RENTAL UNITS.**

Subsidized rentals as a share of total housing stock in Greater Boston.

<b>Municipality</b>	<b>Pct</b>	<b>County</b>	<b>Community Type</b>
Sherborn	0.4%	Middlesex County	Developing Suburbs
Halifax	0.9%	Plymouth County	Developing Suburbs
Hull	1.4%	Plymouth County	Maturing Suburbs
West Newbury	1.5%	Essex County	Developing Suburbs
Carver	1.5%	Plymouth County	Developing Suburbs
Carlisle	1.7%	Middlesex County	Developing Suburbs
Dracut	2.1%	Middlesex County	Developing Suburbs
West Bridgewater	2.1%	Plymouth County	Developing Suburbs
Groton	2.1%	Middlesex County	Developing Suburbs
Mattapoisett	2.2%	Plymouth County	Developing Suburbs

The towns of Ashby, Rochester, Dunstable, Boxford, and Dover are listed in the data as having no subsidized rental units.

Source: Housing Navigator Massachusetts 2024. US Decennial Census 2020 accessed via MAPC Datacommon.

## Suburbs are far more likely to restrict their subsidized rental housing to seniors only.

Subsidized housing comes in a variety of forms, and each type can either directly or indirectly exclude certain populations. To explore this further, we examine age restrictions, unit types, and income eligibility across the region's subsidized housing stock. While socioeconomic status is the primary criterion for most subsidized housing, age is another significant factor, with many income-restricted units designated exclusively for seniors. It's important to ensure that lower-income seniors have access to affordable housing, so providing age-restricted units for seniors is not inherently problematic. However, when overused—especially in combination with residency preferences—age restrictions can serve as a tool to exclude families and other potential residents from the community.

### SUBSIDIZED RENTAL STOCK BY COMMUNITY TYPE AND AGE RESTRICTION

Greater Boston, 2024.

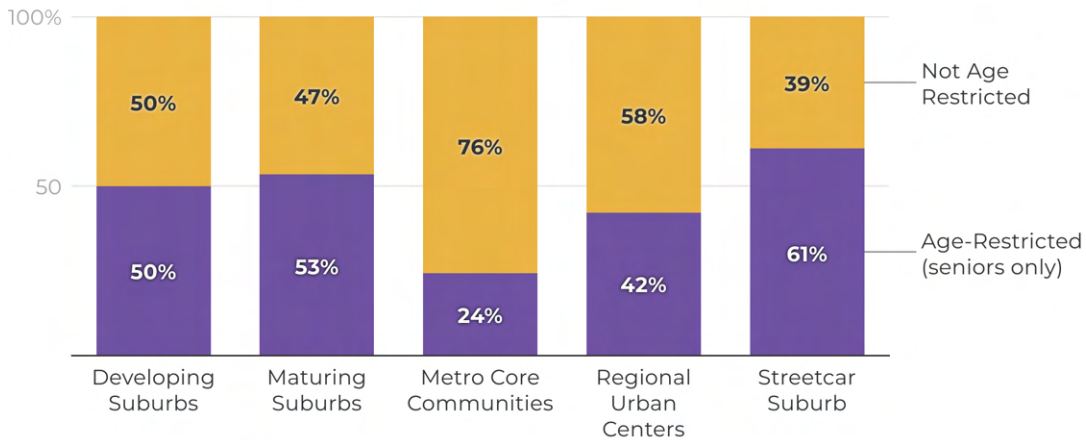


Chart: Boston Indicators · Source: Housing Navigator Massachusetts 2024

This concern is underscored by findings from a recent analysis of this same Housing Navigator MA dataset by Katherine Levine Einstein and Maxwell Palmer, researchers at Boston University. They find that cities and towns with higher shares of White residents tend to have a higher proportion of age-restricted units, with the implication that racial prejudice is motivating some of these choices.<sup>14</sup> Our own analysis shows a similar trend when examining community types: Metro Core Communities use age restrictions far less frequently than other types of communities. This is significant because policies like age restrictions and local preferences in tenant selection can undermine the regional goal of increasing the availability of affordable housing for those who need it most.

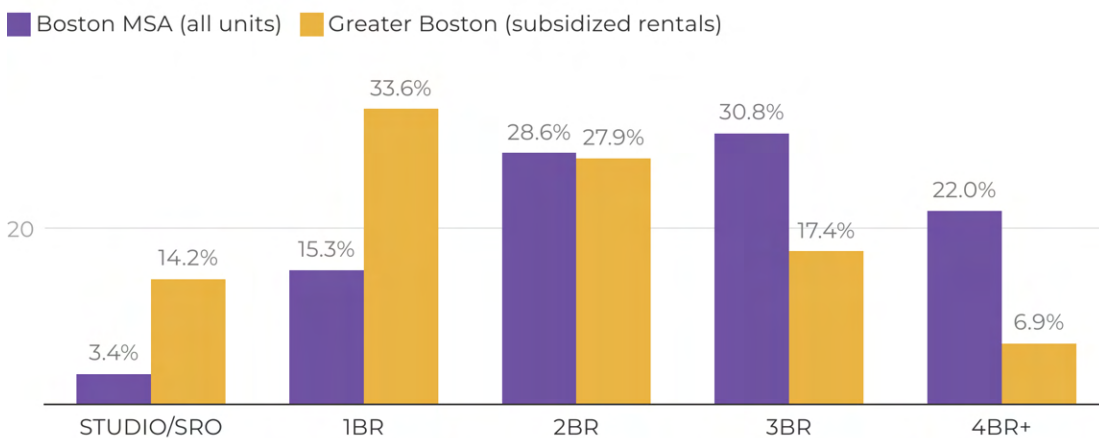
# Nearly half of all subsidized rentals in Greater Boston are one-bedrooms or smaller.

Due to data limitations, our analysis of subsidized housing by unit type compares Greater Boston (defined as the five-county region) with the broader Boston metropolitan statistical area (MSA), which includes parts of southern New Hampshire. While this comparison isn't perfect, it does reveal significant differences between the mix of housing types provided by the market overall and the unit mix for subsidized rental housing. Subsidized rentals in Greater Boston are heavily skewed toward smaller units—nearly half consist of one-bedroom units, studios, or single-room occupancy (SRO) units. In contrast, less than 20 percent of the overall housing stock in the Boston MSA falls into this category. Furthermore, 59 percent of these small, income-restricted units in Greater Boston are age-restricted for seniors.

Given the ongoing concern about the lack of family-friendly housing, especially for low- and moderate-income families, the prevalence of smaller subsidized units may be problematic. However, this descriptive analysis alone doesn't necessarily imply that the current unit mix is entirely misaligned with demand. Further research is needed to understand this issue more fully. For instance, anecdotal evidence from Housing Navigator MA suggests there is significant demand for smaller units, as search queries for studios and one-bedrooms on their platform are notably high. Further, as we found in the Demographics and Economic Trends section, households in Greater Boston are aging and getting smaller, suggesting there may be high demand for small units. All that said, it's also possible that the demand for family-sized subsidized units might be even greater if more of them were available in the first place.

## HOUSING STOCK BY NUMBER OF BEDROOMS

Boston MSA housing units versus Greater Boston subsidized rental units, share of units with respective number of bedrooms.



Source: Housing Navigator Massachusetts 2024, U.S. Census ACS 1-Year 2023.

## Roughly two-thirds of Greater Boston's subsidized housing is rented at a fixed percentage of household income, usually 30 percent.

Affordability levels of Greater Boston's subsidized rental housing stock is an important issue since eligibility alone does not guarantee affordability for all families. While subsidized units generally aim to support low- and moderate-income households, many remain out of reach for the most vulnerable. This is because the rent is set differently in different subsidized units, guided by the program under which they were created.

Income restrictions on subsidized housing vary widely, with eligibility caps ranging from 30 percent to 165 percent of Area Median Income (AMI). The most common income restriction, however, is 80 percent of AMI, which is roughly \$88,000 for the region.

Housing experts generally define affordability as spending no more than 30 percent of one's income on housing costs. So, consider, for instance, how two units with the same 80 percent of AMI restriction may be priced differently. One unit may have rent set below market based on a level that is deemed "affordable" for a family right at 80 percent of AMI, or roughly \$2,200 a month. While a family earning 30 percent of AMI (roughly \$33,000 a year) would be eligible, rent of \$2,200 a month would be 80 percent of household income and neither affordable nor sustainable. Meanwhile, other subsidized units—like public housing—base rent on the tenant household's specific income, meaning that the monthly rent charged would be about \$825 for this 30 percent AMI household, making it actually affordable.

We unfortunately do not have data on actual rent levels for all subsidized units in Greater Boston, so we instead use "rent based on income" as the best proxy for housing that is truly affordable to the lowest-income households.

And we find that in Greater Boston, 68 percent of income-restricted units are priced based on tenants' incomes, providing a more flexible level of affordability. This proportion does not vary significantly by community type, with 61 percent in Maturing Suburbs and 74 percent in Streetcar Suburbs following this model.



## SUBSIDIZED RENTAL STOCK BY COMMUNITY TYPE AND RENT TYPE

Greater Boston, 2024.

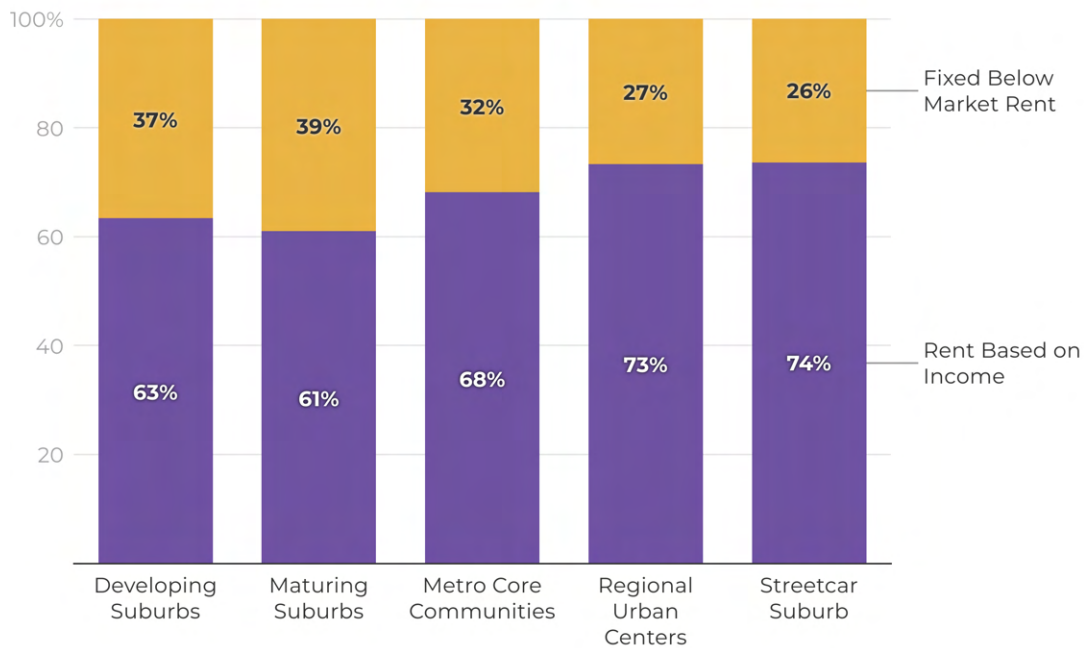


Chart: Boston Indicators · Source: Housing Navigator Massachusetts 2024

## The state's Subsidized Housing Inventory counts many units that are not actually restricted for low- or moderate-income families.

Data on the region's subsidized housing stock has long been inconsistent, with various sources omitting certain types of units. In Massachusetts, the most-referenced estimate has long been the Subsidized Housing Inventory (SHI), largely because it is published by the state and serves as the official measure for guiding important policies, such as the implementation of Chapter 40B.

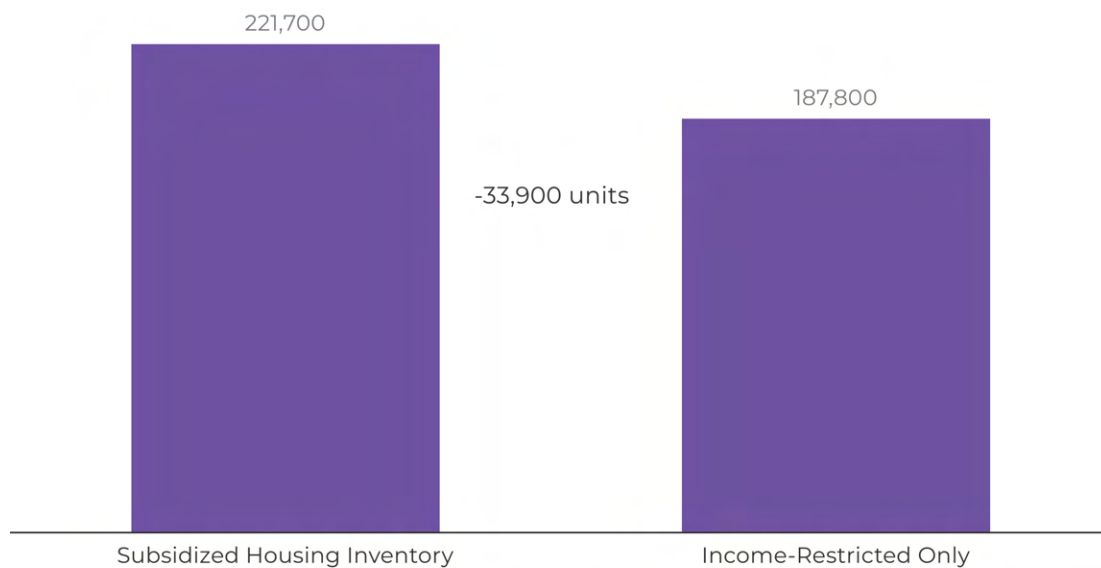
The SHI includes a wide range of units, both rental and owner-occupied, and reflects diverse eligibility criteria and affordability levels. However, there are several ways in which the SHI overstates the availability of below-market-rate housing: 1) it counts market-rate units in many mixed-income developments,<sup>15</sup> and 2) it is not updated regularly, meaning that permitted but unbuilt projects may remain in the counts for years, while units with expired deed restrictions are not consistently removed.

Accurately quantifying the stock of subsidized or income-restricted housing is challenging, and the method of counting can have significant policy implications. With better (though still imperfect) estimates from Housing Navigator MA, we now have a clearer understanding of where the SHI falls short. In work presented with Housing Navigator MA in January 2024, we calculated the number of income-restricted units designated for households earning 80 percent of Area Median Income (AMI) or below. Our findings show that the SHI overestimates the number of below-market-rate units by more than 33,000 units statewide.

Moreover, if market-rate units were excluded from the SHI, half of the municipalities that currently meet Chapter 40B's 10 percent affordability threshold would fall below it.

While it's not accurate to say the SHI data is "wrong"—after all, SHI counts units supported by any kind of *subsidy*, not just *income-restricted* units—the way it categorizes units is less intuitive when considering the goals of Chapter 40B. Instead of offering a clear count of genuinely affordable housing in the region, the SHI functions as a less precise yardstick, making it difficult to measure progress in delivering truly affordable homes. It also overstates the true level of income-restricted housing production in many cities and towns.

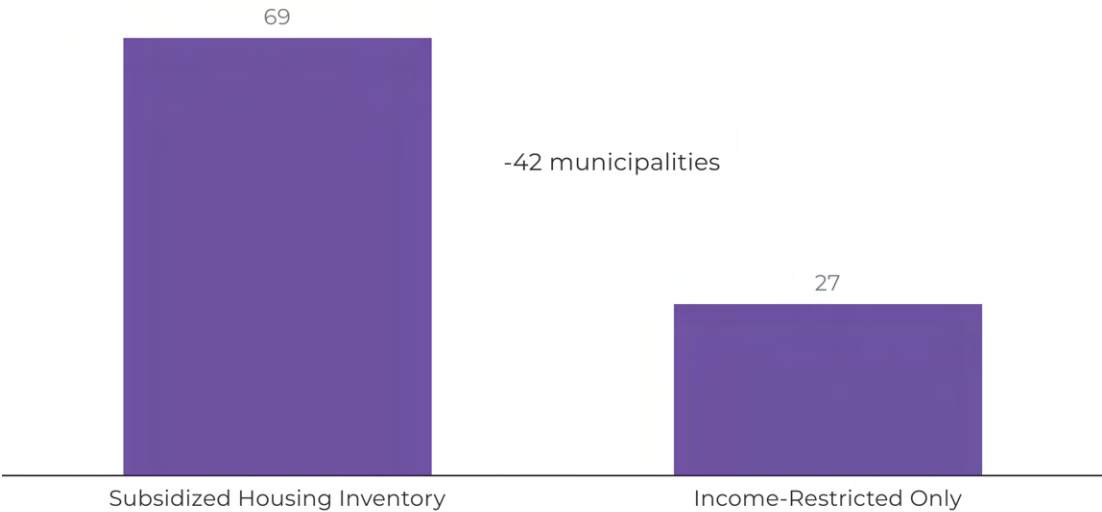
### SHI'S APPROACH OVERCOUNTS BELOW-MARKET-RATE HOUSING PROVISION IN MASSACHUSETTS BY OVER 33,000 UNITS.



City of Boston excluded. Count of income-restricted units include only those with eligibility criteria of 80% AMI or below.

Source: MA Executive Office of Housing and Livable Communities Subsidized Housing Inventory 2023, Housing Navigator Massachusetts 2024.

**MORE THAN HALF OF TOWNS ABOVE THE 40B 10% THRESHOLD FALL BELOW IF ONLY INCOME-RESTRICTED UNITS ARE COUNTED.**



City of Boston excluded. Count of income-restricted units include only those with eligibility criteria of 80% AMI or below.

Source: Executive Office of Housing and Livable Communities Subsidized Housing Inventory 2023, Housing Navigator Massachusetts 2024.

## 5

# INSTABILITY

**In recent decades, Greater Boston’s strong economy has created opportunities for longtime residents and newcomers alike. But we haven’t built enough homes to meet the needs of everyone who wants to live here, driving up costs and contributing to higher rates of homelessness than in other regions with more affordable housing.**

Additionally, the state shelter system has been stretched to support an increase in immigrant arrivals, many of whom are eager to work and provide for their families but haven’t yet secured work permits.

So, even though Greater Boston is a relatively wealthy region, it also has high rates of housing instability—situations in which people are already homeless or are in the process of losing their housing through either eviction or foreclosure. Housing instability creates all forms of stress and uncertainty that can upend lives in profound ways. Since many forms of housing instability are hard to quantify (e.g., doubling up with friends or extended family) this section simply offers a brief overview of the issue.

Since 2021, evictions and foreclosures have remained stable in Greater Boston, despite concerns during and immediately after the pandemic that cases could rise rapidly. Instead, attention on housing instability has shifted to the region’s growing homeless population and, from a policy perspective, the capacity of the state’s shelter system to handle it.<sup>16</sup>

### KEY FINDINGS FROM THIS SECTION INCLUDE:

- ▶ After an initial increase in 2022, eviction rates have stabilized and remain lower than in other parts of the state and country.
- ▶ Foreclosure filings remain relatively low in Massachusetts.
- ▶ Homelessness is high and rising in Greater Boston, but unsheltered rates remain some of the lowest nationwide.
- ▶ The number of families in the shelter system has more than doubled since 2022.
- ▶ Black and Latino residents experience homelessness at a far higher rate than their White and Asian counterparts.

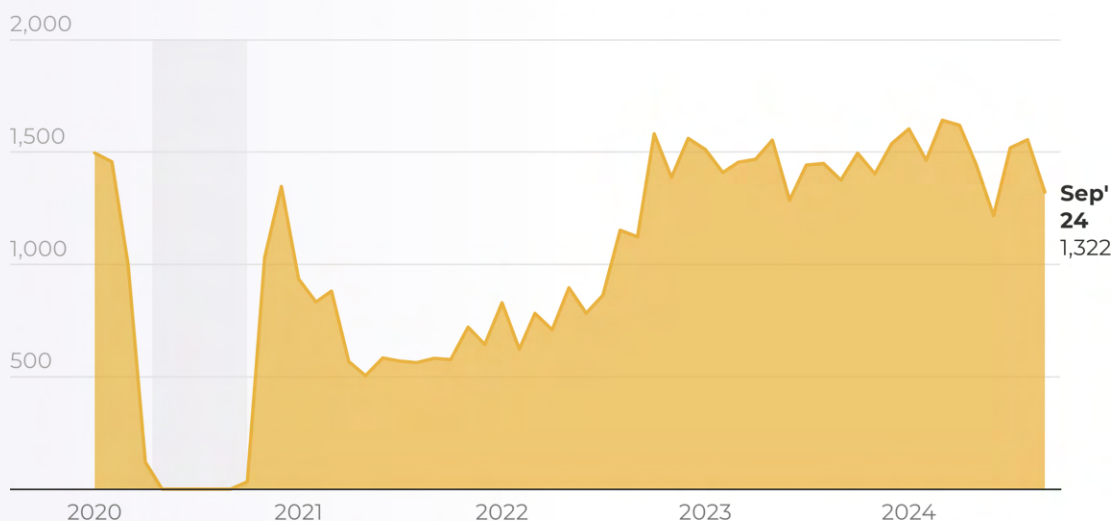
## After an initial increase in 2022, eviction rates have stabilized and remain lower than in other parts of the state and country.

The number of eviction filings for nonpayment of rent in Greater Boston has stabilized at around approximately 1,500 per month, with 1,322 nonpayment filings in September of 2024. Nonpayment is the most common type of eviction filing, though others such as “no-fault” and “just cause” have also seen little to no change at the regional level.<sup>17</sup> This puts the eviction filing rate for Greater Boston at a comparable level to pre-pandemic figures.

While there’s no uniform data nationwide on eviction filings, we can use data from the Eviction Lab<sup>18</sup> to get a sense of how these rates compare to elsewhere. At the state level, for instance, Massachusetts has seen an increase in evictions since the pandemic yet continues to have a lower eviction filing rate than many other states. While the lack of data for all 50 states means we can only compare Massachusetts to a subset of states, the statewide rolling four-month average rate of 29 eviction filings per 10,000 rental housing units is among the lowest.

### EVICTION FILINGS FOR NONPAYMENT OF RENT HAVE REMAINED STABLE FOR THE PAST TWO YEARS.

Nonpayment eviction filings by month. Greater Boston.

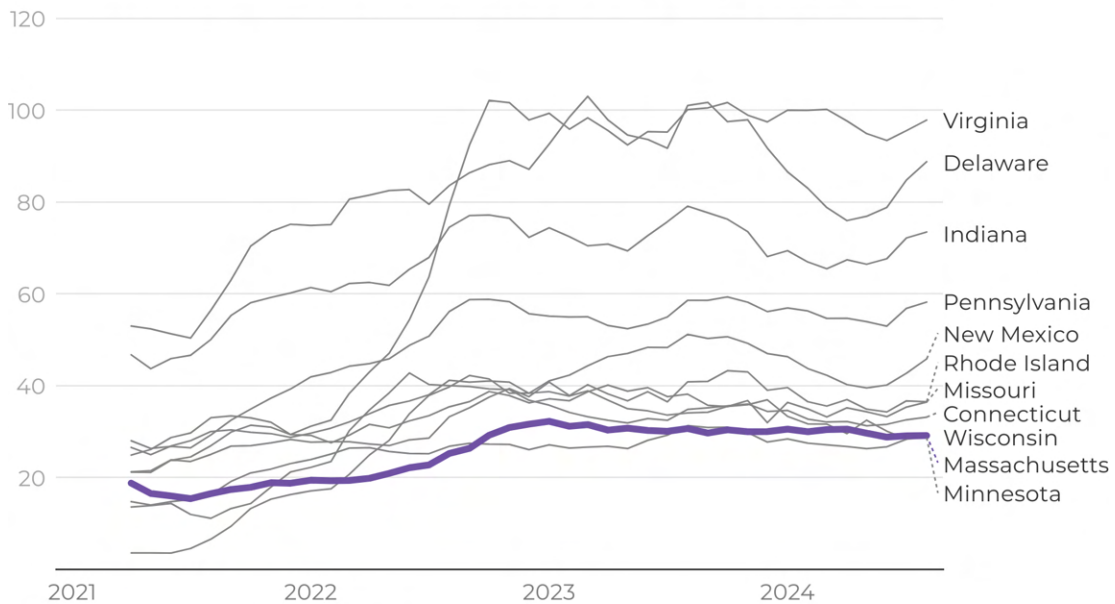


These data do not represent executed evictions, but rather landlords filing for eviction for nonpayment of rent. Evictions filed for reasons other than nonpayment of rent are not included in these totals. The state moratorium on evictions expired Oct. 17, 2020 and the federal moratorium was struck down in late Aug. 2021. Data pulled on October 3, 2024.

Chart: Boston Indicators · Source: Massachusetts Trial Court

## MASSACHUSETTS HAS A LOWER EVICTION FILING RATE THAN MOST OTHER STATES.

Eviction Filings per 10,000 Renter Households. Rolling four-month average.



Massachusetts data collected from Mass Trial Court Summary Statistics, as of 10/3/2024. Other state data collected from Eviction Lab. Renter households calculated from the 2020 U.S. Decennial Census. Rolling average used to minimize monthly fluctuations.

Chart: Boston Indicators · Source: Eviction Lab, Mass Trial Court Data, Decennial Census

While eviction filings remain relatively low at the regional level, there are ongoing concerns about the concentration of evictions in specific communities, and the destabilizing impact they have in these places. According to MHP's Housing Stability Monitor, towns such as Randolph, Canton, and Bridgewater report significantly higher numbers of eviction filings. Concerningly, many of these municipalities with the highest eviction rates are also home to higher concentrations of immigrants and renters of color.

Massachusetts boasts some of the nation's strongest tenant protection laws, and while emergency rental assistance programs were reduced or phased out in 2021 and 2022,<sup>19</sup> the state's Residential Assistance for Families in Transition (RAFT) continues to provide financial aid to households struggling with housing costs. However, with the region's high rental prices, low vacancy rates, and an increasingly strained shelter system, securing suitable housing after an eviction has become a growing challenge in Greater Boston.

## Foreclosure filings remain relatively low in Massachusetts.

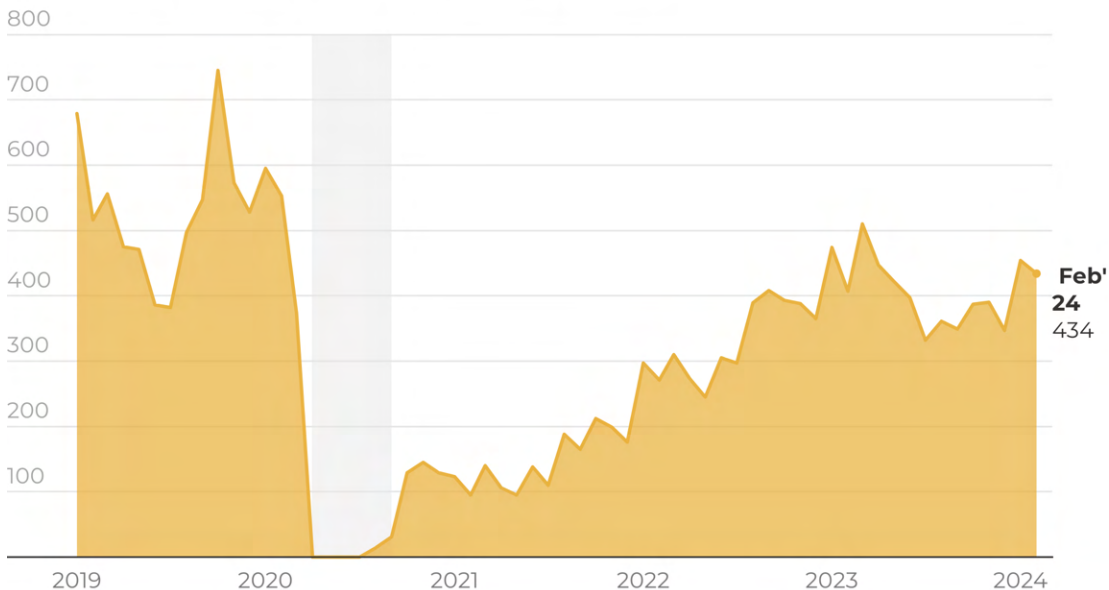
Despite trending upward after the expiration of the State Eviction and Foreclosure Moratorium in 2021, the number of foreclosure petitions in Massachusetts remains low compared to pre-pandemic and national levels.

In 2023, there were 4,823 filings in Massachusetts. While being the highest figure since 2019, this is still below the pre-pandemic range of 6,000 to 9,000 filings per year and a fraction of the 17,362 filings Massachusetts experienced in 2009 during the height of the foreclosure crisis.<sup>20</sup> In fact, the number of monthly foreclosure petitions has trended downward since March 2023 before increasing slightly to 434 petitions in February 2024, the latest month for which we have data.

In the first half of 2024, Massachusetts maintained a relatively low foreclosure rate compared to previous years, but ranked 17th highest in the nation. Still, it fared notably better than similarly expensive and densely populated coastal states like New Jersey (1st), Maryland (6th), and Connecticut (7th).<sup>21</sup>

### FORECLOSURE PETITIONS CONTINUE UNSTEADY CLIMB TOWARD PRE-PANDEMIC LEVELS.

Foreclosure petitions, by month. Massachusetts.



The Federal foreclosure moratorium was extended for federally insured loans through the end of September 2021. A Foreclosure Petition is a written complaint provided to a homeowner by a lender that lays out the claims of a foreclosure suit. It is distinct from a Foreclosure Deed, which is a legal agreement in which a property is transferred from borrow (homeowner) to lender. The state moratorium on foreclosures expired Oct. 17, 2020 and the federal moratorium was struck down in August 2021.

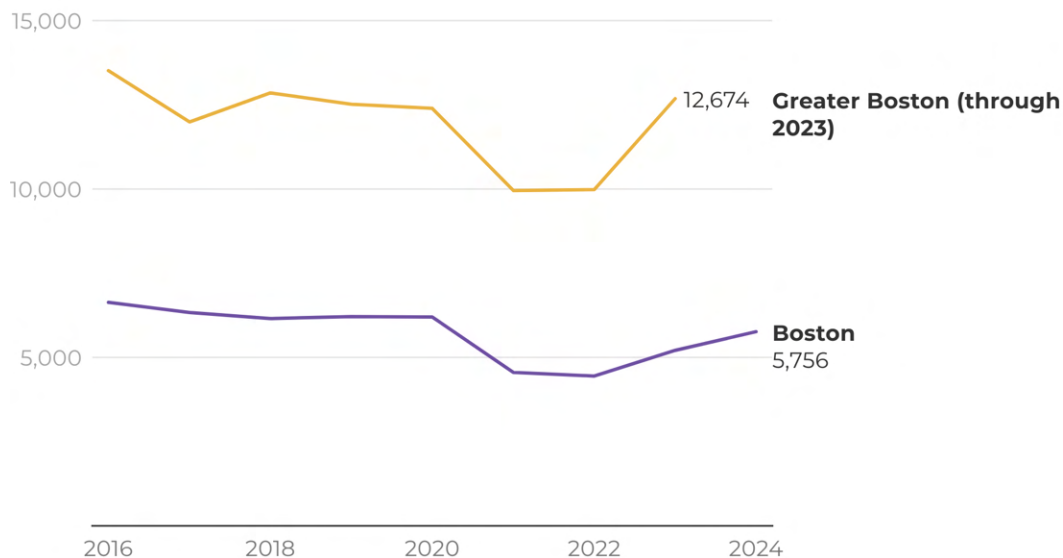
Chart: Boston Indicators · Source: MHP and the Warren Group

The trend of low foreclosure rates is likely driven by rising home values and stricter mortgage lending protections introduced after the Great Recession. As home prices continue to climb, foreclosure rates tend to drop because homeowners gain more equity. If a homeowner faces difficulty making mortgage payments on a home that has appreciated in value, they can often sell the property and use the increased equity to cover their losses, avoiding foreclosure. Additionally, tighter lending standards—such as higher credit score requirements and stricter debt-to-income ratios<sup>22</sup>—have effectively reduced the risk of homebuyers being unable to afford their mortgages.

## Homelessness is high and rising in Greater Boston, but unsheltered rates remain some of the lowest nationwide.

In 2023, Greater Boston's homeless population increased to an estimated 12,674 people, a 27 percent increase since 2022. These figures are likely an undercount, as they are based on a one-time count in January, a period when people are more likely to find temporary housing solutions to avoid the cold weather.

### POINT-IN-TIME COUNTS OF HOMELESSNESS.



Note: Two of Greater Boston's Continuums of Care performed only partial counts in 2021, potentially leading to lower counts overall.

Chart: Boston Indicators · Source: HUD Point-in-Time Counts, City of Boston Annual Homelessness Census.



While regional data for 2024 is currently being processed by HUD and has not yet been made public, the City of Boston's 2024 annual homeless census reported a 10.6 percent increase in the number of people experiencing homelessness since 2023.<sup>23</sup> This local datapoint paired with the sharp increase in demand for state-funded shelter (discussed next) suggest strongly that regional rates of homelessness almost certainly increased further in the first several months of 2024.

Comparing rates of homelessness across regions is difficult due to varying geographic boundaries used in data collection. But the best city-level comparisons show that the city of Boston had the second highest rate of homelessness among similar U.S. cities at 80.1 per 10,000 residents, surpassed only by New York City and in line with other cities such as Portland, Oregon and Los Angeles, California.<sup>24</sup>

The one silver lining for Greater Boston is that, unlike other parts of the country, our homeless population is predominantly sheltered, with 94 percent of the total homeless population sheltered in 2023. This is a significantly higher proportion than the national average of 60 percent. Sheltered homelessness includes those living in emergency shelters, transitional housing, or safe havens. The high rate of sheltered homelessness can be attributed to the state's unique Right-to-Shelter law, which while recently scaled back,<sup>25</sup> mostly prevents homeless families from becoming unsheltered.

Despite strong homelessness support systems, Greater Boston's homelessness problem persists due to a fundamental shortage of affordable housing options. Rising housing prices continue to make it harder to afford rent, which in turn increases the likelihood of an individual becoming homeless. Without a significant change in the status quo, far too many people will continue to experience homelessness in Greater Boston.

## The number of families in the state's shelter system has more than doubled since 2022.

In Greater Boston, 70 percent those experiencing homelessness in 2023 were in families. This is in sharp contrast to the national average of 28 percent,<sup>26</sup> a share that's on the decline. Families receiving state-funded Emergency Assistance have typically been housed in state-funded shelters. However, capacity issues during 2022 forced the state to turn to hotels and facilities staffed by the National Guard to keep pace with the rise in families seeking shelter. Due to these ongoing capacity constraints, in 2023 the state capped the provision of emergency shelter to 7,500 families.

The Right-to-Shelter policy increases the likelihood that families in need of support, including newly arriving immigrants, will step forward to request it. Massachusetts has also welcomed thousands of new arrivals<sup>27</sup> in the past two years. These families come seeking opportunity but often wait six months to a year before they can obtain work permits. Due to the subsequent surge in demand, the state created a nine-month limit for families to stay in the emergency shelter system, starting in April 2024.

### REQUESTS FOR EMERGENCY SHELTER SOARED IN 2024.

Families receiving state-supported Emergency Assistance shelter, by type.

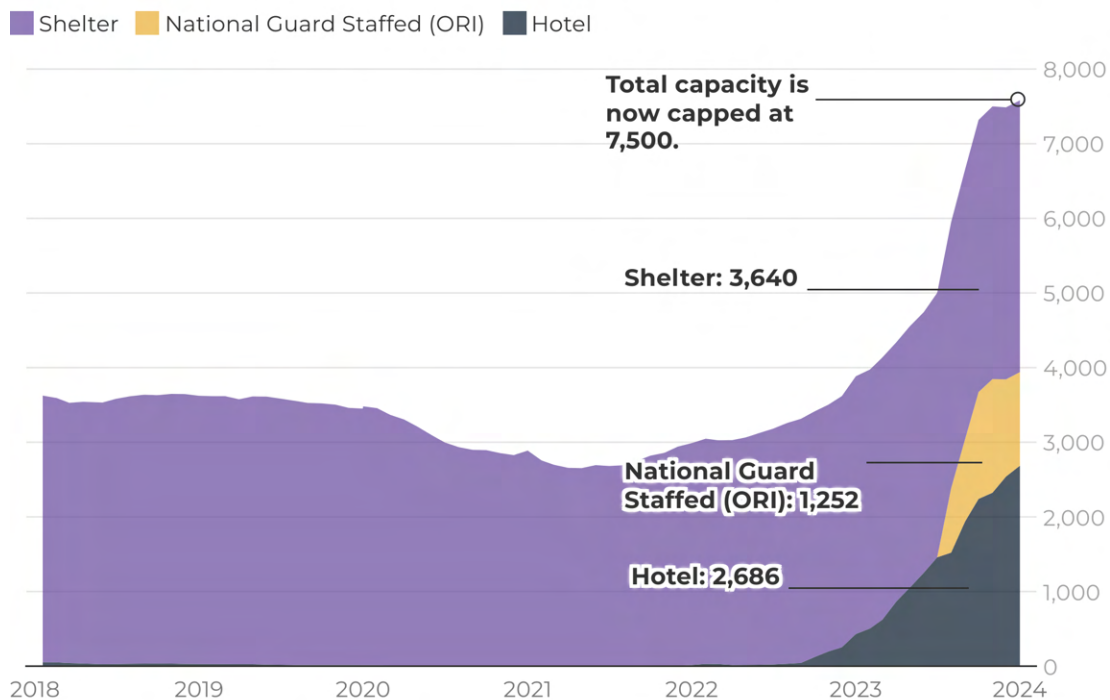


Chart: Boston Indicators · Source: Executive Office of Housing and Livable Communities.

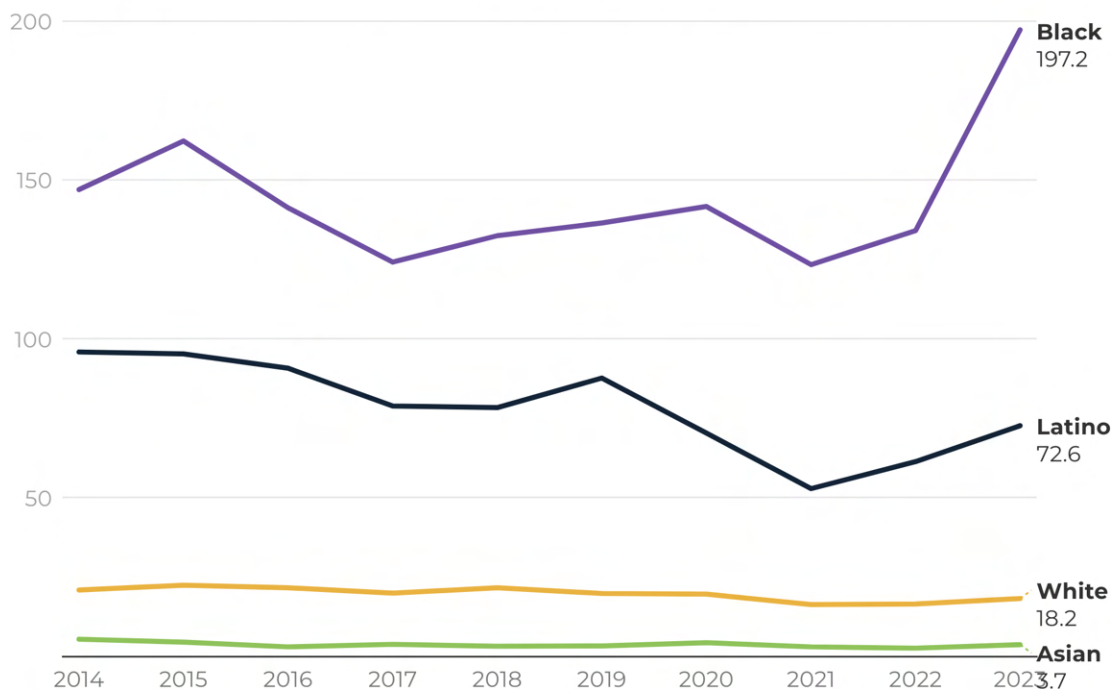
## Black and Latino residents experience homelessness at a far higher rate than their Asian or White counterparts.

In Greater Boston, about 2 percent of Black residents experience homelessness, a rate far higher than that of any other group. While Black residents make up only 8 percent of Greater Boston's total population, they account for over half of its homeless population. There was a significant spike in Black homelessness in 2023, with the reported rate per 10,000 people increasing from 134 to 197, a 47 percent increase.

Latinos also have a relatively high rate of homelessness, at 72.6 per 10,000 people, or 0.7 percent of the Latino population. Though the rate of Latino homelessness has been trending downward since 2014, it increased slightly in each of the last two years. Remarkably, 99.97 percent of Greater Boston's Asian population is housed, a figure well within the statistical margins of zero.

### GREATER BOSTON'S BLACK RESIDENTS CONSISTENTLY EXPERIENCE FAR HIGHER RATES OF HOMELESSNESS.

Rate of homelessness per 10,000 people by race or ethnicity.



Note: 2020 and 2023 per-capita rates are calculated using the previous year's population totals (2019 and 2022). White, Black, and Asian groups include members with Latino ethnicity. Latino can be of any race.

Chart: Boston Indicators · Source: HUD Point-in-Time Count, 1-Yr ACS.

## 6

## STATE POLICY ROUND-UP

**Traditionally, land use decisions in Massachusetts have been left to municipal governments, but there's growing recognition among policymakers and advocates that statewide action is crucial for addressing our housing shortage and affordability challenges at scale.**

Therefore, this is the second year we've included a state-level policy round-up in the *Greater Boston Housing Report Card*. This round-up highlights a few major state-level policy changes as well as some in the City of Boston, emphasizing policy that will affect housing production.

The major legislative highlight of the year is the passage of the Governor's Housing Bond Bill, which authorizes significant investments in housing production and also includes several regulatory changes, including statewide legalization of Accessory Dwelling Units (ADUs). This legislation signals a more serious approach to tackling housing at the state level, though it's critical that the bond bill not become a "one-and-done" effort. To make meaningful progress, a sustained, multiyear legislative focus on housing is essential, as no single bill can address all our region's multifaceted housing challenges.

Another focus for the legislature this year has been responding to the large increase in immigrant families seeking stable housing through the state's emergency shelter system. While the state increased funding to help increase shelter capacity, it also scaled back the longstanding Right-to-Shelter Law in several ways.

Meanwhile, implementation of the MBTA Communities law continues, with the second round of municipal zoning plans due by the end of 2024. We are also anticipating the release of a comprehensive statewide housing plan in 2025. And we end this section with a brief note on local action in Boston, as it is by far the largest city in the region. Mayor Michelle Wu has restructured the Boston Planning and Development Agency into the Mayor's Office of Housing, and her administration is working on a Squares + Streets rezoning initiative that has some parallels with the MBTA Communities law.

## Housing Bond Bill

Following a lengthy process of debate, the Governor's Housing Bond Bill was signed into law on August 6, 2024. The Governor's original proposal included authorization of \$4.1 billion in housing investments, an amount twice as large as the previous version of the bond bill. Her initial filing also included policy proposals such as a real estate transfer fee option and legalization of Accessory Dwelling Units (ADUs) statewide.

After moving through the legislative process, the final law included an even higher spending authorization, at \$5.16 billion. Of this, \$2 billion is for repair, rehab, and modernization of public housing, and it encourages the redevelopment of commercial space into housing. The \$5.16 billion authorization would represent the largest housing investment in state history, though that amount represents a ceiling on what can be spent rather than a specific, set amount and will depend on the bond cap. Actual spending under the bond bill will likely be far less than \$5 billion.

The final law also does legalize ADUs statewide, such that one additional unit is allowed per single-family property. The Healey administration estimates that this will lead to the construction of between 8,000 and 10,000 units over the next five years. Statewide ADU legalization excludes Boston, as it's the one city not subject to the state's zoning law, but there have been local efforts in Boston to pass something similar. In January 2024 Boston's Zoning Commission changed the zoning code in the neighborhood of Mattapan to allow ADUs as-of-right.

The proposed real estate transfer fee, which was in the Senate version of the bill but not the House's, was not included in the final law. This provision would have allowed municipalities to raise extra tax revenue on home sales above \$1 million to be spent on affordable housing, but there were concerns about how it could reduce future housing construction and increase individual tax bills.

There are a variety of other policy changes in the Housing Bond Bill, and this summary doesn't pretend to include them all. A few other notable changes are:

- ▶ Creation of a state Office of Fair Housing and a state Fair Housing Trust Fund
- ▶ Introduction of eviction sealing in Massachusetts
- ▶ Creation of a Supportive Housing Pool Fund
- ▶ Creation of two Special Commissions that will advise and inform the state on housing policy (Housing Advisory Council, Unlocking Housing Production)

## Shelter Crisis

Since 1983, the state of Massachusetts has provided families and pregnant women with “Right-to-Shelter,” meaning that the state will provide some form of emergency shelter to all families experiencing homelessness. (This law does not apply to cases of individual homelessness and, according to [news reports](#), individual homelessness has been rising.)

The Right-to-Shelter law, however, has been heavily tested in the last couple of years, as the state struggles to find ways to address the needs of increasing numbers of newly arrived immigrant families seeking assistance from the state’s emergency shelter system. In fall of 2023, the emergency shelter system reached the state’s self-reported maximum capacity of 7,500 families, and since then the state has made dramatic changes to the assistance it guarantees:

- ▶ In April of 2024, the state limited shelter stays to nine months. According to news reports citing EOHLC, the average length of stay in a shelter had been about 16 months.
- ▶ The legislature amended the right to shelter so that it is now subject to appropriation, or in other words, subject to the state’s ability to fund services.
- ▶ As of August 2024, the system now prioritizes people who become unhoused following no-fault evictions or disaster, and families with veterans. Advocates argue that these new rules deprioritize the many international migrants who have recently sought shelter.
- ▶ As of July 2024, the state placed a five-day cap on length of stay in overflow shelters.

## MBTA Communities Implementation

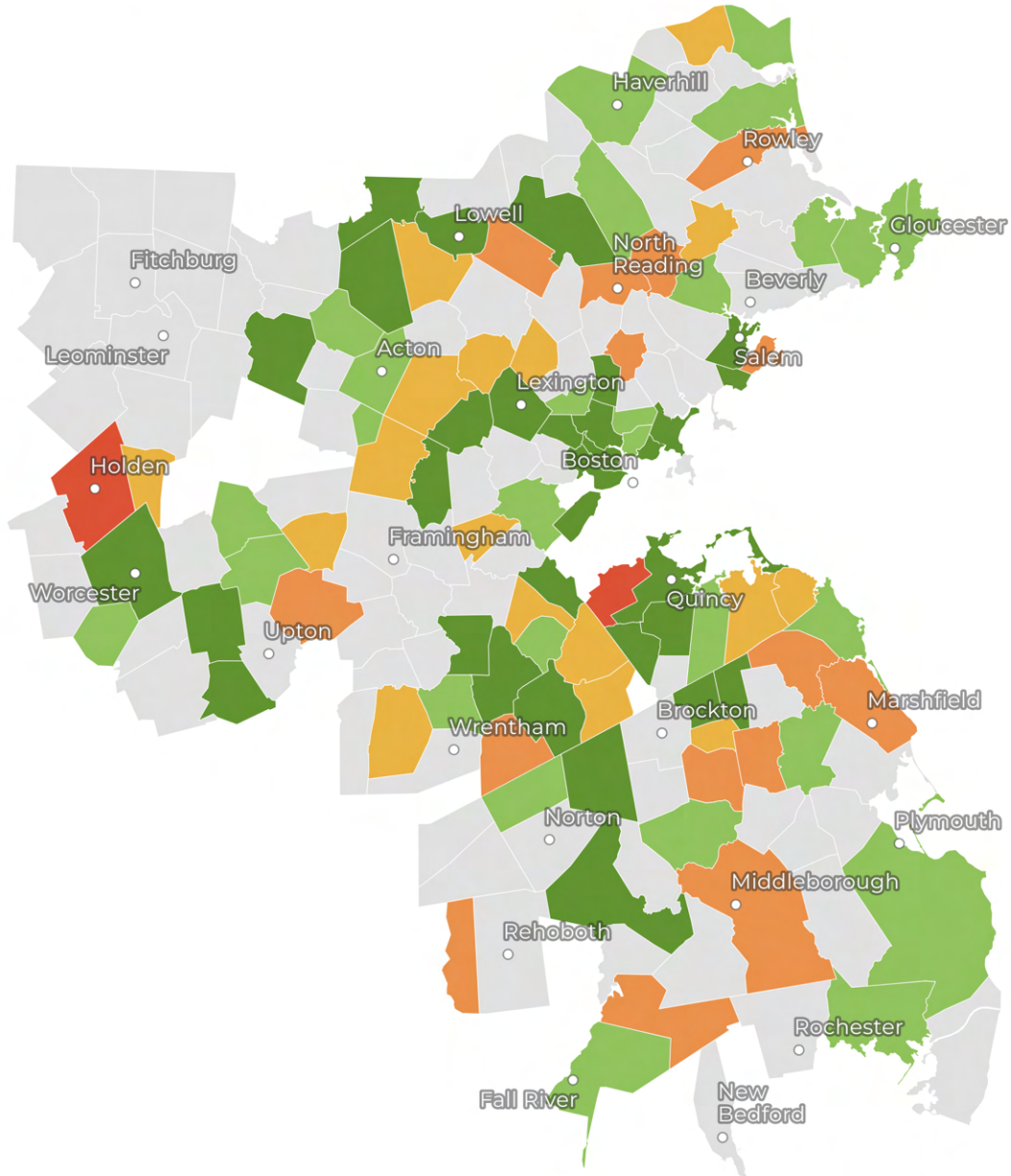
Implementation of the MBTA Communities law continued to be a focus in 2024, with the second round of municipal zoning plans due by the end of the calendar year. MBTA Communities was enacted in 2021, and it aims to address the state’s housing shortage by requiring towns to devise and adopt zoning districts near valuable transit stations where multifamily housing construction is legal. The policy is a hybrid of state and local action as it’s a state-mandated requirement but with local cities and towns doing the implementation. Local governments have significant discretion, provided they meet unit capacity targets and a few key parameters, such as zoned area minimums, housing suitability for families, and no age restrictions.

# MBTA COMMUNITIES COMPLIANCE TRACKER MAP

MBTA Communities Compliance as of October 22, 2024.

## Compliance Details (# of municipalities)

- (33) Compliant
- (28) Compliance Application in review
- (17) Adopted zoning but not yet submitted Compliance Application
- (15) Rejected MBTA-C proposal but still has time to comply
- (2) Non-compliant or no Action Plan submitted
- (82) Action Plan Approved



Map: Boston Indicators · Source: Boston Indicators Interpretation of EOHL Multi-Family Zoning Requirements for MBTA Communities · Map data: MassGIS

While implementation has sparked some intense local debates, as of early October 2024, 78 municipalities have adopted zoning in order to comply with the state law. Several others, though, have rejected proposed plans and appear intent on not complying by their deadlines. Of note is a court case filed by the town of Milton challenging the constitutionality of the MBTA Communities law. The State's Supreme Judicial Court heard the case October 7 and a decision is likely to come down sometime this fall. The particulars of the court's decision will likely shape the direction of many local plans in the weeks and months immediately following.

The jury is still out as to whether MBTA Communities will result in a substantial increase in housing production. Municipalities that want to comply while minimizing new housing construction are drawing districts around pre-existing multifamily housing or including provisions like high minimum parking requirements and high inclusionary zoning requirements to make new projects less economically feasible. But the law has successfully activated local housing conversations, pushing many municipalities to revisit outdated zoning regulations amid the state's worsening housing crisis. Further, the law has already provided a catalyst for some pre-existing local planning efforts to finally get completed on quicker timelines.

## EOHLC Statewide Housing Plan

Governor Healey has tasked the newly formed Executive Office of Housing and Livable Communities (EOHLC) with developing a five-year housing plan, which will be the state's first in over 40 years. This plan is anticipated to be released in 2025 and aims to uncover strategies to increase housing production in the Commonwealth. In April 2024, EOHLC kicked off a series of regional listening sessions to gather input from local communities to inform the plan. And the Governor is convening two separate committees to support the plan's development, a Housing Advisory Council and a Commission on Unlocking Housing Production. The project hopes to develop a housing production target and set up indicators that the state can use regularly to better track housing production. It's not clear that there will be any substantive policy proposals resulting from the housing plan, but in terms of tracking state-level housing policy, we might expect the result of this effort to provide some clues about housing priorities and strategy through 2030.



## Housing Efforts in Boston

**While this section focuses on state-level policy change, we close by noting two housing-related developments in Boston, as it's by far the largest city in the region.**

First, while the MBTA Communities law does not apply to the Boston, the City is developing its own local policy that shares some commonalities. The Squares + Streets Initiative aims to rezone areas near major transit hubs to allow for development of multifamily housing, small businesses, public space, and arts and culture. A simplified zoning code was codified into city law April 17, 2024, and the City has outlined 18 areas in which it hopes to apply the new code. While this approach appears helpful for spurring more housing development in these transit-rich neighborhoods, there's concern that it doesn't go far enough. These 18 areas are generally larger chunks of space than those found in MBTA Communities, suggesting more physical space for the policy to have impact, but unlike MBTA Communities, there is no minimal requirement to what allowances these districts should have, which can leave opportunity for the new change to be less effective. Abundant Housing MA estimates Squares + Streets could generate about 10,000 new housing units for Boston.

Also of note is that Mayor Wu's administration recently completed the process of restructuring the Boston Planning and Development Agency (BPDA). July 1, 2024 marked the first official day of the new planning department within the Mayor's Office of Housing, which took over many BPDA functions and absorbed much of BPDA's staff. A much smaller version of BPDA will continue to exist as a separate agency, continuing to oversee large developments. The move into the City's planning department, however, means that many formerly BPDA functions and associated budgets are no longer housed within a quasi-public office, but instead will be subject to City review, as with all other departments in the Mayor's office. It remains to be seen what tangible impact these process changes will have on housing production and planning for Boston. According to the Mayor's office, this new change aims to allow for better coordination of city planning and help engage in reform of Boston's zoning code and the Article 80 process, a review process for projects that are at least 20,000 square feet that is currently underway.