



The Greater Boston Housing Report Card 2019  
**Supply, Demand and the Challenge  
of Local Control**



# Core Metrics

In this chapter, we assess how Greater Boston is performing in meeting the region's need for housing using a set of core metrics. We start by examining recent demographic trends and economic conditions that drive housing demand and highlight the lack of affordability for certain groups.

We then assess the region's housing stock along with trends in production and projected future demand. We assess the degree to which the region is on pace to meet projected demand as well as the production goals put forward at the state and local levels.

We then discuss recent trends in rents and home prices, and compare Greater Boston to other metropolitan areas to provide some context for how the region's continually high demand and constrained supply are affecting affordability relative to other places.

Next, we provide a preliminary look at production in communities within Greater Boston that have good transit access to assess how well the region is taking advantage of rail infrastructure to encourage denser housing development.

Finally, we highlight the region's continued housing instability in the wake of the Great Recession. Recent trends in foreclosure, eviction and homelessness demonstrate that there are many households still struggling to maintain housing security within Greater Boston.

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# Demographics

Any assessment of housing needs should begin with an assessment of the underlying demographic trends that drive housing demand. The utility of the housing stock in Greater Boston, and the characteristics of the housing the region needs for the future, are determined by changes in the composition and preferences of the residents. Who is faring well under our current housing system, and who is being left behind? What housing challenges lie ahead as the characteristics of our population change with respect to both race and ethnicity as well as age? Are we being strategic in our housing policies to ensure that we are building units of the right size and in the right locations to meet the changing needs and preferences of our residents?

## Greater Boston is at the leading edge of a national trend toward an older population.

Greater Boston’s population has been growing older for the past two decades (Figure 1.1), with the share of individuals age 45 and older now accounting for over 40 percent of the population in most counties. Compare that to 2000, when only about a third of the region’s population was over the age of 45. The outlier is Suffolk County, which typically attracts younger residents, where over two-thirds of its population is under the age of 44, and over one-third is under the age of 25.

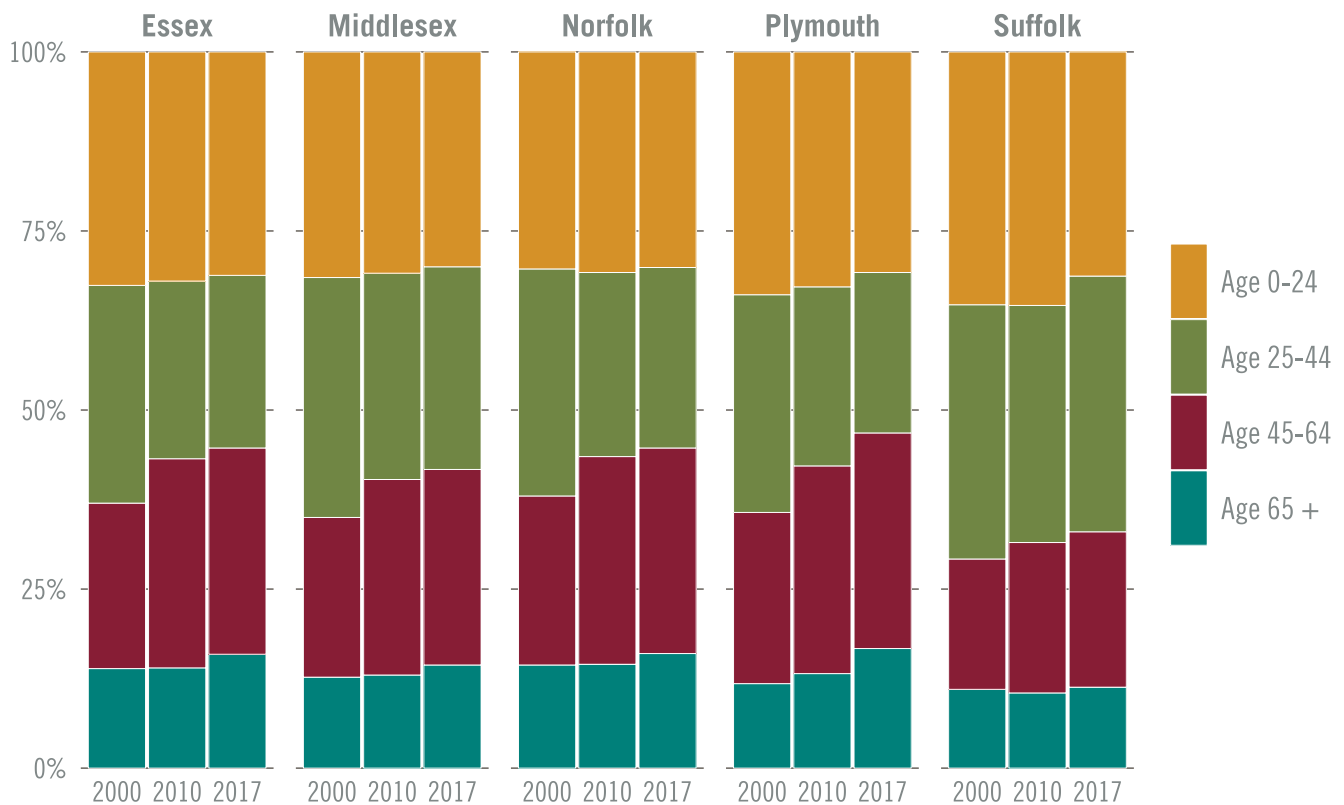
Changes in the region’s age distribution affect the demand for different types of housing, both in terms of location and size of units. The degree to which the needs of each

demographic group affect the housing market depends on both size and buying power.

Despite this understanding, there is still a great deal of uncertainty. For example, if Baby Boomers opt for aging in place, then having fewer elderly residents selling their homes may lead to a shortage for new families to buy. If Boomers choose to downsize instead, then fewer single-family homes will be needed but the demand for smaller, denser units will continue to increase, leading to higher prices. Meanwhile, it is unclear whether the preferences of Millennials will exacerbate or ameliorate the need for different types of housing.

FIGURE 1.1

Age Distribution across the 5 Counties in the Greater Boston Area



## As Greater Boston continues to lose residents to other states, immigrants fuel the region's growth.

An increase in population requires an increase in housing supply. An inability or unwillingness to accommodate a larger population can make the current housing supply unaffordable. And that may make Greater Boston less attractive to future migrants, thus putting a lid on both population and economic growth. An inadequate housing supply also risks causing displacement of current residents who can no longer afford to live in their communities.

While Greater Boston continues to experience population growth, the growth has largely depended on increased immigration from abroad plus some small natural increases resulting from the a higher number of births versus deaths.

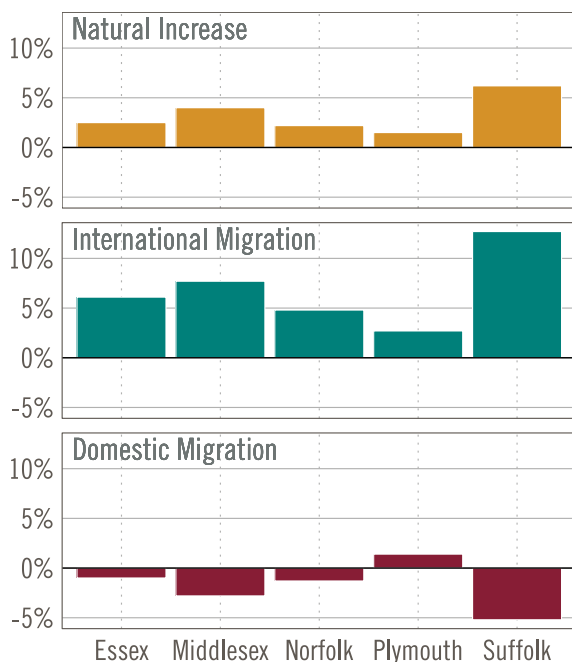
International immigration has been particularly strong in Suffolk County, where nearly 30 percent of the population was foreign-born as of 2017. In each county, the net rate of international migration between 2010 and 2017 was roughly twice that of the natural increase in the existing population.<sup>1</sup> In contrast, since the end of the Great Recession, net domestic migration has been negative across most of the five-county region as the recovering labor market in other parts of the country has lured residents away. (The one exception is Plymouth County, where domestic migration has been positive since 2010.)

Greater Boston is therefore increasingly reliant on immigration to drive its labor force growth. That immigration, so essential to the region's economic well-being, also magnifies the need for a diverse housing stock that can accommodate new entrants in the housing market and people of different socioeconomic status and cultural backgrounds.

International migrants in Greater Boston represent both the low- and high-skill parts of the education distribution, making up roughly 60 percent of high-school graduates and nearly 30 percent of those with an advanced degree.

The region will need to ensure that housing opportunities exist for workers at both ends of the income spectrum for current and future residents.

FIGURE 1.2  
Components of Population Change  
by county, April 1, 2010 to July 1, 2017



Source: UMDI, CO-EST2017\_ALLDATA.U.S. Census Bureau, Population Division

## Racial diversity is increasing across most of Greater Boston but more so in some places than others.

Diversity—whether in the form of race, sexual orientation, or religion—is a tremendous asset to a region, both in bringing new ideas to its residents and in mitigating discrimination for marginalized groups.

In terms of race, the population of Greater Boston has become more diverse over time, though this demographic shift has occurred more rapidly in some places than in others. While the more suburban counties of Essex, Middlesex, Norfolk, and Plymouth remain predominantly white, Suffolk is now a majority-minority county.

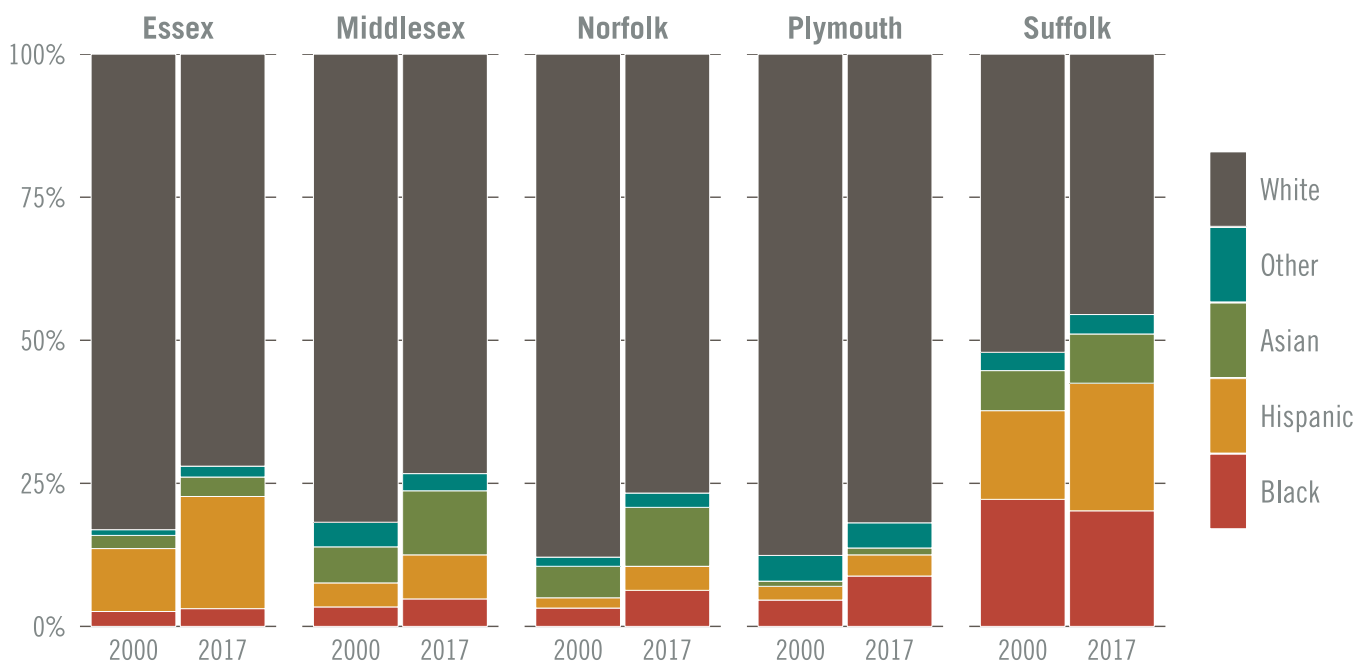
However, the pace of change in the suburbs has been quite rapid with the non-white share growing from less than one-sixth to one quarter between 2000 and 2017 in some counties. One trend worth emphasizing is the increase in Latino residents in most counties since 2000, especially

in Essex County. Later in this report we will explore how racial and ethnic groups are distributed within the Greater Boston area and the role that housing production plays in segregation.

In other ways, Massachusetts as a whole is a relatively diverse state. It has the third highest percentage of people identifying as LGBTQ+, at 5.4 percent.<sup>2</sup> Massachusetts is also home to eight different religious affiliations that are observed by at least 3 percent of the state’s population (including non-practicing and agnosticism).<sup>3</sup>

Though these specific groups do not necessarily have different housing needs, the diversity they represent speaks to Greater Boston’s ability to create space for and welcome people of different affiliations and perspectives.

FIGURE 1.3  
Racial Distribution across the 5 Counties in the Greater Boston Area



Source: U.S. Census Bureau, Decennial Census and American Community Survey, various years.

## Among renters, household sizes are increasing.

Over time, average household size can indicate changes in the number of empty nesters, Millennials who are starting families, or renters doubling up to offset rent increases.

As the region’s population growth rate has increased since 2010, its average household size has also increased. Breaking down average household size by housing tenure (i.e., owning versus renting) reveals two different trends.

In all five of the region’s counties, the average household size for owner-occupied units fell between 2000 and 2010, only to rise again between 2010 and 2017. Falling household sizes between 2000 and 2010 could point to an increase in empty nesters, especially as the families started by Baby Boomers several decades prior come of age. The subsequent increase in owner-occupied household size could indicate the beginning of Millennial family

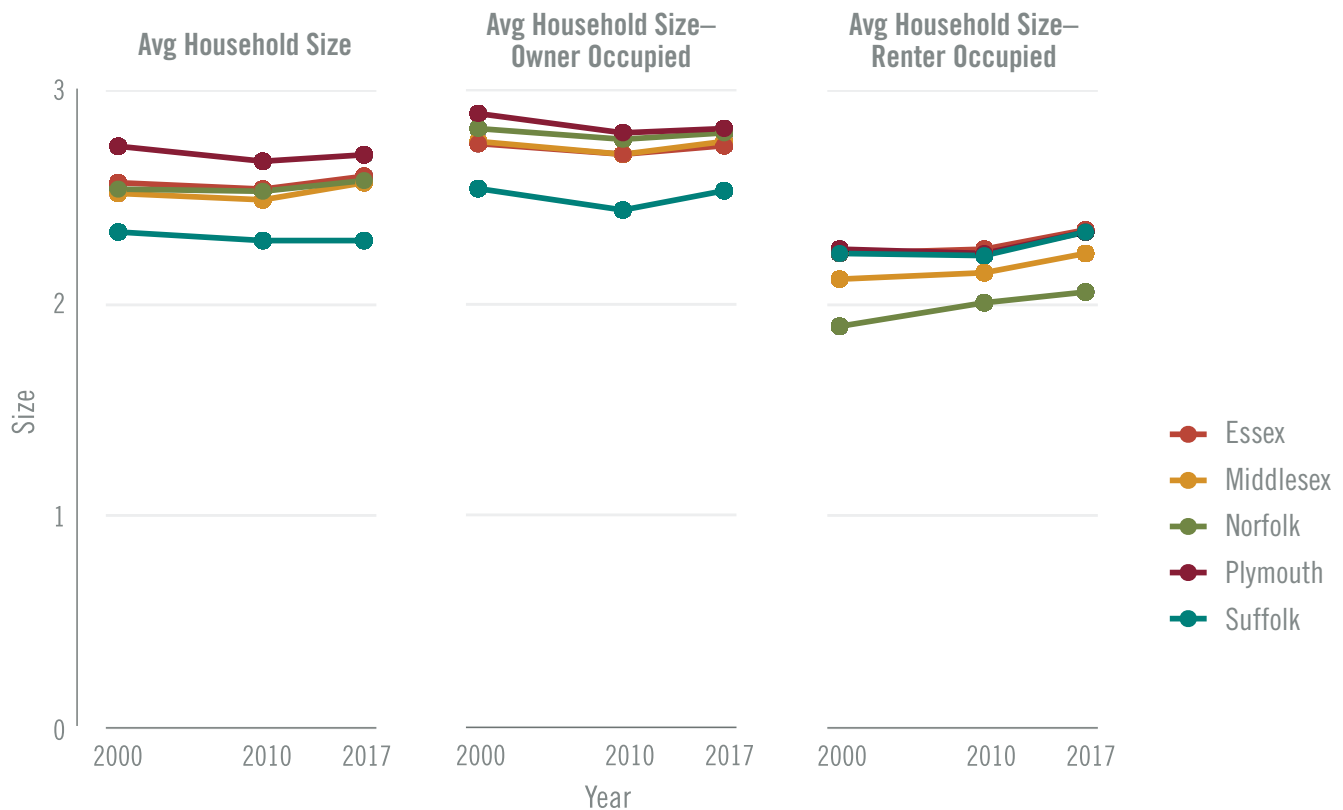
formation. But will Millennial families be as big as Boomer families?

Time will tell, but building housing that can accommodate both larger and smaller family sizes is an essential step to ensuring that when people make their housing choice, they do so out of want, not need.

Among renter-occupied households, average household size has increased sharply since the end of the Great Recession across all five counties. Skyrocketing rental and home prices in the post-recession years—detailed in the “Prices” section of this chapter—may have led to more and more people “doubling up” in order to afford a home close to work, school, amenities and/or their existing neighborhoods.

FIGURE 1.4

### Household Size over Time



Source: U.S. Census Bureau, Decennial Census and American Community Survey, various years.

# Economic Conditions

Housing, both as a financial asset and as a necessity of living, is closely linked to the economic well-being of an area. In a depressed economy, the demand for housing is likely to crumble, putting downward pressure on prices. In a booming economy, the demand for housing will likely skyrocket, leading to shortages and a rapid surge in prices. Conversely, the long-term economic well-being of an area also depends on its ability to house its residents, particularly workers. With unemployment at a historic low, can the Greater Boston region continue to prosper while ensuring residents at all income levels have a place to call home?



## Greater Boston's economy is booming; unemployment is low.

Greater Boston's economy has experienced strong growth over the past several decades. Total employment in the region increased from 2.1 million in 1990 to nearly 2.6 million in 2018.

Since 2012, Greater Boston has added 327,000 jobs and seen employment growth in each of the five counties, with particularly strong growth in Middlesex and Suffolk counties. The strong pace of job growth has put increasing pressure on the region's infrastructure, transportation network, and housing supply. One of the keys to the region's long-term economic success is creating a more comprehensive approach to housing supply and housing affordability, which would more fully recognize the close connection between economic development, transportation, and housing and the role these issues play in the quality of life of members of our community, particularly those in middle- and lower-income households.

Since the economic recovery following the Great Recession, the state's unemployment rate has declined rapidly. Much of the state's overall economic performance post-recession is attributable to the booming economy

in Greater Boston, particularly around the urban core of Boston and Cambridge. In 2010, the unemployment rate peaked at 7.7 percent (Essex and Plymouth were over 8 percent at their respective peaks). Today, the unemployment rate in the region hovers around 3 percent, with some cities and towns, most notably Cambridge, hovering around 2 percent. Greater Boston's economic performance since the Great Recession is due largely to the mix of industries in the region, including significant clusters in technology, life sciences, and other knowledge industries, as well as the region's well educated labor force.

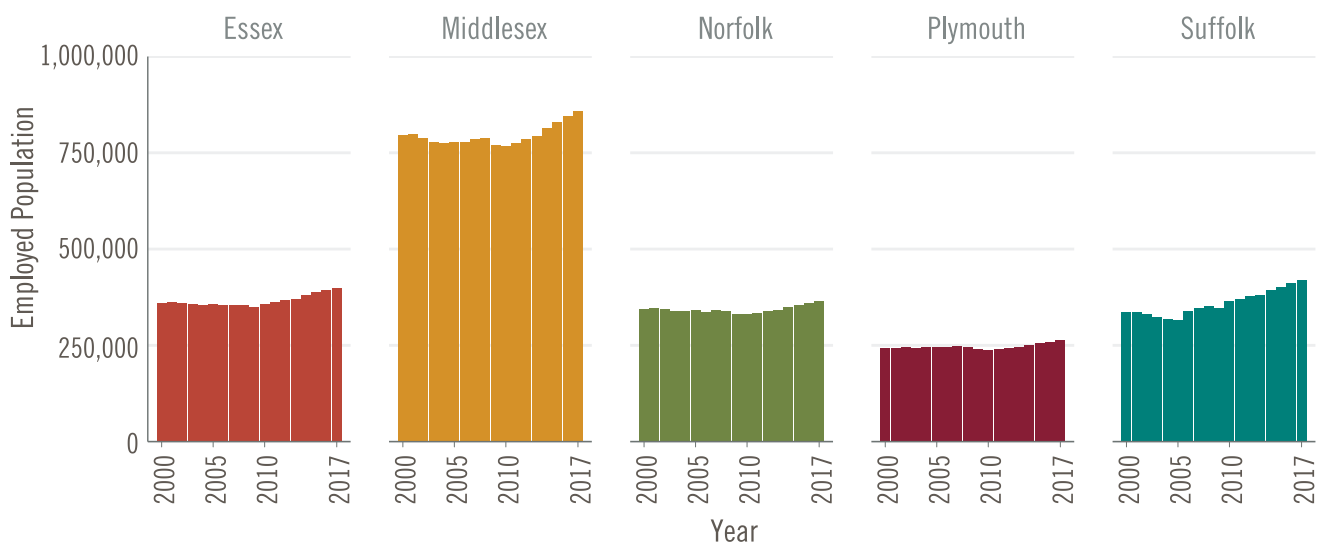
Greater Boston's employment growth is closely tied to population increases in the region, as more people have moved to Boston, particularly the foreign-born, to fill jobs in its flourishing economy.

Workforce growth may be constrained by the cost of housing and the rate at which new housing is produced. Without additional housing production that emphasizes price and proximity to transit and jobs, employers may have increasing difficulty filling jobs.

FIGURE 1.5

### Employed Population by County over Time

by county 2000–2017



Source: U.S. Bureau of Labor Statistics, various years.

## Home prices are out of reach for many.

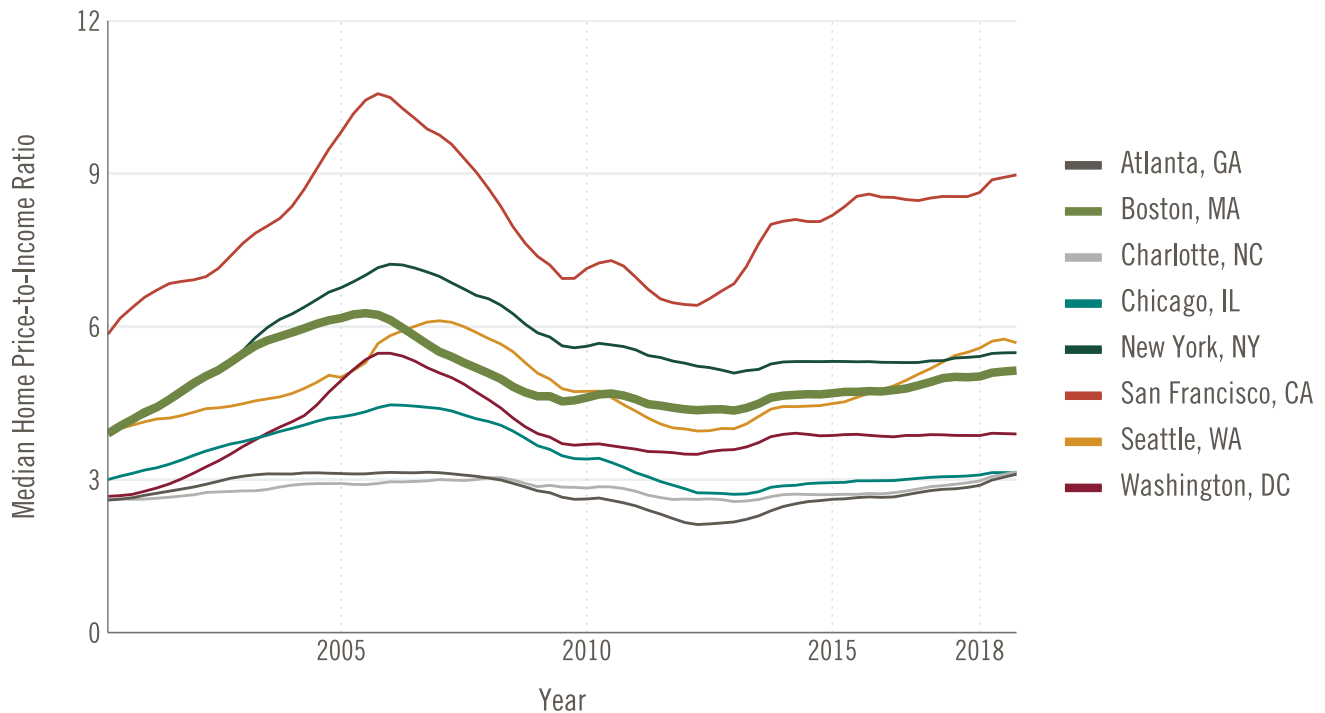
Buying a home in Greater Boston is not easy for most people. Since 2000, the Boston metropolitan area<sup>4</sup> has been one of the most expensive places in the U.S. to buy a home. As of 2018, the median home price in Greater Boston was more than five times the median household income, making Boston the fourth least affordable of the 25 largest metropolitan areas. The only metropolitan areas less affordable than Boston are San Francisco, Seattle, and New York.

The regions at the top of this list, including Boston, all have relatively high median incomes compared with the nation as a whole. All five Greater Boston counties have a higher median household income than the national average of

\$57,652 (according to the American Community Survey 2017). Higher income levels in the Boston metropolitan area are still not nearly enough to offset the region's extremely high housing prices.

Despite low unemployment, impressive job growth, and booming high-wage sectors, home prices in the Boston metropolitan area are very expensive in relation to the income of most of its workforce. Although this may not hold true for the highest wage earners, a closer look at the economic experience of middle- and lower-income earners tells us a different story about the region's economic prosperity.

FIGURE 1.6  
Ratio of Median Home Price to Median Household Income  
Boston versus comparison metros, 2000–2018



Source: Zillow Research

## Greater Boston has a high level of income inequality.

Income inequality refers to the gap between incomes of those at the bottom versus the top of the distribution of households. One such measure is to compare the ratio of average income of an area’s top 1 percent of households with that of the bottom 99 percent. As of 2015, all five of Greater Boston’s counties rank nationally in the top 10 percent for income inequality, with Suffolk County ranking highest of the five at #17 out of more than 3,100 counties nationwide.

In Suffolk, the average income of the top 1 percent of households is 53.6 times the average income of the bottom 99 percent of households. Plymouth County has the lowest level of income inequality in the region, with the average income of the top 1 percent being 22.7 times the average of the bottom 99 percent.

Research shows that part of the increase in income inequality over the past several decades stems from wage polarization, where the middle of the income distribution has been hollowed out. Between 1990 and 2014, the number of middle-income working households in the Boston metropolitan area fell while the number of low-income and high-income households grew.<sup>5</sup>

Income inequality can exacerbate a region’s housing affordability problems. Higher income households will always be able to outbid lower income residents. If production is not able to keep pace with demand, then middle-income households will struggle to find affordable options on the market, and low-income households may be pushed out of the market altogether.

TABLE 1.1

Comparison of Top 1 Percent Income to Bottom 99 Percent Income for Greater Boston Counties, 2015

Rank (by top-to-bottom ratio)	Geography	Average income of the top 1 percent	Average income of the bottom 99 percent	Top-to-bottom ratio
17	Suffolk County	\$ 2,796,952	\$ 52,149	53.6
41	Norfolk County	\$ 3,184,335	\$ 83,872	38.0
74	Middlesex County	\$ 2,515,860	\$ 79,220	31.8
191	Essex County	\$ 1,516,940	\$ 62,149	24.4
238	Plymouth County	\$ 1,522,496	\$ 67,213	22.7
6	Massachusetts	\$ 1,904,805	\$ 61,694	30.9
	United States	\$ 1,316,985	\$ 50,107	26.3

Source: Estelle Sommeiller and Mark Price. 2018. The New Gilded Age. Income Inequality in the U.S. by State, Metropolitan Area, and County. Economic Policy Institute.

Note: Analysis of county-level tax data from the Internal Revenue Service SOI Tax Stats (various years) and Piketty and Saez, 2016.

## Poverty rates have increased across the region.

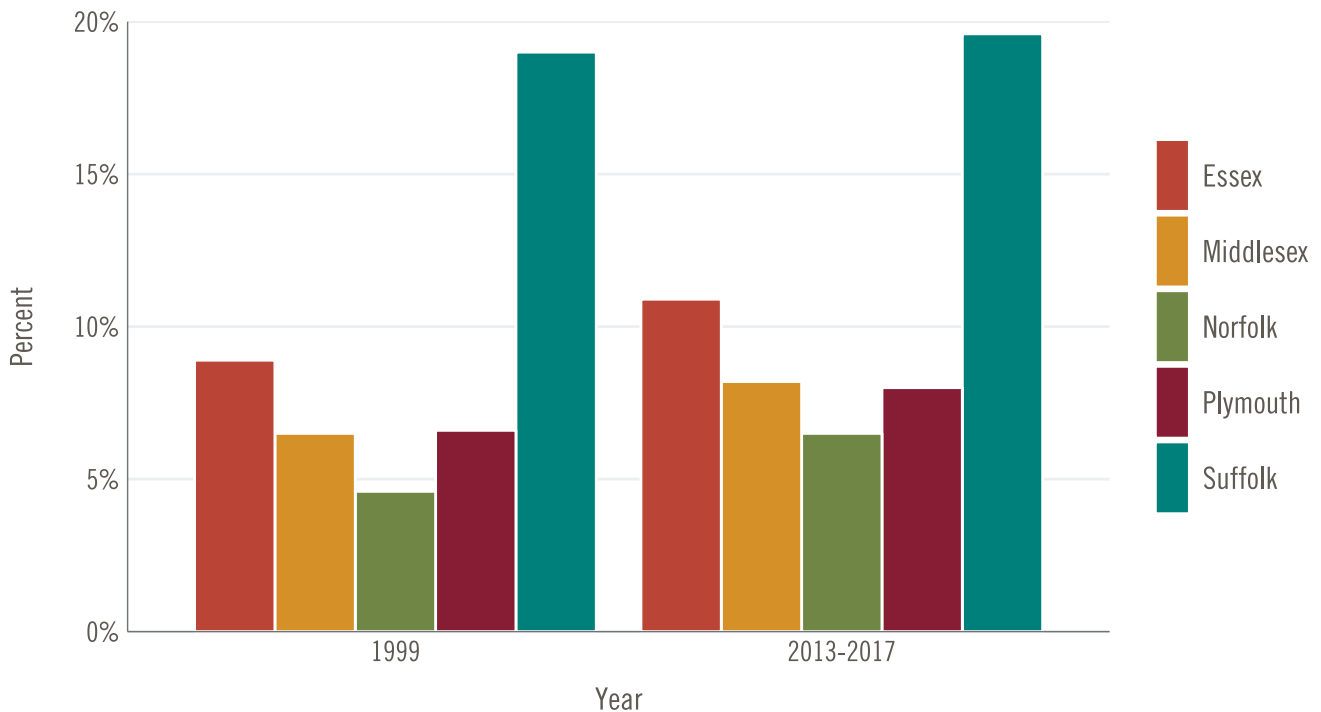
Poverty remains a significant concern in Greater Boston, trapping many of the region’s residents in a cycle of financial insecurity with slim chances of escape.

Poverty rates have increased in all five Greater Boston counties since 1999. Moreover, poverty in Greater Boston is also highly concentrated. In Suffolk County, nearly 1 in 5 residents live below the poverty line while in Norfolk County the rate is only 1 in 15. Part of this disparity in poverty rates between counties exists because of the types of housing options available. Suffolk County, where Boston sits, has more housing options and opportunities for lower-income residents than other areas of the region.

Unemployment may be low across the region, but large numbers of the region’s residents still find themselves living in poverty, largely due to decades of stagnant wage growth. While high-wage sectors like technology and finance are employing a growing share of Greater Boston’s workers, those who remain in lower paying sectors are falling farther behind.

With more and more of the region’s residents slipping below the poverty line, and with housing costs continuing to rise faster than incomes, the availability of affordable housing becomes an even more urgent regional issue.

FIGURE 1.7  
Percent of Individuals Living in Poverty  
by county, 1999 versus 2013–2017



Source: U.S. Census Bureau, Decennial Census (1999) and American Community Survey, 5-yr estimates (2013–2017)

## Living wage depends on where you live.

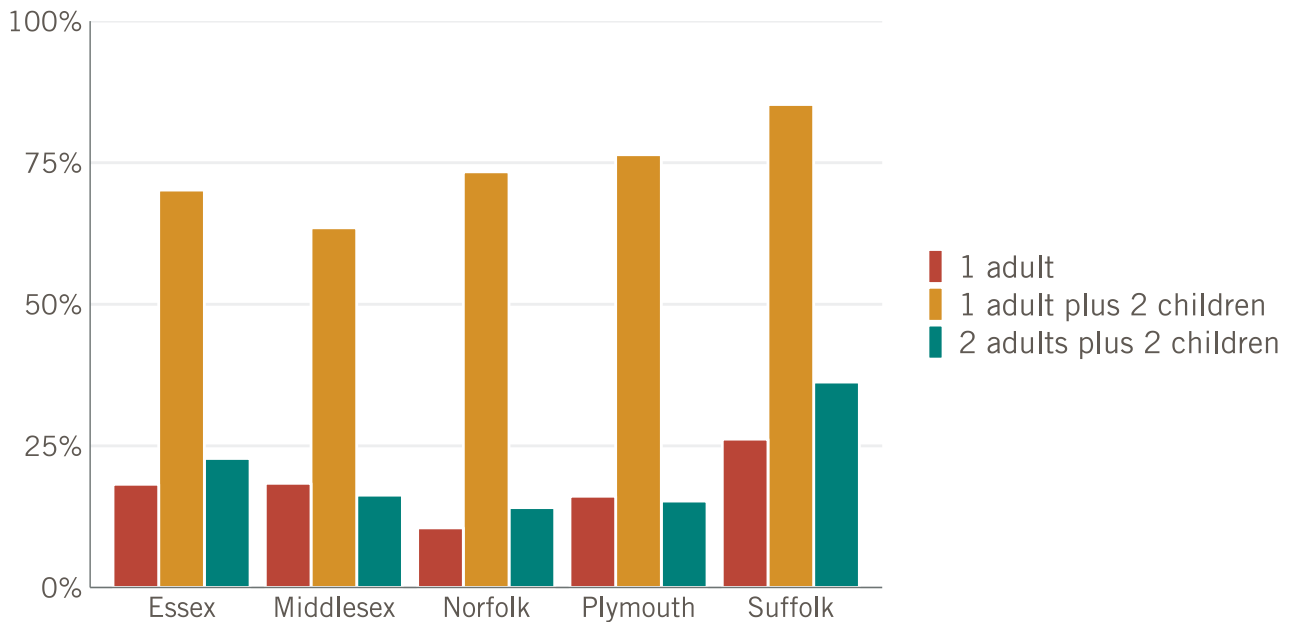
Official poverty rates tend to underestimate the financial hardship of residents in metropolitan areas with higher cost of living such as Greater Boston because they rely on a set of income thresholds set at the national level. This is important since housing is the single largest component within the household budget and housing costs vary considerably across the nation. Using a “living wage” threshold that incorporates differences in the cost of living shows that the percentage of families experiencing financial hardship is even higher than the poverty rate and varies considerably by family type. For example, 36 percent of families with two earners and two children living in Suffolk County earn below the living wage needed to support their household (\$78,998) while over 80 percent of single-parent families with two children fall below the living wage threshold for that group (\$73,611).

TABLE 1.2  
Living Wage Threshold (Annual Income)

County	1 adult	1 adult plus 2 children	2 adults plus 2 children
Essex	\$ 29,973	\$ 63,066	\$ 76,794
Middlesex	\$ 30,992	\$ 72,738	\$ 78,125
Norfolk	\$ 31,595	\$ 73,424	\$ 78,832
Plymouth	\$ 29,806	\$ 70,949	\$ 76,378
Suffolk	\$ 31,741	\$ 73,611	\$ 78,998

Source: U.S. Census Bureau and Living Wage Calculator

FIGURE 1.8  
Percent of Individuals Earning Less Than a Living Wage  
by county, 2017



Source: U.S. Census Bureau, Decennial Census (1999) and American Community Survey and Living Wage Calculator

## Housing cost burden is increasing and low-income households are hardest hit.

Has Greater Boston’s housing market already become unaffordable for too many of its residents?

One way to determine affordability, for both home-ownership and rental opportunities, is to examine whether or not households are “cost burdened.” The Census Bureau categorizes households as “cost burdened” if they spend more than 30 percent of their income on housing and “severely cost burdened” if they spend more than 50 percent.

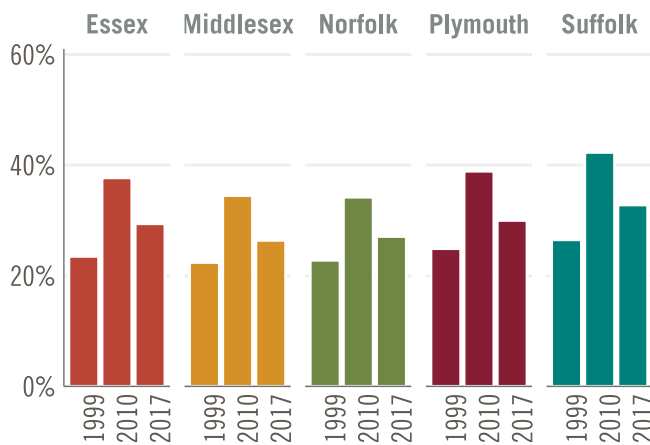
In Greater Boston, we see significant cost burdens for both owners and renters, but the issue is more acutely felt by renters in the region.

Among the region’s homeowners, rates of cost burden increased considerably between 1999 and 2010, with around one quarter of the region’s households being cost burdened in 1999 and 35 percent in 2017. In Suffolk County, the share of households that were cost burdened eclipsed 40 percent as of 2010. Between 2010 and 2017, the percent of owner-occupied households that were cost burdened fell, though remained slightly above pre-recession rates.

Among renters, rates of cost burden have increased since 1999 in all five counties in the region. Although the share of renter households that were cost burdened also increased between 1999 and 2010, it remained elevated after the end of the Great Recession. As of 2017, nearly 50 percent of the renters in Essex, Plymouth, and Norfolk counties are cost burdened by housing.

FIGURE 1.9

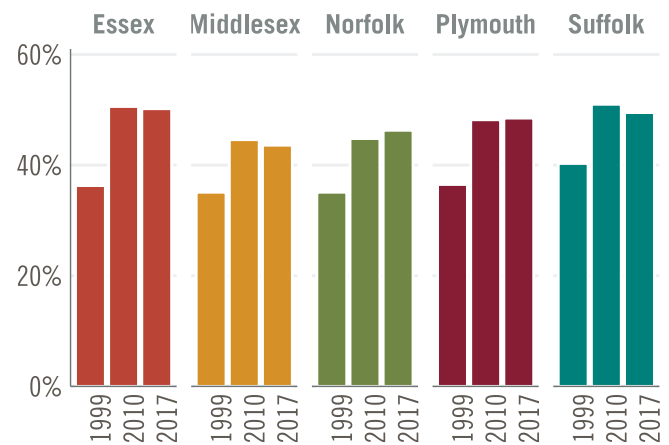
Percent of Owner Households Spending 30 Percent or More of Income on Housing Costs by county, 1999, 2010, 2017



Source: U.S. Census Bureau, Decennial Census (1999) and American Community Survey, 5-year estimates (2013–2017)

FIGURE 1.10

Percent of Renter Households Spending 30 Percent or More of Income on Housing Costs by county, 1999, 2010, 2017



Source: U.S. Census Bureau, Decennial Census (1999) and American Community Survey, 5-yr estimates (2013–2017)

## Home prices and income distribution do not match.

Another way to look at affordability is to determine whether a home at a certain price percentile is affordable to someone in the corresponding income percentile. For example, can a low-income household in the bottom 20 percent of the income distribution afford to buy to a condo or home in the bottom 20 percent of the price distribution?

Our analysis shows that low-income households are priced out of the homeownership market in all

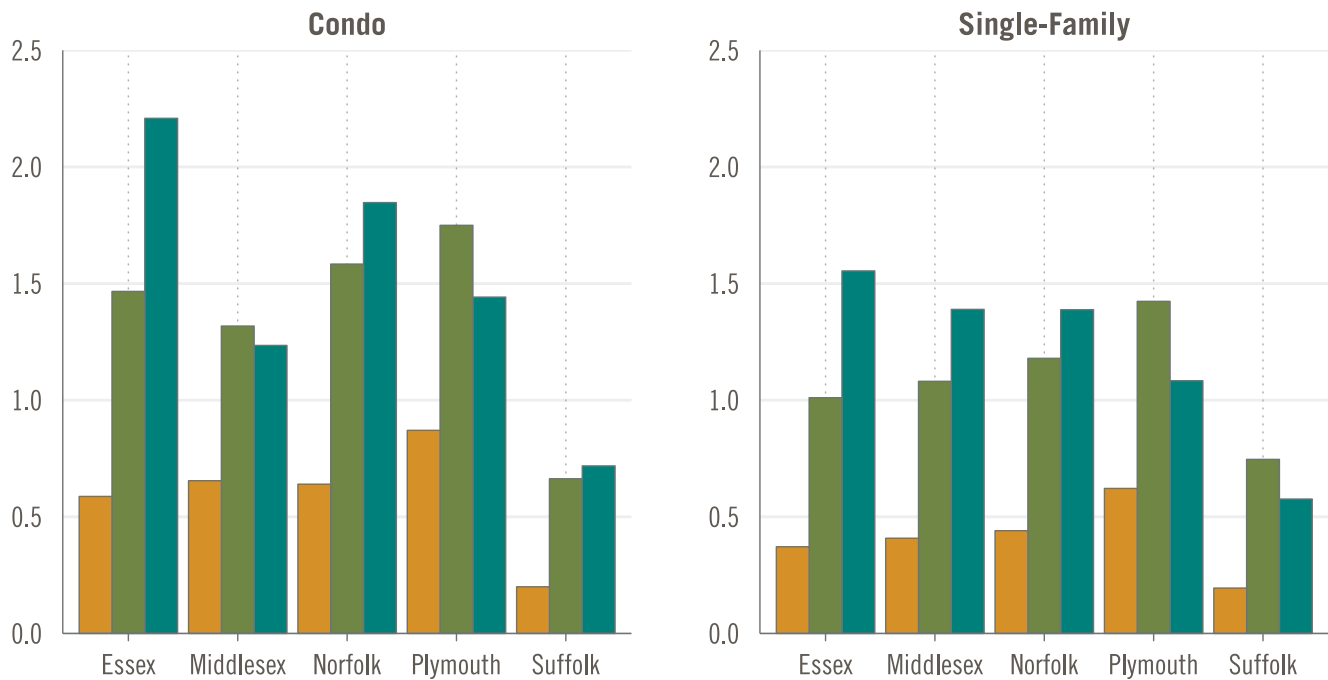
five counties within Greater Boston. Middle-income households have sufficient income to buy a middle-priced condo or single family home in every county except Suffolk.

In Suffolk County, middle-income households have only 74 percent of the income needed to purchase a mid-priced house and only 66 percent of the income needed to purchase a mid-priced condo.

FIGURE 1.11

### Ratio of Household Income to Income Needed to Afford Housing, 2017

Low-income households Middle-income households High-income households



Source: American Community Survey, 5-year estimates (2013–2017) and The Warren Group

# Housing Supply

Greater Boston's housing supply is characterized by its combination of low vacancy rates, older housing stock, and uneven development patterns that leave a small set of communities pulling most of the weight around new housing production. This leaves the region with a unique set of barriers to creating the housing stock needed for a growing region. Does the region have the housing stock it needs for the future?



## Vacancy rates, for homeownership and rental, are well below stable levels.

Vacancy rates are a useful proxy to determine the tightness of the region's housing market. When vacancy rates are within a "healthy" range, there's enough inventory on the market for buyers and renters to find reasonably priced homes. Sellers can also expect that if they sell their home they'll be able find another property suitable to their needs.

A stable vacancy rate for home ownership is considered to be 2 percent; for rentals, 6 percent is generally considered stable, although prior Report Cards have indicated that the Greater Boston market may stabilize at 5.5 percent.<sup>6</sup> A consistently low vacancy rate, of either homeownership or rental units, can have a significant impact on the cost of housing in the region.

Since 2005, the ownership vacancy rate in Greater Boston has been considerably lower than the national average. While national vacancy rates have also dipped below 2 percent, they still significantly exceed Boston's rate. During the Great Recession, vacancy rates both locally and nationally rose significantly, but even during the recession's peak, Greater Boston's homeownership vacancy rate never surpassed 2 percent. Since then, the rate has steadily declined, consistently dipping below 1 percent in some years.

Greater Boston's rental vacancy rates hovered around 5.5 percent between 2005 and 2014. The vacancy rate then dipped well below 4 percent in 2015 and has yet to recover.

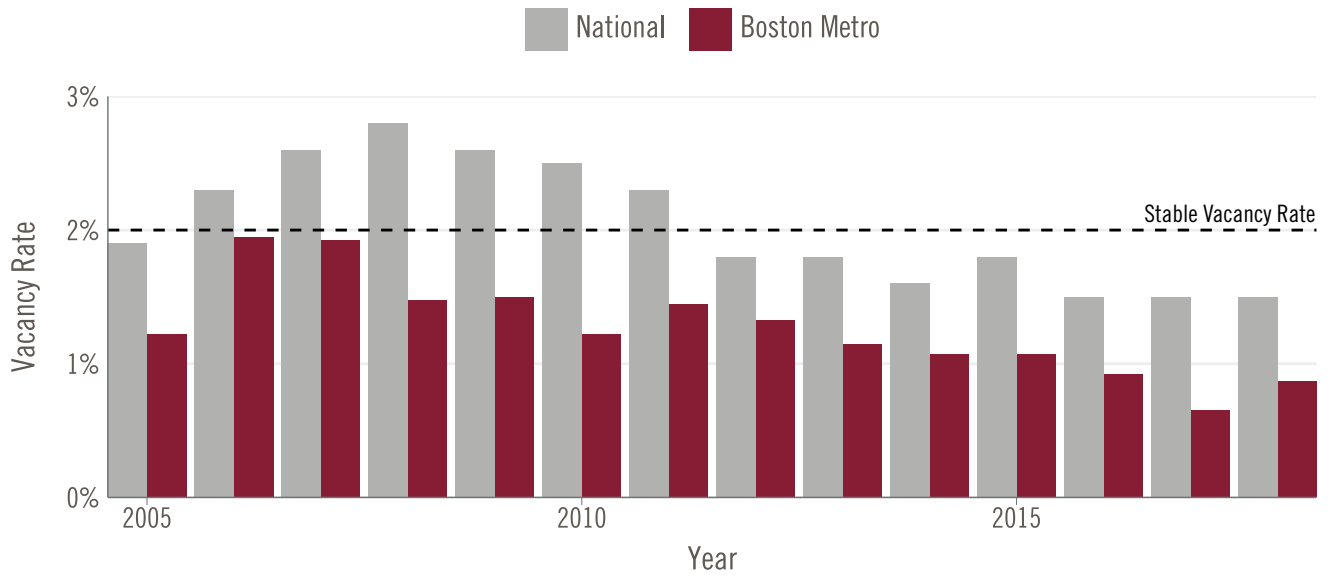
So what does this mean for residents of Greater Boston participating in the housing market? A lack of housing options for potential homebuyers can drive up costs, force buyers into suboptimal options, and even lead

families and individuals to look for housing outside of the region. Sellers will easily be able to find someone to buy their home but there's no guarantee that they will find somewhere they can afford to move, especially if they are looking to downsize.

On the rental side, the options for affordable properties decrease exponentially while the risk of displacement increases as vulnerable renters cannot compete for a limited number of apartments with higher-income households who are willing and able to pay higher rents. This is extremely important to the region because a disproportionate percentage of the region's renters are low-income and people of color who have historically been pushed or priced out of the housing market.

FIGURE 1.12

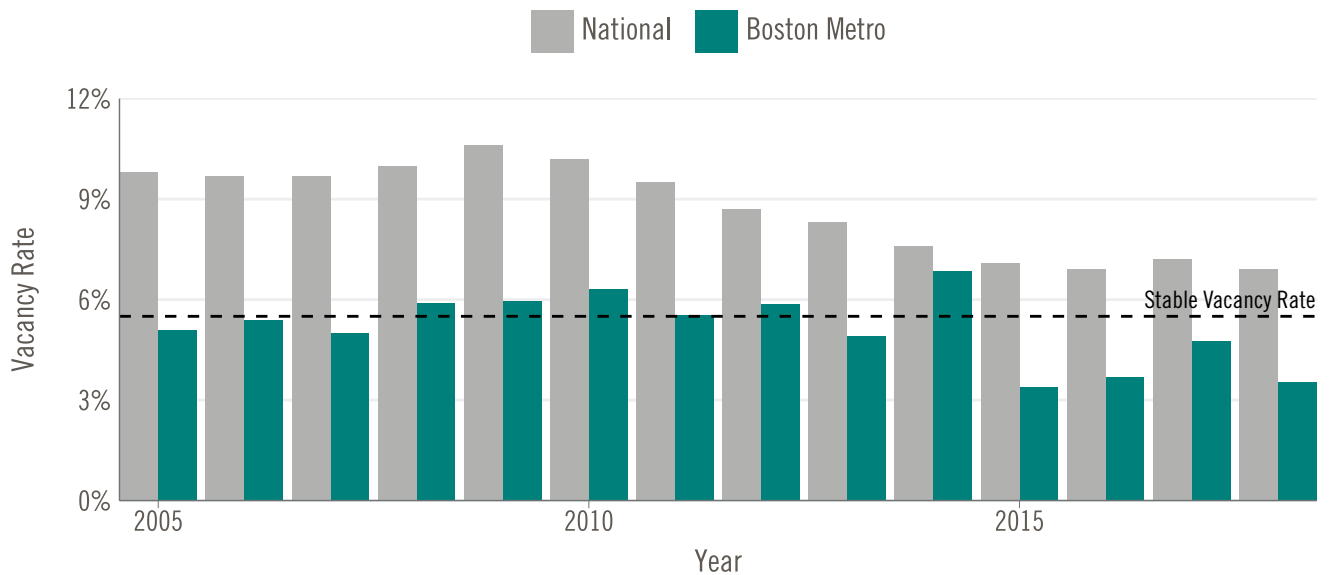
Ownership Vacancy Rates, Boston Metropolitan Area versus National Average of Metropolitan Areas



Source: U.S. Census Bureau, Housing Vacancies and Homeownership Reports, various years

FIGURE 1.13

Rental Vacancy Rates, Greater Boston Area versus National Average of Metropolitan Areas



Source: U.S. Census Bureau, Housing Vacancies and Homeownership Reports, various years

## The region depends on old, unique housing stock.

Greater Boston’s housing stock is older than that of many similar sized metro regions. Over 50 percent of the region’s housing stock was built before 1960, with nearly 25 percent predating 1920. No other comparable metro area has more than 10 percent of its housing stock predating 1920. In some Massachusetts communities, homes still in use date back to the 18th and even the 17th century.

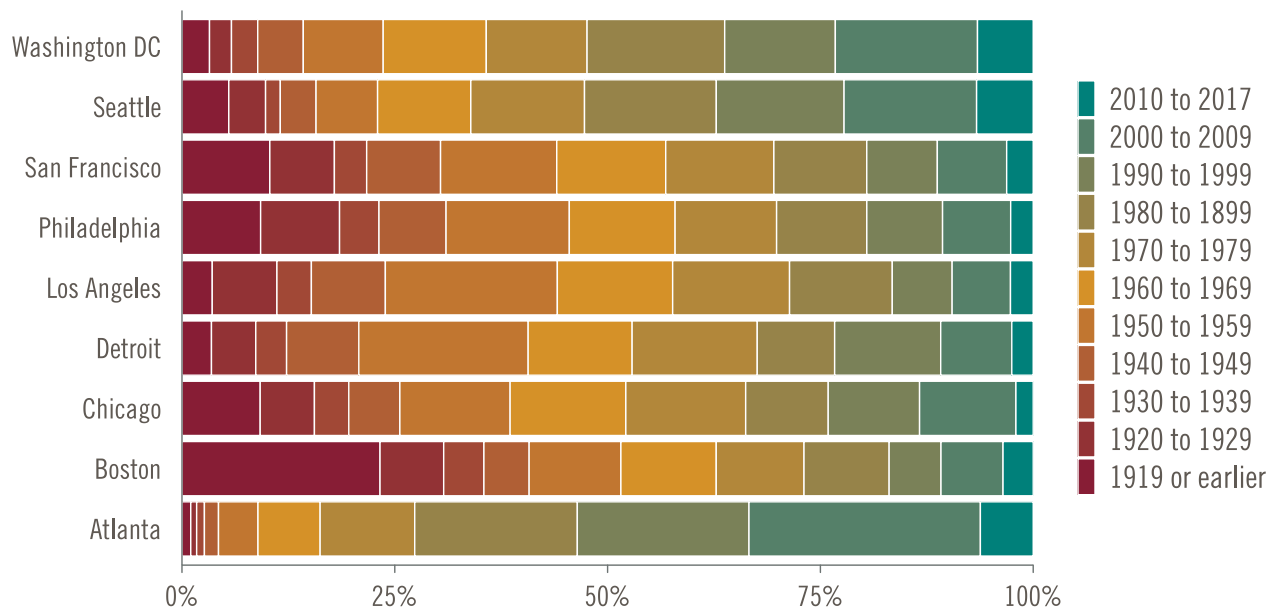
While Boston is one of the nation’s oldest cities, other metros that experienced large growth prior to the 20th century, such as Philadelphia and San Francisco, have housing stocks that are less heavily reliant on pre-WWII housing. A quarter of Metro Boston’s housing stock was built after 1980, compared with a third for both Philadelphia and San Francisco, and more than half for Seattle and Washington, D.C. This is another indication

that supply is likely lagging behind demand: Boston’s economy has kept pace with these cities, while its production of housing stock has not.

With an older housing stock comes attractive features such as dense neighborhoods, unique architecture, and history. However, a lack of new housing stock can also indicate a market that is not producing the housing needed for the region.

Note: Throughout this section, and the rest of the report, we use permit numbers from the U.S. Census’ Building Permit Survey as a proxy for production. There is a typically a few years’ lag time between when a permit is issued and when a development is open and habitable.

FIGURE 1.14  
Age of Housing Structures, Metro Region Comparison, 2017



Source: U.S. Census Bureau, American Housing Survey

## Housing production has nearly returned to pre-recession rates with a higher proportion of multifamily units.

Permitting has increased significantly in Greater Boston since the Great Recession dragged production almost to a halt in 2009. In 2017, Greater Boston permitted approximately 13,000 new housing units, an increase of about 8,000 since the low point of the recession in 2009. Nearly 75 percent of this increase in production was multifamily housing.

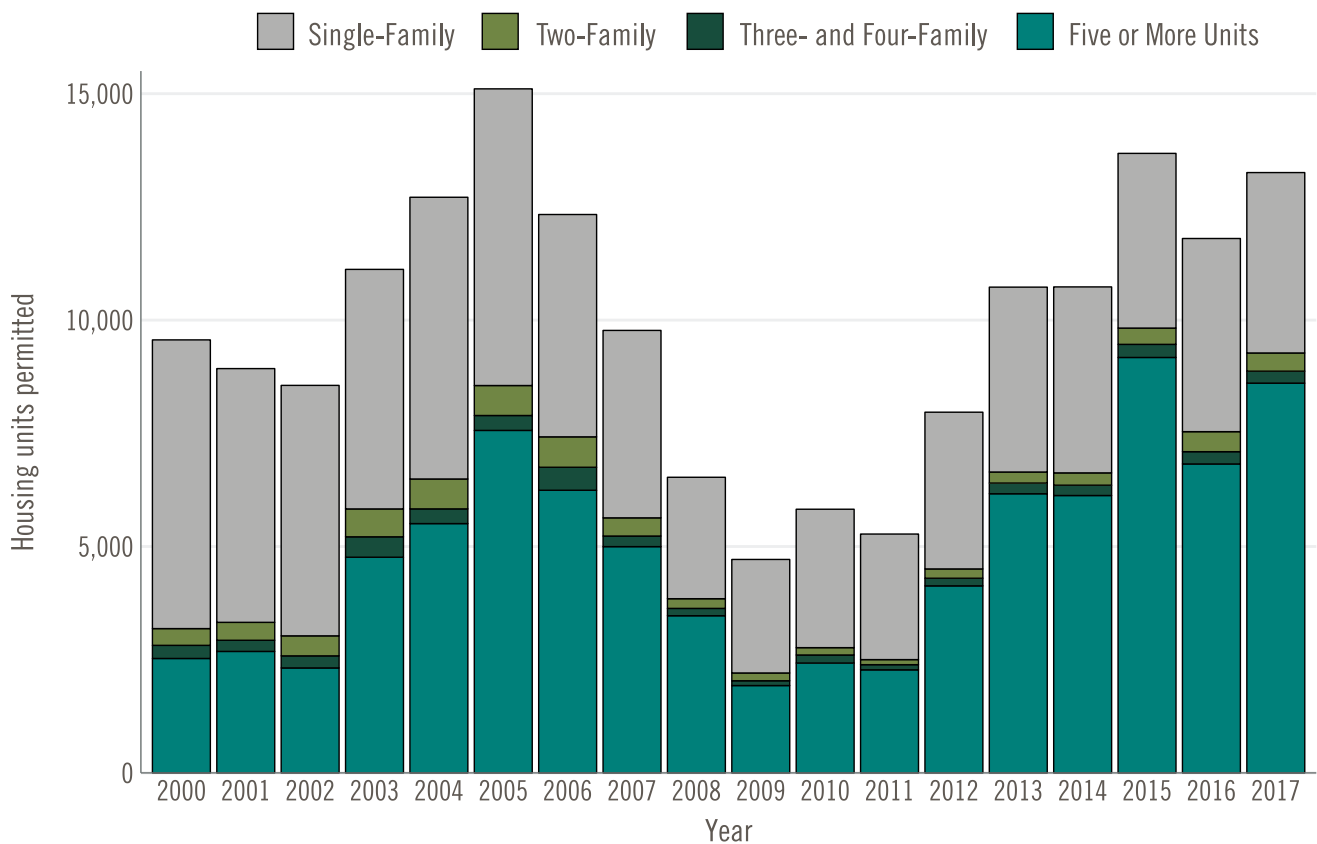
Whether it be for shorter commutes, more walkable neighborhoods, or environmental concerns, multifamily units have become increasingly desirable in the region and across the country as a whole.<sup>7</sup>

The rate at which new housing is permitted in Greater Boston has not returned to the previous peak in 2005. Both total permits and multifamily permits were highest in 2015 and 2017 with preliminary data suggesting that permitting may have slowed in 2018.

Permitting levels for the last two decades are quite low compared with the end of the last century. Since 2010 cities and towns in Massachusetts have permitted new housing at less than half the rate they did in the 1980s, when housing production averaged nearly 28,000 units per year.

FIGURE 1.15

Units Permitted Over Time by Building Type, Greater Boston



Source: U.S. Census Bureau Building Permit Survey, 2000–2017

## Massachusetts' new housing is increasingly concentrated in Greater Boston.

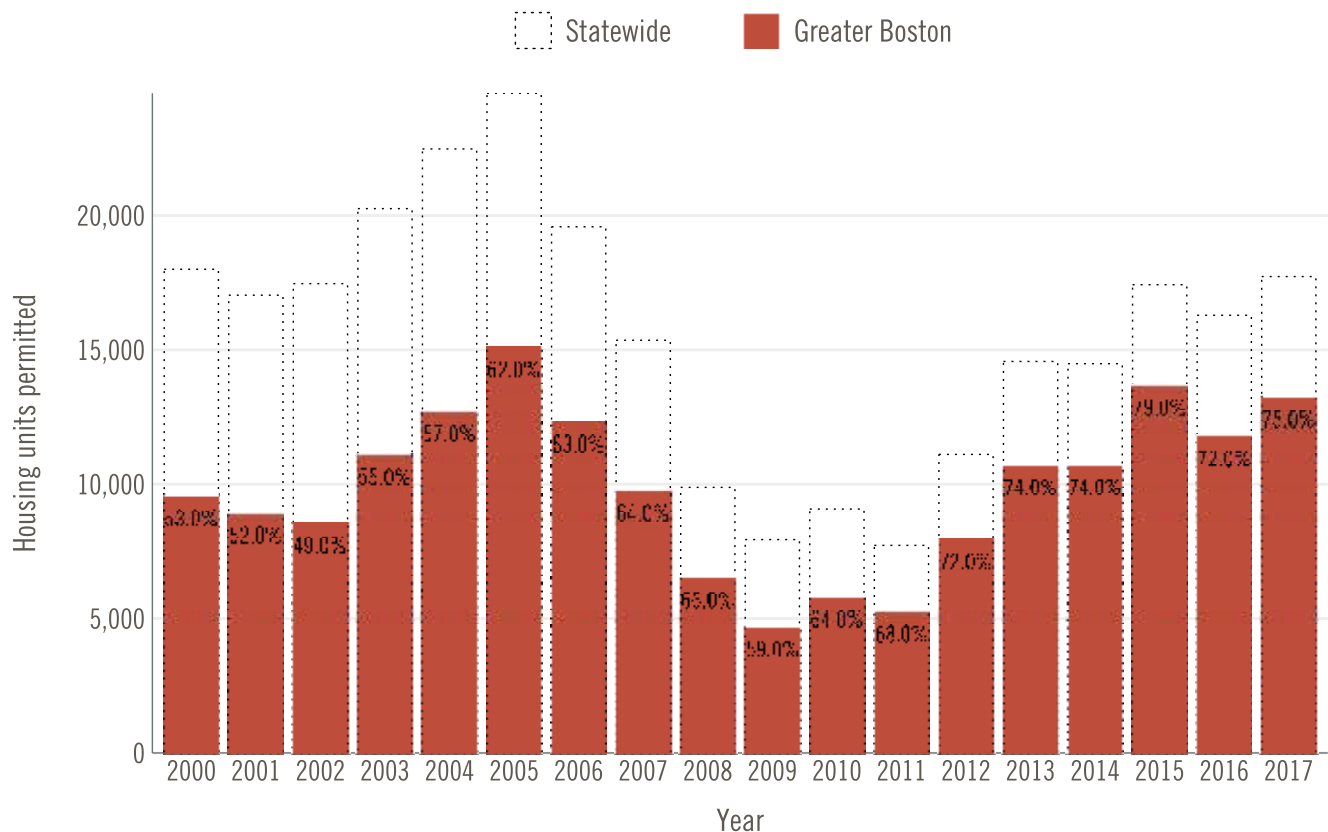
An increasing share of the state's new housing production is in Greater Boston.

In the early 2000s, only about half of the new housing being permitted in Massachusetts was in Greater Boston. By 2015 that percentage had increased to 79 percent, reflecting strong post-recession job growth in the inner core, but also a tendency toward more exclusionary zoning practices in outer core communities. Examples of exclusionary zoning practices include prohibiting certain housing types in the local zoning bylaws (e.g., townhouses or units above first-floor retail) or placing restrictions on

lot sizes, floor area ratios (FAR), or parking that make building certain housing types fiscally infeasible. More information about exclusionary zoning practices can be found in Chapter 3 of this report.

The number of new housing units permitted in cities and towns outside Greater Boston has never fully recovered since 2005 and is less than half of pre-recession levels. That reflects significant disparities in job growth and household incomes between Metro Boston and other regions of the Commonwealth.

FIGURE 1.16  
Greater Boston Units Permitted Versus Statewide Units Permitted  
2000–2017



Source: U.S. Census Bureau Building Permit Survey, 2000–2017

## Production rates and diversity of new housing varies significantly across Greater Boston.

While the five-county Greater Boston region produces far more housing than the rest of Massachusetts, significant variation in permitting levels is apparent within the region.

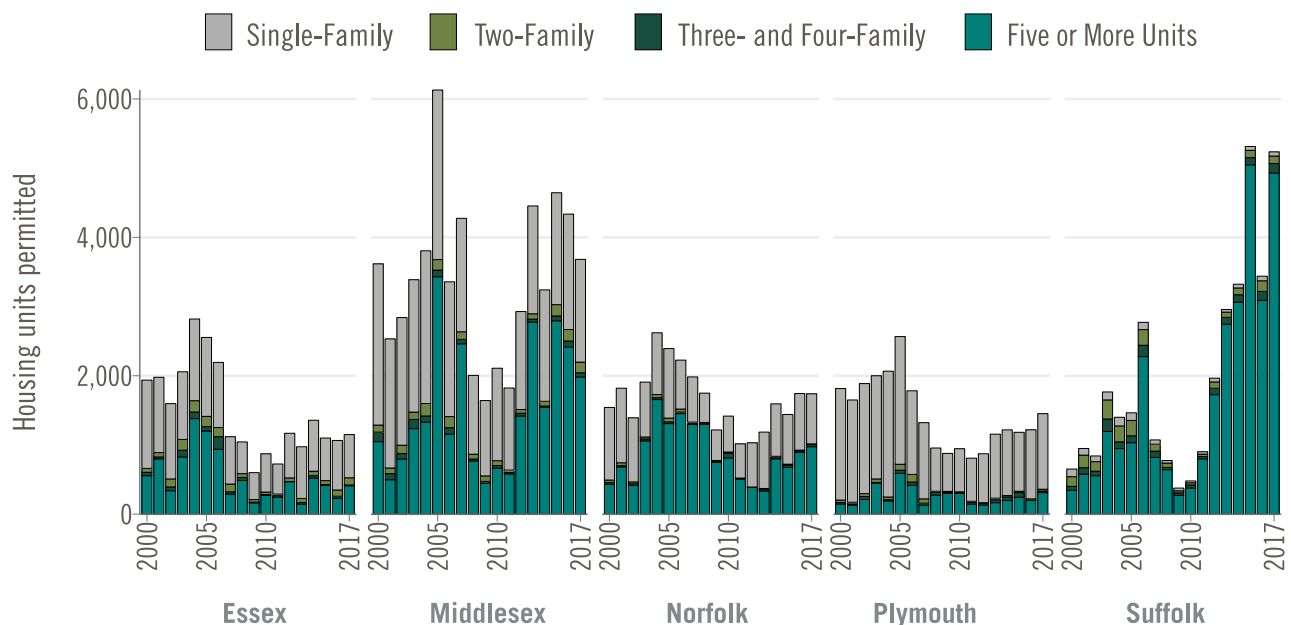
Middlesex and Suffolk counties have more than doubled their permitting for new housing since the trough of the Great Recession, reflecting back the concentration of job growth in these counties. Suffolk County is permitting new housing well above the previous peak in 2005 and now dominates multifamily permitting in the region.

In contrast, Essex, Norfolk, and Plymouth counties have seen only a modest recovery in the number of permitted units since the recession and none of the three counties have returned to their pre-recession permitting levels.

One reasons why Middlesex and Suffolk have out-permitted the other counties is because of the types of units being permitted. Nearly all units permitted in Suffolk County and a majority of new units in Middlesex and Norfolk counties are multifamily, while single-family homes continue to predominate new housing in Essex and Plymouth counties. The causes of these permitting patterns are many, including: 1) type of housing units that already exist in the area, 2) preferences toward denser, multifamily production in closer-in areas connected to public transit, and 3) longstanding zoning rules that either don't allow certain types of housing or make production of that housing almost impossible.

FIGURE 1.17  
Units Permitted Over Time by County and Building Type

Greater Boston by county, 2000–2017



Source: U.S. Census Bureau Building Permit Survey, 2000–2017

## The City of Boston issues the largest share of the region’s new housing permits.

Over the last two decades the City of Boston’s share of statewide housing production has increased more than sixfold and now eclipses the share of all other inner-core communities.

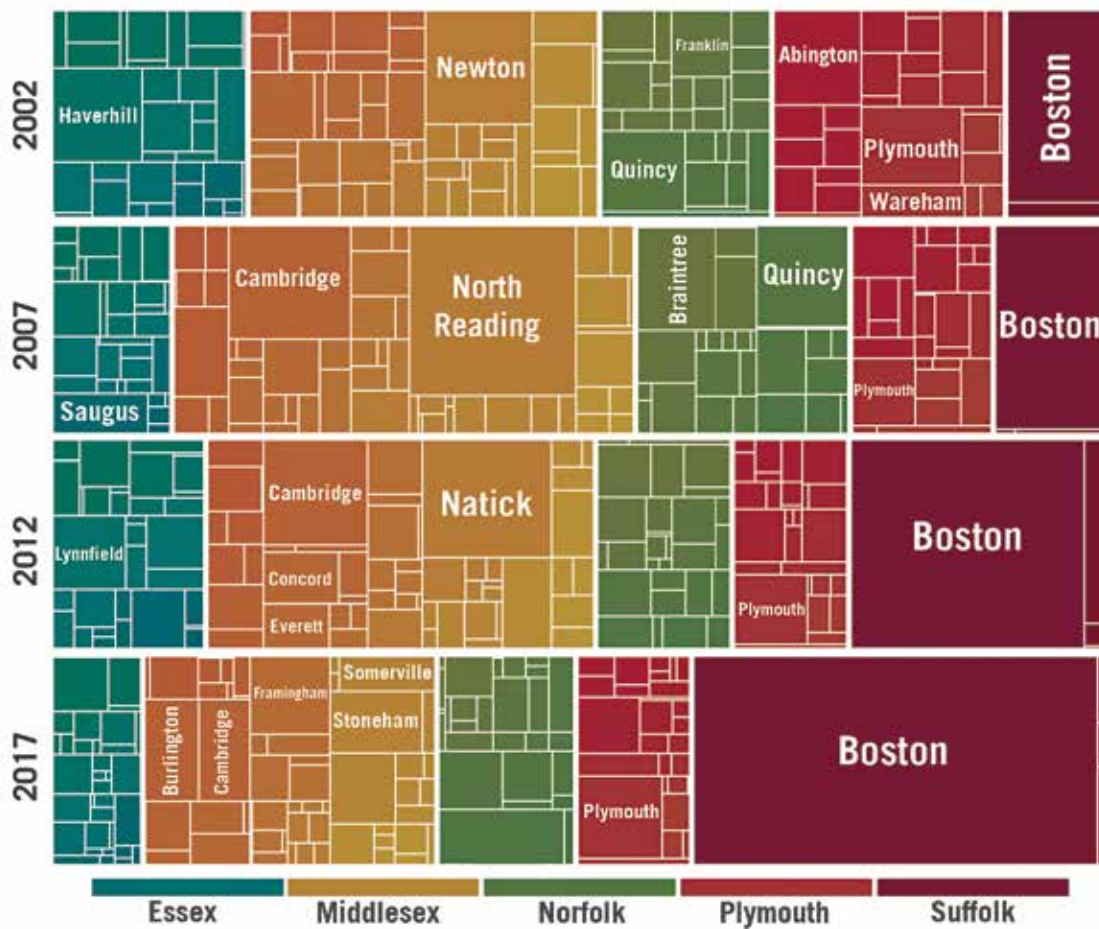
Fifteen cities and towns in Greater Boston have issued more than half of the building permits in the Commonwealth from 2013 to 2017: Boston, Cambridge, Plymouth, Watertown, Everett, Weymouth, Somerville,

Burlington, Chelsea, Framingham, Hopkinton, Middleborough, Quincy, Arlington, and Canton.

The concentration of multifamily permitting is even more striking. More than half of the new multifamily housing permitted in Massachusetts from 2013 to 2017 was in just four cities and towns: Boston, Cambridge, Everett, and Watertown.

FIGURE 1.18  
Total Annual Permits Issued by Municipality and County  
Greater Boston 2002–2017

*Size of box indicates proportion of new statewide units permitted that year*



Source: U.S. Census Bureau Building Permit Survey, various years

## Metro Boston lags most other major U.S. metropolitan areas on housing production.

While housing production in Boston and some other Massachusetts cities and towns has substantially increased in recent years, the region as a whole is lagging far behind other parts of the United States.

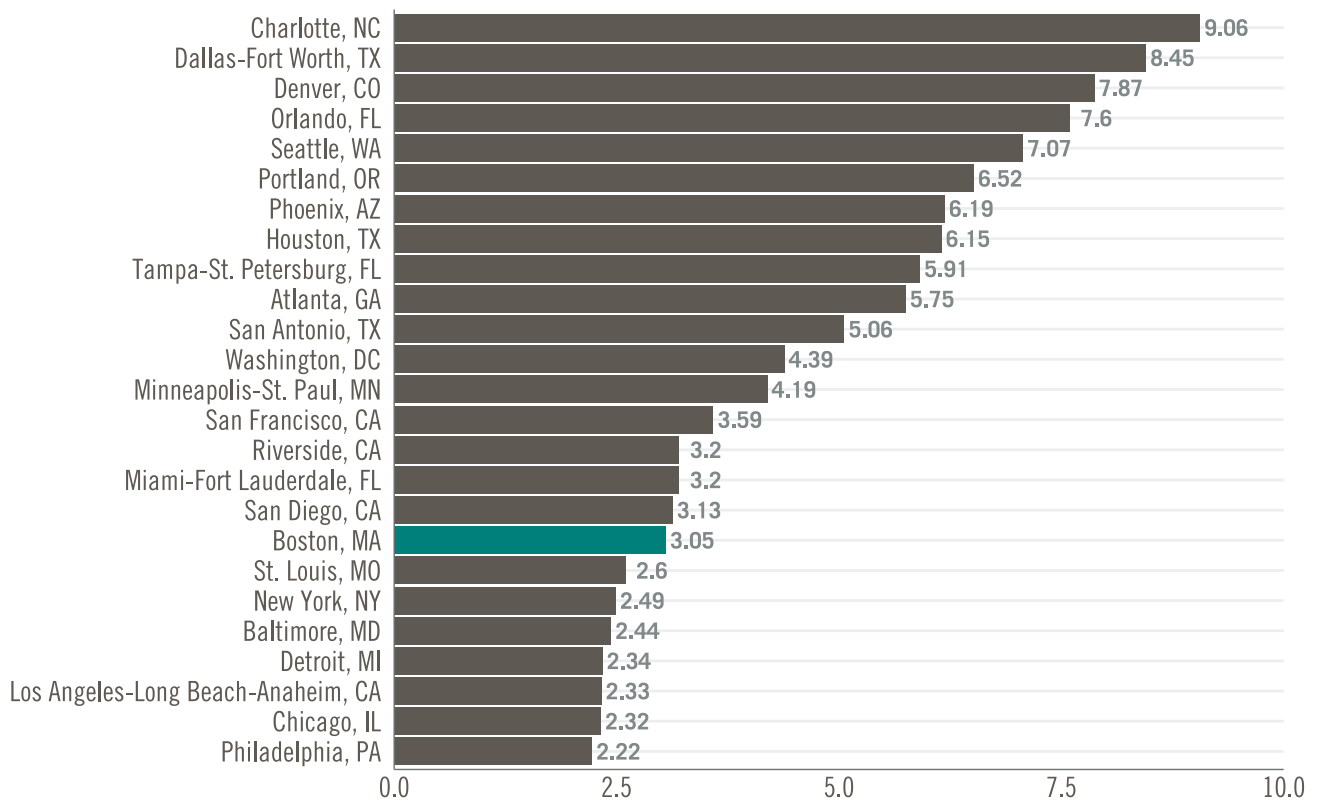
In 2017, about three new housing units were permitted for every thousand residents in the Boston Metropolitan Statistical Area (Boston MSA),<sup>8</sup> ranking Metro Boston 18th out of the nation's 25 largest metropolitan areas in housing production.

Of seven major metros with housing production rates lower than Metro Boston's, most either have slower-

growing economies (St. Louis, Baltimore, Detroit) or are very large cities with more overall housing production than Metro Boston, albeit at a lower per capita rate (New York, Los Angeles, Chicago).

Most of the major metros permitting new housing at a faster rate than Boston (including Seattle at 7.1 per thousand residents, Denver at 7.8, and Washington at 4.4) are also seeing positive net domestic migration. Meanwhile, Boston and several other metros that are permitting fewer units are seeing small or negative net migration rates. If not for international migration patterns, population in Greater Boston might not be growing at all.

FIGURE 1.19  
Housing Permit Rates for the Largest 25 Metros, 2017  
permits per thousand residents



Source: U.S. Census Bureau Building Permit Survey and Annual Population Estimates



## Chapter 40B is the primary means of permitting rental housing in many suburban communities.

Chapter 40B, also known as the Comprehensive Permit Law, was enacted in 1969 to help expand the number of communities and neighborhoods where housing for low- and moderate-income households may be developed. Created in the wake of the civil rights movement with the goal of de-segregating the state, the law provides an exemption from local zoning and other land use regulations, through “comprehensive permits” issued by the local zoning board of appeals, for certain developments in which at least 20 or 25 percent of the proposed units have long-term affordability restrictions.

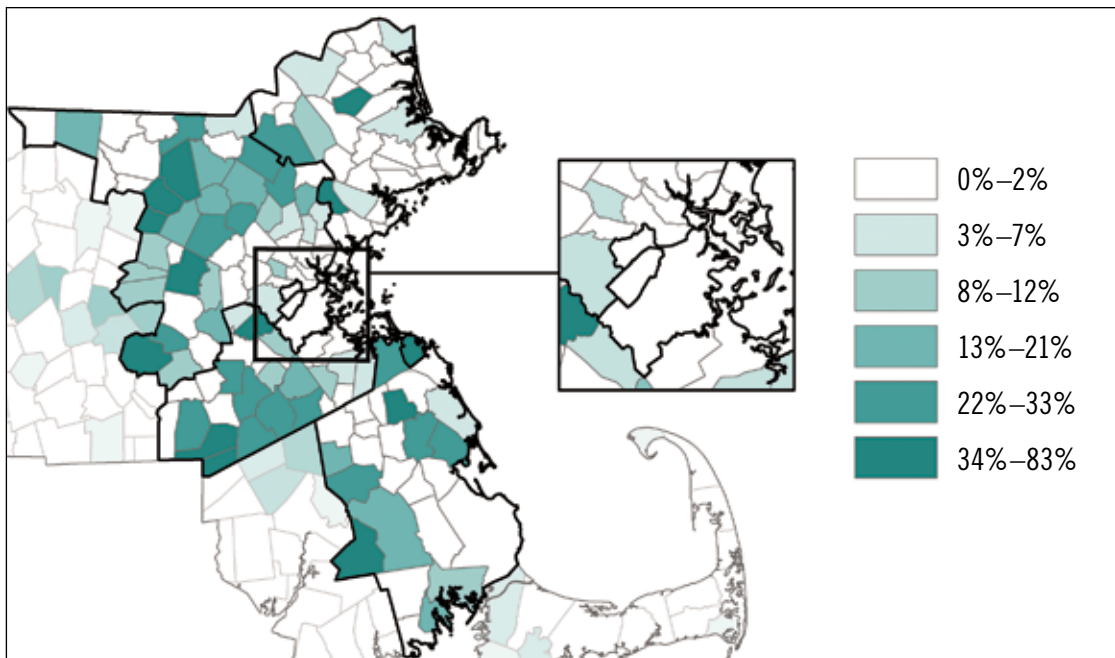
In many Greater Boston communities, a large share of the rental housing stock is permitted and constructed through Chapter 40B intervention. This typically occurs in communities where local zoning (such as density regulations) does not otherwise allow development of multifamily housing, because 40B permits the

Commonwealth to override the locality. Statewide, 30 communities have produced more than one third of their rental units through 40B.

Once subsidized low- or moderate-income housing represents at least 10 percent of a city or town’s year-round housing stock (as determined by the state’s Subsidized Housing Inventory or SHI), the community may limit or deny applications for Chapter 40B comprehensive permits without risk of that local decision being overturned by a state appeals board. To be clear, the 10 percent threshold (or any other statutory minima used) is only the minimum amount of affordable housing that exempts communities from a potential override of local zoning. Many have gone above and beyond this threshold because they recognized the need for additional affordable units in their community.

MAP 1.1

Chapter 40B Rental Units as a Percentage of All Rental Units



Source: 40B Production: Interagency 40B tracking sheet (DHCD, MassHousing MassDevelopment & Massachusetts Housing Partnership), January 2019

## Chapter 40B has led to the creation of 60,000+ units of diverse housing stock statewide, but remaining production capacity under Chapter 40B is diminishing.

Chapter 40B’s impact on housing production is most evident in suburban communities in the Greater Boston region. While there is no consistent reporting of locally-permitted units, research conducted by Citizens Housing and Planning Association (CHAPA) indicates that Chapter 40B has resulted in upwards of 60,000 permitted units statewide since 1969.<sup>9</sup>

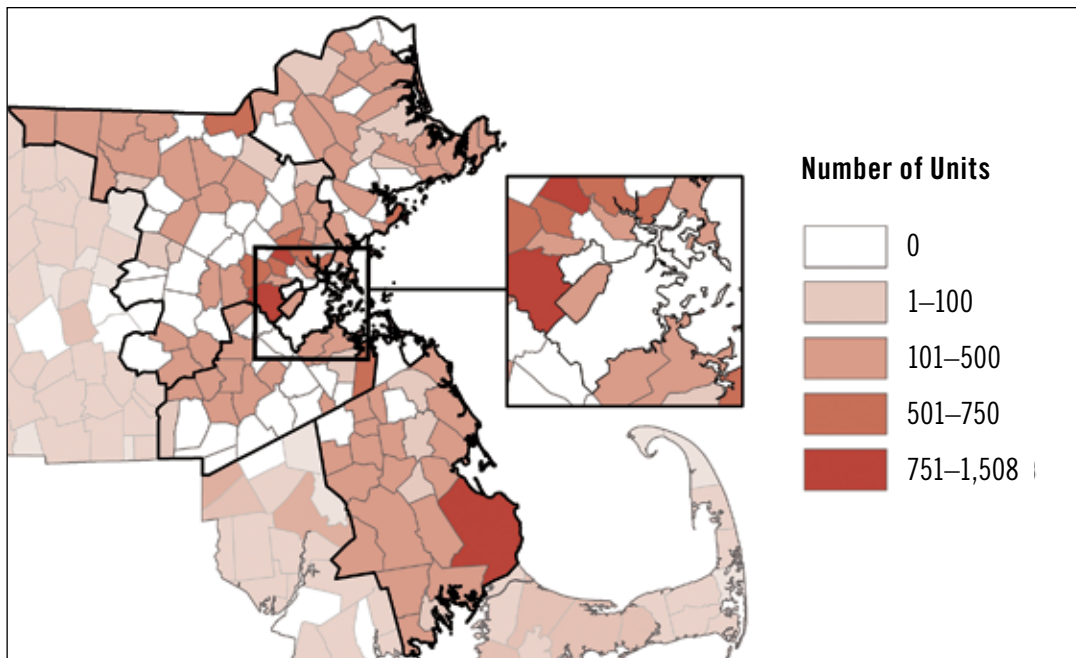
While Chapter 40B has been a critically important tool for promoting suburban affordable housing development, as more communities reach the 10 percent threshold, there will be fewer opportunities for new production under this mechanism.

Based on the most recent SHI in 2017, there is capacity for an additional 56,078 housing units to be permitted through Chapter 40B before all communities reach the 10 percent threshold. Within the five-county Metro Boston region, there is capacity for an additional 38,162 housing units permitted through Chapter 40B.

The SHI is based on counts of the year-round housing stock from the most recent decennial census. When housing unit counts from the 2020 Census are published it is expected to result in only modest increases in the capacity for new Chapter 40B production because much of the region’s recent housing growth has been in cities and towns that are above the 10 percent threshold.

MAP 1.2

Remaining Capacity for New 40B Development



Source: SHI: DHCD, Subsidized Housing Inventory, Sept. 2017; Housing Units: U.S. Census Bureau Estimate of Year-Round Housing Units

## Housing permit levels trail state and regional goals.

As part of his Housing Choice Initiative, Governor Baker has established a statewide goal of permitting 135,000 new housing units between 2018 and 2025, measured by building permit activity. That goal will be met if production continues at 2017 levels, though preliminary data from the U.S. Census suggests that production may have declined in 2018.

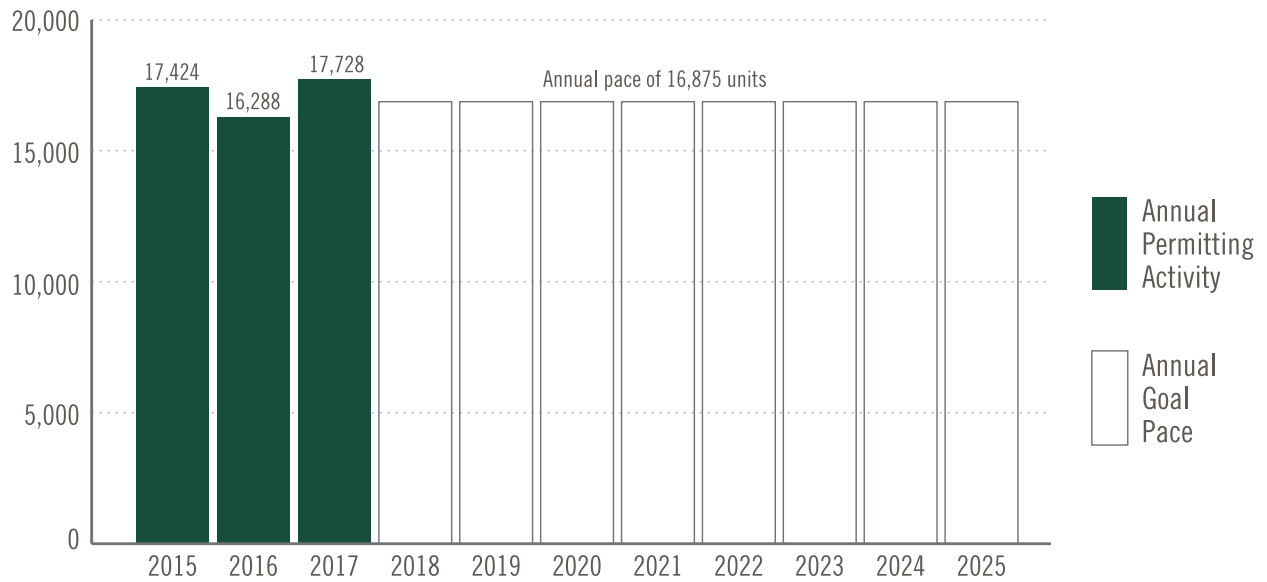
The statewide goal does not specify what type of units need to be produced (e.g., how many single-family or multifamily), where those units need to be (e.g., how many with proximity to public transit), or to whom they are affordable.

The Metropolitan Mayors Coalition has also established a goal of 185,000 new housing units to be permitted in their 14 member communities between 2016 and 2030. It would take a substantial increase from recent permitting levels to achieve that goal.

The City of Boston has historically been the highest housing producer in the Commonwealth. In 2014, the City of Boston released the “Housing Boston 2030” plan with a goal of producing 53,000 new housing units by 2030 with specific targets for production at different affordability levels. In 2018, the City of Boston adjusted its housing production from 53,000 to 69,000 (an increase of 16,000 units) by 2030 to keep up with the growing needs of the city. The City of Somerville has also established a separate housing production goal through its SomerVision 2030 plan. The goal commits the city to producing 6,000 new units, 1,200 of which will be permanently affordable, by 2030. The plan is now in the process of being updated through 2040.

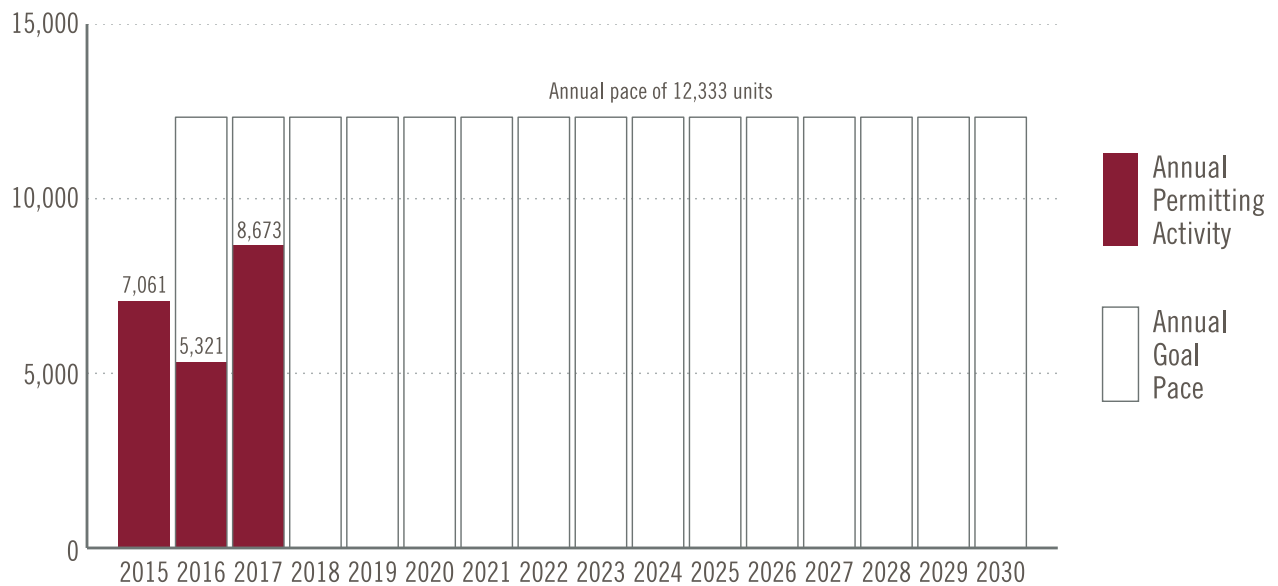
If the Metro Mayors Coalition member communities are able to significantly increase production and get on pace to reach their 2030 goal, the contributions of those 14 communities alone would achieve 78 percent of the Governor’s statewide goal by 2025.

FIGURE 1.20  
**Past Permitting (statewide 2015–2017) with Housing Choice Goal (statewide 2018–2025)**  
 135,000 net new units, 2018–2025 (8-year goal)



Source: U.S. Census Bureau, Annual Building Permit Survey, various years

FIGURE 1.21  
**Past Permitting (Metro Mayors geography 2015–2017) with Metro Mayors Annual Goal (2016–2030)**  
 185,000 net new units, 2016–2030 (15-year goal)



Source: U.S. Census Bureau, Annual Building Permit Survey, various years

## Region is short of new housing needed to accommodate projected household growth.

Between 2010 and 2025 the number of households in the five-county Greater Boston region is expected to grow by nearly 20 percent—from approximately 1.53 million to 1.83 million households—based on projections by the UMass Donahue Institute (UMDI). Most of that expected growth is concentrated in Middlesex, Suffolk, and Essex counties.

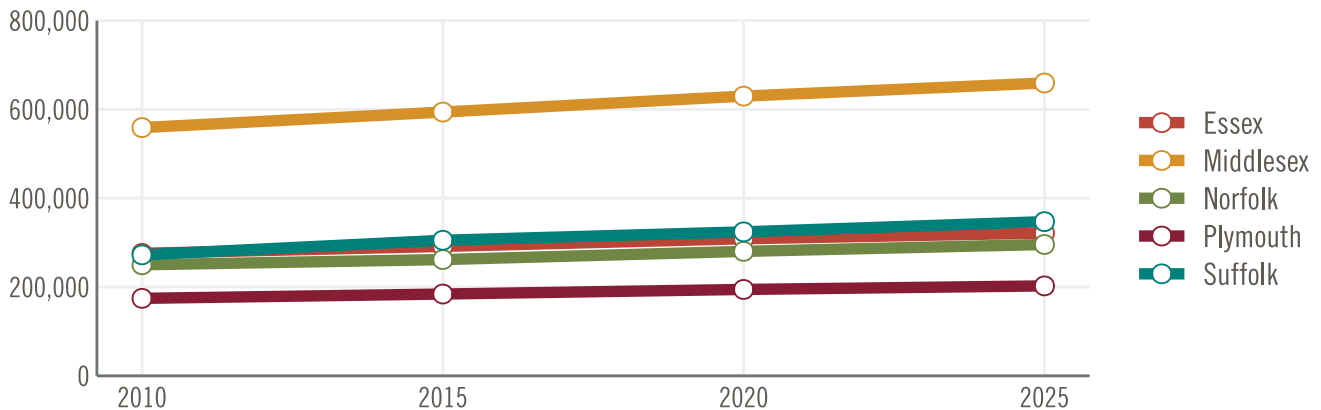
In order to accommodate new household growth, UMDI projects that the Greater Boston region will need to produce approximately 320,000 new units between 2010

and 2025, to bring the total from 1.63 million to 1.95 million housing units.

Figure 1.23 below compares actual housing production through 2017 with the new housing need projected by UMDI, and shows that the region is falling significantly short. If the current rate of housing production in Greater Boston does not substantially increase it will push vacancy rates lower and put additional upward pressure on rents and home prices.

FIGURE 1.22

### Projected Units Needed by County

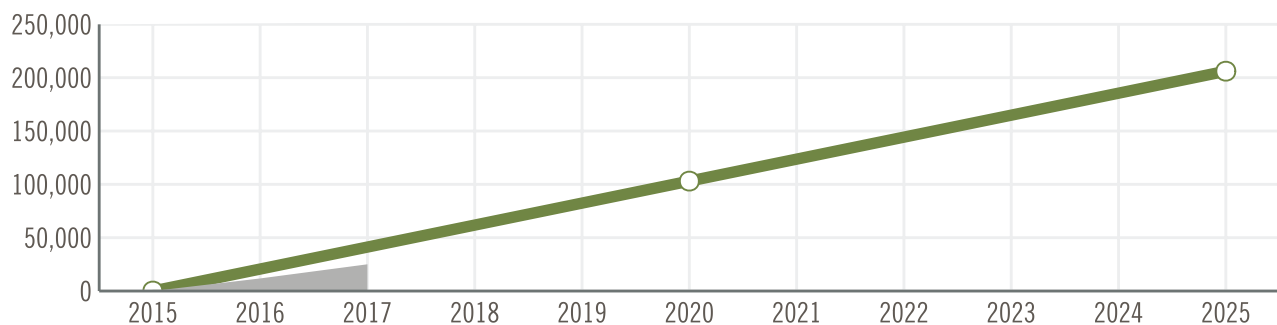


Source: UMass Donahue Institute

FIGURE 1.23

### Projected Net New Housing Units Needed with Recent Permit Activity

Greater Boston through 2025



Source: UMass Donahue Institute and U.S. Census Bureau

# Prices

High housing demand combined with insufficient supply and low levels of new production have driven prices up beyond pre-recession levels across the Greater Boston region, and in some cases far, far beyond. Prices have increased in all parts of the region, and at every tier in the market.

## Home prices are increasing across Greater Boston, most dramatically in Suffolk County.

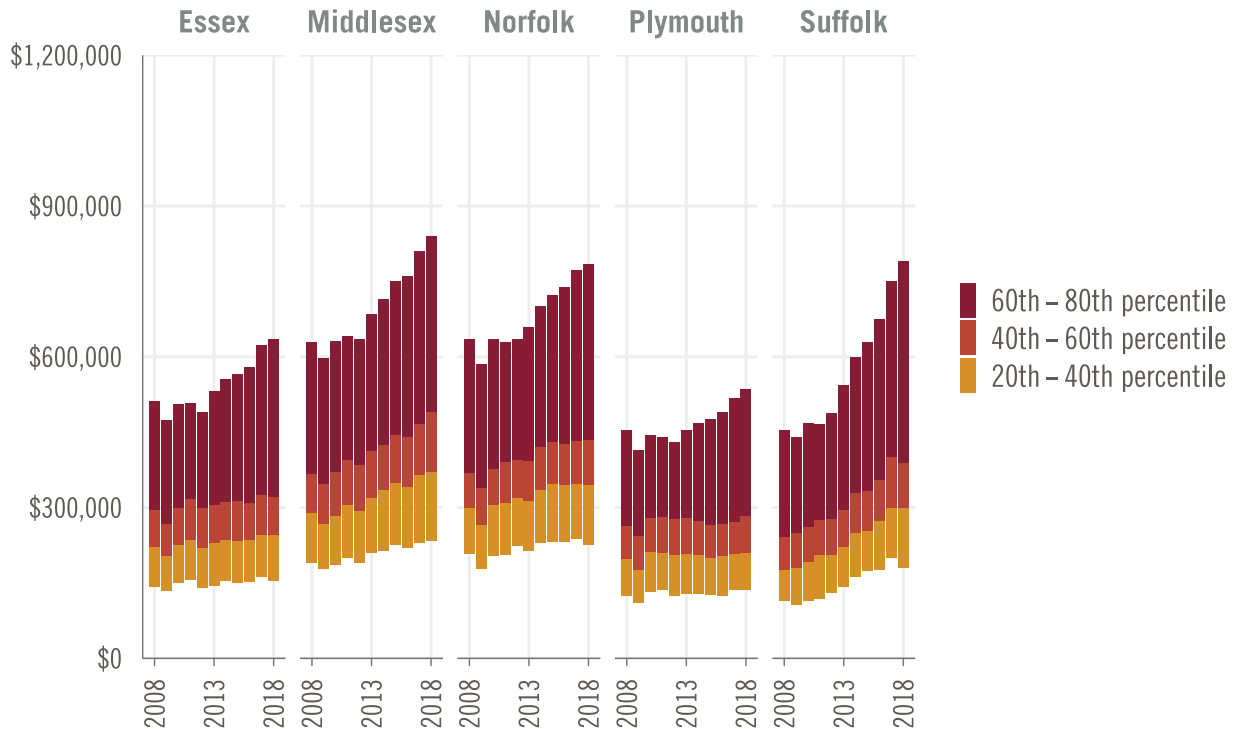
While we know that median home prices are increasing, it's also important to understand what is happening at different price points in the market. Is there any softening in the luxury housing market? Are affordable "starter homes" still available?

To answer these questions, we divided the housing market into quintiles (dividing the distribution into five equal groups based on sales price) and examined the middle 60 percent of home sale prices by county. This allows us to examine which segments of the market are expanding and contracting, and gives a picture of the distribution without

being distorted by outliers. We also separated the condo and single-family home markets, as there are important differences in the price trends.

From 2008 to 2018, consistent price increases have hit all parts of the single-family home price distribution over time. The most dramatic have taken place in Suffolk County, where the 20th percentile of home sale prices went from just over \$200,000 in 2008 to about \$400,000 in 2018, indicating a loss of affordability even at the lowest segment of the single-family market.

FIGURE 1.24  
Distribution of Single-Family Home Prices Over Time by County, 2008–2018  
middle 60 percent range (middle three quintiles)



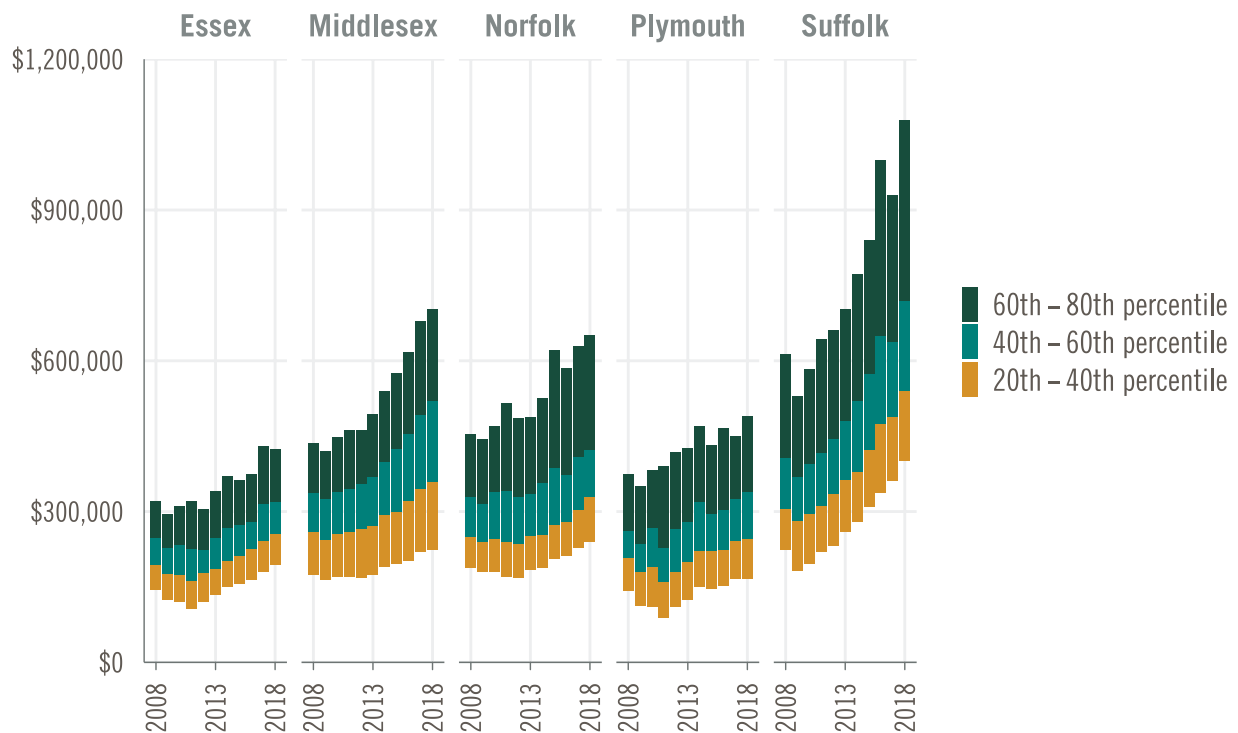
Source: The Warren Group

Sales prices for condos have increased in all five Greater Boston counties. Prices at the lower end of the condo market have remained relatively stable in most of the region, with the exception of Suffolk County, where the 20th percentile condo price has approximately doubled in 10 years from about \$200,000 to \$400,000.

The upper end of the market in Norfolk, Middlesex, and Suffolk counties has also become increasingly expensive. The increase has been particularly dramatic in the higher end of the condo market in Middlesex and Suffolk

counties. In Suffolk County, the 80th percentile of condo prices has increased from about \$600,000 in 2008 to over \$1 million in 2018. This means that more than 20 percent of all condo sales in Suffolk County in 2018 were in excess of \$1 million.

FIGURE 1.25  
**Distribution of Condo Prices Over Time by County, 2008–2018**  
 middle 60 percent range (middle three quintiles)



Source: The Warren Group



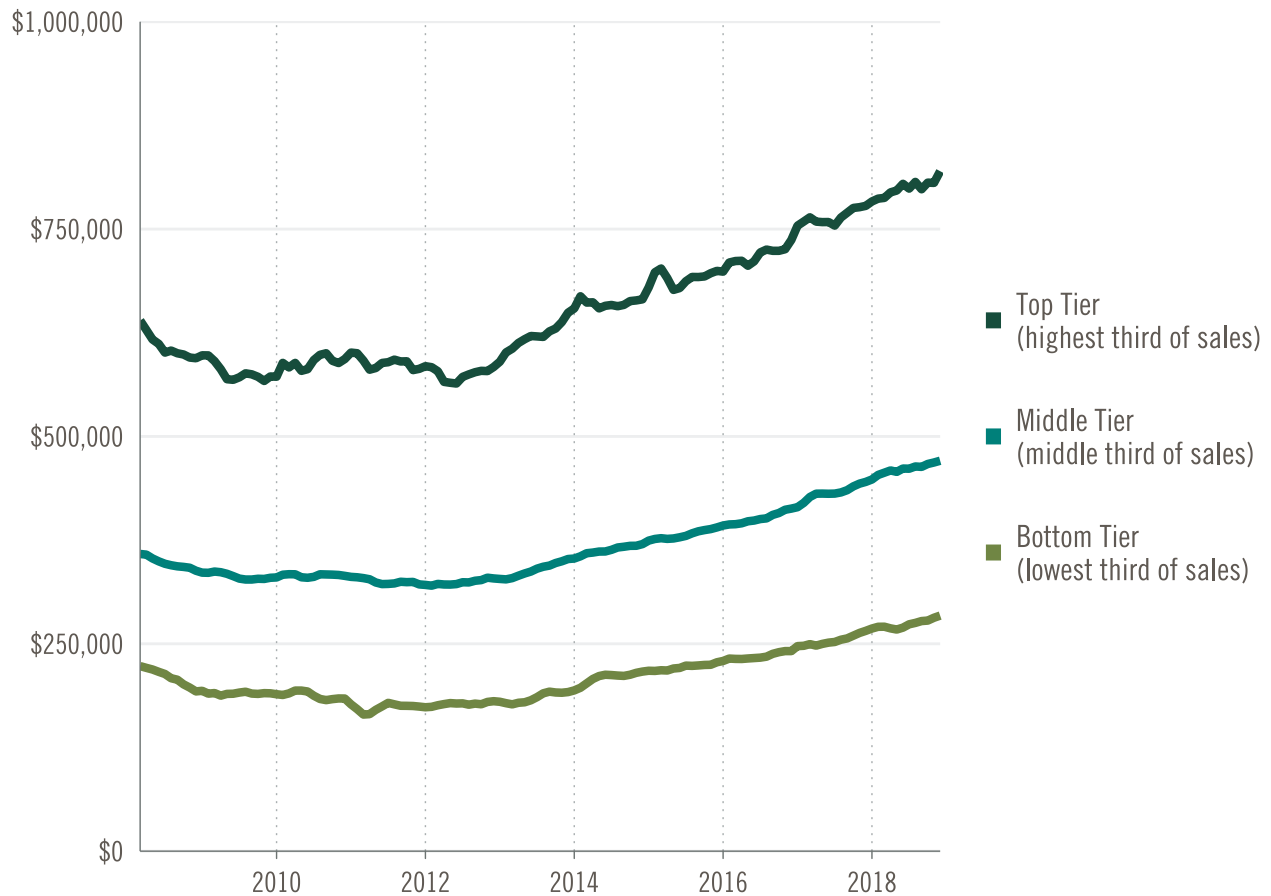
## Metro Boston home prices are among the highest in the U.S., and still rising.

Boston MSA home prices remain on an upward trajectory. Figure 1.26 shows the middle range of sales prices by metro (the range between the 33rd and 66th percentile of home sales). Home prices in all tiers of the Metro Boston housing market have increased significantly over the past several years. As of November 2018, the median sales price for the high end of the market (top third of sales prices)

has now exceeded \$800,000; the median in the middle tier of the market is around \$470,000; and the median for the bottom third of the market is approaching \$300,000.

These home price increases have established Boston as one of the most expensive metro areas in the country. Among the 25 largest metro areas as of July 2018, Boston’s mid-range home prices (33rd to 66th percentile) rank fifth,

FIGURE 1.26  
Median Home Sale Price by Tier, Boston MSA  
March 2008–December 2018



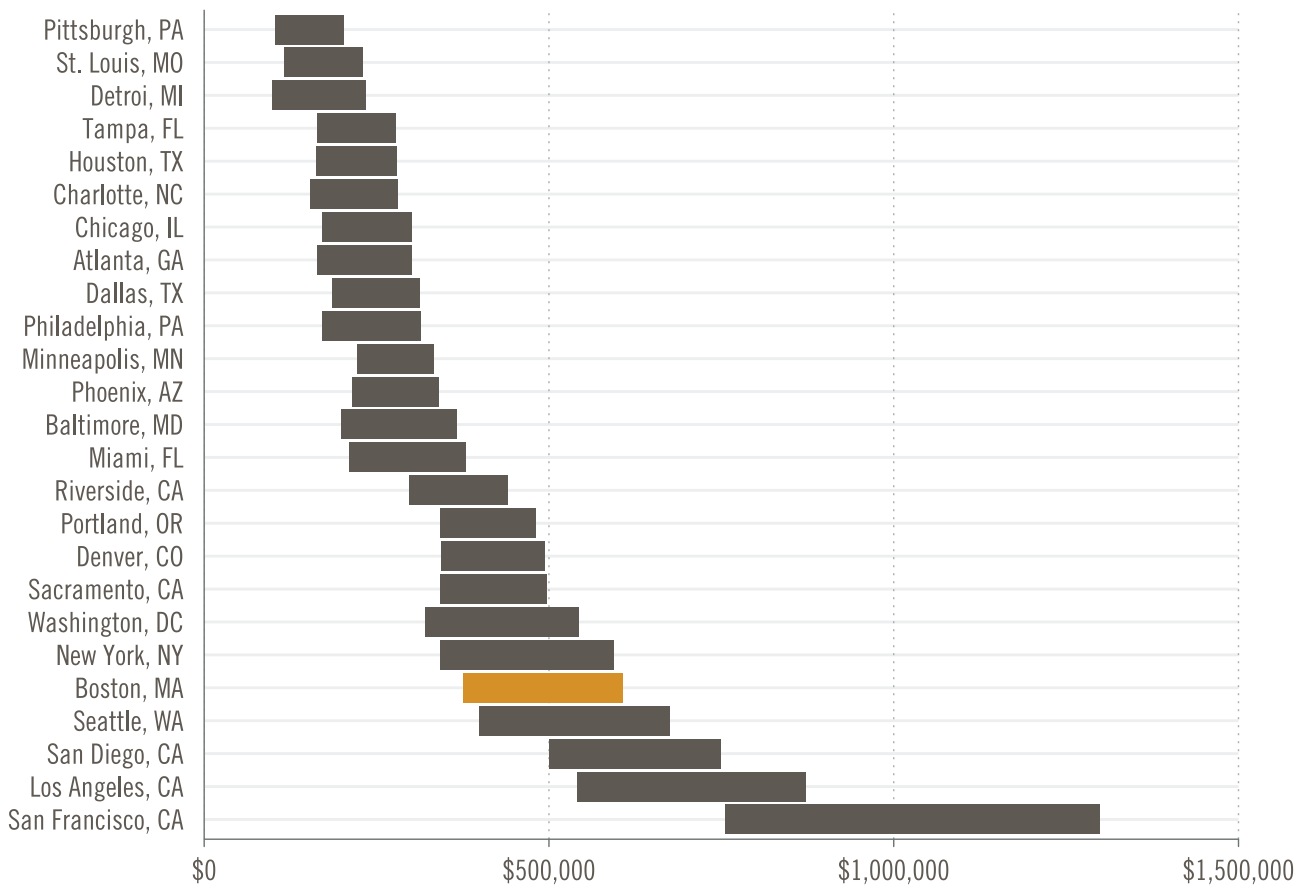
Source: The Warren Group

behind only the San Francisco, Los Angeles, San Diego, and Seattle metros. Metro Boston home prices now exceed even the New York City metropolitan area.

A number of rapidly growing metropolitan areas appear to offer lower price points for a larger portion of their housing stock. Places such as Atlanta, Charlotte, San

Antonio, and Houston have a significant portion of July 2018 sales at or below \$200,000, a price point that has largely disappeared in Metro Boston. Nearly two-thirds of July 2018 home sales in Metro Boston were in excess of \$400,000.

FIGURE 1.27  
**Middle Range of Home Values by Metro Region (33rd–66th Percentile)**  
 25 largest U.S. Metros July 2018



Source: Zillow Research Center

## Home sales volume is declining while prices are dramatically increasing.

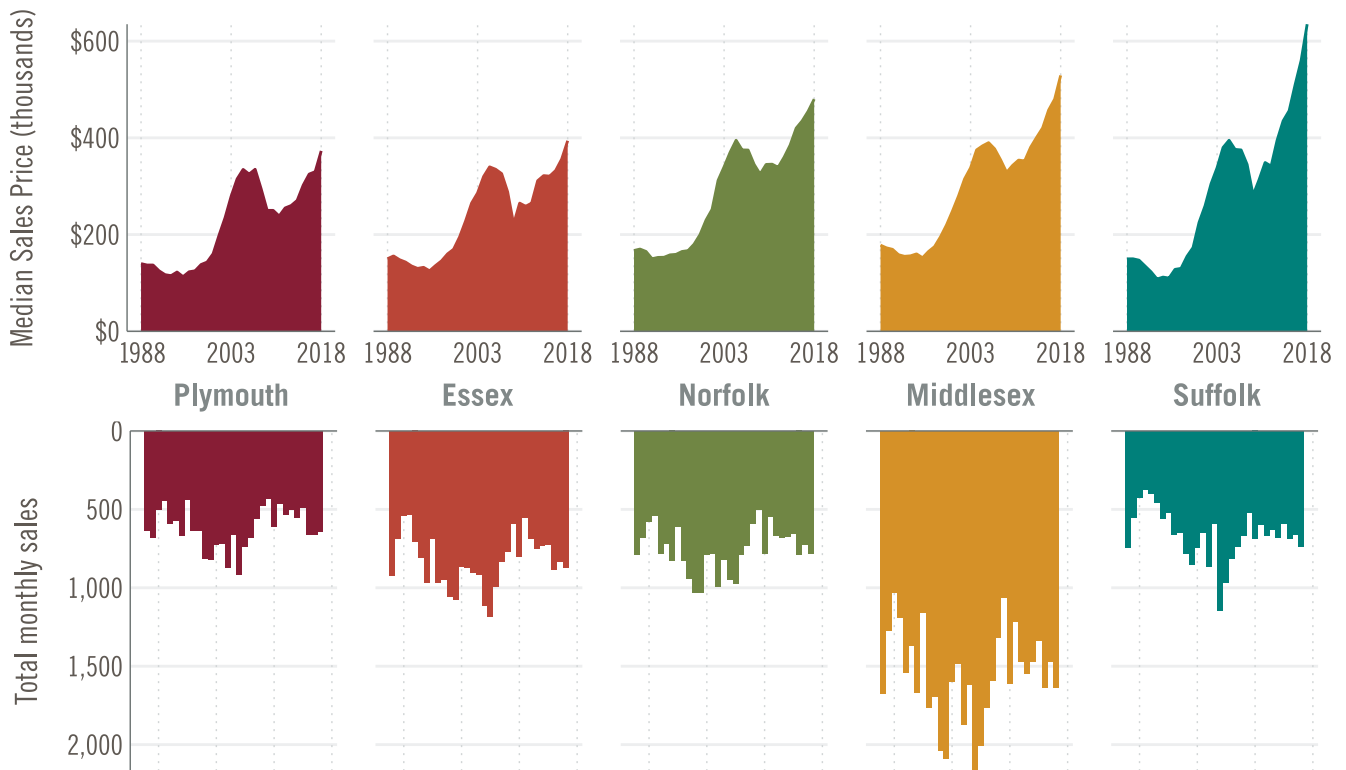
Median home prices in all five Greater Boston counties have now surpassed pre-recession levels. During the recession, the median home price in Greater Boston declined most severely in Plymouth, Essex, and Suffolk counties with lesser declines in Norfolk and Middlesex counties. Despite the decrease in home values during the recession years, prices in all five counties still remained well above where they were throughout the 1990s.

While median home prices have returned to pre-recession levels, transaction volume has not. In all five Greater Boston counties, the number of home sales in 2018 was more similar to 1988 volume than to the years just prior to the Great Recession. This lower level of inventory is a significant contributor to the rapid acceleration in median home prices. With growing population, a lack of supply makes home price stability incredibly difficult to achieve.

Growth in median home prices in Suffolk, Middlesex, and Norfolk counties has been particularly dramatic over the past several years. Many homeowners who were able to weather the recession or were able to purchase a home during the recession are likely seeing the benefits of this home price appreciation. For residents who are unable to afford to buy a home, rising prices are placing homeownership even further out of reach.

Even residents who own their homes are affected by soaring prices. High prices might limit opportunities for older residents to downsize to smaller units, or might keep young families from finding affordable options that suit their changing needs. A high-cost, low-supply housing market limits these options.

FIGURE 1.28  
Median Home Sales Price and Transaction Volume by County  
April 1988–April 2018



Source: The Warren Group

## Rents have increased substantially throughout Greater Boston.

All five Greater Boston counties have seen significant increases in median rent over the past several years. Suffolk County has the highest median rent at \$2,730, followed closely by Norfolk at \$2,500 and Middlesex at \$2,400. This change in ranking is a recent development, with median two-bedroom rent in Suffolk County experiencing a sharp increase from 2017 to 2018.

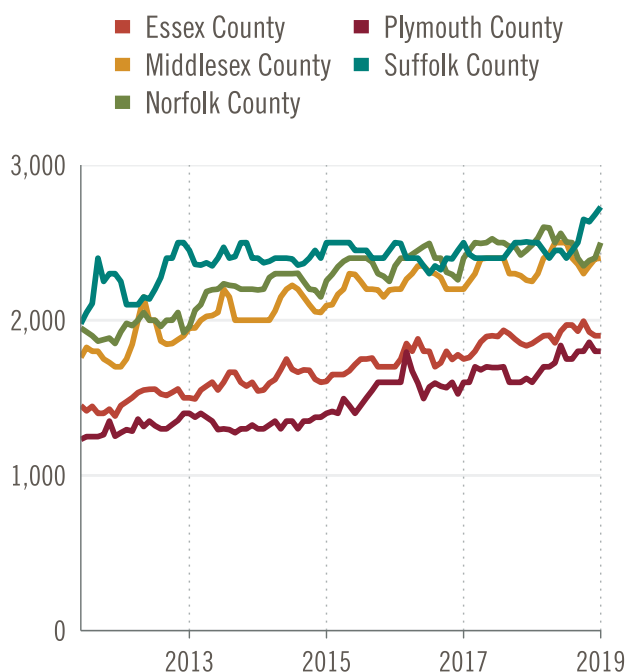
Virtually every neighborhood in the region seems to have been impacted by price increases. Zillow tracks median rents for a selection of neighborhoods. Table 1.3 shows a subset of the data on two-bedroom rents for context. Some of the neighborhoods that top the list are ones we might expect: Chinatown (\$4,425), Back Bay (\$3,999), East Cambridge (\$3,435), and Squantum in Quincy (\$3,149).

What might be surprising is just how expensive some historically affordable neighborhoods have become. Median two-bedroom rents in Dorchester and Roxbury are at \$2,000; East Weymouth is approaching \$1,800; and the Highlands and Pawtucketville neighborhoods of Lowell are \$1,425 and \$1,573, respectively.

TABLE 1.3  
Sample Median Two-Bedroom Rents  
by Neighborhood

Neighborhood	City	County	Median two-bedroom rent, January 2019
Chinatown	Boston	Suffolk	\$ 4,425
Downtown	Boston	Suffolk	\$ 4,290
Back Bay	Boston	Suffolk	\$ 3,999
West End	Boston	Suffolk	\$ 3,860
East Cambridge	Cambridge	Middlesex	\$ 3,435
South Boston	Boston	Suffolk	\$ 3,400
Cambridgeport	Cambridge	Middlesex	\$ 3,200
Squantum	Quincy	Norfolk	\$ 3,149
Cambridge Highlands	Cambridge	Middlesex	\$ 3,141
North Cambridge	Cambridge	Middlesex	\$ 2,924
Aggasiz - Harvard North	Cambridge	Middlesex	\$ 2,900
Chestnut Hill	Brookline	Norfolk	\$ 2,800
Corey Hill	Brookline	Norfolk	\$ 2,800
South Dorchester	Boston	Suffolk	\$ 2,000
Roxbury	Boston	Suffolk	\$ 2,000
Roslindale	Boston	Suffolk	\$ 2,000
North Quincy	Quincy	Norfolk	\$ 1,950
Hyde Park	Boston	Suffolk	\$ 1,950
Central Weymouth	Weymouth	Norfolk	\$ 1,910
East Weymouth	Weymouth	Norfolk	\$ 1,756
Pawtucketville	Lowell	Middlesex	\$ 1,573
Highlands	Lowell	Middlesex	\$ 1,425

FIGURE 1.29  
Median Two-Bedroom Rent by County  
June 2011–January 2019



Source: Zillow Research Center

Source: Zillow Research Center

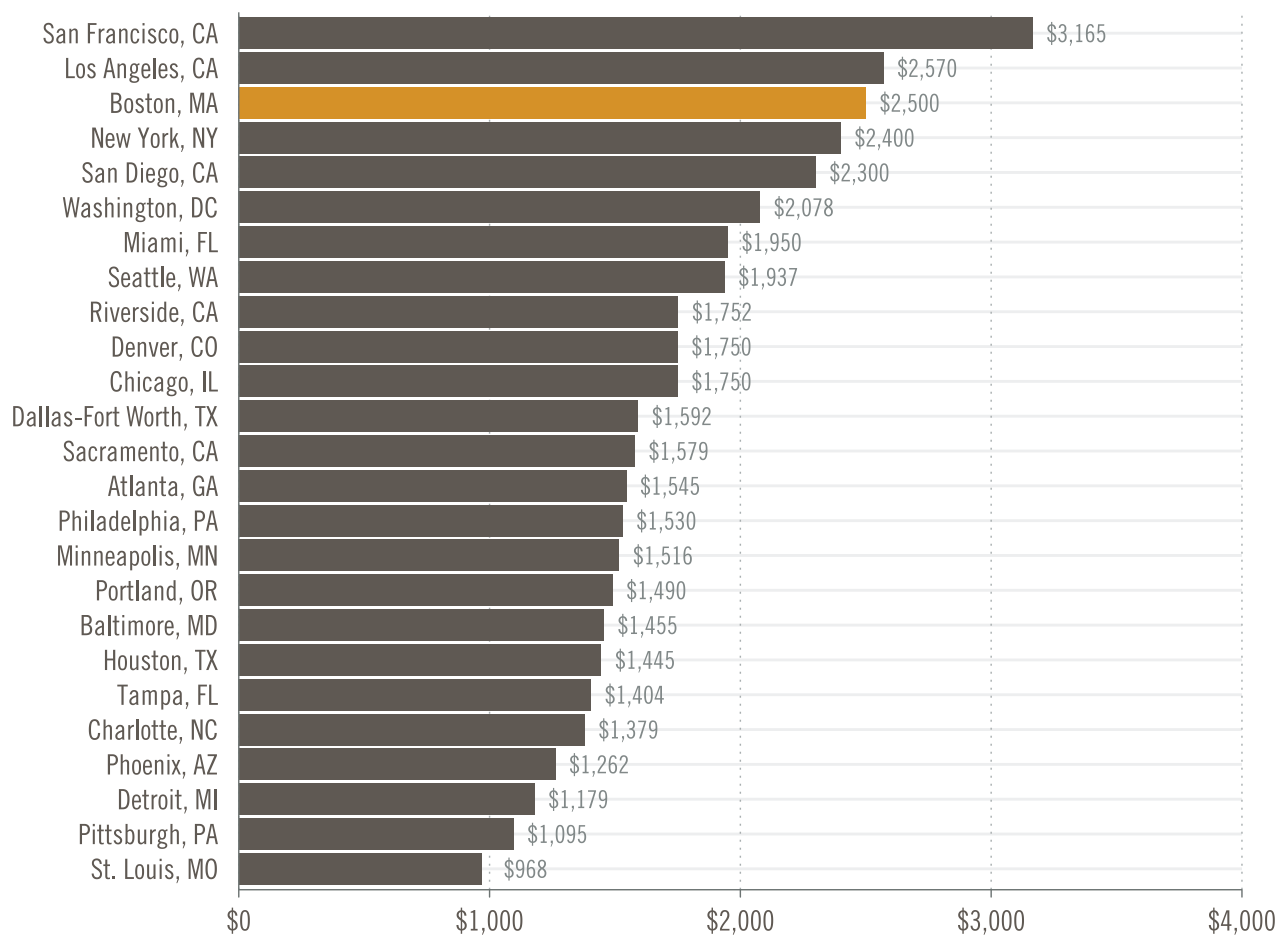
Note: Median rent data were not available for neighborhoods in Plymouth or Essex counties.

## Metro Boston rents are among the highest in the U.S.

Metro Boston rents are expensive in comparison with almost all other major metro areas in the U.S. As of early 2019, median two-bedroom rents in Metro Boston surpassed Metro New York City for the first time. Among the 25 largest metro areas in the country, Boston's median \$2,500 two-bedroom rent trails only San Francisco and

Los Angeles. Rents for one- and three-bedroom apartments in Metro Boston are also among the highest in the country. Furthermore, rents have been climbing more steeply in the Boston metro than in markets like New York and San Francisco.

FIGURE 1.30  
**Median 2-Bedroom Rent by Metro Area**  
 25 largest U.S. metros, January 2019



Source: Zillow Research Center

# Transit and Housing

Transit connects the Greater Boston region, and when transit is underutilized and automobile dependence is encouraged it has serious repercussions for the region: adverse environmental impacts, longer commutes, disinvestment in transit infrastructure, and in Boston's case, having some of the worst traffic in the country.<sup>10</sup> Beyond these impacts, our transit system represents a major monetary investment. If we are not focusing on density around transit stations, then we are squandering the potential these investments have created. An emphasis on denser, multifamily development near these transit nodes would allow the region to expand its housing stock in a way that makes more efficient use of land and infrastructure.

## Nearly 60 percent of Greater Boston communities are near fixed-rail transit service; recent development has shifted toward transit-accessible communities.

Encouraging denser housing development around existing transit helps make the most of current infrastructure and helps minimize the impacts of new household formation on traffic congestion. One of the state’s largest transit investments is in the Massachusetts Bay Transportation Authority’s fixed-rail system, which includes the rapid transit system (Red, Blue, Orange, Green, and Silver lines) that connects much of the inner core, and the commuter rail system, which has spurs to outlying areas as far away as Wickford Junction, R.I.

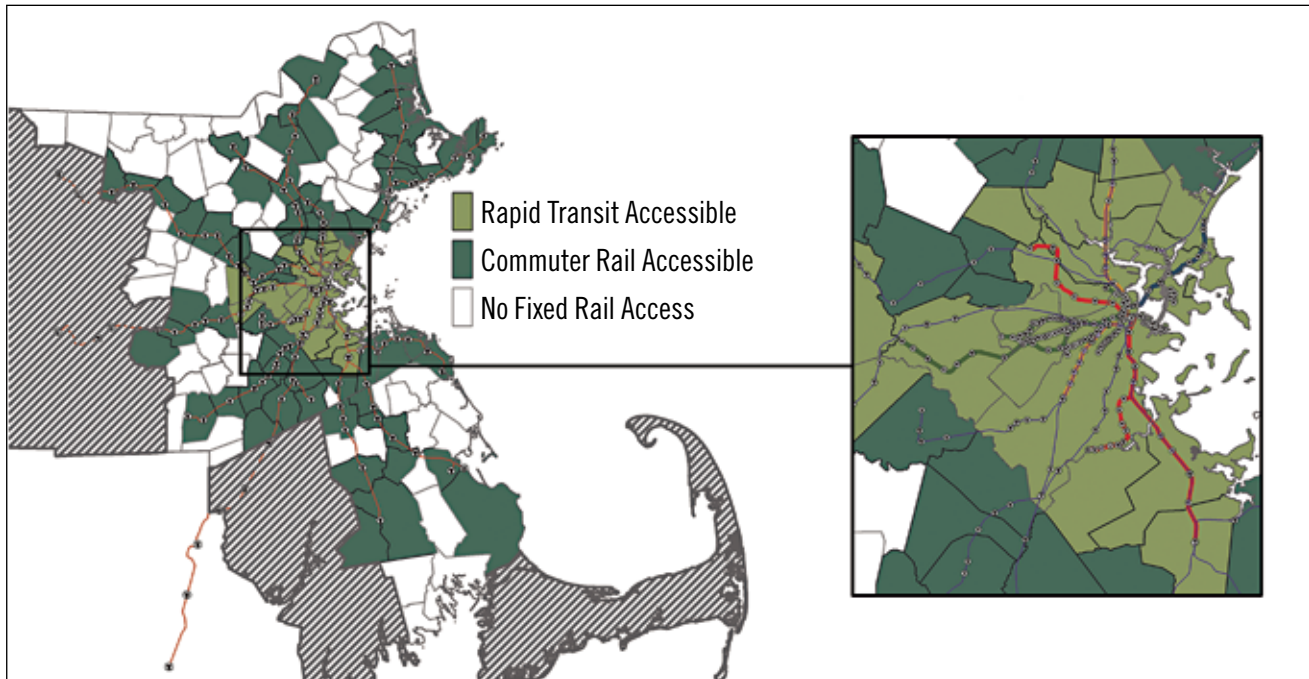
Map 1.3 demonstrates the broad reach of Metro Boston’s transit system, highlighting each municipality that lies within a half mile of either a commuter rail or rapid transit stop. In total, 84 out of the 147 cities and towns in Greater Boston have close proximity to fixed-rail transit.

Collectively, these communities represent some of the most accessible locations in Metro Boston, yet the existing housing stock and housing development patterns in these cities and towns vary widely.

Housing development has shifted since 2000 toward communities in Greater Boston with fixed-rail transit service, particularly those served by rapid transit and to a lesser extent in communities served by commuter rail. Fewer units are being permitted in municipalities without proximity to public transportation.

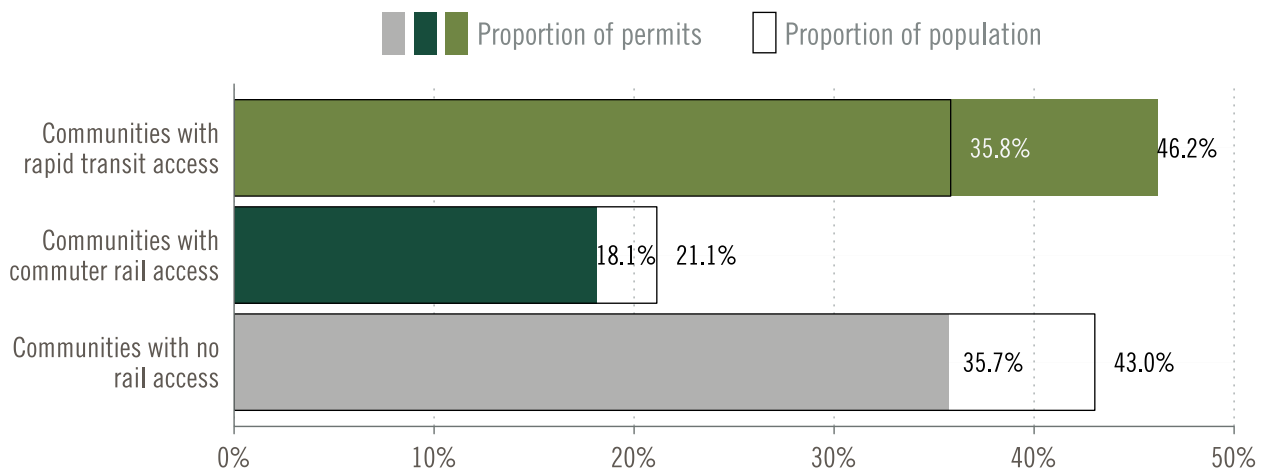
Generally, this shift in housing development patterns appears aligned with state and regional policy goals. While new housing and a diverse mix of housing is needed in all Greater Boston communities, an emphasis on transit-oriented locations is more sustainable, takes better advantage of existing transit infrastructure, reduces traffic impacts, and lowers transportation costs for new residents.

MAP 1.3  
Greater Boston Communities by Fixed Rail Transit Access



Source: UMass Donahue Institute

FIGURE 1.31  
New Production by Fixed Rail Transit Access  
Share of Permits Relative to Population, 2013–2017



Source: U.S. Census Bureau, Building Permit Survey, 2013–2017 & American Community Survey, 5-year 2013–2017



## Permitting for transit-accessible development has been lopsided.

While the total number of units permitted near transit is important, so is the type of housing that is created. Multifamily housing is needed to achieve a density that takes full advantage of transit potential. In communities with rapid transit access, nearly 90 percent of permitted units over the five-year period from 2013 to 2017 were in multifamily buildings with at least five units. By contrast, less than half of the units developed in towns served by commuter rail were multifamily, with more than half consisting of single-family homes.

Permitting activity across transit-accessible communities has been inconsistent, as Figure 1.32 demonstrates. Of all multifamily units (units in 5+ unit buildings) permitted in the 66 Greater Boston communities with commuter rail access over the 10-year period of 2008-2017, over 50 percent were permitted in just nine communities: Watertown, Randolph, Weymouth, Canton, Concord,

Natick, Stoughton, Framingham, and Hingham. Meanwhile, 32 of the municipalities with commuter rail access reported fewer than 100 multifamily units permitted over the decade, with 17 communities reporting no multifamily units permitted whatsoever.

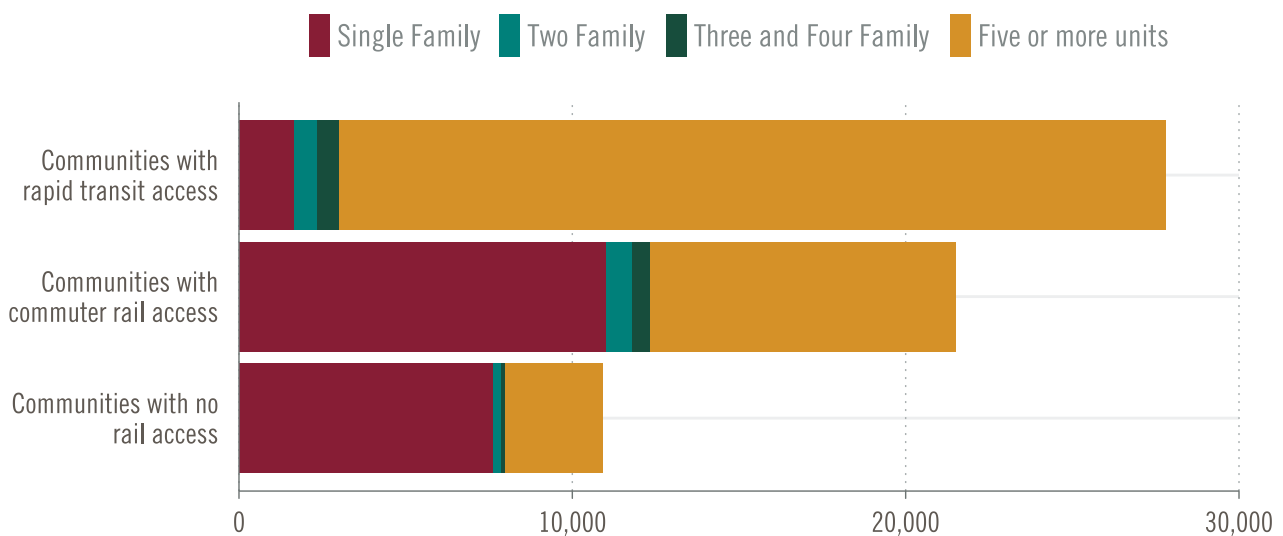
Development activity has not been any more evenly distributed across communities with rapid transit access. The City of Boston permitted 63 percent of all new housing units and 67 percent of all units 5+ unit buildings in these communities from 2008 through 2017. Three communities with proximity to rapid transit did not report a single multifamily unit permitted during that 10-year time period.

Taking full advantage of existing transit investments in Greater Boston would require more consistent development of denser, multifamily housing in transit-rich communities.

FIGURE 1.32

### Type of Production by Fixed-Rail Transit Access

Units Permitted by Units per Structure, 2013–2017



Source: U.S Census Bureau, Building Permit Survey, 2013–2017 & American Community Survey, 5-year 2013–2017

## Chapter 40R has had limited impact in promoting transit-oriented development.

Chapter 40R was created in 2004 to provide financial incentives for cities and towns to zone for dense development in smart growth locations. The program also authorizes reimbursement of any net increases in local costs of educating school children living in those developments.

As of January 2019, 47 40R districts had been approved in 41 cities and towns across the Commonwealth, 26 of which are communities within the Greater Boston region. These new 40R districts have the potential to support up to 18,916 new housing units, though only 3,683 units have been permitted to date in the state as a whole (and 2,932 permitted in the five-county Greater Boston region to date).

Many of the largest 40R sites are in older cities and other locations that need remediation funds, housing subsidies, and historic tax credits, all of which lengthen the time required to get to production.<sup>11</sup>

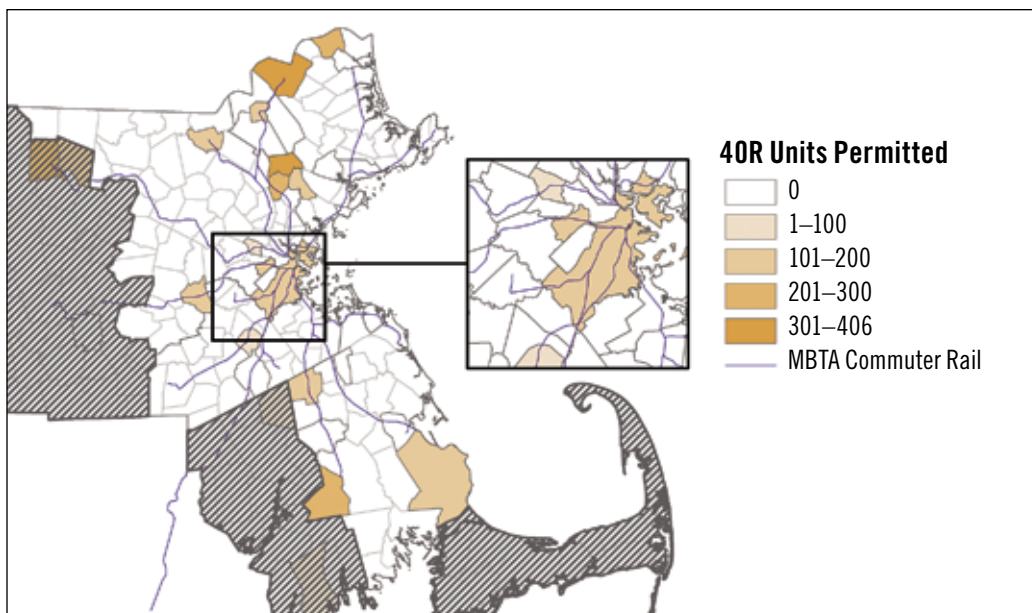
While almost one-half of the units produced to date have been affordable, the range of opportunities created has been uneven. Most units have been for small households with only 4 percent having three or more bedrooms.<sup>12</sup>

Many early 40R districts were areas where development plans were underway or in some cases had already been approved. It is estimated that about half of the 40R units permitted to date would likely have been built without Chapter 40R.<sup>13</sup>

At least 40 additional municipalities are reported to have considered creating additional 40R districts, but did not do so due to a variety of reasons including locations being found ineligible, votes falling short of the two-thirds majority required, fear of losing local control, or inadequate infrastructure.<sup>14</sup>

MAP 1.4

Chapter 40R Districts with Units Permitted



Source: Department of Housing and Community Development, January 2019

# Housing Instability

Safe, decent, affordable housing is a fundamental right. In Greater Boston inequality is widening, housing prices are increasing rapidly, production of new housing is insufficient, and there are not enough public funds to meet the need for subsidized housing. As a result, the most vulnerable residents face uncertainty and instability in the housing market.

## Foreclosures have dropped significantly since the recession but impacts linger.

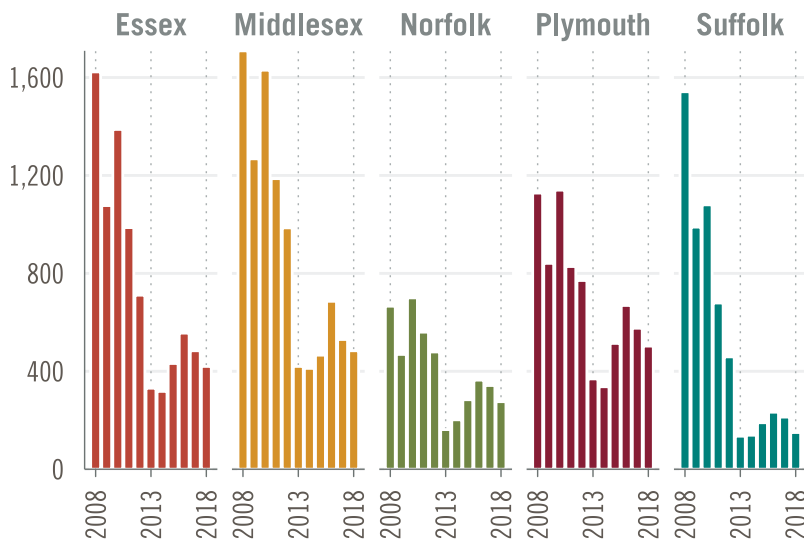
Foreclosure is the act of a mortgage lender taking ownership of a home when a borrower fails to make loan payments or violates some other covenant under the terms of their loan. Experiencing a foreclosure has many adverse impacts on households and individuals, including displacement and housing instability, financial and economic hardship, damaged credit, ill health, and disruption of social and family relationships.<sup>15</sup>

When foreclosure activity is concentrated in an area, the impacts extend beyond individual households, affecting entire neighborhoods and communities. Research has shown that high foreclosure rates and resulting vacancies can destabilize communities and result in higher crime rates, lower property values, and a reduction in social

capital and collective efficacy/civic engagement.<sup>16</sup> Some of these impacts were certainly seen throughout the foreclosure crisis in the Greater Boston region, particularly in secondary urban markets and Gateway Cities such as Lawrence, Lowell, Brockton, and others, and particularly in neighborhoods with high proportions of low-income and non-white households.

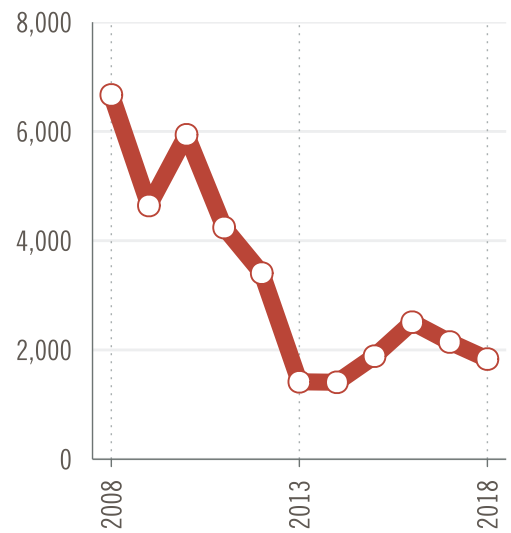
Another impact of foreclosures on neighborhoods is the tendency of foreclosures to attract investor buyers. Investor buyers might rent out properties without making necessary repairs, contributing to neighborhood decline and perhaps adding to the concentration of poverty.<sup>17</sup> Investor buyers might flip properties without making needed repairs to make a quick profit, keeping a housing unit vacant and off the market.<sup>18</sup>

FIGURE 1.33  
Foreclosure Deeds by County  
2008–2018



Source: The Warren Group

FIGURE 1.34  
Total Foreclosures Greater Boston  
2008–2018



Source: The Warren Group

## Post-recession foreclosures remain geographically concentrated.

Since their peak in 2008 through 2010, foreclosure rates have significantly declined in all five Greater Boston counties, particularly in Essex, Middlesex, and Suffolk counties; Norfolk and Plymouth have seen relatively smaller reductions. While overall levels of foreclosures have been lower than crisis levels for a number of years, a bump in foreclosure activity from 2014 to 2016 is worth noting.

In addition, across the Greater Boston region, foreclosures are still largely concentrated in urban areas, particularly in poor and working class neighborhoods. The adjacent maps demonstrate the difference in volume and pattern of foreclosures between two five-year periods: 2008–2012 (the height of the foreclosure crisis) and 2014–2018 (the most recent five-year period). Clusters of foreclosure

activity exist in Gateway Cities such as Lawrence, Lowell, Haverhill, and Brockton, as well as in communities along the North Shore and neighborhoods in Boston such as Dorchester, Roxbury, and Mattapan.

Many of these neighborhoods are experiencing gentrification and displacement of lower-income households—particularly in the City of Boston—where foreclosures can result in the turnover of previously affordable housing units into higher priced units as the market allows.

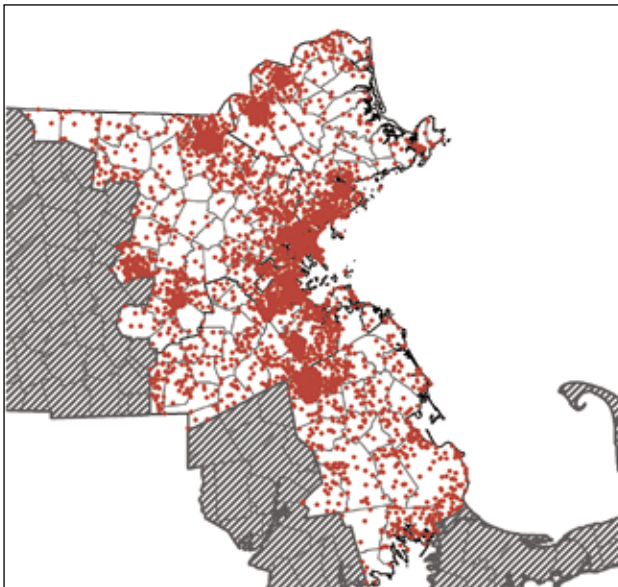
Households need somewhere to go following a foreclosure. For low-income households, this often means making difficult choices in an increasingly expensive rental market with few affordable options.

MAP 1.5

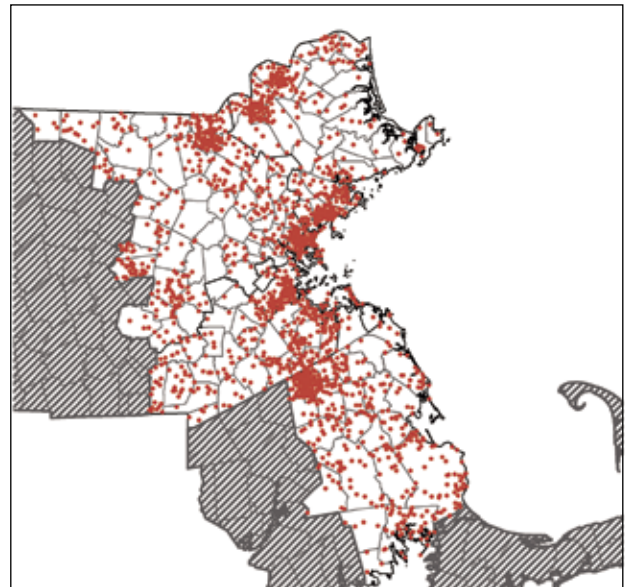
### Foreclosure Deeds

Each Dot Represents 5 Foreclosure Deeds

2008–2012



2014–2018



Source: The Warren Group

## Eviction is particularly acute in urban markets, and traps residents in a cycle of instability.

As rents soar, service job wages stagnate, and inequality grows, poor and working class renter households become much more vulnerable to eviction. Eviction can take a number of forms. There are evictions for non-payment of rent. There are also evictions for some fault or violation of a lease agreement by tenants, such as illegal activity taking place in the unit. Evictions must be brought to housing court, and a landlord must get permission from the court to evict tenants.<sup>19</sup> These evictions are relatively easy to track and measure.

The Eviction Lab, a national database out of Princeton University, collects eviction data from around the country.<sup>20</sup> Using its database, the adjacent map displays average annual eviction rates by census tract for the five-year period 2012–2016. While renters across the region are at risk of eviction, the scale of evictions is particularly acute in urban markets such as Brockton, Lawrence, Lowell, and a number of neighborhoods in the City of Boston.

These data only tell a portion of the eviction story, however. When faced with the threat of eviction, many households vacate their units before the case makes it to court. These instances do not show up in the data.

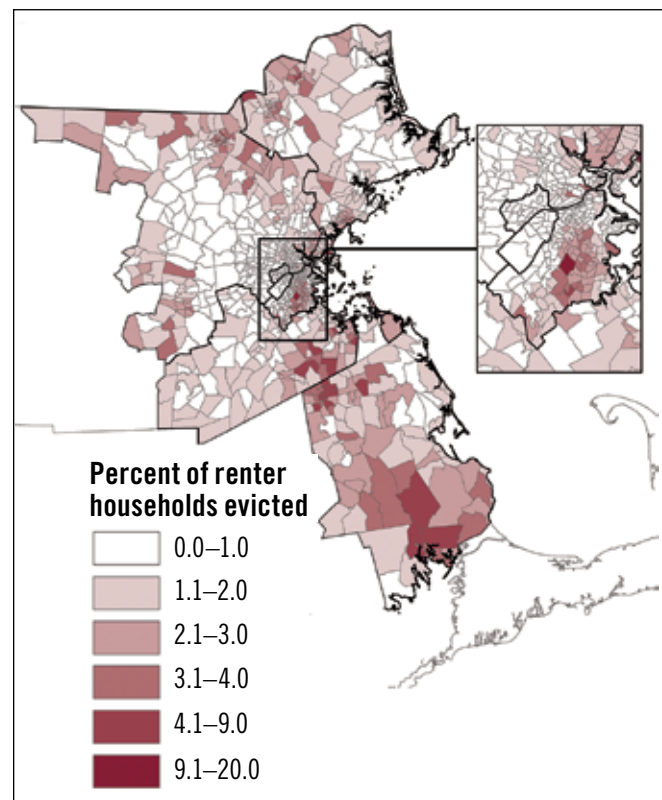
Formal eviction is also not the only way in which renter households are vulnerable to losing their units. When a lease reaches the end of its term, tenants may be asked to vacate if the landlord wishes to renovate the property, sell the property free of tenants, or convert the property to condominiums. These cases are notoriously difficult to track, yet having the data is critically important to evaluating how eviction, gentrification, and displacement are linked in our increasingly high-cost housing market.<sup>21</sup>

The debate around how to handle the eviction crisis is an important and complex one. Evictions are by and large private actions, but in a high-cost market these private actions may cause dramatic shifts and loss of community in affected neighborhoods and housing instability for displaced renters.

Evictions that result from price increases are symptomatic of an entire region that has insufficient affordable housing stock and has failed to produce enough housing to keep pace with demand. Evictions are an important reminder that when we fail to create enough housing opportunities for everyone, it is the most vulnerable who suffer the most severe consequences.

Short of homelessness, households that have been evicted face many poor choices upon re-entering the housing market, often accepting inferior conditions, sometimes in neighborhoods with fewer opportunities and lower levels of access.<sup>22</sup>

MAP 1.6  
Average Annual Eviction Rate  
2012–2016



Source: The Eviction Lab, Princeton University

## Homelessness is on the rise in the region, despite large improvements in the City of Boston.

When housing situations become untenable and social networks have been exhausted in the pursuit of finding safe, affordable housing options, many households become homeless.<sup>23</sup> Homelessness is difficult to measure, in part because there are multiple definitions of homelessness.

The U.S. Department of Housing and Urban Development (HUD) only counts as homeless people living in shelters, transitional housing, or in public places, but other definitions include households that have doubled up with others due to necessity.<sup>24</sup>

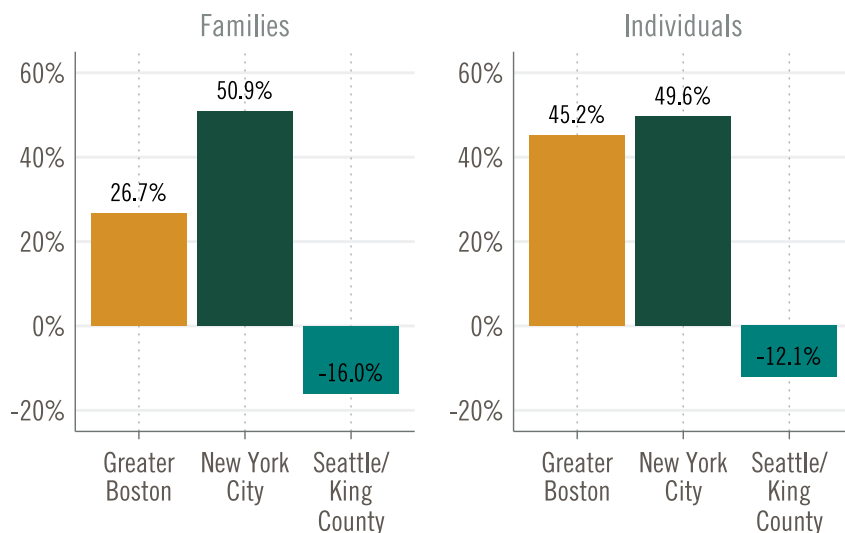
Between 2008 and 2018, the number of homeless families and individuals grew in Greater Boston and New York, while falling in Seattle. This is despite the number of homeless families falling by 21 percent and the number of individuals falling by 13 percent in the City of Boston over the past decade.

Although Seattle and Greater Boston are comparable in terms of population size, home values, and economic growth, one important difference likely accounts

for Greater Boston’s larger homeless population: Massachusetts is a right to shelter state. Right to shelter is a mandate that requires a state or municipality to provide temporary emergency shelter to every man, woman, and child who is eligible for services, every night.

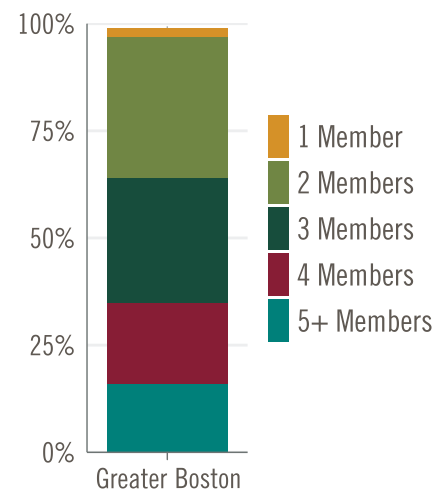
Massachusetts has been a right to shelter state since Chapter 450 of the Acts of 1983 was signed by Governor Dukakis. Only two other U.S. jurisdictions have right to shelter mandates: New York City and the District of Columbia. Thus, comparisons over time with New York City are likely to provide a more accurate assessment of the city’s homelessness situation. Greater Boston compares favorably to New York in terms of families more than individuals. This is likely because of the Commonwealth’s Emergency Assistance program which provides homeless families with children access to emergency shelter and help finding permanent housing. Massachusetts is unique in that it operates the shelter system at the state level rather than the county or city level.

FIGURE 1.35  
Change in Homelessness  
Comparison, 2008–2018



Source: Point In Time counts

FIGURE 1.36  
Size of Families Placed in  
Emergency Shelter  
January 2018



Source: DHCD Emergency Assistance Data