



Housing Market Trends and Conditions in the 495/MetroWest Region

Presentation to the 495/MetroWest Suburban Edge Community Commission

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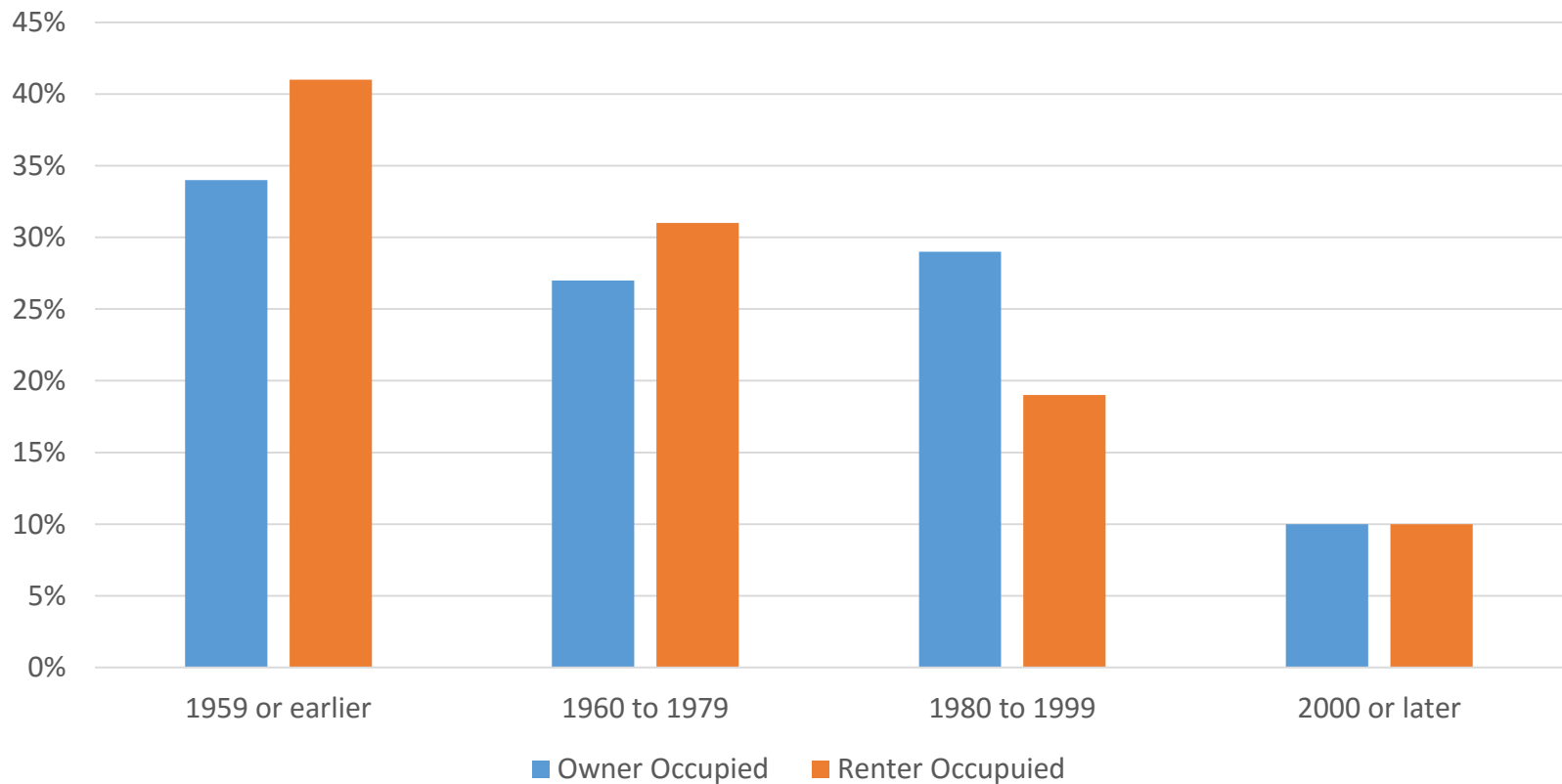


The vast majority of 495/MetroWest's housing units are owner-occupied.

- The region has 219,660 occupied housing units, representing 96.6% of all units
 - The implied vacancy rate of 4.4% is lower than what is considered healthy for residential churn (~7.0%)
- Nearly three-quarters (74.3%) of all units are owner-occupied
 - Higher than state average of 62.3%
 - Fairly stable rate since 2009 (77.3%)



Regional housing production has dropped off significantly this century



Source: American Community Survey 2010-2014 5-year estimates



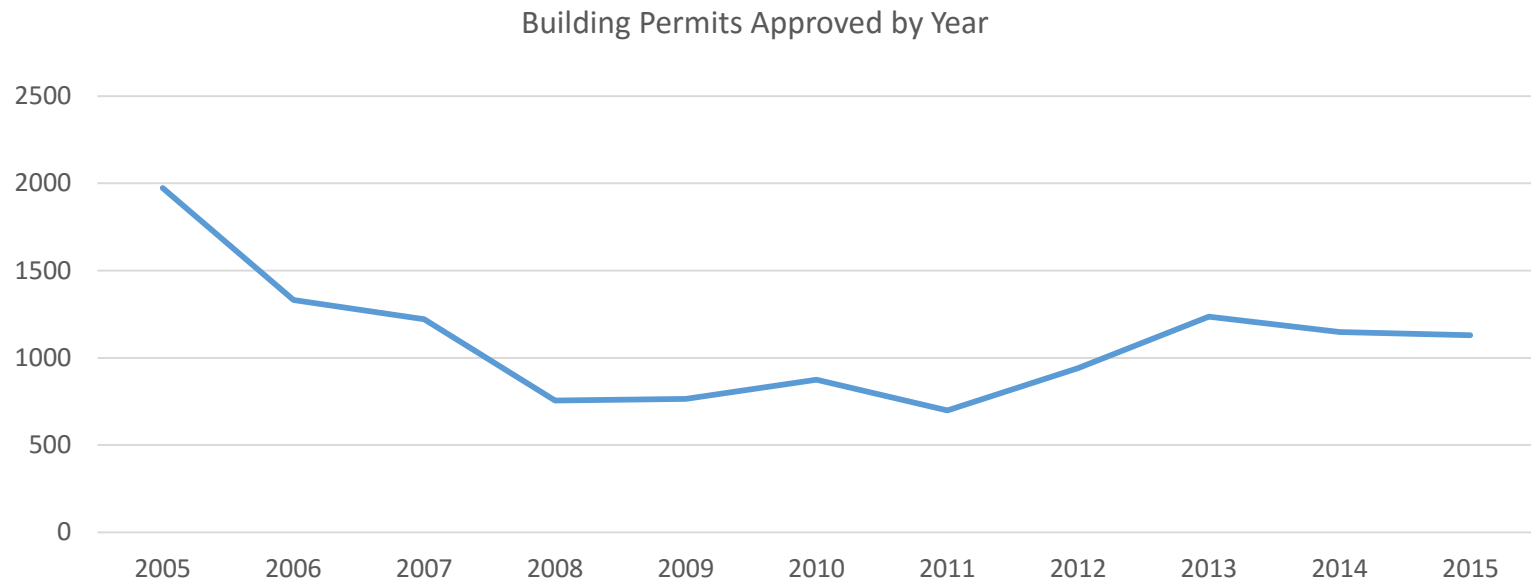
The mix of regional housing units has been very stable in recent years

- Between 2009 and 2014, the region's housing supply increased by an estimated 13,404 units

	2009	2014
Total Units	216,391	229,795
In Single-Unit Building	73%	73%
In Multi-Unit Building	27%	27%



Regional housing production has not recovered pre-recession levels...

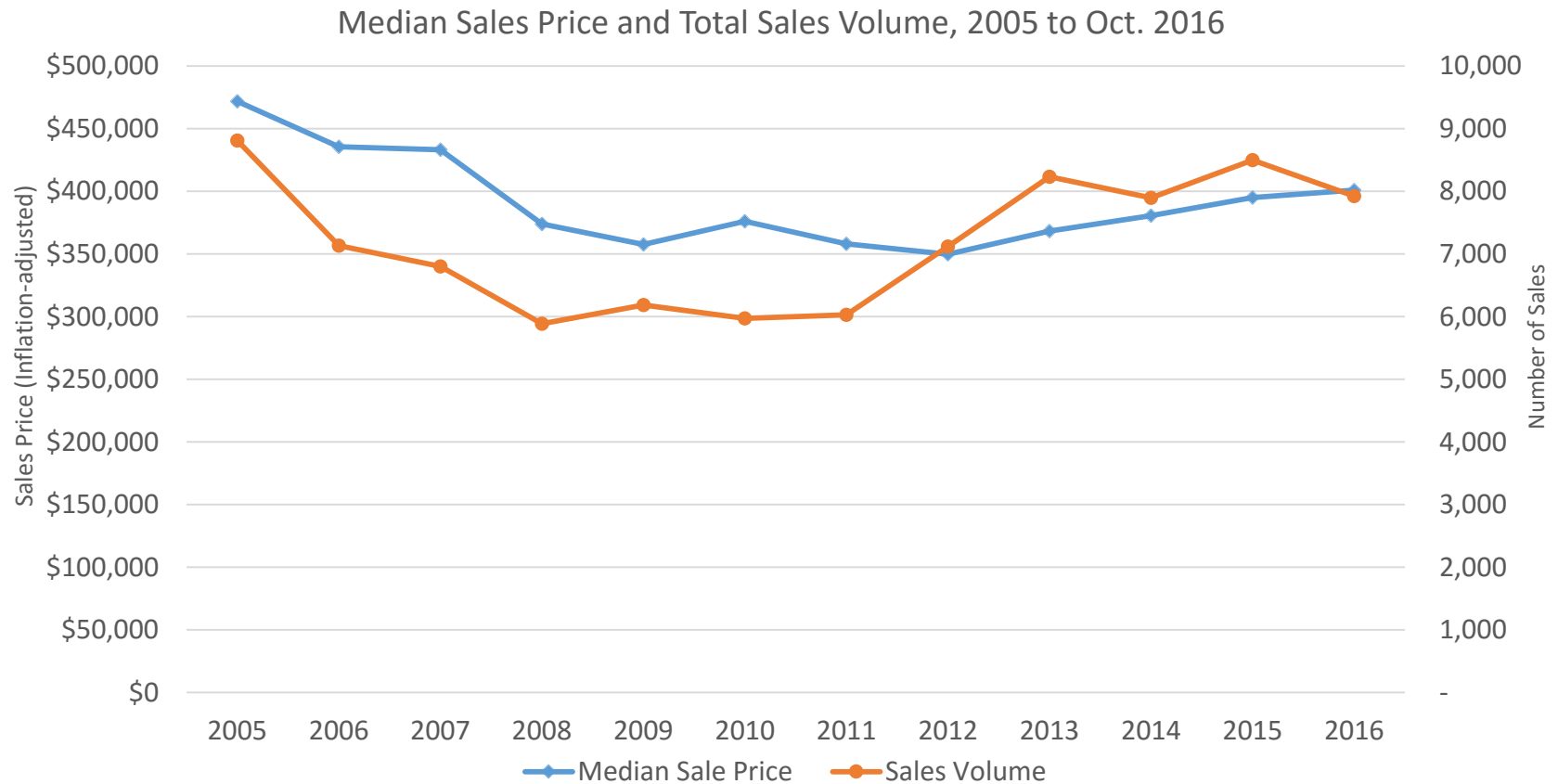


- Building permit *estimates* show that 19,352 new units were approved between 2009 and 2014
- During this time, an estimated 12,558 new households were formed in the MetroWest region.

Source: American Community Survey 2010-2014 5-year estimates;
Census of Building Permits 2009-2014



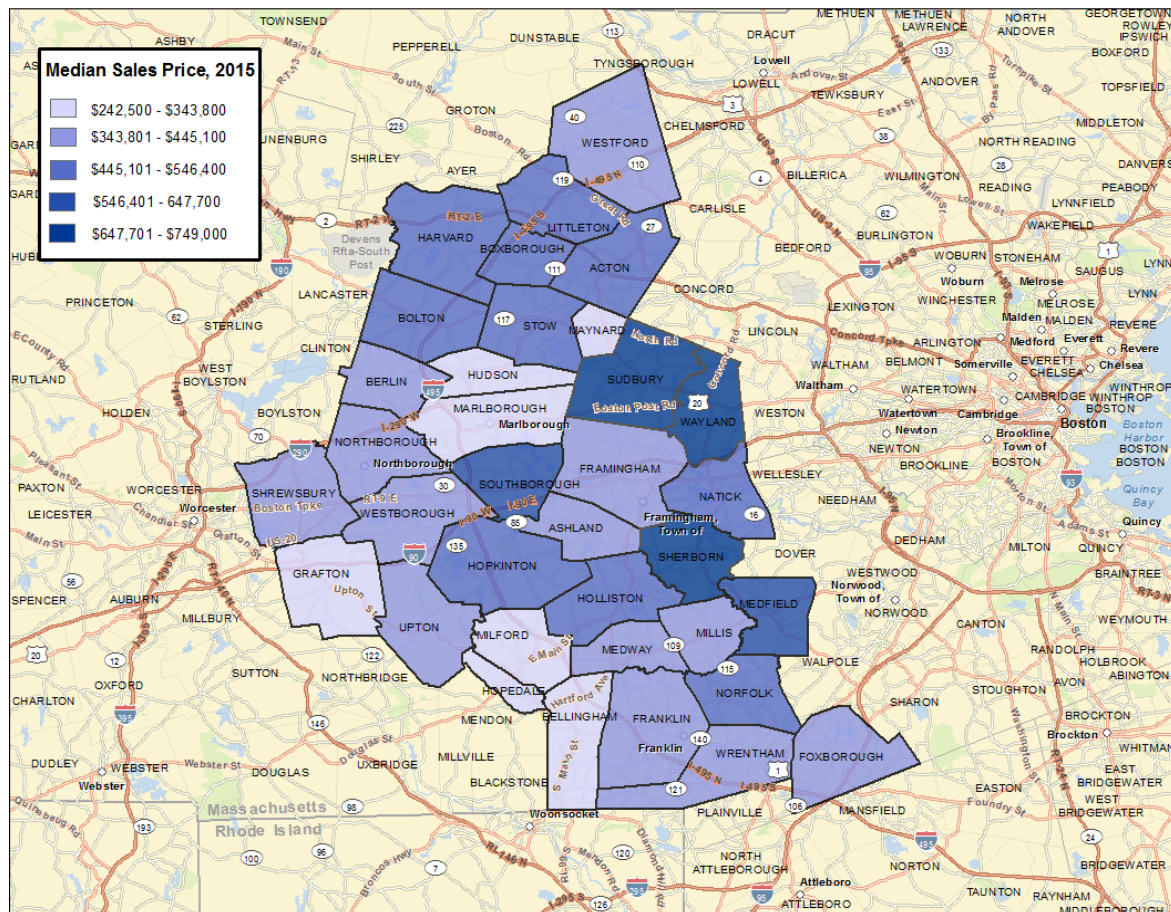
... neither have home prices and closings.



Source: MLS Home Sales 2005-2016

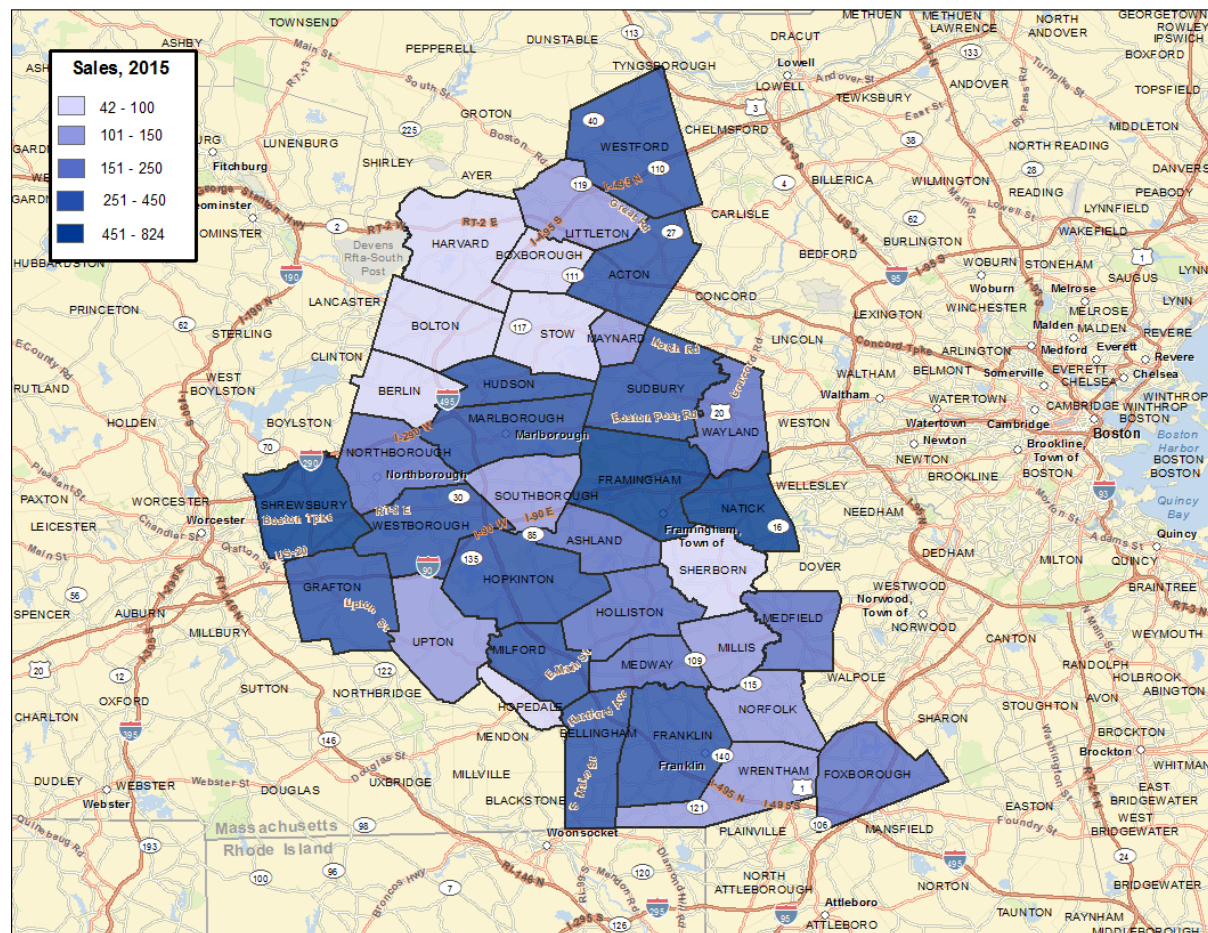
Sub-regional and local housing markets can vary significantly

- The median sales price across the region was \$395,000 in 2015, compared to an inflation-adjusted median of \$471,779 in 2005
- So far in 2016, only Natick, Upton, and Wayland have median sales prices at or above 2005 levels.



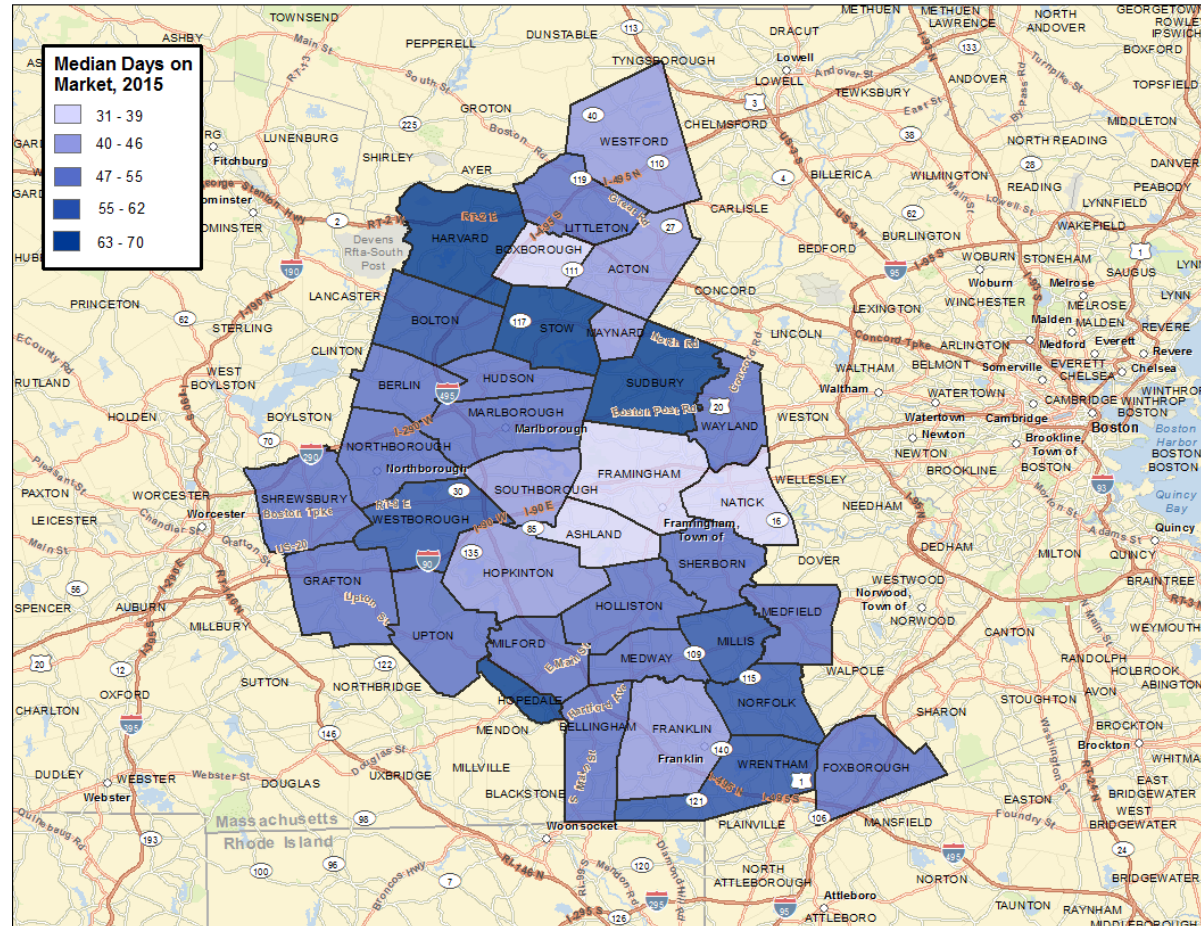
The region is home to a number of “hot markets”

- In total, 495/MetroWest saw a total of 8,499 home sales in 2015.
- Framingham, which accounted for almost one-tenth of all sales in 2015 (9.6%) still lags behind its 2005 high of 1,012 sales.



Homebuyer demand is strong

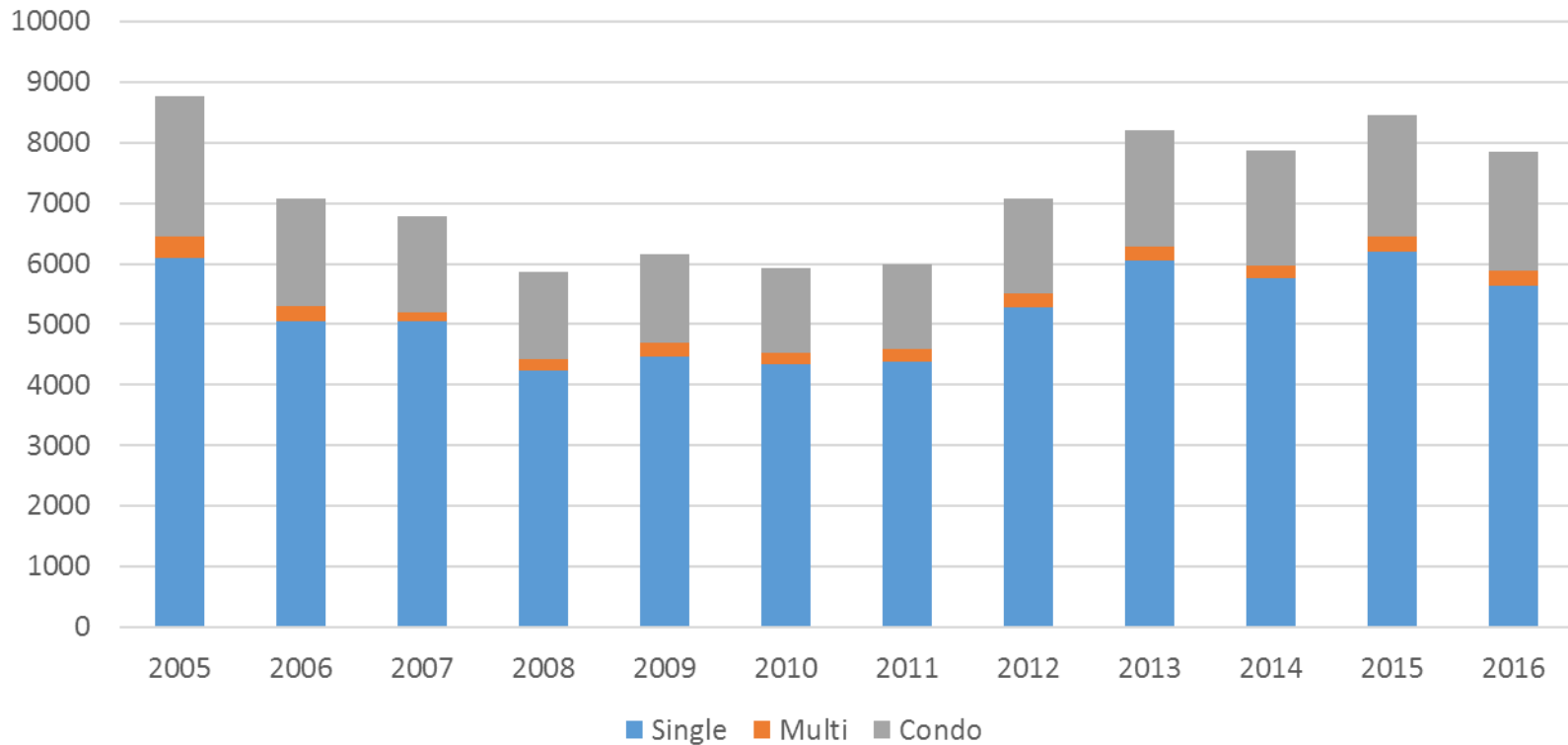
- The median time on market for the entire region was 46 days.
- Only in Harvard, Hopedale, Stow, Sudbury, and Westborough was the median time on market greater than two months.





Single family homes dominate the regional “for sale” market

Home Sales by Type

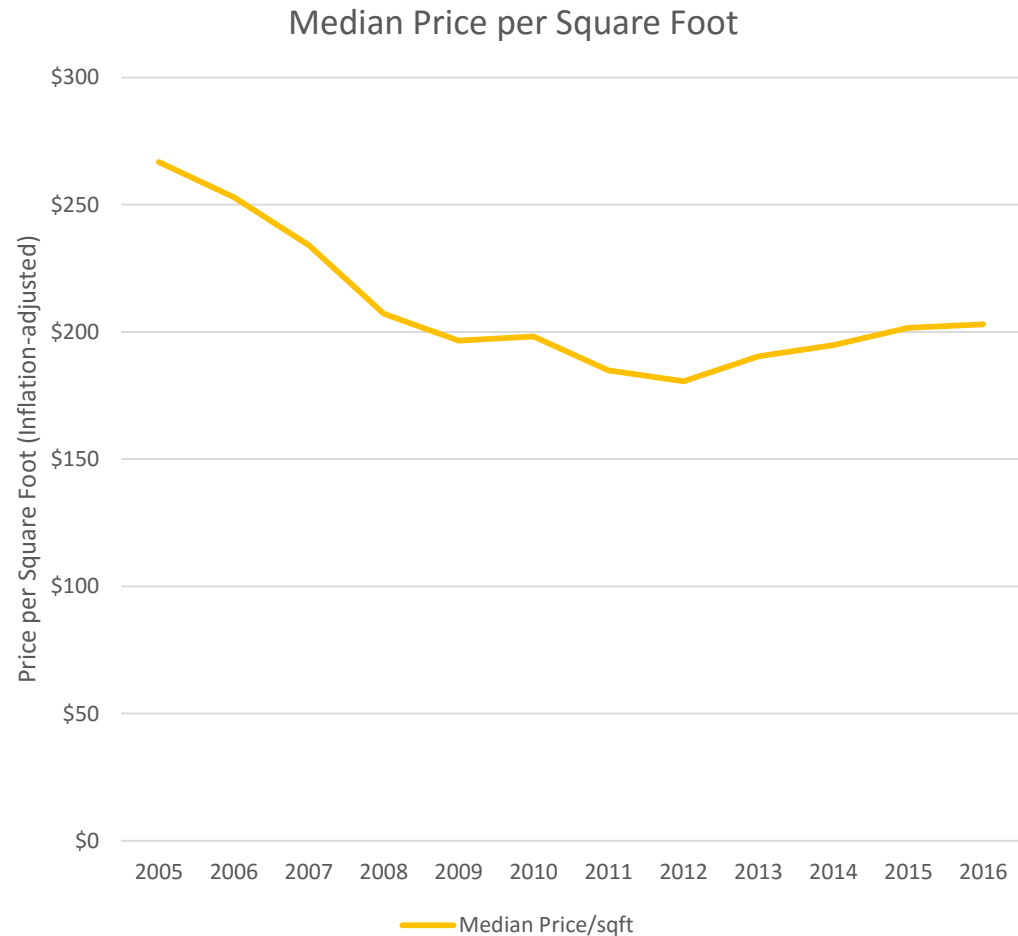


Source: MLS Home Sales 2005-2016



The amount of house that buyers get for their money has been stable since 2009.

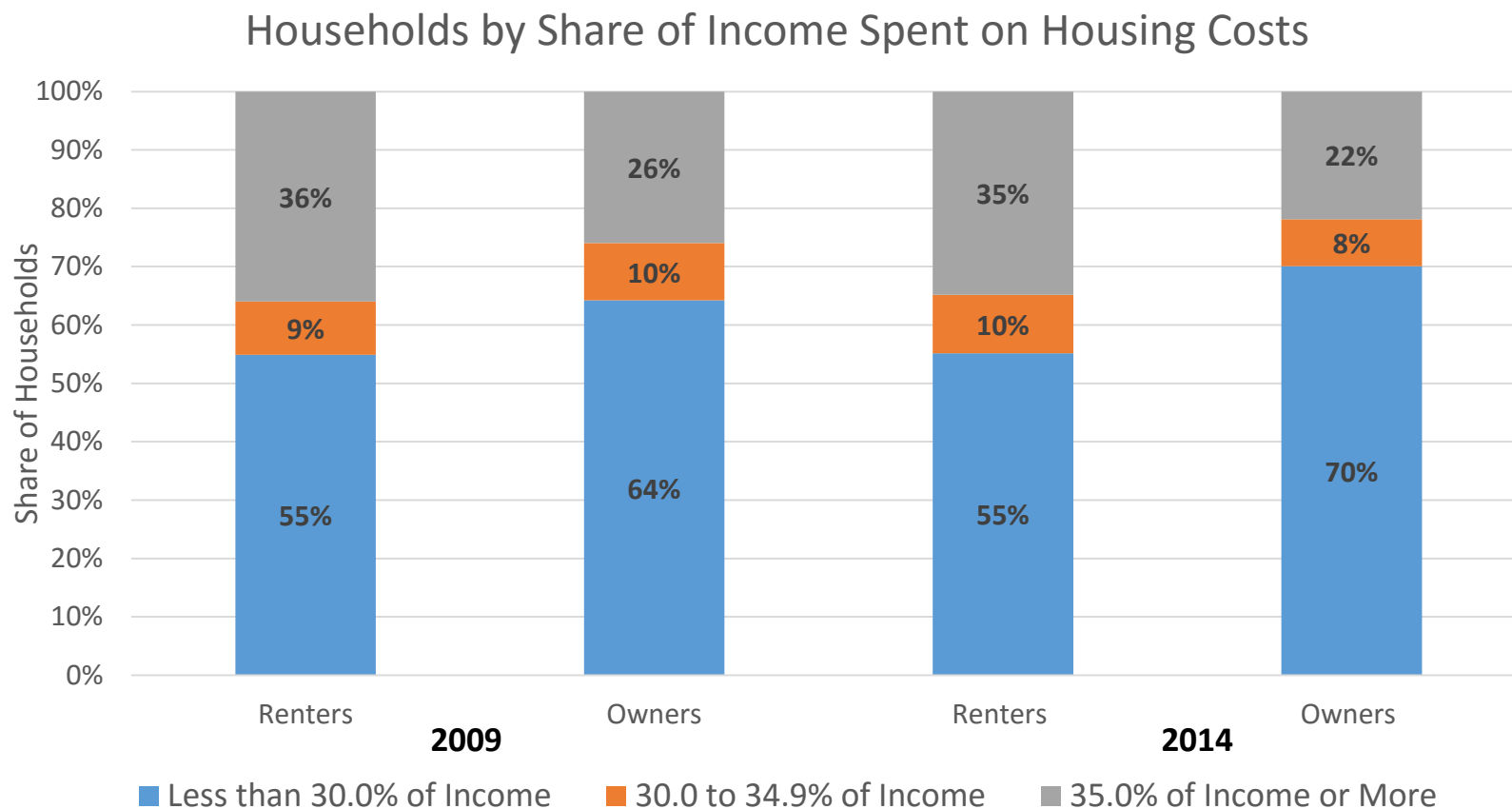
- The price per square foot declined as the housing crisis unfolded
- The region has not recovered to pre-recession levels at the same rate as total home prices or sales
- Since at least 2009, half (50%) of all homes in 495/ MetroWest have 7 rooms or more
- Statewide 33% of all homes have 7 rooms or more
- One-in-three homes in 495/MetroWest has four or more bedrooms (33%)
- Compared to one-in-five statewide (20%)



Source: MLS Home Sales 2005-2016;
American Community Survey 2005-2009 & 2010-2014 5-year estimates



In 2014, 45% of renter and 30% of homeowner households were housing cost burdened.



Source: American Community Survey 2005-2009 & 2010-2014 5-year estimates;
Owners represent those with mortgages.



Only six 495/MetroWest communities have subsidized housing inventory (SHI) shares of 10% or higher – the state's affordable housing mandate.

- Overall, 7.8% of 495/MetroWest housing units count towards the SHI
 - These represent 7.0% of the SHI units statewide
- SHI units in the six communities that have met the goal represent 45.17% of all SHI units in 495/MetroWest
 - Largest share: Littleton (12.5%)
 - Most SHI units: Framingham (2,870 units or 10.5%)



Implications

- The region is not producing an adequate supply of housing to meet the needs of its residents. This makes prices higher than they would otherwise be.
- The region's housing market has not yet fully recovered from the housing crisis
- Nearly one-in-four of the region's renters (23,793 households) are paying more for housing than they can afford
- Inadequate housing supply constrains the prospects for regional economic growth