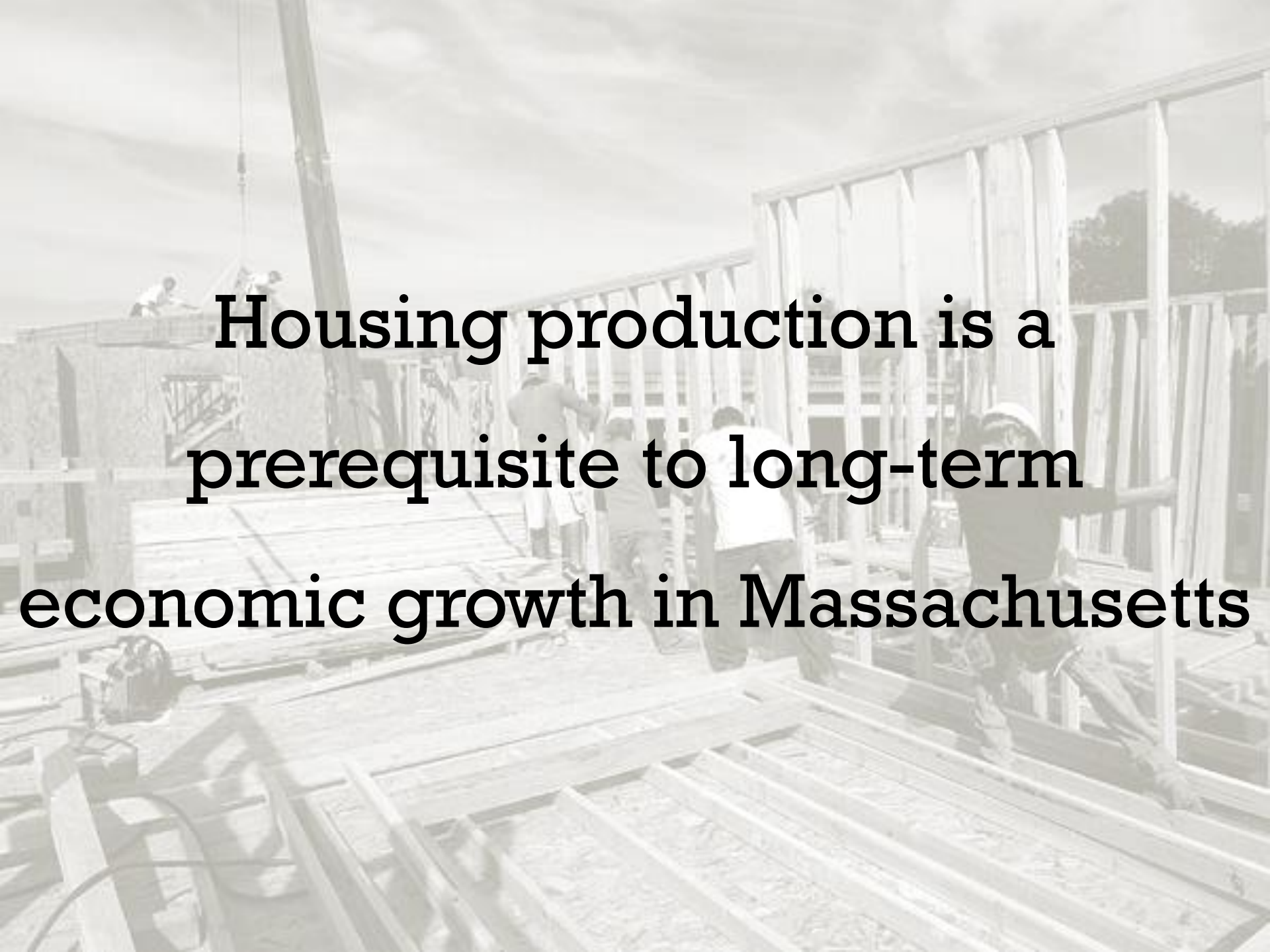# Regional Trends and Local Needs
in Metro Boston and the Town of Hanover

September 27, 2017

Hanover Housing Forum

Timothy G. Reardon

*Director of Data Services*

Metropolitan Area Planning Council

MAPC

Housing production is a prerequisite to long-term economic growth in Massachusetts

Boomer Exodus from the Labor Force

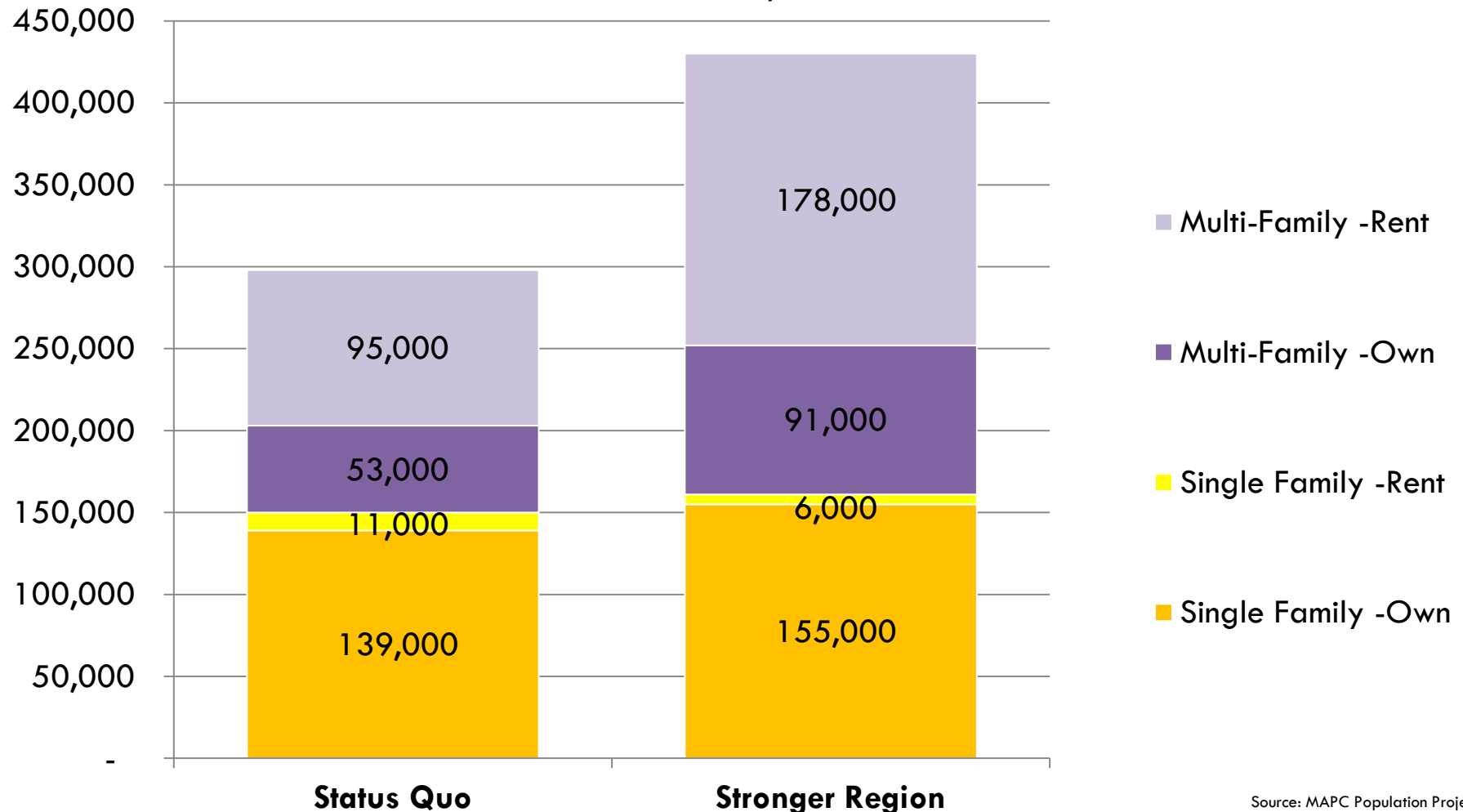Baby Boomers (born 1945 – 1970) comprise 49% of labor force

One million workers now over the age of 40 will be retired by 2030 (39% of labor force)

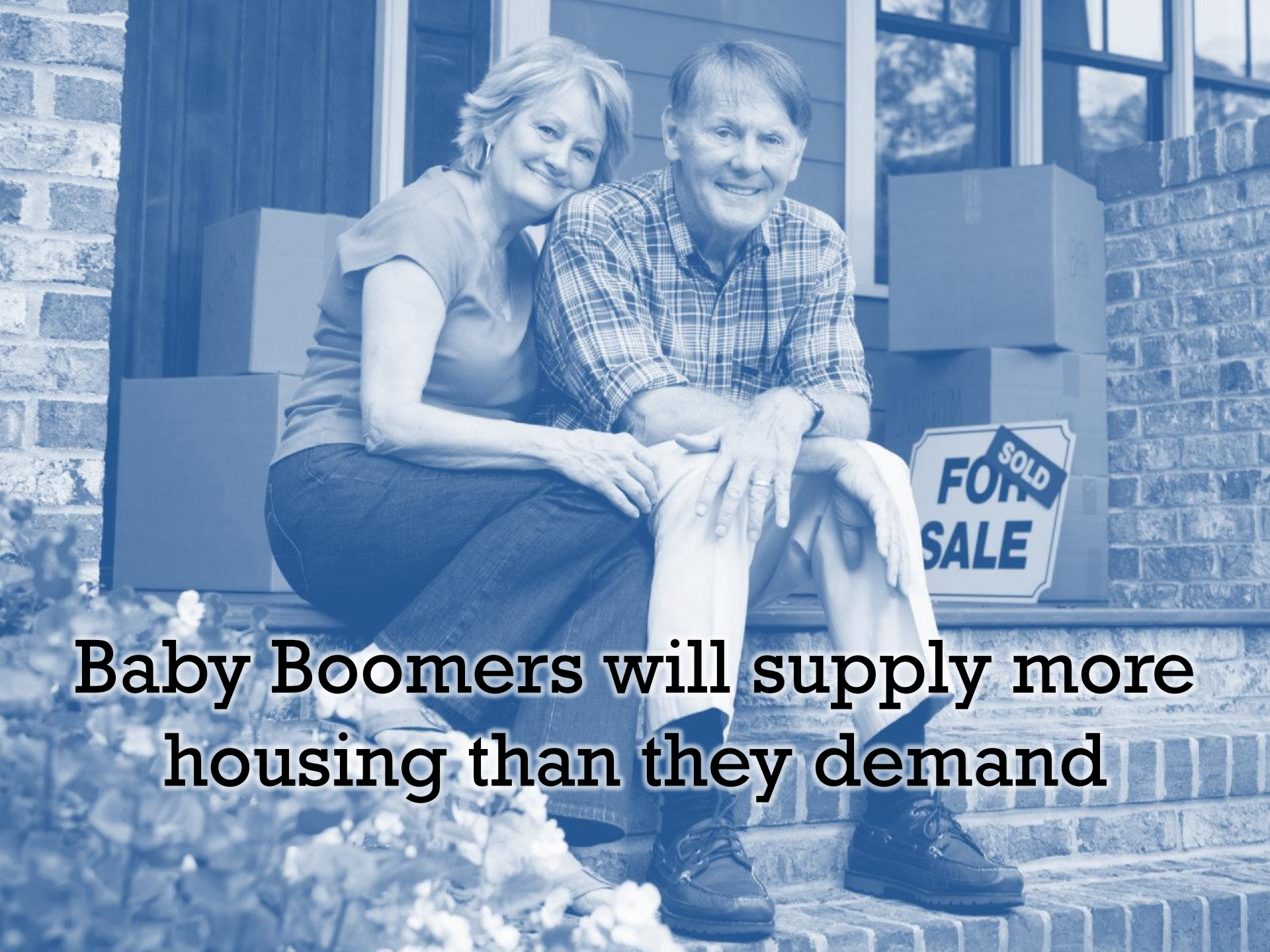Existing population insufficient to fill vacant positions
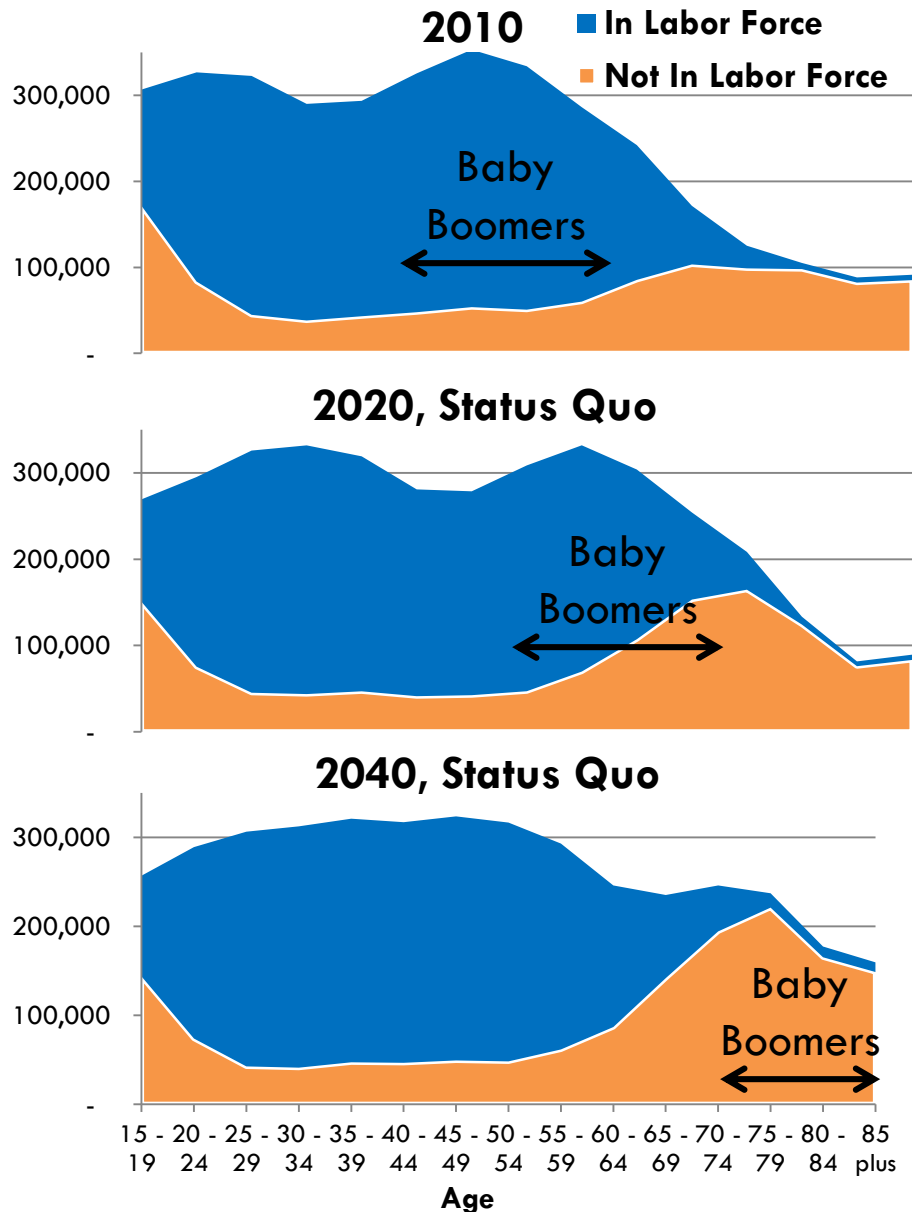
Long-term economic growth requires
435,000 new units in Metro Boston by 2040

**Total Net Housing Demand, by Type,
Metro Boston, 2010 – 2040**

Legend:
- Multi-Family -Rent
- Multi-Family -Own
- Single Family -Rent
- Single Family -Own

Status Quo:
- Multi-Family -Rent: 95,000
- Multi-Family -Own: 53,000
- Single Family -Rent: 11,000
- Single Family -Own: 139,000

Stronger Region:
- Multi-Family -Rent: 178,000
- Multi-Family -Own: 91,000
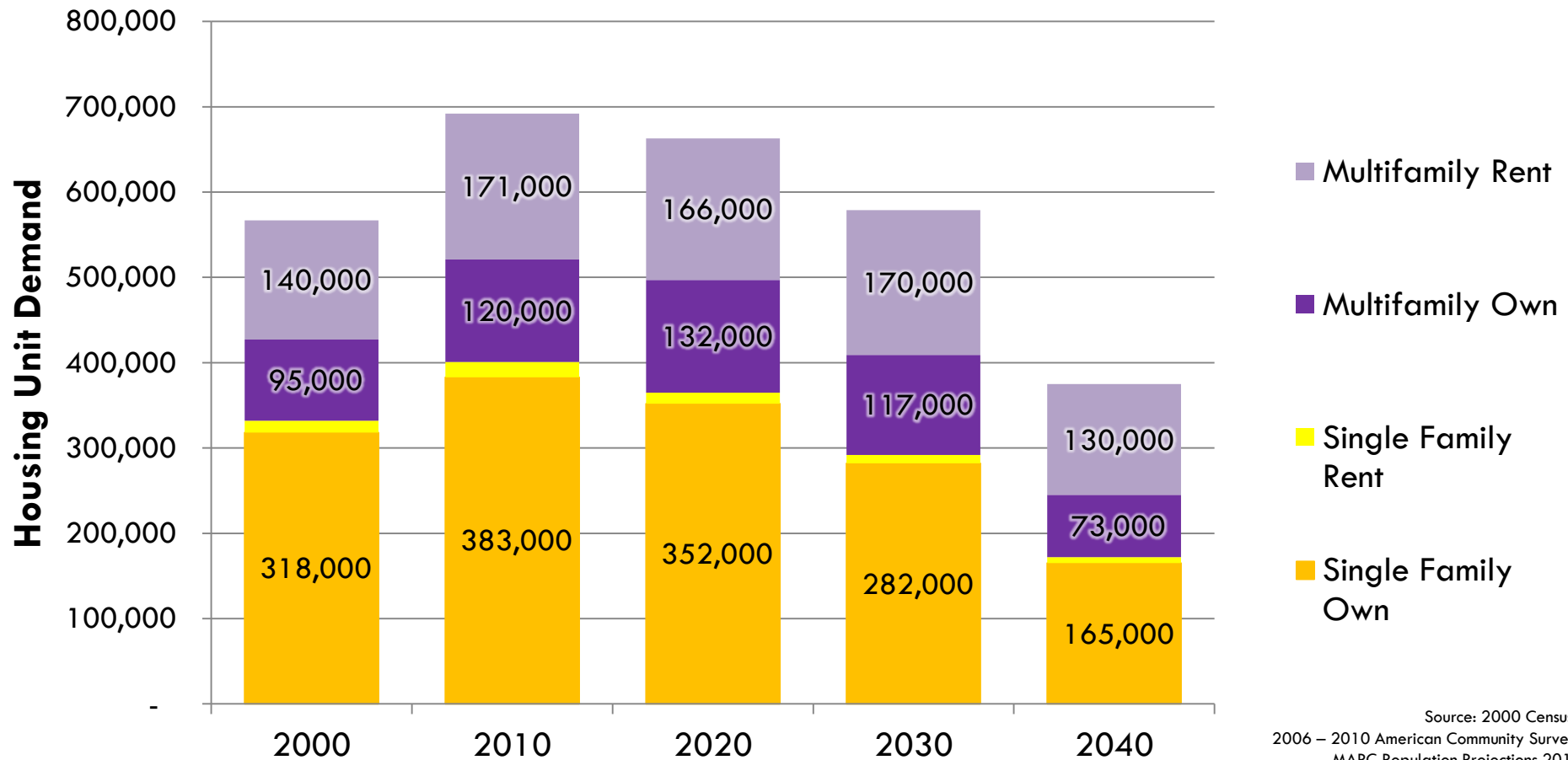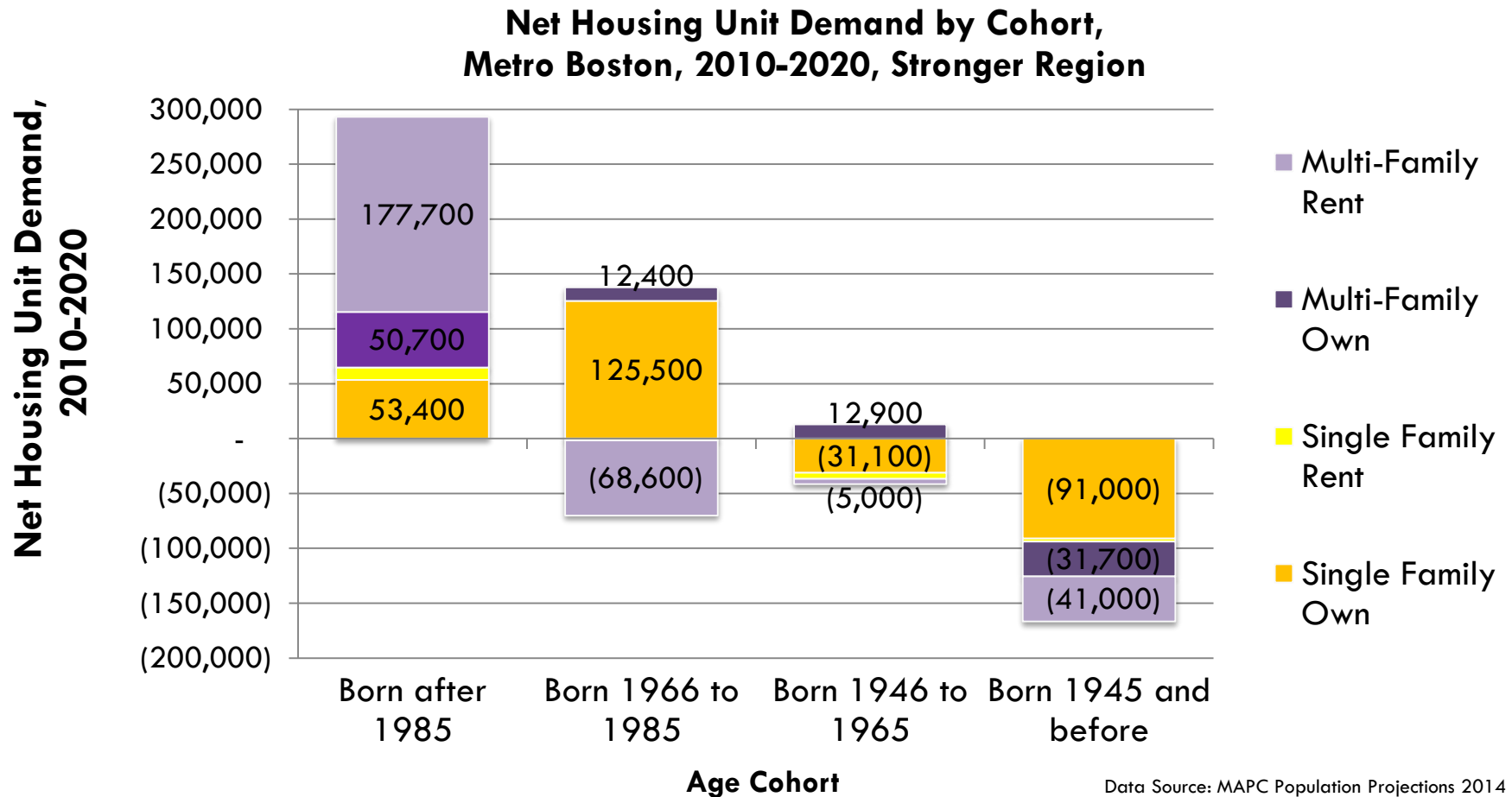- Single Family -Rent: 6,000
- Single Family -Own: 155,000

Baby Boomers will supply more housing than they demand

Baby Boomers are occupying as many housing units as they ever will

**Baby Boomer (1946 - 1965) Housing Demand,
Metro Boston, 2010 - 2040,
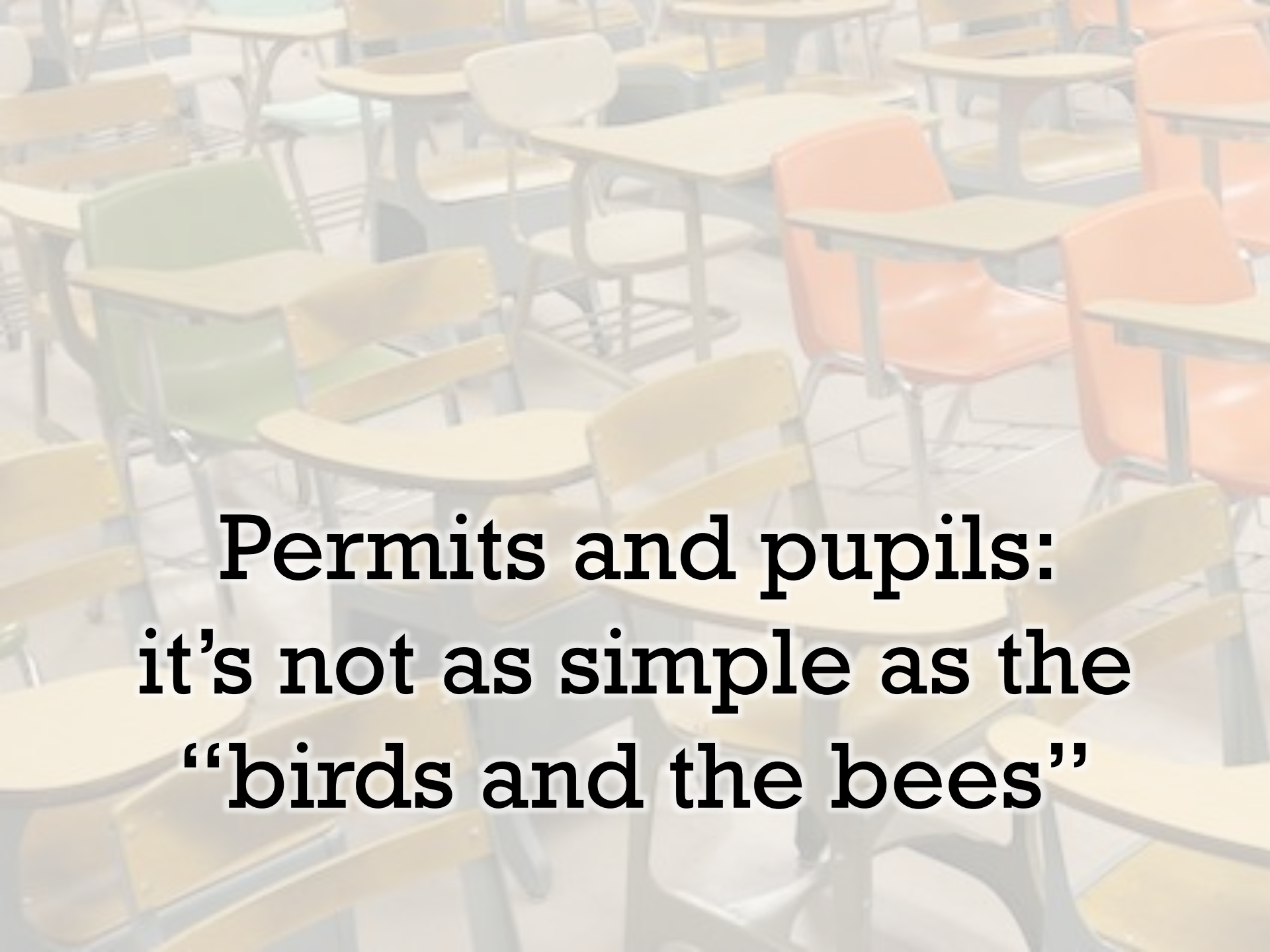Stronger Region Scenario**

Source: 2000 Census,
2006 – 2010 American Community Survey,
MAPC Population Projections 2014

The coming single-family "senior sell-off"

**Net Housing Unit Demand by Cohort,
Metro Boston, 2010-2020, Stronger Region**

Y-axis label: Net Housing Unit Demand, 2010-2020

Y-axis values: 300,000 / 250,000 / 200,000 / 150,000 / 100,000 / 50,000 / - / (50,000) / (100,000) / (150,000) / (200,000)

Legend:
- Multi-Family Rent
- Multi-Family Own
- Single Family Rent
- Single Family Own

Born after 1985: 177,700 / 50,700 / 53,400

Born 1966 to 1985: 12,400 / 125,500 / (68,600)

Born 1946 to 1965: 12,900 / (31,100) / (5,000)

Born 1945 and before: (91,000) / (31,700) / (41,000)

X-axis label: Age Cohort

Data Source: MAPC Population Projections 2014

Puts **130,000 units back on the market** by 2020, supplies **72% of demand** for younger households
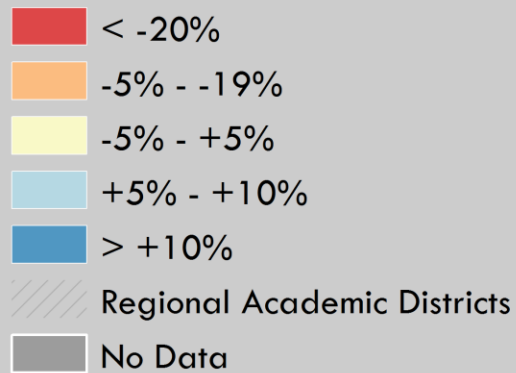
Permits and pupils:
# it's not as simple as the
"birds and the bees"

Enrollment Change by School District
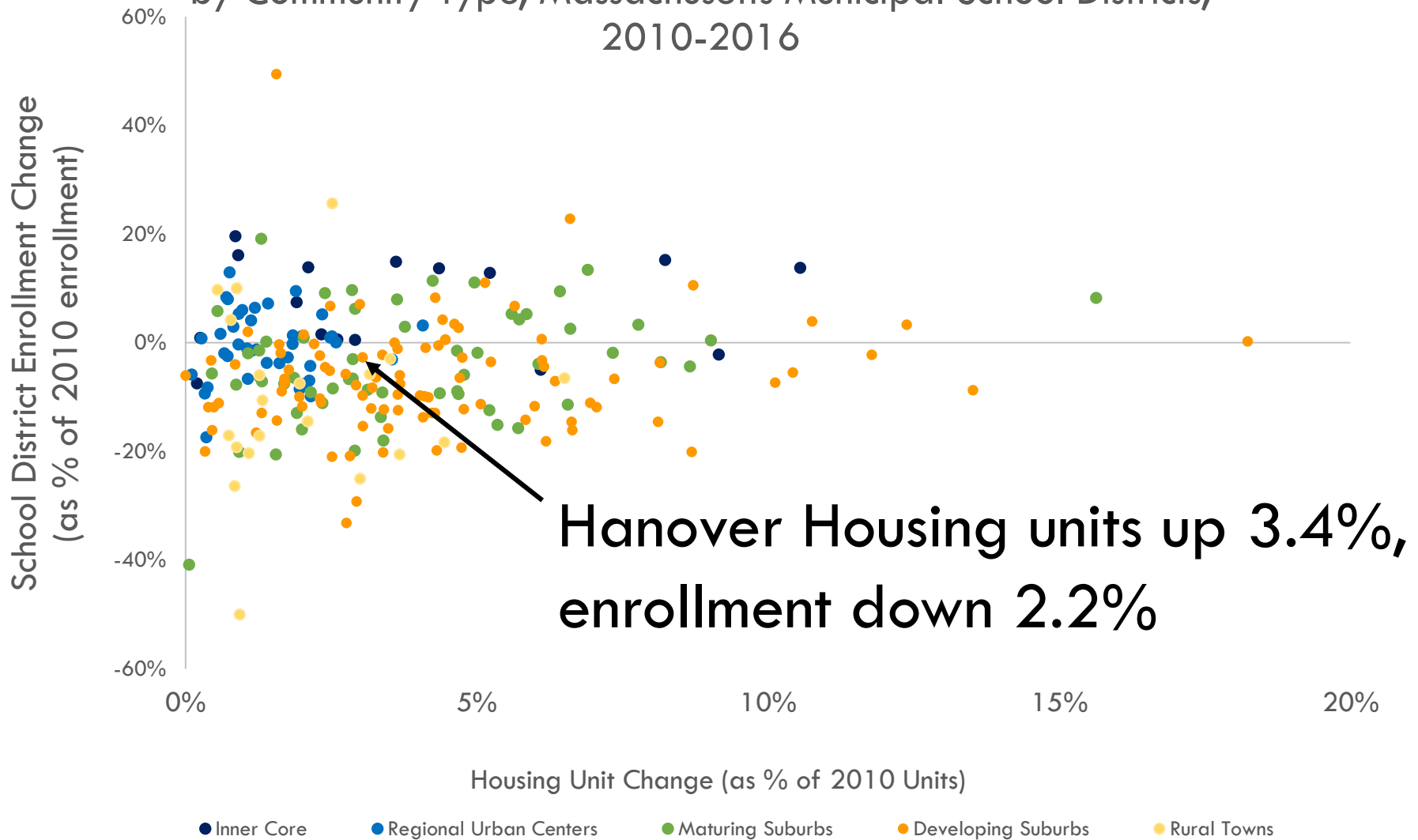
2010 - 2016

Percent Enrollment Change

- █ < -20%
- █ -5% - -19%
- █ -5% - +5%
- █ +5% - +10%
- █ > +10%
- ▨ Regional Academic Districts
- █ No Data

Note: Only municipal school districts and regional academic districts are displayed. For overlapping districts, local schools are displayed on top of regional academic districts. "No Data" areas are either areas not served by a municipal or regional district, or areas where the district boundary or grades served by the district changed between 2010 and 2016.

0   3.25   6.5   13 Miles
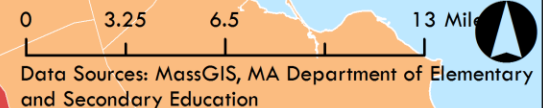
Percent School Enrollment Change vs Housing Unit Change by Community Type, Massachusetts Municipal School Districts, 2010-2016
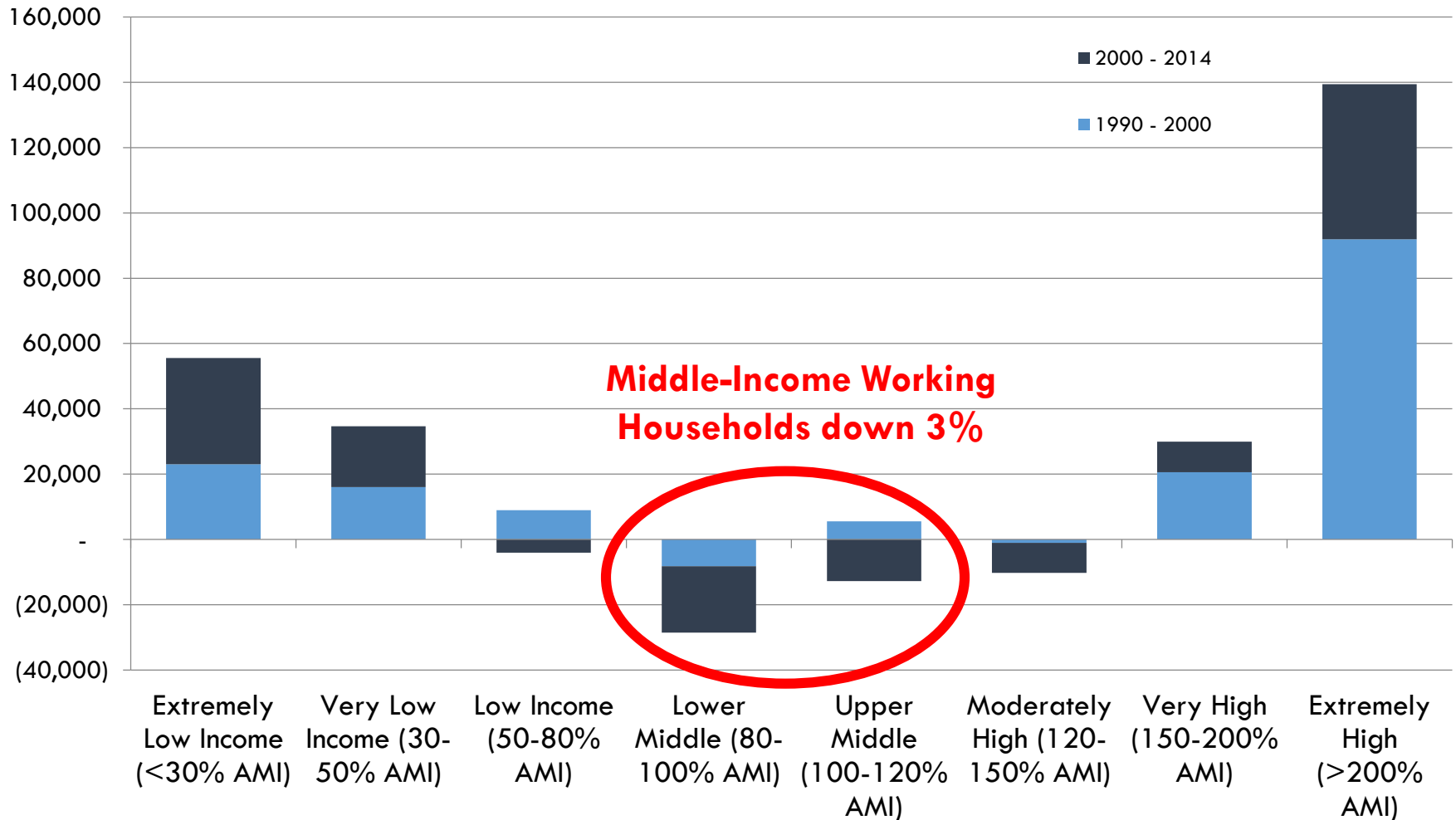
Hanover Housing units up 3.4%, enrollment down 2.2%

It's not just a housing problem

The Incredible Shrinking Middle Class

Change in Working Households by Income,
1990 – 2014, Massachusetts

Source: U.S. Census Public Use Microdata 1990, 2000, 2010-2014; MAPC Analysis;
"Working Households" defined as those with at least one wage earner who is not also a student.

Projected New Worker Households

Projected New Worker Households by occupation and income, Metro Boston, 2015 - 2030
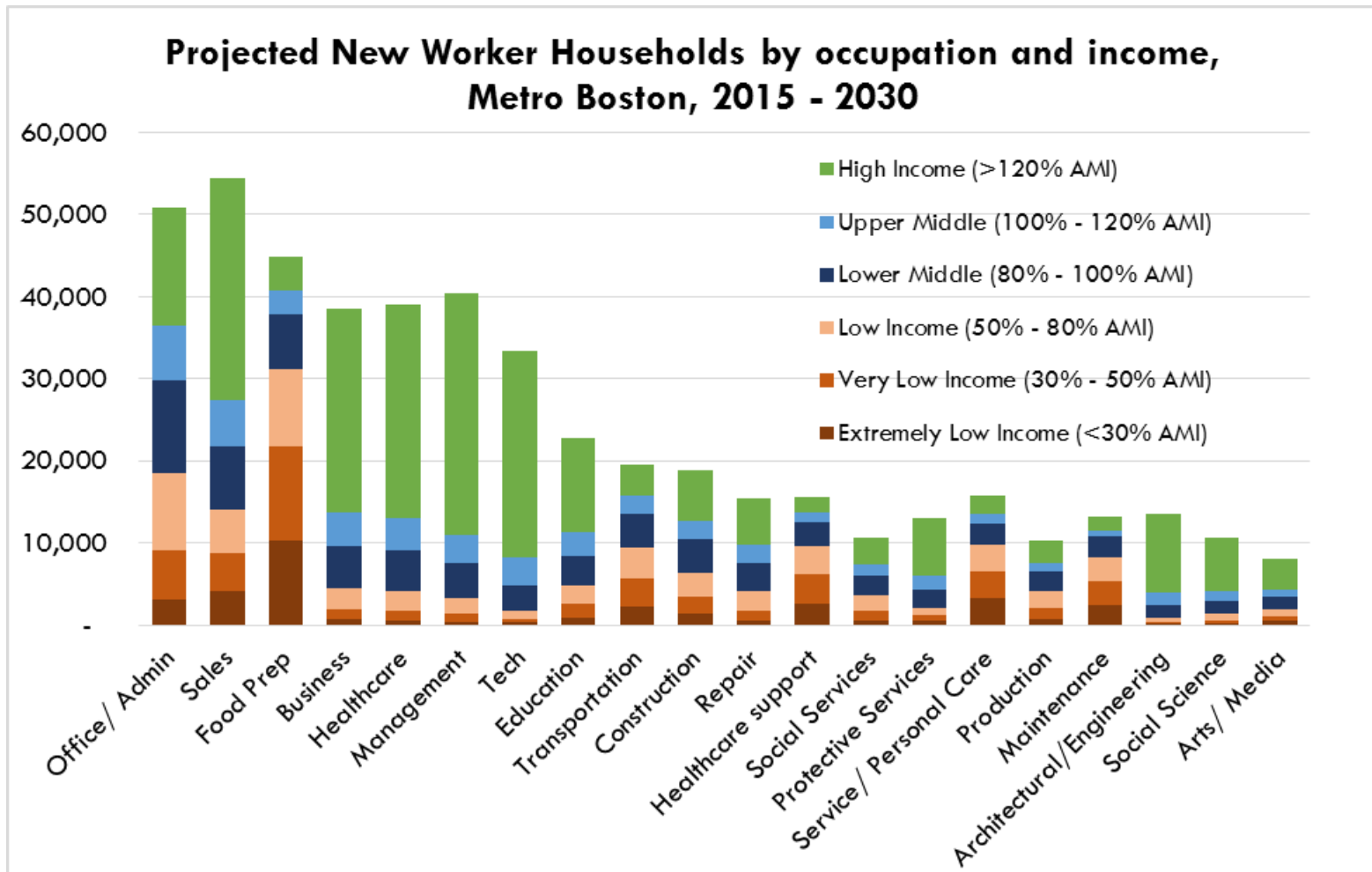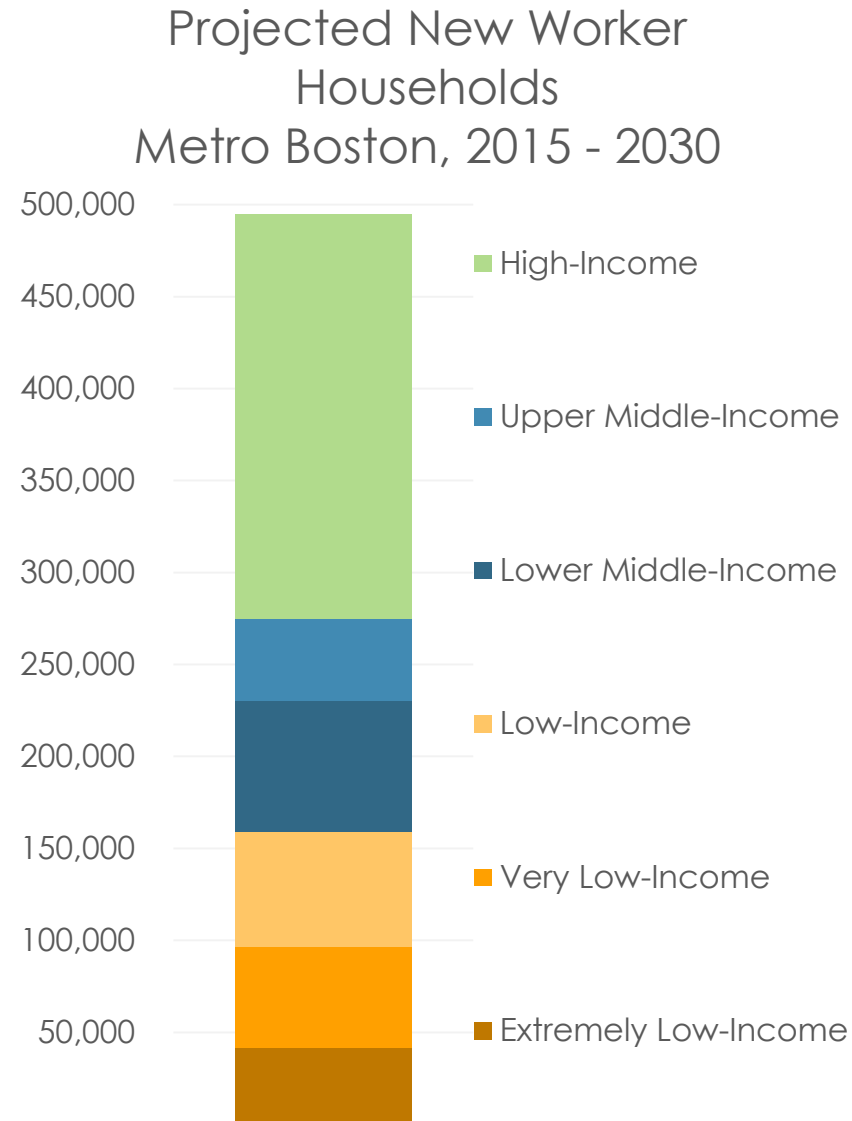
Job vacancies and net economic growth create employment across a wide range of incomes

Projected New Worker Households

Over 800,000+ new workers needed by 2030 to fill vacancies left by retiring Baby Boomers.

These workers will likely form **492,000 new working households.**

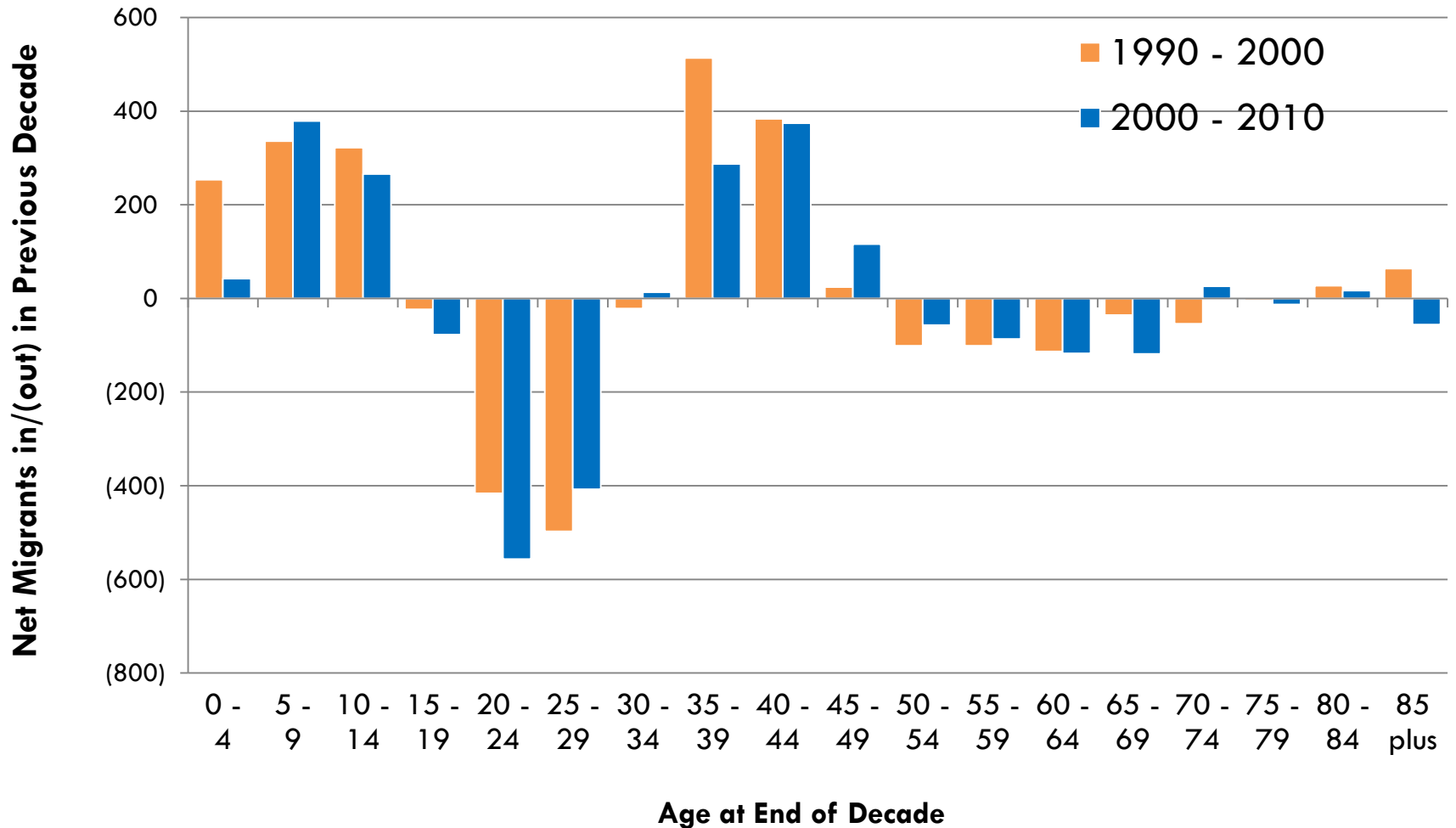Almost **one-third of new working households will be low income.**

Projected New Worker Households
Metro Boston, 2015 - 2030

- High-Income
- Upper Middle-Income
- Lower Middle-Income
- Low-Income
- Very Low-Income
- Extremely Low-Income

What about Hanover?

In-migration slowing down

**Net Migration by Age,
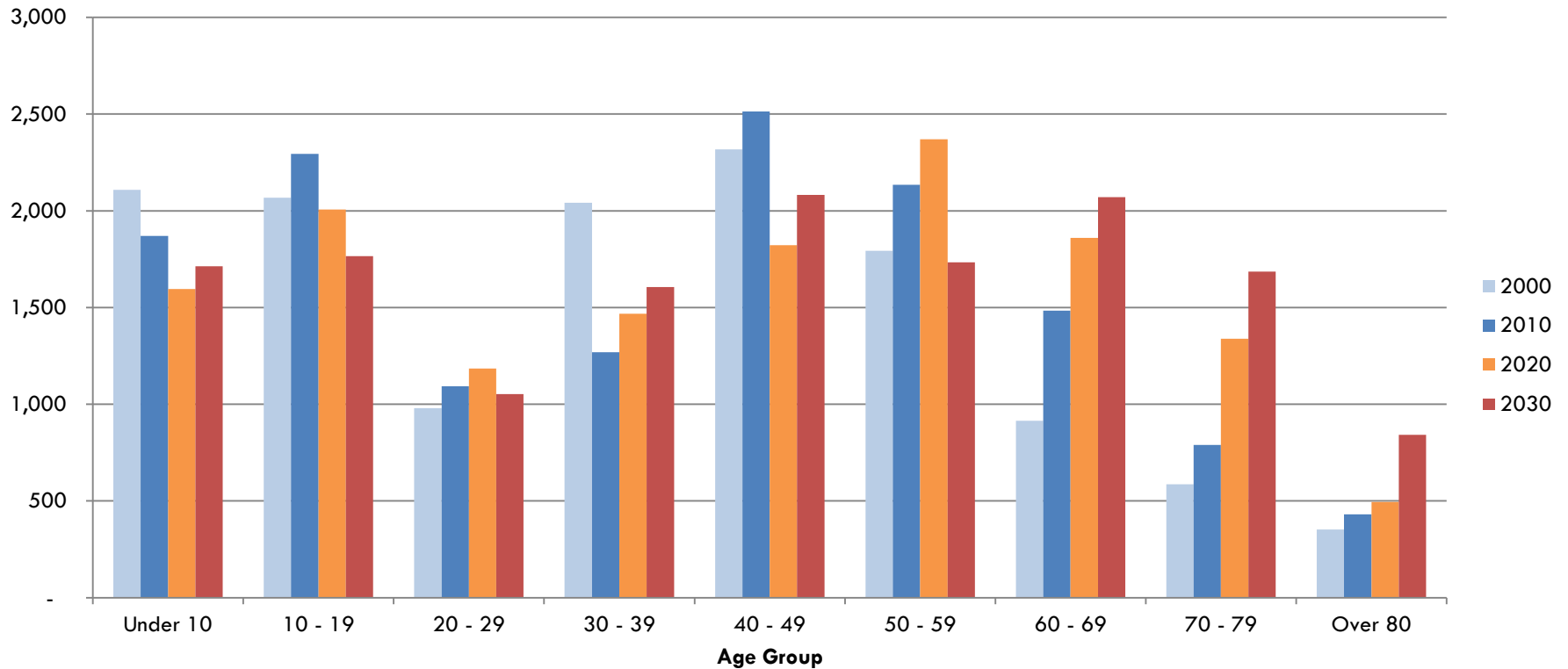Town of Hanover, 1990s and 2000s**

Source: U.S. Census, MassCHIP, MAPC Analysis

Population aging, growing slowly

Population by Age, Town of Hanover
2000 - 2030, Stronger Region Scenario

Source: MAPC Population Projections 2014

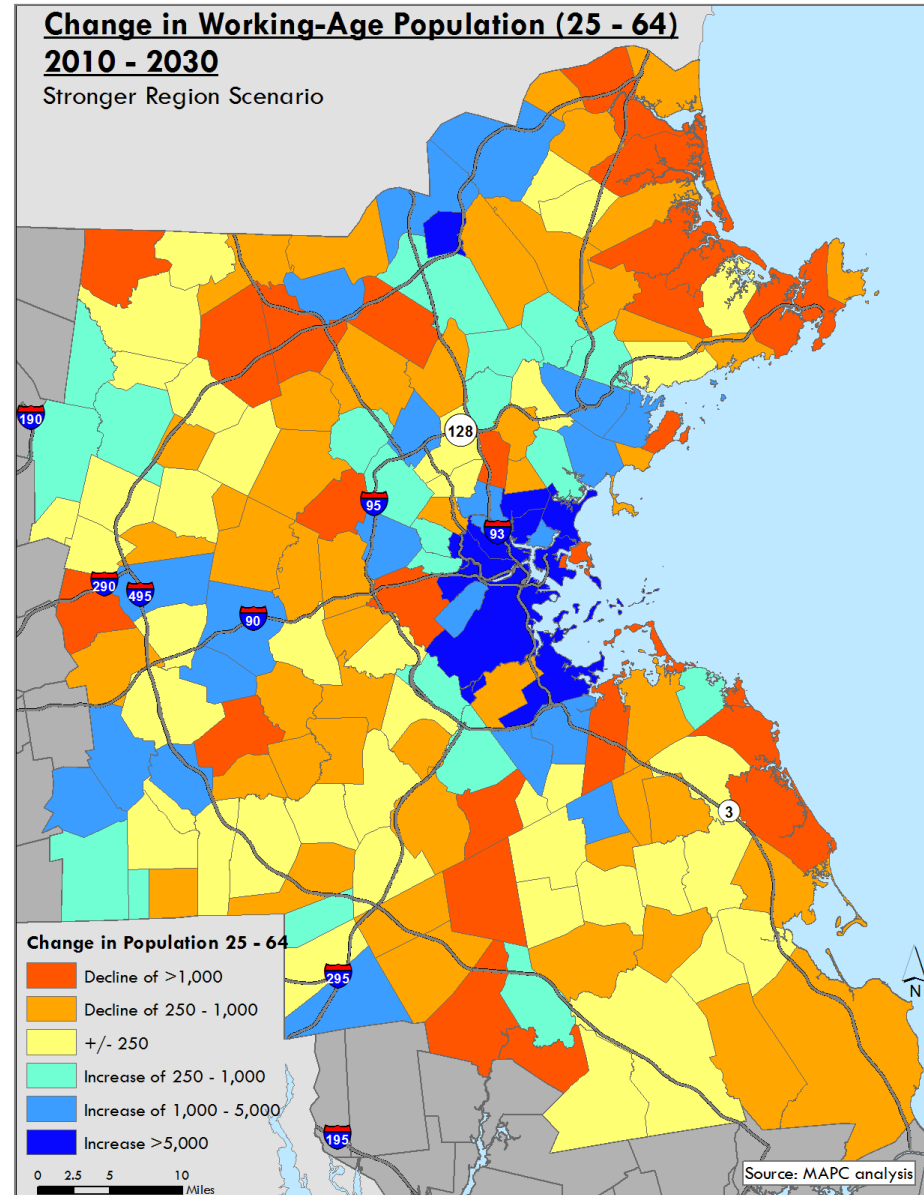Hanover population projected to grow by only 700 residents

Over-65 population might *double* from 2010 - 2030

School age population may decline 20%

Labor force growing slowly

Working-age population may decline in a dozen South Shore Chamber municipalities

Largest increases in working-age population expected in Quincy, Braintree, Randolph, Abington

Change in Working-Age Population (25 - 64) 2010 - 2030
Stronger Region Scenario

Change in Population 25 - 64
- Decline of >1,000
- Decline of 250 - 1,000
- +/- 250
- Increase of 250 - 1,000
- Increase of 1,000 - 5,000
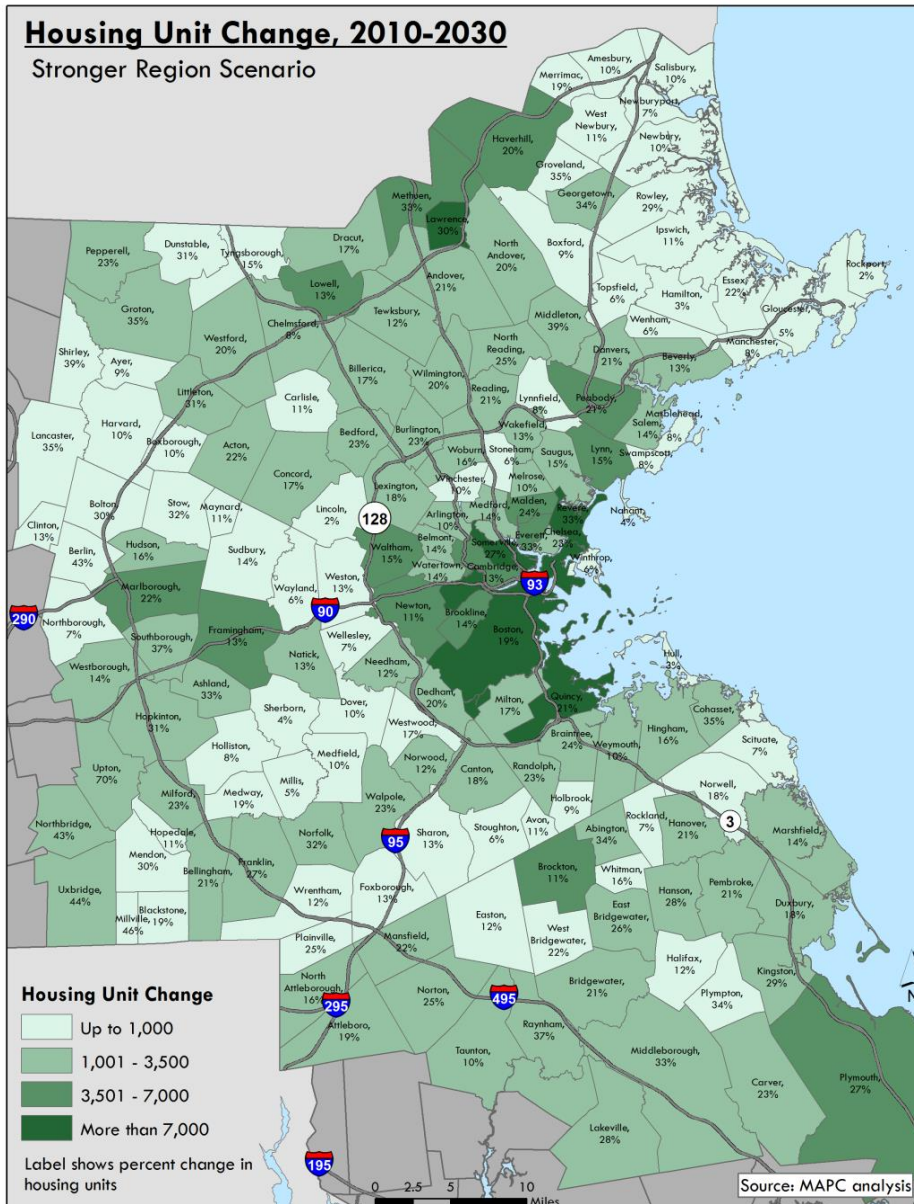- Increase >5,000

Source: MAPC analysis

Growing Senior Households

Households by Age of Householder, 2010 - 2030, Hanover
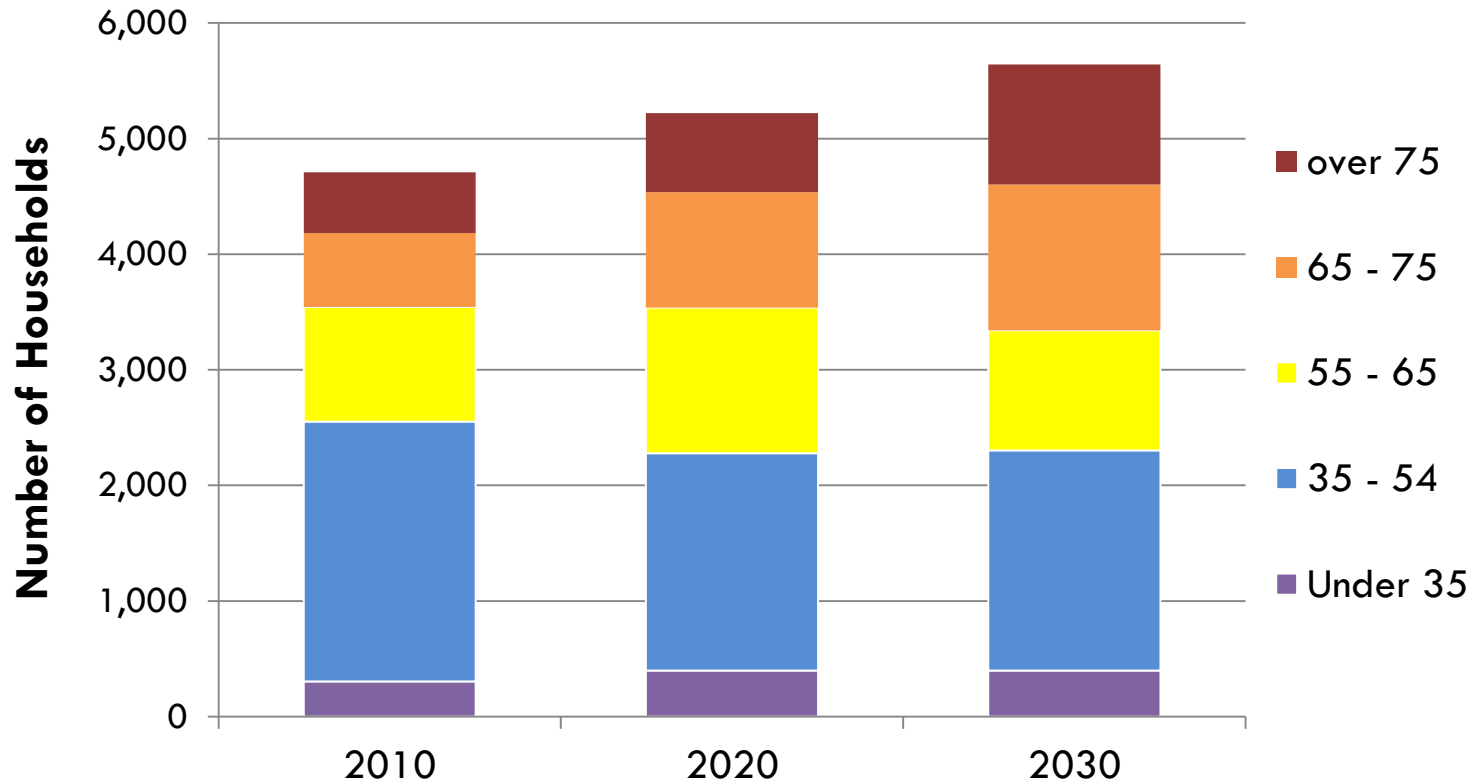
Seniors may head up **41% of Hanover households** in 2040 (up from 25% in 2010)

Strong Housing Demand

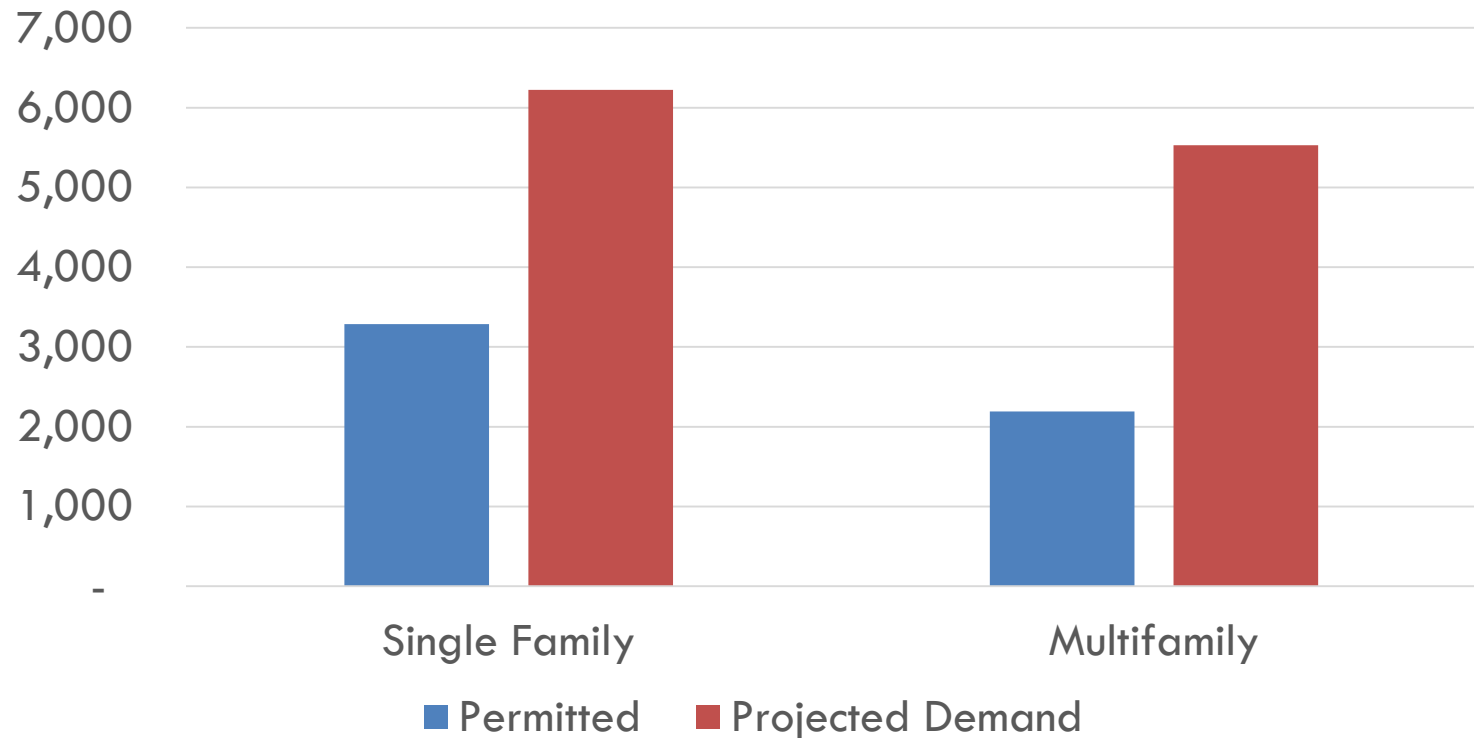Housing Unit Change, 2010-2030 — Stronger Region Scenario. Source: MAPC analysis

Projected demand for **44,000 housing units** in South Shore Chamber area from 2010 – 2030

Estimated demand for **1,000 new units in Hanover.** About 30% of demand is for apartments and condos

Production Lagging Behind Demand

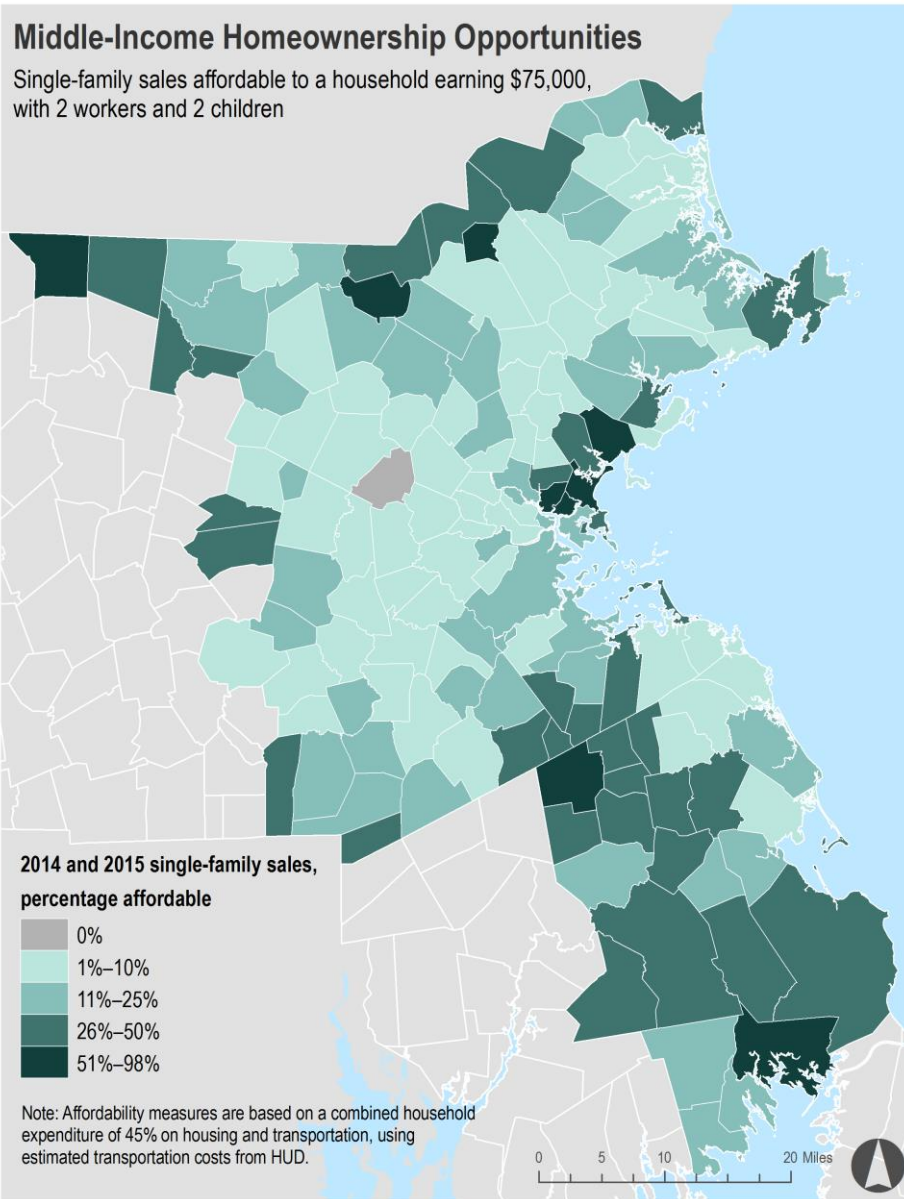South Shore Chamber Housing Permits vs. Projected Demand, 2010 - 2015

Single-family permits 2010- 2014 only 53% of projected demand; multifamily only 40%.

Limited Middle Income Opportunities

Middle-Income Homeownership Opportunities

Single-family sales affordable to a household earning $75,000, with 2 workers and 2 children

2014 and 2015 single-family sales, percentage affordable

- 0%
- 1%–10%
- 11%–25%
- 26%–50%
- 51%–98%

Note: Affordability measures are based on a combined household expenditure of 45% on housing and transportation, using estimated transportation costs from HUD.

0   5   10   20 Miles

Only 9% of Hanover single family sales in 2014 – 2015 were affordable to middle income family

Zero affordable condo sales over two years

Tim Reardon, Director of Data Services
Metropolitan Area Planning Council

treardon@mapc.org

www.mapc.org/projections

www.housing.ma