

We're Not as Young as We Used to Be

And other less self-evident
Observations and Projections
of Demographics and Housing
in Metro Boston



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**Housing demand:
Population growth is only
half the equation (or less)**



Mary's Household

2000 - 2040



**2000,
age 45**



**2010,
age 55**

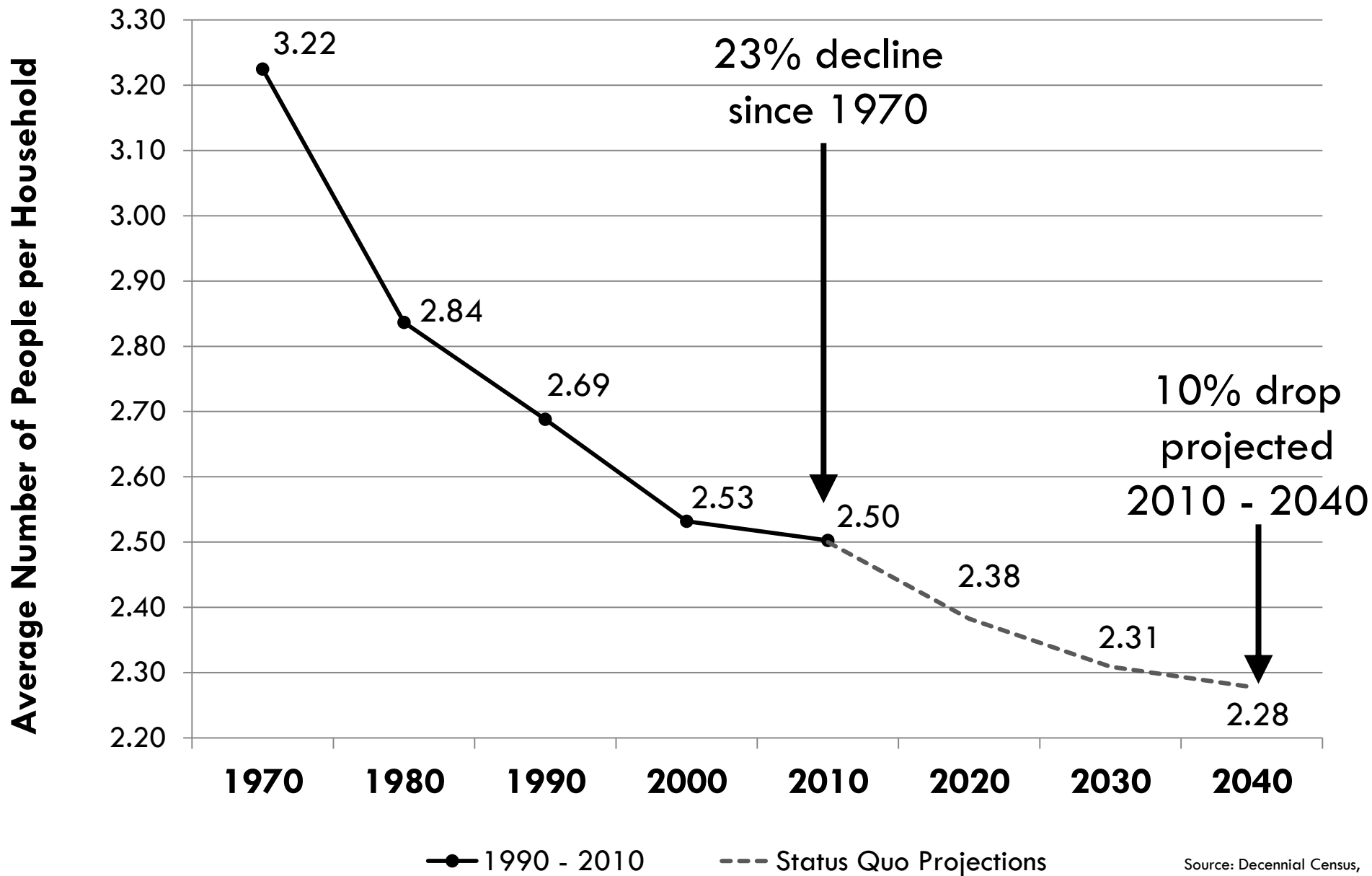


**2020,
age 65**



**2040,
age 85**

Average Household Size, Metro Boston, 1970 - 2040



Same number of residents form more households, need more housing units

2010

250 people =

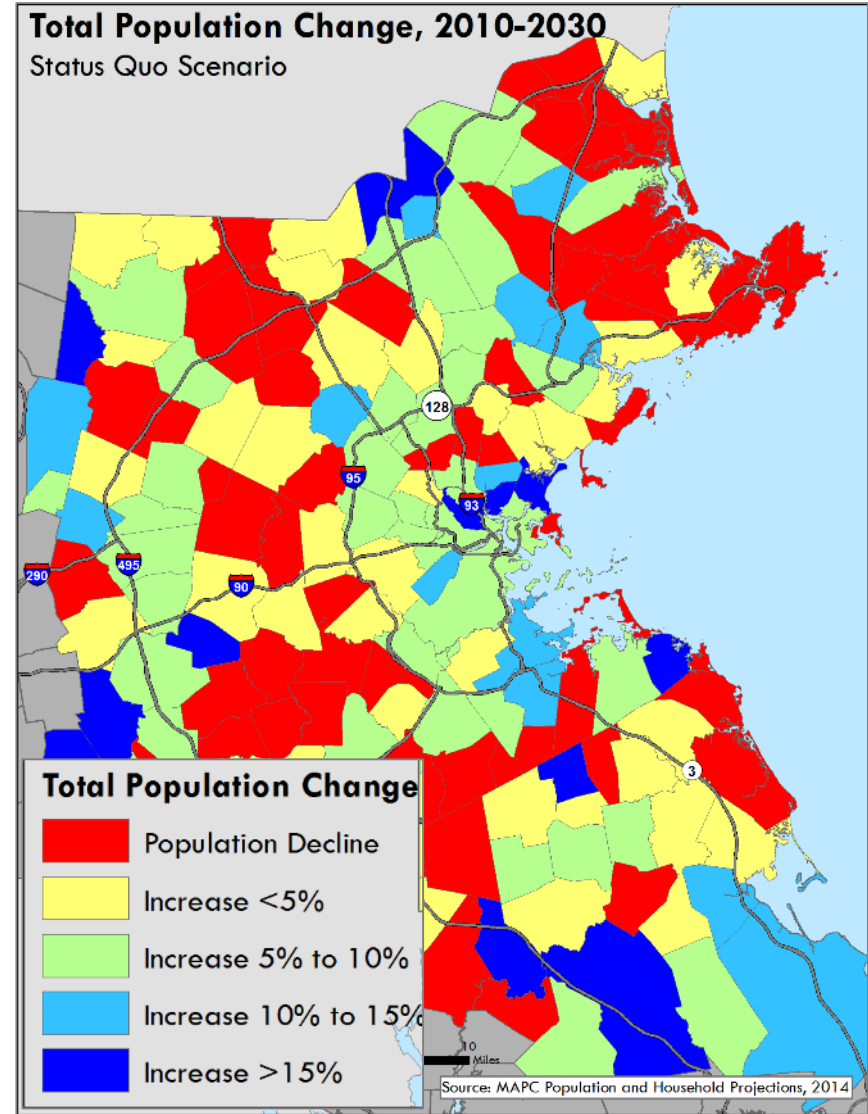
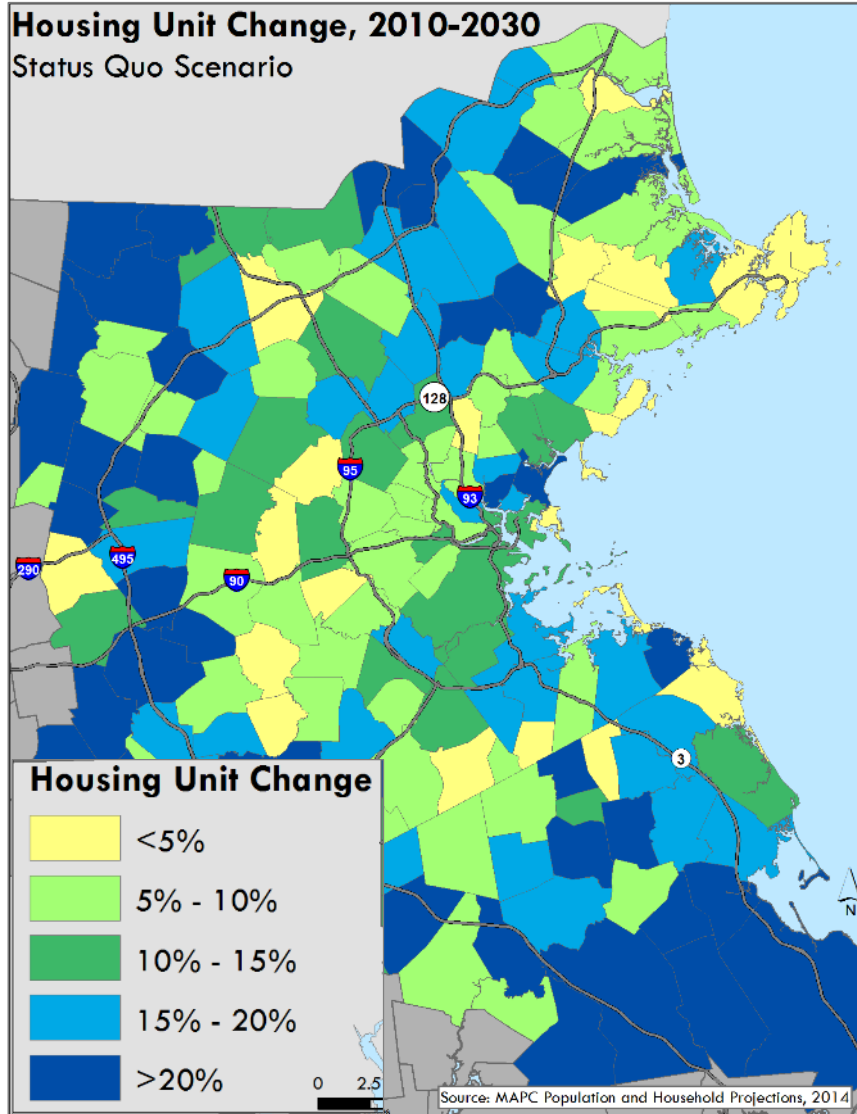


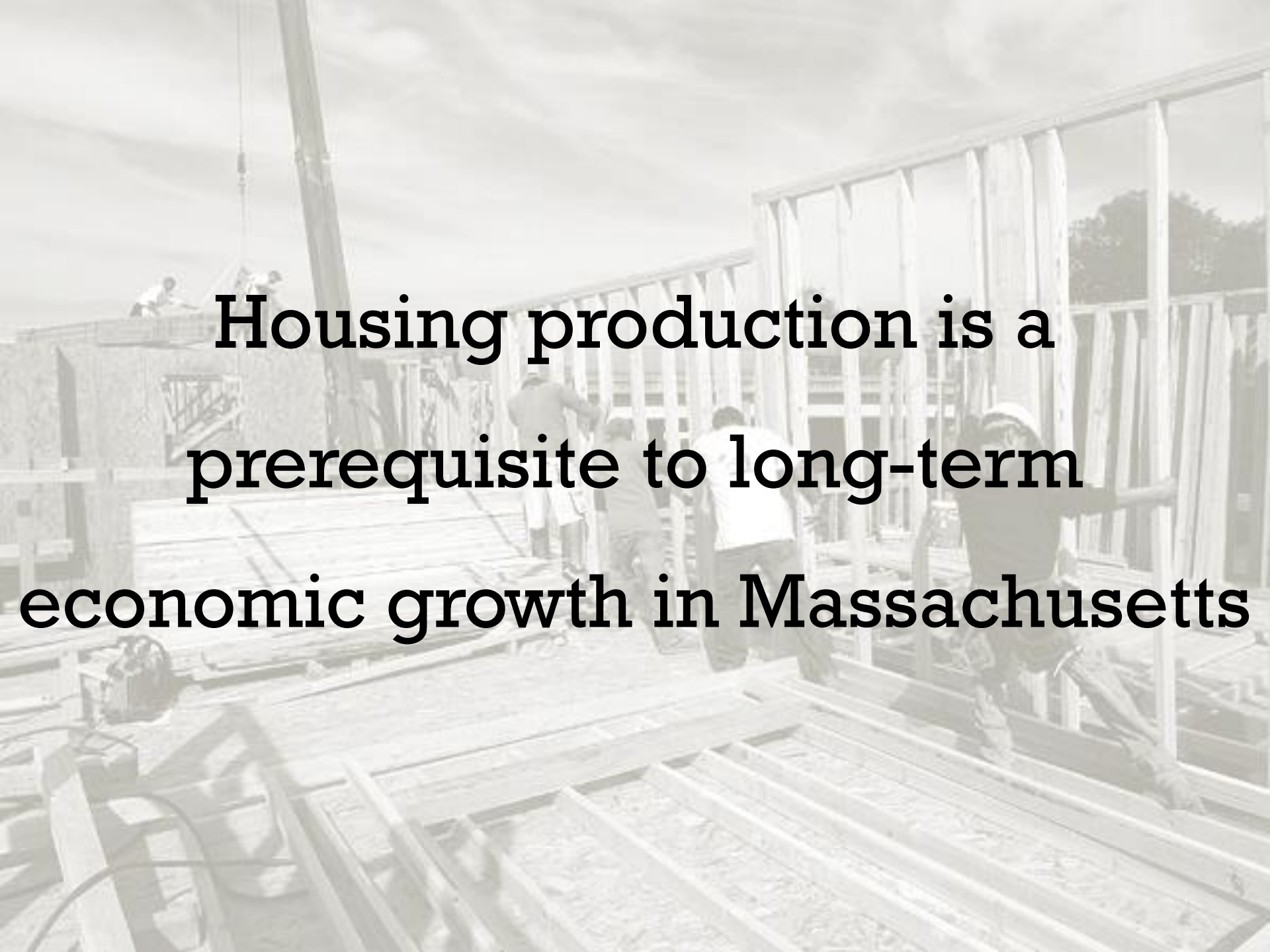
2040

250 people =



Dozens of communities may see housing growth + population decline



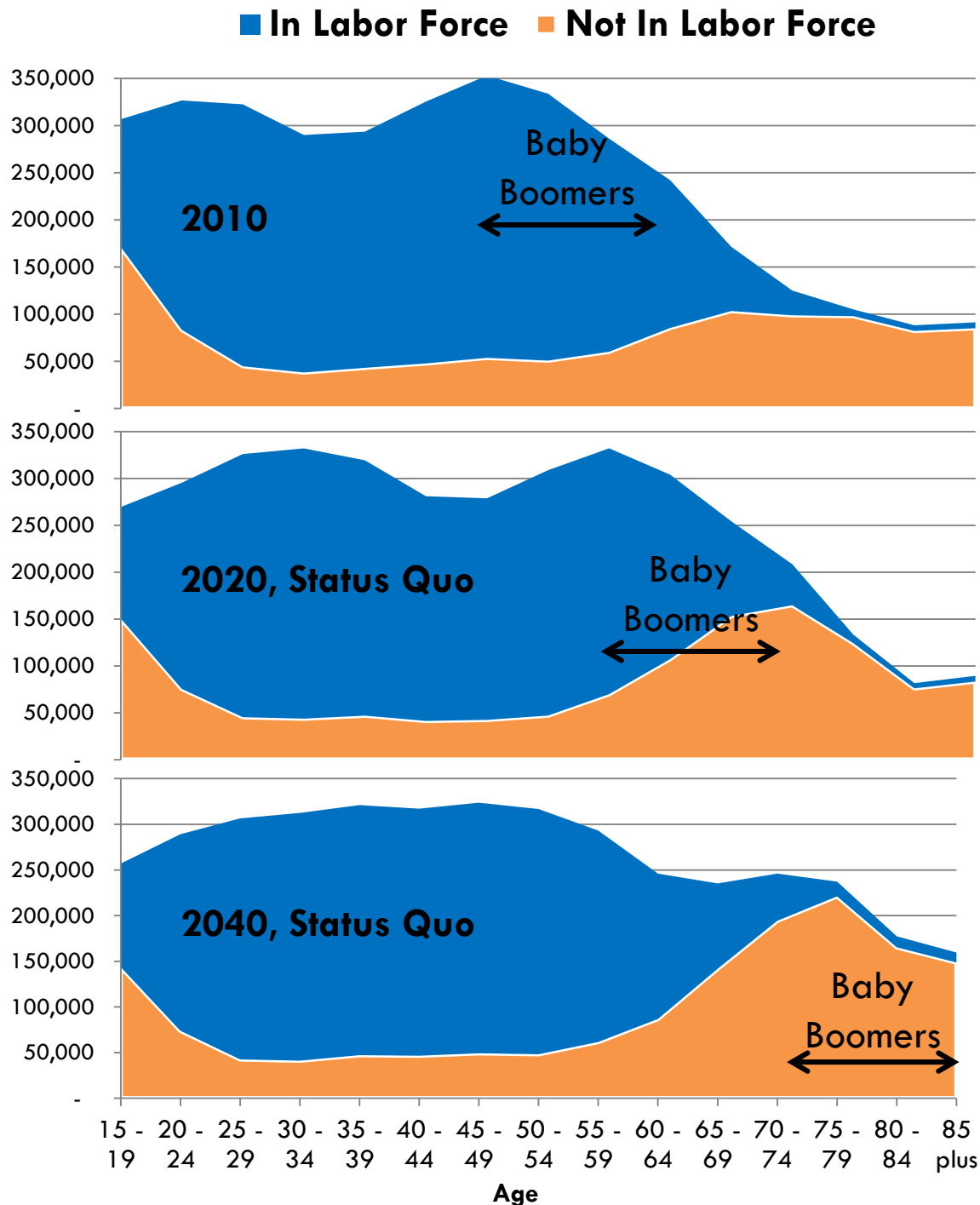


**Housing production is a
prerequisite to long-term
economic growth in Massachusetts**

Baby Boomers
comprise 49% of
MA labor force

1.4 million workers
born before 1970
will retire by 2030
(39% of labor force)

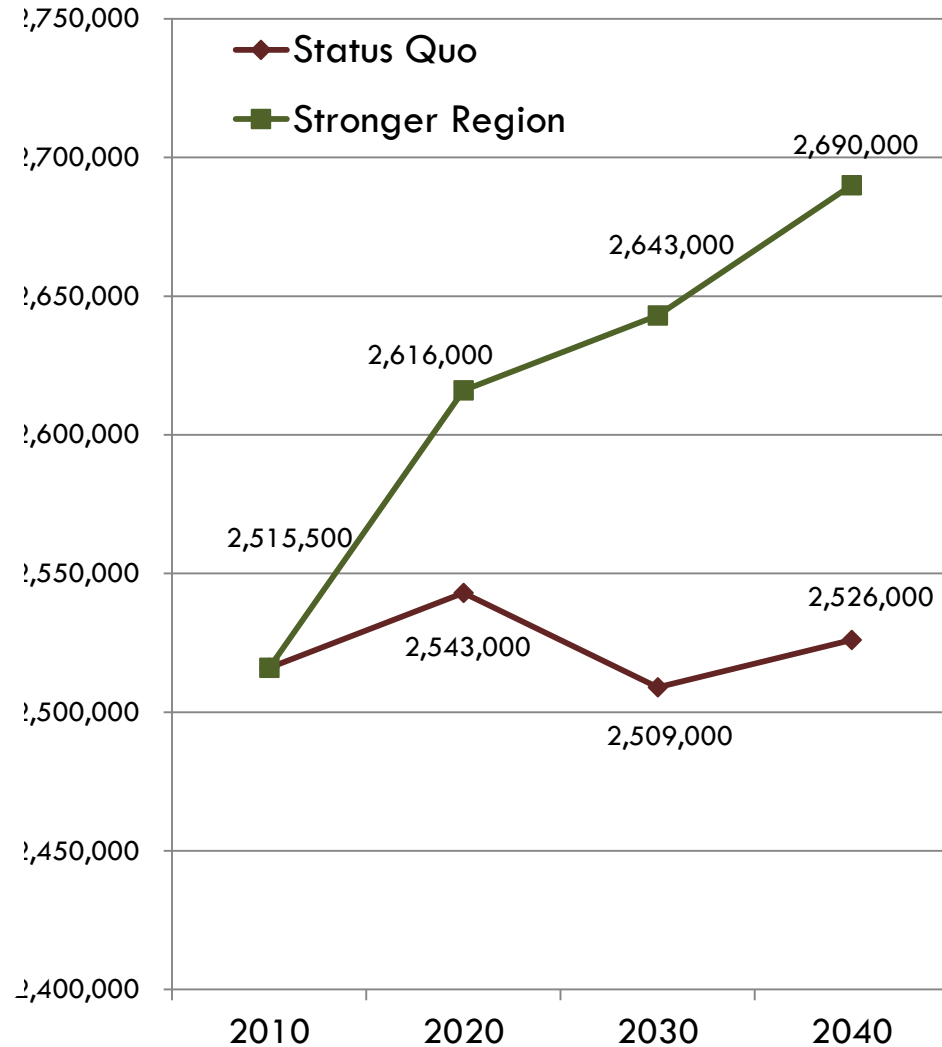
State is not producing
or importing enough
young workers to fill
vacant positions



A Stronger Region is Possible

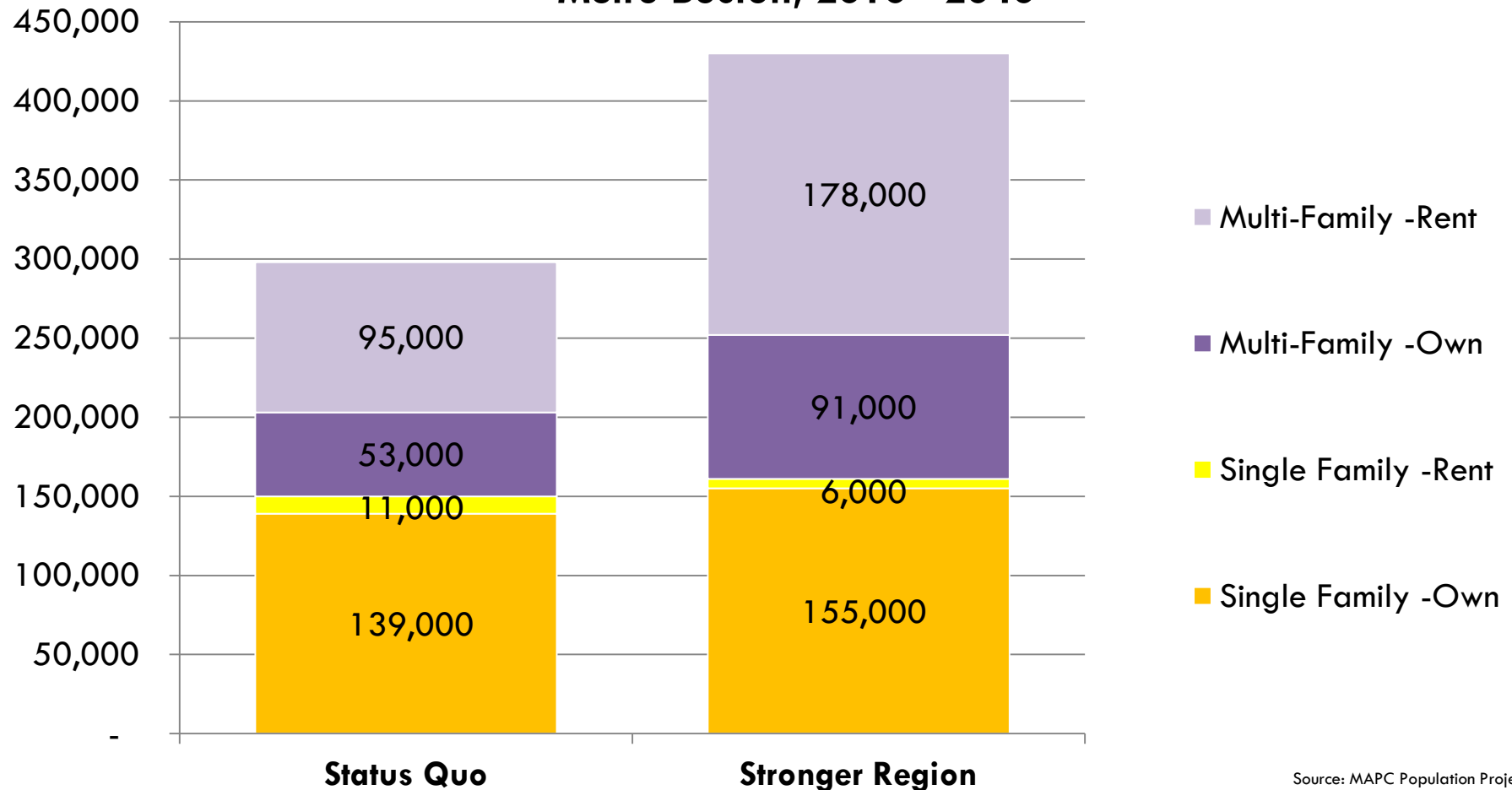
Net in-migration of
10,000 per year
=
+175,000 workers
by 2040
(7% increase)

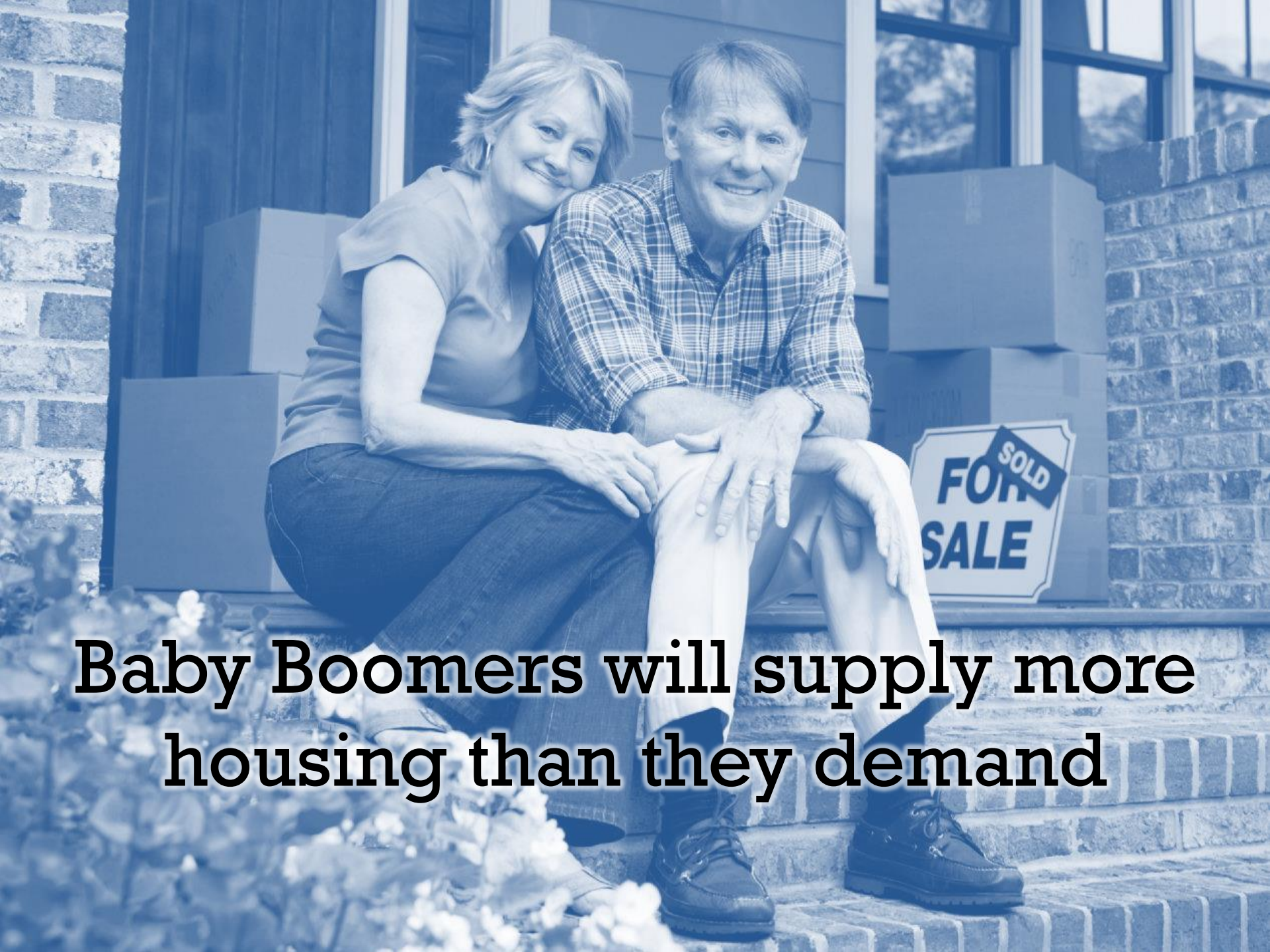
Population in the Labor Force,
Metro Boston, 2010 - 2040,
Status Quo vs. Stronger Region



Long-term economic growth requires 435,000 new units in Metro Boston, ~500,000 units statewide, by 2040

Total Net Housing Demand, by Type,
Metro Boston, 2010 - 2040

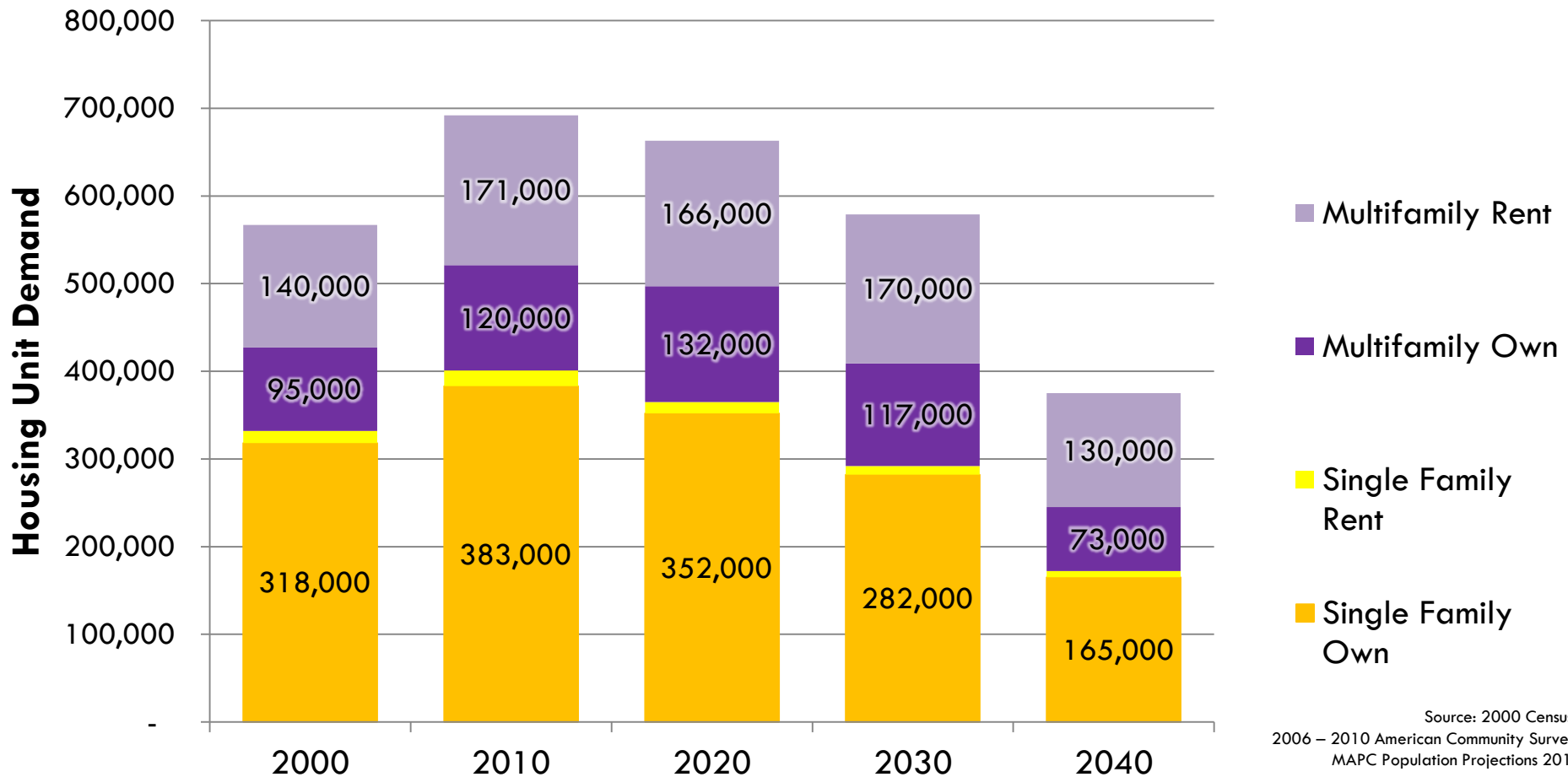




Baby Boomers will supply more housing than they demand

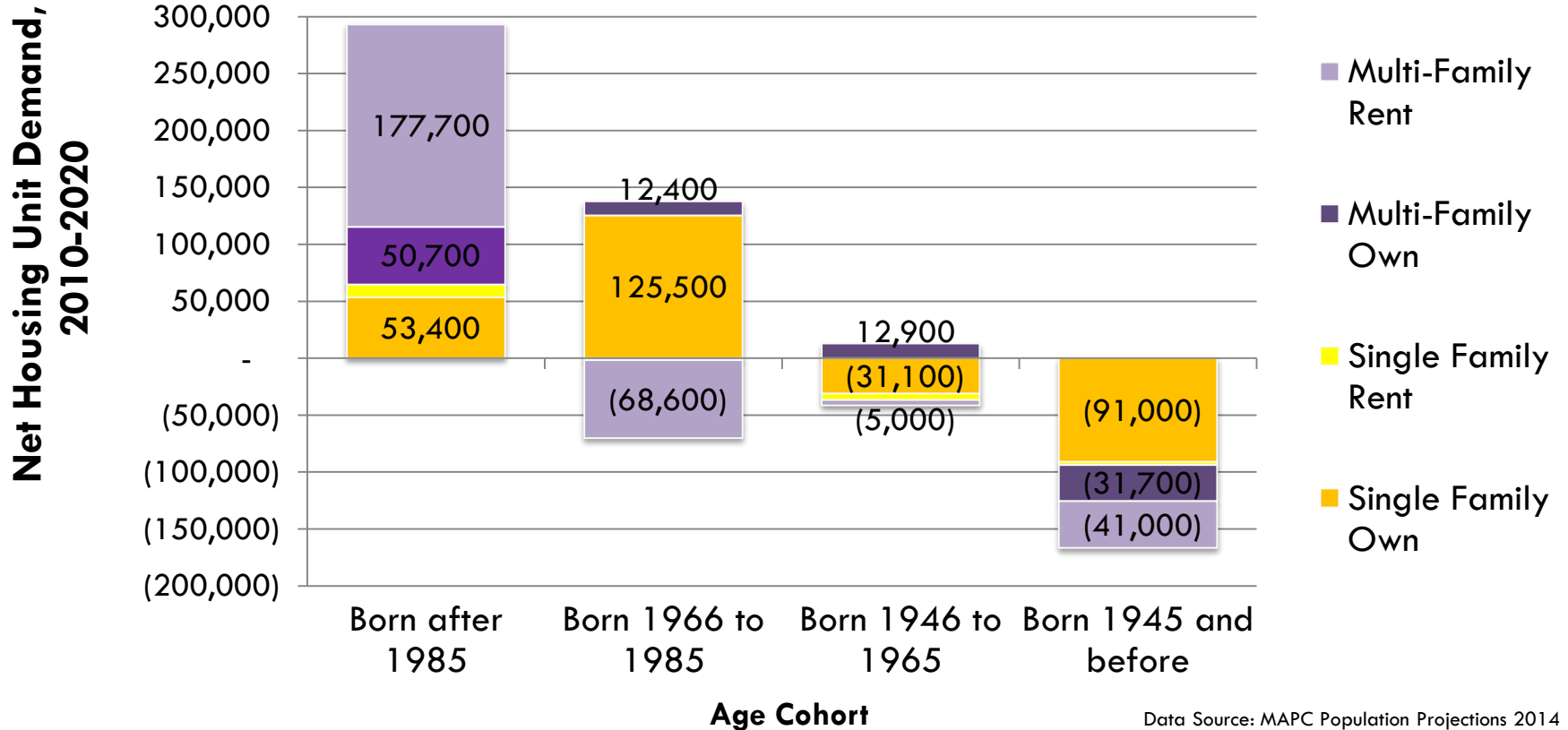
Baby Boomers are occupying as many housing units as they ever will

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

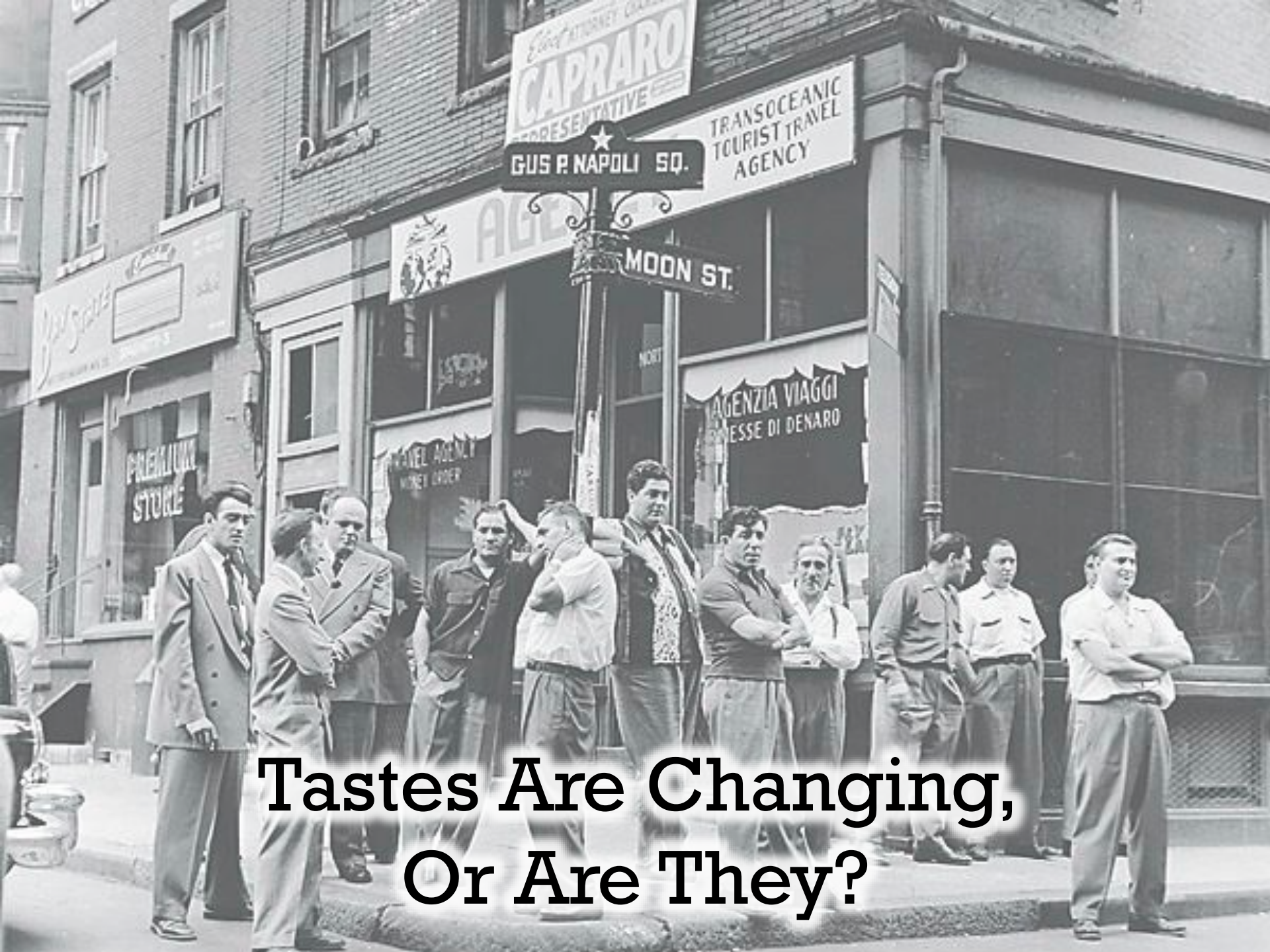


The coming single-family “senior sell-off”

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



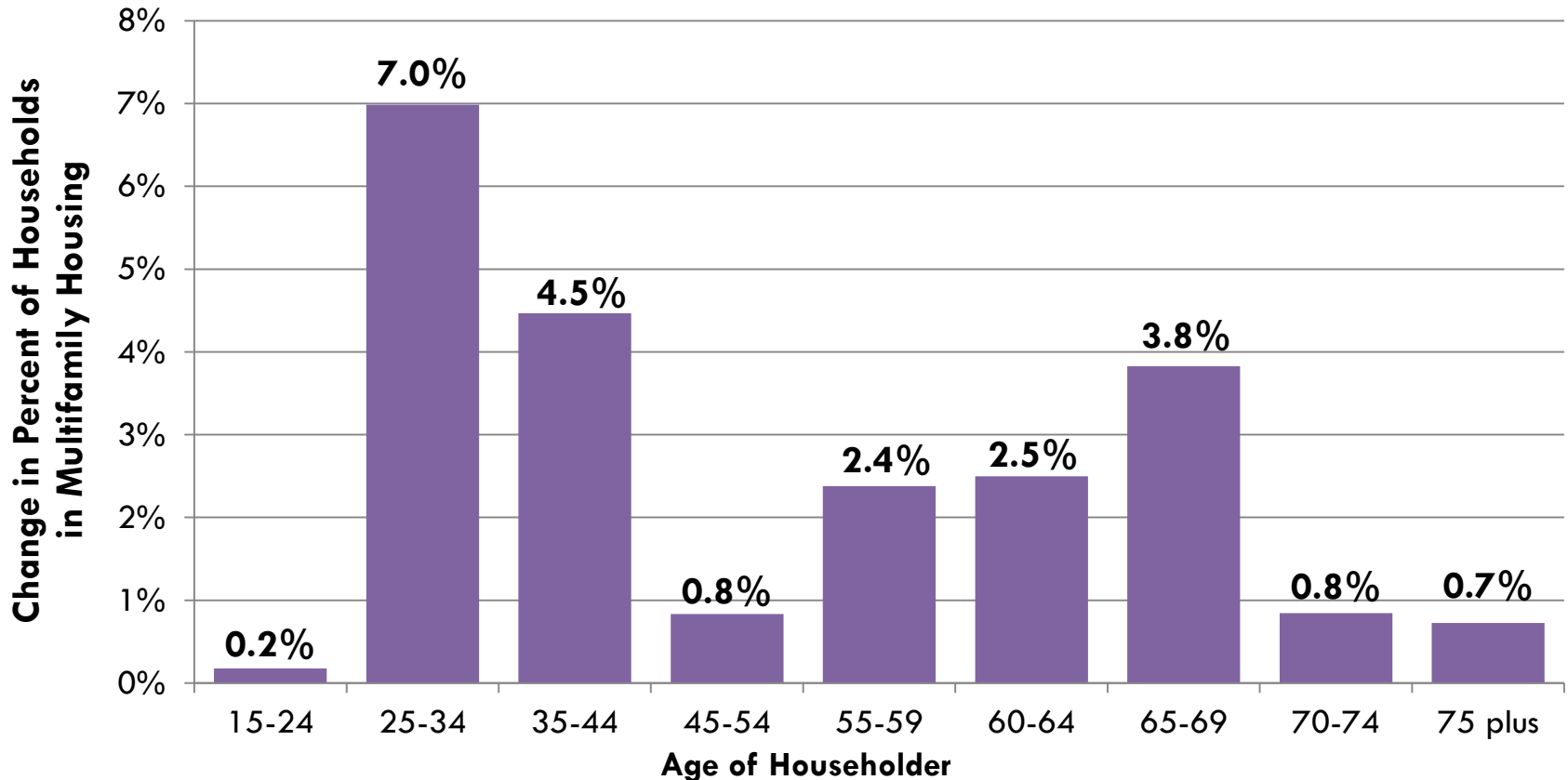
Puts **130,000** units back on the market by 2020,
supplies **72%** of demand for younger households



**Tastes Are Changing,
Or Are They?**

Multifamily Occupancy is Growing

Change in Multifamily Occupancy Rates,
2000 to 2010, Metro Boston



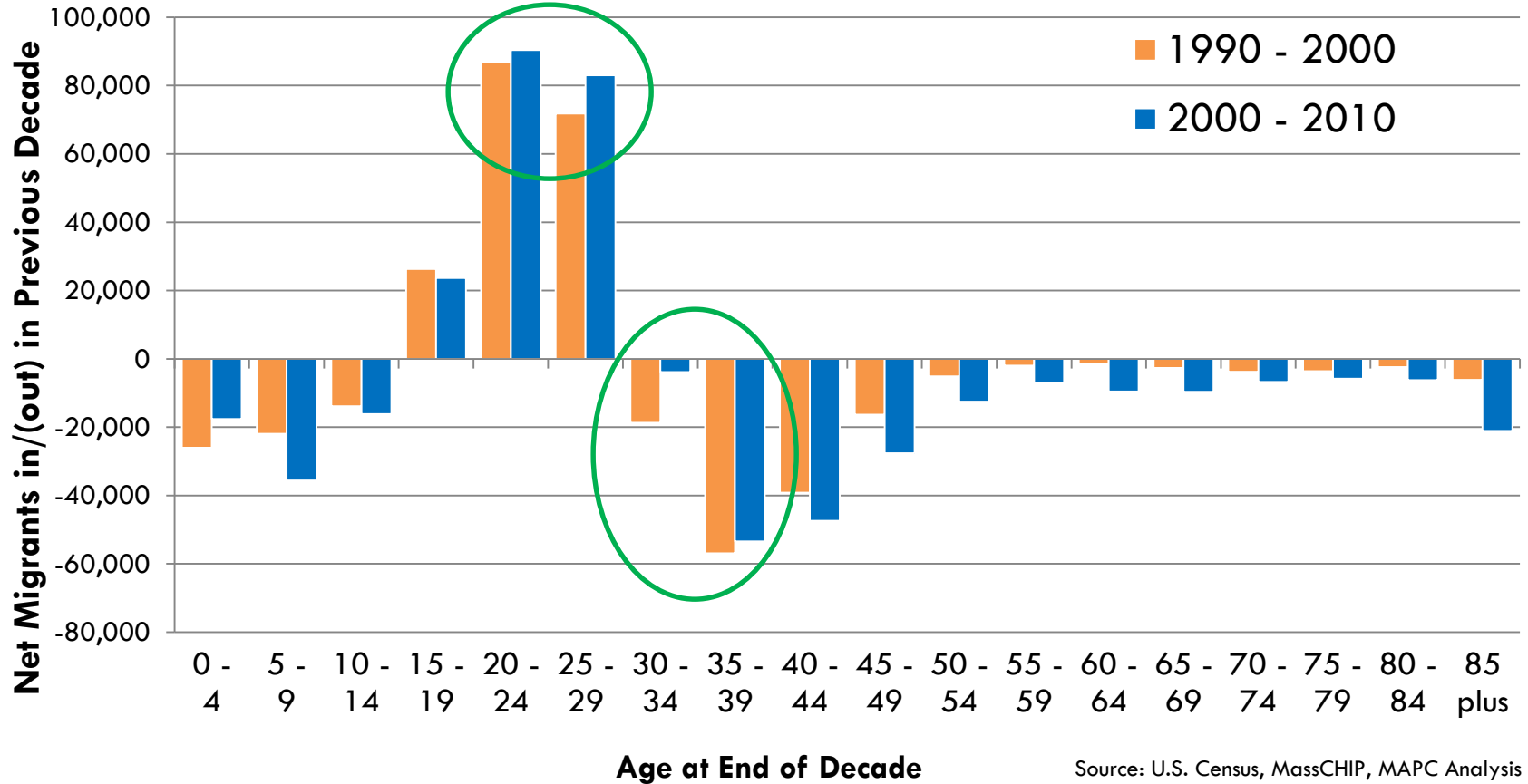
Multifamily occupancy increased for all age groups

Steepest increases among Millennials and Baby Boomers

An Urban Resurgence is Underway

Urban municipalities attracted/retained 30,000 additional residents as compared to the 1990s

**Net Migration by Age,
1990s and 2000s, Inner Core and Regional Urban Centers**

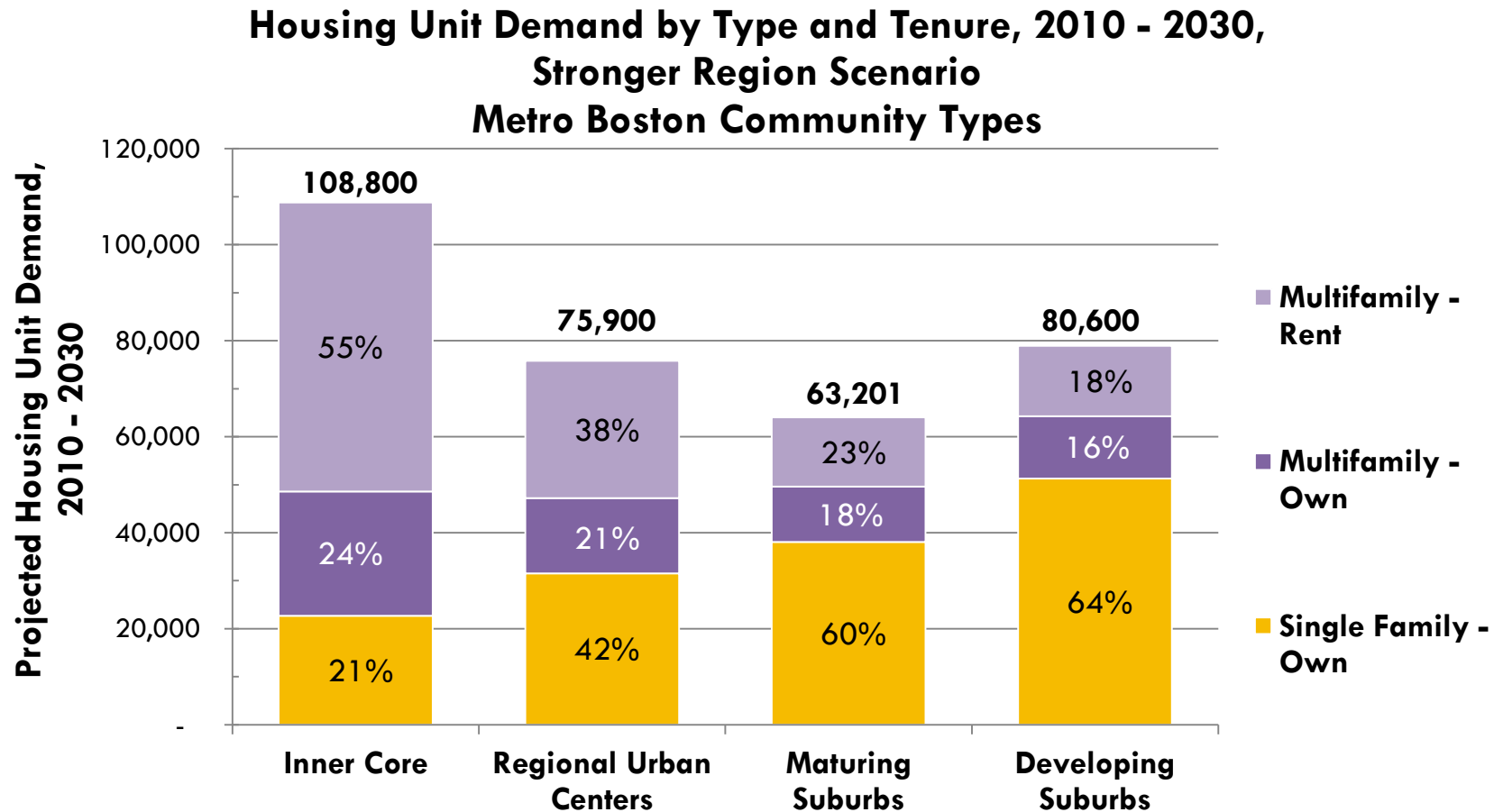


A New Landscape of Housing Demand

Metro Boston will need 435,000 new units by 2040

Most housing demand will be in urban communities

Two-thirds of demand will be for multifamily

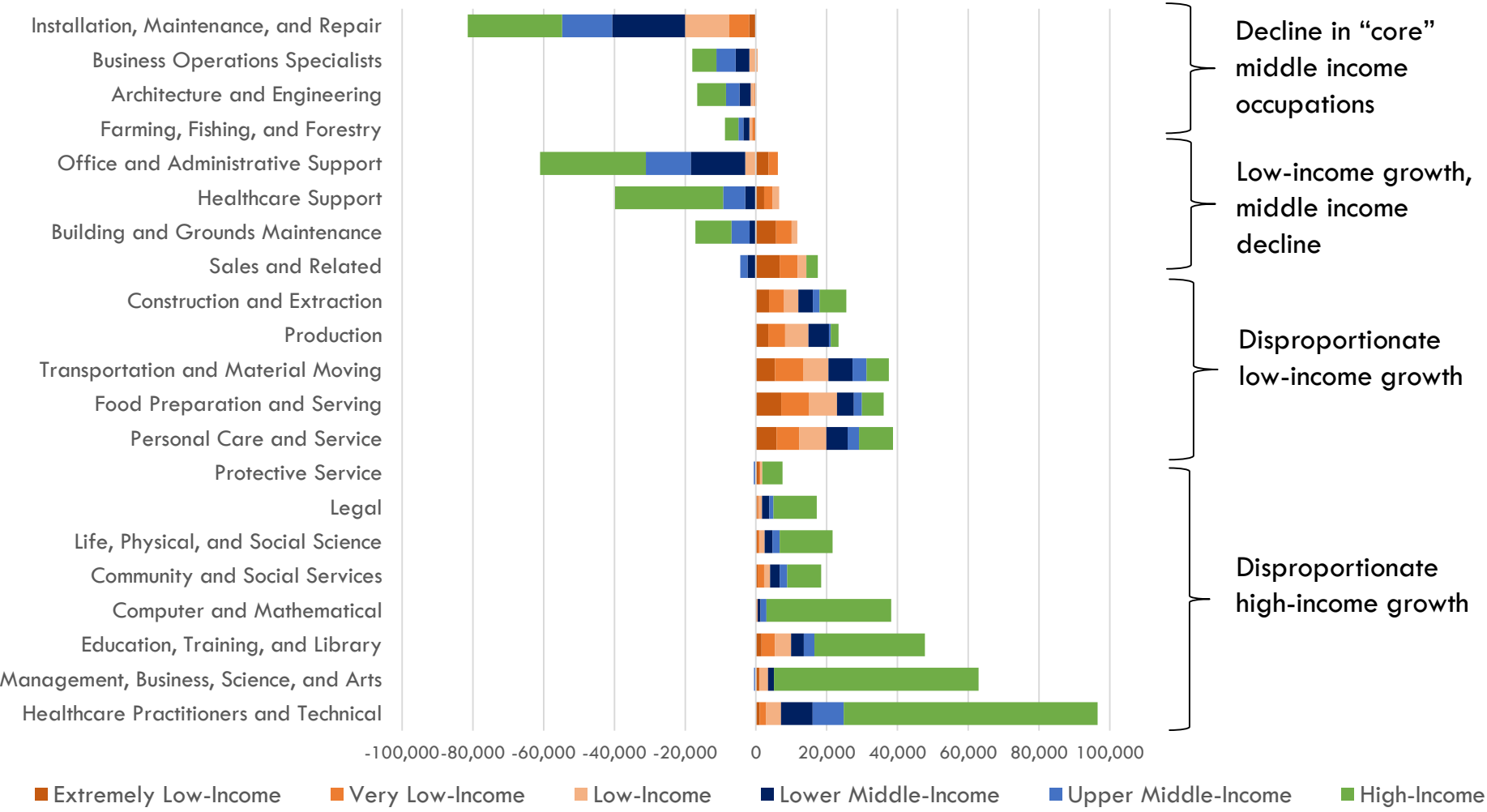




It's not just a housing problem

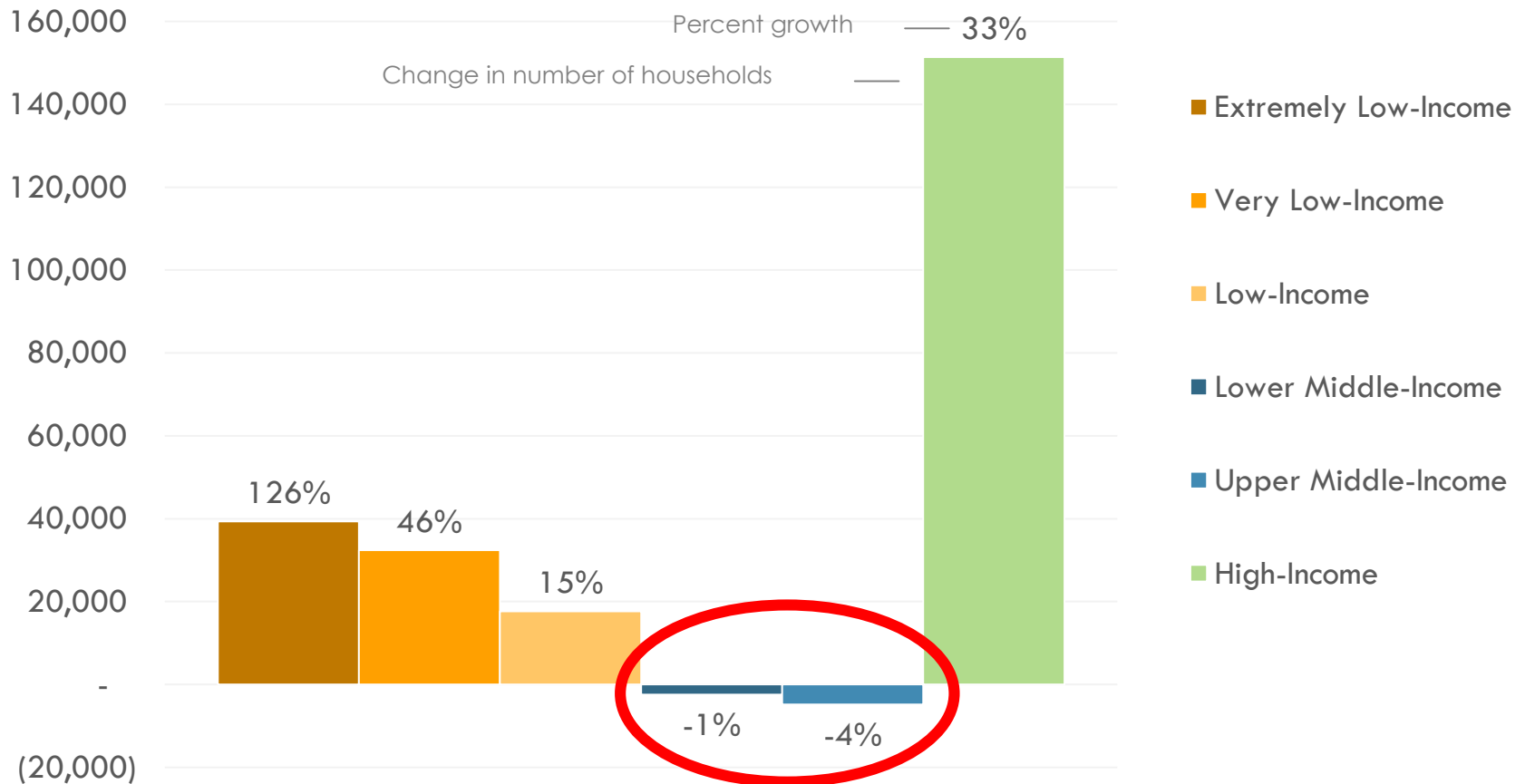
25 years of wage polarization

Occupational Group Change by Household Income Category;
Metro Boston, 1990 to 2014



The Incredible Shrinking Middle Class

Working Households by Income Category
Metro Boston, 1990 - 2014



Middle-Income Working Households down 3%

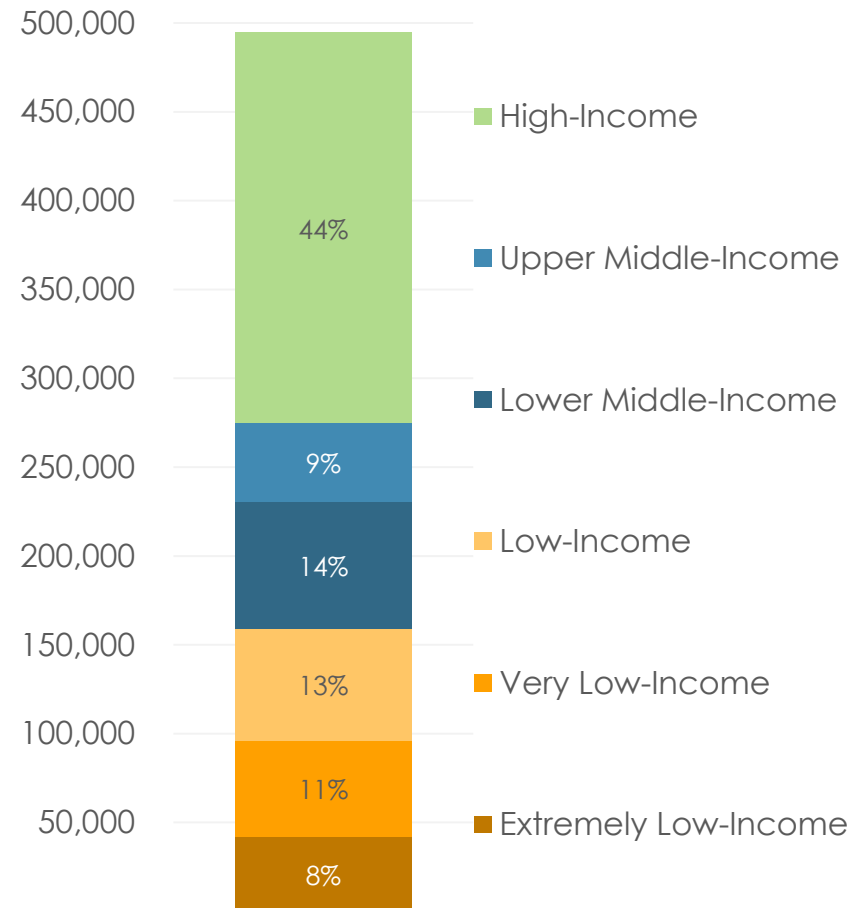
Projected New Worker Households

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





Housing production is an economic imperative for
Massachusetts and its communities

The calculus for assessing the impacts of housing
production is changing radically and rapidly

Boomer downsizing satisfies only a portion of
demand created by younger households

Long-term trends will drive continued demand
for urban & multifamily housing

Sustainable solutions to the affordable housing
crisis require economic policy interventions

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