

We're Not as Young as We Used to Be

Observations and Projections
of Demographics and Housing
in Metro Boston



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Metropolitan Area Planning Council

Chapter 40B:

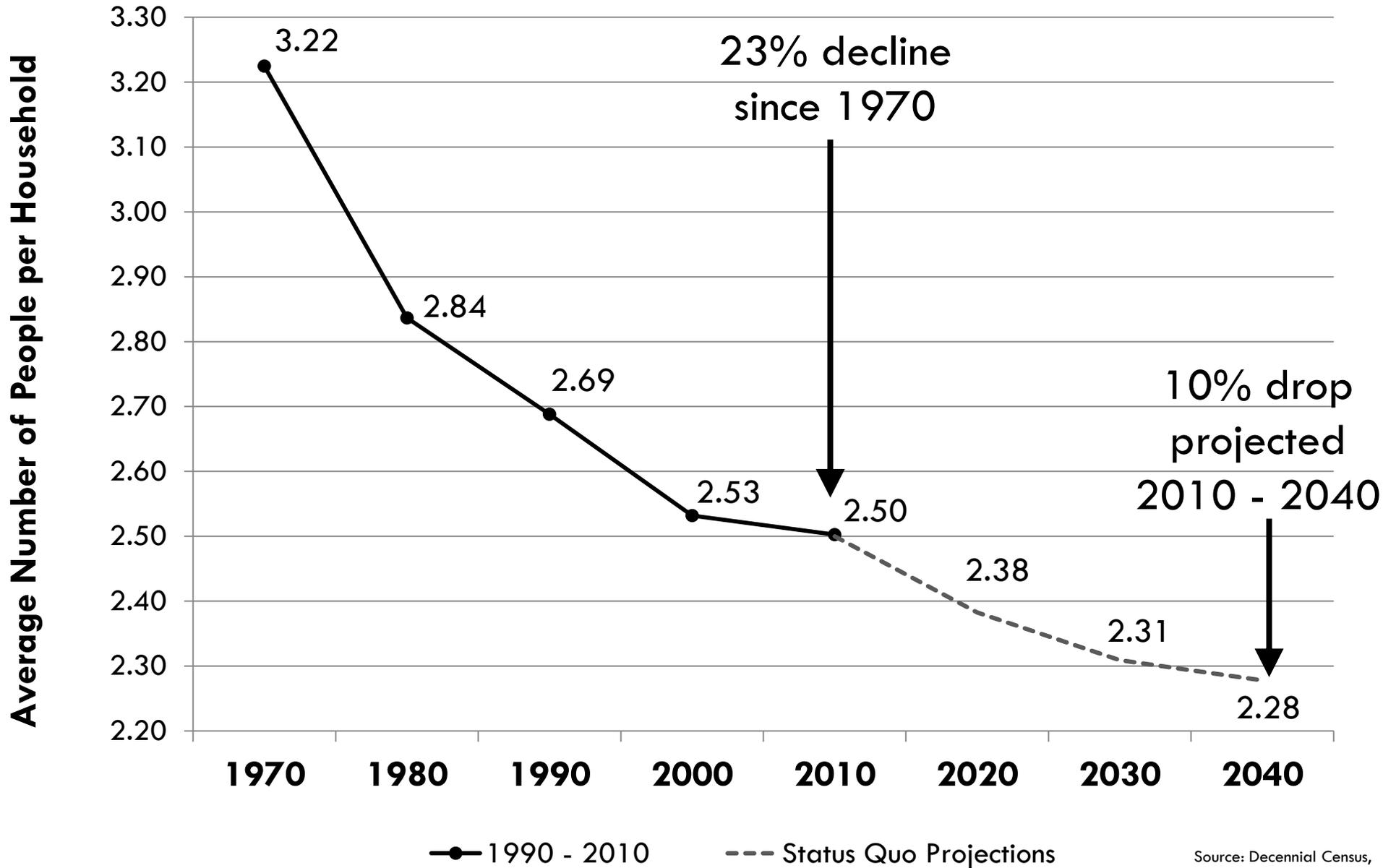
Hot Topics in a Hot Market

October 2, 2015

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



Average Household Size, Metro Boston, 1970 - 2040



Mary's Household

2000 - 2040



**2000,
age 45**



**2010,
age 55**



**2020,
age 65**



**2040,
age 85**

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

2010

250 people =

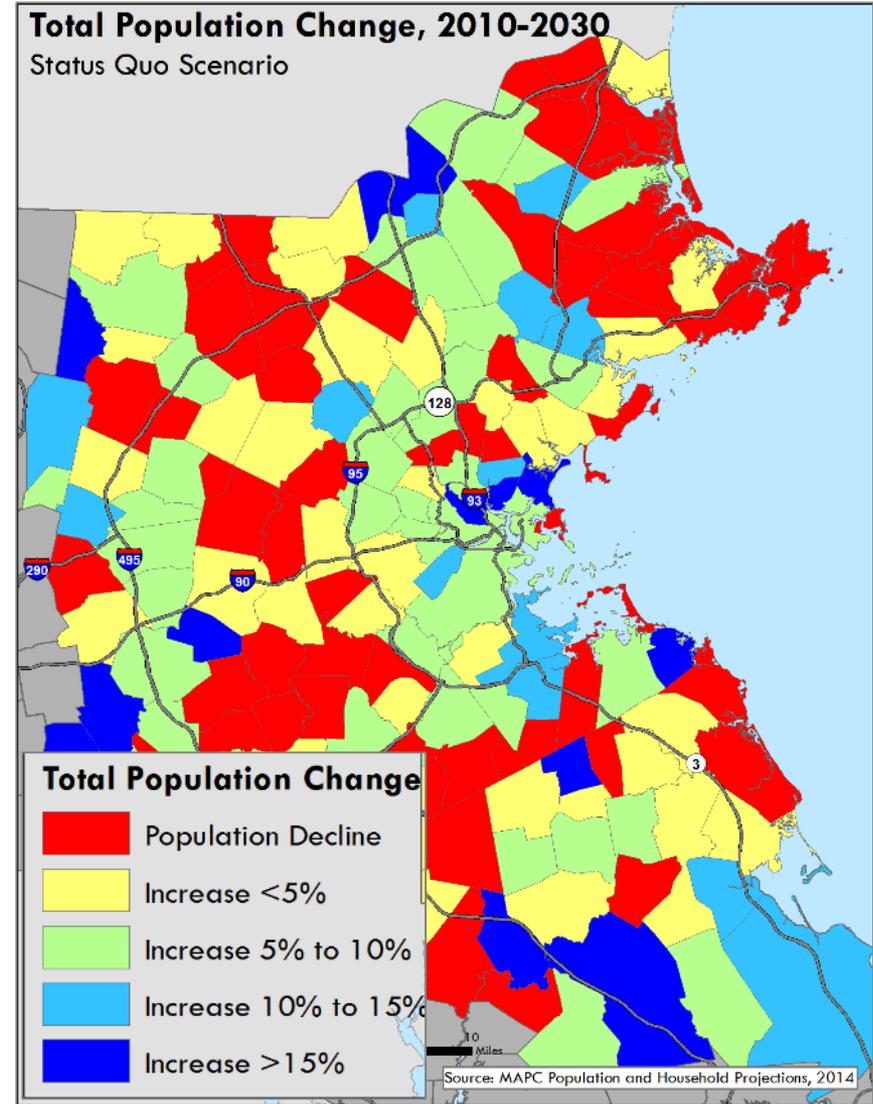
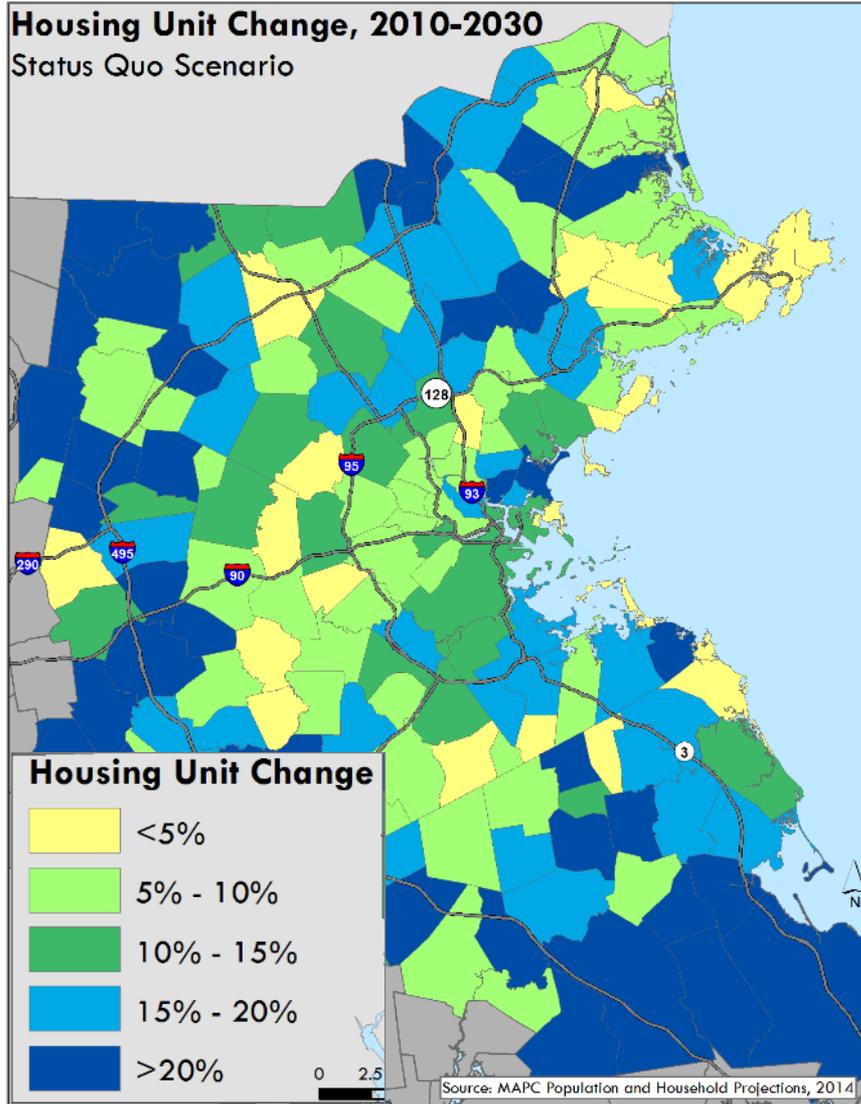


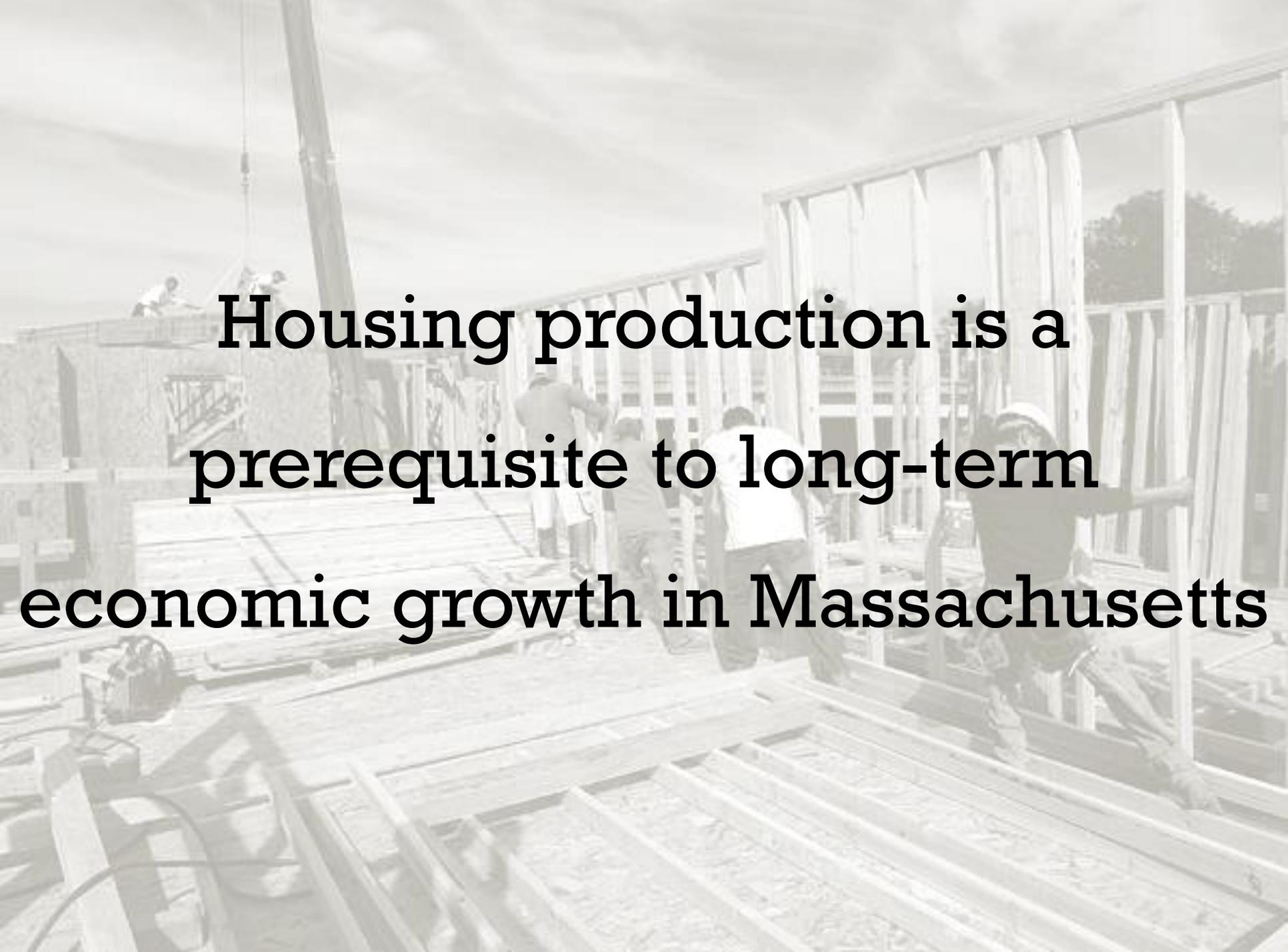
2040

250 people =



Dozens of communities may see housing growth + population decline



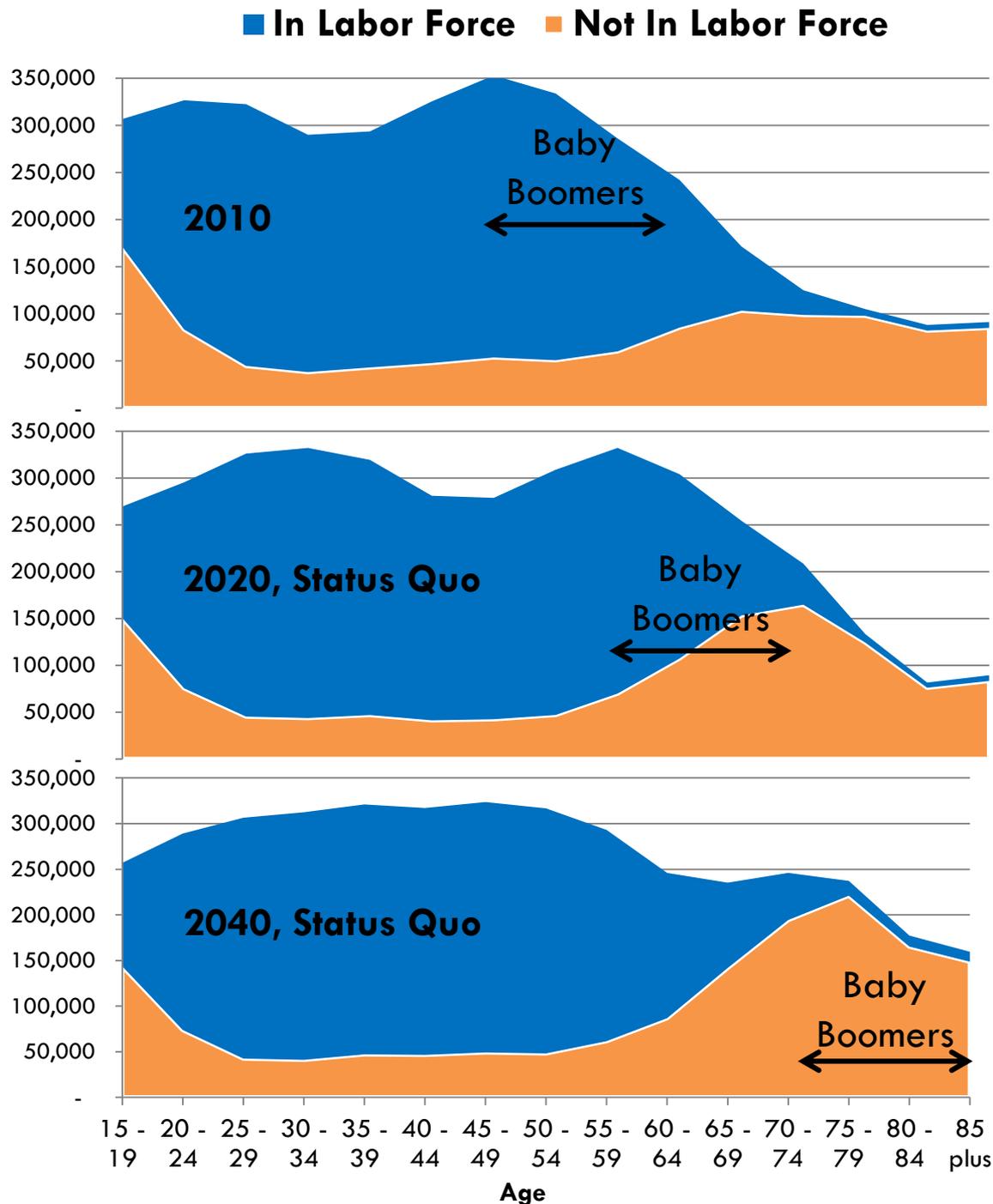


Housing production is a prerequisite to long-term economic growth in Massachusetts

Baby Boomers
comprise 49% of
labor force

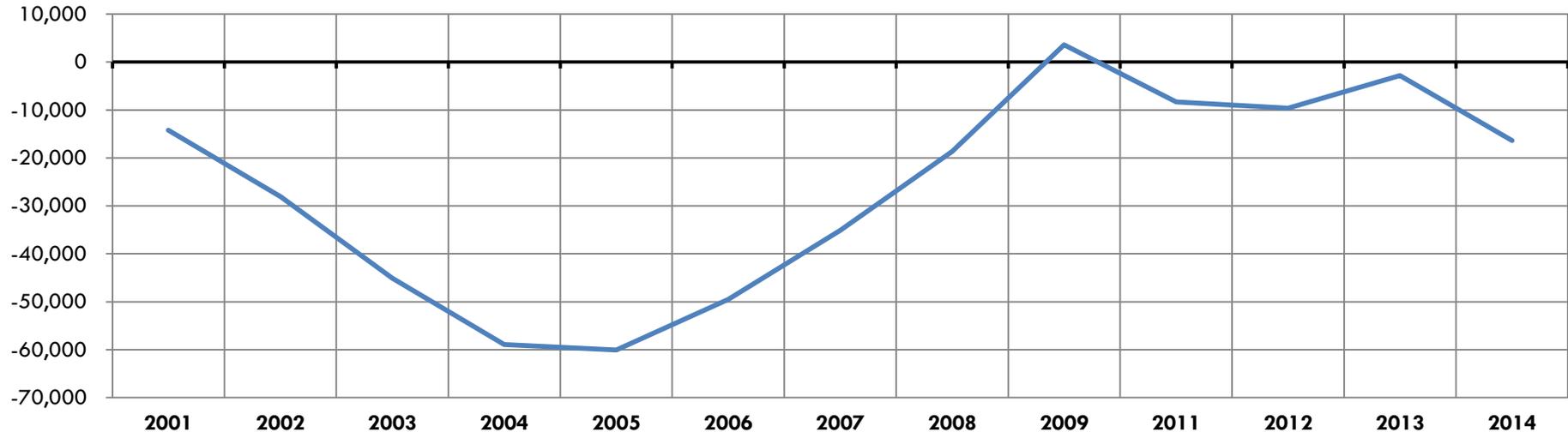
One million workers
born before 1970
will retire by 2030
(39% of labor force)

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



Migration Rates are Improving

Massachusetts Net Domestic Migration, 2001 - 2013



Source: U.S. Census Bureau, Population Division,
Estimates of the Components of Resident Population Change

Shorter recession, quicker recovery than rest of nation

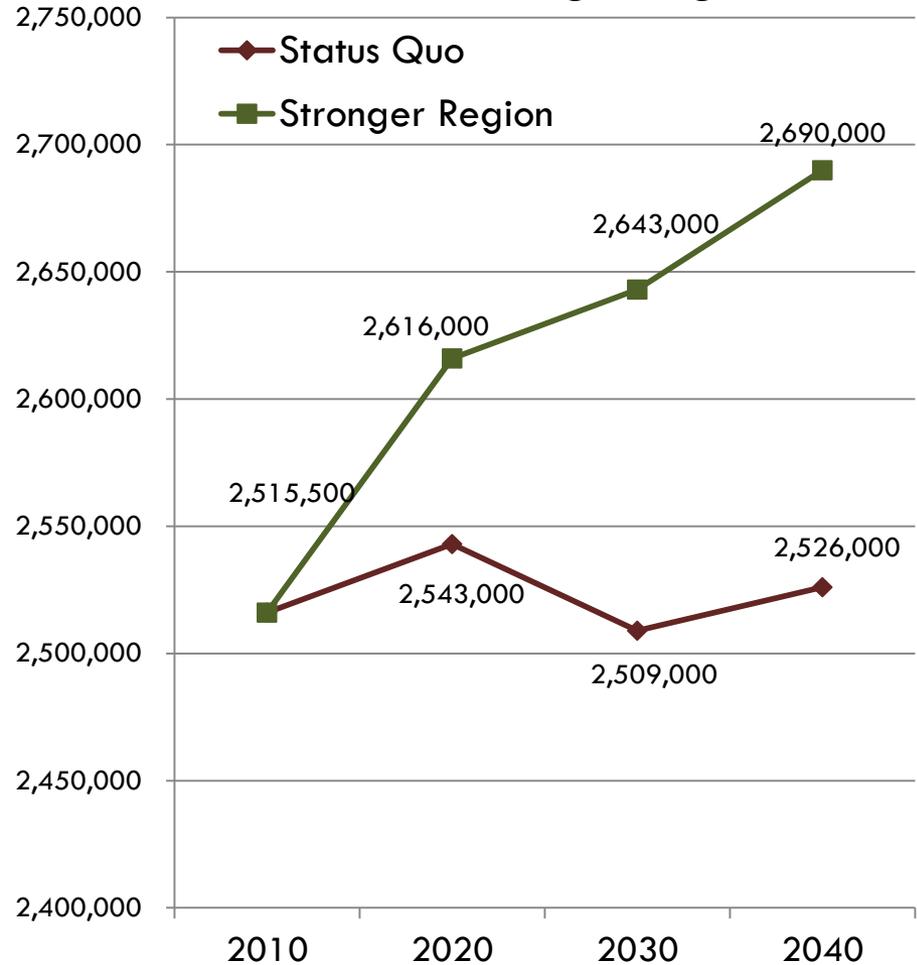
Progressive state housing and growth policies

Positive net migration during the late 2000s

A Stronger Region is Possible

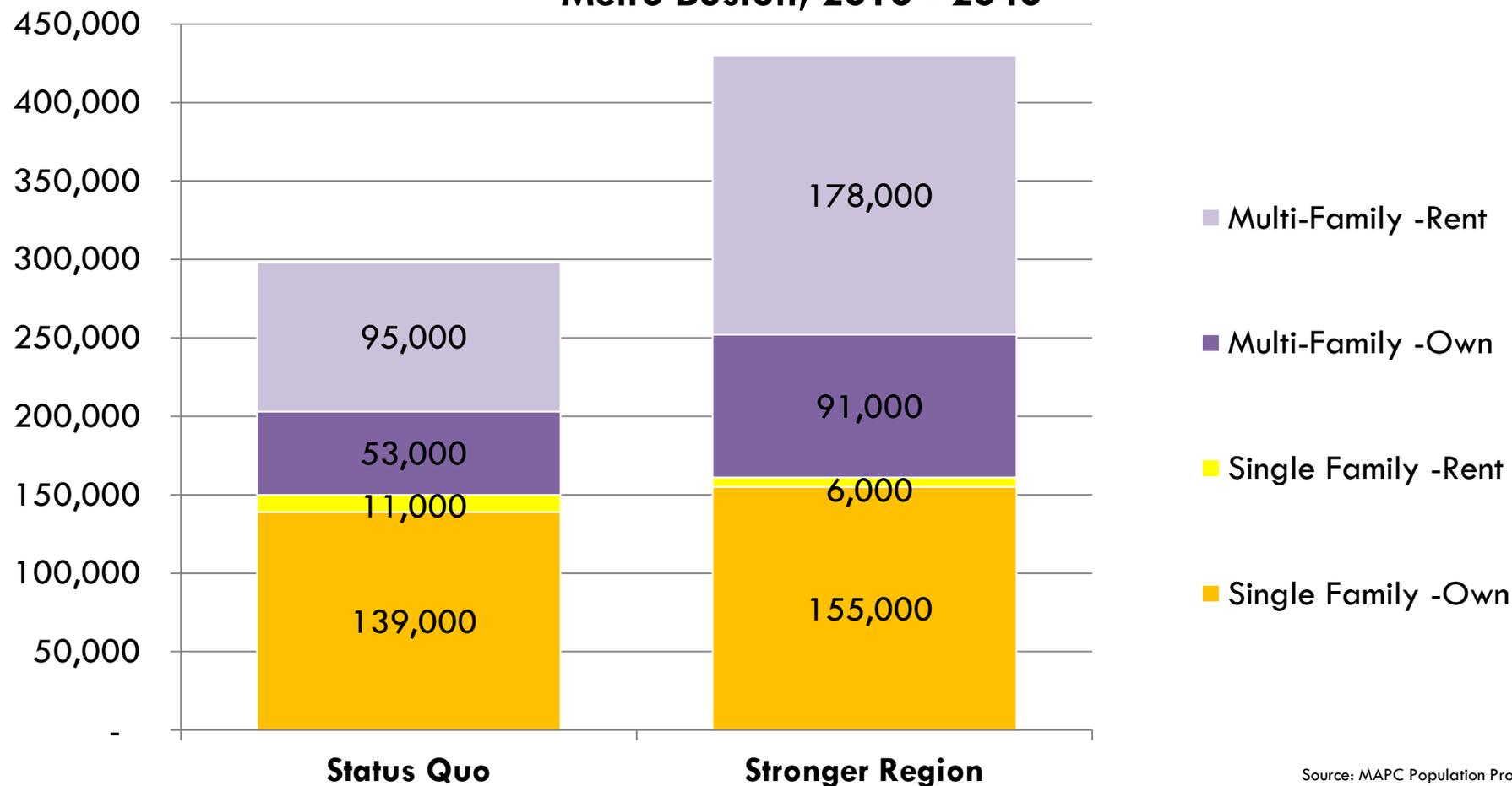
Positive in-migration
of 10,000 per year
adds 175,000
workers to the labor
force by 2040
(a 7% increase)

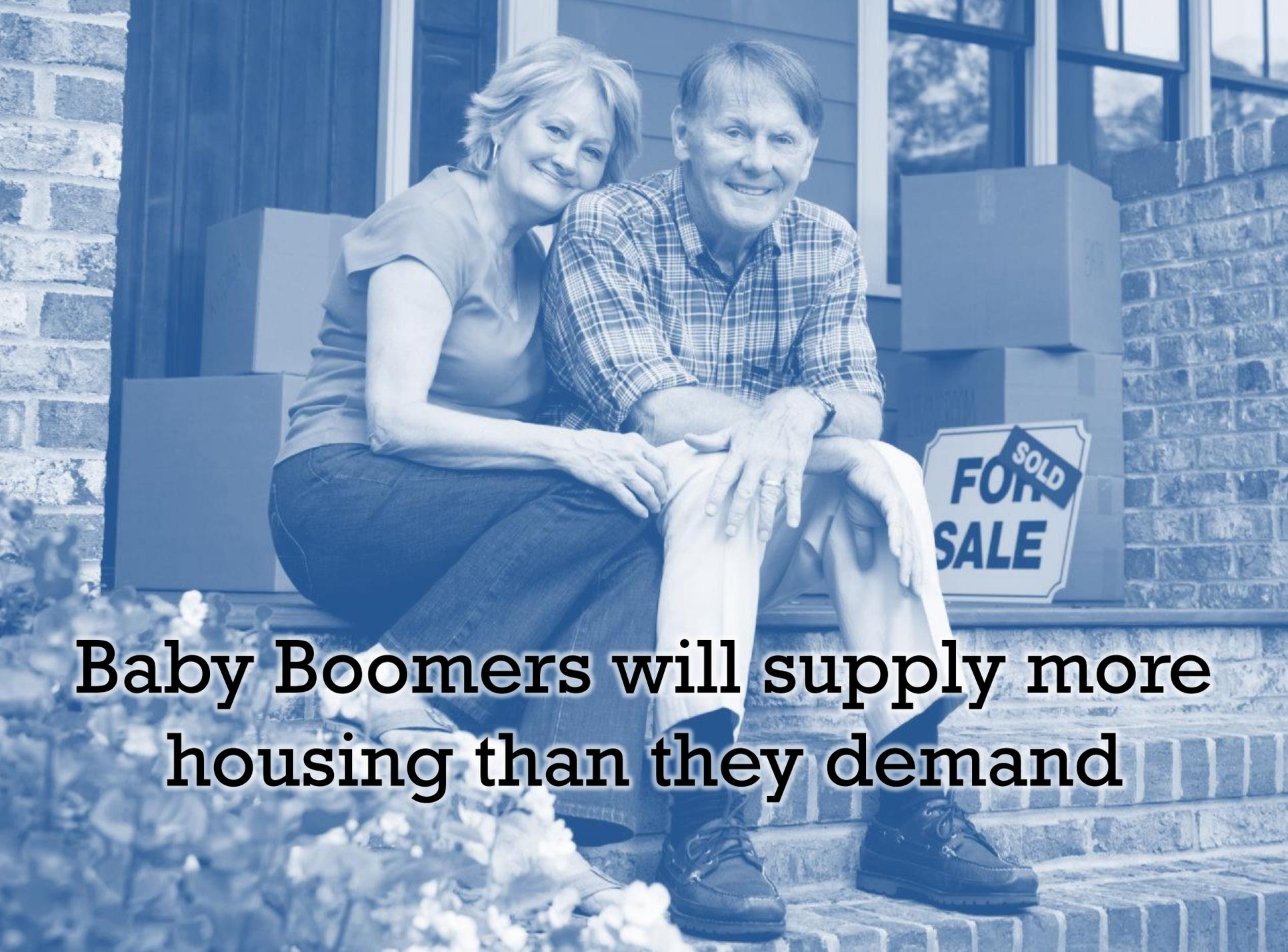
Population in the Labor Force,
Metro Boston, 2010 - 2040,
Status Quo vs. Stronger Region



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

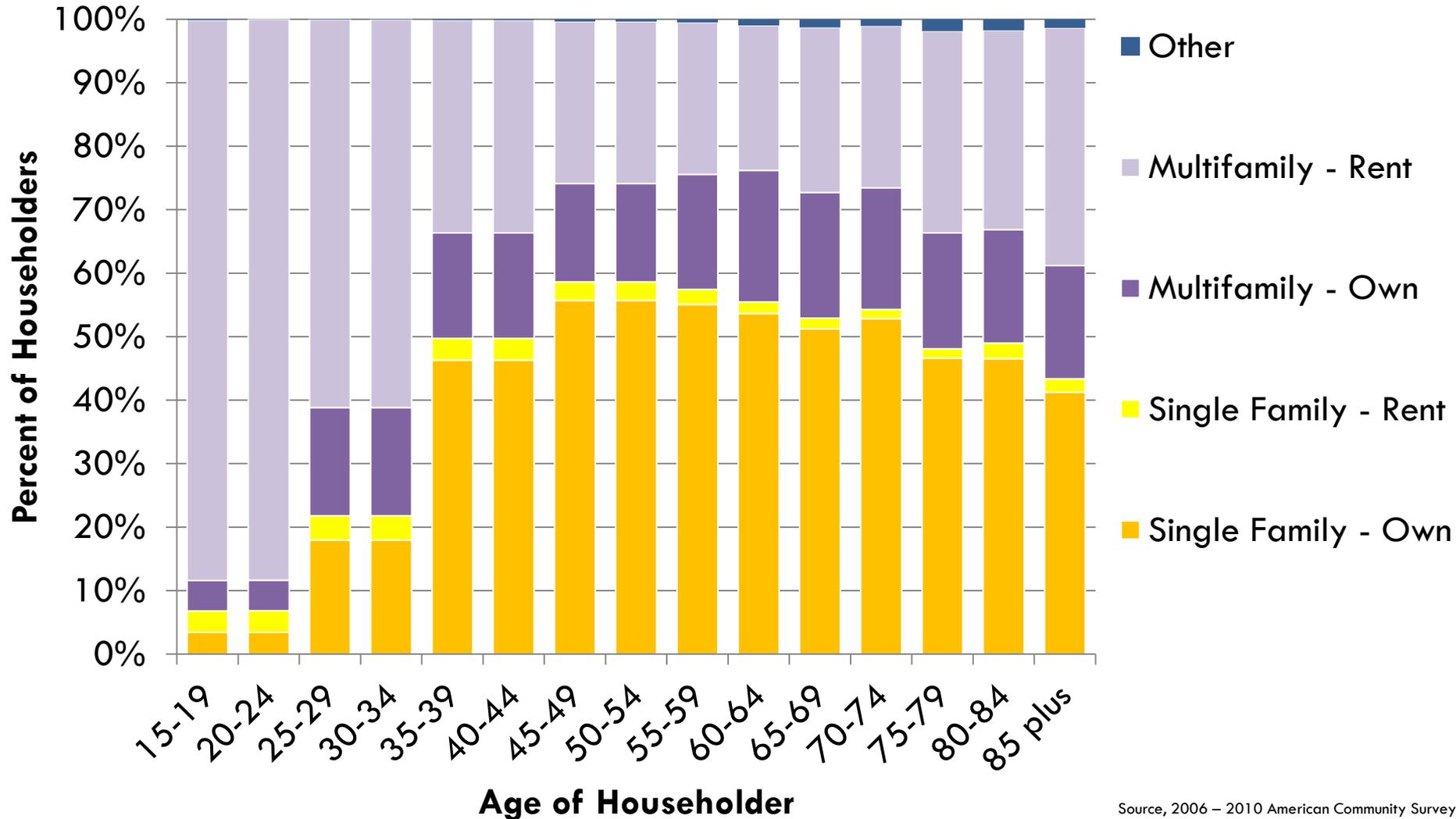




Baby Boomers will supply more housing than they demand

Single-family occupancy rates peak at 55

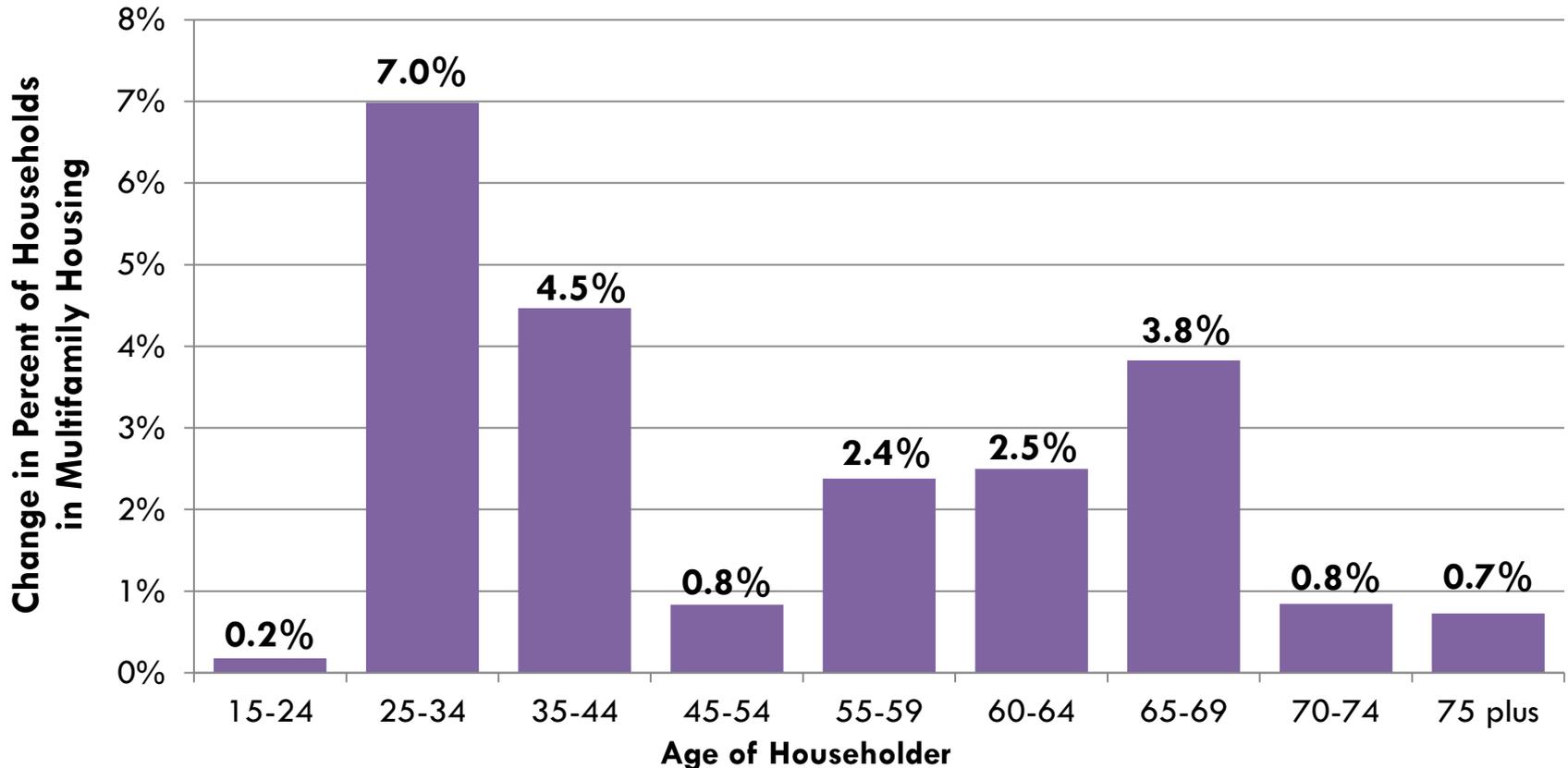
Housing Occupancy by Age, Housing Type, and Tenure, 2010, Metro Boston



Source, 2006 – 2010 American Community Survey

Multifamily Occupancy is Growing

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

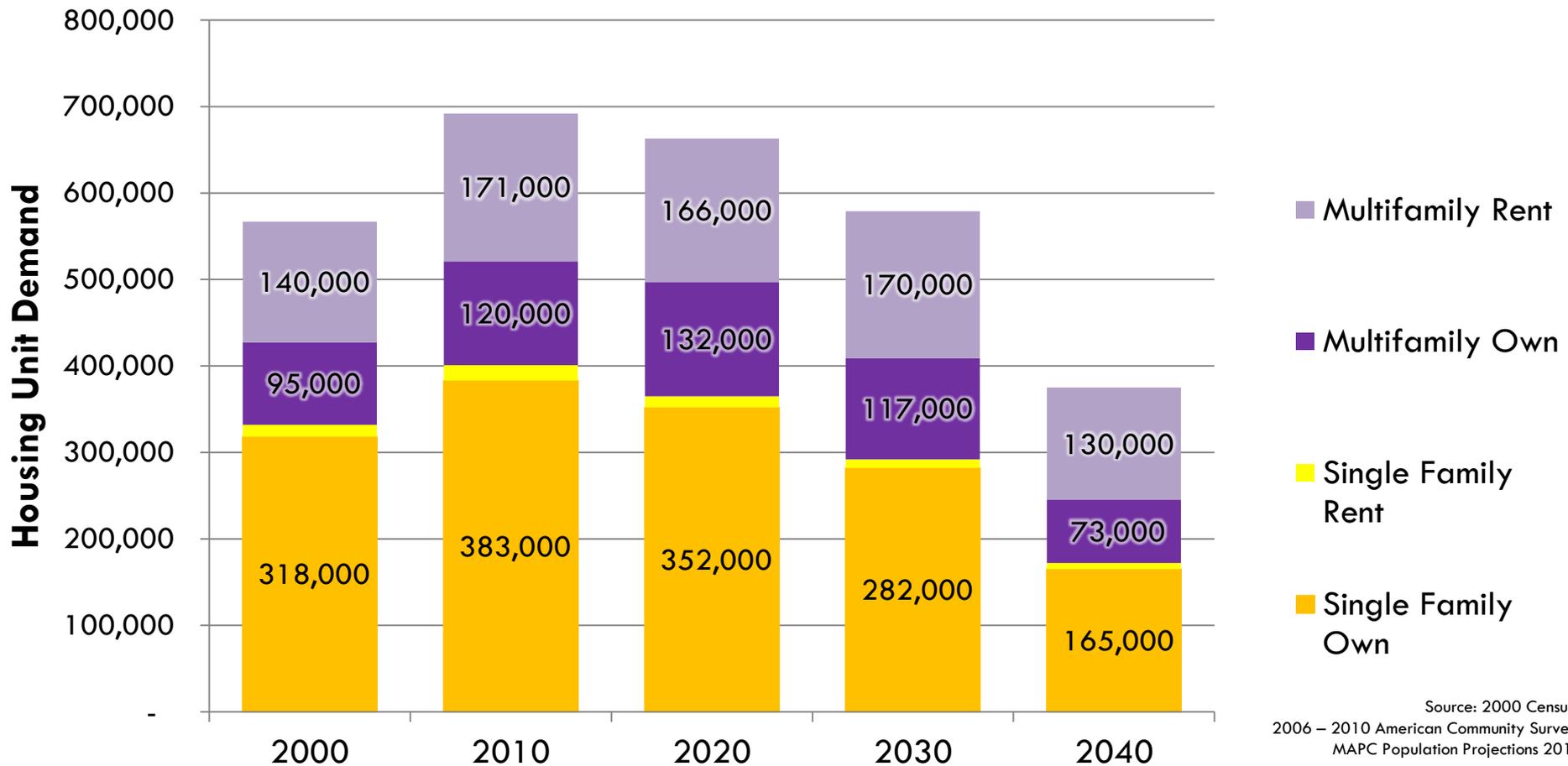


Multifamily occupancy increased for all age groups

Steepest increases among Millennials and Baby Boomers

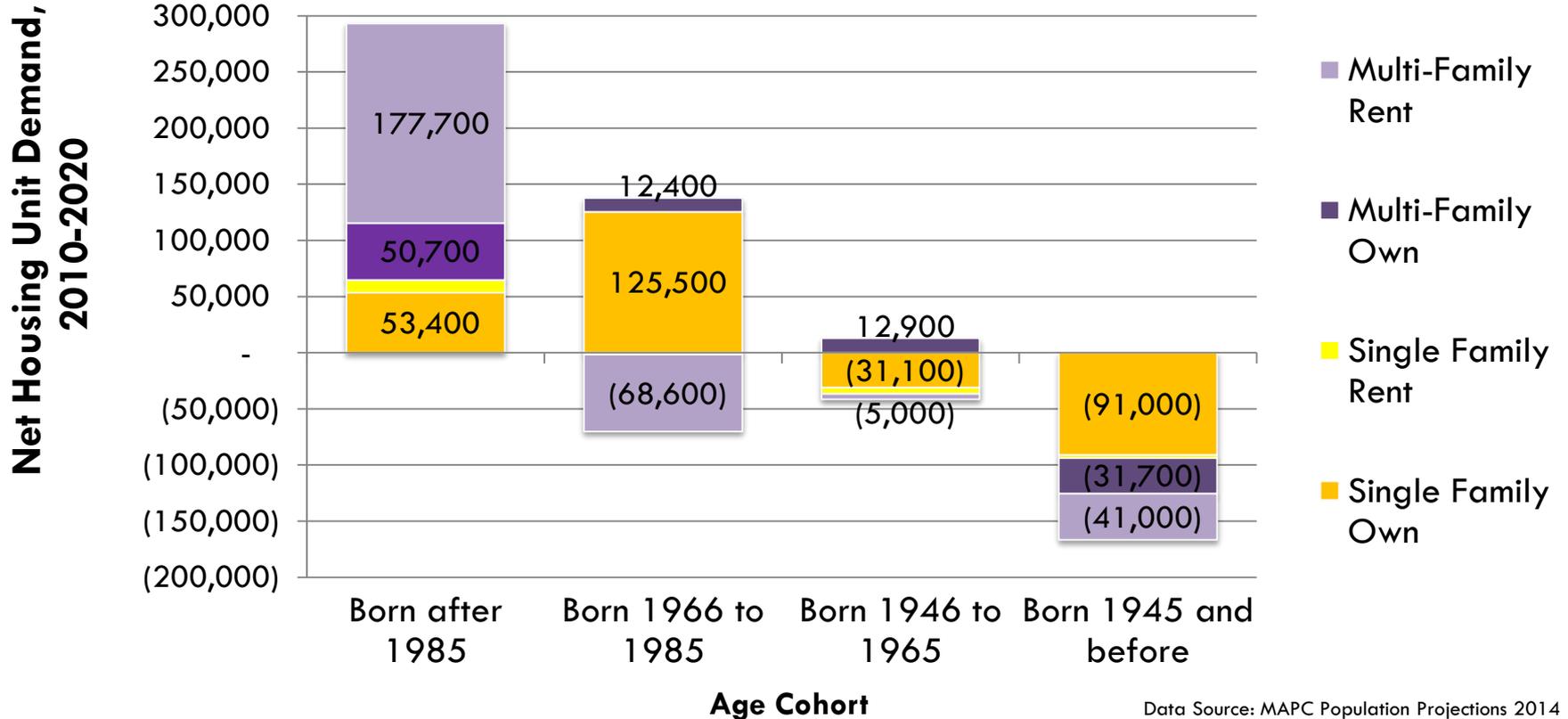
Baby Boomers are occupying as many housing units as they ever will

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



The coming single-family “senior sell-off”

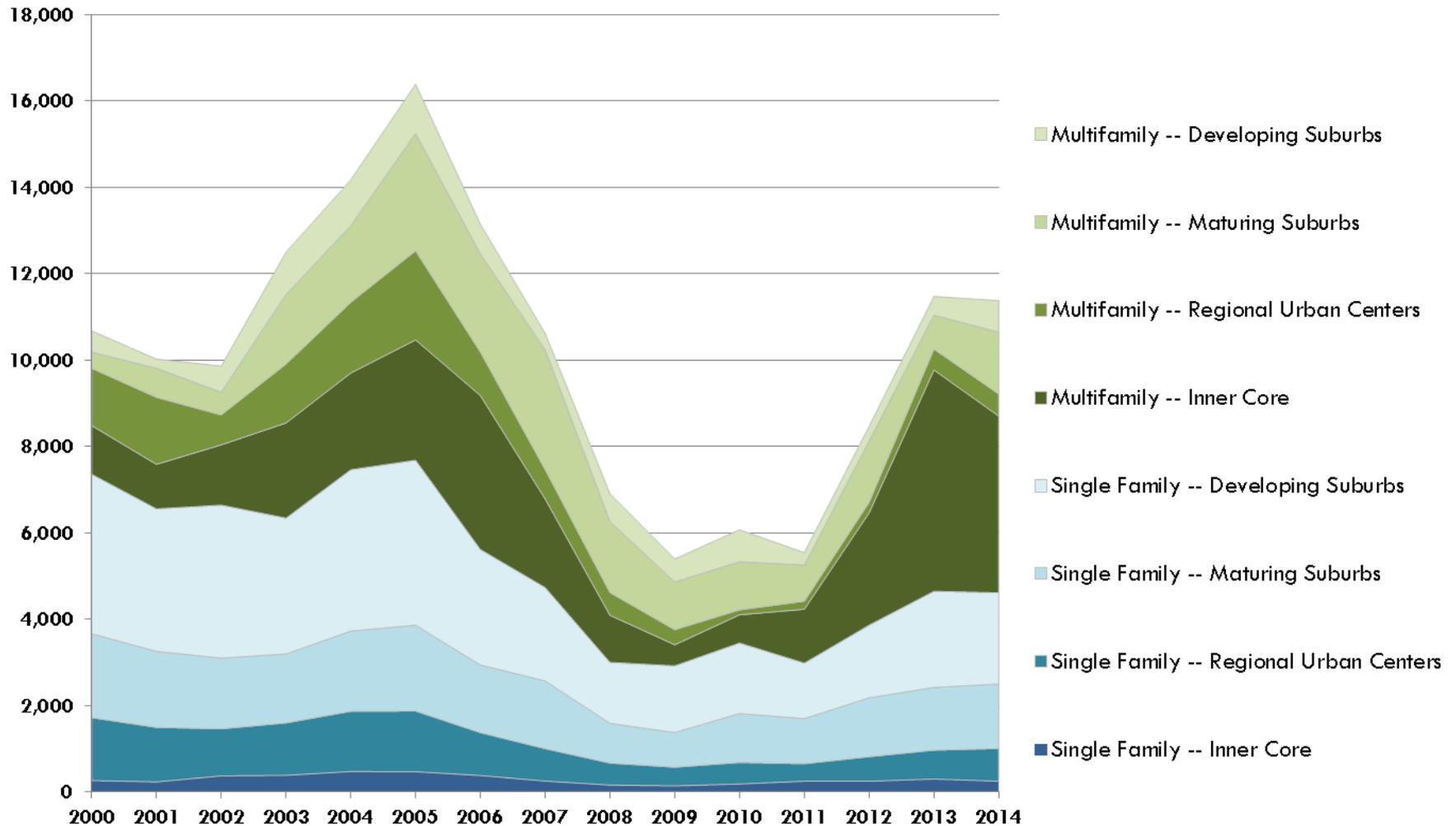
Net Housing Unit Demand by Cohort,
Metro Boston, 2010-2020, Stronger Region

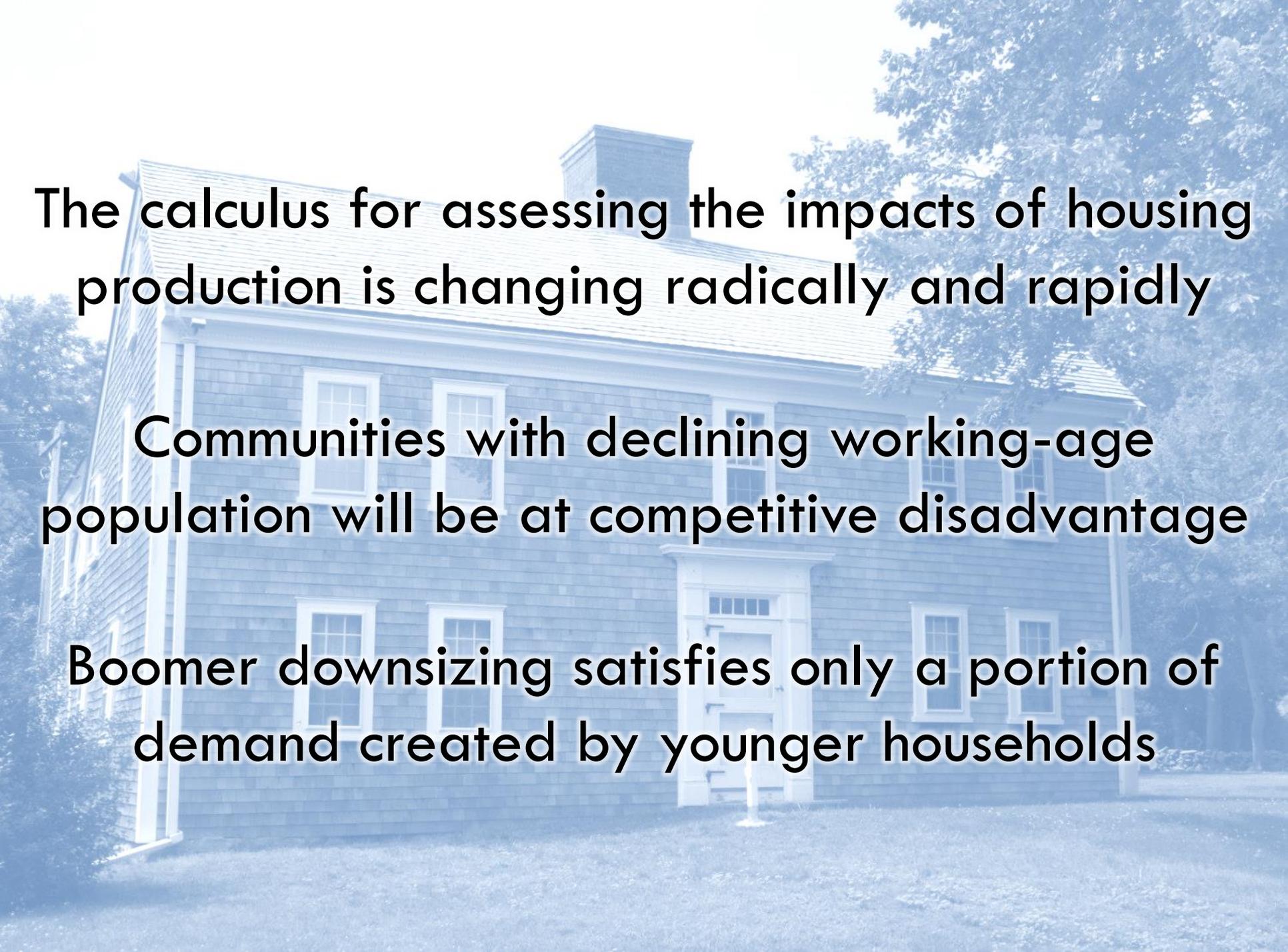


Puts **130,000** units back on the market by 2020,
supplies **72%** of demand for younger households

It's a New Market Out There

Housing Units Permitted, by Housing Type and Community Type, 2000 - 2014, Metro Boston



A large, two-story house with a chimney, overlaid with a blue tint and text. The house has a gabled roof and a central chimney. The text is overlaid on the house in a bold, black font.

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

Communities with declining working-age population will be at competitive disadvantage

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

Ride the Wave!

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www.mapc.org/projections

www.housing.ma