

TOWN OF NEEDHAM DEMOGRAPHIC, ECONOMIC AND HOUSING PROFILES



Needham Department of Planning and Community Development
Lee Newman, Director
Karen Sunnarborg, Housing Specialist

March 2019

TOWN OF NEEDHAM DEMOGRAPHIC, ECONOMIC AND HOUSING PROFILES

Table of Contents

		Page
A	Demographic and Economic Profile	1
1	Population Growth	1
2	Race	3
3	Age Distribution	3
4	Households	12
B	Economic Profile	15
1	Income Distribution	15
2	Poverty Status	19
3	Employment	19
4	Education	21
5	Disability Status	21
6	Resident Mobility	22
C	Housing Profile	23
1	Housing Growth	23
2	Housing Occupancy	24
3	Types of Structures and Units	26
4	Housing Values	28
5	Affordability Analysis	35
6	Subsidized Housing Inventory	44

TOWN OF NEEDHAM

DEMOGRAPHIC, ECONOMIC AND HOUSING PROFILES

It is important to closely examine demographic and economic characteristics and trends, particularly past and future trends, in order to understand the composition of the population and how it relates to current and future housing needs. A profile describing housing growth and occupancy patterns as well as the current housing market dynamic is also provided, including an analysis of affordability based on different income levels and population groups.

A. DEMOGRAPHIC PROFILE

This section examines population growth in terms of changes in the age distribution and household types that predict impacts on local services and the housing market.

1. Population Growth – Growing population that is projected to stabilize with little or no new growth

As presented in Table 1 and Figure 1, Needham’s population increased substantially after World War II, more than doubling between 1940 and 1960, according to U.S. census data. The population climbed to 29,748 residents by 1970, and then dipped to 27,557 in 1990. It has rebounded since then to 28,886 residents in 2010 and 30,429 based on 2017 census estimates.

The Town census figure was 31,329 with an additional 1,156 inactive voters for a total of 32,485. The Town is required to keep these inactive voters on the census for two biennial state elections if they do not return a confirmation notice. The disparity between the federal and local figures is largely because the federal census counts students as living at their colleges and universities while the Town counts students as living at the home of their parents. The projections noted in this analysis adopt the federal census approach.

Table 1: Population Change, 1930 to 2018

Year	Total Population	Change in Number of Residents	Percentage Change
1930	10,845	--	--
1940	12,445	1,600	14.8%
1950	16,313	3,868	31.1%
1960	25,793	9,480	58.1%
1970	29,748	3,955	15.3%
1980	27,901	-1,847	-6.2%
1990	27,557	-344	-1.2%
2000	28,478	921	3.3%
2010	28,886	408	-1.4%
2017	30,429	1,543	5.3%
2018	32,485*		

Sources: U.S. Census Bureau, 2010 Census and American Community Survey 5-Year Estimates 2013-2017; University of Massachusetts Donahue Institute State Data Center; Needham Town Clerk’s Office.

*The Town census figure includes 1,156 inactive voters some who unlikely remain Needham residents.

There are a number of projections that have been calculated to forecast future demographic growth including those provided by the Metropolitan Area Planning Council (MAPC), State Data Center at the

University of Massachusetts Donahue Institute, and Needham Public Schools, all of which are summarized below. These all suggest a total population of less than 31,000 by 2030, with most projections forecasting less than the 30,429 residents included in 2017 census estimates.

The Metropolitan Area Planning Council (MAPC) provides two different sets of projections based on varying assumptions. The first is the Status Quo scenario based on the continuation of existing rates of births, deaths, migration and housing occupancy. The second is the Stronger Region alternative based on the following assumptions:

- The region will attract more people than it does today, particularly young adults;
- Younger households born after 1980 will be more inclined to live in urban areas with less of an inclination to live in single-family homes; and
- An increasing number of older adults will chose to downsize from their single-family homes to apartments or condominiums.

The projections suggest very limited population growth over the next several decades with a total population of 28,981 and 29,491 by 2020 under the Status Quo and Stronger Region scenarios, respectively. By 2030, MAPC calculates that Needham's total population will be 29,706 or 30,746 under the Status Quo and Strong Region scenarios, also respectively.

Projections from the University of Massachusetts' State Data Center forecast declining growth with a total population of 29,610 and 28,539 residents, respectively for 2020 and 2030. The Needham Public Schools forecasts a comparable population to the 2010 level of 28,960 for both 2020 and 2030.

While the State Data Center and Needham Public School projections indicate little total population growth over the 2010 census figures and are more comparable to the MAPC Status Quo estimates, a case could be made that the MAPC Stronger Region projections are a more reliable predictor of future population growth for the following reasons:

- The 2017 U.S. census estimates suggest a total population of 30,429 which is already higher than the 2020 Stronger Region projections and 2030 Status Quo projections of 29,491 and 29,706, respectively, as well as the State Data Center and Public School projections of 28,539 and 28,880, respectively.
- The 528 new units that are being created through the Modera Needham and The Kendrick projects should result in a net increase of a significant number of new residents.

- The community’s excellent access to public transportation and the above new rental development should be major draws for Millennials. *Banker & Tradesman* has reported that many of these young professionals are being priced out of the housing market in Boston and Cambridge and thus choosing to live in inner suburbs with good transportation access like Needham. The increase in this population is reflected in the higher population projections for the 20 to 34 age group in the Stronger Region figures (see Table 3).
- If older adults are provided with more opportunities to downsize in the community, the Stronger Region assumptions will be even more likely to be realized. The new 40B developments should accommodate some of this population, but other redevelopment options and the Mixed Use Overlay District also present future development potentials for addressing downsizing needs.

2. Race – Small but growing minority population

The population has remained predominantly White, but minority residents have been steadily growing in number and as a percentage of the total population, from about 3% in 1990, to about 5% in 2000, and to 13.4% by 2017. Asians comprised 3.5% of the population in 2000 and 8.2% by 2017, 61% of all minority residents. Black or African-American and Hispanic populations comprised only about 2% and 3% of the population in 2017, respectively.¹

3. Age Distribution – Increasing number of children and middle-aged residents projected to decline for children and grow significantly for older residents

Decennial census data regarding the changes in the age distribution from 1990 to 2010 is provided in Table 2 and visually presented in Figure 2. Table 2 also includes more recent U.S. Census Bureau estimates from its American Community Survey. In general, trends show an overall increase in children that is leveling off as well as increases of middle-age residents in the 45 to 54 age range with accompanying declines in younger adults, particularly those 25 to 34 years old. Older adults over 65 changed only modestly from 1990 to 2010 and then increased significantly by 2017.

The median age climbed during these decades, from 38.9 years in 1990 to 43.0 by 2010, increasing still more to 43.6 years in 2017, largely reflective of significant overall increases in the 45 to 64 age range. The 2017 median age of 43.6 years is higher than that of the county at 41 years or the state at 39.4 years.

Table 2: Age Distribution, 1990 to 2017

Age Range	1990		2000		2010		2017 Estimates	
	#	%	#	%	#	%	#	%
Under 5 Years	1,860	6.7	2,153	7.4	1,869	6.5	1,749	5.7
5 – 17 Years	4,402	16.0	5,423	18.8	6,270	21.7	6,444	21.2
18 – 24 Years	2,088	7.6	1,540	5.3	1,527	5.3	1,966	6.5
25 – 34 Years	3,776	13.7	2,514	8.7	1,694	5.9	1,723	5.7
35 – 44 Years	4,619	16.8	4,939	17.1	4,046	14.0	4,070	13.4
45 – 54 Years	3,223	11.7	4,490	15.5	4,940	17.1	4,689	15.4
55 – 64 Years	2,959	10.7	2,662	9.2	3,840	13.3	4,245	14.0
65 – 74 Years	2,394	8.7	2,265	7.8	2,053	7.1	2,863	9.4
75 – 84 Years	1,556	5.6	1,885	6.5	1,606	5.6	1,573	5.2
85+ Years	680	2.5	1,040	3.6	1,041	3.6	1,107	3.6
Total	27,557	100.0	28,911	100.0	28,886	100.0	30,429	100.0

¹ There is some overlap of race identification between these minority groups.

Under 18	6,262	22.7	7,576	26.2	8,139	28.2	8,193	26.9
Age 65+	4,630	16.8	5,190	18.0	4,700	16.3	5,543	18.2
Median Age	38.9 years		40.8 years		43.0 years		43.6 years	

Sources: U.S. Census Bureau, 1990, 2000 and 2010 and American Community Survey 2013-2017 5-Year Estimates

Increasing population of children that has been leveling off

While many relatively affluent towns have experienced significant decreases in the number and proportion of children, this has not been the case in Needham. Those under age 18 increased from 6,262 residents in 1990 to 8,139 by 2010 or from 22.7% to 28.2% of the population. Census estimates for 2017 suggest a modest growth of 54 residents to 8,193 children, but a proportionate decline to 26.9% of the population.

College age residents decreased by 21% through 2010 and have increased to almost 1990 levels according to 2017 census estimates

Young residents in the 18 to 24-age range decreased by 27% between 1980 and 2010, going from 2,088 residents to 1,527. The 2017 census estimates indicate some significant increase in this population since then to 1,966 residents. It is important to note that many formerly Needham residents in this age range are boarding at college or living out of town and are not included as part of this count but still connected to the community.

Young adults declined by more than half

Younger adults in the family formation stage of their lives, in the 25 to 34-age range, also decreased significantly between 1990 and 2010, dropping to 5.9% of the population in 2010 from 13.7% in 1990, or from 3,776 to 1,694 residents. The 2017 census estimates are comparable to the 2010 figures with an increase of only 29 residents. Overall an increasing number of Millennials who were raised in Needham are choosing to live elsewhere, and the high cost of housing is likely a contributing factor in addition to general preferences for living in more urban areas.

Significant reductions in younger middle-aged residents

While those age 35 to 44 increased between 1990 and 2000, by 320 residents or 6.9%, there was a significant fall-off of this population after that, decreasing to 4,046 residents or by 18.1% as of 2010. The 2017 census estimates suggest a modest gain of only 24 residents in this age range despite a 5.3% population increase between 2010 and 2017. While many in this age range would likely be attracted to Needham given the high quality of its school system and other community amenities for young families, it is also likely that they are priced out of the town's housing market.

Middle-aged residents increased by 45%

There was a significant upsurge of those in the 45 to 54 age range, growing by 1,717 residents or 53.3% between 1990 and 2010, likely reflective of those further into their work lives being better able to afford to live in Needham. Many likely moved from other nearby communities in search of a better school system and a desirable place to raise their children. These residents would unlikely need smaller units, more likely fueling the demand for larger homes.

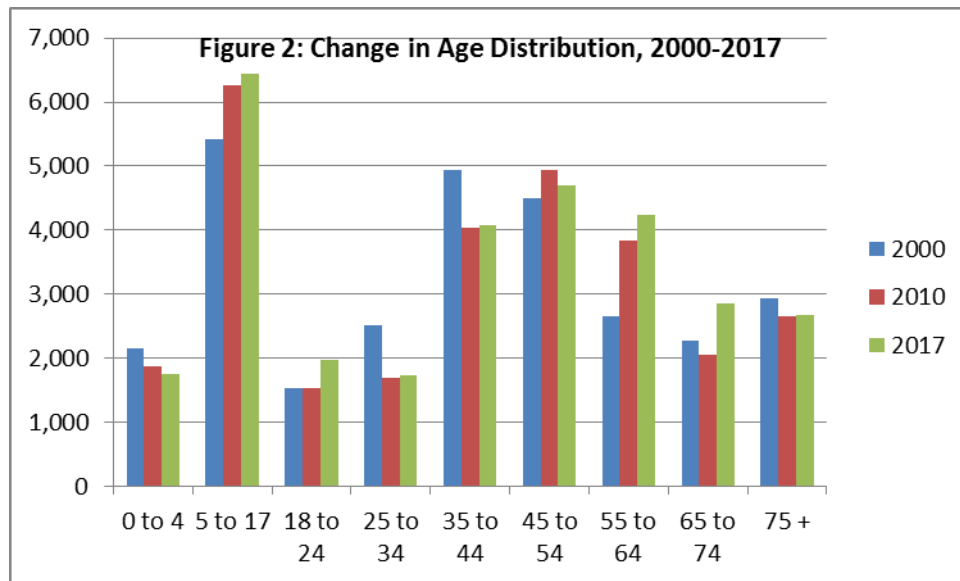
Older middle-aged residents also increased, many likely looking for opportunities to downsize

Those in the 54 to 64-age range also increased significantly, from 10.7% of the population in 1990 to 13.3% by 2010 or by 881 residents. Census estimates for 2017 suggest further increases to 4,245 residents, comprising 14% of Needham's population. The Town will need to be

prepared to accommodate this increasing population of older adults as they enter retirement with more housing with handicapped accessibility, supportive services, and low maintenance demands.

Fluctuating population of senior residents

The number of those 65 years of age and older has fluctuated somewhat from 4,630 residents in 1990, up to 5,190 in 2000, and then back down to 4,700 in 2010, close to the 1990 level. The 2017 census estimates indicate another increase in these residents to 5,543 and up to 18.2% of the population. As the community’s Baby Boomers continue to enter this age range, the numbers of seniors will increase substantially over the next decade or so as forecasted in population projections.



Population Projections

There are several different projections of changes in the age distribution including two scenarios from the Metropolitan Area Planning Council (MAPC), figures from the University of Massachusetts Donahue Institute’s State Data Center, and calculations from Needham Public Schools. These estimates are summarized below.

MAPC Projections

A comparative summary of MAPC’s Status Quo and Stronger Region projections is provided in Table 3, also comparing 2010 census figures. Total population growth under the Status Quo scenario is 2.8% over 2010 with the Stronger Region growth rate at 6.4%. These projections suggest that Needham’s population will continue to grow slowly to a total population of 30,746 by 2030 based on their Stronger Region scenario, somewhat higher than the town’s growth of 4.8% from 1990 to 2010.

As explained above, it is likely that the Stronger Region scenario will more reliably reflect future growth patterns. Nevertheless, both scenarios indicate a substantial increase in those 65 years of age or older, from about 16% to 24% of the population, and some significant fall-off of those under age 20, from 30.1% in 2010 to about 25% by 2030. There were also some gains in younger adults age 20 to 34 and modest projected decreases in those 35 to 64 years of age.

Table 3: MAPC Population Projections for 2030

Age Range	2010 Census		2030 Status Quo Projections		2030 Stronger Region Projections	
	#	%	#	%	#	%
Under 5 Years	1,869	6.5	1,572	5.3	1,650	5.4
5 to 19 Years	6,814	23.6	5,763	19.4	5,935	19.3
20 to 34 Years	2,677	9.3	3,400	11.4	3,680	12.0
35 to 64 Years	12,826	44.4	11,593	39.0	12,002	39.0
65+ Years	4,700	16.3	7,378	24.8	7,479	24.3
Total	28,886	100.0	29,706	100.0	30,746	100.0

Source: Metropolitan Area Planning Council (MAPC), Massachusetts Housing Data Portal, January 2014.

Figure 3 shows the projected percentage change in total population, for those under 15 years of age, and for those over age 65 for Needham from 2010 and 2030. These changes are compared to other Maturing Suburbs in the Boston region, the Three Rivers Interlocal Council subregion, and the entire Metro Boston area, once again based on MAPC’s Stronger Region figures. This data indicates that Needham’s total projected growth of 3% is comparable to what is estimated in other Maturing Suburbs and the subregion. The data also identified Needham with the greatest predicted decrease in the number of children although this 19% population loss is about the same as the estimated 18% decline in other Maturing Suburbs. While not as extreme as the other areas, Needham is also projected to experience substantial increases in those over the age of 65, at a 57% gain which is lower than the projected levels for the other areas.

Figure 3: Population Change Comparison, 2010 to 2030

Source: Metropolitan Area Planning Council, Metro Boston 2030 Population and Housing Demand Projections. TRIC (Three Rivers Interlocal Council) is the MAPC subregion that includes Needham as well as Canton, Dedham, Dover, Foxborough, Medfield, Milton, Norwood, Randolph, Sharon, Stoughton, Walpole and Westwood.

Table 4 and Figure 4 present more detailed MAPC Stronger Region figures for 2020 and 2030 in comparison to the 2010 U.S. census counts, suggesting the following more specific population trends:

- *Continuing declines in the number and percentage of children* with those under age 20 decreasing from 30.1% of the population in 2010, to 26.8% by 2020, and down further to 24.7% by 2030, representing a loss of 1,098 young residents during this period. This decline, if realized, would have substantial impacts on school enrollments and costs.
- Modest gains of those in the 20 to 24 age range with a net increase of 173 such residents. Given such high housing prices, many in this age range and recently out of college may need to live with their family or find rentals that they can share.
- Significant increases in those age 25 to 34, from 5.9% of all residents in 2010 to 8.2% by 2030 and with a net gain of 830 residents. This group represents a major target market for the new Chapter 40B rental developments or other future multi-family construction, both rentals and ownership.

Table 4: 2010 Census and 2020 and 2030 MAPC Population Projections

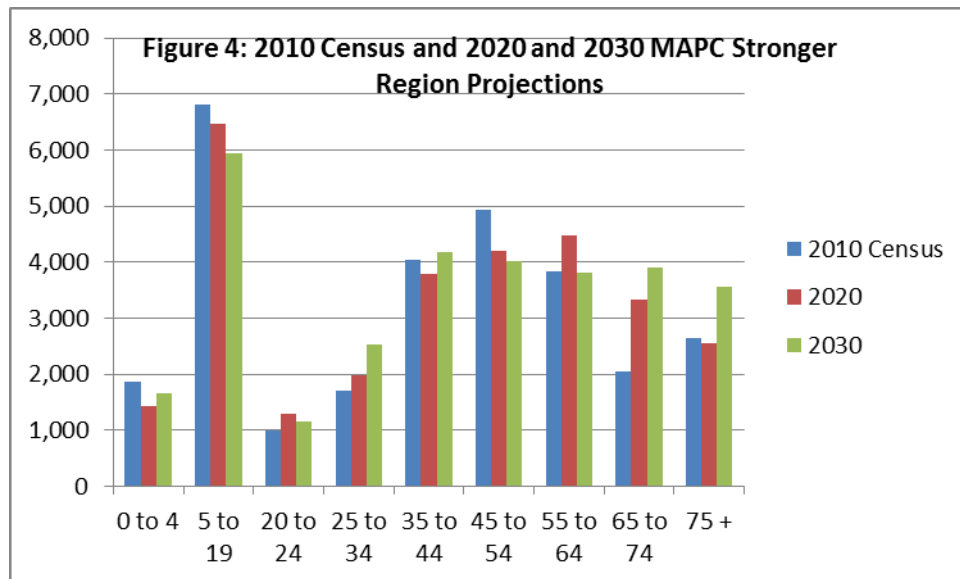
Age Range	2010 Census		2020 Projections Stronger Region		2030 Projections Stronger Region	
	#	%	#	%	#	%
Under 5 Years	1,869	6.5	1,438	4.9	1,650	5.4
5 –14 Years	4,952	17.1	4,301	14.6	4,106	13.4
15 – 19 Years	1,862	6.4	2,165	7.3	1,829	5.9
20 – 24 Years	983	3.4	1,295	4.4	1,156	3.8
25 – 34 Years	1,694	5.9	1,968	6.7	2,524	8.2
35 – 44 Years	4,046	14.0	3,780	12.8	4,181	13.6
45 – 54 Years	4,940	17.1	4,192	14.2	4,008	13.0
55 – 64 Years	3,840	13.3	4,480	15.2	3,813	12.4
65 – 74 Years	2,053	7.1	3,326	11.3	3,909	12.7
75 – 84 Years	1,606	5.6	1,528	5.2	2,509	8.2
85 Years and Over	1,041	3.6	1,018	3.5	1,061	3.5
Total	28,886	100.0	29,491	100.0	30,746	100.0
Under 20 Years	8,683	30.1	7,904	26.8	7,585	24.7
65+ Years	4,700	16.3	5,872	19.9	7,479	24.3

Source: 2010 U.S. Census Bureau and Metropolitan Area Planning Council's Population and Housing Demand Projections for Metro Boston, January 2014.

- Relative stability of younger adults age 35 to 44 that will continue to represent about 14% of the population, increasing by an estimated 135 residents.
- A major fall-off in middle-aged residents age 45 to 54, from 17.1% of the population in 2010 to 13.0% by 2030 and with a net loss of 932 residents or 18.9%. Some of these residents may need

to leave the community in search of more affordable living conditions and/or because their children have already graduated from local schools.

- Significant projected fluctuations in those 55 to 64 years old, increasing from 13.3% to 15.2% between 2010 and 2020 and then down to 12.7% by 2030 with a net loss of 27 residents. Some in this age category might be looking for opportunities for downsizing which are very limited in Needham at this time.
- *Substantial increases in the population 65 years of age and older, from 16.3% in 2010 to 24.3% in 2030 and with an estimated gain of 2,779 residents. This increase includes the aging Baby Boomers and suggests that the Town undertake appropriate planning to accommodate an aging population that is likely to have special needs in the future. The Town can anticipate a greater demand for housing opportunities for downsizing as well as Council on Aging services for example.*



The MAPC projections also provide estimates on future housing demand with an estimated net demand of 1,339 housing units between 2010 and 2030, further suggesting that this demand will come primarily from those who were under age 54 in 2010. MAPC figures for the period of 2010 and 2020 indicate that much of the demand will be from those under age 35, split relatively evenly between single-family ownership and multi-family rental options, both at about 500 units each. A large demand of about 1,500 single-family units was estimated for those in the 35 to 54 age range. On the other end of the age range, those age 55 to 64 will demand a small amount of multi-family rental or ownership units while vacating about 500 units of single-family units based on outmigration, mortality or decreased preference of that housing type. Those 75 years of age or older are expected to vacate about 1,300 units, most in single-family homes, for the reasons mentioned above.

It should also be noted that MAPC's Status Quo projections indicate an increase of 930 housing units between 2010 and 2030 to a total of 12,052 units.

State Data Center Projections

Table 5 provides projections of the age distribution in Needham for 2020 and 2030 from the State Data Center at the University of Massachusetts Donahue Institute. The 2020 data suggests rather comparable population figures to the 2020 MAPC Stronger Region estimates with proportional variations of only about 1% or less for each age range with the exception that the State Data Center projects a higher level of those 45 to 54 years of age at 16.4% instead of 14.2%.

Table 5: 2010 Census and 2020 and 2030 State Data Center Population Projections

Age Range	2010 Census		2020 Projections		2030 Projections	
	#	%	#	%	#	%
Under 5 Years	1,869	6.5	1,187	4.0	1,340	4.7
5 –14 Years	4,952	17.1	4,140	14.0	3,133	11.0
15 – 19 Years	1,862	6.4	2,479	8.4	1,290	4.5
20 – 24 Years	983	3.4	963	3.3	966	3.4
25 – 34 Years	1,694	5.9	1,680	5.7	2,156	7.6
35 – 44 Years	4,046	14.0	3,496	11.8	3,615	12.7
45 – 54 Years	4,940	17.1	4,851	16.4	3,918	13.7
55 – 64 Years	3,840	13.3	4,739	16.0	4,458	15.6
65 – 74 Years	2,053	7.1	3,242	10.9	3,896	13.7
75 – 84 Years	1,606	5.6	1,680	5.7	2,559	9.0
85 Years and Over	1,041	3.6	1,153	3.9	1,208	4.2
Total	28,886	100.0	29,610	100.0	28,539	100.0
Under 20 Years	8,683	30.1	7,806	26.4	5,763	20.2
65+ Years	4,700	16.3	6,075	20.5	7,663	26.9

Sources: 2010 U.S. Census Bureau and University of Massachusetts, Donahue Institute, State Data Center.

Additionally, the State Data Center’s 2030 projections indicate a decline in population to 28,539 residents which is below the 28,886 population total in 2010 and questionable given current and potential new development. Nevertheless, these figures still demonstrate general demographic trends related to decreases in children, gains in younger adults, and major increases in seniors age 65 or older. For example, the State Data Center estimates that those under age 20 will decline by 2,920 residents between 2010 and 2030 while those 65 years of age or older will increase by close to the same amount at 2,963 residents. Younger adults between the ages of 25 and 34 are projected to increase by 462 residents.

Needham Public Schools Projections

Table 6 presents population projections that were prepared by McKibben Demographics for the Needham Public Schools which suggest no real total net growth or population loss from the 2010 census count through 2030. The figures nevertheless demonstrate the same general demographic shifts as the other projections with a decrease in younger residents, with the exception of Millennials, as well as significant increases in older residents caused largely by the aging of the Baby Boom generation and the continuing residency of empty nesters.

The report’s findings suggest an increase of 182 students between 2017-18 and 2022-23 with a forecasted increase of 18 students from 2022-23 to 2026-27 and then a decline of 214 students from 2027-28 to 2032-33 for total loss of 196 students after 2022-23. This data is primarily based on birth, death and migration data. In regard to housing, the report suggests that “even if the district continues to have some annual new home construction (even if that construction is rental units), the rate, magnitude and price of existing home sales will become the increasingly dominant factor affecting the

amount of population and enrollment change”. The report further suggests the following with respect to housing:

The issue over the next five to ten years is that the number of new and existing home sales over the last three years has been more than 60% lower on average than the previous seven years. Without this in-migration flow the district pre-school age cohorts will be of insufficient size to maintain the current elementary enrollment levels. The more dependent an area is on in-migration for students to compensate for a low number of births, the larger the enrollment will decline. While the construction of new rental units will help reduce this problem in the short term, once these units are finished (assumed in these forecasts to be by 2027) they will have no additional impact on the overall age distribution of the district.

Table 6: 2010 Census and 2020 and 2030 Needham Public School Projections

Age Range	2010 Census		2020 Projections		2030 Projections	
	#	%	#	%	#	%
Under 5 Years	1,869	6.5	1,760	6.1	1,620	5.6
5 –14 Years	4,952	17.1	4,710	16.3	4,750	16.4
15 – 19 Years	1,862	6.4	1,910	6.6	1,850	6.4
20 – 24 Years	983	3.4	1,060	3.7	940	3.2
25 – 34 Years	1,694	5.9	2,170	7.5	2,210	7.6
35 – 44 Years	4,046	14.0	3,090	10.7	3,600	12.4
45 – 54 Years	4,940	17.1	4,040	14.0	3,240	11.2
55 – 64 Years	3,840	13.3	4,680	16.2	3,810	13.2
65 – 74 Years	2,053	7.1	2,990	10.3	3,700	12.8
75 – 84 Years	1,606	5.6	1,490	5.1	2,220	7.7
85 Years and Over	1,041	3.6	1,060	3.7	1,020	3.5
Total	28,886	100.0	28,960	100.0	28,960	100.0
Under 20 Years	8,683	30.1	8,380	28.9	8,220	28.4
65+ Years	4,700	16.3	5,540	19.1	6,940	24.0

Sources: 2010 U.S. Census Bureau and Demographic Study conducted by McKibben Demographics for the Needham Public Schools, November 26, 2017.

Table 7 and Figure 5 provide a comparison of the 2030 MAPC Stronger Region, State Data Center and Needham Public School projections. The State Data Center and Needham Public School projections suggest relatively comparable total population estimates, but the decreases in children as well as the increases in older adults are much less extreme in the Public School figures in comparison to the others. Of particular note in these population projections are the following general demographic shifts and resulting implications:

- Some declines in the numbers of children which will provide relief to Needham’s public school system, reducing costs with decreases in school enrollment. MAPC and State Data Center projections suggest greater declines in children than those prepared for the Needham Public School District.
- Increases in younger adults with sufficient income to afford housing in Needham but priced out of Boston’s housing market. These smaller households will likely put less stress on local infrastructure, and many will be attracted to the smaller multi-family units that are being produced as part of the new rental developments or opportunities that might arise out of new

zoning such as the Mixed Use Overlay District or potential accessory dwelling units. Fiscal analyses of the MUOD and recent multi-family developments have indicated that they will likely result in positive annual fiscal benefits to the Town.

- Some declines in middle-age residents who are likely to be homeowners, many with school-age children. This population puts substantial pressure on Town services.
- Major increases in older adults 65 years of age or older, many who would prefer to downsize in the community but have tended to remain in their homes given limited housing alternatives. These residents will likely put greater pressure on the Council on Aging and local ambulance services as well as private health services. The increase in this age category is much higher in the MAPC and State Data Center projections as compared to the Needham Public School estimates.

Table 7: MAPC and State Data Center Population Projections for 2030

Age Range	2010 Census		MAPC Stronger Region Projections		State Data Center Projections		Needham Public Schools Projections	
	#	%	#	%	#	%	#	%
Under 5 Years	1,869	6.5	1,650	5.4	1,340	4.7	1,620	5.6
5 to 19 Years	6,814	23.6	5,935	19.3	5,389	18.9	6,600	22.8
20 to 34 Years	2,677	9.3	3,680	12.0	3,122	10.9	3,150	10.9
35 to 64 Years	12,826	44.4	12,002	39.0	11,991	42.0	10,650	36.8
65+ Years	4,700	16.3	7,479	24.3	7,663	26.9	6,940	24.0
Total	28,886	100.0	30,746	100.0	28,539	100.0	28,960	100.0

Sources: 2010 U.S. Census Bureau, Metropolitan Area Planning Council’s Population and Housing Demand Projections based on the Stronger Region Scenario, January 2014; University of Massachusetts, Donahue Institute, State Data Center; and Demographic Study conducted by McKibben Demographics for the Needham Public Schools, November 26, 2017.

Previous fiscal analyses of new Chapter 40B development or the Mixed Use Overlay District as well as some updated cost information suggest the following:

- The projected decline in school-age children ranges from a net loss of 196 students after 2022-23 through 2032-33. With average school costs of approximately \$15,600 per student in 2016, savings would be significant at more than \$3 million annually.
- Because Needham is so close to buildout, any new development outside of the current 40Bs is likely to involve new multi-family development in business areas and/or the redevelopment of existing properties that will be better oriented towards young single adults, young couples and downsizers who put less demand on local services.
- With time and the turnover of homes by empty nesters, it is likely that the population will increase after 2030 as families reoccupy the homes with accompanied increases in the number of children and school enrollments and a higher demand for local services.

4. Households – More families but increasing numbers of smaller households²

As shown in Table 8, after an increase in the number of households between 1990 and 2000, the number of households fell by 271 or 2.6% to 10,341 by 2010 and then increased somewhat again to 10,652 by 2017. The net number of new households was 492 between 1990 and 2017 representing a 4.8% rate of growth, less than half the 10.4% rate of population growth during this period. This suggests that households were becoming larger which was further demonstrated by the increase in average household size from 2.68 persons in 1990 to 2.77 by 2017.

MAPC Stronger Region projections suggest an increase from 10,310 households in 2010, to 11,084 by 2020, and then 12,026 by 2030, representing a growth rate of 16.6% compared to projected population growth of 6.4%. This indicates a reversal of past trends with an increase in smaller households.

Unlike many communities where the number of families is shrinking in comparison to growing numbers of non-family households (includes unrelated household members and those living alone), the number of families, has been increasing in Needham. The percentage of families, 77.3% in 2017, was significantly higher than the 66.2% level for Norfolk County and 63.7% statewide.

Almost 14% of the households with children under age 18 were headed by one parent and 72% of these, or 408 households, involved single mothers who likely have lower incomes on average than their male counterparts.

Table 8: Household Characteristics, 1990 to 2017

Household Type	1990		2000		2010		2017 Estimates	
	#	%	#	%	#	%	#	%
Total Households	10,160	100.0	10,612	100.0	10,341	100.0	10,652	100.0
Family Households*	7,565	74.5	7,782	73.3	7,792	75.4	8,239	77.3
Married Couple Families With Children <18*	2,876	28.3	3,528	33.2	3,619	35.0	3,625	34.0
Female Headed Families With Children <18*	331	3.3	337	3.2	386	3.7	408	3.8
Non-family Households*	2,595	25.5	2,830	26.7	2,549	24.6	2,413	22.7

² The U.S. Census Bureau’s definition of “family” includes married couples, with or without children, or single heads of households with children.

Persons Living Alone*	2,149	21.2	2,479	23.4	2,258	21.8	2,181	20.5
Average Household Size	2.68 persons		2.63 persons		2.72 persons		2.77 persons	

Sources: U.S. Census Bureau, Census 1990, 2000 and 2010 and American Community Survey 5-Year Estimates 2013-2017 *Percent of all households

The numbers and percentages of those living alone have fluctuated over the decades, however, the 2017 census estimates indicate that there were 2,181 such households, representing 20.5% of all households, and of these 1,493 or 68.5% had heads who were 65 years of age or older.

Table 9 examines the types of households by household size. Single-person households comprised about one-fifth of all households in 2017, down from 24% in 2010, including 90% of all non-family households. There were also growing numbers of two-person households, from 3,359 in 2000 to 3,457 by 2017, representing about one-third of all households.

Table 9: Types of Households by Size, 2000 to 2017

Households by Type and Size	2000		2010		2017	
	#	%	#	%	#	%
Non-family Households	2,795	26.4	2,667	25.7	2,413	22.7
1-person household	2,470	23.3	2,492	24.0	2,181	20.5
2-person household	279	2.6	159	1.5	212	2.0
3-person household	36	0.3	0	0.0	20	0.2
4-person household	10	0.1	16	0.2	0	0.0
5-person household	0	0.0	0	0.0	0	0.0
6-person household	0	0.0	0	0.0	0	0.0
7 or more person household	0	0.0	0	0.0	0	0.0
Family Households	7,800	73.6	7,706	74.3	8,239	77.3
2-person household	3,080	29.1	2,864	27.6	3,245	30.5
3-person household	1,660	15.7	1,525	14.7	1,670	15.7
4-person household	2,043	19.3	2,245	21.6	2,237	21.0
5-person household	785	7.4	933	9.0	791	7.4
6-person household	203	1.9	139	1.3	243	2.3
7 or more person household	29	0.3	0	0.0	53	0.5
Total	10,595	100.0	10,373	100.0	10,652	100.0

Source: U.S. Census Bureau, 2000 Census, Summary File 3, and 2013-2017 American Community Survey 5-Year Estimates.

Small families with three or four household members comprised 37% of all households, increasing slightly from 35% in 2000. Large families of five or more persons represented only about 10% of all households, up somewhat from 9.6% in 2000 and somewhat higher than Norfolk County at 9%.

Table 10 provides the distribution of household size as to whether the household was a renter or homeowner. While 89% of renters were in households of only one or two members, this was the case for only 45% of owner households based on the 2017 census estimates, compared to 80% and 49% of renters vs. owners in 2000, respectively. Also, 11% of all renter households included three or more

members compared to 55% of owner households. Generally, renter households have been getting smaller where the opposite is true for owner households. These changes are also demonstrated in average household sizes of 2.06 persons for renters and 2.80 for owners. Consequently, the rental housing stock has far fewer children, largely dictated by units with more limited numbers of bedrooms.

A high percentage of Needham households are likely what could be termed as “over-housed” given the disparity between the average-sized, owner household size of 3 persons and the median-sized, owner-occupied unit of 7.5 rooms, likely including four bedrooms.

Table 10: Household Size by Tenure, 2000 to 2017

Household Size by Tenure	2000		2010		2017	
	#	%	#	%	#	%
Owner-occupied Housing	8,584	80.9	8,607	83.0	8,799	82.6
1-person household	1,431	13.5	1,472	14.2	1,143	10.7
2-person household	2,765	26.1	2,621	25.3	2,852	26.8
3-person household	1,522	14.3	1,427	13.8	1,583	14.9
4-person household	1,946	18.3	2,089	20.1	2,161	20.3
5-person household	727	6.9	859	8.3	779	7.3
6-person household	174	1.6	139	1.3	243	2.3
7 or more person household	19	0.2	0	0.0	38	0.4
Renter-occupied Housing	2,028	19.1	1,766	17.0	1,853	17.4
1-person household	1,051	9.9	1,020	9.8	1,038	9.7
2-person household	571	5.4	402	3.9	605	5.7
3-person household	193	1.8	98	0.9	107	1.0
4-person household	127	1.2	172	1.7	76	0.7
5-person household	76	0.7	74	0.7	12	0.1
6-person household	0	0.0	0	0.0	0	0.0
7 or more person household	10	0.1	0	0.0	15	0.1
Total	10,612	100.0	10,373	100.0	10,652	100.0

Source: U.S. Census Bureau, 2000 Census, Summary File 3, and 2006-2010 and 2013-2017 American Community Survey 5-Year Estimates.

B. ECONOMIC PROFILE

This profile focuses on economic issues related to Needham households including changes in incomes and employment over time, also examining changes regarding education and levels of special needs that affect the community.

1. Income – High income levels but growing income disparities

This section examines the range of income levels in Needham, analyzing household by type of household, age and tenure. Table 11 and Figure 6 present income data based on census estimates, revealing the huge increases of those earning more than \$150,000 over time.

On average Incomes have increased substantially, with the median household income level increasing from \$60,357 to \$88,079, or by 46% between 1989 and 1999, and growing by 30% between 1999 and 2010 to \$114,365. The 2017 census estimates indicates another 24% growth in median household income to \$141,690, twice the rate of inflation of 12.4%.

In 1989, about 40% of all households earned less than \$50,000, decreasing to 16% by 2017. There were decreases in the numbers and percentages of households in all income ranges of less than \$100,000 between 1989 and 2017, with 78.4% of all households earning less than \$100,000 in 1989 compared to 34% by 2017. **On the other hand, 21.6% of all households earned above \$100,000 in 1989, increasing to almost two-thirds by 2017.**

Table 11: Household Income Distribution, 1989 to 2017

Income Range	1989		1999		2010		2017	
	#	%	#	%	#	%	#	%
Under \$10,000	647	6.3	464	4.4	298	2.9	359	3.4
\$10,000-24,999	1,112	10.8	739	7.0	884	8.5	493	4.6
\$25,000-34,999	886	8.6	698	6.6	357	3.4	317	3.0
\$35,000-49,999	1,434	14.0	909	8.6	477	4.6	522	4.9
\$50,000-74,999	2,350	22.9	1,668	15.7	1,329	12.8	920	8.6
\$75,000-99,999	1,618	15.8	1,389	13.1	971	9.4	1,024	9.6
\$100,000-149,999	1,271	12.4	2,158	20.4	2,027	19.5	1,855	17.4
\$150,000 +	948	9.2	2,570	24.3	4,030	38.9	5,162	48.5
Total	10,266	100.0	10,595	100.0	10,373	100.0	10,652	100.0
Median income	\$60,357		\$88,079		\$114,365		\$141,690	

Source: U.S. Census Bureau, Census 1990 and 2000 Summary File 3, and American Community Survey 2006-2010 And 2013-2017 5-Year Estimates.

More than one-third of all households (33.8%) earned more than \$200,000 in 2017.

The income distribution of families shows even higher income levels with a median of \$172,774 and with 77% earning more than \$100,000 and 42% earning more than \$200,000, a finding highly correlated with the greater prevalence of two-worker families.

Table 12 provides median income levels for various types of households in 2017. Not surprisingly, incomes were highest for families, households in the prime of their working lives, men, and homeowners. The Town's per capita income was \$57,716 in 2010 and increasing to \$70,805 by 2017, considerably higher than the county and state medians of \$49,816 and \$39,913, respectively.

Related to the lower median incomes of individuals and non-family member households was the 2017 estimate that 56% of these households were renters as opposed to 18% involving married couples with children.

Moreover, the median income of seniors 65 years of age or older was \$77,380, less than half the median for households with heads in the 25 to 64 age range, largely in the prime of their working lives and earning potential.

Table 12: Median Income by Household Type, 2017

Type of Household/Householder	Median Income
Individual/Per capita	\$70,805
Households	\$141,690
Families	\$172,774
Nonfamilies	\$57,774
Male full-time workers	\$123,957
Female full-time workers	\$80,990
Renters	\$48,683
Homeowners	\$163,970
Householder less than age 25	NA/Sample size too small
Householder age 25 to 44	\$172,198
Householder age 45 to 64	\$179,557
Householder age 65 or more	\$77,380
Veterans	\$60,471

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates for 2013-2017.

Additionally, 3,436 or 32.3% of households were obtaining Social Security benefits with an average benefit of \$22,345. A total of 1,855 households received some other retirement income representing an average of \$37,857 in income. There were 111 recipients of public assistance, averaging only \$8,083, and 299 households were receiving Food Stamps/SNAP benefits.

As shown in Table 13, median income levels largely increased with growing numbers of household members, from \$53,802 for a single individual living alone, to \$168,214 for three-person households, and \$249,904 for five-person households.

Table 13: Median Household Income by Household Size, 2017

Size of Household	Median Household Income
1-person households	\$53,802
2-person households	\$125,647
3-person households	\$168,214
4-person households	\$194,792
5-person households	\$249,904
6-person households	\$180,903
7 or more person households	\$250,000+ *

Source: U.S. Census Bureau, American Community Survey 2013-2017 5-Year Estimates

* Indicates that median falls in the lowest or upper interval of an open ended distribution.

The median for non-family households was about one-third that of families at \$54,519. This is even less than Needham's per capita income of \$58,992 in 2012, but still significantly more than the county's per capita income of \$42,430 and the state's at \$34,907.

Despite generally growing prosperity, there remains a vulnerable population living in Needham with very limited financial means as 1,169 households or 11% of all households earned less than \$35,000, including 852 or 8% earning less than \$25,000.

Some of these households live in subsidized housing, while others might be retired and/or disabled, living on fixed incomes. Others may have had to choose to leave the community entirely because they could no longer afford to live in Needham.

Another perspective on income levels examines *income by the age of the primary household earner* or householder as summarized in Table 14. Few householders were less than 25 years of age and all were earning less than \$50,000 with almost half earning below \$10,000 according to 2017 census estimates. Of the 2,473 households age 25 to 44, only 8.4% were earning less than \$50,000 while 60% had incomes of more than \$150,000.

The largest age group included those in the 45 to 64 age range that included 4,746 households or 45% of all households. As with the 25 to 44 age group, about 60% were earning more than \$150,000 with only 7.5% with incomes of less than \$50,000 and 13.2% earning below \$75,000. It is likely that some of these households of more modest means have lived in Needham for many years, entering the community when it still had a fair amount of starter housing available, prior to the huge boom in housing values.

It is also interesting to note that the median incomes and percentages earning more than \$100,000 are fairly similar in the 25 to 44 and 45 to 64 age categories. More typically, income levels are higher for those in the older age range as they are generally more established in their careers and at the peak of

their earning potential. One reason for this comparability may be that more recent homeowners are younger attracted to Needham schools, and can afford the high costs associated with housing, particularly the large homes that are a product of demolition and replacement activity.

The incomes of those 65 years or older were not as concentrated in any particular income range but 16% earned less than \$25,000 and approximately half earned under \$75,000. Nevertheless, almost one-quarter earned more than \$150,000. These income levels also do not reflect a household’s financial assets, especially home equity that can be considerable for long-term Needham residents.

Table 14: Household Income by Age of Householder, 2017

Income Range	Less than 25 Years		25 to 44 Years		45 to 64 Years		65 Years and Over	
	#	%	#	%	#	%	#	%
Under \$10,000	45	48.9	0	0.0	158	3.3	156	4.7
\$10,000-24,999	14	15.2	19	0.8	79	1.7	381	11.4
\$25,000-34,999	17	18.5	58	2.3	32	0.7	210	6.3
\$35,000-49,999	16	17.4	130	5.3	86	1.8	290	8.7
\$50,000-74,999	0	0.0	67	2.7	269	5.7	584	17.5
\$75,000-99,999	0	0.0	235	9.5	376	7.9	413	12.4
\$100,000-149,999	0	0.0	473	19.1	873	18.4	509	15.2
\$150,000 +	0	0.0	1,491	60.3	2,873	60.5	798	23.9
Total	92	100.0	2,473	100.0	4,746	100.0	3,341	100.0

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates.

Table 15 compares 2000 and 2017 estimated *income levels for owners and renters*. Besides income disparities related to age, there are growing disparities related to tenure. For example, 36.4% of renters earned less than \$35,000 compared to only 5.6% of homeowners. On the other end of the income range, more than half of homeowners earned more than \$150,000 (55%) compared to 15% of renters. Most of these higher income earning renters are likely renting single-family homes or staying in other rentals while they are renovating their existing home.

While the median household income of homeowners increased by 63% or \$63,238, from \$100,732 in 2000 to \$163,970 by 2017, the median income of renters increased by only 10% or \$4,457, from \$44,226 to \$48,683.

An estimated 16% of all households and 66% of all renters were earning at or below \$50,000. These households might qualify for housing assistance, some even obtaining such assistance, based on income alone given that this threshold is less than the 80% of area median income level.

Table 15: Income Distribution by Owner and Renter Households, 2000 and 2017

Income Range	Homeowners				Renters			
	2000		2017		2000		2017	
	#	%	#	%	#	%	#	%
Under \$10,000	177	2.1	205	2.3	292	14.4	154	8.3
10,000-24,999	420	4.9	184	2.1	338	16.7	309	16.7
25,000-34,999	501	5.8	105	1.2	201	9.9	212	11.4
35,000-49,999	607	7.1	241	2.7	308	15.2	281	15.2
50,000-74,999	1,316	15.3	662	7.5	411	20.3	258	13.9
75,000-99,999	1,230	14.3	845	9.6	120	5.9	179	9.7
100,000-149,999	1,954	22.8	1,675	19.0	193	9.5	180	9.7
150,000 +	2,379	27.7	4,882	55.5	165	8.1	280	15.1
Total	8,584	100.0	8,799	100.0	2,028	100.0	1,853	100.0
Median Income	\$100,732		\$163,970		\$44,226		\$48,683	

Source: U.S. Census Bureau, 2000 Census and 2013-2017 American Community Survey 5-Year Estimates.

6. Poverty Status – Low but recent increases among seniors

Table 16 confirms that poverty declined between 1989 and 1999, both in terms of percentages and the numbers of individuals and families living in poverty. However, between 1999 and 2010 poverty increased significantly, especially among seniors where poverty increased from 0.7% to 5.3%. The 2017 census estimates indicate declines in those living in poverty for all residents and families, but also demonstrate increases for seniors 65 years or older, from 5.3% to 6.8% or by an additional 128 residents since 2010.

The level of poverty is still much lower than the state where 11.1% of all individuals were estimated to be living in poverty in 2017, including 7.8% of all families and 9.0% of seniors.³ The 2017 poverty levels for Norfolk County included 6.5% of all residents, 4.3% of families, and 7.0% of those 65 years of age or older.

Table 16: Poverty Status, 1989 to 2017

Populations	1989		1999		2010		2017	
	#	%	#	%	#	%	#	%
Individuals Below Poverty *	896	3.3	705	2.5	1,098	3.8	913	3.0
Families **	140	1.8	121	1.6	234	3.0	206	2.5
Individuals 65 and Over***	42	0.9	36	0.7	249	5.3	377	6.8

Sources: U.S. Census Bureau, Census 1990 and 2000 Summary File 3 and 2006-2010 and 2013-2017 American Community Survey 5-Year Estimates.

* Percentage of total population ** Percentage of all families *** Percentage of all individuals age 65+

7. Employment – Expanding workforce with high average wages and declines in unemployment

Needham has a strong and diverse economic base. Early agricultural, grazing, lumbering and tanneries gave way to manufacturing with the extension of the railroad and the removal of the community's relative isolation within the loop of the Charles River. Land speculation, housing development and

³ The federal poverty levels for 2018 were \$12,140 for a single individual and \$20,780 for a family of three.

knitwear became the foundation of the community's economy well into the 20th Century. The construction of Route 128 enabled the town to become part of the high-tech highway after World War II, further expanding the local economy.

Of those 23,372 Needham residents over the age of 16 in 2017,⁴ 15,455 or two-thirds were in the labor market. *Of these, 3,414 or 22% worked in the community.* It should also be noted that 71.4% of workers drove alone to work, another 6.0% carpooled and 10.6% used public transportation, down from 11.6% in 2012. The average commuting time was 30.4 minutes.

The 2017 census estimates also provide information on the concentration of Needham workers by industry, indicating that almost two-thirds of workers were involved in management or professional occupations (65.7%), 19.4% in sales and office occupations, 9.4% in service occupations, 3.1% in construction or maintenance jobs, and only 2.4% in production and transportation work. More than three-quarters of Needham's labor force were private salaried or wage workers (83.1%), another 8.1% were government workers, and 8.6% were self-employed.

Detailed labor and workforce data from the state on employment patterns in Needham is presented in Table 17. This information shows an average employment of 22,788 workers employed in Needham, up from 19,212 in 2012. The data also confirms a mix of employment opportunities with a concentration of higher paying professional jobs that brings the average weekly wage for those working in Needham to a relatively high level of \$1,829, up from \$1,698 in 2012, and almost as high as Boston's average weekly wage of \$1,872. Needham's average weekly wage translates into an annual income of approximately \$95,100, lower than Needham's median household income of \$141,690 but well over the state's median of \$74,167. As another point of comparison, the unemployment level as of December 2018 was 1.7% for Needham and 2.3% for Boston, down considerably from 5.5% and 7.9% for Needham and Boston, respectively, as of the end of 2010.

Table 17: Average Employment and Wages by Industry, 2012/2017

Industry	# Establishments	Total Wages	Average Employment	Average Weekly Wage
Construction	91/97	\$42,622,017/ \$63,363,569	607/737	\$1,350/ \$1,653
Manufacturing	34/30	\$63,547,622/ \$58,946,451	905/994	\$1,350/ \$1,140
Wholesale trade	85/91	\$71,748,277/ \$83,824,817	704/757	\$1,960/ \$2,129
Retail trade	88/91	\$44,685,144/ \$47,792,522	1,195/1,166	\$719/ \$788
Transportation/ware-housing	11/16	\$12,314,649/ \$12,903,648	205/215	\$1,155/ \$1,154
Information	51/57	\$115,387,213/ \$144,131,188	1,159/1,374	\$1,915/ \$2,017
Finance/insurance	101/116	\$145,016,408/ \$175,911,361	1,141/1,256	\$2,444/ \$2,693
Real estate/rental/leasing	52/73	\$23,073,500/	282/374	\$1,573/

⁴ Up from 22,361 in 2012. Figures based the U.S. Census Bureau's 2010-2012 and 2013-2017 estimates from the American Community Survey.

		\$34,711,522		\$1,785
Professional/technical services	281/281	\$749,042,333/ \$795,475,169	3,607/3,101	\$3,994/ \$4,933
Management of companies/enterprises	15/16	\$34,875,515/ \$52,573,490	519/556	\$1,292/ \$1,818
Administrative and waste Services	79/87	\$53,763,933/ \$227,978,705	1,154/2,426	\$896/ 1,807
Health care/social assistance	127/191	\$184,236,263/ \$258,298,719	4,075/5,282	\$869/ \$940
Educational services	31/40	\$69,940,784/ \$103,182,739	1,202/1,720	\$1,119/ \$1,154
Arts/entertainment/recreation	22/23	\$2,942,322/ \$3,797,711	118/188	\$480/ \$388
Accommodation/food services	53/57	\$25,158,353/ \$40,321,432	1,025/1,396	\$472/ \$555
Other services	250/228	\$34,798,802/ \$36,726,874	921/837	\$727/ \$844
Total	1,381/1,503	\$1,696,831,400 / \$2,166,747,180	19,212/ 22,788	\$1,698/ \$1,829

Source: Massachusetts Executive Office of Labor and Workforce Development, 2012 and January 22, 2019
Shaded industries have average employment of more than 1,000 workers.

8. Education – High educational attainment and increasing student enrollment

The educational attainment of Needham residents is very high and has improved over the last couple of decades. In 2017, 97.7% of those 25 years and older had a high school diploma or higher, and 74.6% had a bachelor's degree or higher compared to 52.5% for the county and 42.1% for the state. These attainment levels are up from the 2000 figures of 96.4% with at least a high school degree and 64.9% with a bachelor's degree or higher. Such high education attainment levels are correlated with Needham's generally high incomes.

According to 2017 census estimates, there were 8,876 residents three years or older who were enrolled in school (nursery through graduate school) or about 29% of the population, and those enrolled in kindergarten through high school totaled 6,682 students, representing 21.7% of the total population. The Needham Public Schools reported a student enrollment of 5,645 for the 2018-2019 school year, up from 4,330 students during the 1999-2000 school year and representing a 30% increase. This data suggests that about 16% of school-age children attend schools outside of the Needham Public School system. Needham Public School projections also predict that student enrollments will grow to a peak of 5,863 students in the 2025-26 school year and then decline to 5,694 in 2033-2034.⁵

9. Disability Status – Significant special needs

Census estimates for 2017, as summarized in Table 18, indicate that 2,141 residents, or 7.2% of all residents five years and older, identified themselves as having a disability.⁶ Of these, 191 were under the age of 18, 828 between age 18 and 64, and 1,214 were 65 years or older. These levels of disability

⁵ McKibbin Demographic Associates, Enrollment Projections for FY 2019/2020 to 2033/34 to the Needham Public Schools, January 2, 2019.

⁶ The U.S. Census defines disability as a long-term physical, mental, or emotional condition that can make it difficult to do basic activities such as walking, climbing stairs, dressing, bathing, learning, or remembering. Many residents with one or more disabilities face housing challenges due to a lack of housing that is affordable and physically accessible.

are less than statewide figures, but still represent significant special needs within the Needham community and suggest that the Town make a concerted effort to produce special needs housing units that are handicapped accessible and/or have supportive services.

Table 18: Population Five Years and Over with Disabilities for Needham and the State, 2017

Age	Needham		Massachusetts	
	#	%	#	%
Under 18	161	2.0	61,659	4.5
18 to 64 years	645	3.9	389,450	9.0
65 years and over	1,335	25.9	330,631	32.7
Total	2,141	7.2	781,740	11.6

Source: U.S. Census Bureau, American Community Survey, 2013-2017 5-Year Estimates.

10. Resident Mobility – Relatively high numbers of residents remain in the community

Of the population one year of age or older, 91.4% lived in the same house as they did the year before according to 2017 census estimates. Of those 8.6% who had moved into Needham in 2017, 3.6% came from within Norfolk County with another 5.0% coming from a different state or abroad. There was more mobility of residents on the statewide level with 13.0% of residents moving in 2017.

Additional census information indicates that only 6.1% of households moved into their homes between 2015 and 2017 with 53.5% moving in between the years 2010 to 2014. More than 14% have lived in their current home since at least 1979.

C. HOUSING PROFILE

This section summarizes housing characteristics and trends, analyzes the housing market from a number of different data sources and perspectives, compares what housing is available to what residents can afford, and identifies what units are defined as affordable by the state.

1. Housing Growth – Slower growth and increasing demolition/replacement activity

Table 19 indicates that only almost one-quarter (23.8%) of Needham’s housing stock predates World War II. Building activity took off in the 1940s through the 1960s when about 44% of the housing stock was developed. After that growth slowed down to a rate of 9.3% between 2000 and 2009. Census data indicates that 551 new housing units were created between 2010 and 2017, representing an overall growth rate of 5.0%. It should be noted that this housing growth was slightly lower than the overall population growth of 5.3% during the same period.

Table 19: Housing Units by Year Structure Was Built

Time Period	#	%
2010 or later	551	5.0
2000 to 2009	1,016	9.3
1990 to 1999	535	4.9
1980 to 1989	861	7.9
1970 to 1979	619	5.6
1960 to 1969	1,207	11.0
1950 to 1959	2,249	20.5
1940 to 1949	1,316	12.0
1939 or earlier	2,609	23.8
Total	10,963	100.0

Source: U.S. Census Bureau, American Community Survey 2013-2017 5-Year Estimates.

Table 20 estimates that between 2010 and 2017 approximately 706 residential units were produced, taking demolition and replacement activity into consideration. This level of housing growth is significantly higher than the 551 units included in Table 19 and runs counter to the 159-unit decrease in units as indicated in Table 21. Based on the 2010 decennial census count, the total number of units should have been close to 11,828 in 2017.

As there are no more large multi-family developments that have been approved and teardown activity is more than 90% of all new single-family and two-family units produced, it is unlikely that the 2020 census will count more than 12,000 total units. The Town will still have a healthy cushion with respect to the 10% affordability threshold with a current inventory of 1,399 affordable units; however, the percentage of affordability will decrease from the current 12.7% to a level closer to 11.8%.

Table 20: Net New Residential Units, 2010-2017

Year	New Single-family Units	New Two-family Units/New Multi-family	Demolish or Relocate	Estimated Total Net New Units Net Single-family/Net Two-family + Multi-family or Subdivisions
2010	66	4 (8 units)	160*	5/1
2011	67	5 (10 units)	101*	5/1
2012	75	10 (20 units)	108*	6/2
2013	61	10 (20 units)/ 1***	68**	-7/2 + 12
2014	98	34 (68 units)/4****	92**	6/6 + 40
2015	85	9 (18 units)	84**	1/2
2016	104	6/12*****	96**	8/1 + 52
2017	92	10 (20 units)/12 *****	93**	-1/2 + 562
Total	648	170/690	802	23/17 + 666 = 706 Units

Source: Needham Building Department

* All demolition permits

** Indicates only residential building permits. Assume that about 92% of the new single-family and two-family units involved demo/replacement.

*** Includes 12 independent living units at The Residences of Wingate.

**** Includes 10 units at mixed-use property at 50 Dedham Avenue, Greendale Village 40B with 12 single-family units and 4 duplex units for a total of 20 units, and 10 units at Webster Street Green 40B development.

***** Includes 52 independent living units at One Wingate Way.

***** Includes 390 units at 275 Second Avenue (The Kendrick), 136 units at 700 Greendale Avenue (Modera Needham) as well as several subdivisions (Sunrise Terrace – 6 units, Rockwood Lane – 22 units, and Belle Lane – 8 units).

2. Housing Occupancy – High levels of owner-occupancy and extremely tight market conditions

Table 21 includes a summary of housing occupancy characteristics from 1990 through 2017. Of the 11,124 total housing units in 2010, Needham had 11,047 year-round units⁷ of which 10,341 or 93.0% were occupied. Of the occupied units, 8,642 or 83.6% were owner-occupied and the remaining 1,699 units or 16.4% were occupied rental units.

The 2017 census estimates show a decrease in housing units, to 10,963 units, representing a loss of 159 units. On the other hand, the 2017 figures also indicate a significant decrease in vacant units, from 781 in 2010 to 311 in 2017. It is unclear why the number of vacant units was so high in 2010. Additionally, based on building permit activity, the loss of units reflected in the 2017 census estimates is clearly erroneous.

⁷ The year-round figure is the one used under Chapter 40B for determining the 10% affordability goal subtracting seasonal units (75 units) from total units (11,122) = 11,047 units.

The 2017 estimates also identify increases in the numbers of owner-occupied and renter-occupied units but a proportionate decrease in owner units to 82.6% as opposed to a 17.4% increase in rentals. The increase of 157 rental units between 2010 and 2017 does not fully capture all of the rental unit production in Needham during that period, Charles River Landing in particular, but may reflect some conversion of rentals to owner-occupancy, such as the trend of creating condos in two-family dwellings.

These figures still represent a relatively high level of owner-occupancy, however. For example, only 69.2% of the occupied units in Norfolk County were owner-occupied with the state at 62.3% in 2010, which changed very little to 69.3% and 62.4%, respectively, by 2017.

The average number of persons per unit increased from 2.83 persons in 1990, to 2.88 persons by 2010, and then up somewhat to 3.00 persons in 2017 for owner-occupied units, but decreased from 2.02 to 1.67 persons for rental units. This decrease occurred despite increases in the town-wide average number of persons per household from 2.68 persons in 1990, to 2.72 by 2010, and 2.77 by 2017 and reflects the relatively small size of new rental units in Needham.

Table 21: Housing Occupancy, 1990 to 2010

Housing Characteristics	1990		2000		2010		2017	
	#	%	#	%	#	%	%	#
Total # Housing Units	10,405	100.0	10,846	100.0	11,122	100.0	10,963	100.0
Occupied Units *	10,160	97.6	10,612	97.8	10,341	93.0	10,652	97.2
Total Vacant Units*	245	2.4	234	2.2	781	7.0	311	2.8
Occupied Owner Units **	8,097	79.7	8,587	80.9	8,642	83.6	8,799	82.6
Occupied Rental Units **	2,063	20.3	2,025	19.1	1,699	16.4	1,853	17.4
Average Household Size/ Owner Occupied Unit	2.83 persons		2.82 persons		2.88 persons		3.00 persons	
Average Household Size/ Renter Occupied Unit	2.02 persons		1.84 persons		1.90 persons		1.67 persons	

Source: U.S. Census Bureau, Census 1990, 2000 and 2010 and American Community Survey 5-Year Estimates for 2013-2017.

* Percentage of all housing units

** Percentage of occupied housing units

The vacancy rate was only 2.2% for ownership in 2010, up somewhat from 0.3% in 2000 and fairly comparable to state and national levels as shown in Table 22. As any rate below 5% reflects extremely tight housing market conditions, this information confirms a strong homeownership market. Estimates for 2017 indicate an even tighter market with a 1.5% vacancy rate, somewhat higher than county and state levels.

On the other hand, the rental vacancy rate was estimated to be zero in 2010, which does not even reflect normal turnover rates. By 2017 this rate had increased only to 0.9%, significantly lower than county and state levels of about 4%.

It also should be noted that the 2017 census estimates also indicate that Needham had 904 people living in group quarters. These units include skilled nursing facilities and college student housing for example that are not counted as part of the total number of housing units per census data.

Table 22: Vacancy Rates by Tenure, 2000 to 2017

Tenure	Needham 2000	Needham 2010	Needham 2017	County 2017	MA 2017
Rental	2.2%	0.0%	0.9%	3.8%	4.0%
Homeowner	0.3%	2.2%	1.5%	0.8%	1.1%

Source: U.S. Census Bureau, 2000 and 2010, Summary File 1; American Community Survey 5-Year Estimates, 2013-2017 5-Year Estimates.

3. Types of Structures and Units – Predominance of single-family homes

Table 23 and Figure 7 demonstrate that Needham’s housing stock is dominated by single-family homes with the following changes in housing types:

- The number of detached and attached dwellings combined comprised 81% of all units, down somewhat from 83% in 2010, but about the same proportion as 1990 and 2000 levels. This data suggests a gain of 91 single-family detached units between 2010 and 2017 and a loss of 150 attached units. The total number of single-family units of 8,420 is not far off from the Assessor’s total of 8,399 such units.
- There was an increase of 161 units in two to four-unit properties between 2010 and 2017 but a net loss of 112 units since 1990.
- There was little change in unit numbers in five to nine-unit properties during the past several decades.
- The 2017 census estimates also suggest an increase of 127 units in properties of ten or more units since 2010 which undercounts the units created as part of Charles River Landing.
- The number of units in the “other “ category, which includes mobile homes, RV’s, houseboats, etc., has decreased to zero over the decades.

Table 23: Units by Type of Structure, 1990 to 2017

Type of Structure	1990		2000		2010		2017	
	#	%	#	%	#	%	#	%
1-unit detached	8,185	78.7	8,333	76.8	8,329	77.3	8,420	76.8
1-unit attached	237	2.3	317	2.9	619	5.7	469	4.3
2 to 4 units	800	7.7	813	7.5	527	4.9	688	6.3
5 to 9 units	225	2.2	187	1.7	256	2.4	218	2.0
10+ units	901	8.7	1,177	10.9	1,041	9.7	1,168	10.7
Other	57	0.5	19	0.2	9	0.1	0	0.0
Total	10,405	100.0	10,846	100.0	10,781	100.0	10,963	100.0

Source: U.S. Census Bureau, Census 1990 and 2000 Summary File 3 and the American Community Survey 2006-2010 and 2013-2017 5-Year Estimates.

Table 24 provides a breakdown of the estimated 2010 and 2017 distributions of units per structure according to whether the units were occupied by renters or homeowners. While about 94% of owners resided in single-family detached or attached homes in both 2010 and 2017, almost 80% of renters lived in multi-family units of two or more units in 2017, up from 67% in 2010. It is interesting to note that 18.6% of renters lived in single-family homes in 2017, down from almost one-third in 2010, which is considerably higher than the state level of 15.2% in 2017 and most likely related to the prevalence of single-family homes in Needham and new rental development that has provided more options for residents beyond the single-family home.

Table 24: Type of Structure by Tenure, 2010 and 2017

Type of Structure	Homeowner Units				Renter Units			
	2010		2017		2010		2017	
	#	%	#	%	#	%	#	%
1 unit, detached and attached	8,115	94.3	8,279	94.1	577	32.7	344	18.6
2 to 4 units	160	1.9	227	2.6	367	20.8	433	23.4
5 to 9 units	0	0.0	46	0.5	228	12.9	172	9.3
10 or more units	323	3.8	247	2.8	594	33.6	904	48.8
Total	8,607	100.0	8,799	100.0	1,766	100.0	1,853	100.0

Source: U.S. Census Bureau, 2006-2010 and 2013-2017 American Community Survey 5-Year Estimates.

Table 25 provides information on the distribution of unit sizes, more specifically the number of rooms per unit. This data indicates that the median sized unit in Needham was large with 7.5 rooms, likely including four bedrooms, and higher than the county and state medians of 6.0 and 5.6 rooms, respectively. In addition, those units most appropriate for single persons, with four or fewer rooms, involved only 15.5% of all units in Needham compared to 28.4% and 31.3% for the county and state, respectively. *Given that more than half (53%) of all households included single individuals or two-persons, a substantial portion of households in Needham are living in housing that is much larger than what they need, in essence they could be considered “over-housed”.* Some residents may even want to downsize but find it challenging to find appropriate alternative housing that better meets their current

lifestyles and pocketbooks. The new multi-family development will provide some opportunities for downsizing however.

On the other end of the spectrum, there was a substantial supply of larger homes in Needham. Those units with seven or more rooms involved 63.7% of the housing stock, and units with nine or more rooms included 28.8% of all units compared to 16.8% for the county and only 11.5% for the state.

Table 25: Number of Rooms per Unit, 2017

Number of Rooms per Unit	Needham		Norfolk County	Massachusetts
	#	%	%	%
1 Room	239	2.2	1.7	2.5
2 Rooms	261	2.4	3.1	3.1
3 Rooms	567	5.2	10.0	9.9
4 Rooms	629	5.7	13.6	15.8
5 Rooms	753	6.9	13.3	18.3
6 Rooms	1,305	11.9	16.3	17.4
7 Rooms	1,651	15.1	13.3	12.2
8 Rooms	1,924	17.5	11.7	9.1
9 or More Rooms	3,634	33.1	17.2	11.6
Total	10,963	100.0	100.0	100.0
Median (Rooms)	7.5 rooms		6.0 rooms	5.6 rooms

Source: U.S. Census Bureau, American Community Survey 2013-2017 5-Year Estimates.

4. Housing Values – Extremely high and rising housing costs

The following analysis of the housing market examines past, present and future values of homeownership and rental housing from a number of data sources including:

- The 1990, 2000 and 2010 Decennial U.S. Census figures
- The U.S. Census Bureau’s 2006-2010 and 2013-2017 American Community Survey 5-Year Estimates
- The Warren Group’s median sales price statistics and sales volume by year, 2000 to 2018
- Multiple Listing Service data
- Town Assessor’s data
- Internet rental listings and property agents

Homeownership – A robust and relatively resilient homeownership market

Census data also provides information on housing values, summarized for owner-occupied units in Table 26. The 2017 census indicated a median house value of \$752,000, up from the median of \$646,300 and almost triples the median in 1990 of \$256,500. Between 2000 and 2017, the median increased by 95%, more than double the rate of inflation of 42% during this period.

In 2017, there were only 203 units valued at less than \$200,000 with another 133 units in the \$200,000 to \$300,000 price range and still relatively affordable. This demonstrates that very little of the community’s owner-occupied housing units were relatively affordable. On the other end of the price range, *24% of the units were valued at over \$1 million, almost double the 2010 level.*

Table 26: Housing Values of Owner-Occupied Units, 1990 to 2017

Price Range	1990		2000		2010		2017	
	#	%	#	%	#	%	#	%
Less than \$200,000	1,126	15.8	250	3.2	148	1.7	203	2.3
\$200,000 to \$299,999	3,988	55.9	1,471	19.1	239	2.8	133	1.5
\$300,000 to \$499,999	1,672	23.4	4,274	55.5	1,551	18.0	632	7.2
\$500,000 to \$999,999	350	4.9	1,577	20.5	5,525	64.2	5,704	64.8
\$1 million or more			126	1.6	1,144	13.3	2,127	24.2
Total	7,136	100.0	7,698	100.0	8,607	100.0	8,799	100.0
Median (dollars)	\$256,500		\$385,600		\$646,300		\$752,000	

Source: U.S. Census Bureau, 1990 and 2000, Summary File 1, and U.S. Census Bureau, 2006-2010 and 2013-2017 American Community Survey 5-Year Estimates.

Table 27 provides *The Warren Group data from Banker & Tradesman* on median sales prices and the number of sales from 2000 through 2018, offering a long-range perspective on sales activity. This data is tracked from Multiple Listing Service information based on actual sales.

Needham has joined the “million dollar club” as the median sales price of a single-family home climbed to \$1,102,000 as of January 2019 from \$976,250 as of the end of 2018.

The lowest point of the market occurred in 1992 when the median single-family home was priced at \$225,000, reflective of the economic recession in the early 1990s. After that single-family home values climbed steadily until 2005 when it fluctuated a bit due to the financial crisis but remained above \$600,000. The number of single-family home sales has also fluctuated considerably, declining from 452 sales in 2004, down to a low of 329 sales in 2008 in reaction to the recession, and then up and down after that to 384 sales in 2018.

Table 27: Median Sales Prices and Number of Sales, 2000 to 2018

Year	Months	Single-family		Condominiums		All Sales	
		Median	# Sales	Median	# Sales	Median	# Sales
2018	Jan – Dec	\$976,250	384	\$754,900	69	\$930,000	488
2017	Jan – Dec	962,500	396	767,000	58	910,000	489
2016	Jan – Dec	859,000	422	580,000	57	836,000	513
2015	Jan – Dec	848,250	419	636,000	77	809,000	537
2014	Jan – Dec	810,000	385	550,000	75	789,500	496
2013	Jan – Dec	749,500	424	485,000	59	729,000	529
2012	Jan – Dec	672,100	396	445,000	47	657,000	491
2011	Jan – Dec	656,500	356	361,000	35	636,500	428
2010	Jan – Dec	632,500	392	402,000	52	625,500	468
2009	Jan – Dec	650,000	331	297,750	54	620,000	408
2008	Jan – Dec	645,000	329	415,000	65	625,000	421
2007	Jan – Dec	618,000	441	428,000	57	610,000	527
2006	Jan – Dec	655,000	368	444,500	44	636,000	454
2005	Jan – Dec	663,750	364	593,750	62	650,000	456
2004	Jan – Dec	619,500	452	379,500	70	604,500	569
2003	Jan – Dec	560,000	426	379,750	42	545,000	508
2002	Jan – Dec	520,850	422	328,000	63	500,000	522
2001	Jan – Dec	489,950	366	279,950	48	465,000	449
2000	Jan – Dec	436,250	434	239,000	41	425,000	525

Source: The Warren Group/Banker & Tradesman, January 25, 2019.

The condo market has experienced more volatility, both in terms of values and number of sales. Median prices reached a high of \$593,750 in 2005 and then dropped to \$297,750 by 2009, again in response to the recession. The condo market did not surpass pre-recession levels until 2015 when the median reached a high of \$636,000. After a decline in 2016, the median spiked to \$767,000 in 2017. The number of sales ranged from a low of 41 in 2000, to a high of 77 in 2015, then down again to 57 sales in 2016, and once again up to 69 in 2018.

Housing prices are high in Needham even relative to neighboring communities that include some of the priciest suburbs in the Boston area. Median values for single-family homes are shown in Table 28 for 2000, 2005 (the height of the market for most of these communities), 2010 and 2018, showing the fluctuations in the market over time. The 2018 medians ranged from a low of \$499,000 in Dedham to a high of \$1,376,250 in Wellesley. Needham's median is more than twice the \$385,000 level for Norfolk County.

Table 28: Median Single-family Home Prices for Needham and Neighboring Communities, 2000 to 2018

Community	2000	2005	2010	2018
Dedham	\$254,950	\$404,500	\$346,700	\$499,000
Dover	\$700,000	\$1,057,500	\$834,875	\$1,210,500
Needham	\$436,250	\$663,750	\$632,500	\$976,250
Newton	\$539,000	\$760,000	\$735,000	\$1,184,750
Wellesley	\$592,750	\$971,250	\$900,000	\$1,376,250
West Roxbury	\$270,000	\$439,375	\$405,000	\$600,000
Westwood	\$392,500	\$608,000	\$530,000	\$775,000
Norfolk County	\$275,000	\$425,000	\$378,000	\$500,000
Massachusetts	\$215,000	\$355,000	\$295,000	\$385,000

Source: The Warren Group/Banker & Tradesman, January 25, 2019.

**Figure 8: Median Single-family Home Prices for Needham and Neighboring Communities
2000, 2005 and 2018**

Source: The Warren Group/Banker & Tradesman, January 25, 2019.

Figure 8 tracks these median housing values, demonstrating the trajectory of the housing market since 2000, with increasing home values through the height of the housing market in 2005, just before the recession. All of these nearby communities recovered quite well from the financial downturn with housing values that are in most instances well beyond 2005 levels. This recovery demonstrates the robust and relatively resilient housing markets in these communities as well as a clear signal of the upswing in the overall housing market.

Town Assessor data on the assessed values of residential properties in Needham is presented in Tables 29 and 30, which provide insights not only into the diversity of the existing housing stock but also the range of values for each dwelling type. This data shows that Needham had 8,399 single-family properties, not far off from the 3,420 reported in the 2017 census estimates. There was only one unit, a Habitat for Humanity house, valued below \$200,000 and just another two assessed between \$200,000 and \$300,000 that were still relatively affordable. While almost half of the homes were assessed between \$500,000 and \$700,000 in Fiscal Year 2014, homes in this range have declined to 28%. In fact, all properties assessed for less than \$700,000 decreased from 4,987 homes, or 60% of all single-family units in FY14, to 2,639 units representing 31% of these units by FY20.

The bottom line is that there is very little affordability left in Needham's private housing stock.

The most striking change involves the number of properties assessed for more than \$1 million, increasing from 1,322 homes, or 15.8% of the single-family dwellings in FY14, to 2,457 or 29.3% in FY20. The highest assessment was \$5,662,200 for a property with 43 acres and 12,400 square feet of living space on South Street.

The loss in lower-valued properties and substantial growth in high-end market units clearly corresponds to the substantial amount of demolition and replacement activity that has been taking place in the community where small, less expensive homes have been replaced by much larger and pricier ones. This dramatic uptick in Needham's luxury housing market is visually presented in Figure 9.

There were 921 condos counted in Assessor's records, up from 791 in FY14, comprising about 8.4% of all housing units and thus representing a relatively small segment of Needham's housing market. The growth in condos has occurred largely by the conversion of two-family dwellings to high-priced condominiums. Nevertheless, condos were assessed generally more affordably than the single-family homes with the median value of \$526,100 compared to \$799,400 for the single-family homes and the range of values going from \$108,200 for a deed restricted affordable unit to \$1,553,100 for a condo at Woods End.⁸

Many of the 35 condos with assessments below \$200,000 were deed restricted and part of the Town's Subsidized Housing Inventory. Altogether, almost 19% of the condos were assessed below \$300,000, down considerably from 40% in FY14. Condos with assessments between \$300,000 and \$500,000 increased from 22.7% to 28.2% between FY14 and FY20. Those higher end condos valued at more than \$500,000 increased significantly from one-third to more than half (53%) of all condos during this period, including 40 condos assessed for more than \$1 million in FY20 compared to four in FY14. It is also interesting to note that there was a relatively even distribution of condos among each of the assessment

⁸ It should be noted that assessed values typically underestimate market levels, particularly in rising housing markets.

ranges between \$500,000 and \$1 million, each at about 10% of all condos as shown by the flat curve in Figure 9.

Table 29: Assessed Values of Single-family Homes and Condominiums, FY 2020

Assessment	Single-family		Condominiums		Total	
	#	%	#	%	#	%
Less than \$200,000	1	0.01	34	3.7	35	0.4
\$200,000-299,999	2	0.02	138	15.0	140	1.5
\$300,000-399,999	20	0.2	196	21.3	216	2.3
\$400,000-499,999	248	3.0	64	6.9	312	3.3
\$500,000-599,999	841	10.0	86	9.3	927	9.9
\$600,000-699,999	1,527	18.2	94	10.2	1,621	17.4
\$700,000-799,999	1,540	18.3	89	9.7	1,629	17.5
\$800,000-899,999	1,131	13.5	88	9.6	1,219	13.1
\$900,000-999,999	632	7.5	92	10.0	724	7.8
Over \$1 million	2,457	29.3	40	4.3	2,497	26.8
Total	8,399	100.0	921	100.0	9,320	100.0
Median	\$799,400		\$526,100		--	

Source: Needham Assessor, Fiscal Year 2020.

Figure 9: Assessed Values of Single-family Homes and Condominiums, FY 2014 and FY 2020

While condos are on the whole more affordable, they also tend to be more susceptible to wide fluctuations in the housing market. Condo markets are historically slower to appreciate and faster to decline in value, and condo values tend to rise disproportionately when the price of single-family homes reaches unprecedented high levels, a trend Needham is currently witnessing.

Assessor's data for multi-family properties, as summarized in Table 30, indicates that there are 226 two-family homes (452 units), down from 254 two-families (508 units) in FY14. The 2017 census estimates are just a bit higher than the Assessor's count, at 471 units. The median two-family house price was \$602,600. There was also a loss of six units in three-family properties between FY14 and FY20, with all such properties assessed at more than \$500,000 and median of \$801,400.

As to larger multi-family properties, there are 11 properties with four to eight units that ranged in value from \$446,500 to \$1,578,700 and with a median of \$693,000. There were also 15 properties with more than eight units, all assessed for more than \$1 million and mostly concentrated on Tillotson and Perrault

Roads but also including Charles River Landing, Chestnut Hollow, Nehoidan Glen, Modera Needham, The Kendrick, and Webster Green developments for example. Charles River Landing had the highest assessed value at \$88,382,400.

There were also 22 mixed residential and commercial properties including ten properties that were primarily residential and 12 that were primarily commercial. Assessor records also included four properties that involved more than one house on the same lot that also listed the Wingate senior development at 235 Gould Street.

Table 30: Assessed Values of Multi-family Properties, Fiscal Year 2020

Assessment	2/3-unit properties		4 to 8-units/More than 8-unit properties	
	#	%	#	%
Less than \$200,000	0/0	0.0/0.0	0/0	0.0/0.0
\$200,000-299,999	3/0	1.3/0.0	0/0	0.0/0.0
\$300,000-399,999	8/0	3.5/0.0	0/0	0.0/0.0
\$400,000-499,999	24/0	10.6/0.0	1/0	9.1/0.0
\$500,000-599,999	76/1	33.6/7.7	1/0	9.1/0.0
\$600,000-699,999	66/5	29.2/38.5	4/0	36.4/0.0
\$700,000-799,999	20/1	8.8/7.7	0/0	0.0/0.0
\$800,000-899,999	14/3	6.2/23.1	3/0	27.3/0.0
\$900,000-999,999	3/3	1.3/23.1	0/0	0.0/0.0
Over \$1 million	12/0	5.3/0.0	2/15	18.2/100.0
Total	226/13	100/100.0	11/15	100.0/100.0

Source: Needham Assessor, Fiscal Year 2020.

Rental Housing

Table 31 presents information on rental costs from 1990 to 2017 based on the *U.S. Census Bureau* sample data. The rental market has changed substantially as the median rent increased 83% between 1990 and 2017, going from \$798 per month to \$1,457. In 2017, about two-thirds of the town's rental units were renting for more than \$1,000, 44% above \$1,500, and 15% at over \$3,000. *It is also important to note that the census figures include subsidized units, which represents 39% of all rental units in Needham, and thus median values make the rental market look more affordable than it actually is.*

Table 31: Rental Costs, 1990 to 2017

Gross Rent	1990		2000		2010		2017	
	#	%	#	%	#	%	#	%
Under \$200	197	9.7	108	5.4	0	0.0	282	15.2
\$200-299	79	3.9	55	2.7	139	7.9		
\$300-499	195	9.6	133	6.6	176	10.0		
\$500-749	350	17.2	160	7.9	74	4.2	214	11.5
\$750-999	540	26.5	243	12.1	98	5.5	421	22.7
\$1,000-1,499	487	23.9	543	26.9	329	18.6		
\$1,500 +			667	33.1	788	44.6	814	43.9
No Cash Rent	190	9.3	106	5.3	162	9.2	122	6.6
Total*	2,038	100.0	2,015	100.0	1,766	100.0	1,853	100.0
Median Rent	\$798		\$1,289		\$1,484		\$1,457	

Sources: U.S. Census Bureau, Census 1990 and 2000 Summary File 3 and 2006-2010 and 2013-2017 American Community Survey 5-Year Estimates.

Updated information from internet listings, local realtors and property representatives on recent rental offerings in early 2019 is presented in Table 32, which indicates very high rents. The lowest advertised rents included one and two-bedroom units at Rosemary Lake, an older rental development, and a two-bedroom unit in a two-family house, all below \$2,000. More typical market rentals are significantly higher including rents near \$5,000 for two and three-bedroom units in newer multi-family developments that were permitted under Chapter 40B and thus also include some affordable units.

Table 32: Market Rental Listings, February 2019

Location	# Bedrooms	# Baths	Square Feet	Rent	Property Type
The Kendrick	Studio	1	606-652	\$2,439-2,665	Large Multi-family/40B
	1	1	678-1,036	\$2,626-3,806	
	2	2	1,047-1,252	\$3,536-4,346	
	3	2	1,351-1,484	\$4,666-5,206	
Modera Needham	1	1	905-1,044	\$2,945-3,230	Large Multi-family/40B
	2	2	1,212-1,422	\$3,639-4,200	
	2	2.5	1,756	\$4,973-5,038	
	3	2	1,497-1,640	\$4,772-5,037	
Charles River Landing	1	1	792-1,130	\$2,406-4,815	Large Multi-family/40B
	2	1	1,139	\$2,950-3,266	
	2	2	1,379-1,588	\$3,399-4,222	
Rosemary Lake	1	1	620-923	\$1,375-1,650	Large Multi-family
	2	2	1,053-1,196	\$1,550-1,975	
	3	1.5	1,776	\$2,850	
	3	2	1,450-2,500	\$3,095-4,800	
Webster Green	2	1		\$2,350	Large Multi-family
110 Second Avenue	2	2.5	900	\$3,600	Multi-family
Kearny Road	Studio	1	700	\$2,000	Unit in House
Marsh Road	2	1	1,100	\$1,700	Unit in House
Highland Ave.	2	1	1,342	\$2,150	Unit in House
Thornton Rd.	2	1		\$2,560	Unit in House
Ellicott St.	2	1	800	\$1,900	Unit in House
Chestnut St.	2	1		\$2,500	Unit in House
Guild Road	3	2	1,800	\$3,850	Unit in House
West Street	3	1.5	1,778	\$3,350	Single-family
Mary Chilton Rd.	4	2.5	2,224	\$4,500	Single-family
Vara Lane	4	1.5	3,200	\$2,500	Single-family
Charles River St.	5	4	3,320	\$5,500	Single-family
Hillside Ave.	2	1	736	\$2,050	Condo
Rosemary Way	2	2	1,100	\$2,400	Condo
Booth Street	5	3.5	4,200	\$5,500	Condo

A more typical rent for a two-bedroom apartment is at least \$2,500 in older dwellings and over \$3,500 in newer multi-family development.

Most of the apartments also require first and last month's rent plus a security deposit equivalent to as much as a month's rent. For a \$2,500 apartment, that totals \$7,500 in up-front cash, an amount that many prospective tenants are hard-pressed to pull together. Some listings even added a broker's fee as well.

Table 33 provides the FY 2018 and 2019 Fair Market Rents (FMRs) for the Boston area that are the rent limits that are applied to Section 8 Housing Choice Vouchers and some other rental subsidy programs, adjusted by the number of bedrooms. These rents are meant to reflect actual market conditions but given the market rents listed in Table 32, it becomes clear why Section 8 voucher holders encounter problems in finding rental opportunities in Needham below these caps.

Table 33: HUD Fair Market Rents (FMRs), 2019

Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2019	\$1,394	\$1,561	\$1,902	\$2,383	\$2,571
FY 2018	\$1,253	\$1,421	\$1,740	\$2,182	\$2,370

Source: U.S. Department of Housing and Urban Development (HUD)

5. Affordability Analysis

Affordability Gaps

While it is useful to have a better understanding of past and current housing costs, it is also important to analyze the implications of these costs on affordability. Tables 34 and 35 look at affordability from two different perspectives. Table 34 calculates what households earning at various income levels can afford with respect to types of housing, and Table 35 examines some of the housing costs summarized above in Section 4, estimating what households must earn to afford these prices *based on spending no more than 30% of their income on housing expenses*, the commonly applied threshold of affordability.

In addition to showing how different types of housing are more or less affordable to households earning at median household income for Needham and at the 80% of median income for the Boston area, Table 34 also indicates that the amount of down payment has a substantial bearing on what households can afford. Prior to the recession, it had been fairly easy for purchasers to limit their down payments to 5% or even less as long as they paid private mortgage insurance or qualified for a subsidized mortgage program such as the state's ONE Mortgage Program,⁹ MassHousing mortgage programs, or government mortgage insurance programs. Since then, lenders have been applying more rigid lending criteria, including high down payments and stricter credit standards. These requirements make homeownership, particularly first-time homeownership, much more challenging, and the proportion of first-time homebuyers entering the market has plummeted. As Table 34 demonstrates, a household earning the same level of income can acquire a much higher priced home with more cash down as they are borrowing less.

Whether mortgage financing requires Private Mortgage Insurance (PMI) also makes a difference. PMI is not required on mortgages with large down payments or for many publicly insured or subsidized mortgage programs. Assuming that a household earning at 80% AMI can qualify for the state's ONE Mortgage Program or MassHousing offerings for example, this household could afford a single-family home for \$276,000 without PMI but \$266,000 with this extra cost.

⁹ The Soft Second Program has been replaced by the state's ONE Mortgage Program.

Table 34 also shows that because condo fees are calculated as housing expenses in mortgage underwriting criteria, they are relatively more expensive. Therefore, a three-person household earning at 80% of area median income (based on 2018 HUD income limits for the Boston area), for example, can afford a single-family home of \$266,000 with a 5% down payment, but a condo for only \$228,000, assuming a condo fee of \$300 per month. The same household is estimated to be able to buy a two-family house for \$485,000 if it can charge \$2,000 per month in rent as this income is also considered in mortgage underwriting, usually at about 75% of the rent level or \$1,500. A three-family house is even more affordable with two paying tenants, and it is therefore not surprising that the two-family and triple-decker have been so successful as starter housing for those looking to enter into homeownership.¹⁰

Because median income levels are so high in Needham, at \$149,690 based on 2017 census estimates, the amount that can be borrowed and ultimately the purchase price are relatively high. For example, a median income household may likely be able to afford a single-family home for \$611,000 and a \$576,000 condo based on 80% financing.

Table 34 also looks at what renters can afford at three different income levels. For example, a two-person household (average household size of renters in Needham was 1.67 persons according to 2017 census estimates) earning at 50% of area median income and earning \$43,150 annually could afford an estimated monthly rental of about \$903.75, assuming they were paying no more than 30% of their income on housing and pay utility bills that average \$175 per month.¹¹ An unsubsidized rental this low is now virtually impossible to find in Needham, where the lowest rental advertised in early 2019 was \$1,375 for a one-bedroom apartment in an older multi-family development, which also most likely required first and last month's rent and a security deposit. This means that any household looking to rent in the private housing market must have a considerable amount of cash available, which has a significant impact on affordability. For renter households earning at 80% AMI, a rental of \$1,447.50 is estimated, which, while possible, is at the very lowest end of the rental range.

It is also important to note that the figures included in Table 34 for those earning at the 80% AMI level are not the same as the purchase prices that are calculated under the state Local Initiative Program (LIP) formula that are established at the 70% AMI level with some other slightly different assumptions.

¹⁰ Two-family homes are allowed in Needham's General Residence District.

¹¹ Based on utility allowances provided annually by the Needham Housing Authority.

Table 34: Affordability Analysis I
Maximum Affordable Prices Based on Various Income Levels and Housing Types

Type of Property	Income Level	30% of Monthly Income	Estimated Max. Affordable Price 5% Down***	Estimated Max. Affordable Price 20% Down***
Single-family	Median Income = \$141,690*	\$3,547.50	\$517,000 without PMI	\$611,000
	80% AMI = \$73,000**	\$1,825.00	\$266,000 with PMI \$276,000 without PMI	\$314,000
Condominium	Median Income = \$141,690*	\$3,547.50	\$485,000 without PMI	\$576,000
	80% AMI = \$73,000**	\$1,825.00	\$228,000 with PMI \$236,500 without PMI	\$270,000
Two-family	Median Income = \$141,690*	\$3,547.50	\$736,000 without PMI	\$869,000
	80% AMI = \$73,000**	\$1,825.00	\$485,000 with PMI \$503,000 without PMI	\$572,500
		30% of Monthly Income	Estimated Utility Cost	Affordable Monthly Rental
Rental	Median Income = \$141,690*	\$3,547.50	\$175.00	\$3,372.50
	80% AMI = \$64,900**	\$1,622.50	\$175.00	\$1,447.50
	50% AMI = \$43,150**	\$1,078.75	\$175.00	\$903.75
	30% AMI = \$25,900**	\$647.50	\$175.00	\$472.50

Source: Calculations provided by Town’s Community Housing Specialist.

* Based on the U.S. Census Bureau’s American Community Survey (ACS) 5-Year Estimates, 2013-2017.

** HUD 2018 Income Limits for the Boston area for a household of three (3) for homeowners (average household size for homeowners in Needham was 2.88 persons per the 2010 census and 3.0 per ACS 2013-2017 Estimates) and average of two (2) for renters as average household size for renter-occupied units was 1.90 persons based on the 2010 census and 1.67 based on 2013-2017 ACS Estimates).

*** Figures based on interest rate of 5.0%, 30-year term, annual property tax rate of \$12.39 per thousand, insurance costs of \$6 per thousand for single and two-family homes and \$4 per thousand for condos, and private mortgage insurance (PMI) estimated at 0.3125% of loan amount for 95% financing, estimated monthly condo fees of \$300, and rental income of 75% of \$2,000 or \$1,500. Figures do not include underwriting for PMI in calculations with a 20% down payment and for comparison purposes for the 80% AMI level at 95% financing that would assume that the purchaser qualified for the ONE Mortgage Program or MassHousing offerings for example. Assumptions also include the purchaser spending no more than 30% of income on housing costs.

Table 35 examines affordability from another angle, going from specific housing costs to income. Taking median price levels for single-family homes, condos and two-family homes into account, the incomes that would be required to afford these prices are calculated, also showing the differences between 95% and 80% financing. For example, using the median single-family home price as of the end of 2018 of \$976,250, a household would have to earn approximately \$268,000 if they were able to access 95% financing and \$226,870 with 80% financing, well above the median household income of \$141,690 and even the median family income of \$172,774.

The median condo price was \$754,900 as of the end of 2018, which required an estimated income of \$214,000 with 5% down and \$182,400 with the 20% down payment. *Because of the income generated in a two-family home, this type of property is significantly more affordable.*

Table 35: Affordability Analysis II
Income Required to Afford Median Prices and Minimum Market Rents

Type of Property	Median Price *	Estimated Mortgage		Income Required **	
		5% Down	20% Down	5% Down	20% Down
Homeownership					
Single-family	\$976,250	\$927,438	\$781,000	\$268,000	\$226,870
Condominium	\$754,900	\$717,155	\$603,920	\$214,000	\$182,400
Two-family	\$602,600	\$572,470	\$482,080	\$105,340	\$80,050
	Estimated Market Monthly Rental ****	Estimated Monthly Utility Costs	Income Required		
Rental					
One-bedroom	\$1,500	\$150	\$66,000		
Two-bedroom	\$2,000	\$175	\$87,000		
Three-bedroom	\$2,500	\$200	\$108,000		

Source: Calculations provided by Town's Community Housing Specialist.

* From The Warren Group Town Stats data, January 25, 2019, for single-family and condos and the median of Town assessments for two-family dwellings.

** Figures based on interest rate of 5.0%, 30-year term, annual property tax rate of \$12.39 per thousand, insurance costs of \$6 per thousand for single and two-family homes and \$4 per thousand for condos, and private mortgage insurance (PMI) estimated at 0.3125% of loan amount for 95% financing, estimated monthly condo fees of \$300, and rental income of 75% of \$2,000 or \$1,500. Figures do not include underwriting for PMI in calculations with a 20% down payment. Assumptions also include the purchaser spending no more than 30% of income on housing costs.

*** Based on FY20 Assessor's records.

**** Lowest prices included in early 2019 rental listings for Needham.

In regard to rentals, using the lowest prices listed in early 2019, a one-bedroom unit renting for \$1,500 would require an income of \$66,000, assuming \$150 per month in utility bills and housing expenses of no more than 30% of the household's income. This is relatively close but still higher than the HUD income limit of \$64,900 for a two-person household earning at 80% of area median income. A low priced listing for a two-bedroom unit of about \$2,000 would require an income of \$87,000. In comparison, someone earning the minimum wage of \$12.00 per hour for 40 hours per week every week during the year would still only earn a gross income of \$25,000. Households with two persons earning the minimum wage would still fall far short of the income needed to afford these minimum advertised rents. While there are rents that fall below this level, particularly subsidized rents, market rents tend to be beyond the reach of those earning within 80% AMI much less lower wage earners.

Through the combination of information in Tables 34 and 35, it is possible to compute the affordability gap, typically defined as the difference between what a median income household can afford and the median priced unit on the market. The affordability gap would then be \$365,250 as of the end of 2018 for single-family homes, the difference between \$611,000, based on what a median income household could afford (for an average household of three and 80% financing) and the median house price of \$976,250. This gap is up considerably from \$211,500 as of April 2014. The upfront cash requirements for the down payment and closing costs in effect substantially add more than another \$200,000 to this affordability gap in the case of 80% financing. The gap widens to \$459,250 plus some upfront cash requirements for 95% financing.

When looking at the affordability gap for those earning at 80% of area median income, the gap is an estimated \$700,250, the difference between the median priced single-family home and what a three-person household earning at this income level can afford, or \$276,000 based on 95% financing and no private mortgage insurance requirement. This gap is up substantially from \$556,500 in 2014.

As to condos, the affordability gap is about \$270,000, the difference between the median priced condo of \$754,900 and what a median income earning household can afford or \$485,000. There was no currently affordability gap in 2014 as a household earning at median income could afford the median priced condo at the time.

For those earning at the 80% AMI level, the affordability gap increases to \$518,400, up from \$281,750 in 2014 and based on 95% financing, assuming the purchaser would qualify for the state’s ONE Mortgage Loan Program or a MassHousing mortgage. More rigorous underwriting criteria, including more stringent credit requirements, remain significant challenges in obtaining mortgage financing.

Housing Demand and Supply Analysis

Table 36 identifies how many single-family homes and condos exist in Needham that were affordable within various income categories. Only three single-family homes, that include the Habitat for Humanity house on Bancroft Road, were affordable to households earning at or below 80% of the area median income (AMI) as were 103 condos that included 17 affordable condos as part of Chapter 40B developments.

Table 36: Affordability Analysis III
Relative Affordability of Single-family and Condo Units in Needham, FY20

Price Range Single-family/ Condo*	Income Range	Single-family Homes Available in Price Range		Condominiums Available in Price Range	
		Number	%	Number	%
Less than \$276,000/ Less than \$236,500	Less than 80% AMI	3	0.04	103	11.2
\$276,001-\$611,000/ \$236,501-\$576,000	80% AMI to Needham’s median household income	1,276	15.2	404	43.9
More than \$611,000/ more than \$576,000	More than Needham’s median household income	7,120	84.8	414	45.0
Total		8,399	100.0	921	100.0

Source: Needham Assessor’s Database for FY20. Figures based on a three-person household.

* Includes estimated condo fee of \$300 per month and figures are based on 80% financing with the exception of the less than 80% AMI category where households could possibly qualify for subsidized mortgage programs where 95%/97% financing is available.

About 15% of the single-family units and 44% of the condominiums were affordable to those earning from 80% of area median income to Needham’s median household income level, largely because Needham’s median household income level was so high in comparison to the area-wide income levels for the Boston region used for the 80% AMI figures (\$73,000 for 80% AMI and \$141,690 for the Town’s median). This represents very limited affordability in the housing stock based on a number of

assumptions, including 80% financing for this income range. It should be noted that units in this income range are down considerably from 34% and 63% based on FY14 assessments for single-family homes and condos, respectively.

Table 37 demonstrates a substantial need for more affordable homeownership opportunities in Needham for those earning at or below 80% AMI. These calculations suggest that of the 1,410 owner households who were estimated to have earned at or below 80% AMI in 2017, there were only three single-family homes and 103 condos that would have been affordable to them based on FY20 assessed values and other assumptions listed in Tables 34 and 36. It is likely that many of these owner households are “cash poor but equity rich” in that their incomes might have qualified them for housing assistance but their financial assets, particularly the equity in their homes, would render them ineligible for such housing.

Table 37: Homeownership Need Analysis, 2017

Income Group	Income Range*	Affordable Sales Prices Single-family/Condos**	# Owner Households ***	# Existing Units Single-family/Condos **	Deficit -/ Surplus + Single-family + Condos
Less than 80% AMI	\$73,000 and less	Up to \$276,000/ \$236,500	1,344	3/103	- 1,238
80% AMI to Needham median income	\$73,001 to \$141,690	\$276,001-\$611,000/ \$236,501-\$576,000	2,295	1,276/404	+ 615

Source: U.S. Census Bureau’s American Community Survey, 5-Year Estimates 2013-2017. Needham Assessor data for FY20.

* For a household of three (3) as the average household size for owners (was 3.0 persons per the 2013-2017 ACS 5-Year Estimates) based on 2018 HUD income limits for the Boston area that includes Needham.

** See analysis in Tables 34 and 36.

*** Extrapolated income data for owners from the U.S. Census Bureau’s American Community Survey 5-Year Estimates for 2013-2017 (from Table 15).

Table 38 compares numbers of renters within certain income ranges to the numbers of existing units that may be affordable to them, based largely on extrapolated census data from the Census Bureau’s American Community Survey and households spending no more than 30% of their income on rent and utilities. This data indicates that there is a shortage of 373 rental units, all for those earning at or below 50% of area median income. Consequently, the new 40B rental units will not alleviate the need for more affordable rentals at these very low income ranges.

Table 38: Rental Unit Need Analysis, 2017

Income Group	Income Range*	Affordable Rent**	# Renter Households ***	# Existing Units ****	Deficit -/ Surplus +
Less than 30% AMI	\$25,900 and less	\$472.50 and less	476	267	- 209
Between 30% and 50% AMI	\$25,901 to \$43,150	\$472.51 to \$903.75	352	188	- 164
Between 50% and 80% AMI	\$43,151 to \$64,900	\$903.76 to \$1,447.50	282	419	+ 137
Total			1,110	874	

Source: U.S. Census Bureau’s American Community Survey 5-Year Estimates for 2013-2017.

* For a household of two (as the average household size for renters was 1.67 per 2013-2017 5-Year ACS Estimates) and based on 2018 HUD income limits for the Boston area that includes Needham.

** Includes a utility allowance of \$175 per month (see Table 34).

*** Extrapolated income data for renters from the U.S. Census Bureau's American Community Survey 5-Year Estimates for 2013-2017 (see Table 15).

**** Extrapolated data on monthly rental costs from the U.S. Census Bureau's American Community Survey 5-Year Estimates for 2013-2017 (see Table 31).

While the SHI lists 1,382 total rental units, 656 units or almost half were market rate units (as part of the Charles River Landing, The Kendrick and Modera Needham 40B developments) (see Table 41). Consequently, 726 or 83% of the existing affordable units in Table 38 are included as part of the Town's Subsidized Housing Inventory data.

Cost Burdens

An important measure of housing affordability or housing need is the number of residents who are living beyond their means based on their housing costs, whether for ownership or rental. Such information is helpful in assessing how many households are encountering housing affordability problems or cost burdens, defined as spending more than 30% of household income on housing, or severe cost burdens based on spending more than 50% of income on housing costs.

The U.S. Department of Housing and Urban Development (HUD) provides data on these housing cost burdens by tenure, income level and type of household. Table 39 summarizes this information for 2015 (the latest report available). The data is based on the U.S. Census Bureau's American Community Survey Five-Year Estimates for 2011-2015. Findings generally point to small increases in cost burdens over the past few years, especially for lower income residents and renters, with some decreases for owners. Significant numbers of cost burdened seniors and single individuals also suggest a need for smaller affordable rental units. They also reflect the high costs of housing in Needham, whether for ownership or rentals, that make it extremely challenging to afford to live in the community.

Altogether 2,754 households or 26% of all Needham households were living in housing that is by common definition beyond their means and unaffordable.

Total Households

- **2,754 households or 26% of the estimated number of Needham households were experiencing cost burdens, including 1,154 or 11% with severe cost burdens as they were spending more than half of their income on housing costs. These figures are down somewhat from 2011 with 27.7% and 11.9% levels of cost burdens and severe cost burdens, respectively.**
- **Of the 2,093 total households earning at or below 80% of median family income (MFI), 1,489 or 71% were spending more than 30% of their income on housing and of these 1,059 or more than half (51%) were spending more than 50% of their income on housing, up from 60% and 47% with cost burdens and serious cost burdens in 2011, respectively.**
- Of the 8,484 households earning more than 80% Median Family Income (MFI), 1,465 or 17% were spending too much on their housing as well, down from 1,710 and 20% in 2011.
- Of the 929 households earning at or below 30% MFI, 565 or 61% were spending too much on their housing with 505 or 54% spending more than half of their income on housing costs, up from 52% in 2011. Many households in this income range without cost burdens were living in subsidized units.

- This data also indicates that between 2011 and 2015 there was an increase of 33 renter households compared to an increase of 185 owner households.

Table 39: Cost Burdens, 2015 Census Estimates

Type of Household By Tenure	Households Earning <30% MFI/# with cost burdens *	Households Earning > 30% to < 50% MFI/ # with cost burdens *	Households Earning > 50% to < 80% MFI/# with cost burdens *	Households Earning > 80% and < 100% MFI /# with cost burdens *	Households Earning > 100% MFI/ # with cost burdens *	Total
Elderly Renters	274/35-135	145/35-40	135/35-55	115/15-25	135/10-0	804/130-255
Small Family Renters	85/0-0	0/0-0	15/0-15	30/0-0	265/0-0	395/0-15
Large Family Renters	0/0-0	45/20-25	0/0-0	0/0-0	4/0-0	49/20-25
Other Renters	115/0-60	55/15-25	70/60-0	100/0-0	185/55-10	525/130-95
Total Renters	474/35-195	245/70-90	220/95-70	245/15-25	589/65-10	1,773/280-390
Elderly Owners	340/25-230	125/65-15	285/55-30	210/35-15	1,510/165-30	2,470/345-320
Small Family Owners	50/0-45	55/0-55	186/70-90	290/120-85	4,375/600-45	4,955/790-320
Large Family Owners	15/0-15	4/0-4	15/0-0	10/10-0	900/110-10	944/120-29
Other Owners	50/0-20	15/0-0	15/15-0	10/0-0	345/50-75	435/65-95
Total Owners	455/25-310	199/65-74	500/140-120	520/165-100	7,130/925-160	8,804/1,320-764
Total	929/60-505	444/135-164	720/235-190	765/180-125	7,719/990-170	10577/1600-1154

Source: U. S. Department of Housing and Urban Development (HUD), SOCDs CHAS Data, American Community Survey, 2011-2015 5-Year Estimate.

*First number is total number of households in each category/second is the number of households paying between 30% and 50% of their income on housing – and third number includes those that are paying more than half of their income on housing expenses (with severe cost burdens). Small families have four or fewer family members while larger families include five or more members. The “Other” category, for both renters and owners, includes non-elderly and non-family households, basically single individuals.

Renter Households

- **Of the 939 renter households earning at or below 80% MFI, 555 or 59% were spending too much on their housing including 355 or 38% who were spending more than half of their income on housing expenses. These figures are higher than those for 2011 when 324 renter households or 36.6% in this income range had severe cost burdens.**
- There were 474 renter households earning at or below 30% MFI which were experiencing cost burdens with 195 or 41% having severe cost burdens. This is higher than the 325 households in this income category in 2011 that included 40% with severe cost burdens.
- Of the 465 renter households earning between 30% and 80% MFI, 325 or 70% were overspending including 160 or 34% with severe cost burdens, up from 54% and 30% in 2011, respectively.
- It can largely be assumed that most of the 384 renter households earning below the 80% MFI level and without cost burdens were living in subsidized housing given the high costs of rentals in Needham.
- More than 60% (60.5%) of the 554 elderly renter households earning within 80% MFI were overspending on their housing, including 230 or about 42% with severe cost burdens. Those remaining 219 seniors earning below 80% MFI and not overspending were likely living in Needham’s subsidized housing reserved for seniors (265 units) or other subsidized or 40B developments. These figures also suggest increased cost burdens from 2011 data when only

one-third of the 495 seniors in this income range were experiencing cost burdens, 29% with severe cost burdens.

- Only 15 of the 100 small families (2 to 4 household members) who earned within 80% MFI were paying too much for their housing, all with severe cost burdens. It is likely that those without cost burdens were living in affordable housing. This figure is also down considerably from 109 of the 145 small family renter households with cost burdens in 2011, suggesting that many likely found affordable housing while others relocated to another community, perhaps because of high housing costs.
- All of the 45 large families (5 or more members) in the below 80% MFI income range were spending more than half of their income on housing, all also earning between 30% and 50% MFI. There were 65 such households in 2011, all which also had severe cost burdens.
- There were also 240 non-elderly, non-family households (single individuals) earning at or below 80% MFI, of which 160 or two-thirds were overspending on their housing, including 85 or 35% with severe cost burdens. This is up from 31% with severe cost burdens in 2011 and also involves an overall increase of 65 such households.

Owner Households

- **Of the 8,804 owner households, 2,084 or 24% were overspending on their housing including 764 or 8.7% with severe cost burdens that included 504 households earning at or below 80% MFI. These levels are down a bit from 2011 when 26.7% were overspending and 10% had severe cost burdens.**
- Of the 1,154 owner households earning within 80% MFI, 734 or 64% were spending too much and 504 or 44% were spending more than 50% of their earnings on housing costs. These levels of cost burdens are down somewhat from 2011 from 68% and 55%, respectively.
- There were 750 elderly owners earning at or below 80% MFI, up from 710 in 2011. In 2015, 420 households or 56% were overspending, including 275 or 37% with severe cost burdens. These levels of cost burdens are down from 63% and 50%, respectively, in 2011. *These high levels of cost burdens likely point to a situation where long-term senior residents who are retired and living on fixed incomes are experiencing challenges affording the high housing costs in Needham, including rising energy, insurance costs and property taxes. Many of these owners are likely empty nesters living in single-family homes that cost too much for them to maintain and with more space than they require at this stage of their lives.*
- Of the 290 small family households earning at or below 80% MFI, 260 or almost 90% were spending too much, including 190 or 66% with severe cost burdens. The numbers of households in this income range was lower in 2011, at 225 households, and the percentage with cost burdens was also lower at 73% with a slightly higher proportion of those with severe cost burdens at 69%.
- There were only 34 large families earning within 80% MFI, of which 19 or 56% had severe cost burdens, all earning within 50% MFI. This represents a slight increase from 14 large households in 2011, 10 having severe cost burdens and earning less than 30% MFI.
- There were also 80 non-elderly, non-family owner households earning at or below 80% MFI of which 35 or 44% were spending too much for their housing and one-quarter were spending more than half of their income on housing costs. The 2011 data also shows 80 households in this category with higher cost burdens including 49 with severe cost burdens.

6. Subsidized Housing Inventory (SHI)

Of the 11,047 year-round housing units in Needham,¹² 1,399 or 12.7% are determined to be affordable by the Commonwealth of Massachusetts, up from 841 or 7.6% in 2015 and 425 units or 3.9% in January 2006. This percentage will decrease somewhat when the 2020 census data is released to reflect housing growth since 2010. Nevertheless, it is likely to remain well above 11%.¹³

The State has ruled that if a municipality has less than 10% of its year-round housing stock set-aside for low- and moderate-income residents, it is not meeting the local and regional need for affordable housing. Not meeting this affordability standard makes the locality vulnerable to an override of local zoning if a developer wants to build affordable housing through the comprehensive permit process.¹⁴ Consequently, by surpassing the 10% affordable housing threshold, Needham will no longer be required to process Chapter 40B comprehensive permit applications that it determines are inappropriate and do not address local housing needs.

Table 40 presents the 2018 income limits for affordable units in the Boston metropolitan area, adjusted by household size. To be counted as affordable under Chapter 40B, housing must be dedicated to long-term occupancy of income-eligible households (those earning at or below 80% of area median income) through resale or rental restrictions. Units must also be affirmatively marketed and approved through a subsidizing agency. All units in Chapter 40B rental developments count as part of the Subsidized Housing Inventory as opposed to only the actual affordable units in homeownership projects.

Table 40: HUD Area Income Limits for the Boston Area, 2018¹⁵

# Persons in Household	30% of Area Median Income	50% of Area Median Income	80% of Area Median Income
1	\$22,650	\$37,750	\$56,800
2	25,900	43,150	64,900
3	29,150	48,550	73,000
4	32,350	53,900	81,100
5	34,950	58,250	87,600
6	37,550	62,550	94,100
7	40,150	66,850	100,600
8+	42,750	71,150	107,100

Source: U.S. Department of Housing and Urban Development (HUD)

Table 41 summarizes those units that are included in the Subsidized Housing Inventory (SHI) and thus meet all of the state’s requirements of affordability.

Table 41: Needham’s Subsidized Housing Inventory (SHI), November 2018

¹² Computed by subtracting seasonal units (75 units) from total units (11,122) = 11,047 units.

¹³ This report projects a total year-round housing stock of about 12,000 units when the 2020 census figures become available. With 1,399 SHI units, the affordability percentage is likely to be an estimated 11.8%.

¹⁴ Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households – defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income – by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

¹⁵ The U.S. Department of Housing and Urban Development (HUD) includes Needham as part of the Boston-Cambridge-Quincy MA-NH Metropolitan Statistical Area.

Project Name	# SHI Units	Project Type/ Subsidizing Agency	Use of a 40B Comp Permit	Affordability Expiration Date
Cook's Bridge (Captain Robert Cook Drive and Seabeds Way)*	76	Rental/HUD	No	Perpetuity
High Rock Estates*	80	Rental/DHCD (will be HUD)	No	Perpetuity
138-158 Linden Street*	32	Rental/DHCD	No	Perpetuity
168-188 Linden Street*	40	Rental/DHCD	No	Perpetuity
15-42 Chambers Street*	80	Rental/DHCD	No	Perpetuity
Matthews House/ 1415 Great Plain Ave. */**	8	Rental/DHCD	No	Perpetuity
Highland Ave./Charles River ARC. **	6	Rental/HUD and EOHHS	No	2038
Marked Tree Corp. **	4	Rental/HUD and EOHHS	No	2038
Nehoidan Glen	61	Rental/MassHousing	Yes	Perpetuity
Webster Street II/929 Webster **	4	Rental/HUD	No	2037
Webster Street II/299 Webster **	6	Rental/HUD	No	2037
West Street Apartments **	6	Rental/HUD	No	2043
Junction Place	2	Ownership/DHCD and FHLBB	Yes	Perpetuity
Garden Street	2	Ownership/FHLBB	Yes	Perpetuity
High Cliff Estates	3	Ownership/FHLBB	Yes	Perpetuity
Chestnut Hollow	6	Rental/DHCD and HUD	No	2021
Suites at Needham	2	Ownership/MassHousing	Yes	Perpetuity
Charles River Landing	350	Rental/DHCD	Yes	Perpetuity
DDS Group Homes **	89	Special Needs Rental/DDS	No	NA
Craftsman Village	2	Ownership/MassHousing	Yes	Perpetuity
Greendale Village	4	Ownership/MassHousing	Yes	Perpetuity
The Residences at Wingate	2	Rental/DHCD	No	Perpetuity
Webster Street Green	2	Ownership/MassHousing	Yes	Perpetuity
Needham Place/50 Dedham Ave.	1	Rental/DHCD	No	Perpetuity
The Kendrick/2 nd Avenue Residences	390	Rental/DHCD	Yes	Perpetuity
Wingate Phase II (One Wingate Way)	5	Rental/DHCD	No	Perpetuity
Modera Needham/Greendale Mews	136	Rental/MassHousing	Yes	Perpetuity
TOTAL ***	1,399	12.7% of year-round housing units		

Source: Massachusetts Department of Housing and Community Development

** Special needs units totaling 123 units.

*** Includes 262 market units at Charles River Landing, 292 market units at The Kendrick, and 102 market units at Greendale Mews/Modera Needham for a total of 656 market units. The number of actual affordable rental units in these projects is 220.

The Needham Housing Authority (NHA) owns 316 SHI housing units in the following developments:

- *High Rock Estates*

Converted from state Chapter 200 funding to federal support
Single-family housing for families

80 units (43 three-bedroom units and 37 two-bedroom units)

The Needham Housing Authority redeveloped this property by replacing 20 single-family units with 20 two-family structures with a net gain of 20 units. Includes a mix of ownership and rental units.

- *Linden-Chambers*
State Chapter 667 funding, mixed elderly-disabled housing
152 one-bedroom units
- *Matthews House*
State Chapter 689 funding for special needs housing
8-bed group home
- *Captain Robert Cook Drive*
Federally-financed
Single-family housing for families
30 units (5 two-bedroom units, 20 three-bedroom units and 5 four-bedroom units)
- *Seabeds Way*
Federally-financed
Mixed elderly, disabled singles housing
46 one-bedroom units

The Housing Authority has 559 applicants on its wait list for the family units including 359 applicants for two-bedroom units, 167 for three-bedrooms, and 33 for four-bedroom units. Waits for these units extend to three (3) to five (5) years. None of the units are handicapped accessible. In regard to the NHA's elderly/disabled units, there were 227 on the waitlist with waits of approximately six (6) months to a year.

In addition to the Housing Authority's Matthews House, Needham has five (5) other special needs housing facilities that altogether total 26 additional affordable housing units (including the Highland Avenue ARC project, Marked Tree Road, 299 and 929 Webster Street, and West Street Apartments) as well as 89 units in group homes for state Department of Developmental Services (DDS) clients scattered throughout town. These group home units include five (5) units as part of a group home for developmentally disabled adults on South Street.¹⁶

Needham also has 15 other projects that are a part of its SHI that include an additional 312 actual affordable units (total of 968 units that can be counted in the SHI) that have been produced by private, for profit or non-profit developers including:

- *Nehoidan Glen*
1035 Central Avenue

¹⁶ The Town allocated \$280,000 in HOME Program funding and \$220,000 in CPA funds to support development financing.

Comprehensive Permit granted in 1976 and amendments were issued through June 2011.
Total Rental Units: 61 Affordable Units: 61
This development is for low-income seniors and is managed by Wingate.

- *Chestnut Hollow*
141 Chestnut Street
Variance granted in October 2000 by the Board of Appeals
Special Permit granted in December 2000 by the Planning Board
Total Rental Units: 28 Affordable Units: 6
Chestnut Hollow involved a major renovation of an existing non-conforming building, formerly the Hamilton House Nursing Home, for conversion into apartments for seniors. The development was processed through a Special Permit and variances. There are 12 two-bedroom units, 15 one-bedroom units, and one (1) studio unit.
- *Junction Place Townhouses*
32 Junction Place
Comprehensive Permit granted in October 2001
Total Condominium Units: 5 Affordable Units: 2
Junction Place is a condominium project comprised of five (5) attached townhouse units, approved by the Town in October 2001 through a comprehensive permit. The property contains approximately 11,200 square feet of land, previously occupied by a small vacant two-story office building, a garage and parking area on the edge of a commercial district and across the road from a train station. All five (5) of the townhouses were sold at below market prices to eligible families through a lottery system. Two (2) of the homes were sold for \$165,000 to families earning up to 80% of the area median income with the remaining three (3) initially sold for \$310,000 to families earning up to 150% of the area median income.
- *Garden Street/Browne-Whitney*
207-217 Garden Street
Comprehensive Permit granted March 2002
Total Condominium Units: 6 Affordable Units: 2
The Garden Street project, also known as Browne-Whitney, is a condominium development with six (6) total three-bedroom units, two (2) of which are affordable. The Town approved the project in March of 2002, and was subject to an appeal filed by an abutter to the property that was subsequently settled. The property contains approximately 27,132 square feet of land. Although within a single-family district, the property is located directly across the street from a business zone and only a short walk to the center of Needham and public transportation. The two (2) affordable units sold for \$160,000 with the market rate units were priced between \$525,000 and \$759,000.
- *High Cliff Estates*
209-233 St. Mary Street
Comprehensive Permit granted April 2002
Total Condominium Units: 12 Affordable Units: 3
The High Cliff Estates project is a townhouse condominium development with 12 total three-bedroom condominium units in four (4) buildings and with three (3) of the condominiums sold as affordable, selling between \$105,000 and \$137,500. The market rate units sold for \$447,000 to \$582,300.

- Suites at Needham*
 797 and 805 Highland Avenue
 Comprehensive Permit granted in 2006
 Total Condominium Units: 8 Affordable Units: 2
 The development includes eight (8) townhouses, two (2) of which are affordable. The project is located on Highland Avenue, only a short walk to an MBTA commuter rail station.
- Charles River Landing*
 300 Second Avenue
 Comprehensive Permit granted in 2007
 Total Rental Units: 350 Affordable Units: 88 (all units count as part of the SHI)
 The Town of Needham entered into an agreement with the developer, Cabot, Cabot & Forbes, to build 350 rental units through a “friendly” Chapter 40B process as part of the state’s Local Initiative Program (LIP). The project is located at the outer edge of the New England Business Center, adjacent to a residential neighborhood and overlooking the Charles River. The parcel contains 7.9 acres and promotes a number of smart growth principles as it is served by existing infrastructure; is located in proximity to Town services, transportation and employment; promotes higher density housing; and includes affordable housing. About two-thirds of the units have one-bedrooms, the remainder with two-bedrooms.
- Craftsman Village*
 17-27 High Street
 Comprehensive Permit granted initially in 2006 and amended for new developer in 2009
 Total Condominium Units: 6 Affordable Units: 2
 The initial developer filed the comprehensive permit application in 2003 and proposed building twelve three-bedroom condominium units, three (3) to be affordable, on an about 27,000 square foot lot within walking distance to public transportation. The ZBA approved six (6) units but the developer was unwilling to go below eight (8) and appealed the decision to the state’s Housing Appeal Committee. The project finally moved forward with a new developer, Craftsman Village LLC, with a total of six (6) units including two (2) affordable ones. The market units sold for \$609,000.
- The Residences at Wingate/Phase I*
 235 Gould Street
 Special Permit Approval in 2011
 Total Independent Living Rental Units: 12 Affordable Units: 2
 Pursuant to a zoning change to create an Elder Services Zoning District, approved by Town Meeting in 2010, and Special Permit approval of the Planning Board in 2011, the developer built a senior housing facility on Gould Street next to its Nursing Home at 589 Highland Avenue. The building includes 91 total units – 12 Independent Living Apartment units, 42 Assisted Living units, and 37 Assisted Living units specializing in Alzheimer’s and other memory loss related conditions. The project also includes two (2) affordable units, one (1) that was initially reserved for those who lived or worked in Needham.
- Needham Place (previously known as Dedham Avenue)*
 50 Dedham Avenue

Special Permit Approval in 2012

Total Rental Units: 10 Affordable Units: 1

Through the rezoning of Needham Center through a Center Business Overlay District approved by Town Meeting in 2009, as well as Special Permit approval by the Planning Board in 2012, the developer, MMM Property LLC (Brookline Development Corp.), built a new three plus one story mixed-use building on Dedham Avenue near Great Plain Avenue. The property contains ten (10) rental units, including one (1) affordable unit, as well as two (2) first-floor retail units.

- *Greendale Village*
900 Greendale Avenue
Comprehensive Permit granted in 2013
Total Condominium Units: 20 Affordable Units: 4
The Greendale Village development includes 20 new townhomes, four (4) of which are affordable to those earning at or below 50% of area median income. The lottery was held on July 8, 2014. The 2 two-bedroom affordable units sold for \$112,600 and the 2 three-bedrooms sold for \$121,400. The market units ranged in price from \$759,000 to \$940,000.
- *Webster Street Green*
28 Webster Street
Comprehensive Permit initially granted in 2005 and amended in 2013
Total Condominium Units: 10 Affordable Units: 2
The developer, Webster Street Green LLC, was issued a comprehensive permit in November 2005, which was appealed, amended, and extended through the state's Housing Appeals Committee (HAC). The affordable units were targeted to those earning at or below 50% AMI and sold for \$121,300 and \$136,800 while the market units sold in the \$689,000 to \$769,000 range.
- *One Wingate Way/ Wingate Phase II*
235 Gould Street
Special Permit Approval in 2014
Total Independent Living Rental Units: 52 Affordable Units: 5
Another 52 Independent Living Units were built next to the existing Phase I Residences at Wingate senior living development. Given that the project is part of the Town's Elder Services District, at least 10% of the units must be affordable. The project received Special Permit approval by the Planning Board on October 20, 2014 (amendment of Phase I approval in 2011).
- *The Kendrick (previously known as 2nd Avenue Residences)*
275 Second Avenue
Comprehensive Permit granted in 2015
Total Rental Units: 390 Affordable Units: 98 (all units count as part of the SHI)
The Town of Needham provided its support for the 2nd Second Avenue Residences development as part of the Local Initiative Program (LIP) Project Eligibility Application that was submitted to DHCD by the developer, A Street Residential LLC, on April 15, 2015. The ZBA subsequently approved the comprehensive permit on October 20, 2015.
- *Modera Needham (previously known as Greendale Mews)*
700 Greendale Avenue
Comprehensive Permit granted in 2013 for 108 units and approved 136 units in 2015

Total Rental Units: 136 Affordable Units: 34 (all units count as part of the SHI)

The developer, Mill Creek Residential Trust LLC, proposed 300 and then 268 rental units on the six-acre site through a comprehensive permit application on April 13, 2013, and the ZBA approved 108 on December 19, 2013. The parties subsequently agreed to a total of 136 units, which the ZBA formally approved on October 20, 2015.

The Town also sponsored a Habitat for Humanity project at 5 Bancroft Street. This parcel was owned by the Town of Needham, which issued a Request for Proposals to secure a developer to build an affordable home on the site. Habitat for Humanity was the winning respondent and built a single-family house on the lot for a first-time homebuyer. This house is not eligible for inclusion on the SHI because residency was limited to a Needham resident.

The Dedham Housing Authority administers *rental subsidies* for Needham and is assigned 120 Section 8 vouchers. While these rental subsidies are not eligible for inclusion in the SHI, they nevertheless provide significant support for qualifying households renting units in the private housing market, filling the gap between an established market rent – the Fair Market Rent (FMR) – and a portion of the household’s income. Preference is granted to applicants who reside or are employed in Needham. Applicants must also have incomes within 50% of area median income based on HUD area income limits (see Table 401), but 75% of an agency’s vouchers are to go to applicants whose incomes do not exceed 30% of area median income. There is a considerable wait for these housing vouchers with the state centralizing and managing a now statewide wait list.