

Building Homes. Building Futures.

The state of housing in western Massachusetts



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Donahue Institute

UMass Donahue Institute's Mission and Vision

Mission:

Our mission is to advance equity and social justice, foster healthy communities, and support inclusive economies that alleviate poverty and promote opportunity. In collaboration with partner organizations and clients, we carry out our mission through research, education and training, capacity building, and direct services to strengthen our collective impact.

Vision:

We envision an inclusive world where all children, youth, adults, and communities thrive.

Economic and Public Policy Research Group

Provides unbiased analyses of economic, demographic, and other public policy issues

Our group specializes in:

- Industry sectors
- Economic impact and economic development
- Workforce issues
- Population estimates and projections
- Economic and demographic trends
- Public policy
- GIS Services and data visualization
- *MassBenchmarks*

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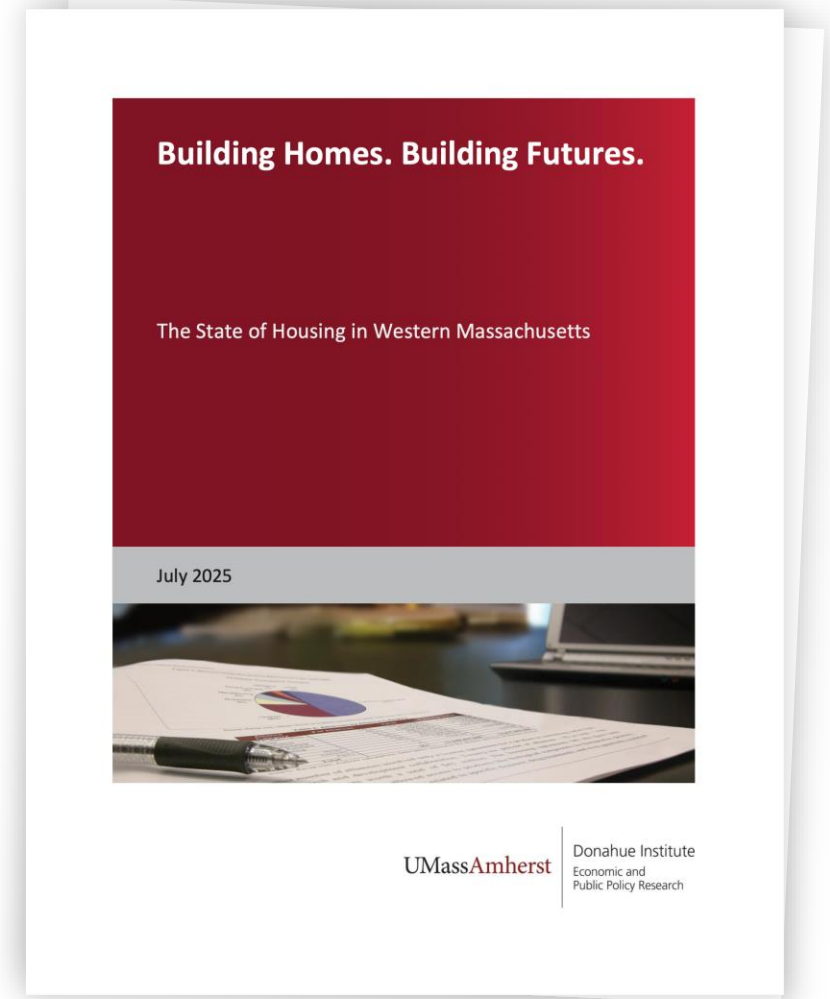
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Acknowledgements

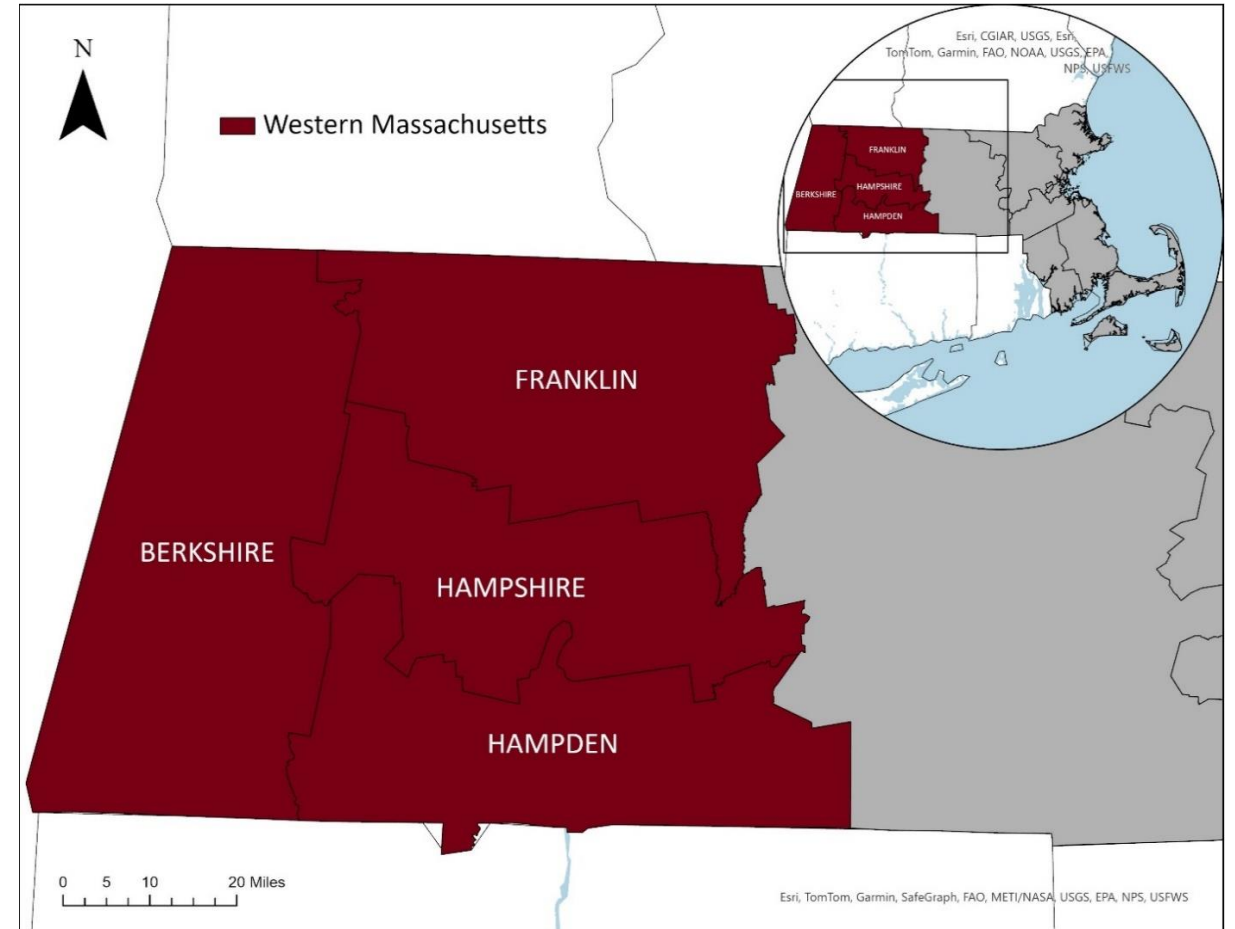
- Way Finders
- Housing Study Advisory Committee
- Franklin Regional Council or Governments (FRCOG)
- Metropolitan Area Planning Council (MAPC)
- Massachusetts Housing Partnership (MHP)
Center for Housing Data
- Public Health Institute of Western
Massachusetts (PHIWM)
- Case Study Community Contributors



Introduction

Introduction & Context

- Commissioned by Way Finders to update previous regional housing studies (2021 and 2022)
- Conducted through 2024-2025
- Comprehensive picture of housing conditions in the four counties that make up western Massachusetts
- Provides additional region-specific context to the findings presented in the recent Statewide Housing Needs Assessment and Housing Production Plan



Take Aways

- The housing market is extremely tight, demand for housing exceeds supply
 - Vacancy rates are low, below "healthy" levels
 - Asking rents and home prices have risen across western Massachusetts
- We need housing at all income levels to address the affordability crisis
 - Shortage of units affordable to extremely low-income households is most acute
 - Black and Hispanic households are more likely to be cost-burdened and more likely to be renters
 - Evictions are on the rise, particularly in Hampshire and Berkshire County
- Investors and short-term rentals put added pressure on limited supply

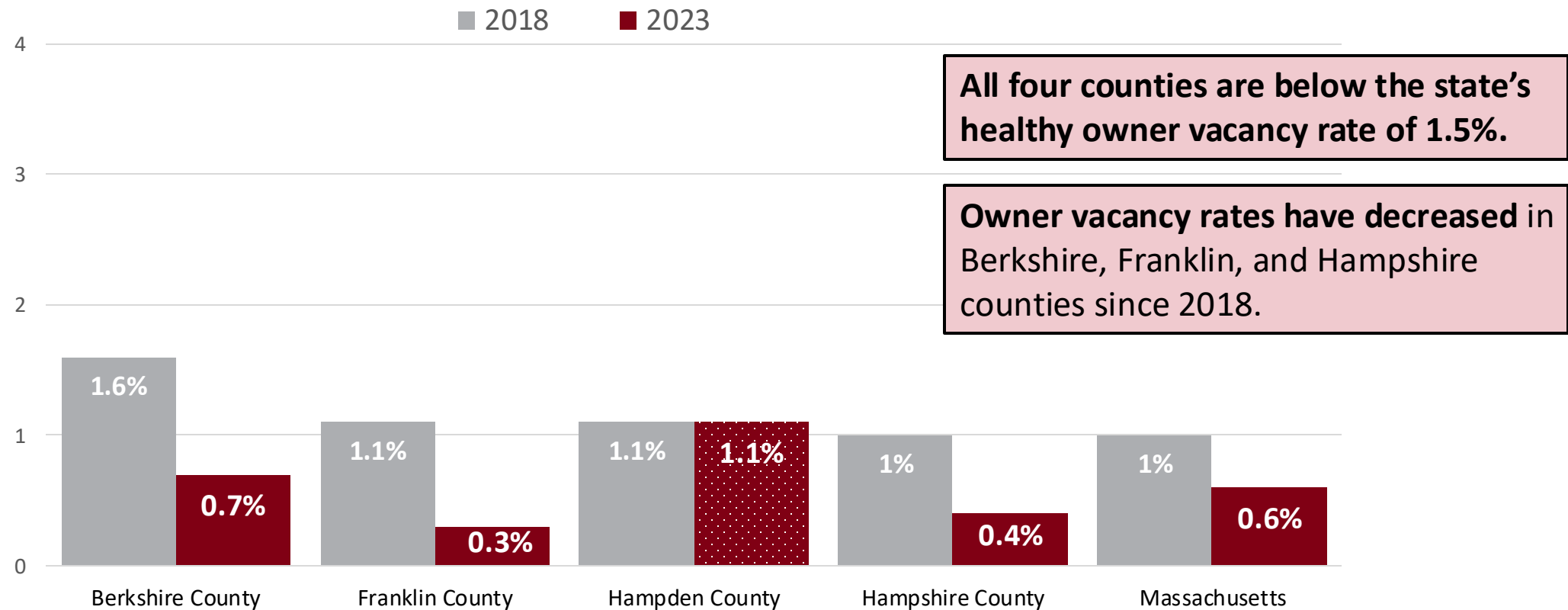
Take Aways

- Western Massachusetts needs nearly 17,000 units to meet current and future demand for housing
 - Need to build more homes and rehabilitate existing homes to meet demand
 - As the population changes and ages demand for housing will shift towards smaller and more accessible units
- Need to invest in solutions that help families afford housing now and prevent evictions, such as vouchers and targeted homeownership interventions
- Meeting the demand for housing will have a positive economic impact on the region

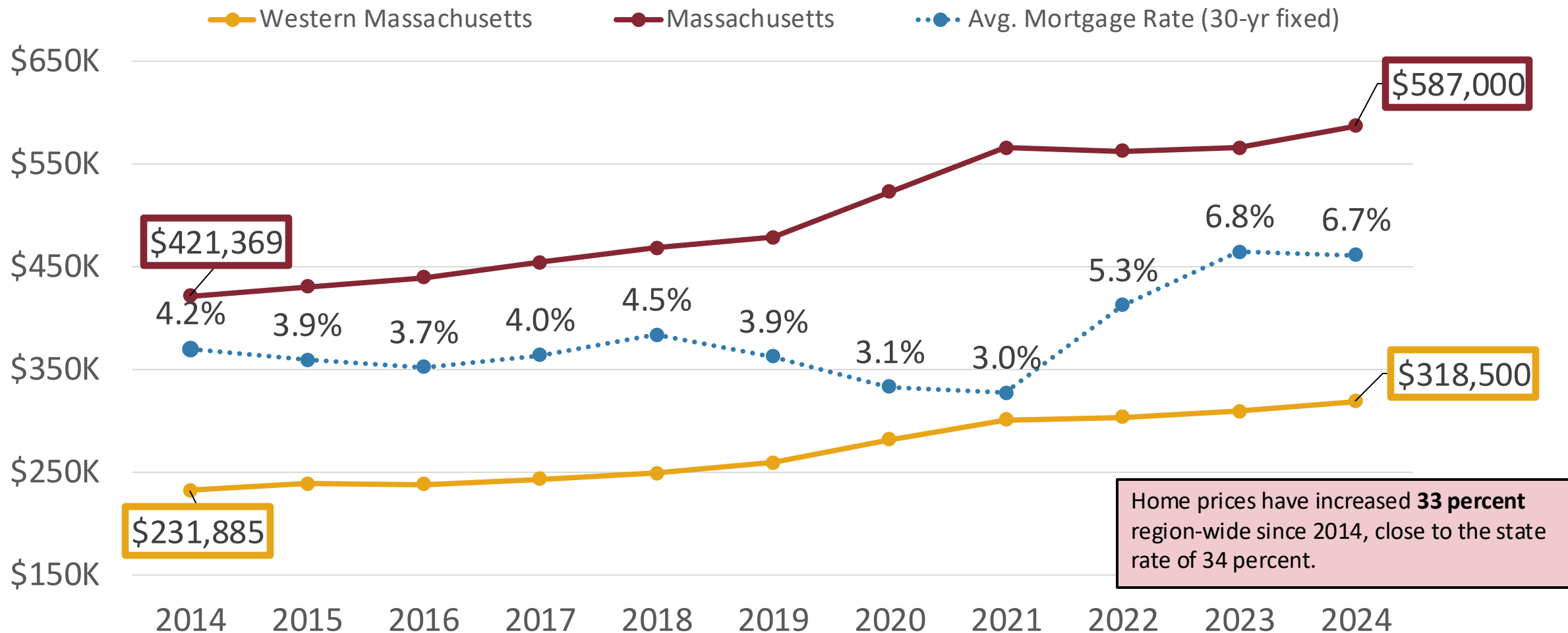
Housing Market Dynamics

Low supply and vacancy rates contribute to rising housing costs

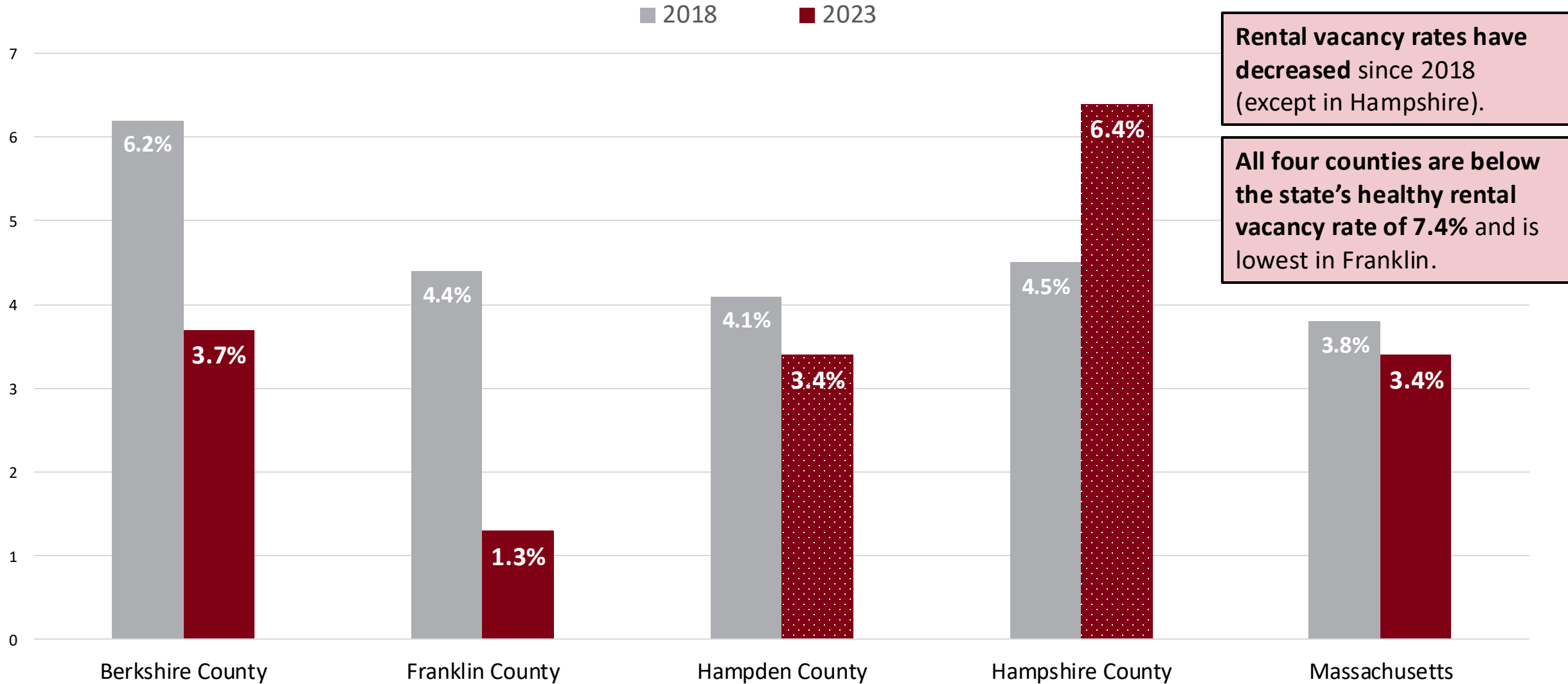
Owner Vacancy Rate, Western Massachusetts Counties, 2018-2023



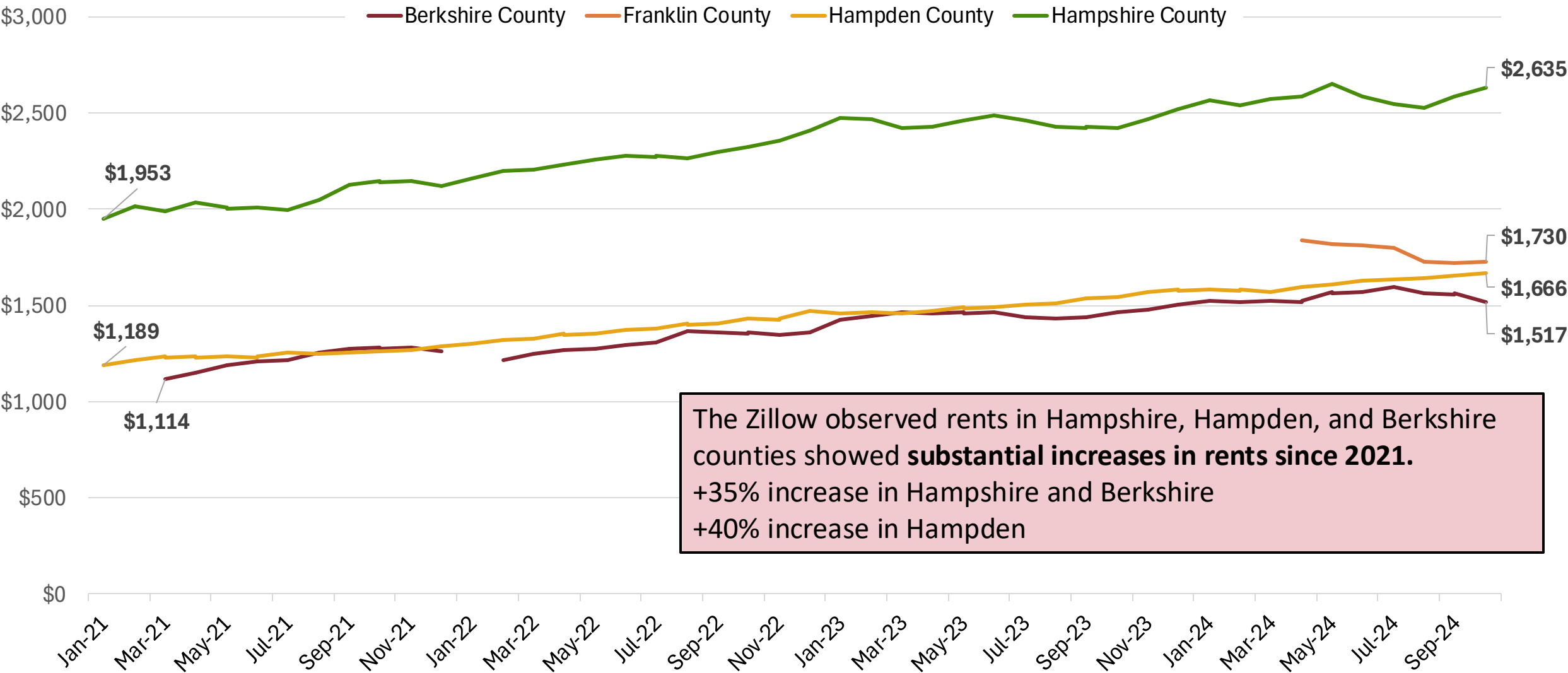
Median Sale Price, Region vs State, Single Family and Condominiums, 2014-2024



Rental Vacancy Rate, Western Massachusetts Counties, 2018-2023



Zillow Observed Rent Index (ZORI), Jan 2021 to Oct 2024

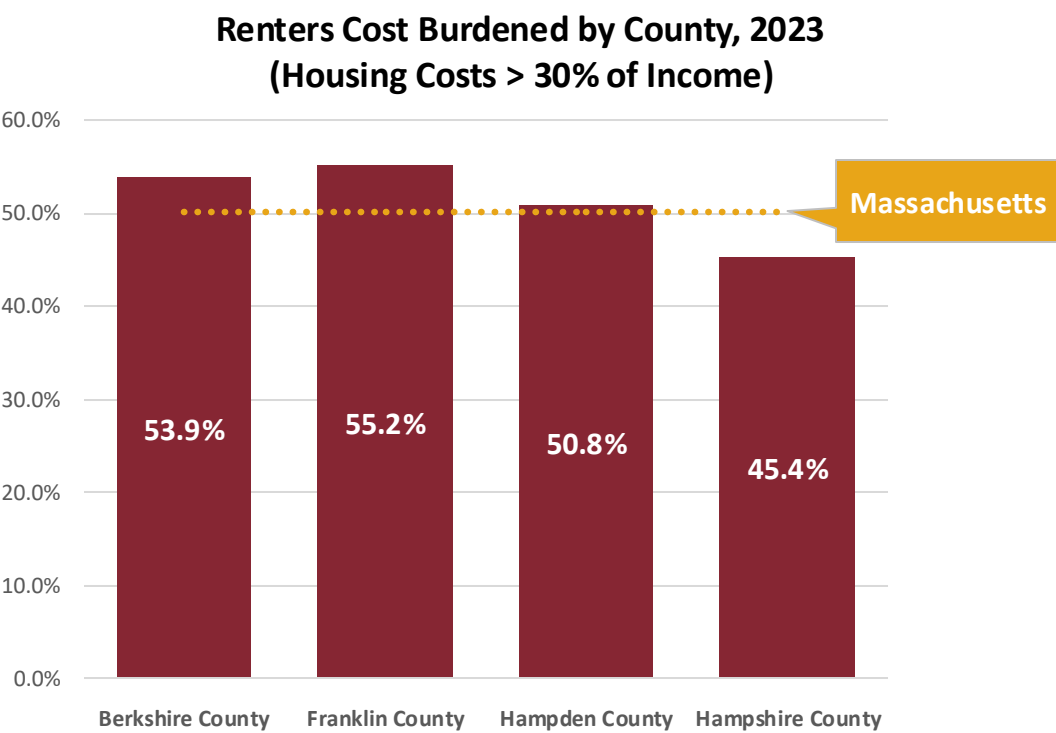


The Zillow observed rents in Hampshire, Hampden, and Berkshire counties showed **substantial increases in rents since 2021**.
+35% increase in Hampshire and Berkshire
+40% increase in Hampden

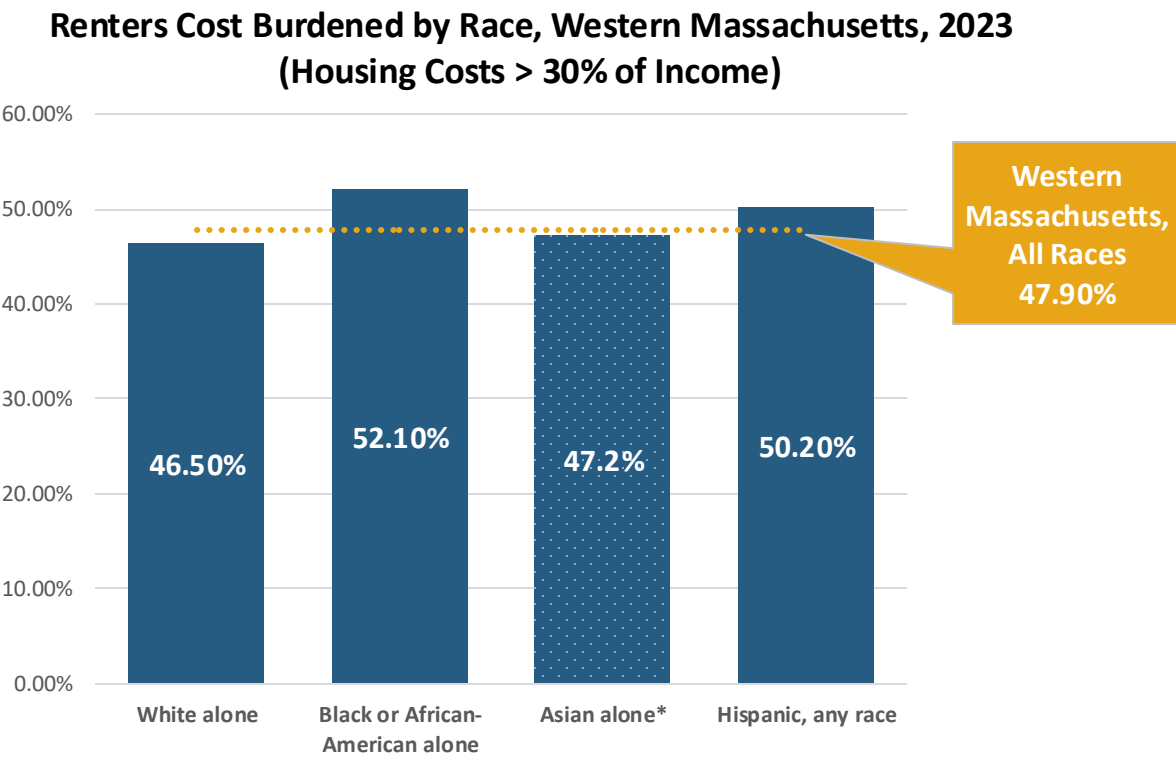
Impact on Residents

High housing costs are increasing housing instability

Cost burden is higher for renters than owners and nearly half of all renters in Western Mass are cost burdened.

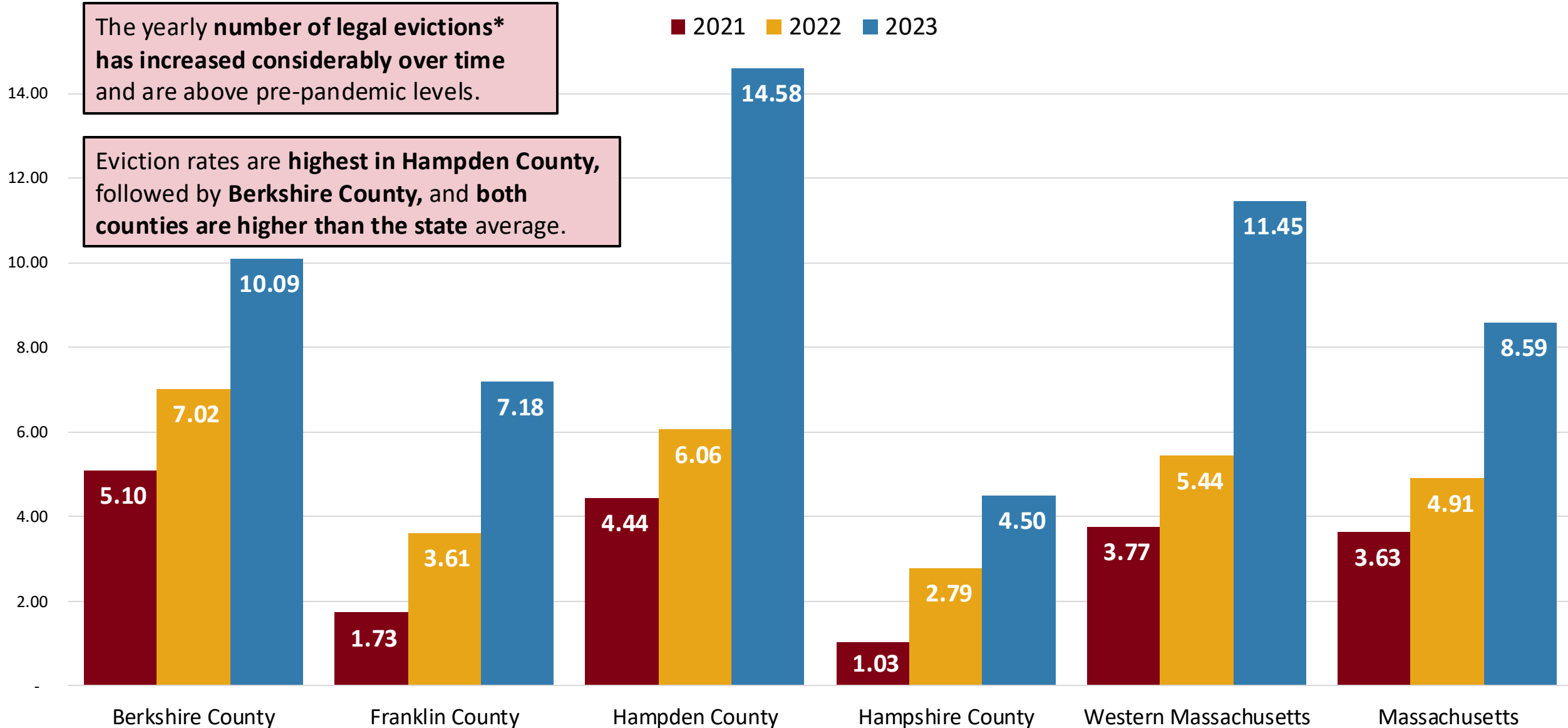


Source: ACS 1YR 2023, Table B25070



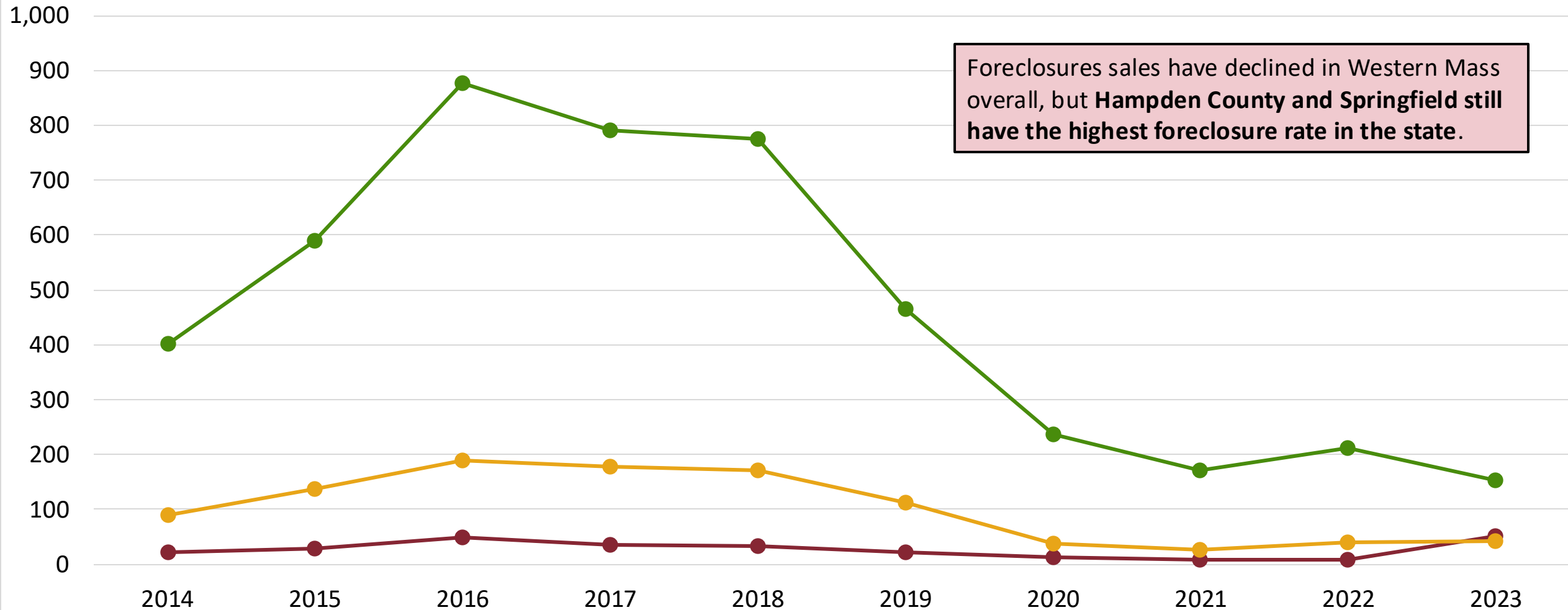
Source: ACS 5YR 2019–2023, B25140A, B, D and I

Evictions per 1,000 Renter Households



Count of Foreclosures, 2014-2024 - Western Massachusetts

Condominium Multifamily Single family

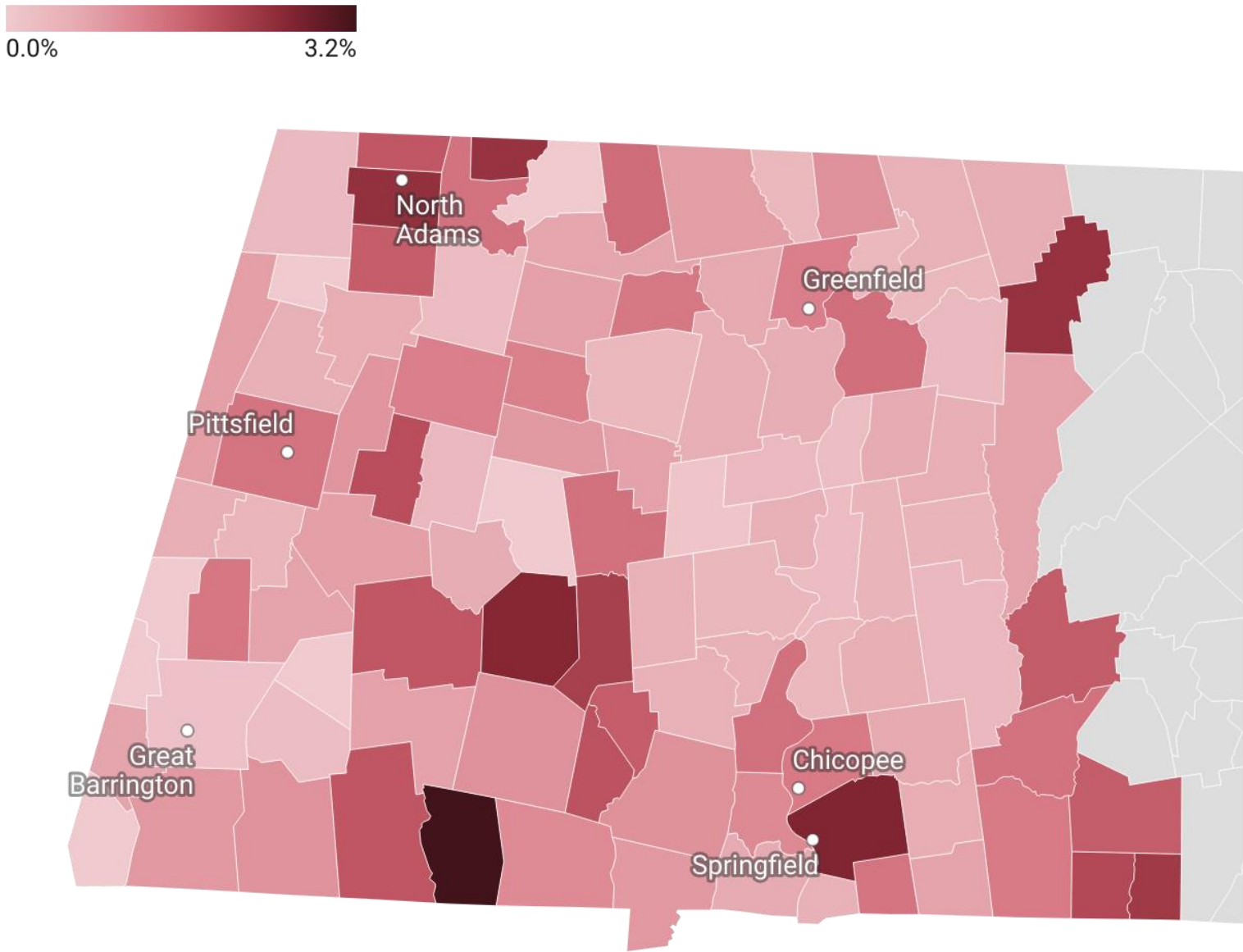


2018-2023 Foreclosures as a Percentage of Owner-Occupied Housing Units

Mapping foreclosures as a percentage of owner-occupied housing units at the municipal level can show which communities are most affected, including Springfield, and North Adams.

**Some communities have many fewer housing units, such as Tolland (bottom center), which makes them stand out even with small numbers of foreclosures overall.*

Foreclosures have reduced considerably from the height of the financial crisis; however, Hampden County currently leads the state with the highest rate of foreclosure petitions at 14.5 per 1,000 owner households and **Springfield leads all cities in the state with 25.9 foreclosure petitions per 1,000 owner households.**



Investors & Short-Term Rentals

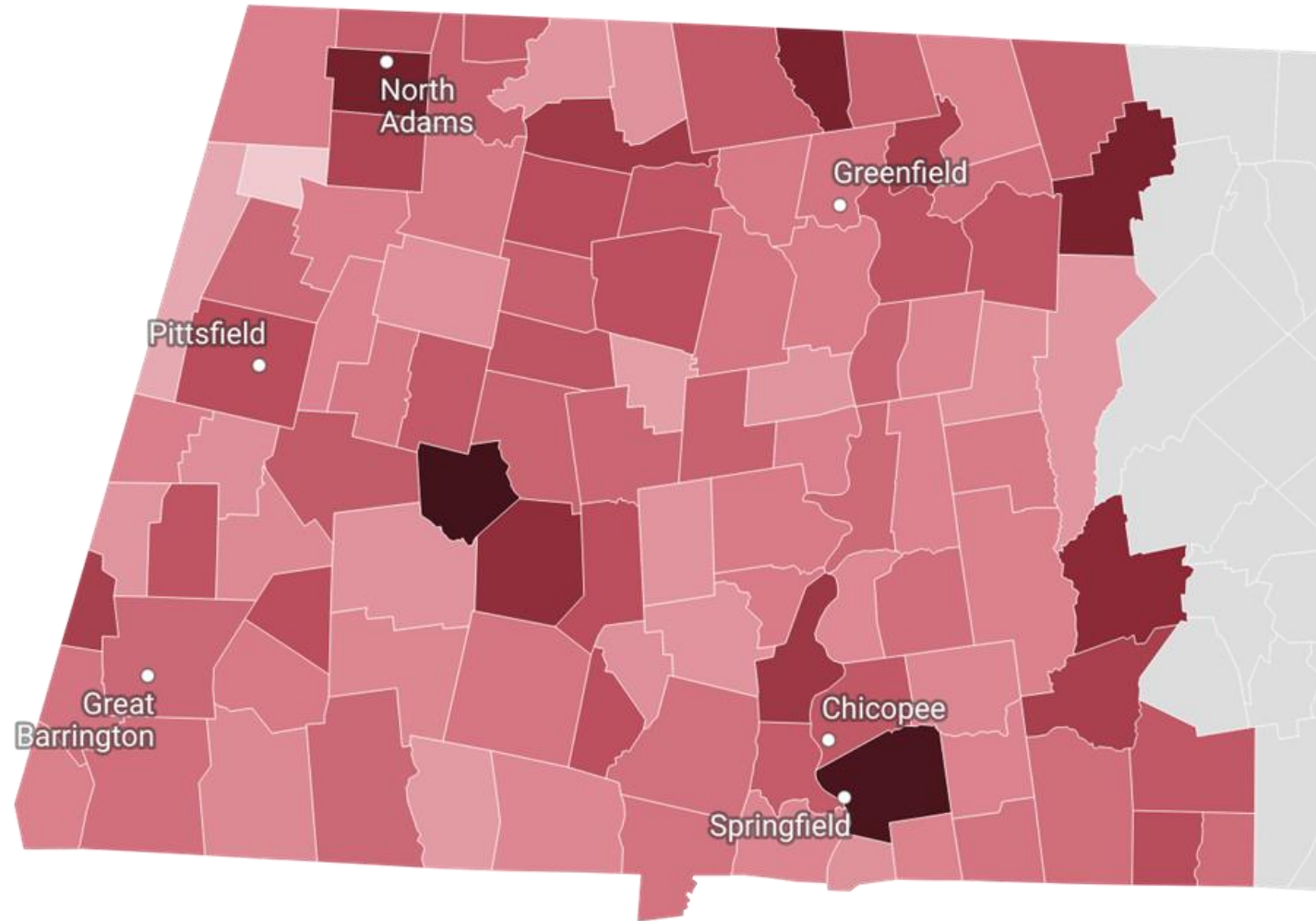
Share of Real Estate Transactions by Investors, 2004-2019

Using MAPC Homes for Profit data, this map displays the share of real estate transactions by investors between 2004 and 2019 at the municipal level.

Some notable examples:

- **Pittsfield** had 11,117 transactions, 2,608 investor transactions (23.5%),
- **Springfield** had 37,381 transactions, 13,329 investor transactions (35.7%),
- **Holyoke** had 5,962 transactions, 1,617 investor transactions (27.1%),
- **North Adams** had 2,951 transactions, 932 investor transactions (31.6%),

4% 36%



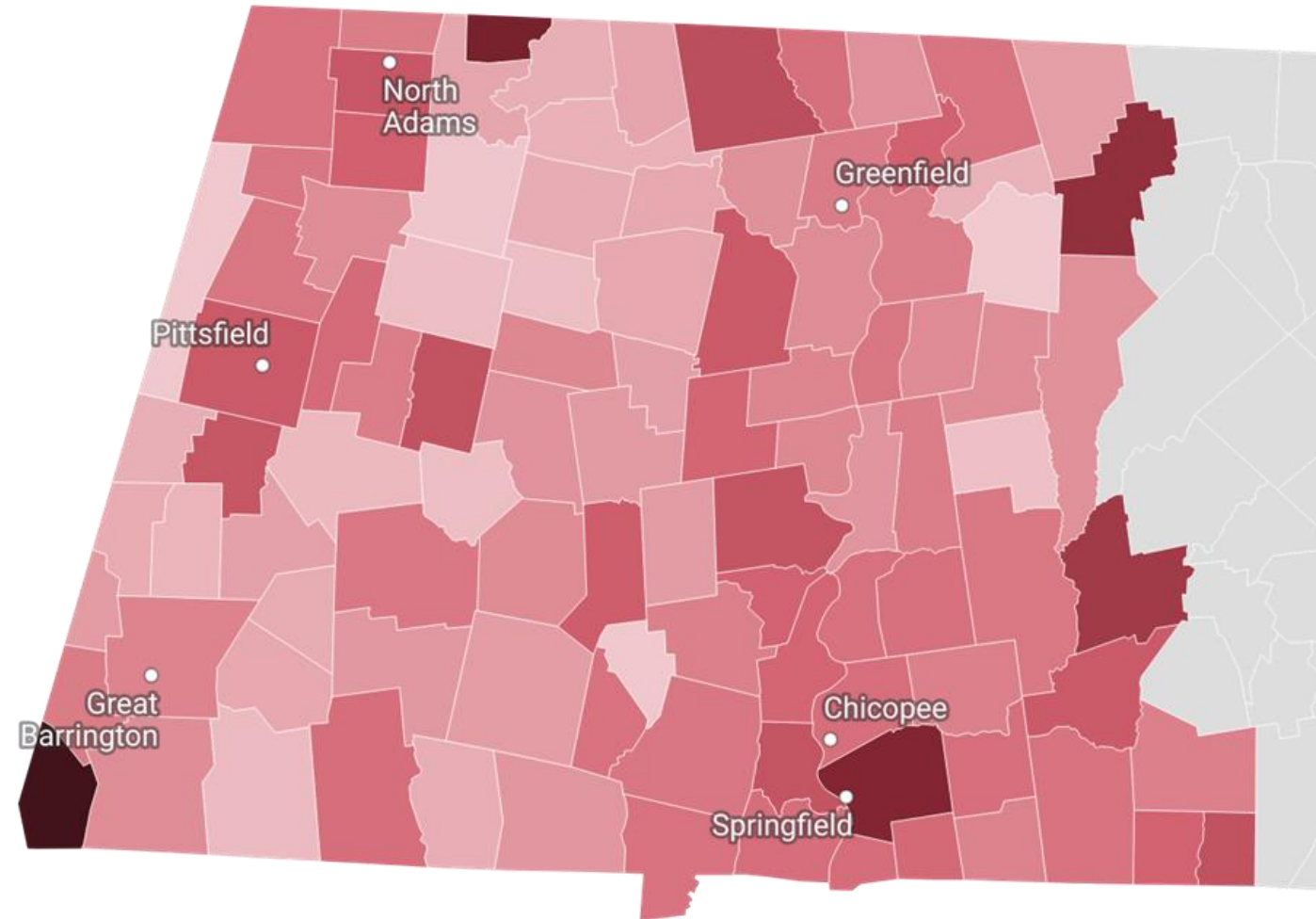
Percentage of Homes Flipped, 2002-2021

Using MAPC Homes for Profit data, this map shows the share of homes flipped between 2002 and 2021 at the municipal level.

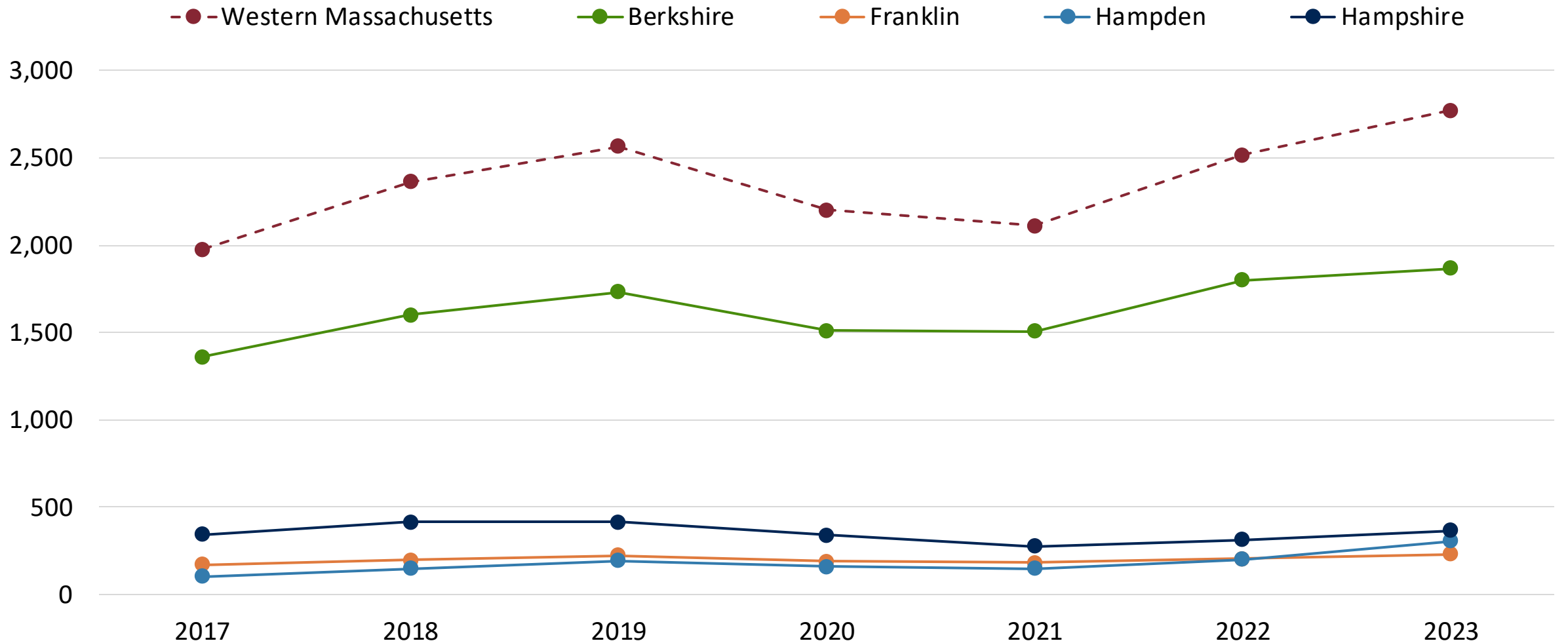
A few communities stand out, such as Springfield (12.2%), Pittsfield (9.2%), Northampton (9.5%), North Adams (9.3%).

**Some communities have many fewer housing units (such as Mt. Washington [bottom left] or Monroe [top middle]) which makes them stand out even with small numbers of homes flipped overall.*

3% 18%



Number of Active Short-Term Rental Properties, 2017-2023

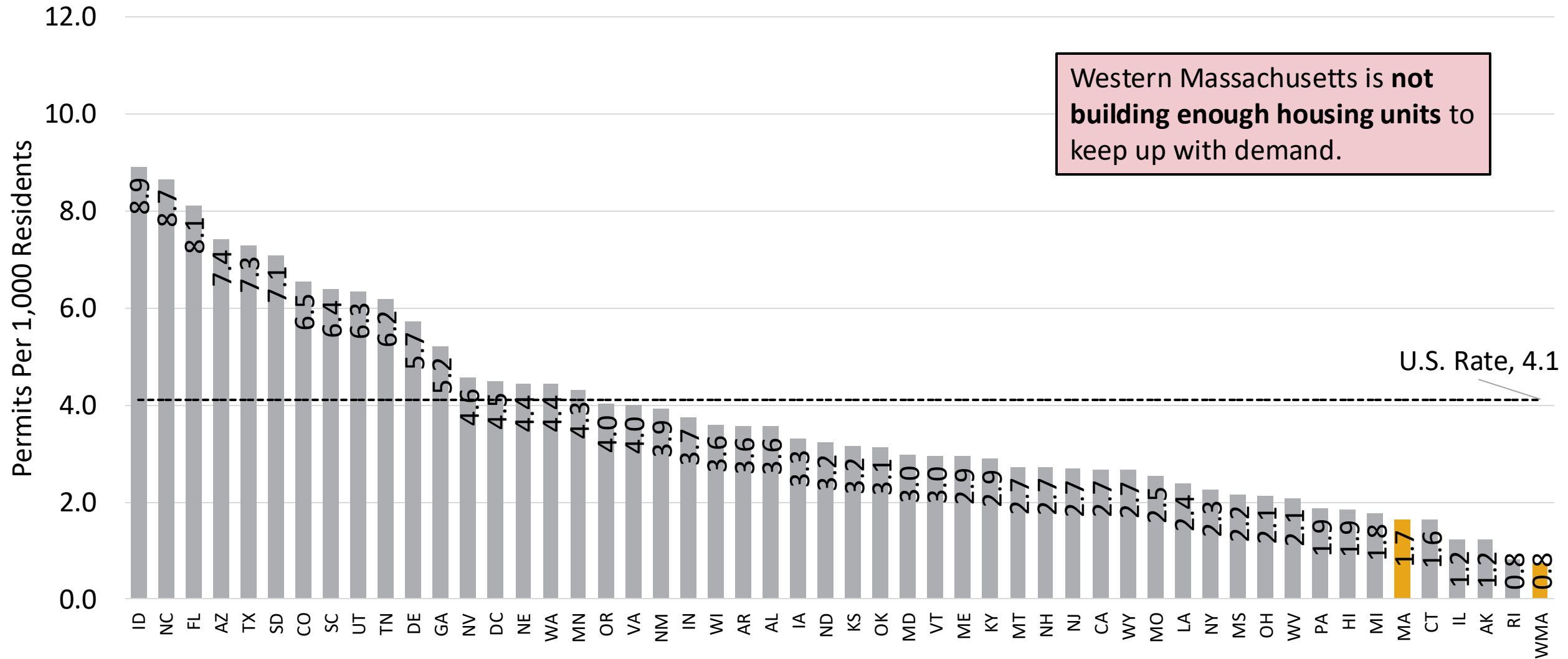


Short-Term Rental Rates and Median Gross Rent by County, 2023

Counties by Average Daily Rate	Short Term Rental Average Daily Rate	Median Gross Monthly Rent (Includes Utilities)	Days to Earn the Equivalent of One Month of Full Time Gross Rent	Median Number of Reservation Days 2023
Nantucket	\$1,117	\$2,131	1.9	2.0
Dukes	\$674	\$1,411	2.1	2.2
Berkshire	\$329	\$1,073	3.3	3.5
Barnstable	\$412	\$1,643	4.0	4.2
Bristol	\$272	\$1,216	4.5	4.7
Plymouth	\$364	\$1,704	4.7	5.0
Essex	\$331	\$1,722	5.2	5.5
Franklin	\$215	\$1,203	5.6	5.9
Hampden	\$193	\$1,138	5.9	6.3
Worcester	\$208	\$1,387	6.7	7.1
Hampshire	\$204	\$1,371	6.7	7.1
Suffolk	\$274	\$2,130	7.8	8.2
Norfolk	\$252	\$2,133	8.5	9.0
Middlesex	\$249	\$2,189	8.8	9.3
Statewide	\$360	\$1,737	4.8	5.1

Supply Gaps and Building More

Reported Building Permits Per 1,000 Residents by State and Region, 2023

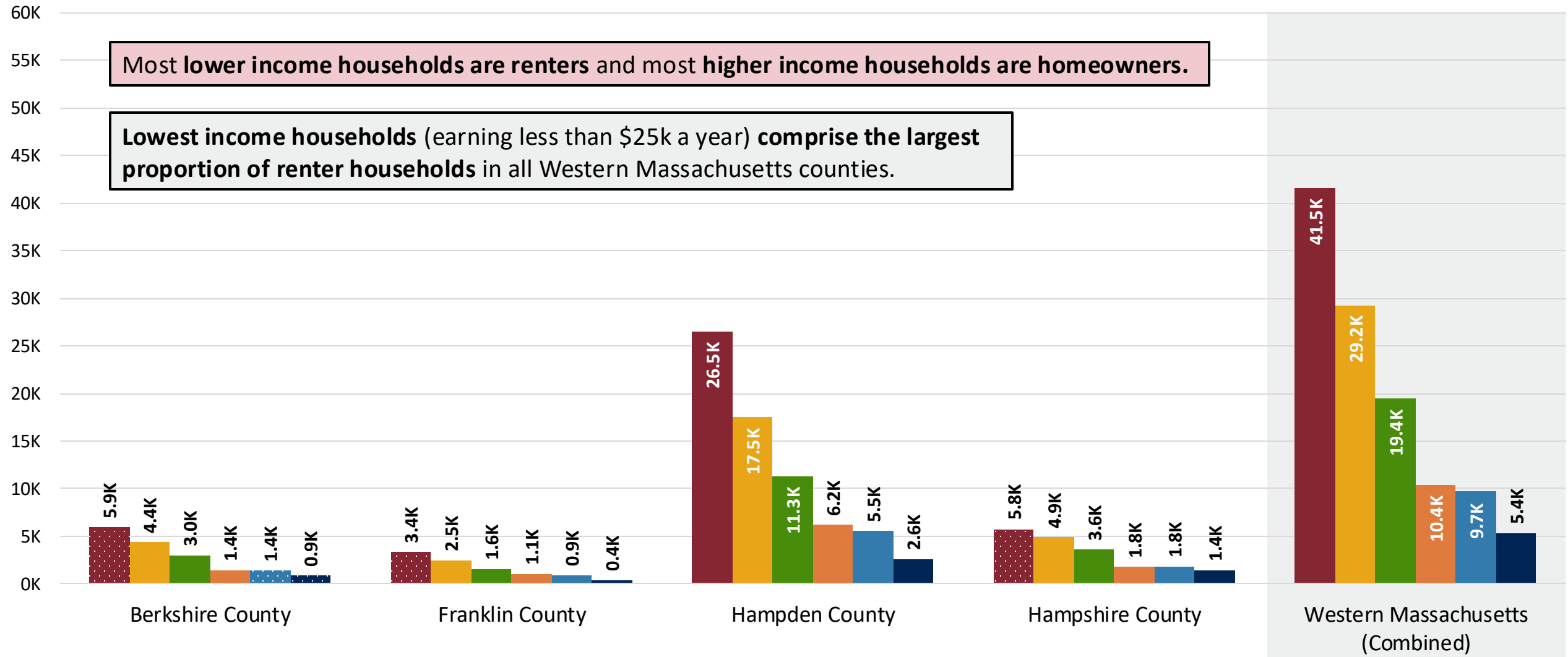


Count of Renter Households in Western Massachusetts Counties by Income (2023)

Lowest (<\$25K) Low (\$25k - \$49k) Middle (\$50K - \$74K) Upper-Middle (\$75K - \$99K) High (\$100K - \$149K) Highest (\$150K+)

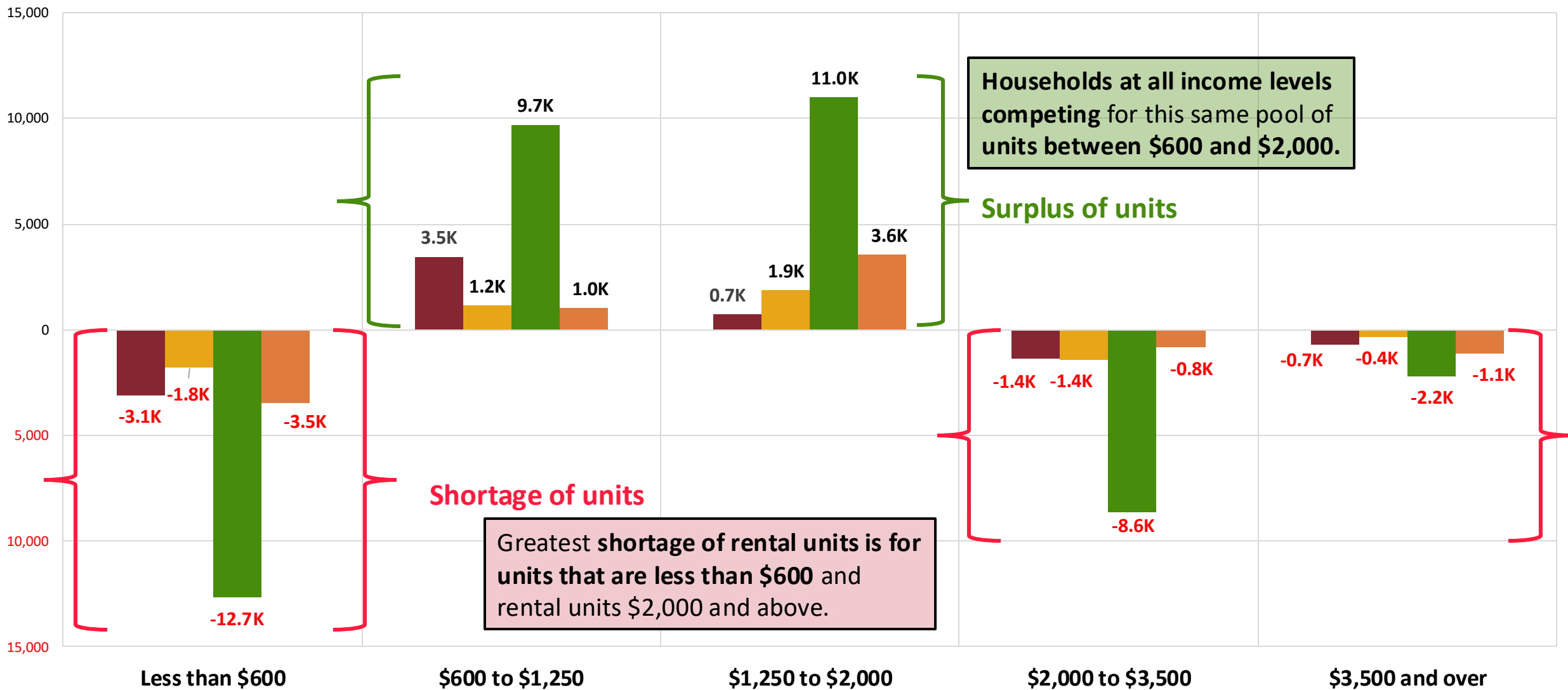
Most lower income households are renters and most higher income households are homeowners.

Lowest income households (earning less than \$25k a year) comprise the largest proportion of renter households in all Western Massachusetts counties.



Number of Rental Units Needed by Rent Price by County

■ Berkshire County
 ■ Franklin County
 ■ Hampden County
 ■ Hampshire County

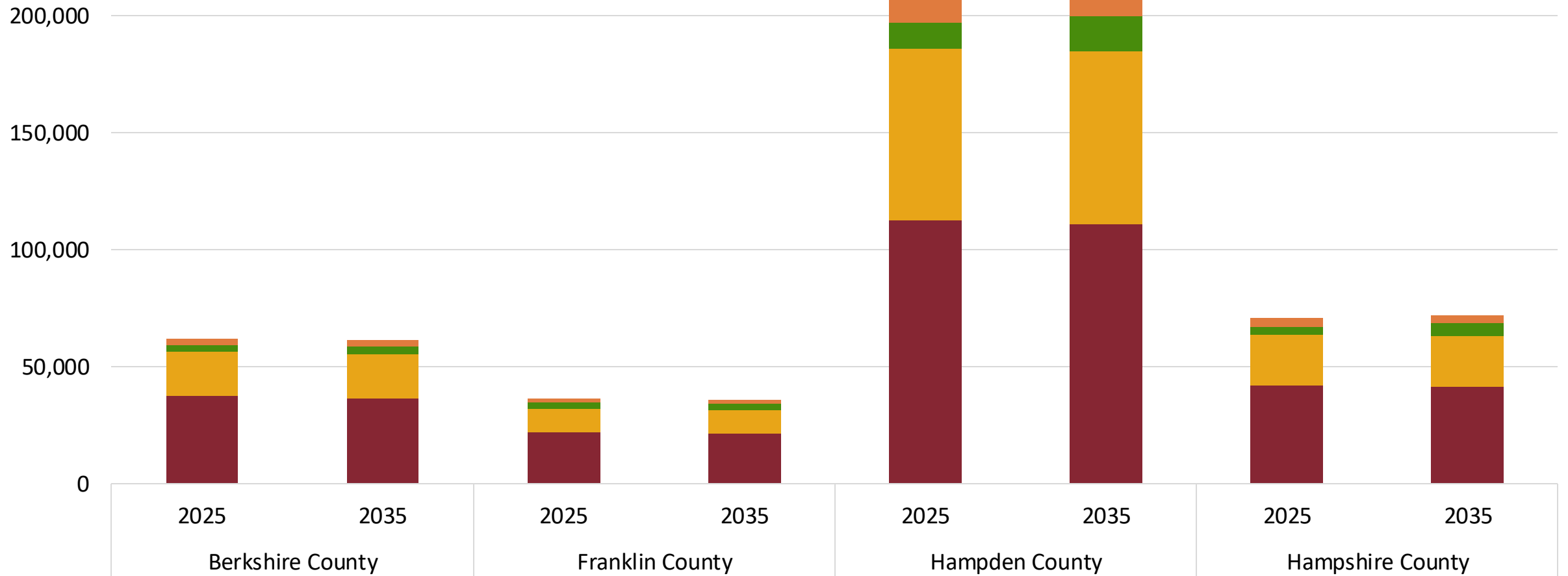


Source: U.S. Census Bureau, American Community Survey 2019-2023 5-Year Estimates S2503, S1901, B25063

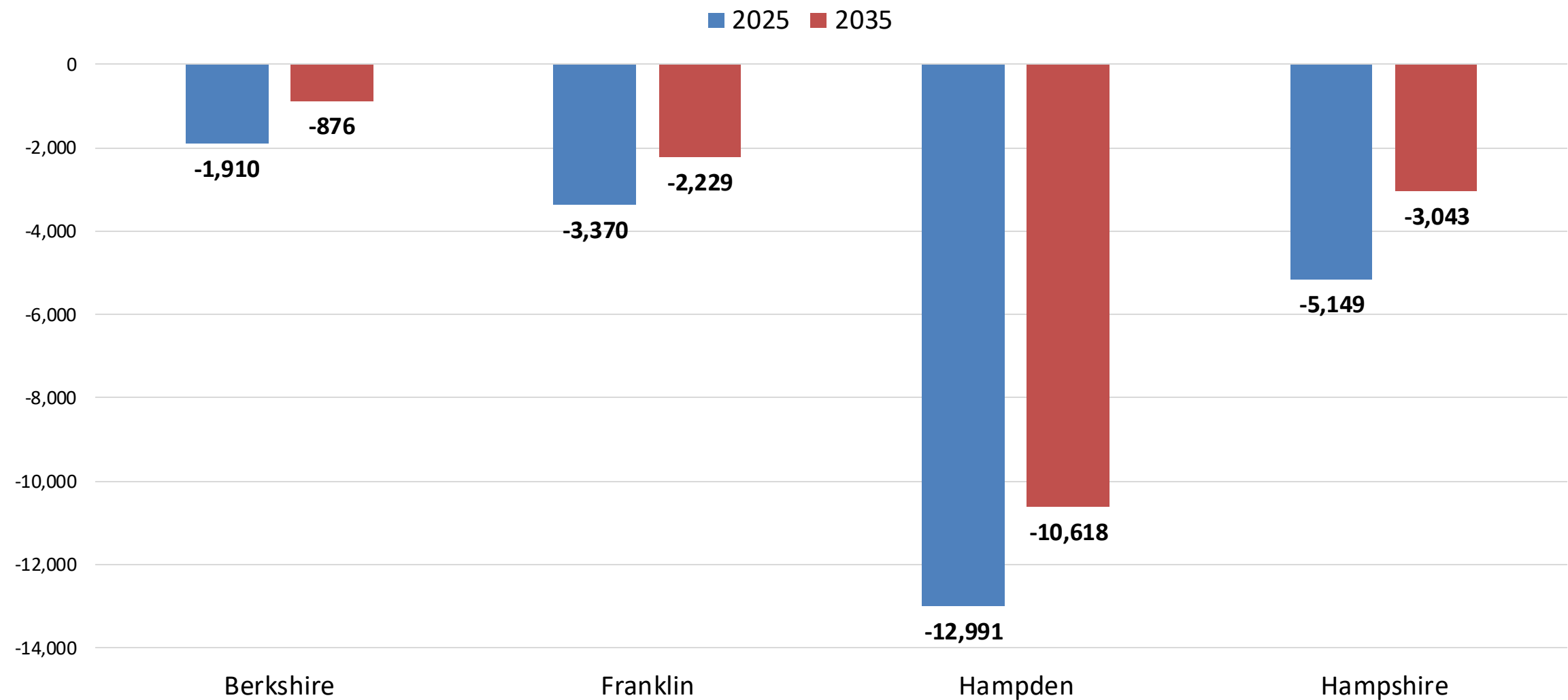
Note: Analysis is based on household incomes rather than family incomes

Projected Housing Unit Demand, 2025-2035

Households in Owner Occupied Units Households in Rental Units Missing Households Vacant Housing Units



Projected Housing Supply Gap, 2025, 2035



One-Time Economic Impacts of Closing Housing Demand Gap Through Construction, by County

Impact	Employment	Net New Economic Activity (GDP)	Economic Activity (output)	Local Taxes	State Taxes
Berkshire County	4,390	\$444M	\$838M	\$12.8M	\$21.0M
Franklin County	15,537	\$1,443M	\$2,818M	\$54.5M	\$64.7M
Hampden County	44,072	\$4,458M	\$7,873M	\$123.8M	\$208.4M
Hampshire County	12,742	\$1,194M	\$2,165M	\$37.5M	\$53.2M
Western Massachusetts	76,741	\$7,538M	\$13,694M	\$228.5M	\$347.3M

Thank you!

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Focus Springfield



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