

NEWS

# Report lays bare Western Mass housing crisis



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The word “crisis” is often used to describe the housing situation in western Massachusetts, and now a first-of-its-kind study compiling data from the region’s four counties can back up the claim.

The study, “Building Homes, Building Futures,” released this week, found that rents have increased 35% in this part of the state between 2021-2023, tens of thousands of affordable and market rate apartments and homes must be built by 2035 to supply the current demand, and the population in the area is going to decline if nothing changes.

The 100-plus page report created in partnership by Springfield affordable housing nonprofit Way Finders and the University of Massachusetts Donahue Institute paints a comprehensive housing picture focused exclusively on the western part of the state. In addition to laying out the problems that lead many to call housing a crisis here, the report offers a blueprint to kickstart home development.

“The big punch line, statewide and certainly the case in western Massachusetts, is that the demand exceeds supply when it comes to housing, and that we’ve really under produced housing in Massachusetts for a very long time,” said Mark Melnik, director of economic and public policy research at the UMass Donahue Institute.

Way\_Finders\_Final\_Report\_-\_Building\_Homes\_Building\_Futures\_2025      [Download](#)

The study expands on an initial housing study the groups published in 2021, collecting data from more than two decades ago and the surge in housing demand particularly after the COVID-19 pandemic.

President and CEO of Way Finders Keith Fairey, Melnik and other stakeholders met at the UMass Henry M. Thomas III Center in Springfield on Wednesday, releasing the study to the public.

“We all know there’s a housing challenge,” Fairey said at the event. “People talk about the housing crisis. A lot of that talk is not informed by the data that is suited to this region.”

Fairey said discussion of the housing crisis in the region is often misinformed. Looking at specific data will help the state and western Massachusetts communities see who is being impacted and make a move to fix it.

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## ***This is about the future of our region, our commonwealth***

— Keith Fairey

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### **The demand**

The region's housing supply shortage — the gap between the existing stock of housing and the number of units needed to accommodate the desired number of households — in 2025 is about 23,420 units — 5,149 in Hampshire County, 12,991 in Hampden County, 3,370 in Franklin County and 1,910 in Berkshire County, the report found.

If existing population trends continue and the current rate of housing construction is maintained, the demand for housing will fall somewhat in the next 10 years. But, it'll still leave the region short of 16,766 housing units needed to meet the expected demand in 2035.

Housing deficits can be tracked through housing permits. In 2023, western Massachusetts communities issued an average of 0.8 building permits per 1,000 residents, much less than the rest of the state — 1.7 permits — and national average — 4.1 per thousand residents.

Housing prices and rents are lower in western Massachusetts compared to eastern Massachusetts, but so are incomes, the report states.

“Housing on the surface looks to be a bit more affordable, but when you account for the fact that the wages are lower here too, you end up with a large number of households that are housing cost burdened,” said Melnik.

The price of a home in western Massachusetts has continued to increase since 2021, while the vacancy rate has decreased, creating higher prices and higher demand.

The U.S. Department of Housing and Urban Development defines housing affordability as spending no more than 30% of a household's gross income on rent or mortgage. Households spending more than this are considered cost burdened. One in four western

Massachusetts homeowners are spending more than 30% of their income on housing and one in ten spend more than 50%, the latter of which is considered severely burdened.

“The other thing that struck me as interesting was the degree to which how tight the housing market is,” Melnik said. “The vacancy rates are extremely low in western Mass. We’ll often say that a healthy vacancy rate in the homeowner market would be 1.5%. But throughout much of western Mass., it’s under 1%. There’s very little slack for movement there.”

Hampshire County has the highest single-family home and condominium prices in the region at \$400,000 in 2024, followed by Franklin and Berkshire counties at about \$318,000 and Hampden County at \$301,000. Additionally, Hampshire County has a higher share of newer housing than the rest of the state — 50% of housing units were built in 1970 or later, compared to 39% in all of western Massachusetts.

Franklin and Hampshire counties show the lowest vacancy rates at 0.3% and 0.4% respectively, both of which are lower than the state average of 0.6%.

All four counties had considerable increases in sales prices in the past decade with the median sale price in Berkshire, Franklin and Hampden counties increasing by about one-third since 2014. Prices grew less quickly in Hampshire County, rising 27%.

The figures paint a grim picture for renters, where rent increases have grown considerably in all four counties. According to the Zillow Observed Rent Index, Hampshire County saw the highest asking rents in the region at just over \$2,600 a month as of October 2024, a 35% increase from January 2021.

According to the study, low-income families are hit the hardest. Western Massachusetts makes up about 10% of the state’s population, but 15.9% of the renters with the lowest incomes live here.

### **Race, age demographics**

While the study highlights a huge housing availability gap in western Massachusetts, Faiery says it’s important to see which populations are getting hit by it.

The regional population is expected to decline in the coming years — 2% in Hampshire, 6% in Franklin, 6% in Berkshire and 3% in Hampden. The study urges creating more

housing will keep a steady population.

In western Massachusetts, the largest increases in median family income have been for Hispanic or Latino families in Hampden and Berkshire counties. While the white median family income has increased at a slower rate, it remains higher than other racial and ethnic groups.

The study says while western Massachusetts is increasingly diverse, segregation is persistent in populations. Black and Hispanic renters are more likely to be housing cost-burdened — 52% Black, 50% Hispanic — compared to white renters at 47%.

In all four western Massachusetts counties, the white population has decreased since 2000. The study says population growth has been driven primarily by other racial and ethnic groups, crediting the role of immigration in sustaining the Massachusetts population.

“One of the things that the study called out was that we are seeing and experiencing a rapidly aging population here ...” said Fairey. “We have this next period here, this next 10 years, to think about how we create options for people who want to downsize. Not everybody does, but some people do and we need to create more housing for our seniors so that they can age well and safely in our communities.”

Western Massachusetts has an older population than the rest of state, and it is getting older. An older population requires different housing needs, including smaller, low-maintenance units that need to be made.

The 65 and older population is expected to increase from one in five residents — 20% in 2020 — to a projected one in four residents — 26% in 2035. In Franklin County, it will grow to an estimated one in three residents — 32% by 2035.

### **Economic boost**

Meeting the housing demand would boost the economy significantly, the study finds. If production goals are met by 2035 it could generate \$7.5 billion in new economic activity and approximately 77,000 jobs across the region.

“It would be over a \$7 billion dollar investment in western Massachusetts, an economic investment that would ripple throughout all of our communities and different sectors

and could really set us up for an important and positive future, a thriving future,” said Fairey.

To reach that goal, Fairey said the state has to keep advancing legislation to spur home development to meet the housing demand. It’s an issue that in August 2024 received a huge jolt of investment when Gov. Maura Healey signed the Affordable Homes Act into law. The legislation authorizes \$5.16 billion in spending over the next five years along with nearly 50 policy initiatives attempting to counter rising housing costs.

In February, the Healey-Driscoll administration released the state’s first comprehensive statewide housing plan, “A Home for Everyone.” It guides the state to increase its housing supply by at least 222,000 units from 2025 to 2035.

Building that level of housing will require a large workforce. The study says creating 222,000 units will require approximately 3,152 full-time equivalent workers each year over the next decade.

“I think the Governor (Healey) has done what she set out to do, and prioritizing housing with the Affordable Homes Act, and then creating a a commission to help the state create its first statewide housing plan — she put a goal out there that I think that’s both bold and courageous,” said Fairey.

Fairey said he hopes there is more investment in the Massachusetts Rental Voucher Program, a similar program to the Federal Housing Choice Voucher that offers rental assistance to low-income families.

“We we have been growing our investment in the program but only really covering the cost of existing vouchers and what we really need to do is grow that program,” he said.

Overall, while there are still many challenges that lie ahead, Fairey sees the study as a guiding light for local governments, the state and those beyond.

“We can get caught up unfortunately in a lot of things going on in Washington with a lot of partisan squabbling and I think this is about all of our futures regardless of what party you are from, regardless of what age you are, of what income bracket you fall in. This is about the future of our region, our commonwealth,” Fairey said at the event on Wednesday.

More information can be found at [wayfinder.org](https://wayfinder.org).