

HOUSING NEEDS ASSESSMENT

SOMERVILLE, MA

DECEMBER 2024

Executive Summary

This analysis, which is the first part of RKG Associate's study for Somerville, is an update to the city's last Housing Needs Assessment (HNA) conducted in 2021. It aims to examine the demographic, economic, and housing characteristics, conditions, and trends in Somerville, in addition to analyzing the housing affordability gap in the city. This Housing Needs Assessment Update serves as a foundation for the Financial Feasibility Analysis, which is the second part of RKG's study, aiming to assess the effectiveness and financial feasibility of Somerville's Inclusionary Zoning (IZ) program.

Many trends discussed in this study reflect a continuation of conditions described in Somerville's last two Housing Needs Assessments in 2015 and 2021. The increasingly rising housing demand in Somerville driven by higher-income households and renters, especially those 25 to 44, as well as homebuying demand have heightened gentrification in traditionally affordable and diverse neighborhoods on the east side of the city, especially East Somerville. This is also echoed repeatedly by housing stakeholders interviewed for this study.

Therefore, the characteristics of these neighborhoods have been shifting compared to the 2021 HNA, with decreasing racial and ethnic diversity, declining housing affordability, and a loss of lower-income and working-class households, minority households, and households with children. It should also be noted that the housing market has since recovered and reversed course since the 2021 HNA, fueled by the factors mentioned before. The following section summarizes key findings from the demographic, economic, and housing data analyses, in addition to the various stakeholder interviews conducted between October and December 2024. Stakeholder interview summaries can be found in the Appendix section and selected points can also be found in the key findings that follow. Note that throughout this document words or phrases highlighted in blue indicate a hyperlink to specific source material. Interviewed organizations and individuals include:

- City of Somerville Office of Housing Stability
- City of Somerville Housing Programs Coordinator
- City of Somerville Economic Development Division of the Office of Strategic Planning and Community Development
- City of Somerville Planning, Preservation, and Zoning Division of the Office of Strategic Planning and Community Development
- Somerville Housing Authority
- Community Action Agency of Somerville
- Somerville Community Corporation
- Somerville City Councilor Kristen Strezo
- Somerville City Councilor Wilfred Mbah
- Metro Housing Boston Residential Services
- Greater Boston Legal Services

- Cambridge and Somerville Legal Services
- Somerville Public Schools Office of Housing and Basic Needs
- Somerville Homeless Coalition
- Somerville Council on Aging

Demographic, Economic, and Housing Data Key Findings

- Since the 2021 Housing Needs Assessment, Somerville's population declined by 0.5% (2019–2022) but is projected to grow by 1.9% by 2030 and 8.9% by 2050, outpacing Middlesex County and Massachusetts. Household sizes continue to decline, consistent with regional trends, echoing the findings from the 2021 HNA.
- Following a statewide and national trend, Somerville's older population experienced the fastest growth compared to other age groups between 2012 and 2022, though not as fast as the state level, especially for seniors at or above 65. However, housing stakeholders interviewed by RKG indicated that older residents in Somerville are among the most vulnerable groups most likely to face affordability challenges, especially related to mobility issues and difficulty in physical modifications. This resonates with the 2021 HNA and still holds true as of this study.
- Between 2012 and 2022—the most recent year with available U.S. Census Bureau American Community Survey (ACS) data at the time this report was written—Somerville's population gains were primarily driven by higher-income households and renters, particularly individuals aged 25 to 44, while the city experienced a continued decline in families with children under the age of 18.
- Somerville's social characteristics in 2022 were still similar to the larger region in terms of racial and ethnic composition. The trend of declining racial and ethnic diversity in Somerville as it gains household wealth has continued since the city's last HNA
- Since the 2021 HNA, racial minority populations have shifted from parts of East Somerville (e.g., Census Tract 3501.07) to nearby neighborhoods like Winter Hill, Assembly Square, and Hillside, most likely driven by new developments and rising housing demand. Areas with higher minority populations have also contracted, particularly in East and South Somerville and around Tufts University (Hillside, Powder House Square, and Teele Square).
- The number of Somerville residents with disabilities has grown since 2019. Approximately 6,616 Somerville residents had a disability in 2022, accounting for around 8.2% of Somerville's residents. The incidence of poverty coupled with disability is still a challenge for the city, especially for seniors and homeless special needs populations. This highlights the need for the city to integrate and expand the use of universal design in housing developments and renovations.
- The decline in family households highlights the housing limitations faced by families and the driving force of nonfamily households. In addition, though Somerville historically has been comprised primarily of renters, and growth in higher-paying industries and the

development of major mixed-use projects have continued to attract additional renters, the homeownership rate has also continued its gradual climb.

- Though Somerville has experienced growth in high-income households in recent years, there were still proportionally more renters who were cost-burdened in the city in 2022. However, the geographic income disparity has been shifting since the 2021 HNA. East Somerville and Assembly Square have become relatively new destinations for higher-income owners, as these new communities have seen increasing homebuying interest in recent years. In addition, there has been an increase in renter household incomes, or a growth in the number of higher-income renters, in Ten Hills/Assembly Square and the south side of Union Square.
- Though Somerville has historically been a diverse and affordable community, minority populations and families with children have been more significantly impacted by rapidly increasing housing prices and continue to move out of Somerville in search of more affordable areas.
- Increased luxury housing development and the continued conversion of apartments to condos in recent years, driven by higher demand from both renters and homebuyers, have pushed up housing prices, leaving existing households, especially renters, more vulnerable, particularly in areas such as East Somerville.
- Somerville's housing market has quickly recovered from the impacts of the COVID-19 pandemic since 2021. Home prices in Somerville continue to climb. New homes are bigger and more expensive, and homes in general sell fast. Newer apartments, though significantly smaller than in the rest of the U.S. on average, are larger in terms of square footage per unit compared to older apartments built before 2000, though those built since 2010 have been slightly decreasing in size again. Nonetheless, rents for these newer units are more expensive, and rent rates across the rental market have been pushed up by increasingly high demand and development interest since 2021.
- There are more IZ units and affordable units in the construction pipeline on the east side of the city, with fewer options on the west and north sides. Deed-restricted units expiring before 2035 are also concentrated on the east side.
- There still is a need to encourage the development of larger housing units with three or more bedrooms, especially rental units that are affordable, as there is a limited number of rental apartment unit sizes that accommodate larger renter households, especially those subsidized and affordable for households earning at or below 50% of the AMI.
- The affordability gap is most prominent for renter households earning at or below 50% of the Area Median Income (AMI) in Somerville. The for-sale home market is out of reach for households earning at or below 120% of the AMI in the city.

HUD FY 2024 Income Limits for Somerville

FY 2024 Income Limit Area	Median Family Income Click for More Detail	FY 2024 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Boston- Cambridge- Quincy, MA-NH HUD Metro FMR Area	\$148,900	Very Low (50%) Income Limits (\$) Click for More Detail	57,100	65,300	73,450	81,600	88,150	94,700	101,200	107,700
		Extremely Low Income Limits (\$)* Click for More Detail	34,300	39,200	44,100	48,950	52,900	56,800	60,700	64,650
		Low (80%) Income Limits (\$) Click for More Detail	91,200	104,200	117,250	130,250	140,700	151,100	161,550	171,950

NOTE: **Somerville city** is part of the **Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area**, so all information presented here applies to all of the Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area. HUD generally uses the Office of Management and Budget (OMB) area definitions in the calculation of income limit program parameters. However, to ensure that program parameters do not vary significantly due to area definition changes, HUD has used custom geographic definitions for the Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area.

Stakeholder Interview Key Takeaways

Eviction, Instability, and Displacement

- **Eviction Trends:** Somerville has relatively lower eviction rates, aided by an extended eviction moratorium and robust City tenant protection programs and funds. City data shows that more than 600 evictions have been prevented by the use of City Flex-ARPA and Flex-SAHTF rental assistance. However, nonpayment of rent and building sales are still major drivers of the evictions that do occur. Most evictions have been from traditionally more affordable neighborhoods such as East Somerville, though many buildings throughout the city are also emptied by landlords seeking to sell their properties through lease non-renewals or informal demands that tenants vacate their units. These landlord actions often cause tenants to relocate, even when involuntary, without the owner having to initiate a formal court process.
- **Overcrowding Issues:** Overcrowding is prevalent among displaced residents in Somerville, exacerbated by long wait times for public housing access.
- **Systemic Gaps:** Shelter funding for families is depleted, and fair housing enforcement is limited.

Housing Demand and Trends

- **Rising Displacement:** Despite lower eviction filings, overall displacement is increasing due to rising housing costs and rental building sales by owners. Immigrants, seniors, and low-income households face significant displacement pressures, often resulting in them moving into substandard housing, doubling up, or having to leave the city.
- **Shortage of Affordable Units:** Many new housing units do not address the level of housing demand from low-income households, especially those earning below 50% of AMI.
- **Specific Needs:** Demand for accessible (Americans with Disabilities Act (ADA) compliant) and affordable units continues to grow across all unit sizes, along with demand for larger

family units, one-bedroom or studio units for single persons and couples, and housing with supportive services.

Redevelopment and Condo Conversion

- **Displacement Risks:** Redevelopment often leads to tenant displacement unless nonprofit organizations are involved.
- **Challenges with Funding:** Acquiring buildings during the redevelopment and condo conversion process to build affordable housing requires more coordination, funding, and seller cooperation.

Subsidized Housing

- **Section 8 Voucher Use Improved:** Increased payment standards have made vouchers more usable in Somerville. Though, as of October 2024, out of the 1,182 mobile vouchers available, only 340 were leased up in the city.
- **Housing Modernization:** A significant portion of subsidized housing requires renovation.
- **Utility Cost Challenges:** Rising utility costs burden and even force out households in affordable units, suggesting a need for utility cost regulation and increased assistance.
- **Uneven Spatial Distribution:** The need for more even geographic distribution of subsidized housing continues to grow.

Special Needs Housing

- **Growing Demand:** There is an increasing need for permanent supportive housing with longer-term follow-ups (compliance with leases, etc.) to ensure stability in tenancy.
- **Immigrant, Disabled, and Senior Households:** A substantial number of non-English-speaking, disabled (especially family households with disabilities), and senior residents require assistance.

New Housing Policies and Programs

- **Municipal Voucher Program:** A locally funded voucher program aimed at families with students in the Somerville school system has resulted in close to 30 families becoming stably housed.
- **Legislative Actions Pending:** Home Rule Petitions for rent stabilization, real estate transfer fees for affordable housing funding, and tenant first-right-of-refusal laws have been filed but face significant opposition in the legislature. While the idea of granting tenants the right to return to their units following the redevelopment or rehabilitation of rental properties has been discussed, no formal petition or policy has been drafted to date.
- **Increased CPA Surcharges:** In Fall 2024, Somerville residents voted to double the CPA property tax surcharge, which will provide more funding for affordable housing and for improvements to parks, historic buildings, and artifacts.
- **New Consolidated Waitlist for Inclusionary Zoning Units in Development:** The City's Inclusionary Zoning Program launched a new consolidated waitlist for inclusionary housing in the city in April 2025.

Interviewee Recommendations

- **Tenant Protections:** As building sales of rental properties, involuntary displacement of existing renters, and new rental property owners raising rents are common throughout the city, granting displaced tenants the right to return to their former homes without a rent increase following the sales of rental properties is essential.
- **Equitable Housing Supply:** Regulations must ensure housing units meet the needs of low-income households, and IZ units are allocated to corresponding households in need.
- **Supportive Housing:** Permanent supportive housing with wraparound services and expanded accessibility modifications is needed.
- **Utility Cost Stabilization:** Interviewees emphasized that the City should enhance its efforts to negotiate with utility companies or collaborate with municipalities to stabilize utility costs. This should be coupled with regulating predatory utility companies and easing restrictions on utility assistance program eligibility. RKG also recommends that the City broaden its negotiation efforts beyond electricity costs and work to ensure more residents, particularly those in subsidized housing, are aware of and can utilize the Somerville Community Choice Electricity (Somerville CCE) program.
- **Community Engagement for Underrepresented Groups:** Seniors and families should be included in policymaking to ensure equitable outcomes.
- **Learning from Examples:** Cambridge's dormitory conversion, and Vienna, Austria's city-owned housing, in addition to allowing multifamily housing and increasing density by right can guide Somerville's efforts.
- **Transportation:** Interviewee proposals include a free municipal bus system and equitable parking policies for affordable housing developments.

A. Demographic Characteristics

1. Introduction

This section lays the foundation for this analysis as it examines the characteristics and trends of Somerville's population, resident age, racial and ethnic diversity, household composition and types, tenure, education attainment levels of residents, household incomes, and cost burdening. In many cases, it also analyzes how these trends have or have not changed compared to Somerville's previous Housing Needs Assessment (HNA) in 2021. Many of these data findings resonate with the major issues raised during stakeholder interviews conducted for this analysis and provide additional support to anecdotal evidence.

Major data sources used for this section include the U.S. Census Bureau Decennial Data, and the American Community Survey (ACS) 5-Year Estimates. The most recent data year used for the ACS Estimates is 2022, which was the latest available as of the time of the study.

2. Population Trends

Somerville has experienced slower population gains since 2017, which will likely change.

Like Middlesex County and the state of Massachusetts, the latter half of the decade was defined by slower population gains in Somerville between 2017 and 2022. Following the COVID-19 pandemic, the shift to a post-pandemic remote and hybrid work format, as well as the low-interest rate environment of 2021, produced a slower growth of new residents in major metropolitan areas. Recent research has labeled this phenomenon as the "[Donut Effect](#)", where major urban cores such as Boston and NYC saw large population outflows during this period, and smaller urban areas and suburbs saw large increases in population and home values.

Since Somerville's last Housing Needs Assessment (HNA) (2021), which used the American Community Survey 2019 5-Year Estimates, the city's population actually declined slightly by -0.5% between 2019 and 2022. However, Somerville is projected to regain its growth momentum and expand faster than Middlesex County and Massachusetts by 2050 according to the Hamilton-Perry population projection method (Figure 1, Figure 2, Figure 3; source: ACS 5-Year Estimates; 2012-2022, UMass Donahue Institute Population Estimates Program (May 2024), RKG Associates, Inc.). It should be noted that the UMass Donahue Institute Population Estimates Program projected a population decline. RKG believes the Hamilton-Perry projection is more accurate, which will be further discussed below.

Housing Needs Assessment Somerville, MA

Figure 1
Somerville Population Trends and Projections

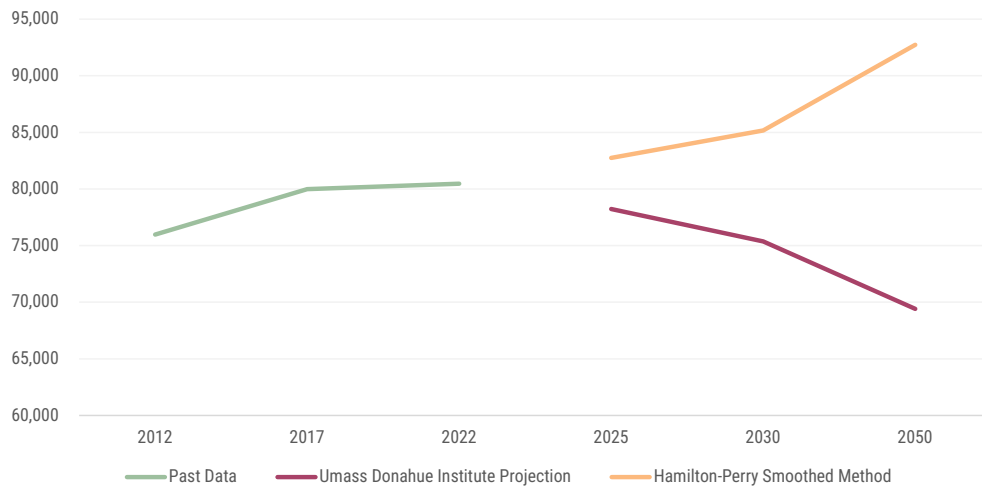


Figure 2

Jurisdiction	2012	2017	2022	2012-2022 Change	2012-2022 % Change
Somerville	75,974	79,983	80,464	4,490	5.9%
Middlesex County	1,507,558	1,582,857	1,623,109	115,551	7.7%
Massachusetts	6,560,595	6,789,319	6,984,205	423,610	6.5%

Figure 3

Jurisdiction	2022	2030	2050	2022-2030 Change	2022-2030 % Change	2022-2050 Change	2022-2050 % Change
Somerville (UMass Donahue)	80,464	75,371	69,421	(5,093)	-6.3%	(11,043)	-13.7%
Somerville (Hamilton-Perry)	80,464	85,179	92,732	4,715	5.9%	12,268	15.2%
Middlesex County (UMass Donahue)	1,623,109	1,648,360	1,672,330	25,251	1.6%	49,221	3.0%
Middlesex County (Hamilton-Perry)	1,623,109	1,611,697	1,708,038	(11,412)	-0.7%	84,929	5.2%
Massachusetts (UMass Donahue)	6,984,205	7,115,199	7,021,497	130,994	1.9%	37,292	0.5%
Massachusetts (Hamilton-Perry)	6,984,205	7,035,591	7,463,913	51,386	0.7%	479,708	6.9%

3. Age Composition

ACS estimates also show increases in the younger and older age cohorts while there has been a loss in families.

Following a national trend of aging populations, in addition to growth in residents over the age of 55, Somerville is seeing its largest gains in residents aged between 25 and 44. The share of this group, who is in their prime working age, was 48% in 2022, almost twice the share at county and state levels.

In comparison, Somerville has seen a loss in people aged 45 to 54 and children under 18, mirroring the county and state trends (Figure 4; source: ACS 5-Year Estimates 2012-2022). This usually suggests a decrease in families with children. As the 2021 Housing Needs Assessment pointed out, this is a pattern in “in-demand” communities experiencing sustained housing price escalation.

Figure 4: Somerville Population by Age, 2012 - 2022

Age Group	2012 (Count)	2012 (%)	2017 (Count)	2017 (%)	2022 (Count)	2022 (%)	2012- 2022 Change	2012- 2022 % Change
Under 18	10,143	13.4%	9,181	11.5%	8,379	10.4%	(1,764)	-17.4%
18 to 24 years	12,205	16.1%	11,098	13.9%	11,704	14.5%	(501)	-4.1%
25 to 34 years	23,483	30.9%	26,607	33.3%	26,155	32.5%	2,672	11.4%
35 to 44 years	10,232	13.5%	11,319	14.2%	12,170	15.1%	1,938	18.9%
45 to 54 years	7,723	10.2%	7,454	9.3%	7,448	9.3%	(275)	-3.6%
55 to 64 years	5,624	7.4%	6,716	8.4%	6,746	8.4%	1,122	20.0%
65+ years	6,564	8.6%	7,608	9.5%	7,862	9.8%	1,298	19.8%

Increasing young and older populations and decreasing families suggest diverging housing needs.

These trends highlight two key demographic segments with very different housing needs. Older populations may seek to downsize as their children leave home and need greater levels of

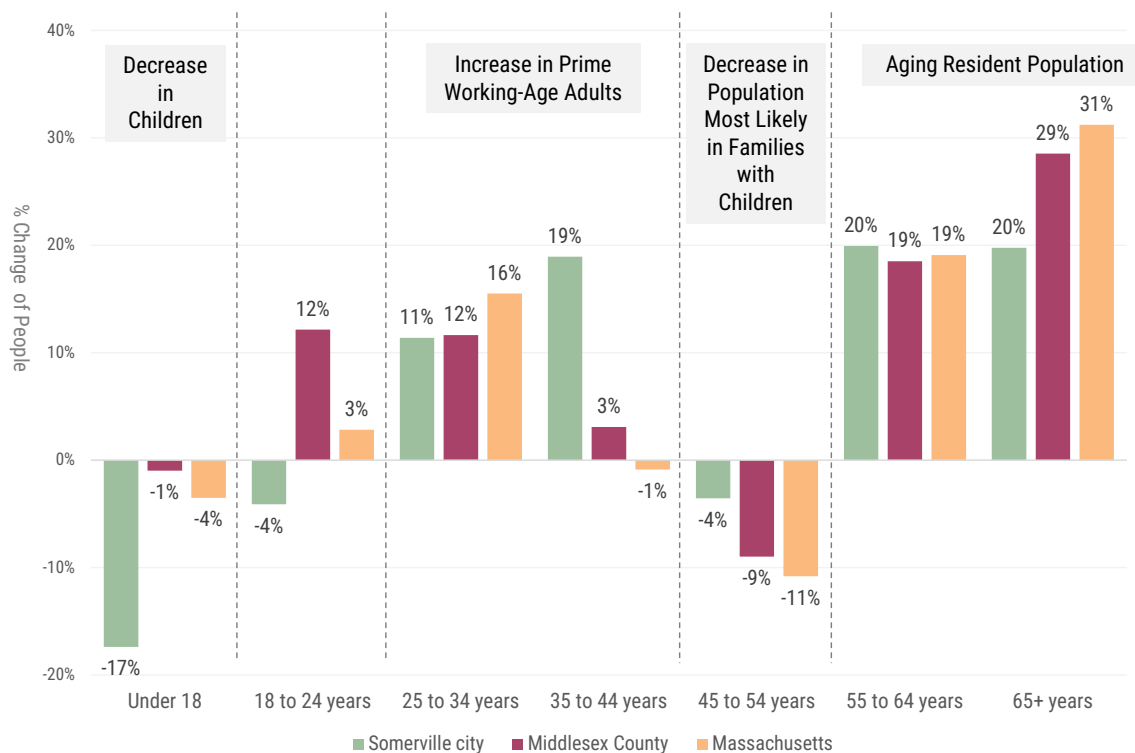
accessible housing and support services. This translates into an additional need for accessibility modifications, maintenance, repair, and smaller units for singles or couples in subsidized housing developments. These needs have been repeatedly highlighted during stakeholder interviews.

Growth in residents aged 25 to 44 can also indicate housing demand from young professionals and people starting families, many of whom will either seek to rent or make their first home purchase. The seeming loss of families with children suggests this group is being priced out and/or cannot find suitable housing options as they seek larger homes.

The data also highlights the need for more housing options attainable for families with children with the right price points and sizes (usually three or more bedrooms). Current data suggests this group is leaving Somerville, especially families with very low and extremely low incomes (Figure 5; source: ACS 5-Year Estimates 2012-2022). Findings from stakeholder interviews corroborate this data, indicating that family households, especially immigrant households, face increasing housing challenges, especially rising incidences of unhoused family households with disabilities, households displaced by rent increases and no-fault evictions leaving the city, and long waitlists for larger units with three or more bedrooms.

Figure 5

Percent Change of Population by Age Group, 2012-2022



While the Inclusionary Zoning program requires a minimum of at least one person per bedroom in a unit, there is no waitlist preference for households that exceed that minimum requirement. This means that, for example, there is technically no guarantee that a three-bedroom unit will be allocated to a large household with six people instead of a three-person household that can fit into a two-bedroom unit. A new consolidated waitlist system for inclusionary units was launched in April 2025. A consolidated waitlist will enable housing applicants to apply for inclusionary units just once, rather than submitting separate applications for each individual property as units become available.

4. Racial/Ethnic Composition

Somerville has been diversifying, but also seeing a loss in some minority populations.

During the decade between 2012 and 2022, the Somerville population continued to diversify, with the percentage of non-White populations increasing. The growth in the numbers of the city's non-White populations is driven by gains in individuals identifying as Hispanic or Latino, Two or More Races, and Asian (Note: throughout this report, Latinx/Latino/Latina/Hispanic individuals and households are referred to as "Hispanic or Latino" to align with the US Census Bureau tabulations) (Figure 6; source: ACS 5-Year Estimates 2022).

However, continuing a trend identified by the previous HNA in 2021, Somerville is also losing some of its minority populations in recent years. Between 2019 and 2022, the city saw a decline in the number of Black/African American and Hispanic/Latino residents according to the ACS 5-Year Estimates.

This suggests that while Somerville continues to diversify, the increasing trend of gentrification, as mentioned in the 2021 HNA, has priced out more vulnerable minority populations, such as those who identify as Black or African American and Hispanic or Latino.

Figure 6: Racial/Ethnic Compositions, 2022

	Somerville		Middlesex County		Massachusetts	
	Count	%	Count	%	Count	%
White	58,336	72.5%	1,154,437	71.1%	5,075,525	72.7%
Black or African American	3,313	4.1%	81,837	5.0%	498,785	7.1%
American Indian and Alaska Native	222	0.3%	2,753	0.2%	14,740	0.2%
Asian	8,448	10.5%	210,784	13.0%	487,600	7.0%
Native Hawaiian and Other Pacific Islander	18	0.0%	751	0.0%	2,766	0.0%
Some other race	3,433	4.3%	59,686	3.7%	347,501	5.0%
Two or more races	6,694	8.3%	112,861	7.0%	557,288	8.0%
Hispanic/Latino	8,752	10.9%	136,457	8.4%	879,296	12.6%

This trend is a repeated theme stressed during stakeholder interviews that minority and immigrant households face more severe affordability and displacement challenges due to housing price increases and surging sales of rental buildings by owners.

Similar to the 2021 Housing Needs Assessment (HNA) findings, racial minority populations in Somerville as of 2022 tend to make up larger shares of the population in neighborhoods such as East Somerville than in higher-income areas such as Davis Square. In addition, compared to the racial minority population map from the 2021 HNA, minority populations have moved from certain areas of East Somerville (especially Census Tract 3501.07, Figure 7; source: ACS 5-Year Estimates 2022, City of Somerville GIS, MassGIS) to nearby neighborhoods such as Winter Hill and Assembly Square, as well as the tip of Hillside in recent years. This is most likely due to the recent developments and increased interest and demand for housing in these neighborhoods, especially East Somerville. Housing stakeholders interviewed for this study also repeatedly highlighted this trend.

Note that the increased minority populations in Assembly Square are more likely to be newcomers with higher incomes instead of existing Somerville residents moving from older and traditionally more affordable neighborhoods. This is supported by household income data, which will be further

discussed later in this report.

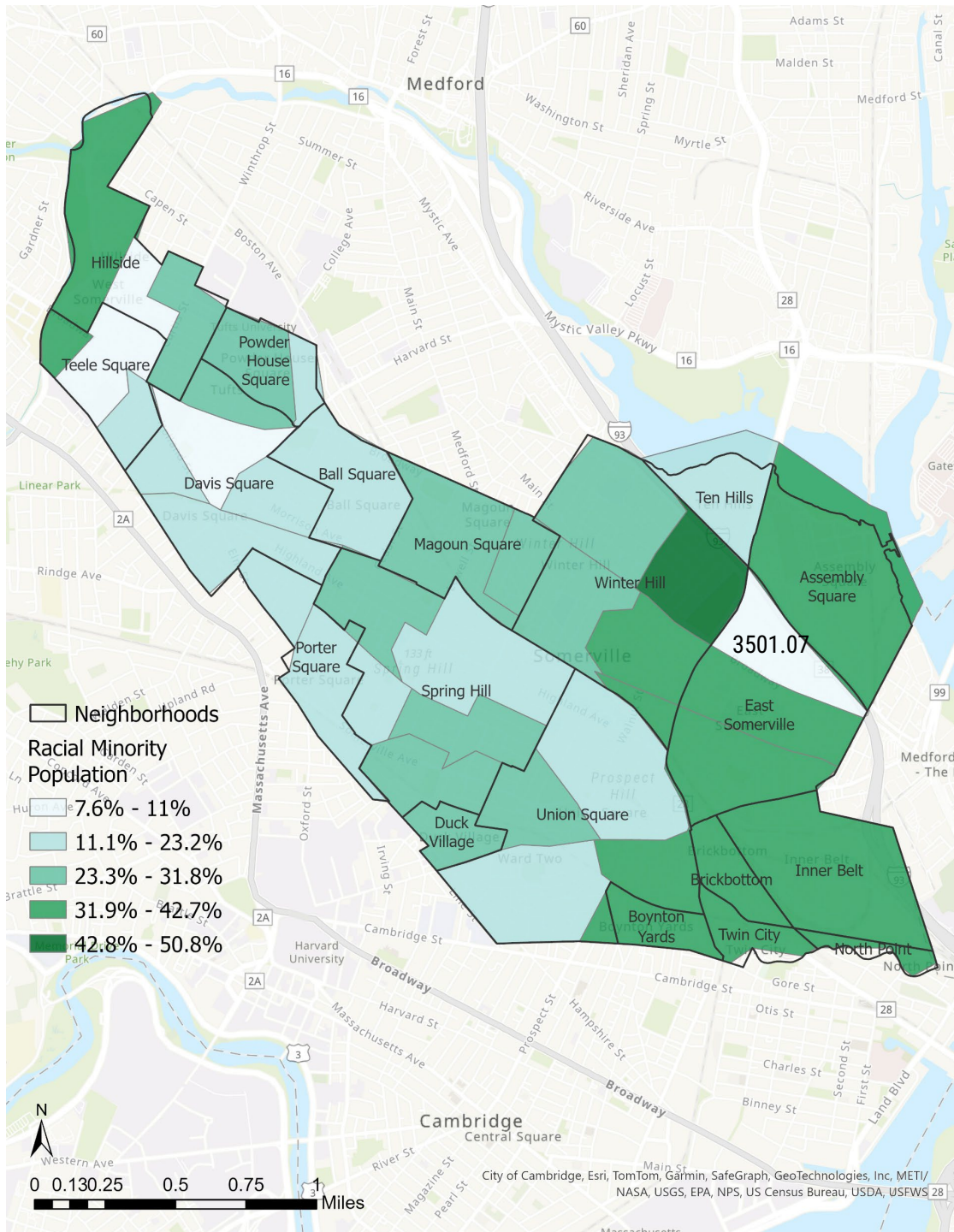
Compared to Map 3.1 in the city's 2021 HNA, racially and ethnically diverse census tracts with higher shares of racial minority populations have reduced, especially on the east and south sides of the city, and in areas near Tufts University (Hillside, Powder House Square, and Teele Square) (Figure 7; source: ACS 5-Year Estimates 2022, City of Somerville GIS, MassGIS).

Similarly, areas with higher shares of Hispanic/Latino populations have contracted compared to Map 3.2 in the 2021 Housing Needs Assessment, especially around Davis Square, East Somerville, Magoun Square, Spring Hill, and Duck Village. In addition, this group has shifted more towards the tip of Hillside (Figure 8; source: ACS 5-Year Estimates 2022, City of Somerville GIS, MassGIS).

The data suggests a pattern of the racial minority and Hispanic/Latino populations being priced out of traditionally higher-income neighborhoods, as well as previously more affordable areas such as East Somerville. This is associated with the recent influx of higher-income people and the increasing housing demand and gentrification of traditionally more diverse and affordable neighborhoods such as East Somerville. This also aligns with findings and anecdotal evidence repeatedly mentioned during the stakeholder interviews.

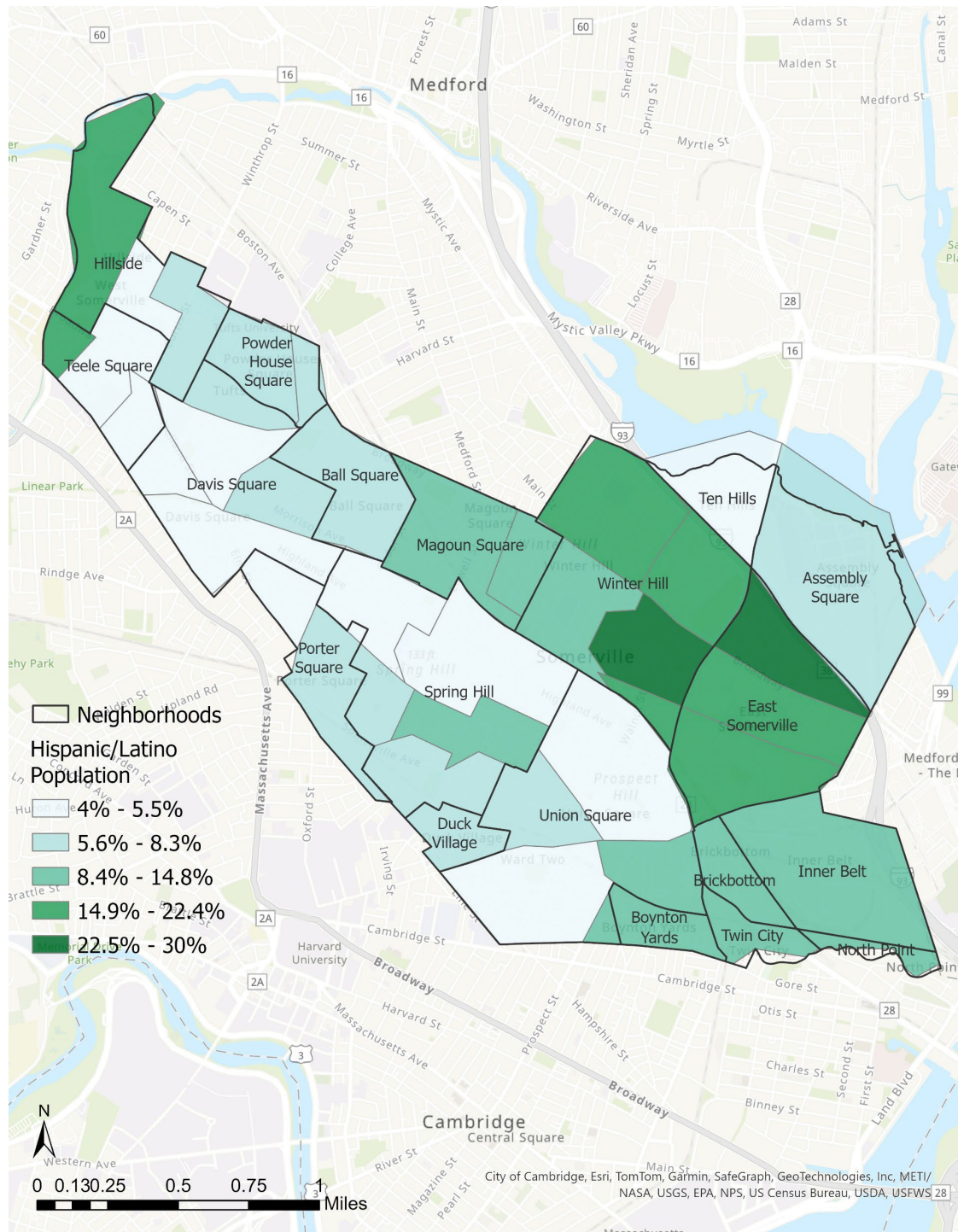
Housing Needs Assessment Somerville, MA

Figure 7: Somerville Percentage of Racial Minority Population by Census Tract, 2022



Housing Needs Assessment Somerville, MA

Figure 8: Somerville Percentage of Hispanic/Latino Population by Census Tract, 2022



5. Foreign-Born Population and Immigration

Somerville has higher shares of foreign-born residents.

Around 24% of Somerville's population is foreign-born, and this share has slightly decreased compared to the 2019 data. Nonetheless, Somerville has a higher share of foreign-born residents than the county and the state, reflecting the city's diverse racial and ethnic composition. Around 28% of residents did not speak English at home, a share slightly lower than the 2019 figure (30%) from the 2021 HNA. Latin American (37.7%) and Asian (29.7%) countries still accounted for around 67% of the countries of origin in 2022 (Figure 9, Figure 10; source: ACS 5-Year Estimates 2012-2022).

Figure 9

Somerville Foreign-Born Population, 2012-2022

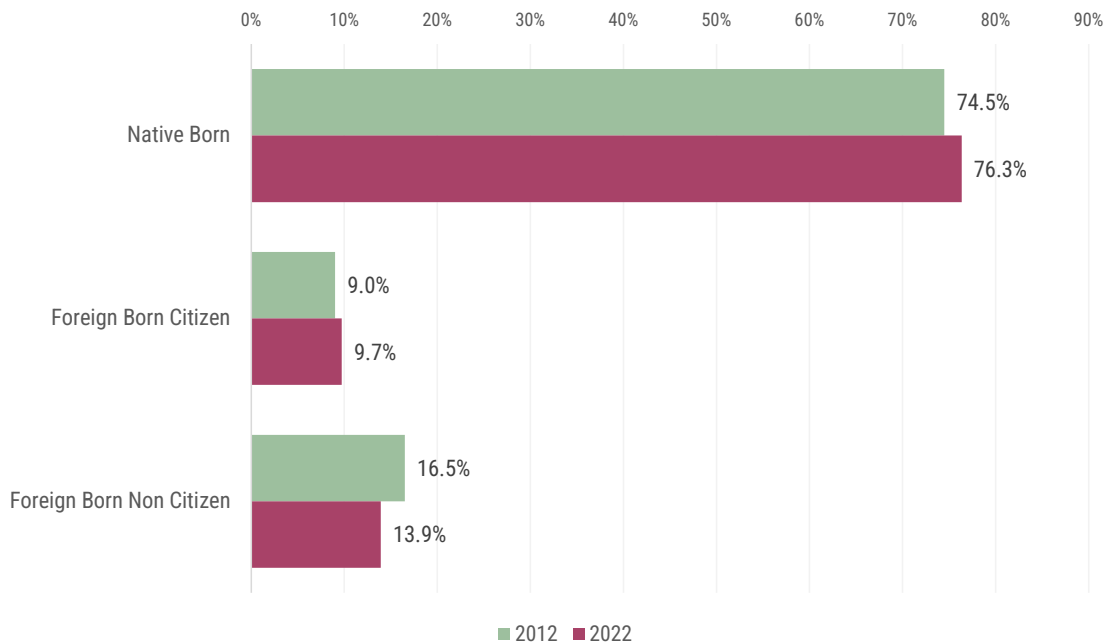
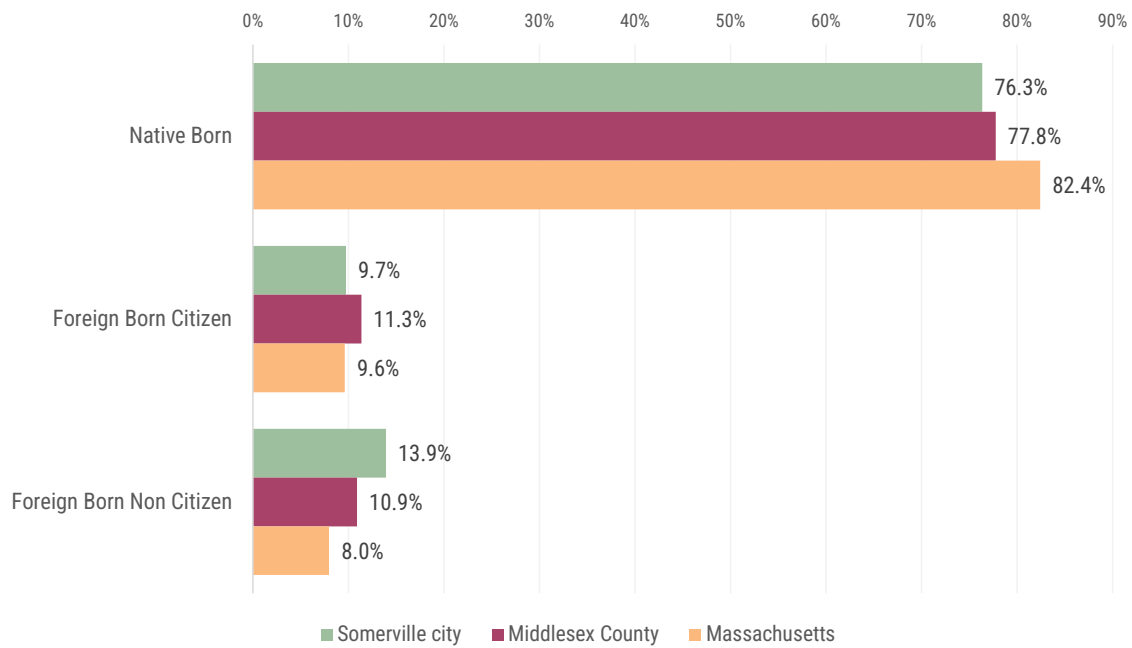


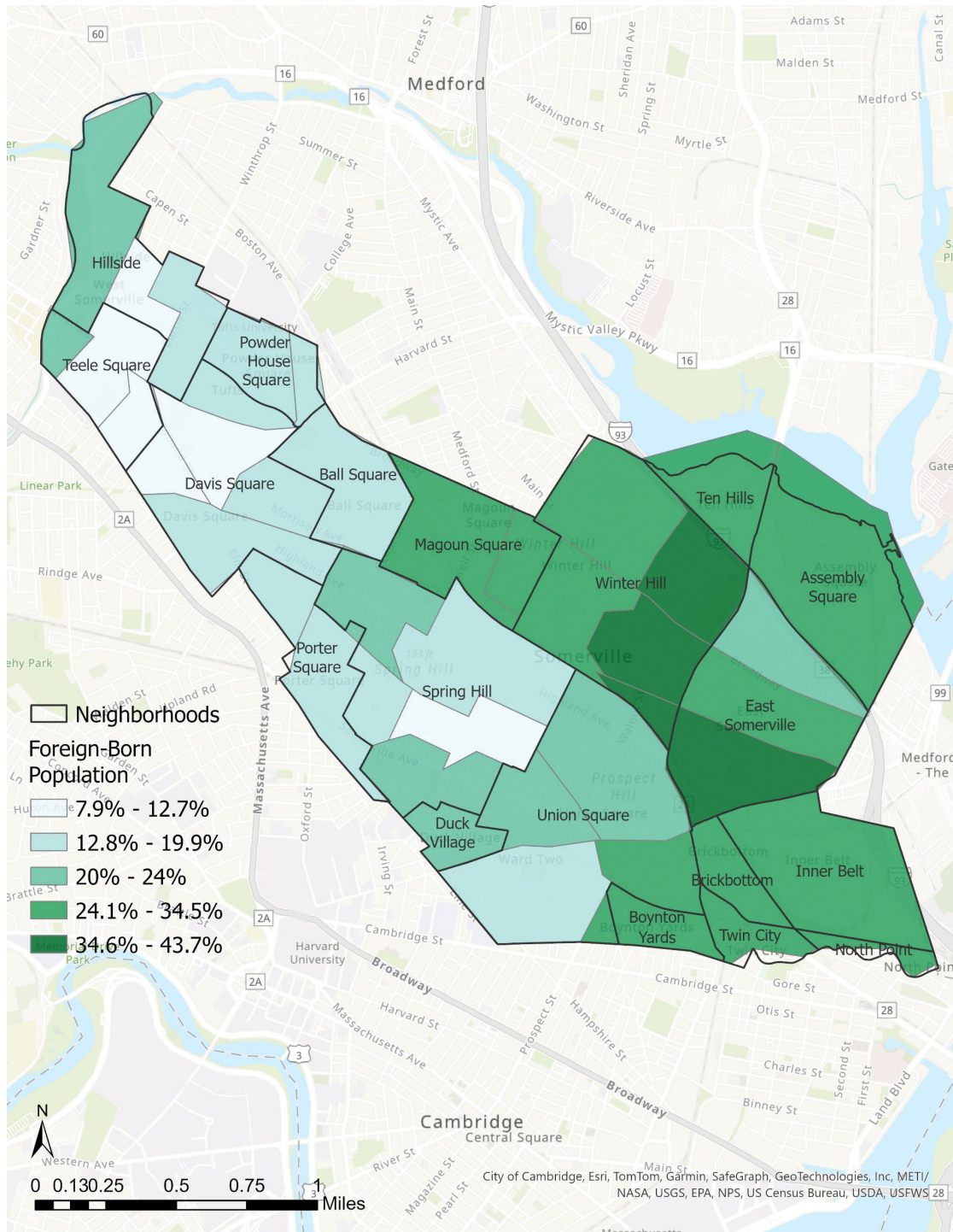
Figure 10

Comparative Immigration Characteristic, 2022



Somerville's foreign-born populations cluster in East Somerville and Winter Hill. However, similar to the racial minority and Hispanic/Latino populations, neighborhoods with higher shares of foreign-born populations have contracted in Somerville compared to the 2021 HNA finding (Figure 11; source: ACS 5-Year Estimates 2022, City of Somerville GIS, MassGIS).

Figure 11: Somerville Percentage of Foreign-Born Population by Census Tract, 2022



6. Education Attainment

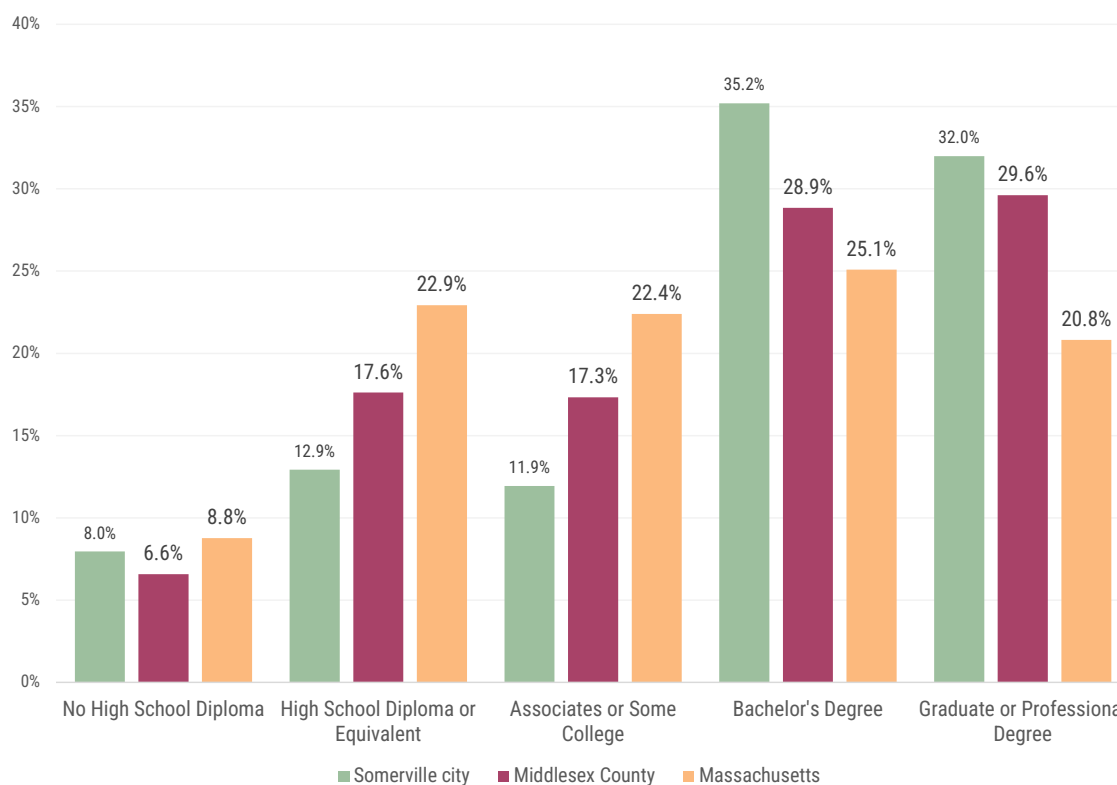
Somerville continues to see growth in highly educated residents.

Somerville has proportionally more highly educated residents compared to the county and the state. In 2022, around 67.2% of the city's residents had bachelor's degrees or higher. This share has also increased compared to the 2019 figure (64%), suggesting continued gains in highly educated people in the city since then.

This resonates with the previous findings and is most likely associated with the influx of higher-income young professionals in recent years (Figure 12; source: ACS 5-Year Estimates 2022).

Figure 12

Education Attainment Distribution, 2022 (Population 25 Years and Over)

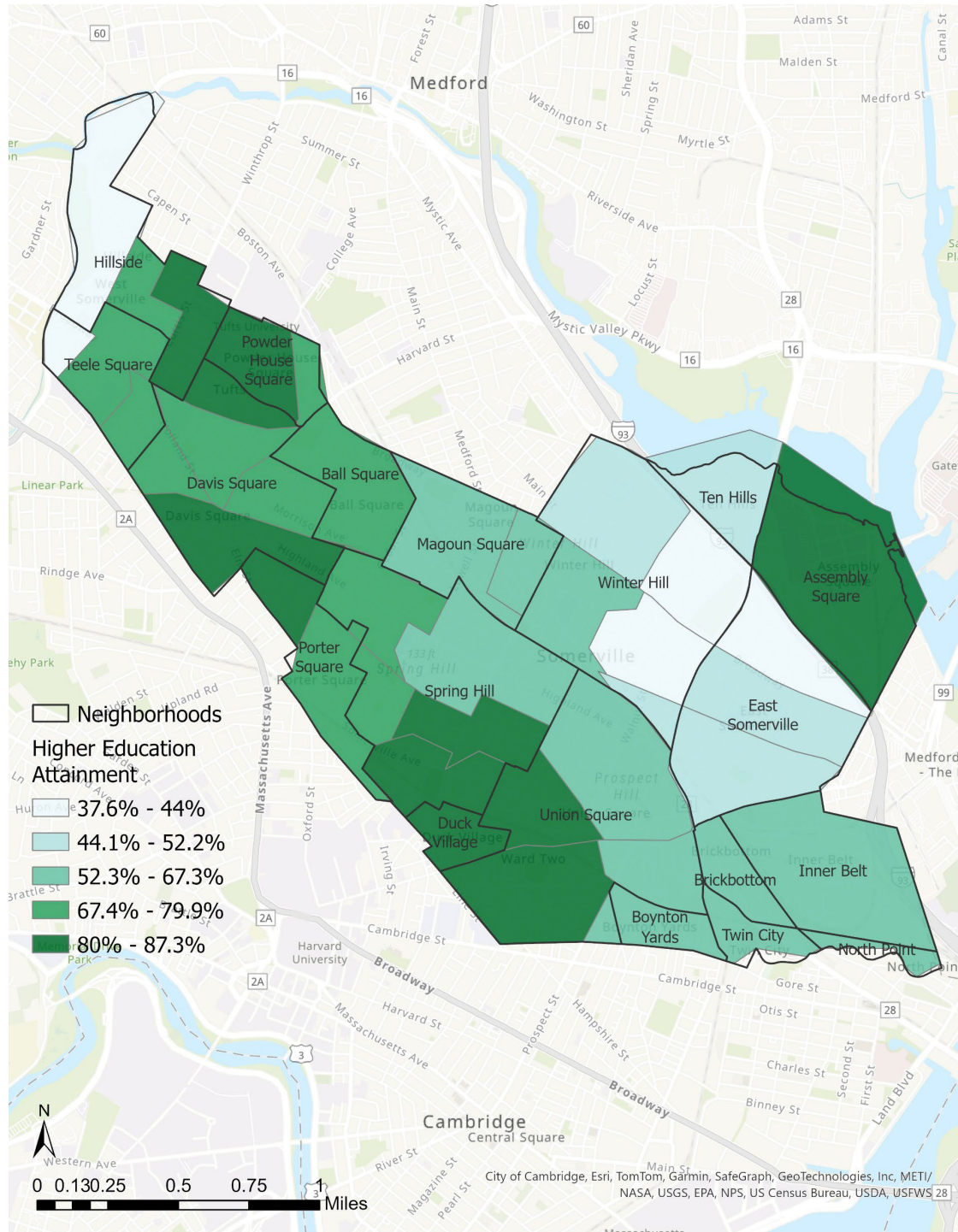


People with bachelor's degrees or higher tend to concentrate in Davis Square, Porter Square, and Powder House Square/Tufts, as these areas have convenient access to Harvard, MIT, Tufts, and other universities and their affiliates in and around Somerville. In addition, Assembly Square has become a new neighborhood for highly educated residents to cluster. This is likely due to Assembly Square's proximity to academic and employment hubs in Boston and Cambridge, its

Housing Needs Assessment Somerville, MA

modern housing stock that caters to young professionals and small households, its mixed-use development and amenities, its high walkability and bikeability, and the convenient transportation options available in the neighborhood that provide direct access to downtown Boston (Figure 13; source: ACS 5-Year Estimates 2022, City of Somerville GIS, MassGIS).

Figure 13: Somerville Percentage of Population with Bachelor's Degrees or Above by Census Tract, 2022



6. Geographic Mobility

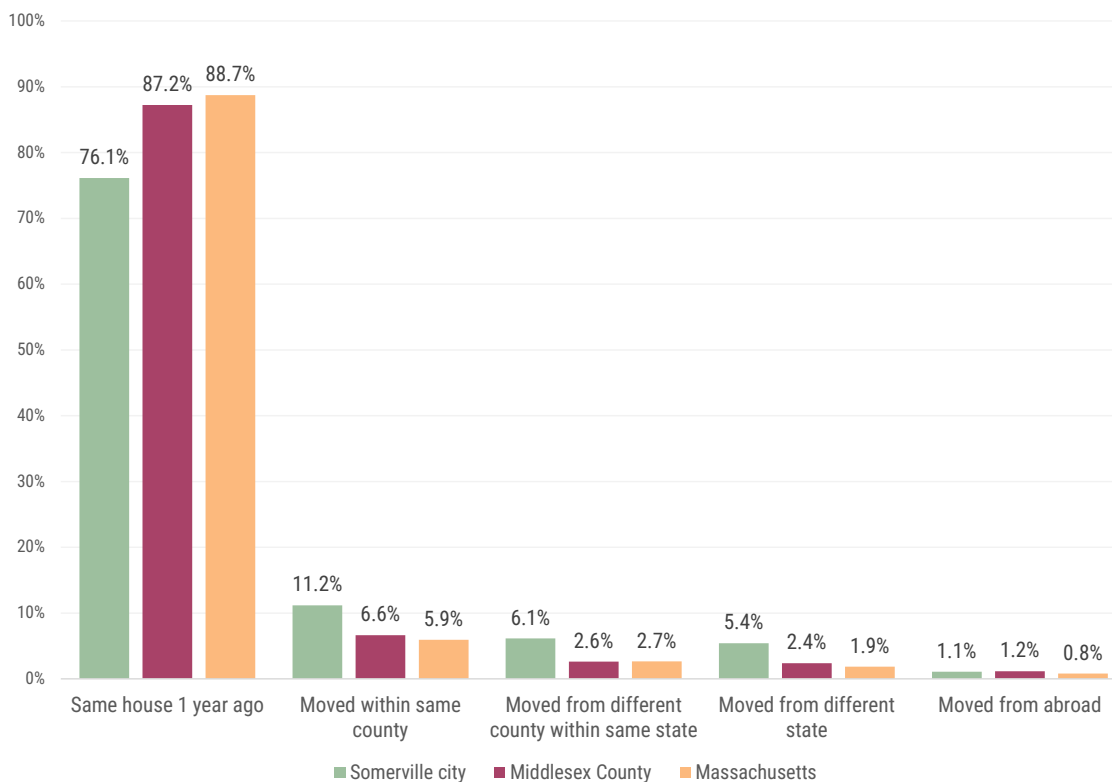
Somerville has higher geographic mobility among its residents, with likely changing housing needs.

Somerville's population also has a higher degree of mobility than the county and the state, meaning that the city has more residents moving in and out. This is especially true for people who moved to Somerville from within Middlesex County, who accounted for 11.2% of those who moved to Somerville. This is followed by those who moved from different counties within Massachusetts and those who moved from out of state. Coupled with the city's growing population, as discussed earlier in the report, this shows that Somerville continues to be a place that attracts new residents.

The city's higher geographic mobility aligns with its higher shares of rental households and foreign-born residents, as well as the recent influx of higher-income young professionals, gentrification, and the outward migration of racially and ethnically minority populations due to rising housing costs in recent years. Anecdotal evidence from interviewees also supports this finding (Figure 14; source: ACS 5-Year Estimates 2022).

Figure 14

Comparative Geographic Mobility, 2022



7. Disabilities

Somerville's residents with disabilities seem to have increased since 2019.

Approximately 6,616 Somerville residents had a disability in 2022 which is defined as a physical or mental impairment that substantially limits at least one major life activity. They accounted for around 8.2% of Somerville's residents.

This figure has increased compared to the 2019 number (6,351, 7.9% of the total) from the Census Bureau's American Community Survey in the 2021 HNA, though this is still lower than the level cited by the city's 2015 Housing Needs Assessment (7,374, 9.7%). However, interviewed housing stakeholders confirmed that anecdotally, the prevalence of disabilities, especially unhoused families with disabilities, has increased in Somerville.

Unsurprisingly, disabilities are more common (35.1%) among senior populations 65 and over. This points to the need for the city to incorporate and scale up the adoption of universal design in housing developments and renovations, especially given the national trend of aging populations. As pointed out in the 2021 HNA, housing for people with disabilities needs more than the removal of mobility barriers, but also comprehensive universal design standards that enable these populations to continue to be part of the fabric of the community (Figure 15; Source: ACS 5-Year Estimates 2022).

Figure 15: Somerville Population by Disability Status, 2022

	Total Population	Number with Disability	Percent
Total civilian noninstitutionalized population	80,304	6,616	8.2%
Population Under 18 Years	8,360	386	4.6%
Population 18 to 64 years	64,125	3,489	5.4%
With a hearing difficulty		450	0.7%
With a vision difficulty		451	0.7%
With a cognitive difficulty		1,876	2.9%
With an ambulatory difficulty		1,070	1.7%
With a self-care difficulty		379	0.6%
With an independent living difficulty		1,258	2.0%
Population 65 years and over	7,819	2,741	35.1%
With a hearing difficulty		1,029	13.2%
With a vision difficulty		581	7.4%
With a cognitive difficulty		572	7.3%
With an ambulatory difficulty		1,672	21.4%
With a self-care difficulty		436	5.6%
With an independent living difficulty		1,152	14.7%

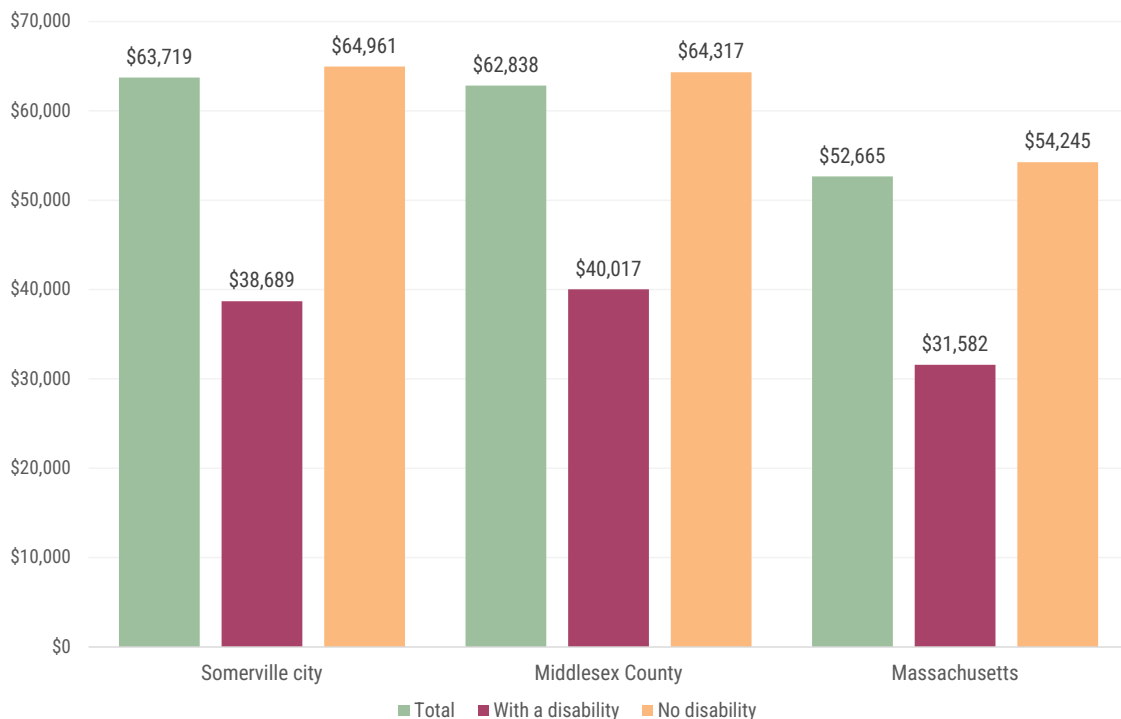
Residents with disabilities tend to face more financial difficulties and affordability challenges.

In addition, residents with disabilities tend to have lower incomes. The median income for employed residents with disabilities was only around 60% of the median income level of working residents without disabilities (Figure 16; source: ACS 5-Year Estimates 2022).

However, this gap seems to have narrowed compared to the 2019 numbers. According to the last HNA, the median earnings for employed residents with disabilities were around 46% of those without disabilities. Nonetheless, residents with disabilities usually face more financial challenges, and this is true in the county and the state. Housing stakeholders interviewed for this study also confirmed a rising trend of unhoused families with disabilities in Somerville anecdotally as mentioned above.

Figure 16

Median Earnings for Employed Residents by Disability Status, 2022
(for the Civilian Noninstitutionalized Population 16 Years and Over)



8. Household Type

The decline in family households highlights the housing limitations faced by families and the driving force of nonfamily households.

In contrast to the county (36.8%) and the state (37.4%), Somerville had proportionally more nonfamily households (62.0%) based on the ACS 2022 5-Year Estimates. In addition, nonfamily households have grown while family households dropped during the decade between 2012 and 2022 in Somerville. Nonfamily household gains in Somerville have been driven by people living with unrelated individuals, such as roommates. Households comprised of married couples contributed the only growth in family households. However, compared to 2012, these households are less likely to have young children, as shown in the decline in the population aged under 18. Units with more bedrooms are increasingly more likely to be rented to multiple young adults rooming together who, by pooling their resources, can afford to pay a higher rent than a couple with young children. In comparison, other family types/structures (no spouse present, single-parent with children, people living with other family members, etc.) declined. This most likely indicates housing affordability issues, as rising costs usually push single-parent (usually single-income) or multigenerational households (which typically have more members in the households to support) to move elsewhere. In contrast, family households consisting of married couples usually have at least two incomes, making them more financially resilient.

These trends resonate with the previous findings that Somerville has seen an influx of higher-income residents in the prime working ages of 25 to 44. The younger cohort of these new residents (25 to 34) most likely live alone or with roommates, and those aged 35 to 44 most likely live in married-couple families. While younger residents continue to flock to the city, older residents, especially those aged 45 to 54, and those with children, have increasingly left the city for more affordable areas. Compared to the trends in racial/ethnic compositions, the families who left are most likely of minority races/ethnicities who had challenges finding bigger or affordable housing options (Figure 17, Figure 18; source: ACS 5-Year Estimates 2012- 2022).

Figure 17

Household by Type, 2012-2022
Somerville, MA

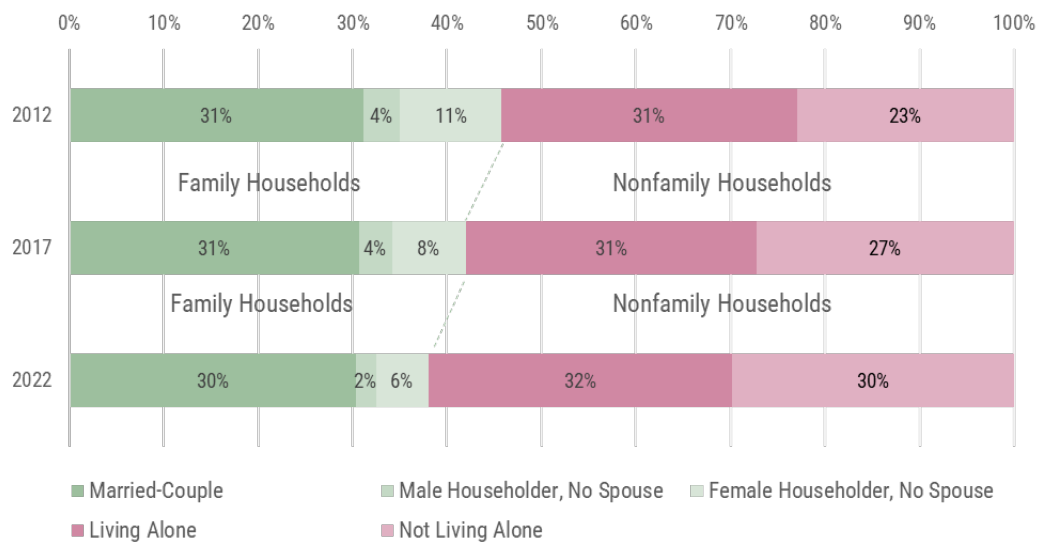


Figure 18: Household by Type, 2022

	Somerville	Middlesex County	Massachusetts
Total Households	35,035	629,775	2,740,995
Family Households	38.0%	63.2%	62.6%
Married-Couple	30.3%	50.2%	46.4%
Other Family	7.7%	13.0%	16.3%
Nonfamily Households	62.0%	36.8%	37.4%
Living Alone	32.1%	26.4%	28.5%
Not Living Alone	29.9%	10.5%	8.8%

9. Household Tenure

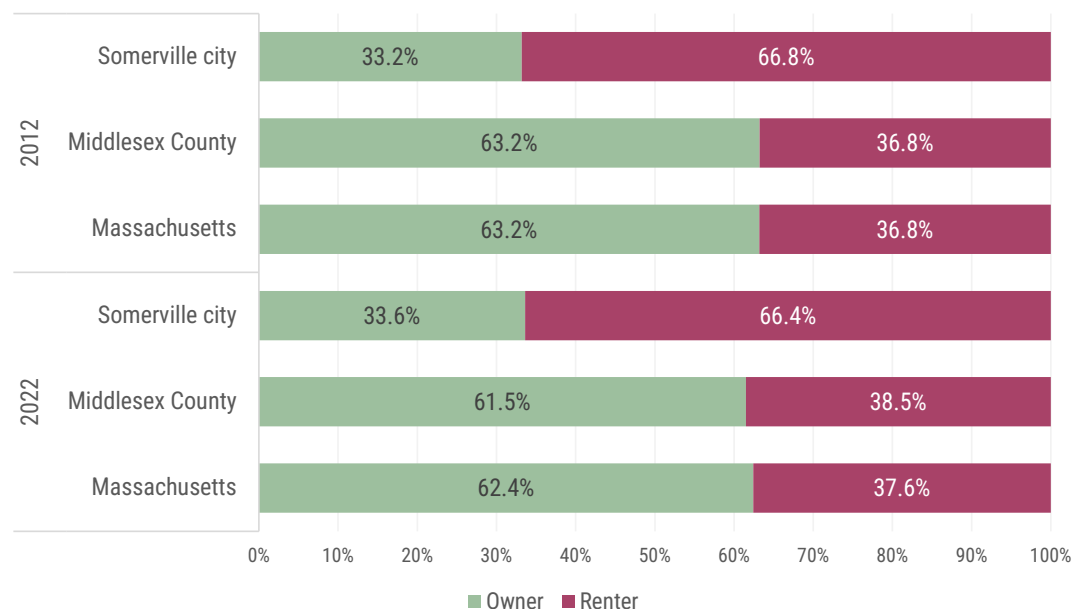
Growth in higher-paying industries and the development of major mixed-use projects have attracted more renters.

Most of Somerville's households are occupied by renters, and the city's population change has been driven mostly by renter households. This can be linked to the city's new rental housing unit production and renovation of older rental properties, along with the broader regional growth of science and technology industries, which generated job opportunities and increased housing demand in Somerville, particularly among younger workers who tend to rent. In recent years, however, this boom has reversed course, especially in the life sciences sector, affecting secondary and tertiary markets like Somerville. The city's attractiveness to renters is also associated with the development of Assembly Row, a major mixed-use destination with amenity-rich housing that caters to young professionals and smaller households, proximity to jobs and academic centers in Boston and Cambridge, easy access to public transit such as the Massachusetts Bay Transportation Authority (MBTA) subway system, and high levels of walkability and bikeability.

However, owner households have increased faster (by 13.5%) than renter households (by 11.3%) in the city between 2012 and 2022, with an increase of 1,404 owner-occupied households during this decade, according to ACS. As a result, the homeownership rate slightly climbed from 33.2% in 2012 to 33.6% in 2022. Stakeholder interviews reinforced this data, suggesting that though Somerville has traditionally been a more affordable neighborhood, there has been anecdotally increasing interest from homebuyers, especially in recent years. During the peak of the post-pandemic home buying period, many of Somerville's neighborhoods saw record-high home prices as households,

Figure 19

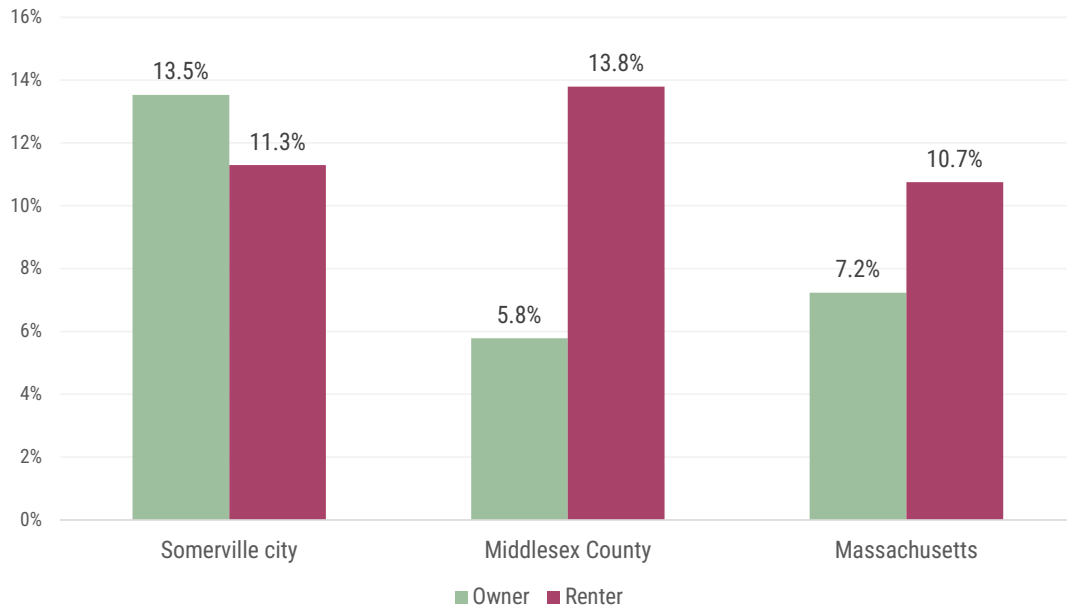
Household by Tenure, 2012-2022



especially new residents with higher incomes, competed for a limited supply of available homes (Figure 19, Figure 20; Source: ACS 5-Year Estimates 2012-2022).

Figure 20

Household Percent Change by Tenure, 2012-2022



10. Homeownership Rate by Race/Ethnicity

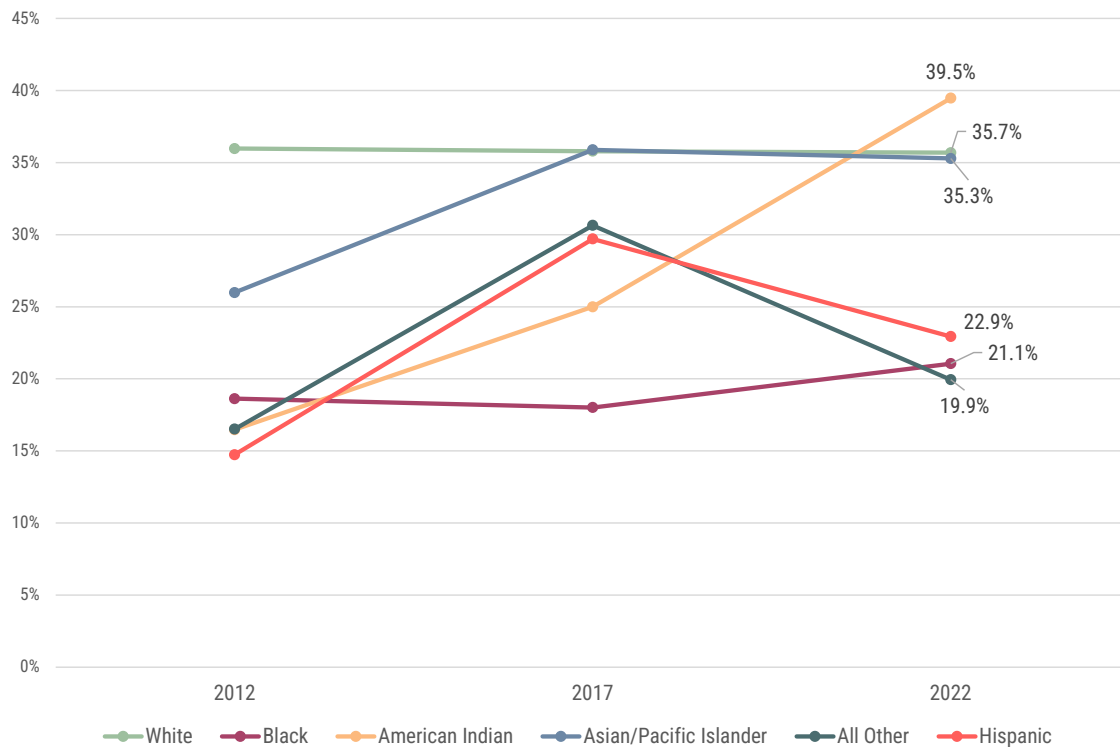
Homeownership rates in Somerville are lower for certain minority groups.

[Research](#) by the Urban Institute found that the homeownership gap between White and Black or African American households reached its highest level in over 50 years in 2018. The report found that this trend was largely exacerbated by the 2008 housing market crisis.

In Somerville, ACS estimates show that the overall homeownership rate (33.6%) across races and ethnicities has been lower than the national average of around 70%, given the city's high share of renters. However, American Indian, White, and Asian households have the highest homeownership rates in the city between 35% and 40%, while homeownership rates for Black or African American, Hispanic or Latino, and all other households identifying as non-white have homeownership rates around 20% to 23% (Figure 21; source: ACS 5-Year Estimates 2012-2022).

Figure 21

Somerville Homeownership Rate by Race and Ethnicity, 2012-2022



11. Household by Age of Head of Household

Adults 25 to 44 have been driving growth among both owners and renters, followed by those 55+.

Typical of most places, the majority of homeowners in Somerville are over the age of 45, and homeowners aged above 45 have continued to increase over the decade. In addition, homeowners between 25 and 44 have also been growing fast. Many of them are new residents who relocated to Somerville due to its, by comparison to more expensive neighboring cities, more affordable housing market, growing job opportunities, and major mixed-use developments. Adults 25 to 44 also drove the most notable increases among renter households, followed by those over 55, due to an aging population.

In addition, the only decrease among renters occurred for those 45 to 54, most likely families that are not married couples (single parents with children, people living with other family members, etc.) and are non-white minorities (Figure 22, Figure 23; source: ACS 5-Year Estimates 2012- 2022).

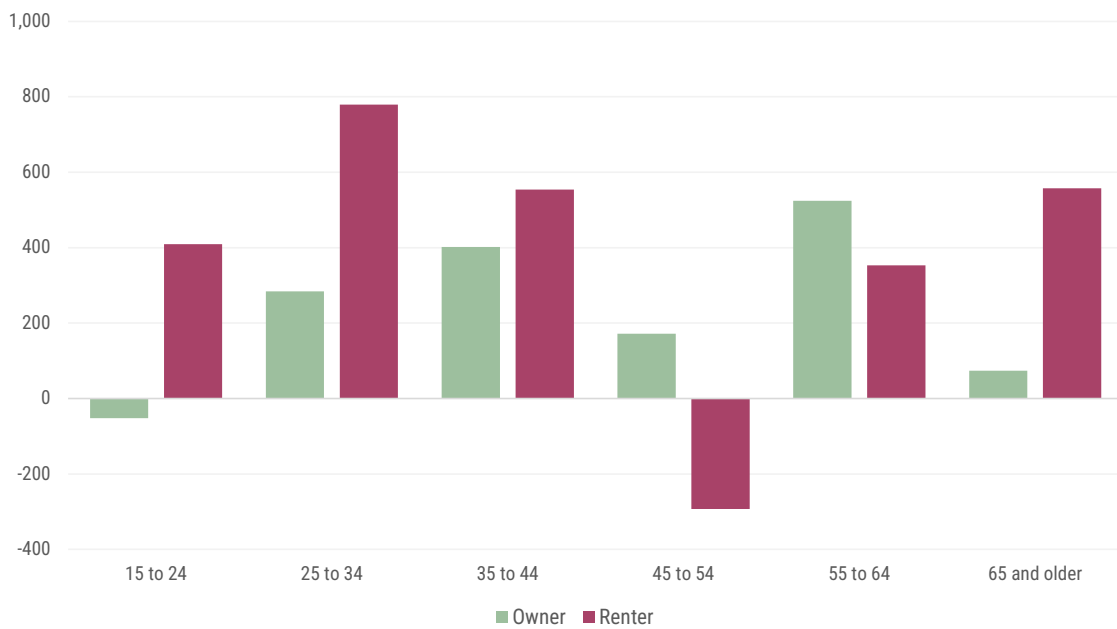
Figure 22

Somerville Household by Tenure and Age of Householder, 2022



Figure 23

Somerville Household Change by Tenure and Age of Householder, 2012-2022



12. Household by Size

Somerville saw the most growth in smaller households with one or two persons, though more challenges were seen for larger households.

Smaller household sizes typically indicate growing numbers of single young adults who have not yet started families, in addition to a decline in the number of families, especially those with multiple children. The increase in smaller households with one or two persons, especially among renters, and shrinking household sizes echo the changing demographics: more young professionals who are single or just starting their families, more empty-nester retirees, and fewer families with multiple children. It should be noted that large households with six or more persons, though accounting for a very small share, have seen the fastest increase, suggesting potential issues of doubling up and overcrowding (Figure 24, Figure 25; source: ACS 5-Year Estimates 2012-2022).

Interviewees for this study repeatedly highlighted this trend as well, revealing that larger households and family households, especially those with children and immigrant households, anecdotally face more housing challenges, especially those with income at or below 50% of the Area Median Income (AMI). This is coupled with a shortage of larger subsidized housing units and a long wait time for these units with three or more bedrooms.

Figure 24

Somerville Household by Tenure and Size, 2022

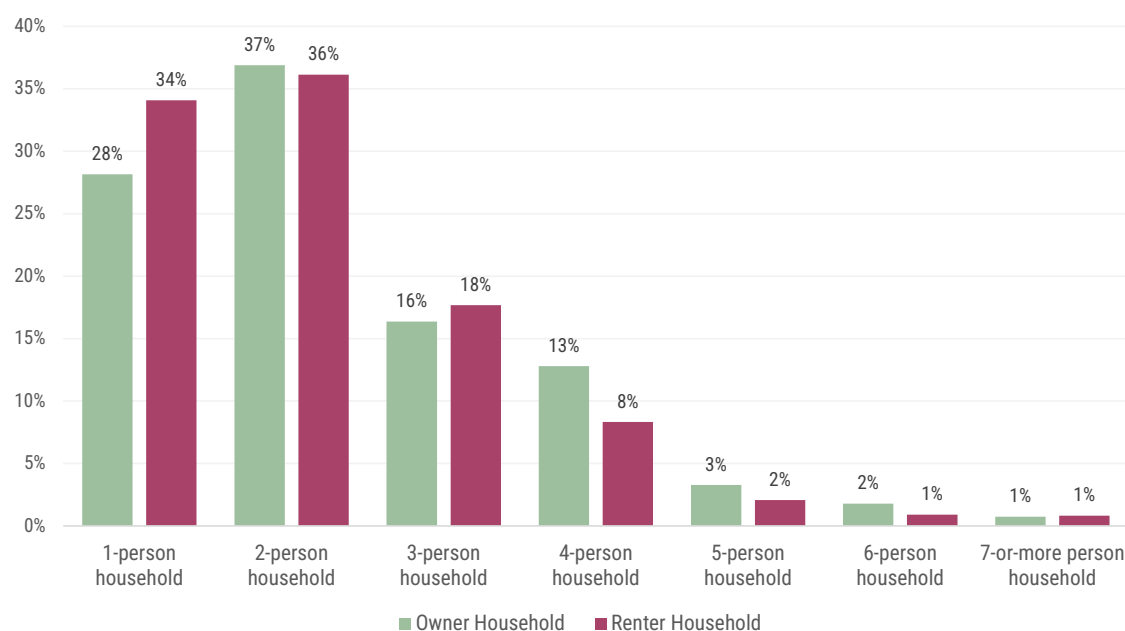
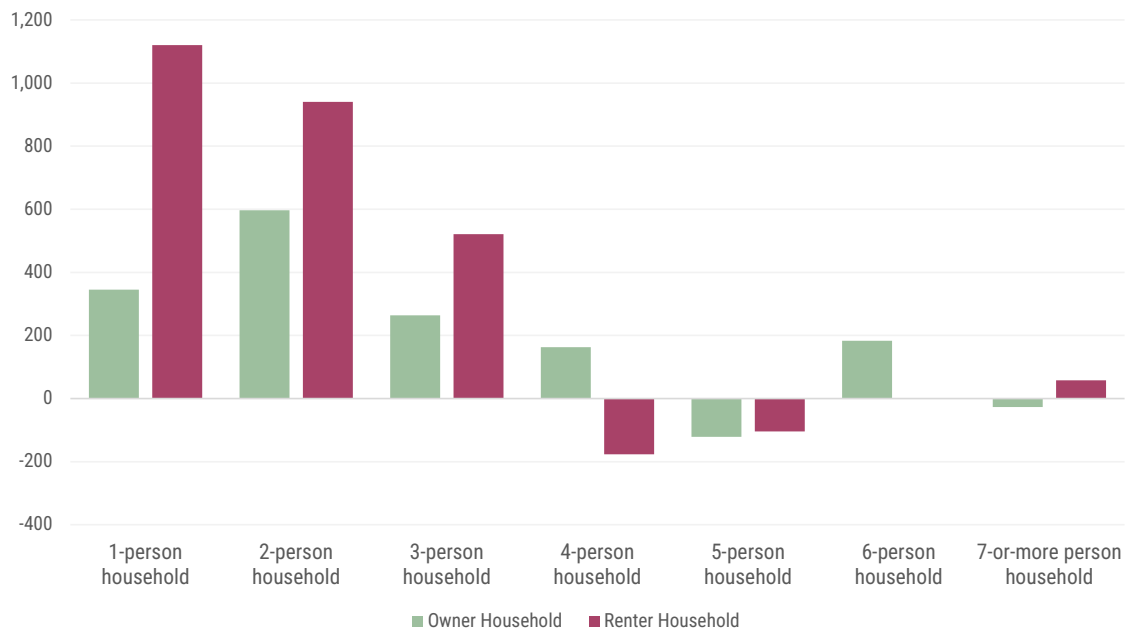


Figure 25

Somerville Household Change, 2012-2022



13. Household by Income Distribution

Somerville has experienced growth in high-income households.

Over the last decade, the distribution of incomes shows an increase in households earning \$100,000 or more. While some of this shift can be attributed to inflation and workers earning more money over time, some of this growth particularly on the higher end is the result of higher-income households relocating to Somerville while many lower-income households move in and out of the city due to rising cost burdening and affordability challenges.

In addition, Somerville saw faster gains in its median household income (by 87%) than the county (49%) and the state (45%) between 2012 and 2022. The city's 2022 median household income was \$120,778, 125% of the state level (Figure 26; source: ACS 5-Year Estimates 2012-2022, in 2012 and 2022 inflation-adjusted dollars).

Figure 26

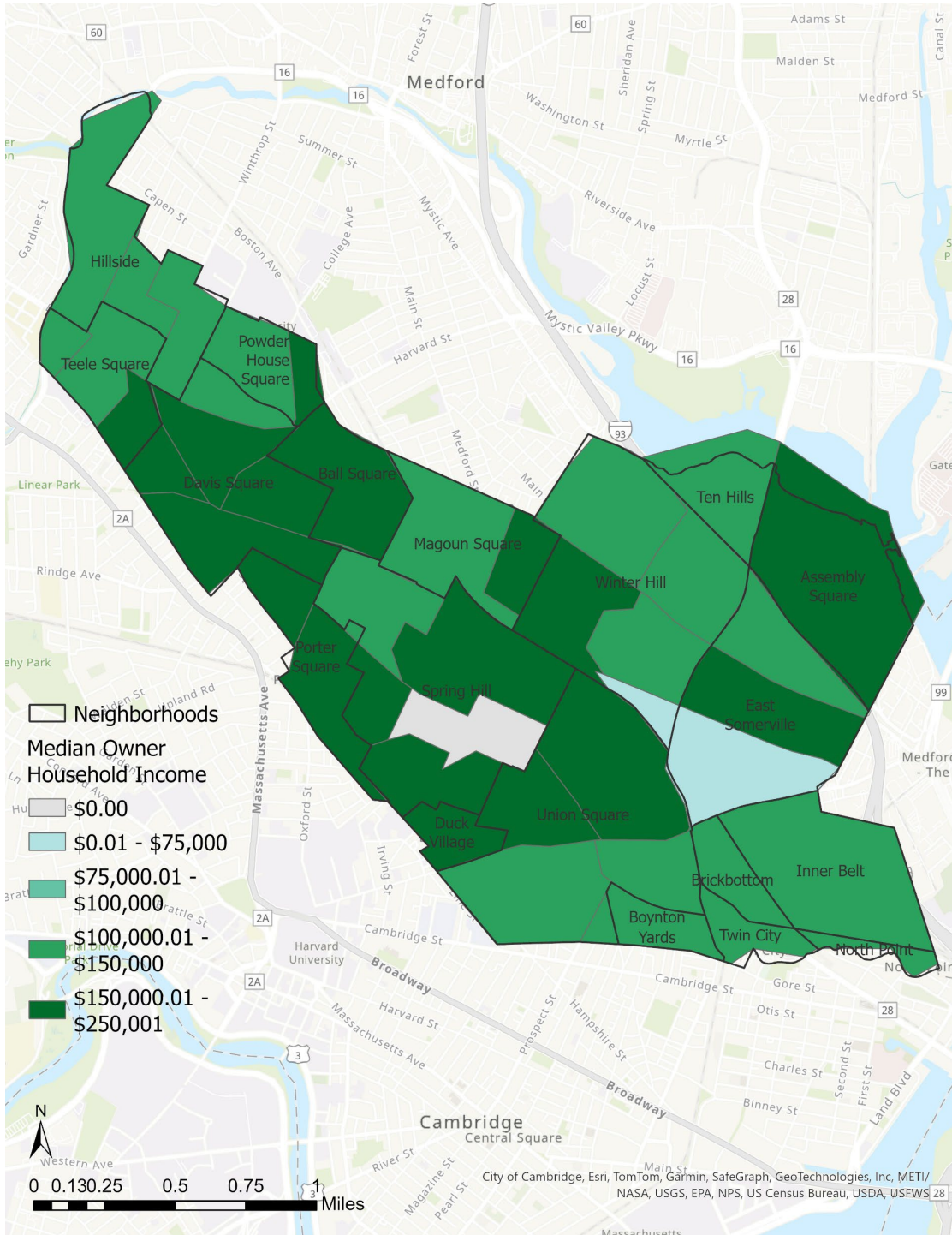
Somerville Household Income Distribution, 2012-2022



Housing Needs Assessment Somerville, MA

Figure 27 shows the median incomes for owner households by census tract in Somerville in 2022 (source: ACS 5-Year Estimates 2022).

Figure 27: Somerville Owner Household Median Income by Census Tract, 2022



Unsurprisingly, higher-income owner households generally cluster around traditionally affluent neighborhoods, such as Davis Square, Ball Square, Porter Square, Spring Hill, and Duck Village.

As the 2021 Housing Needs Assessment pointed out, households in East Somerville and Winter Hill, which have higher shares of non-white minority populations such as Black/African American and Hispanic/Latino residents, tended to have lower incomes. However, this has been changing. East Somerville and Assembly Square on the east side appear to be relatively new destinations for higher-income owners, as these new communities have seen increasing homebuying interest in recent years due to their relative affordability (East Somerville) and new major mixed-use developments (Assembly Square). Parts of Winter Hill also had higher median owner household incomes.

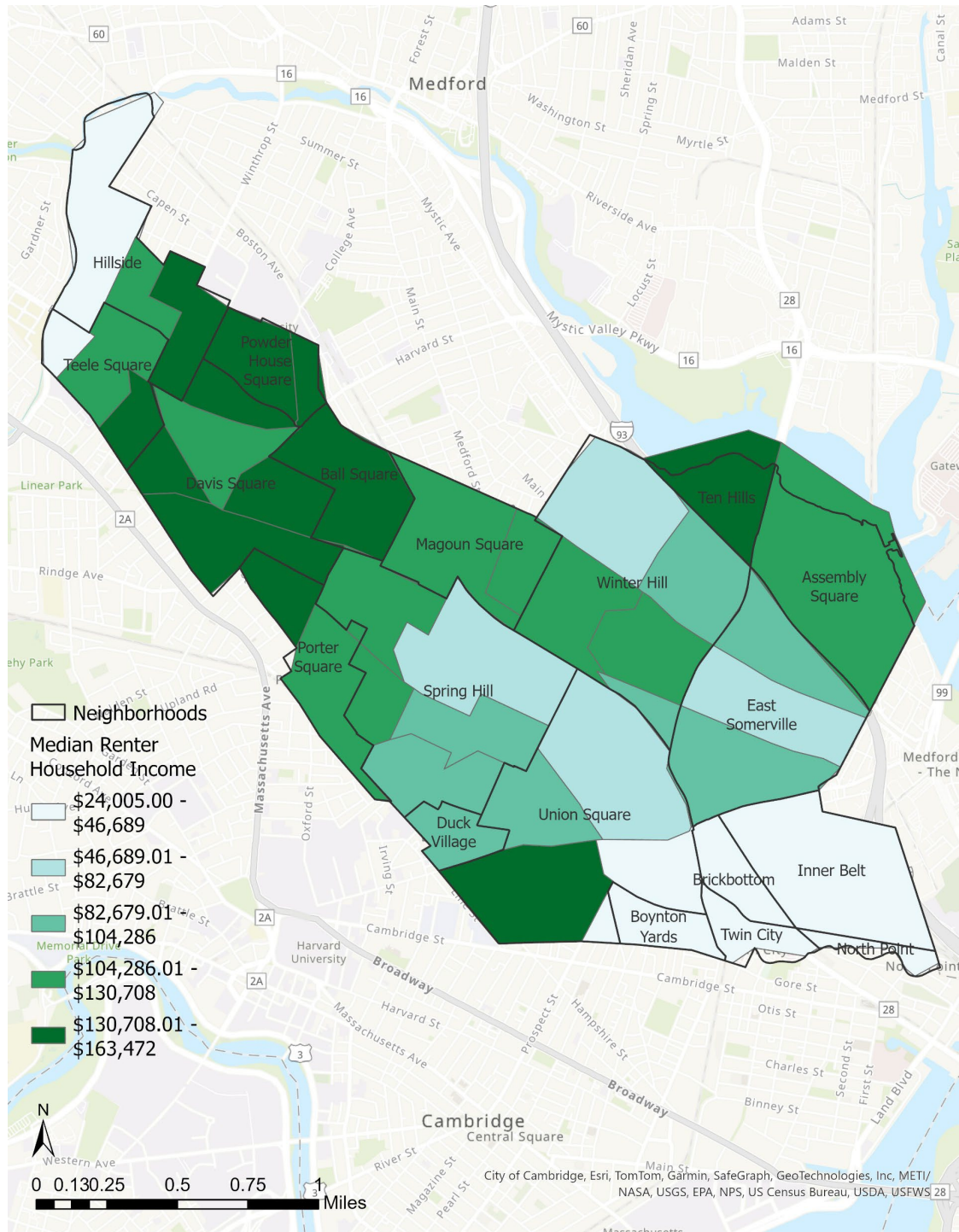
Figure 28 shows the median household income for renter households by census tract in Somerville in 2022 (source: ACS 5-Year Estimates 2022).

Neighborhoods with higher median renter household incomes are generally around Davis Square, Ball Square, and Powder House Square. Compared to the data from the 2021 Housing Needs Assessment, there has been an increase in renter household incomes or a growth of higher-income renters in Ten Hills/Assembly Square and the south side of Union Square.

This data supports the earlier conclusion that the growing minority populations in Assembly Square are most likely to be higher-income newcomers, rather than long-time Somerville residents moving from older and traditionally affordable neighborhoods.

Housing Needs Assessment Somerville, MA

Figure 28: Somerville Renter Household Median Income by Census Tract, 2022



Income disparity exists among races/ethnicities.

Somerville's American Indian/Alaska Native residents had the lowest household incomes in 2022, followed by Black/African American residents. Their median household incomes in 2022 were also lower than the county and state levels. This aligns with the findings from the 2021 Housing Needs Assessment. In addition, median household incomes of the American Indian/Alaska Native residents and people of some other race have declined in Somerville between 2012 and 2022, while other racial/ethnic groups saw an increase in their median household incomes (Figure 29, Figure 30; source: ACS 5-Year Estimates 2012-2022).

Figure 29: Median Household Income by Race/Ethnicity, 2022

	Somerville	Middlesex County	Massachusetts
All	\$120,778	\$121,304	\$96,505
White	\$123,055	\$125,537	\$102,701
Black or African American	\$54,435	\$81,178	\$67,044
American Indian and Alaska Native	\$26,500	\$52,857	\$60,146
Asian	\$143,214	\$137,922	\$118,767
Native Hawaiian and Other Pacific Islander	Not Available	\$94,094	\$83,090
Some other race	\$72,609	\$72,047	\$58,832
Two or more races	\$106,528	\$103,103	\$73,075
Hispanic/Latino	\$85,380	\$82,217	\$59,292

Figure 30

Percent Change in Median Household Income by Race/Ethnicity, 2012-2022



14. Cost Burden and Poverty

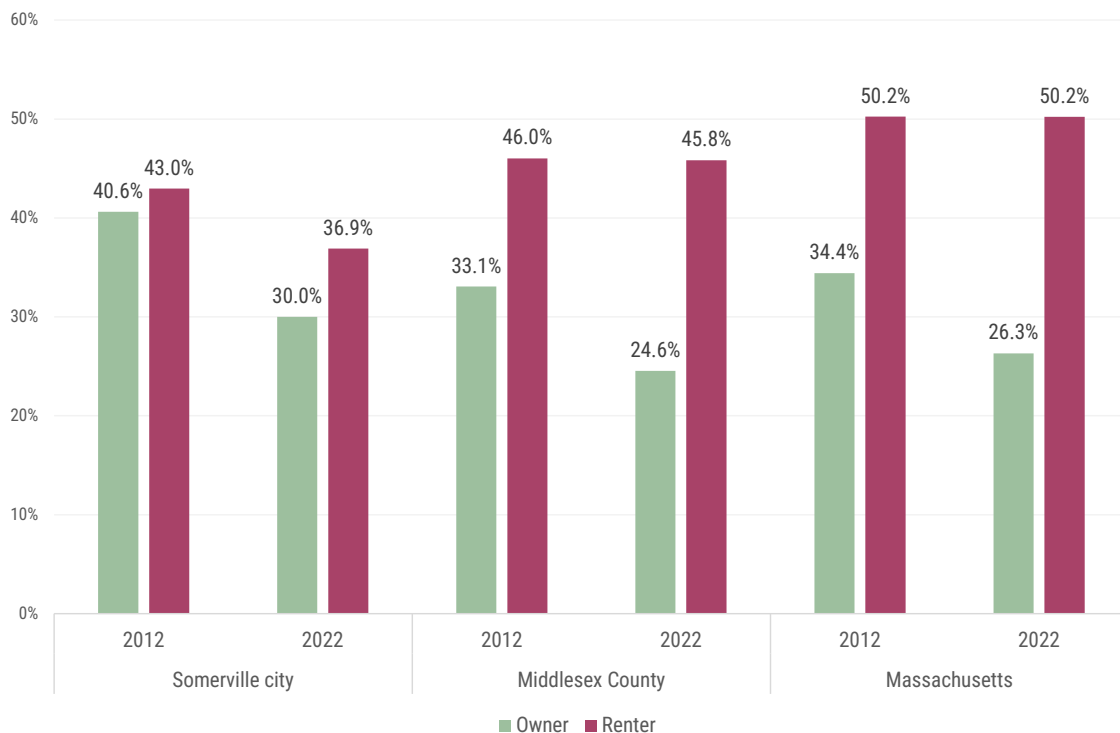
Though improving, proportionally more renters than owners are cost-burdened.

Over the last decade, the shares of cost-burdened households have decreased for both owners and renters, with a more noticeable drop among owners than renters. This follows a similar trend in the county and the state. Cost burden is defined by the U.S. Department of Housing and Urban Development (HUD) as paying more than 30 percent of one's annual income for housing costs.

However, Somerville had a higher share of renter households that were cost-burdened than owners, though the renter cost-burdened share was lower than the county and state levels in 2022. This is likely because higher-income renters have been growing rapidly in the city between 2012 and 2022. Nonetheless, more renter households are cost-burdened than owners in Somerville (Figure 31; source: ACS 5-Year Estimates 2012-2022).

Figure 31

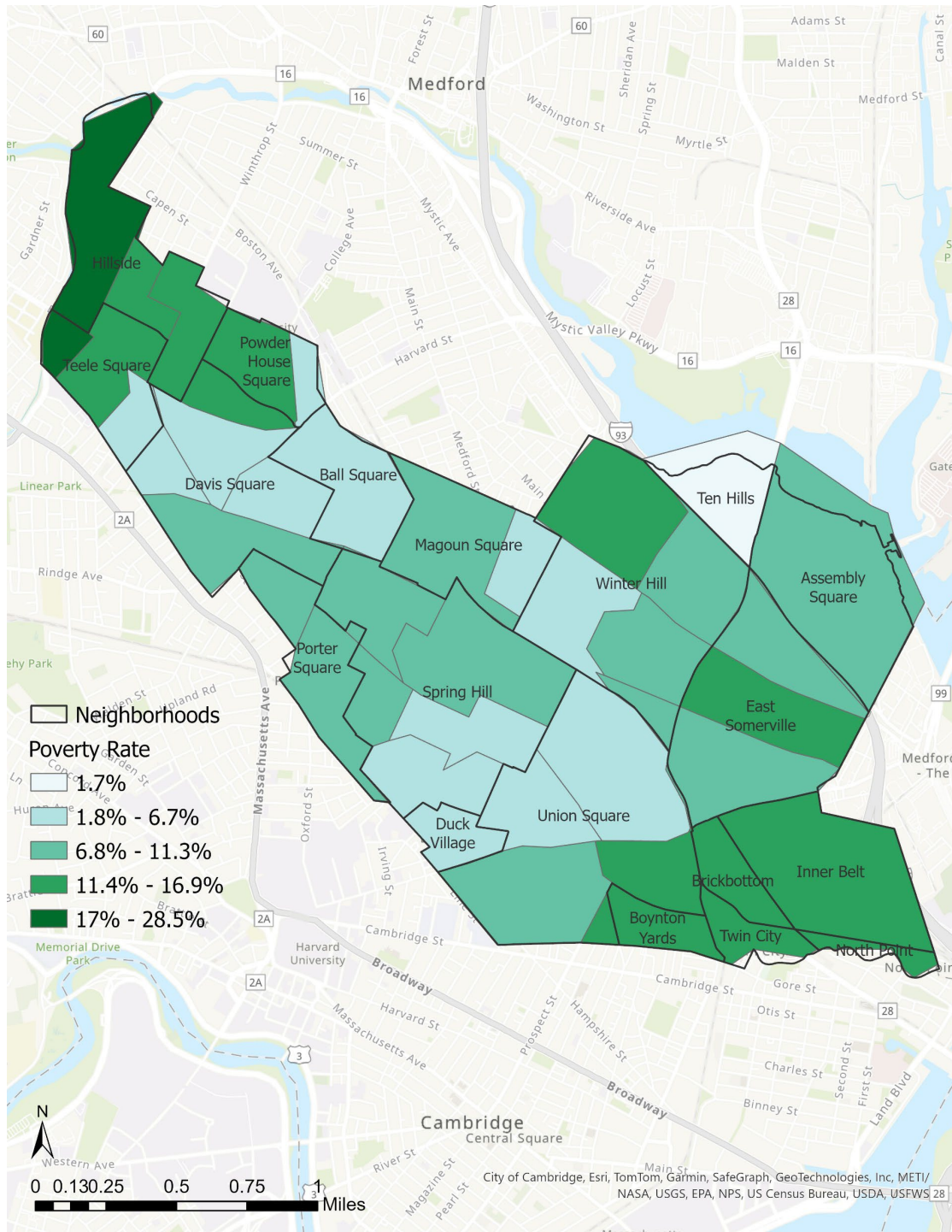
Percent of Cost Burdened Household by Tenure, 2012-2022



Housing Needs Assessment Somerville, MA

Figure 32 shows the share of individuals with income in the past 12 months below the poverty level by census tract in Somerville in 2022 (source: ACS 5-Year Estimates 2022).

Figure 32: Somerville Percentage of People with Incomes Below Poverty by Census Tract, 2022



It shows that Hillside, parts of Teele Square, East Somerville, parts of Winter Hill, Inner Belt, Twin City, Brickbottom, and Boynton Yards tend to have higher poverty levels. This resonates with previous findings that these neighborhoods also have a higher concentration of foreign-born, minority, and Hispanic/Latino populations, lower educational attainment levels, and lower median renter household incomes.

In addition, households headed by females (no spouse present) and nonfamily households see higher poverty levels. This echoes the 2021 HNA finding that there is a higher level of poverty among families with children, especially households headed by single women.

B. Economic Base

1. Introduction

This section examines Somerville's economic base and its connection to and impact on housing demand and supply. Topics studied include job trends, commuting patterns, and wages. Major data sources used for this section include Lightcast, the U.S. Census Bureau 2021 Longitudinal Employer-Household Dynamics (LEHD), the 2022 1-Year American Community Survey (ACS) Public Use Microdata Sample, and the ACS 5-Year Estimates.

2. Employment Trends

Steady job growth coupled with income disparities among the major employment industries points to diverging housing needs.

Jobs in Somerville have been steadily growing by 2.2% per year between 2014 and 2024, and this growth is projected to continue through 2034, though at a slower pace. In addition, six out of the top ten largest employment industries in 2024 pay above \$75,000 annually on average, accounting for 53.6% of the total Somerville jobs in 2024.

Despite this positive trend, it should be noted that some of the largest employment industries like Accommodation/Food Services, Retail, and Educational Services pay less than \$55,000 per year on average. This suggests that these workers in the service industries most likely disproportionately face more housing affordability challenges, and their inability to access attainable housing will negatively impact the Somerville economy and quality of life in the long term (Figure 33, Figure 34; source: Lightcast, 2024).

Figure 33

Somerville Employment Trends

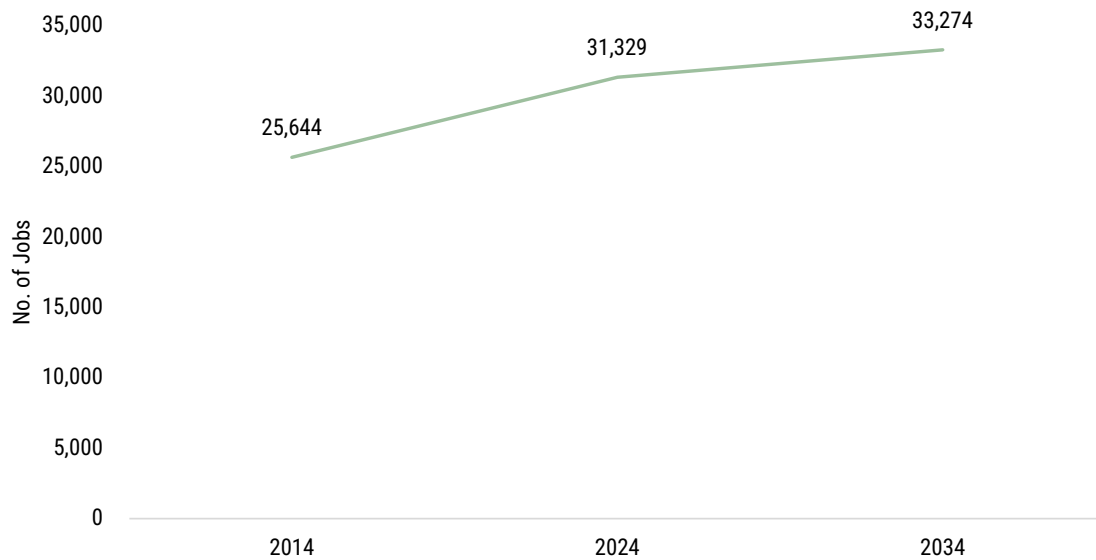


Figure 34: Somerville Top 10 Largest Employment Industries, 2024

NAICS	Name	2024 Jobs	2024 Location Quotient	2024 Avg. Earning/Job
62	Health Care and Social Assistance	5,197	1.23	\$77,970
72	Accommodation and Food Services	4,966	1.82	\$41,739
54	Professional, Scientific, and Technical Services	4,221	1.99	\$182,326
55	Management of Companies and Enterprises	3,069	6.12	\$192,581
44	Retail Trade	2,615	0.88	\$52,559
56	Administrative and Support and Waste Management and Remediation Services	1,665	0.91	\$70,222
90	Government	1,586	0.33	\$107,386
52	Finance and Insurance	1,376	1.05	\$148,426
51	Information	1,332	2.28	\$211,297
61	Educational Services	1,035	1.31	\$35,998

3. Means of Transportation to Work and Earnings

Lowest-earning Somerville workers rely on public transportation and other means to commute.

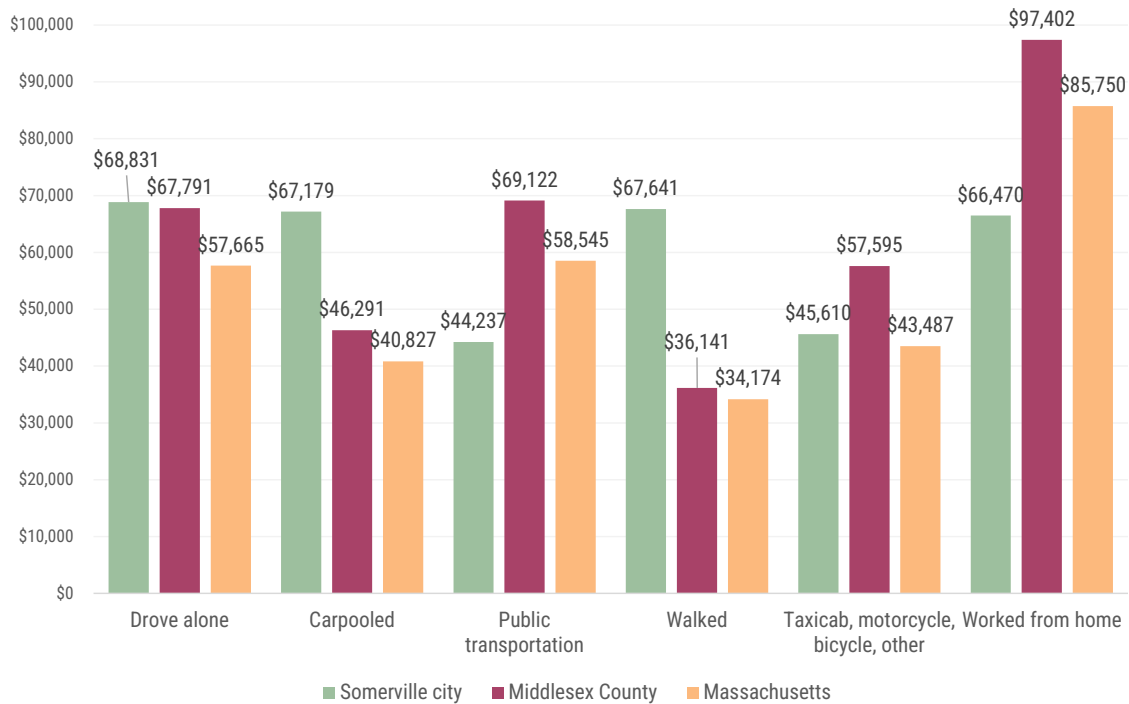
In Somerville, people who drove to work tend to have the highest incomes, followed by people who walked and carpooled to work. In comparison, workers who used public transportation had the

lowest earnings during the previous 12 months in 2022, followed by people who used taxis, bikes, motorcycles, and other means (Figure 35, source: ACS 5-Year Estimates 2022). Whereas on the county and state levels, workers who walked or carpooled to work had the lowest incomes.

This means that compared to the county and the state, Somerville's lowest-earning workers tend to rely more on public transit and other means of transportation, as they do not seem to live in areas within walking distance to work. In addition, while people who can work from home tend to have the highest income in the county and the state, remote workers in Somerville have similar incomes to those who drive, carpool, or walk to work.

Figure 35

Median Earnings in the Past 12 Months (in 2022 Inflation-Adjusted Dollars) by Means of Transportation to Work



A particular concern that arose during stakeholder interviews was over limited parking options, especially disabled parking spots at affordable housing developments. In December 2024, the City Council eliminated all parking minimums at new developments. Parking requirements, especially in a city like Somerville with significant access to transit, increase the cost of building new developments. However, eliminating parking minimums for all types of new developments, especially new subsidized housing projects without effective and attainable alternative transportation options, could be unjust for lower-income households.

According to the interviewee, many lower-income households need access to cars for work, even if they don't currently own one, as well as affordable parking spaces, especially if they want to access better job opportunities to increase their incomes. In addition, these lower-income households usually cannot afford car-sharing services like Uber or taxis on a daily basis, which will further add to their financial burden. This correlates with the ACS data that workers who ended up taking taxis, motorcycles, bikes, or other transportation options have lower household incomes, as the inability to access vehicles in addition to the lack of efficient and convenient public transit alternatives might have limited opportunities for higher-paying jobs (for those who used motorcycles and bikes and therefore may be more difficult or time consuming to access work) and added financial costs (for those who had no choice but to take taxis or Uber on a daily basis). The interviewee suggested that anyone who qualifies for affordable housing units should have automatic access to a parking permit at the site of their residence, either for residents themselves or residents' healthcare aids to provide services on site. The interviewee suggested that the City consider providing affordable city-run bus services, especially to connect residents of subsidized housing projects to places of employment.

In addition, the interviewee suggested that anyone who qualifies for affordable housing units should have automatic access to a parking permit at the site of their residence, either for residents themselves or residents' healthcare aids to provide services on site. Parking permits for on-street parking are prohibited for residents of units in new developments located within walking distance to a rapid transit station of the MBTA's Red, Orange, or Green Line services. However, "choice limited" tenants are exempted from this policy, which includes persons with disabilities, occupants of affordable dwelling units, and residents with extenuating circumstances. These residents may be eligible for a waiver from the parking restrictions. However, this waiver does not apply to visitor parking permits. The City should consider methods to better publicize this waiver to ensure access to parking for vulnerable populations. The City should also work with the MBTA to expand bus services and route coverage in Somerville to increase convenient access to public transit, especially for lower-income households and residents living in subsidized housing units.

4. Commuting Patterns

Somerville has more residents commuting out for work than workers commuting in for jobs.

Based on the most recent US Census, LEHD Origin-Destination Employment Statistics (LODES), Somerville has more residents living in the city than people working in Somerville. This means that Somerville has a net outflow of people, mostly residents commuting out to Boston and areas around it for work, though people living and working in Somerville have been increasing since 2018, according to the ACS data, due to the city's growing attractiveness. The most common home locations for people employed in the city are Boston, followed by Somerville. In terms of work destinations for residents, most Somerville residents commute to Boston for work, followed by Cambridge (Figure 36, Figure 37; source: US Census 2021 LEHD).

Figure 36

Somerville Labor Market Size

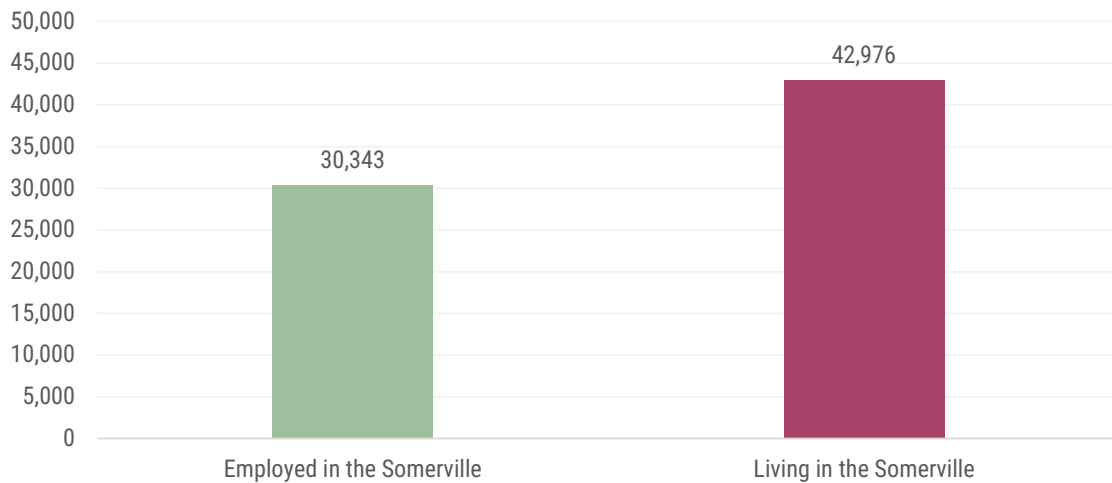


Figure 37: Home Locations for Workers and Work Destinations for Residents, Somerville, MA, 2021

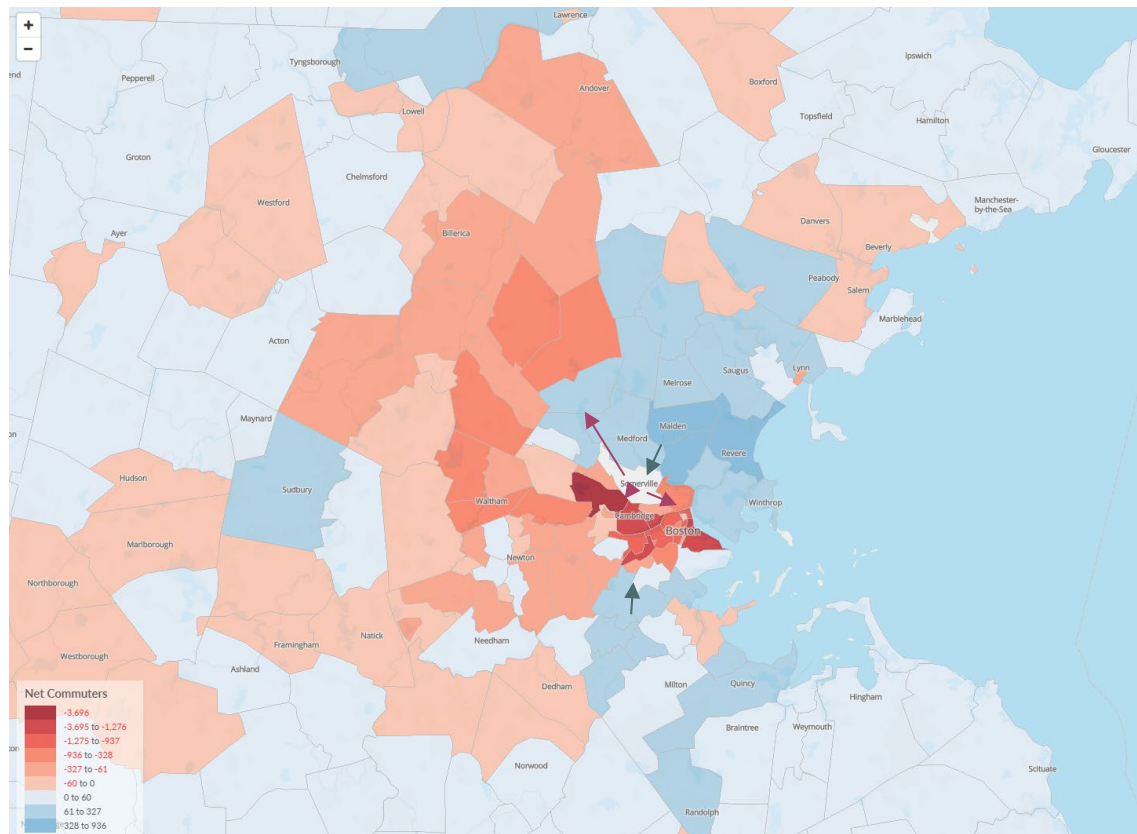
Home Area	Count of Workers	Share	Work Destination	Count of Workers	Share
Boston	5,219	17.2%	Boston	14,426	33.6%
Somerville	3,285	10.8%	Cambridge	8,343	19.4%
Cambridge	1,362	4.5%	Somerville	3,285	7.6%
Medford	1,125	3.7%	Waltham	1,272	3.0%
Malden	925	3.0%	Medford	964	2.2%
Everett	785	2.6%	Burlington	768	1.8%
Lynn	635	2.1%	Newton	762	1.8%
Revere	577	1.9%	Woburn	655	1.5%
Quincy	502	1.7%	Lexington	624	1.5%
Arlington	496	1.6%	Watertown	522	1.2%

Housing Needs Assessment Somerville, MA

Communities shaded in red are net importers of Somerville residents. This means that more Somerville residents commute to these areas for work than people commuting from these neighborhoods to Somerville for jobs, making these locations major work destinations for people living in Somerville. They are mostly south of Somerville, in and around Boston, with more opportunities for higher-paying jobs.

Communities shaded in blue are net exporters of workers employed in Somerville, meaning more people from these areas commute to Somerville for jobs than the other way around. These are the major home destinations for people working in Somerville, mostly north of the city (Figure 38; source: Lightcast, 2023).

Figure 38: Number of Net Commuters for Somerville, 2023



5. Incomes of Residents by Employment Industry

Figure 39 depicts the total number of working residents 18 years and older living in an owner-occupied household across income levels (source: 2022 1-year ACS Public Use Microdata Sample). Note that the data is only at the Census Public Use Microdata Areas (PUMA) level, which includes

both Somerville and Everett.

Based on these estimates, the majority of residents work in health care, social assistance, retail trade, educational services, manufacturing, and professional/scientific/technical services.

Income levels for residents living in owner-occupied homes represent the spectrum of income levels, indicating that high-income earners are more likely to be homeowners, and the lower-income earners could be additional earners to a household. For instance, in retail trade and accommodation and food service, some of those workers may be working, and or attending some level of school and living with family members.

However, it is also likely that some of these lower-earning workers are the heads of the households. It should be noted that this data is based on the 2022 American Community Survey, lagging a couple of years behind. Therefore, it likely suggests that many households traditionally consist of working-class residents. However, data previously discussed suggests a changing demographic, especially in recent years, with the influx of higher-income populations purchasing homes.

Figure 39: Somerville PUMA Area Workings Residents 18 and Older Living in an Owner-Occupied Household

	Under 25k	25k - 49k	50k - 74k	75k - 99k	100k - 149k	149k - 249k	Over 250k
Agriculture		133			97		
Mining, quarrying, and extraction							
Utilities							
Construction	846	527	1,154	1,332	241		
Manufacturing		1,066	2,300	940	1,173	946	151
Wholesale trade	209	467	411	231	261		250
Retail trade	3,804	2,489	1,597	1,087	607	263	118
Transportation and warehousing	563	887	306	358	162	179	
Information	174	36	55	203	320	118	159
Finance and insurance	291	1,094	1,181	307	578	864	105
Real estate	101		292	511	111	52	
Prof., sci., and tech. services	610	521	1,820	763	836	506	464
Management of companies				50			
Administrative and support services	571	627	486	182	386	101	84
Educational services	1,086	2,336	1,471	2,621	499		
Health care and social assistance	1,505	2,108	3,023	1,645	899	289	482
Arts, entertainment, and recreation	1,571	434	239		102		
Accommodation and food services	2,318	846	59	74			
Other services	308	837	783	122	94		
Government		255	930	360	465	97	

Housing Needs Assessment Somerville, MA

Figure 40 depicts the total number of working residents 18 years and older living in a renter-occupied household across income levels (source: 2022 1-year ACS Public Use Microdata Sample). Note: data is only at the Census Public Use Microdata Areas (PUMA) level, which includes both Somerville and Everett.

Based on these estimates, the majority of renters work in health care, social assistance, retail trade, manufacturing, educational services, and transportation/warehousing.

It should also be noted that most (87%) of these workers earn less than \$75,000, a share higher than among those who live in owner households. This puts them at an income level of 80% of the Area Median Income (AMI) or below, highlighting the disproportional housing challenges renters face in Somerville.

Figure 40: Somerville PUMA Area Workings Residents 18 and Older Living in a Renter-Occupied Household

	Under 25k	25k - 49k	50k - 74k	75k - 99k	100k - 149k	149k - 249k
Agriculture/Forestry/Fishing/Hunting						
Utilities		57				
Construction						
Manufacturing	816	924	97	308	163	
Wholesale	146	291				
Retail	1,038	1,073	406			
Transportation/Warehousing	405	475	250	254		
Information	96					
Finance/Insurance						66
Real Estate/Rental and Leasing						
Professional/Scientific/Technical Services	272	327	95	356		
Management of Companies						
Administrative/Support/Waste Management		529	217			
Education	261	1,019			252	
Health Care/Social Assistance	615	1,395	898	424	70	
Entertainment					106	
Accommodation/Food	893	99				
Other Services	122	569	278			
Government			257	54	74	

C. Housing Characteristics

1. Introduction

This section takes a deeper dive into Somerville’s existing housing characteristics and conditions, in addition to its housing market performance and trends. This analysis helps paint a picture of the city’s recent trends in housing supply and demand that are critical to the housing policy decision-making process. Data sources for this section include the ACS 5-Year Estimates, U.S. Department of Housing and Urban Development (HUD) CHAS 2017-2022, Redfin Market Data, CoStar Analytics, Somerville Property Assessment, and the City of Somerville.

2. Housing by Type

Over half of Somerville’s housing units are in structures with two to four units.

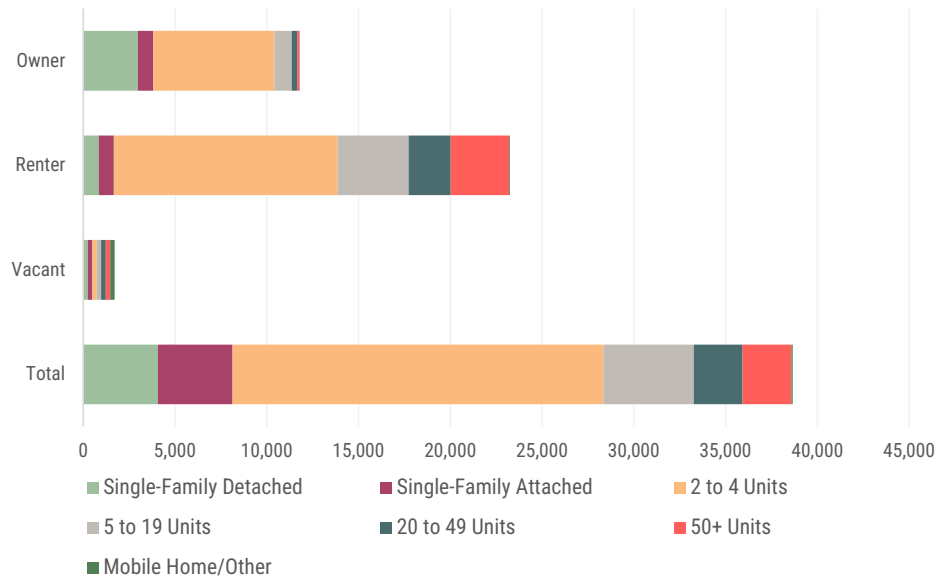
Reflective of the city’s tenure rates, the majority of Somerville’s housing units are renter occupied properties with two or more units, the largest share being properties with two to four units, which accounts for over half (54.5%) of the properties and is more than twice the shares in the county and the state.

In the county and the state, owner-occupied units are primarily single-family homes, while renter options range from buildings with two to four units to developments over 20 or more units, with a larger share of higher-density properties with 20 or more units in Somerville than in the county and state (Figure 41. Figure 42; source: ACS 5-Year Estimates 2022).

Figure 41: Housing Units by Unit Type, 2022

	Somerville	Middlesex County	Massachusetts
Total Housing Units	37,054	658,555	2,999,314
Single-family, detached	11.0%	46.9%	51.5%
Single-family, attached	4.7%	6.8%	5.8%
Duplex	27.7%	12.4%	9.5%
3 or 4 units	26.8%	8.6%	10.6%
5 to 9 units	8.6%	4.8%	5.7%
10 to 19 units	4.6%	5.0%	4.3%
20 to 49 units	7.2%	6.2%	4.5%
50 or more units	9.2%	9.0%	7.2%
Mobile home	0.1%	0.4%	0.8%
Boat, RV, van, etc.	0.0%	0.0%	0.0%

Figure 42
Somerville Existing Housing Stock by Type, 2022



3. Age of Housing Stock

Somerville has seen a decline in housing production before new development interest picked up since the 2010s.

2022 ACS 5-Year estimates for Somerville underscore that most owner-occupied homes and half of the rental units were built before 1940.

Beginning in the 1980s, the number of rental units produced almost halved from the previous decade and continued to decline through the following two decades to 2009. However, since the 2010s, there has been a new boom in rental developments, with 2,070 units built during this decade, accounting for 9% of the total rental stock.

The production of ownership units remained around 270 units per decade on average from the 1950s through 2009, before a slight uptick in the 2010s. It should be noted that the ACS 2022 estimates have not captured any new construction since 2022 (Figure 43; source: ACS 5-Year Estimates 2022).

Figure 43: Somerville Age of Occupied Housing Units, 2022

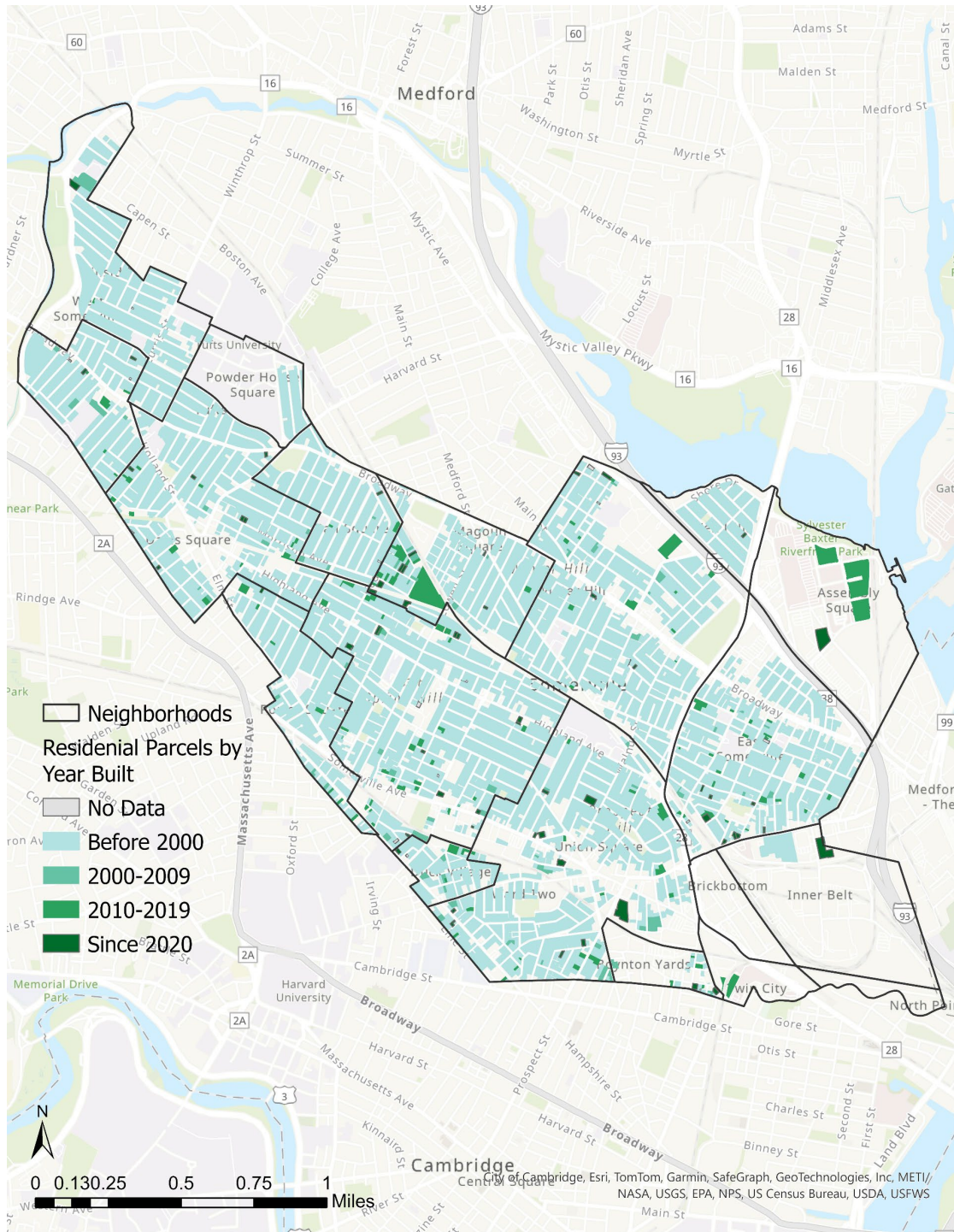
	Owner	Share of Owner	Renter	Share of Renter
Built 2020 or later	56	0.5%	19	0.1%
Built 2010 to 2019	538	4.6%	2,070	8.9%
Built 2000 to 2009	331	2.8%	324	1.4%
Built 1990 to 1999	295	2.5%	889	3.8%
Built 1980 to 1989	308	2.6%	1,307	5.6%
Built 1970 to 1979	226	1.9%	2,242	9.6%
Built 1960 to 1969	194	1.6%	2,017	8.7%
Built 1950 to 1959	287	2.4%	1,483	6.4%
Built 1940 to 1949	609	5.2%	1,081	4.6%
Built 1939 or earlier	8,939	75.9%	11,820	50.8%

Figure 44 illustrates residential parcels by development period. Light shades of green represent older houses while darker shades show newer housing developments (source: Somerville Property Assessment, 2024).

The data shows that newer residential developments mostly have been occurring around Assembly Square, East Somerville, the west side of Magoun Square, and the south side of the city such as Union Square, the south side of Spring Hill, Duck Village, Boynton Yards, and Twin City.

Housing Needs Assessment Somerville, MA

Figure 44: Somerville Residential Parcels by Year Built, 2024



4. Housing Unit Size vs. Household Size and Housing Problems

Somerville's smaller share of larger housing units corresponds with its demographics and highlights disproportional challenges faced by large households, especially those with lower incomes

Somerville's owner stock largely consists of housing units with two to three bedrooms, while the renter stock is predominantly one-bedroom and two-bedroom units. Compared to the county and the state, Somerville has a smaller share of large units with three or more bedrooms, while proportionally more small units with two bedrooms or less, especially among its owner housing stock (Figure 45, source: ACS 5-Year Estimates 2022).

However, these housing stock characteristics correspond with Somerville's larger presence of smaller households with two or fewer persons. Household size and the presence of children or other family members are the primary drivers of housing demand by number of bedrooms.

Somerville's property assessment data from MassGIS (Massachusetts Bureau of Geographic Information) that is available to RKG has data related to the number of rooms (including bedrooms, living rooms, studies, bathrooms, etc.) instead of bedrooms, and therefore, is not as useable as the American Community Survey (ACS) data in this analysis.

Figure 45: Housing Units by Number of Bedrooms, 2022

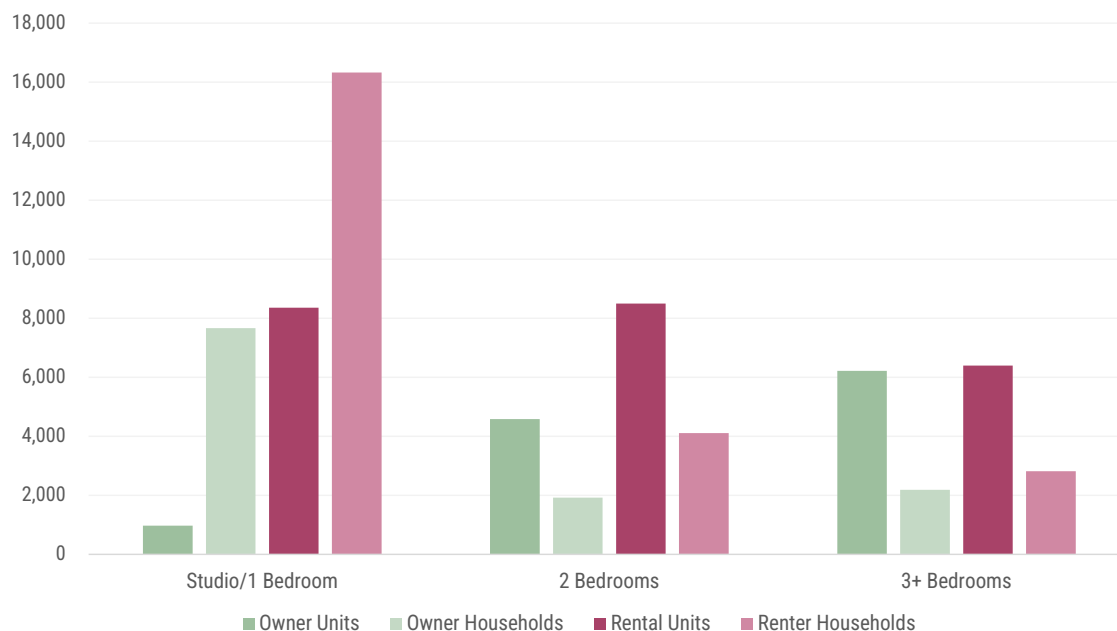
	Somerville	Middlesex County	Massachusetts
Total Housing Units	37,054	658,555	2,999,314
No Bedroom	4.0%	2.6%	2.9%
1 Bedroom	22.2%	14.7%	13.6%
2 Bedrooms	37.8%	28.0%	27.8%
3 Bedrooms	24.0%	30.5%	34.5%
4 Bedrooms	8.4%	18.5%	16.6%
5 or more Bedrooms	3.6%	5.8%	4.6%

Figure 46 compares Somerville's 2022 occupied housing units by the number of bedrooms to households by size. It is assumed that one- or two-person households normally occupy studios or 1-bedroom units, three-person households occupy 2-bedroom units, and households with four or

more people would occupy units with at least three bedrooms (source: ACS 5-Year Estimates 2022).

Figure 46

Somerville Occupied Housing Units and Households by Number of Bedrooms, 2022



It shows that though Somerville has a higher share of smaller housing units compared to the county, the state, and surrounding communities as mentioned in the 2021 HNA, the city also has a larger number of small households (two or fewer persons) than small housing units (studios or one-bedroom units). In addition, household size has been decreasing in Somerville, following a statewide trend. There have been concerns raised during housing stakeholder interviews that the city may need additional smaller housing units such as one-bedroom units, as the lack of them can theoretically result in smaller households occupying larger housing units meant for families if they have no other options or push these smaller households out of the city. This is somewhat echoed by the 2021 HNA as well. However, data and stakeholder interviews suggest that the shortage of larger units, especially those subsidized and affordable to households earning at or below 50% of the AMI, is more significant compared to smaller units.

Large family households are more likely to experience more housing problems in Somerville, though a significant portion of households facing housing problems are nonfamily renter households

In addition, as also mentioned by the 2021 HNA, larger families with five or more people, especially renters, are more likely (a larger portion) to experience housing problems. For example, 64% to 67%

of renter-occupied family households with five or more people experienced at least one housing problem (310 households). There are four types of housing problems: 1) housing unit lacks complete kitchen facilities; 2) housing unit lacks complete plumbing facilities; 3) household is overcrowded; and 4) household is cost-burdened. A household is said to have a housing problem if they have any one or more of these four problems. Yet, according to the latest 2017-2021 CHAS data, the total number of these impacted larger households (with five or more people) was relatively small (529 households in total for both owner and renter households). The largest number of households facing at least one or more housing problems are nonfamily households with fewer than five people, particularly renters, followed by married-couple families with fewer than five people.

Note that households with less than five people could very well be those of three or four people needing housing units with three or four bedrooms. This means that the actual demand for additional family units (with three or more bedrooms) to alleviate the issue of housing problems is larger than 529 units. However, CHAS data does not provide a further breakdown of household sizes (Figure 47; source: CHAS 2017-2022).

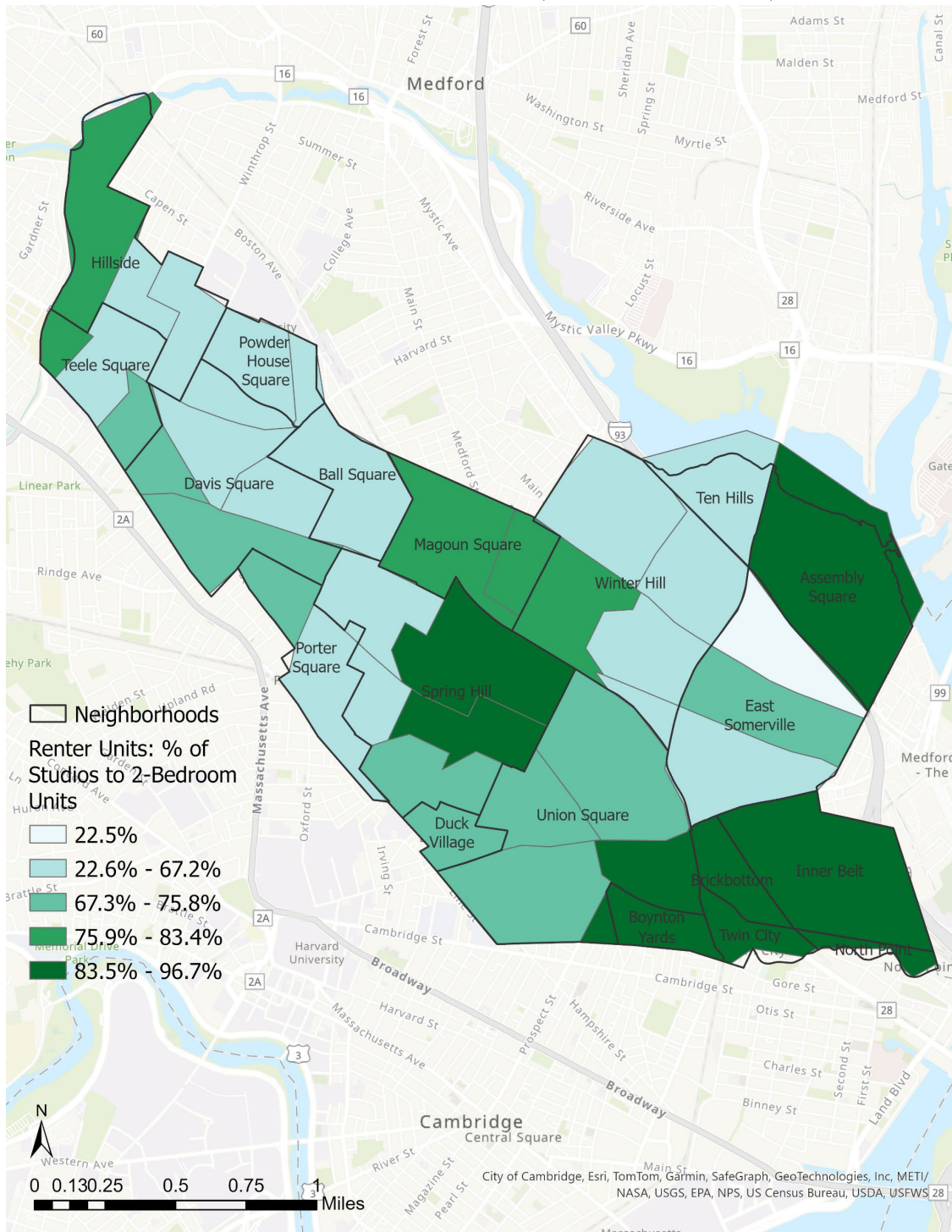
Figure 47: Somerville Households Experiencing One or More Housing Problems by Tenure

	Household Count	Percent of Total Owner/Renter Households	Prevalence of Housing Problems Among Each Household Type
Total Owner Households	11,695	100.0%	
Owner Households Experiencing 1 or More Housing Problems:	3,395	29.0%	
Family household, no spouse	355	3.0%	41.3%
Household size < 5 people	345	2.9%	45.4%
Household size >= 5 people	4	0.0%	4.0%
Married-couple family household	1,260	10.8%	20.4%
Household size < 5 people	1,130	9.7%	20.2%
Household size >= 5 people	130	1.1%	23.2%
Non-family household	1,780	15.2%	38.2%
Household size < 5 people	1,760	15.0%	38.0%
Household size >= 5 people	25	0.2%	71.4%
Total Renter Households	22,830	100.0%	
Renter Households Experiencing 1 or More Housing Problems:	8,245	36.1%	
Family household, no spouse	1,250	5.5%	58.8%
Household size < 5 people	1,150	5.0%	58.2%
Household size >= 5 people	100	0.4%	66.7%
Married-couple family household	1,350	5.9%	30.1%
Household size < 5 people	1,140	5.0%	27.4%
Household size >= 5 people	210	0.9%	63.6%
Non-family household	5,645	24.7%	34.8%
Household size < 5 people	5,590	24.5%	35.2%
Household size >= 5 people	60	0.3%	16.9%

Figure 48 shows the percentage of renter-occupied units that are studios, one-bedroom, or two-bedroom units in 2022. It shows that more recent developments, such as those in neighborhoods including Assembly Square, Boynton Yards, and Union Square, tend to be higher-density and multi-family mixed-use projects with a larger share of small rental units (source: ACS 5-Year Estimates 2022).

These larger residential projects tend to be able to absorb the costs better than lower-density smaller projects and are more likely to deliver diverse unit types, such as larger units that do not have as high a revenue per square foot as smaller units. However, the map shows limited larger rental units with three or more bedrooms in these newly developed neighborhoods. This is likely because these larger new residential projects aim to cater to a certain market, such as young professionals relocating to Somerville for work, who most likely have not started or choose not to start families.

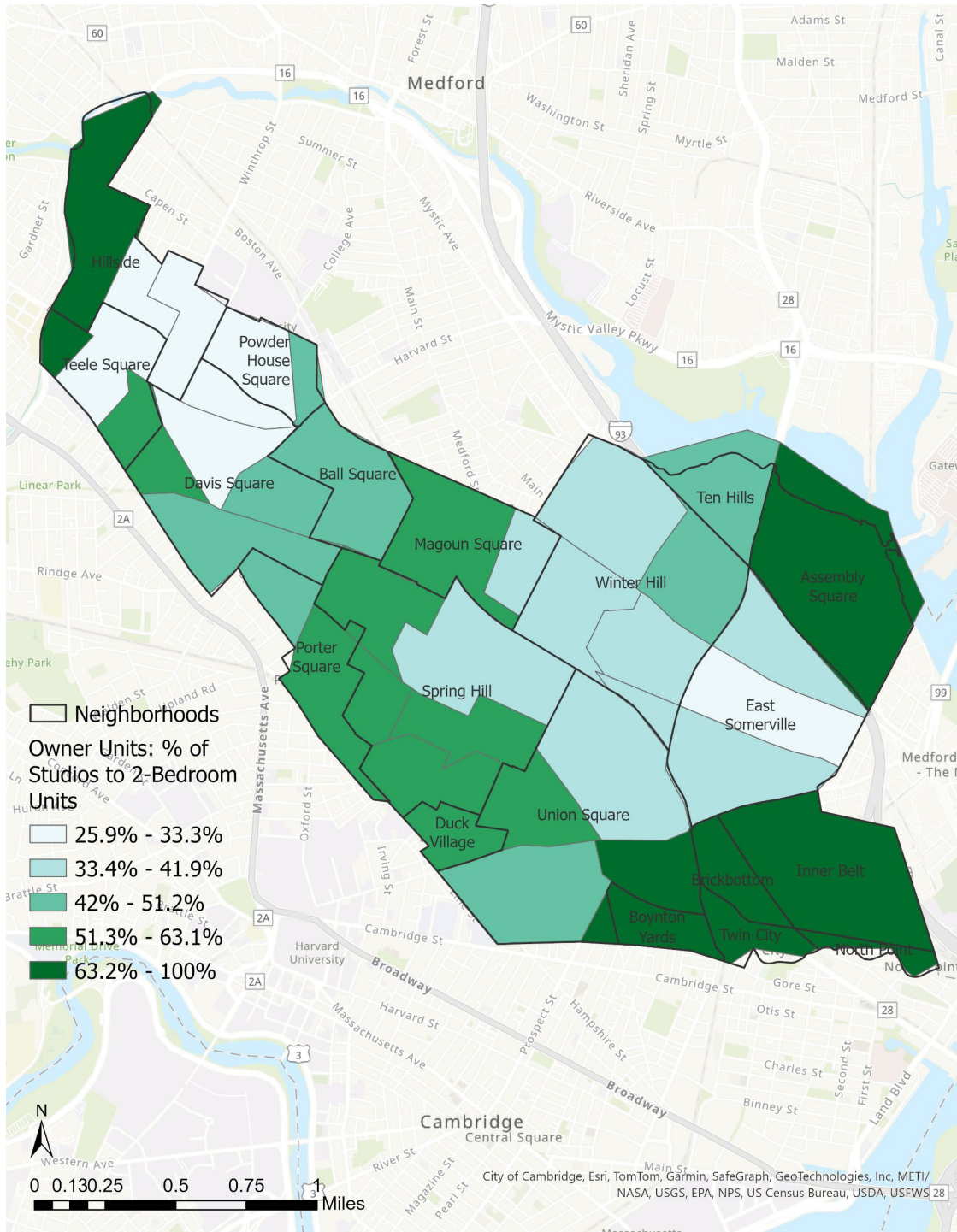
Figure 48: Somerville Percentage of Small Rental Units (Two Bedrooms or Less) by Census



Housing Needs Assessment Somerville, MA

Similarly, these newer residential developments in Assembly Square, Boynton Yards, and Union Square have a high share of owner-occupied units with two bedrooms or less, most likely catering to a changing demographic in the city as household sizes decline (Figure 49, source: ACS 5-Year Estimates 2022).

Figure 49: Somerville Percentage of Small Owner Units (Two Bedrooms or Less) by Census



As discussed earlier, larger households, such as family households, are more likely to face housing problems and limited housing options as they generally need more bedrooms. However, there is a limited number of larger units that are subsidized and affordable to lower-income households, especially those earning at or below 50% of the AMI. By comparison, there is a larger number of smaller households in Somerville in general, and this is likely to continue given the foreseeable new jobs and residents added to Somerville, mostly characterized by younger and high-income people.

Figure 50 shows the shares of households with more than one occupant per room in Somerville in 2022, which is defined by HUD as overcrowding. In general, the share is relatively low across the city according to available ACS data, with 1.8% for owner households and 2.3% for renter households (source: ACS 5-Year Estimates 2022).

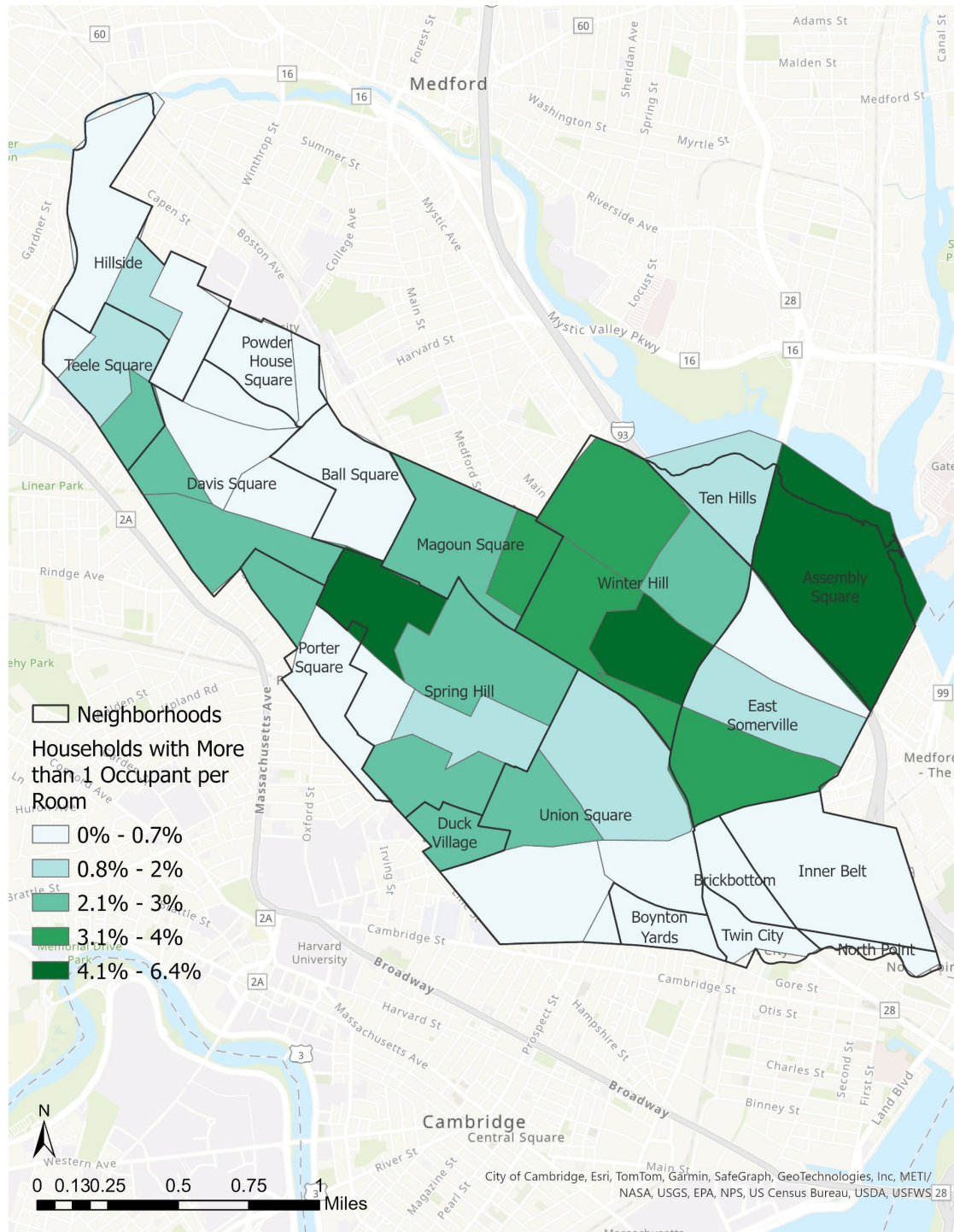
However, certain neighborhoods have a larger presence of overcrowding, such as parts of Spring Hill, Winter Hill, Assembly Square, and parts of East Somerville. Anecdotal evidence from stakeholder interviews also suggests that overcrowding is more common than what the data indicate. Some of these neighborhoods have recently experienced a surge in development interest, causing housing costs to rise for existing residents, particularly lower-income minority renters.

Recommendations

The City should continue its efforts to encourage the building of more family-sized units at deeper levels of affordability. The need for more family units is also consistently emphasized during stakeholder interviews. The City should also increase its efforts and resources to stabilize existing affordability and prevent and reduce displacement and overcrowding, especially in traditionally older and more diverse neighborhoods that have experienced rising development interest and housing prices. Examples include increasing efforts to advocate for tenants' right to return and their first right of refusal before the state legislature.

Housing Needs Assessment Somerville, MA

Figure 50: Somerville Percentage of Households with More than One Occupant per Room by Census Tract



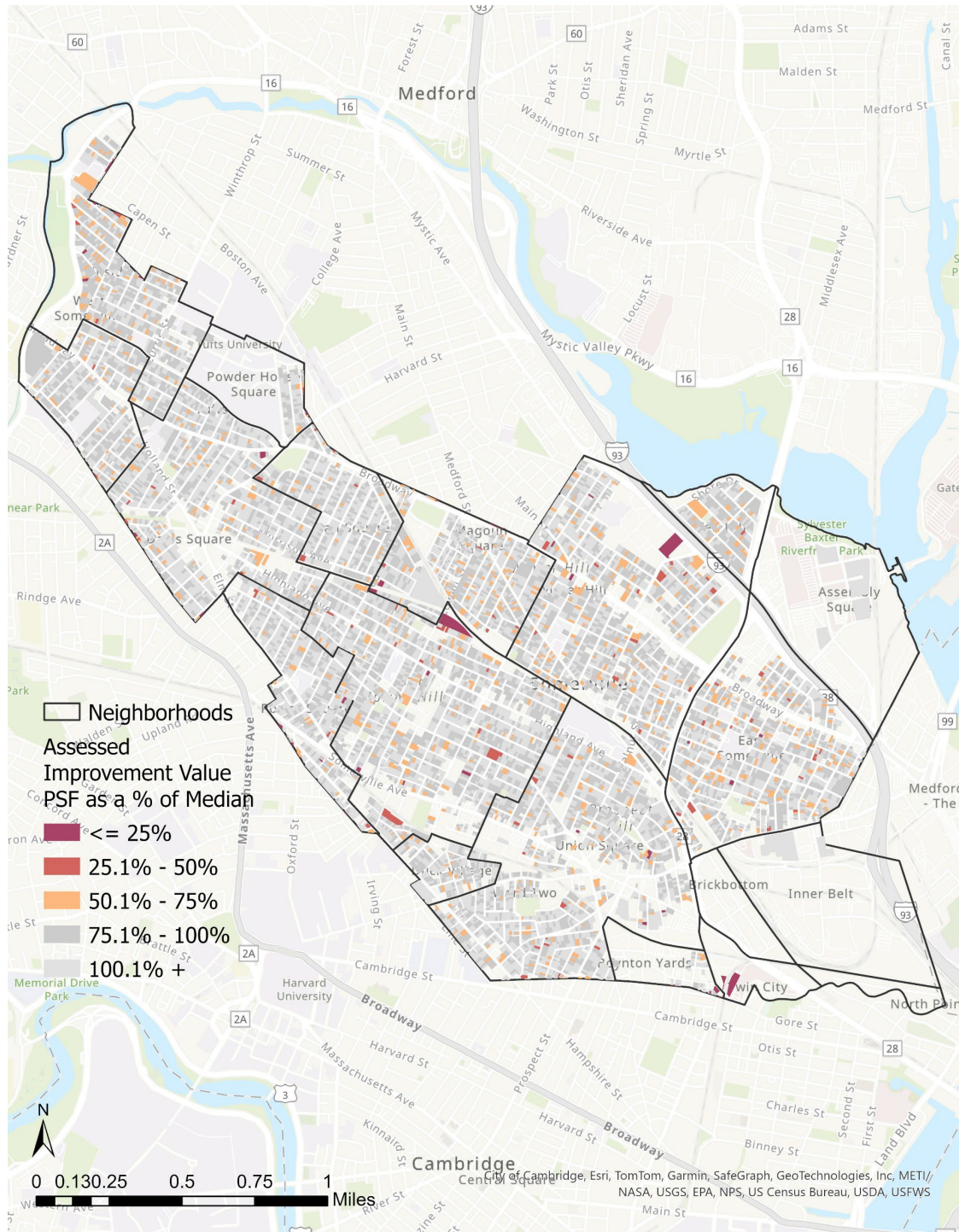
5. Housing Conditions

Often, lower-priced housing units are older and associated with housing condition issues. To evaluate this, RKG utilized the city's 2024 property assessment data to calculate the median assessed improvement value on a per-square-foot (PSF) basis for each housing type. Then residential properties of each type were evaluated against these median values per square foot. Each house's assessed improvement value per square foot was calculated as a percentage of the median value for all similar residential properties.

For example, if all single-family homes in the city had a median improvement value of \$50 per square foot (SF) and one house had an assessed improvement value of \$25/SF, then the subject property would have a value equaling 50% of the city's median value for all single-family homes. The lower the percentage, the more likely the house suffers from condition problems. RKG defined housing units with an assessed improvement value per square foot below 50% of the median value as in poor conditions.

The data shows that poor housing condition is not a prevalent issue in Somerville, though traditionally more affordable and working-class neighborhoods on the east side such as Spring Hill, Winter Hill, and East Somerville have higher concentrations of these units with poorer conditions, leaving residents in these areas with more housing challenges. Findings from stakeholder interviews align with this data that many households in these older neighborhoods (especially given the aging population in the city) face condition and accessibility challenges in their current residences, and need supportive services and funding for accessibility modifications and repairs (Figure 51; source: Somerville Property Assessment, 2024; RKG Associates).

Figure 51: Somerville Housing Conditions



6. Housing Vacancy

Low vacancy rates underscore high housing demand and limited supply, especially for renters.

The vacant available rates for both rental units (vacant and available for rent) and owner units (vacant and available for sale) were between 1% and 2% in 2022 in Somerville, indicating an extremely tight housing market, as a healthy vacancy rate is usually around 3% to 5%. The city's rental housing market is more competitive, as the vacancy rate has declined compared to the 2012 level, corresponding with the larger presence and continued growth of renters in Somerville in the recent decade. The slightly increased vacancy rate for owners and continued decline in vacancy for rental units is likely due to new interest in both housing construction and condo conversion, where property owners sell previously renter-occupied multi-family buildings, either to renovate and increase rent rates or to convert into condos, especially in traditionally more affordable neighborhoods such as East Somerville. This is also a repeated theme stressed during stakeholder interviews.

This is also somewhat reflected by the large number of “vacant other” units, which include anything from uninhabitable to foreclosed units, and units undergoing conversion or renovations. It should be noted that the city's Condo Conversion Ordinance provides the right of first refusal for tenants to purchase their condoized units at market rate. Somerville is also working towards legislation that enables existing tenants' right to return after building sales. However, interviewed housing stakeholders indicated that as of right now, renter displacement due to owner sale of buildings is one of the most challenging housing issues in the city, especially in East Somerville (Figure 52, Figure 53; source: ACS 5-Year Estimates 2012-2022).

This displacement means few tenants are able to avail themselves of their rights under the condo ordinance, most likely due to limited financial capabilities and legal support to enforce their rights and compel property owners to comply with the process.

Recommendations

Therefore, the City should develop a mechanism to provide legal and financial assistance or effectively connect tenants to these resources in a timely manner.

Figure 52
Somerville Housing Vacancy by Status, 2012-2022

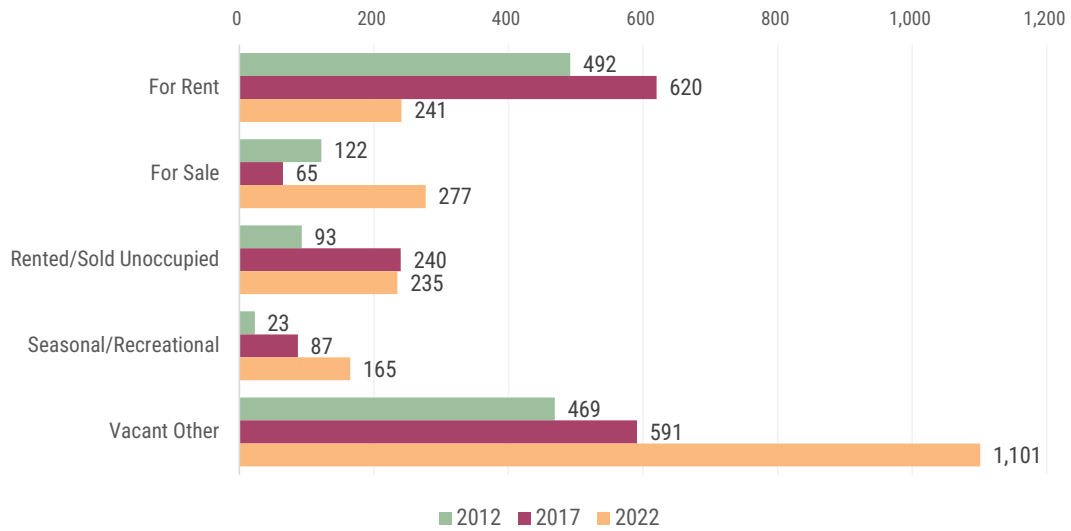
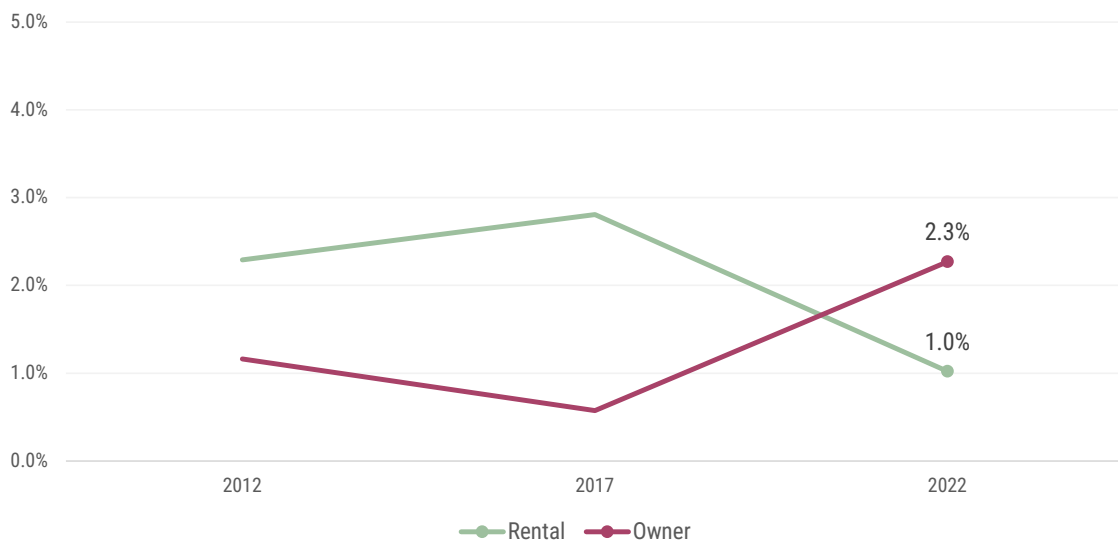


Figure 53
Somerville Vacancy Rate (Vacant Available) by Tenure, 2012-2022



7. Residential Development Trends

Though most of its housing units were built before 2000, Somerville has seen rising residential development interest, especially for properties with higher densities.

Somerville’s property assessment data further supports that smaller buildings with two to four units are the primary housing type in the city. In addition, apartments with eight or more units and condos also have a large presence in the city’s housing stock. Some of the condo units are likely in structures with two to four units, and others are most likely in multi-family apartments with four or more units.

The majority of the city’s housing stock was older, while development interest picked up since the 2010s, corroborating the previous ACS data. In addition, housing density has increased, with parcels and lands developed since the recent decade or so contributing to proportionally more housing units and building areas.

Recent development trends between 2019 and 2023 (the 2024 Property Assessment data utilized only has partial 2024 data at the time of the study) show that 402 housing units were built on average per year, mostly in apartments with eight or more units and residential condos (Figure 54, Figure 55, Figure 56; source: Property Assessment, 2024).

Figure 54: Somerville Housing Development Trend

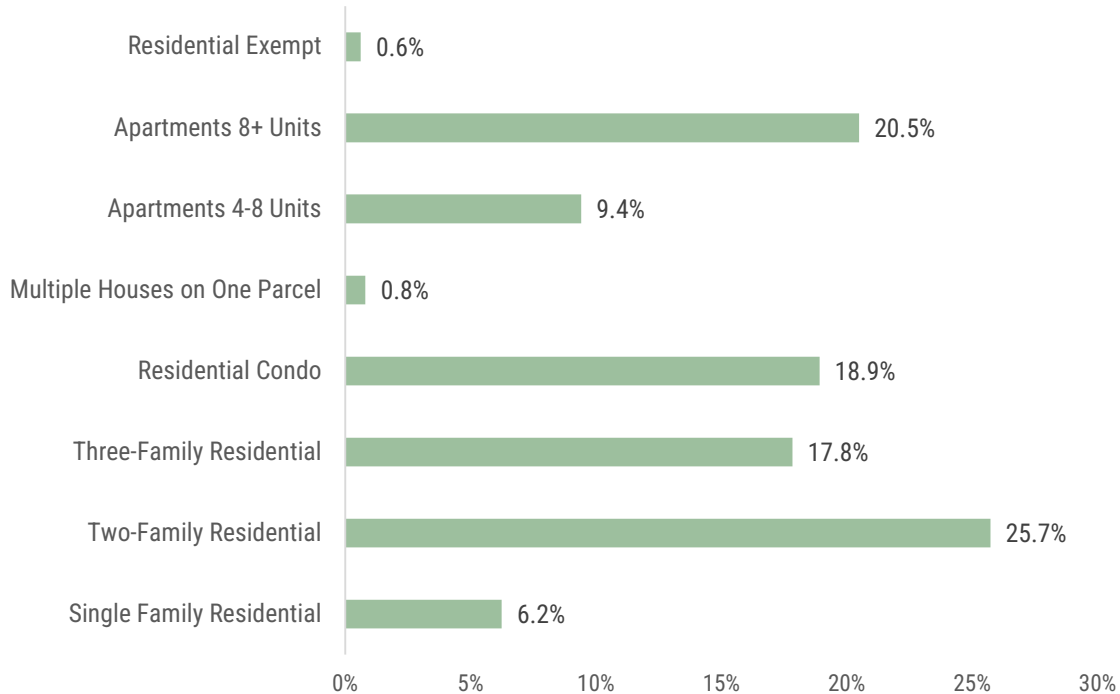
Year Built	No. of Parcels	Land Acreage	Housing Unit	Residential Building Area (SF)
Before 2000	90.6%	96.9%	86.7%	86.4%
2000-2009	3.0%	0.6%	1.8%	2.1%
2010-2019	5.5%	1.6%	7.4%	7.6%
Since 2020	0.9%	0.9%	4.1%	3.8%

Figure 55: Somerville Housing Units Built 2019-2023

Housing Type	Total Housing Units	Housing Units/Year
Single Family Residential	5	1
Two-Family Residential	20	4
Three-Family Residential	6	1
Residential Condo	211	42
Apartments 4-8 Units	66	13
Apartments 8+ Units	1,706	341
Total	2,014	402

Figure 56

Somerville Existing Housing Units by Type, 2024

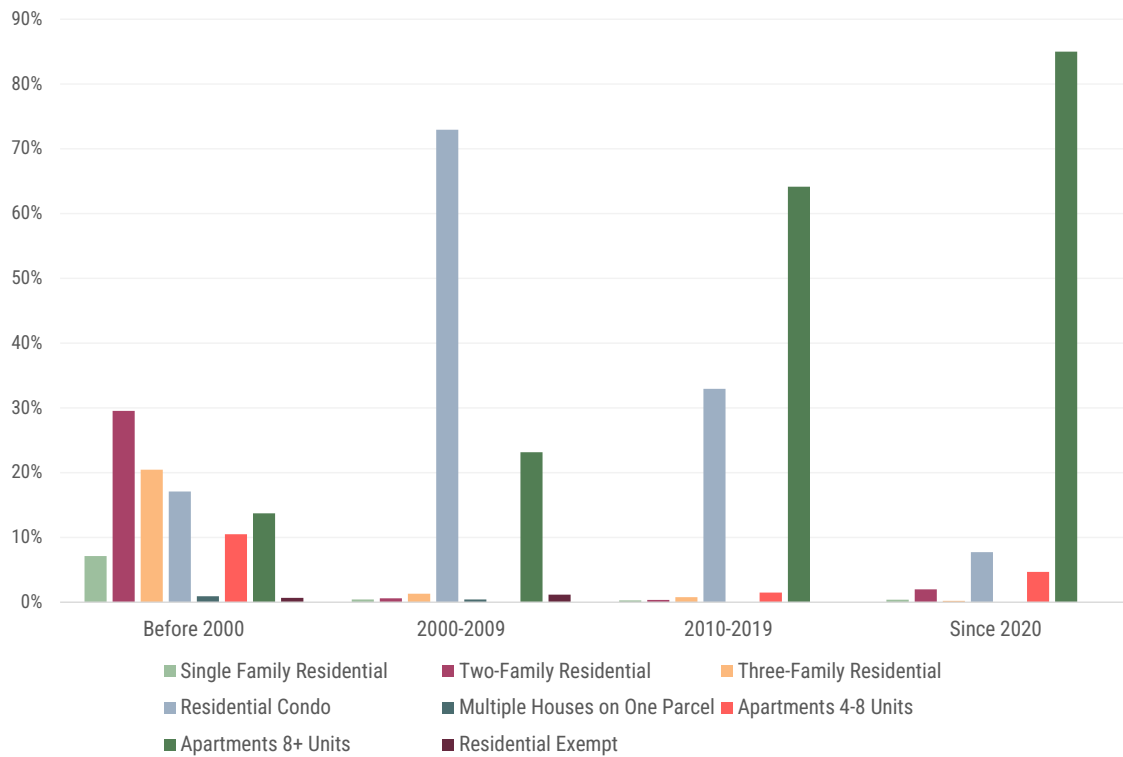


In addition, development interest has been shifting towards multi-family apartments with eight or more units, though condos are the major housing type built during the 2000s. Around 85% of the new units built since 2020 have been apartments with eight or more units, though they are concentrated in 15 parcels (which is 9.4% of the 159 residential properties built since 2020). In comparison, 73.6% of the residential properties developed since 2020 were for condos (117 condo units, and one condo unit is one property in the Property Assessment data), though they only account for 7.7% of the total 1,514 units delivered since 2020.

This is demonstrated by recent major mixed-use developments featuring higher-density apartment elements in areas like Assembly Square, Boynton Yards, and Union Square (Figure 57; source: Property Assessment, 2024).

Figure 57

2024 Somerville Housing Units Built by Type by Period



8. For-Sale Home Market Trends

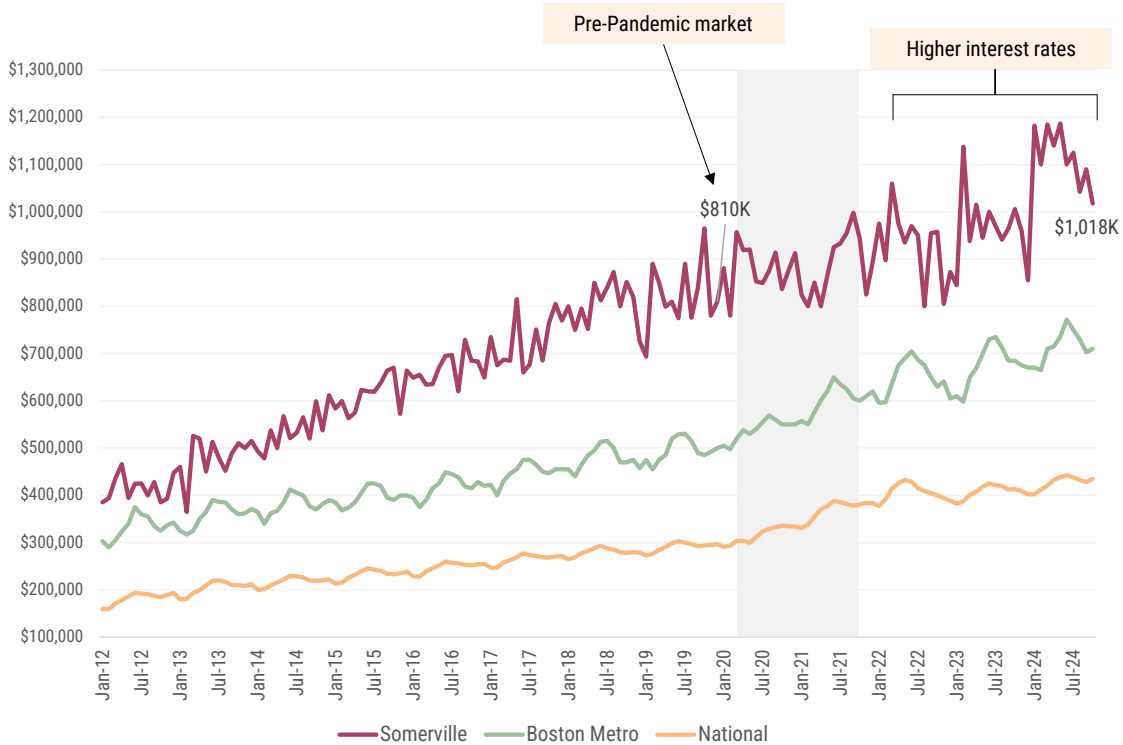
Home prices in Somerville continue to climb and are higher than the Boston Metro level.

In 2020 and 2021, the US saw home prices accelerate as a result of low mortgage rates, limited supply from underbuilding, increases in first-time homebuyers (Millennials), and increased migration from high-cost cities to areas that already had some level of housing shortages (e.g., remote workers moving out of Boston to neighboring communities).

In the case of Somerville, this trend was no different. In more recent years, despite higher interest rates and a temporary cooling in the housing market, limited inventories have continued to cause sales prices increases (Figure 58; source: Redfin Market Data; nominal value) though at a slower pace than in previous years.

Figure 58

Median Sale Price for All Homes (As of Oct. 2024)



Inventory stabilizing in recent years has meant readjustment in sales activity after the COVID-era surge.

Based on Redfin homes sales data for Somerville, the number of monthly new listings (newly listed for sale) has declined after a nationwide home-buying boom in 2021. Correspondingly, the total number of all homes for sale has been stabilizing after an increase between 2018 and 2019. In October 2024, Somerville's new listing was 70, and the total inventory was 127 homes (Figure 59, Figure 60; source: Redfin Market Data).

Figure 59

Somerville Monthly New Listings
All Homes for Sale

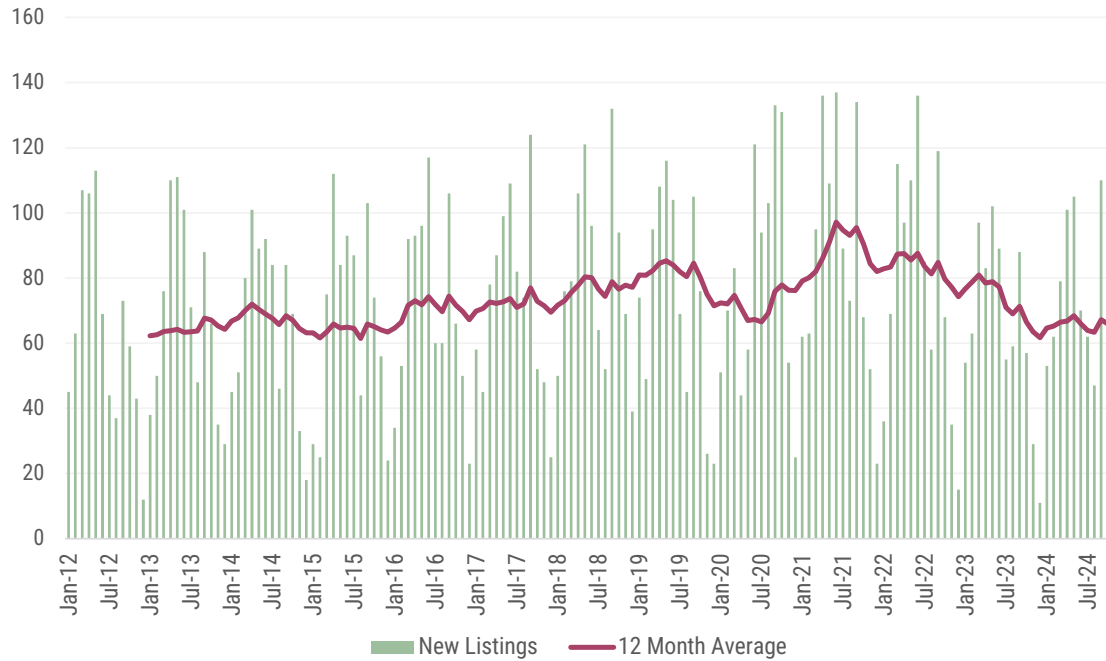
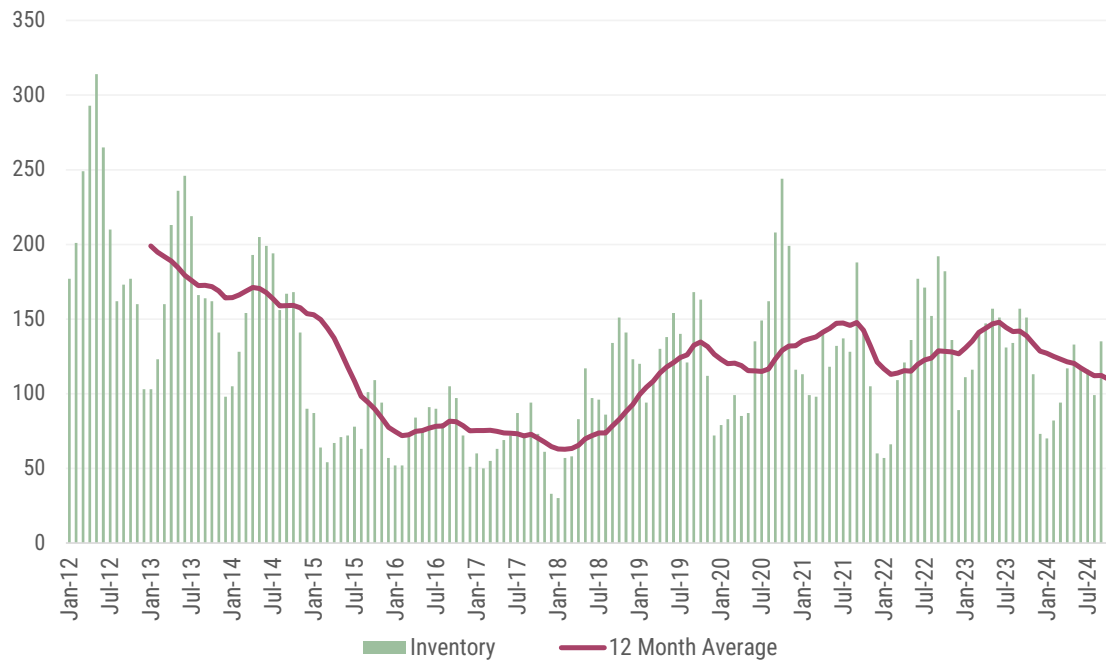


Figure 60

Somerville Monthly Inventory
All Homes for Sale



New homes are bigger and more expensive, and homes sell fast, though sales have declined with the increases in mortgage rates.

New listings, on average, sell within 16 days in Somerville. This underscores the extremely high demand for housing in the city and the ability of households to continue to buy in recent months, even more so than the Boston metro area level. Despite this boom of activity in the for-sale market, recent months have shown a decline in home sales since the peak during 2021 and 2022, which reflects the record high sales prices, and impacts of high interest rates.

In addition, new homes built since 2019 tend to be bigger and more expensive. The average square footage for new homes built since 2019 is 2,907 square feet for single-family homes (up from 1,792 square feet for those built before 2019), 3,538 square feet for two-family homes (up from 2,685 square feet), and 1,504 square feet for condos (up from 1,226 square feet). The average total assessed value is over \$2.1 million for new single-family homes and over \$916,000 for newer condos built since 2019 (Figure 61, Figure 62; source: Redfin Market Data).

Figure 61

Monthly Days on Market

All Homes for Sale

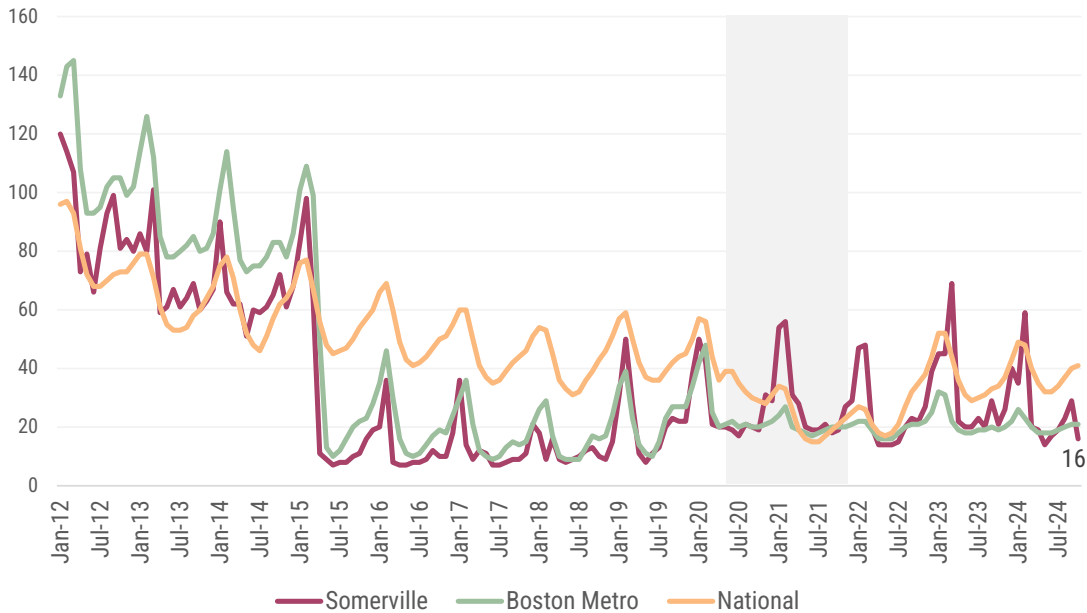
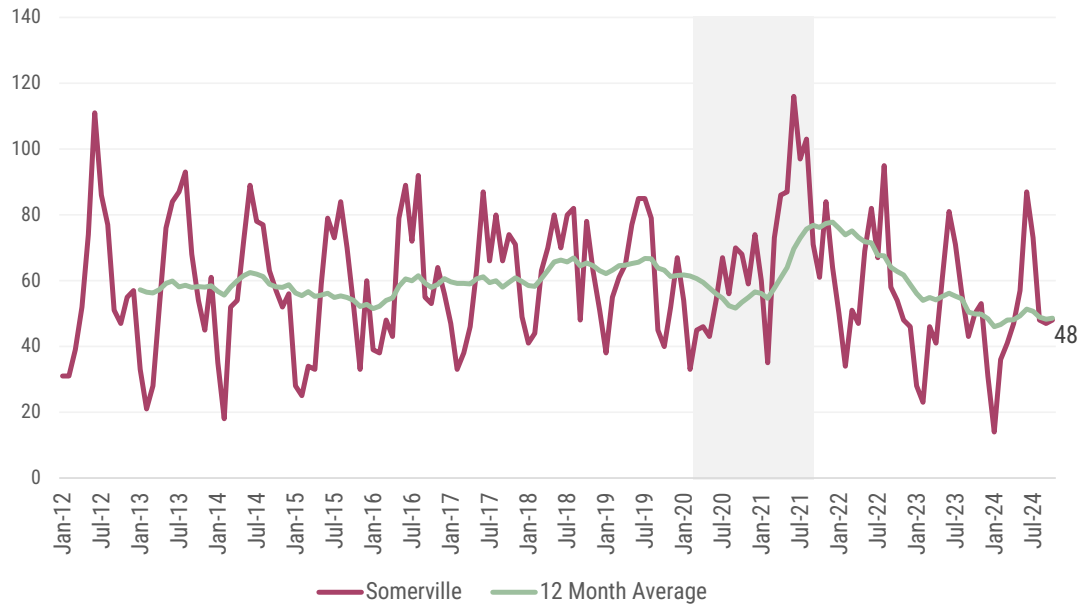


Figure 62

Somerville Monthly Home Sales Activity
All Homes Sold



9. Apartment Market Trends

Since 2020, Somerville has seen the delivery of over 1,700 apartment units.

Throughout the pandemic, multifamily development was strong, and asking rents rose to record highs in many major metro areas across the U.S. Rising interest rates and the growing costs of housing on the for-sale side rendered many markets unaffordable to households, keeping many renters out of the ownership market. These market dynamics have driven demand for rental units across the state, particularly in major employment centers such as the Boston metro area.

CoStar estimates that over 1,700 units have been added in Somerville since 2020. In addition, the number of units under construction has been higher than the pre-pandemic level, though down from its 2021 peak, suggesting that future apartment inventory will likely continue to increase (Figure 63, Figure 64; source: Costar Analytics).

Figure 63

Somerville Apartment Inventory (Units) Trend



Figure 64

Somerville Apartment New Delivery and Under Construction



Demand for rental units continues to grow.

Evidenced by the vacancy rate, even with the addition of new units, absorption (leasing) is fast, and vacancy rates returned to levels below 5% in 2024 (year-to-date data), which is considered tight for the apartment market.

In fact, the net absorptions in the apartment market have been mostly positive since 2014, despite a drop in 2020 due to the COVID-19 pandemic. This is consistent with the high demand for housing, especially from renters. The data suggests an average of 419 absorption units annually since 2021. Net absorption means more units are being leased than vacated during a given period (Figure 65, Figure 66; source: Costar Analytics).

Figure 65
Somerville Apartment Vacancy Rate

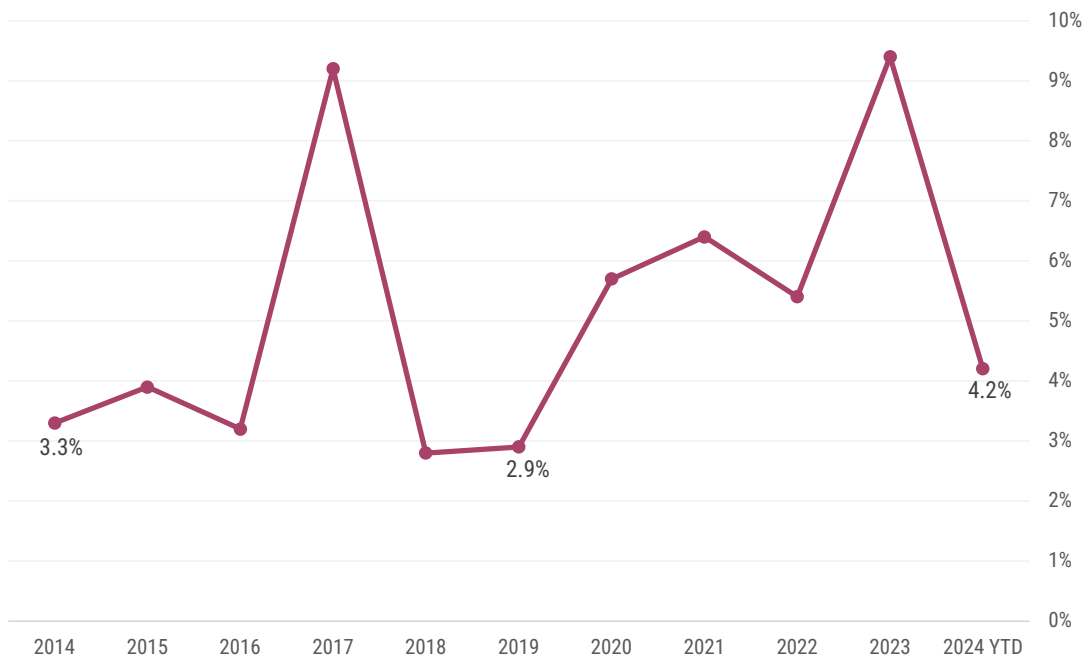
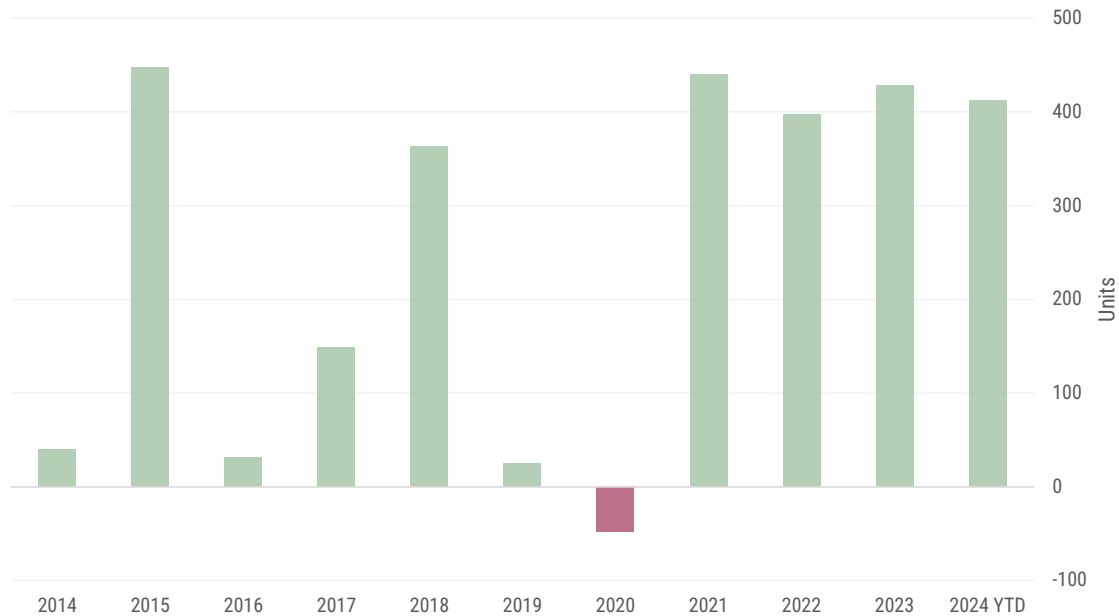


Figure 66
Somerville Apartment Absorption



Rent growth has been driven by high demand and development interest in Somerville.

Coinciding with the hot housing market, rental costs in the city have also increased rapidly since the COVID-19 pandemic. Despite the increase in new deliveries since 2020, asking and effective rents have continued to grow. The effective rent per unit in 2024 has grown by 8.6% compared to 2019.

The recent influx of households, especially those with higher incomes, has increased competition for both for-sale and rental housing. This trend, combined with rising mortgage rates, has left many households unable to afford a home, forcing potential buyers to remain in their rental units for a longer period. As older adults remain in their ownership units for longer, with limited places to downsize, renters are forced to remain in their units for longer. The lack of movement in the market creates supply constraints while demand remains high. This results in rising rents and for-sale prices, which are associated with increasing displacement of residents according to stakeholder interviews (Figure 67; source: Costar Analytics).

Figure 67

Somerville Apartment Asking and Effective Rent and Effective Rent Annual % Growth



There is a limited number of rental apartment unit sizes that accommodate larger renter households.

Comparing the renter household composition with the unit mix of market-rate and mixed-income properties (that have unit mix information, which is 90% of the total) tracked by CoStar shows that there is a very limited number of rental units with three or more bedrooms that could appropriately accommodate larger renter households with three or more persons. Often, larger and family-sized rental units are not delivered because smaller units, such as one-bedroom units, generate more revenue per square foot. It should also be noted that additional costs associated with zoning, construction costs, and financial constraints all play a role in the feasibility of a project meaning smaller unit sizes are what drive profitability for developers and often factor into decisions of unit mix (Figure 68, Figure 69; source: Costar Analytics, 2022 ACS Estimates).

Figure 68

Somerville CoStar Tracked Multifamily Inventory

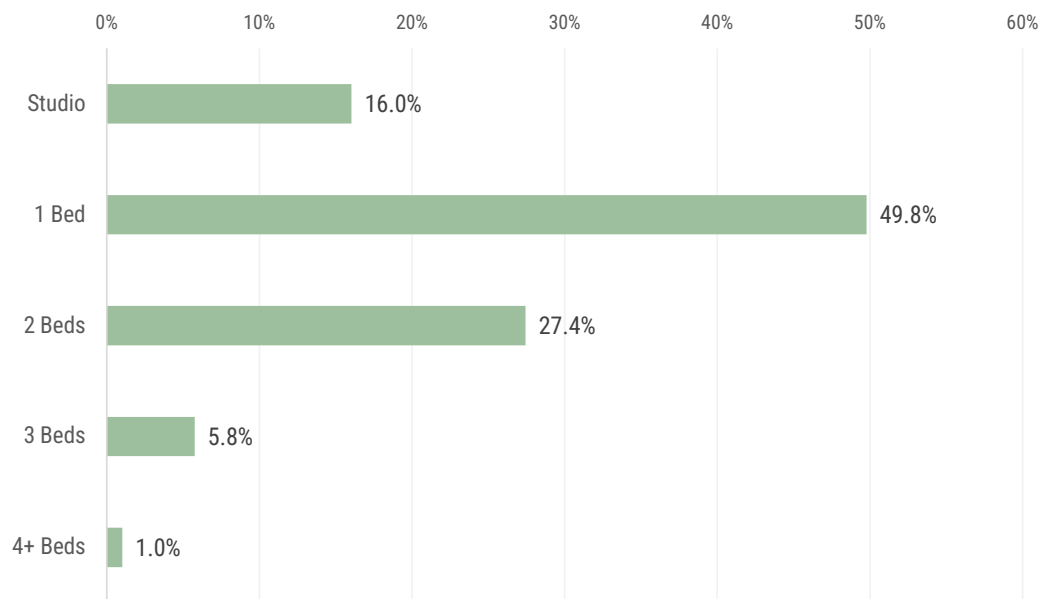
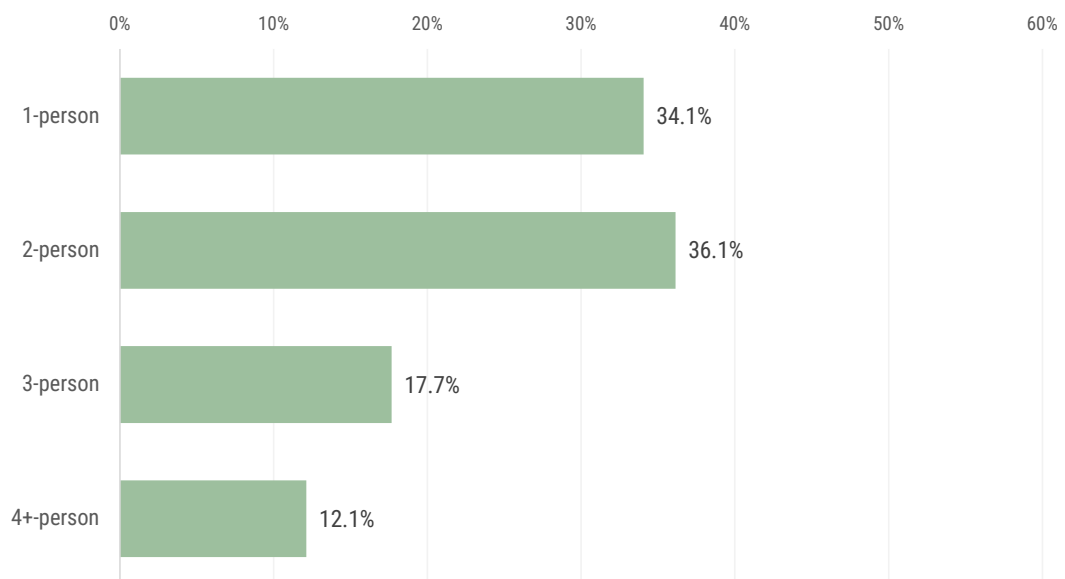


Figure 69

Somerville Renter Household by Size



Larger apartment units are limited to certain neighborhoods.

Data shows that among the market-rate and mixed-income apartments tracked by Costar that have unit mix information (90% of all market-rate and mixed-income apartments tracked), East Somerville has relatively the most apartment units with three or more bedrooms, followed by Assembly Square, and Spring Hill, while some neighborhoods have none.

As discussed earlier, interviewed housing stakeholders also repeatedly indicated that there is a strong need for larger housing units with three or more bedrooms, especially those affordable to lower-income households (Figure 70; source: Costar Analytics).

Figure 70: Somerville Apartment Units by Bedroom Type by Neighborhood

Neighborhood	Total Units	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
Assembly Square	1,721	357	873	438	52	1
Conway Park	51		39	12		
Davis Square	127	14	93	19	1	
East Somerville	863	172	388	235	45	22
Foss Park	153	3	45	88	17	
Lincoln Park	197	19	100	43	27	6
Magoun Square	16		7	5	4	
Porter Square	9		6	3		
Powder House Square	296	19	130	124	23	
Prospect Hill Somerville	166	3	75	85	3	
Spring Hill	569	86	297	144	37	5
Teele Square	63		31	20	7	5
Union Square	216	57	132	20	7	
West Somerville	19		7	11	1	
Winter Hill	384	70	177	73	55	9

Households earning low incomes and below have market-rate options limited to certain neighborhoods.

Figure 71 shows the average effective rent per unit for the market-rate apartment properties tracked by Costar (source: Costar Analytics).

Figure 71: Somerville Apartment Average Effective Rent by Bedroom Type by Neighborhood

Neighborhood	No. of Properties	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
Assembly Square	5	\$2,654	\$3,213	\$4,290	\$5,824	\$5,818
Conway Park	6					
Davis Square	9	\$2,472	\$2,493	\$3,177		
East Somerville	41	\$2,552	\$2,551	\$3,288	\$4,257	\$4,134
Foss Park	17		\$2,382	\$1,928	\$2,478	
Lincoln Park	29			\$999	\$1,738	\$3,388
Magoun Square	3			\$1,158		
Porter Square	3					
Powder House Square	18	\$2,786	\$3,249	\$3,149	\$3,906	
Prospect Hill Somerville	20		\$2,195	\$2,785	\$2,269	
Spring Hill	40	\$2,179	\$2,722	\$3,317	\$4,133	
Teele Square	4					
Union Square	7	\$2,548	\$2,853	\$4,539	\$7,669	
West Somerville	7					
Winter Hill	41	\$1,836	\$2,113	\$2,227	\$2,892	\$3,495
Total	250	\$2,376	\$2,549	\$3,070	\$3,949	\$4,184

Neighborhoods with the highest rents across unit types are Assembly Square, Powder House Square, and Union Square.

East Somerville, which is traditionally a more affordable community, has also seen effective rents (actual rents charged after accounting for any rent concessions) higher than the average across neighborhoods. This is consistent with the previous discussions and findings from stakeholder interviews that East Somerville has recently seen rising development interest and increased housing instability.

Having adjusted for utility costs, the maximum rent a low-income renter household (earning at or below 80% of the Area Median Income (AMI)) can afford without being cost-burdened (cost burden means spending more than 30% of the income on housing costs) is \$2,354 monthly. This is below the city-wide averages shown here, meaning that these households have market-rate rental options limited to certain neighborhoods, mostly in Prospect Hill and Winter Hill, limiting access to fair housing choices in other neighborhoods in the city, especially those with more community resources and services.

Housing units in Somerville tend to be smaller.

Figure 72 shows the average square footage per unit for the market-rate apartment properties tracked by Costar (source: Costar Analytics).

Figure 72: Somerville Apartment Average Unit Size (Square Feet) by Bedroom Type by Neighborhood

Neighborhood	No. of Properties	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
Assembly Square	5	517	704	1,120	1,503	1,664
Conway Park	6			875		
Davis Square	9	445	694	996	1,616	
East Somerville	41	506	800	942	1,128	790
Foss Park	17		764	1,223	1,279	
Lincoln Park	29	1,570	650	863	1,263	1,140
Magoun Square	3			1,000		
Porter Square	3					
Powder House Square	18	563	841	1,018	1,317	
Prospect Hill Somerville	20		625	1,208	900	
Spring Hill	40	401	688	1,143	1,780	1,609
Teele Square	4		764	1,082	1,276	1,358
Union Square	7	461	610	859		
West Somerville	7					
Winter Hill	41	490	744	881	1,210	1,450
Total	250	533	718	1,019	1,330	1,270

As mentioned by the 2021 HNA, housing units in Somerville tend to be smaller on average compared to other areas in the U.S., and this is evidenced by the Costar data. Union Square, Spring Hill, Prospect Hill, Lincoln Park, and Davis Square have smaller one-bedroom units on average. Winter Hill, Union Square, Lincoln Park, and Conway Park have smaller two-bedroom units.

Traditionally affluent and newly developed neighborhoods have higher rents.

Figure 73 shows the average effective rent per square foot for the market-rate apartment properties tracked by Costar (source: Costar Analytics).

Figure 73: Somerville Apartment Average Effective Rent Per Square Foot by Bedroom Type

Neighborhood	No. of Properties	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
Assembly Square	5	\$5.14	\$4.57	\$3.83	\$3.91	\$3.50
Conway Park	6					
Davis Square	9	\$5.04	\$4.07	\$4.24		
East Somerville	41	\$5.08	\$3.37	\$3.84	\$3.91	\$12.92
Foss Park	17		\$3.12	\$1.93	\$2.21	
Lincoln Park	29			\$1.26		\$2.97
Magoun Square	3			\$1.16		
Porter Square	3					
Powder House Square	18	\$4.94	\$4.15	\$2.93	\$3.89	
Prospect Hill Somerville	20		\$3.39	\$3.05	\$2.53	
Spring Hill	40	\$5.59	\$4.24	\$3.76	\$3.14	
Teele Square	4					
Union Square	7	\$5.53	\$5.00	\$5.28		
West Somerville	7					
Winter Hill	41	\$3.91	\$2.99	\$2.45	\$2.35	\$2.41
Total	250	\$5.03	\$3.67	\$3.29	\$3.13	\$6.94

Union Square, Assembly Square, and Davis Square have some of the highest effective rent per square foot. As many new housing developments are occurring in some of these areas, new residential constructions will likely reflect these higher rent rates per square foot.

Newer apartments are more expensive though mostly with two bedrooms or fewer.

Data show that multi-family apartment projects with at least 40 units built since 2017 mostly have one-bedroom and two-bedroom units. They also have higher rent rates compared to older units built before 2000 in the city (Figure 74; source: Costar Analytics).

Figure 74: Somerville Apartments (>= 40 Units) Built Since 2017

Property Name	No. Of Units	Submarket	Vacancy %	% Studios	% 1-Bed	% 2-Bed	% 3-Bed	% 4-Bed	2-Bed Effective Rent/Unit	2-Bed Avg SF	2-Bed Effective Rent/SF
CALA (2020)	48	Teele Square	2.7%		62.5%	25.0%	12.5%			1,082	
Montaje (2017)	447	Assembly Square	5.8%	25.5%	46.1%	26.4%	2.0%		\$4,456	1,169	\$3.81
Miscela (2021)	500	Assembly Square	5.0%	17.2%	51.2%	26.6%	4.8%	0.002%	\$4,493	1,094	\$4.11
Arris (2023)	205	East Somerville	6.2%	15.1%	58.5%	24.4%	2.0%		\$4,266	1,109	\$3.85

This further highlights that renter households earning at or below 80% of the AMI, especially those larger households, are not able to find or afford newer rental apartment products. These most vulnerable households are limited to older and smaller rental options with a higher likelihood of facing housing problems, such as housing condition issues and overcrowding.



Miscela Apartment



Arris Apartment

10. Condominium Trends

Condo conversion has been trending up due to rising homebuying demand.

Condo conversion data from the city as of the end of June 2024 shows an increase in applications for condo conversion, especially between FY2020 and FY2022. This resonates with anecdotal data from stakeholder interviews that condo conversion has been on the rise since the COVID-19 pandemic, in traditionally more affordable neighborhoods such as East Somerville. Most properties were purchased vacant, also resonating with stakeholder interview findings that many property owners would file no-fault evictions before building sales. Though applications in FY2023 have trended down, the number is still higher than in FY2020 (Figure 75; source: City of Somerville, 2024).

Figure 75: Somerville Condo Conversion Trend

Application Initially Heard	Purchased Vacant	Purchased Occupied	No Occupancy Status when Purchased	Total
FY20	20	16		36
FY21	44	25	3	72
FY22	90	43		133
FY23	41	19		60
FY24	16	5	20	41
Total	211	108	23	342

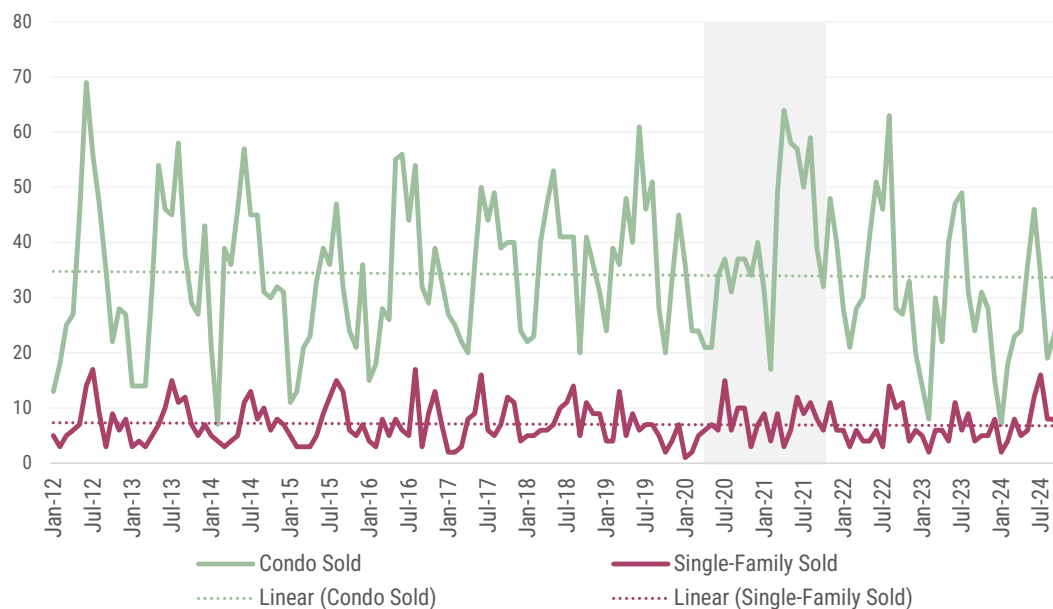
Figure 75 Continued: Somerville Condo Conversion Trend

Application Initially Heard	Purchased Vacant	Purchased Occupied	No Occupancy Status when Purchased	Total
FY20	9.5%	14.8%	0.0%	10.5%
FY21	20.9%	23.1%	13.0%	21.1%
FY22	42.7%	39.8%	0.0%	38.9%
FY23	19.4%	17.6%	0.0%	17.5%
FY24	7.6%	4.6%	87.0%	12.0%
Total	61.7%	31.6%	6.7%	100.0%

This is likely due to the increasing demand from new residents moving into Somerville looking to purchase homes in recent years due to the city's relative affordability, coupled with the fact that the city has limited land for new residential development and a small inventory of single-family homes. Redfin Market Data confirms that condo sales have been strong around 30 to 40 units per month, while single-family home sales are generally below 10 homes each month (Figure 76; source: Redfin Market Data).

Figure 76

Somerville Monthly Sales for Single-Family and Condos



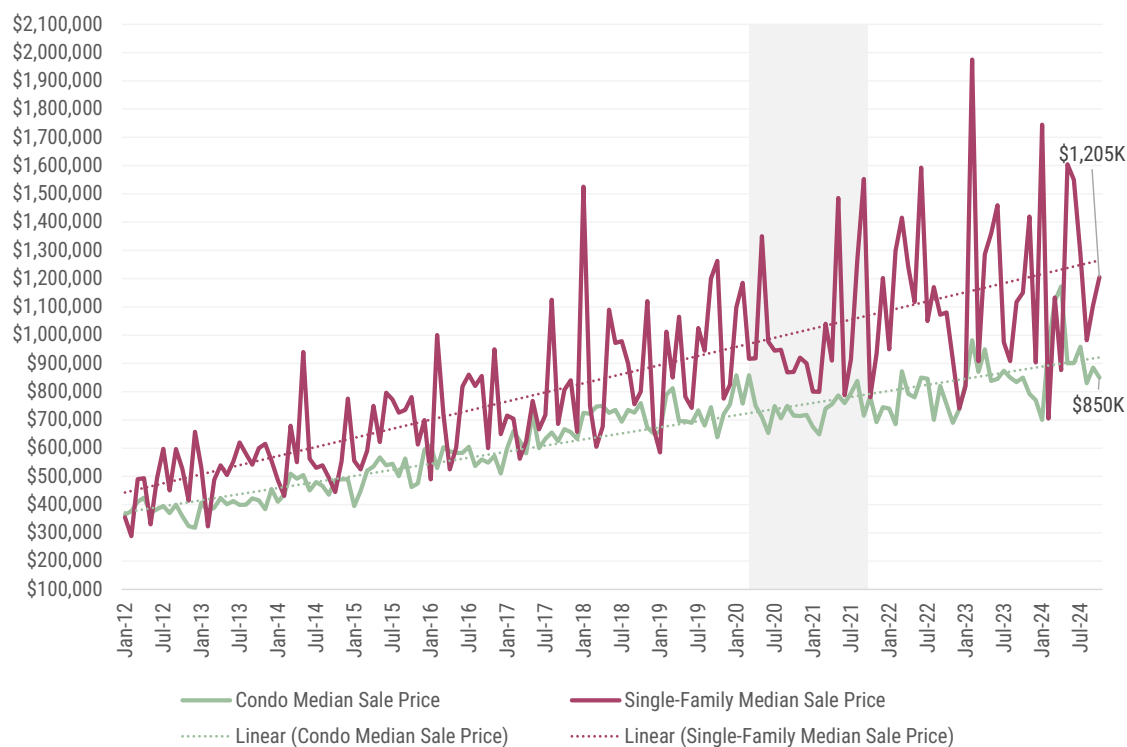
Rising homebuying demand pushes up condo sale prices with less volatility.

Redfin data further shows that the median sale price for condos in Somerville has been steadily growing driven by rising homebuying demand, with less fluctuation than single-family homes.

The median sale price of condos has also increased by 33.1% between October 2019 and October 2024, while single-family homes have seen a drop of 4.6% during the same period. The median sale price for condos was \$850,000 in October 2024 (Figure 77; source: Redfin Market Data).

Figure 77

Somerville Monthly Median Sale Price for Single-Family and Condos



11. Recent Permitted New Housing Constructions

Permit data highlights recent multi-family development interest.

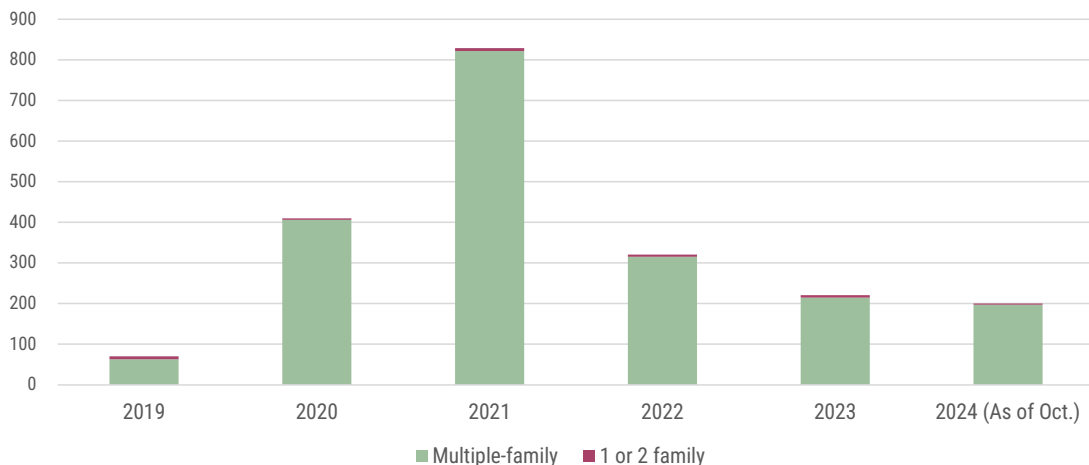
The city's permit data between 2019 and October 2024 supports the previous finding that Somerville has seen increasing residential development interest since 2020, especially for multi-family housing. Though this has adjusted after the COVID-era boom in 2021 due to historic low interest rates, the level of new housing construction permitting is still higher than the pre-pandemic level. This is associated with neighborhood redevelopments in areas like Assembly Square, Boynton Yards, and Union Square, as well as Somerville's gains from the broader regional expansion in science and technology industries. Permitted new units average 370 per year (Figure 78, Figure 79; source: City of Somerville Permit Data, 2024).

Figure 78: Somerville Permitted Net New Housing Units, 2019 - Oct. 2024

	Multiple-Family	1 or 2 Family	Total
2019	63	7	70
2020	406	4	410
2021	822	7	829
2022	315	6	321
2023	215	6	221
2024 (As of Oct.)	197	3	200
Total	2,018	33	2,051
Ann. Avg. 2019-2023	364	6	370

Figure 79

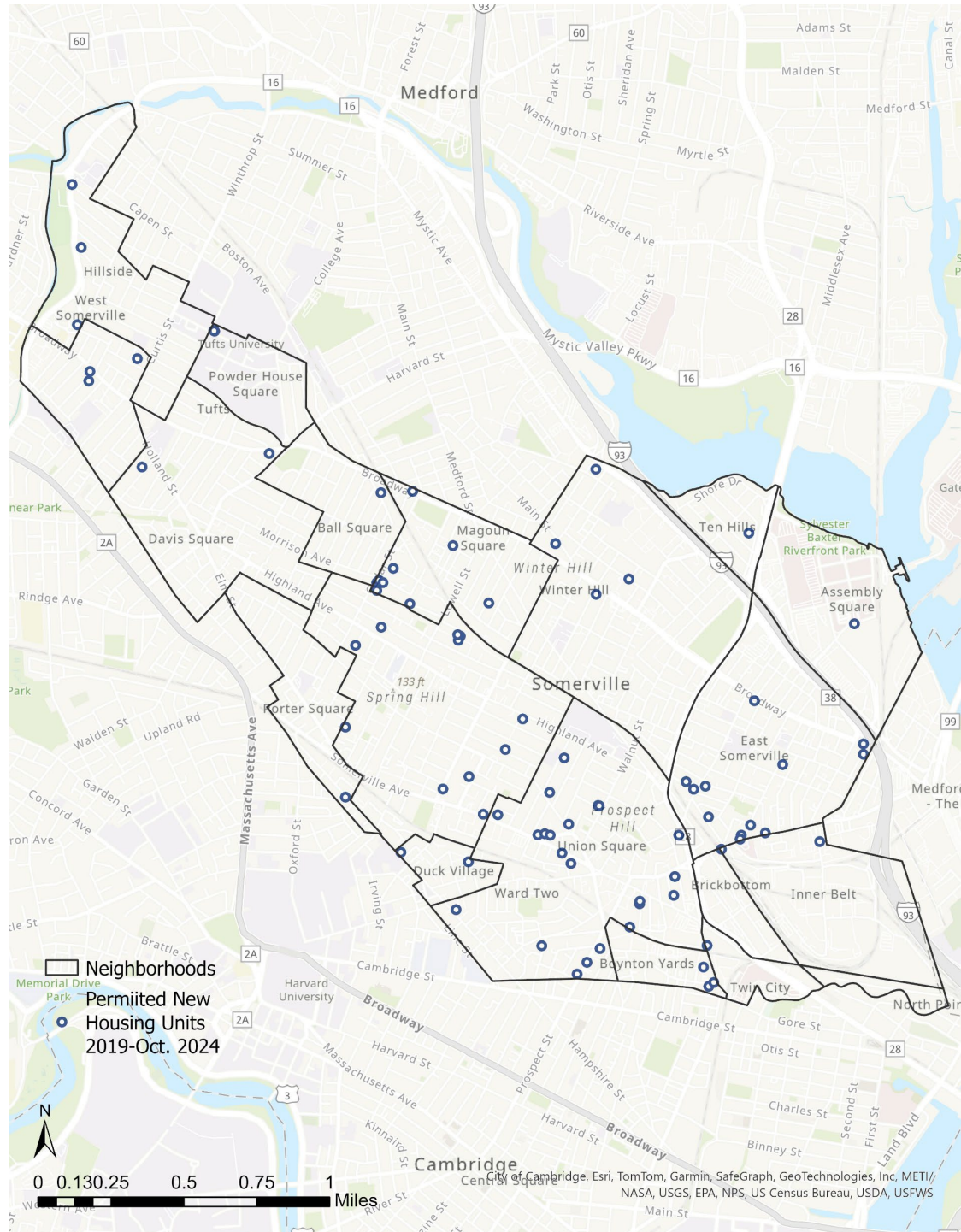
Somerville Permitted Housing New Constructions (Net New Housing Units), 2019-Oct. 2024



Housing Needs Assessment Somerville, MA

Spatial mapping of the permitted residential units between 2019 and October 2024 also shows a cluster of new housing developments in the east and south sides of the city, mostly around Magoun Square, Spring Hill, Union Square, Boynton Yards, and East Somerville (Figure 80; source: City of Somerville Permit Data, 2024).

Figure 80: Somerville Permitted New Housing Units 2019-Oct. 2024



This is consistent with the previous findings, stakeholder interview findings, and the 2021 HNA that there has been an increasing trend of redevelopment and gentrification in these neighborhoods, some of which are traditionally more affordable and working-class communities like Magoun Square and East Somerville. The data here shows that this trend has continued since the last Housing Needs Assessment in 2021.

12. Deed-Restricted Housing

Deed-restricted housing data shows limited larger units.

The latest data on deed-restricted income-controlled units from the city (though not exhaustive) shows that Somerville has around 3,901 deed-restricted units. Among the 3,402 units that have information on AMI breakdown, most of them are rental units catering to renter households earning at or below 80% of the AMI. Among the 2,983 units that have information on bedroom types, over 60% are one-bedroom units, and 24% are two-bedroom units. Only 12.3% are larger units with three or more bedrooms. This highlights the need to increase the supply of larger rental units that are deed-restricted and income-controlled in the city. The city has around 259 accessible units (based on available data), with most of them being studios and one-bedroom units (Figure 81, Figure 82; source: City of Somerville, RKG Associates, 2024).

Mixed-income and inclusionary projects are the major housing types that contribute to affordable units in the development pipeline. The vast majority of them would be rental units. Many of these mixed-income and inclusionary projects in the pipeline do not have information on unit mix or target AMI yet, as they are still early in the process (Figure 83; source: City of Somerville, RKG Associates, 2024).

Figure 81: Somerville Existing Deed-Restricted Housing

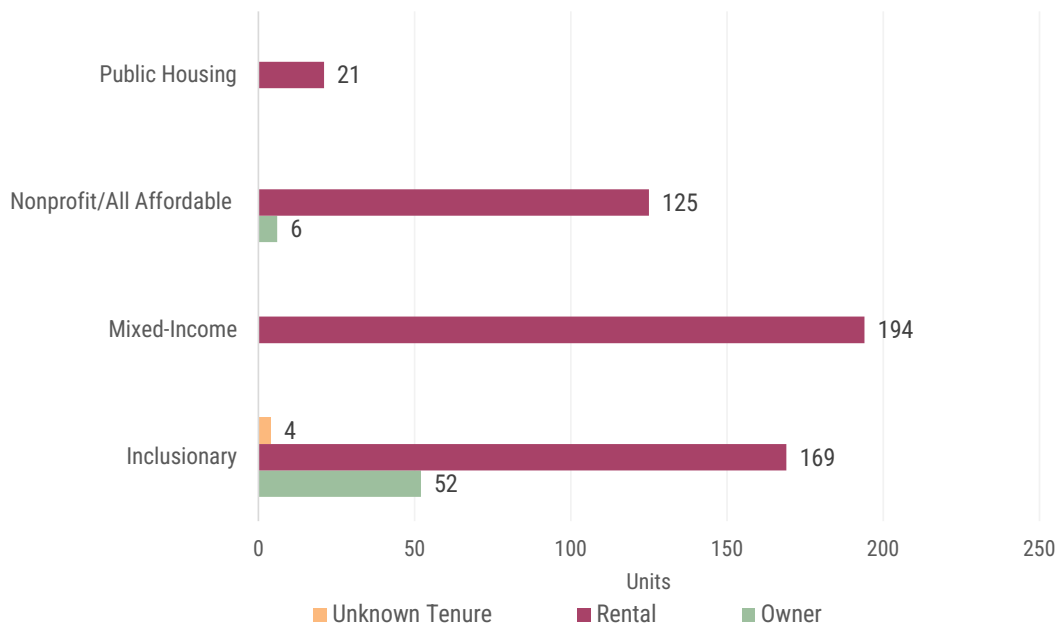
	<= 80% AMI Units		81%-140% AMI Units		Total Units	
	Count	Percent	Count	Percent	Count	Percent
Total	3,246	95.4%	156	4.6%	3,402	100.0%
Owner	102	3.1%	58	37.2%	160	4.7%
Rental	3,144	96.9%	98	62.8%	3,242	95.3%

	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	5-Bedroom
Unit Count	106	1,792	718	333	29	5
Percent	3.6%	60.1%	24.1%	11.2%	1.0%	0.2%

Figure 82: Somerville Existing Deed-Restricted Accessible Units

	Total Units	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	5-Bedroom
Somerville Housing Authority	118	22	68	14	13	1	0
Other Programs	141						
Total	259						

Figure 83
Somerville Pipeline Income Restricted Affordable Housing



Deed-restricted income-controlled units affordable to households earning at or below 80% of the AMI generally concentrate on the east side of the city in Winter Hill, East Somerville, Union Square, and Spring Hill (Figure 84; source: City of Somerville, RKG Associates, 2024). Deed-restricted units produced from the inclusionary zoning program are generally distributed evenly across neighborhoods, though there are not as many units around and north of Davis Square (Figure 85; source: City of Somerville, RKG Associates, 2024).

Deed-restricted units expiring in the next decade before 2035 generally are on the east side of the city in East Somerville, Winter Hill, Union Square, and Spring Hill (Figure 86; source: City of Somerville, RKG Associates, 2024).

Recommendations

The City should work with owners of these expiring use units to extend their affordability restrictions and preserve the existing affordable housing stock in these neighborhoods, which have seen more recent gentrification, rising housing costs, and housing instability.

Figure 84: Somerville Deed-Restricted Units Affordable to Households Earning at or Below 80% of AMI

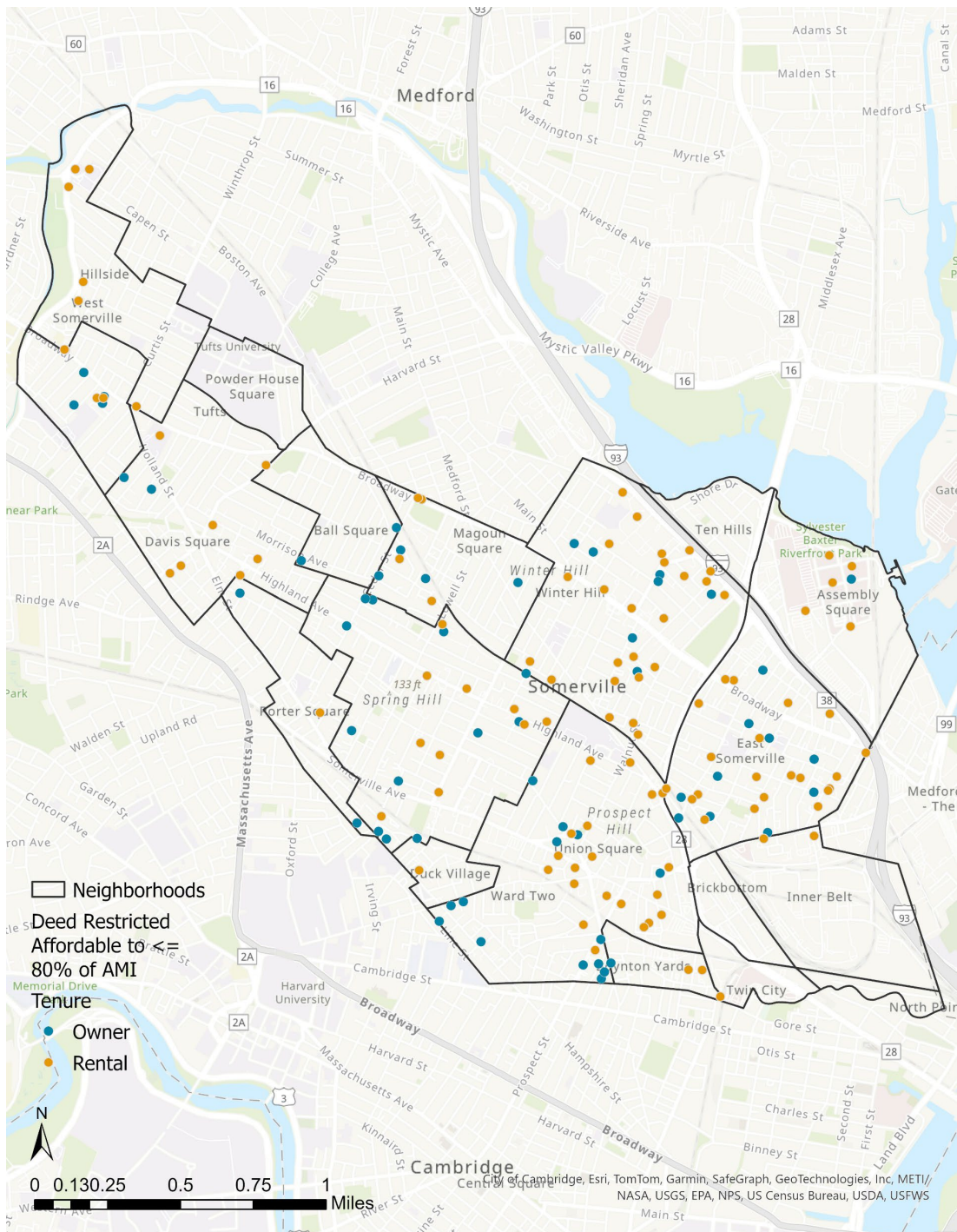
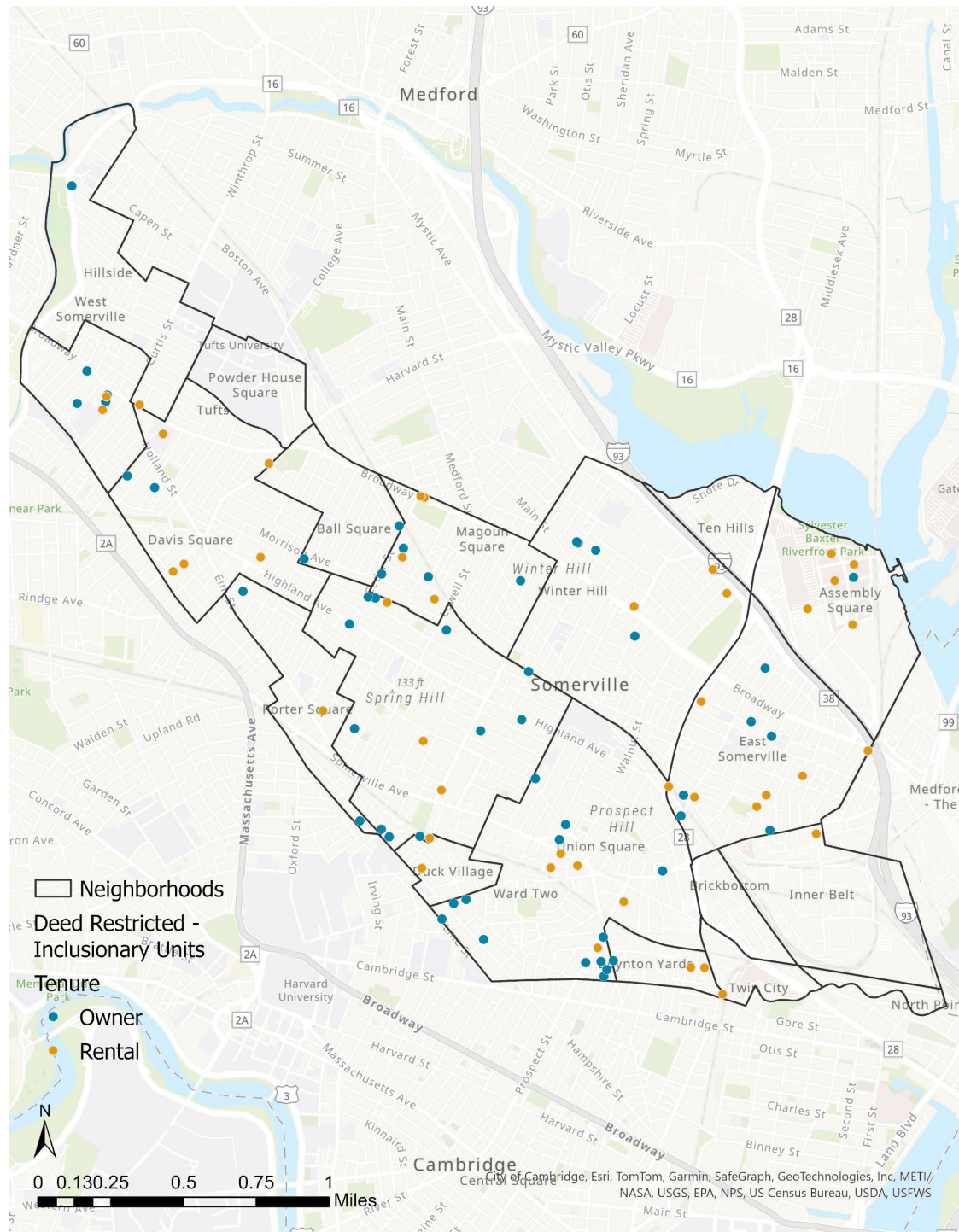
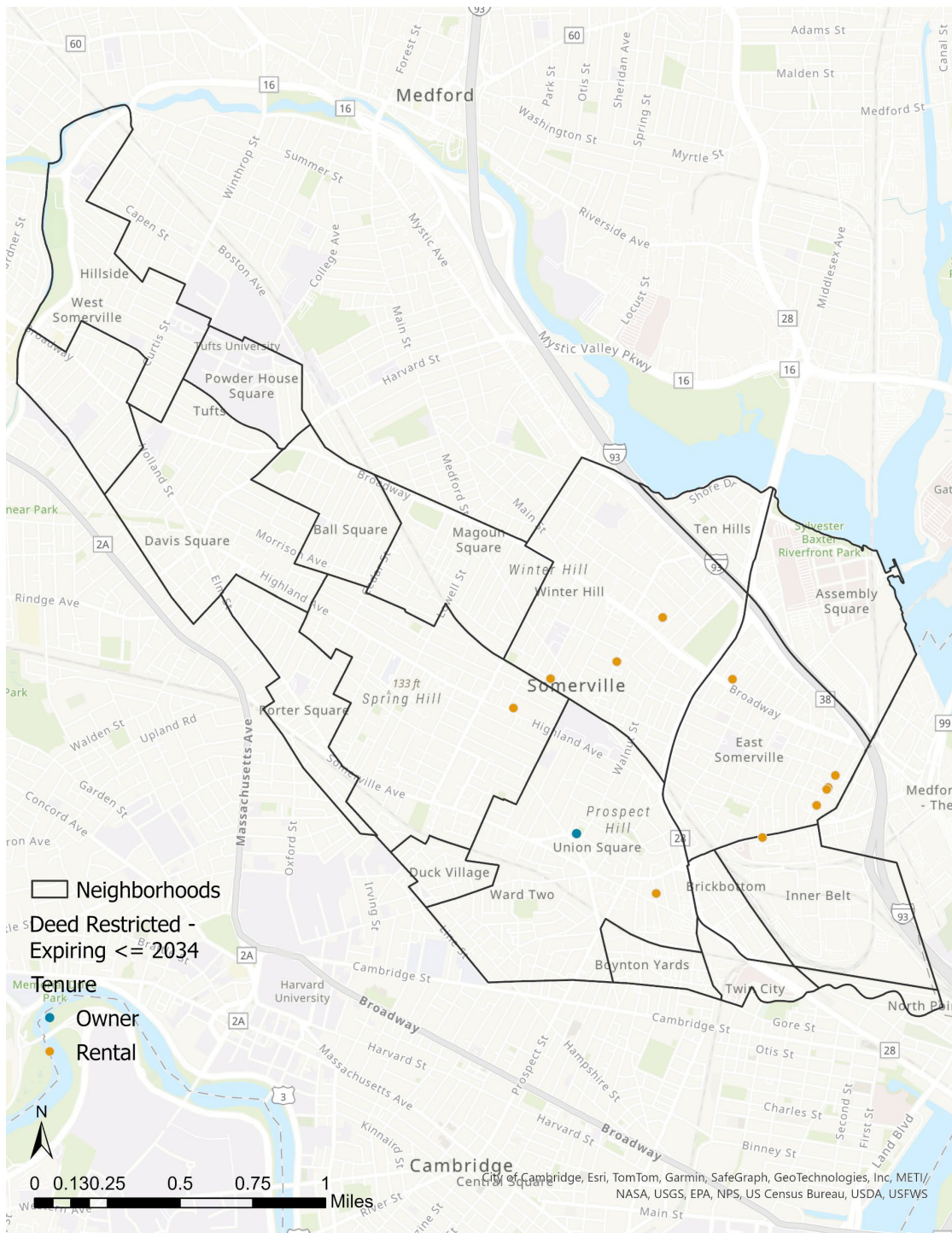


Figure 85: Somerville Deed-Restricted Units from Inclusionary Zoning Program



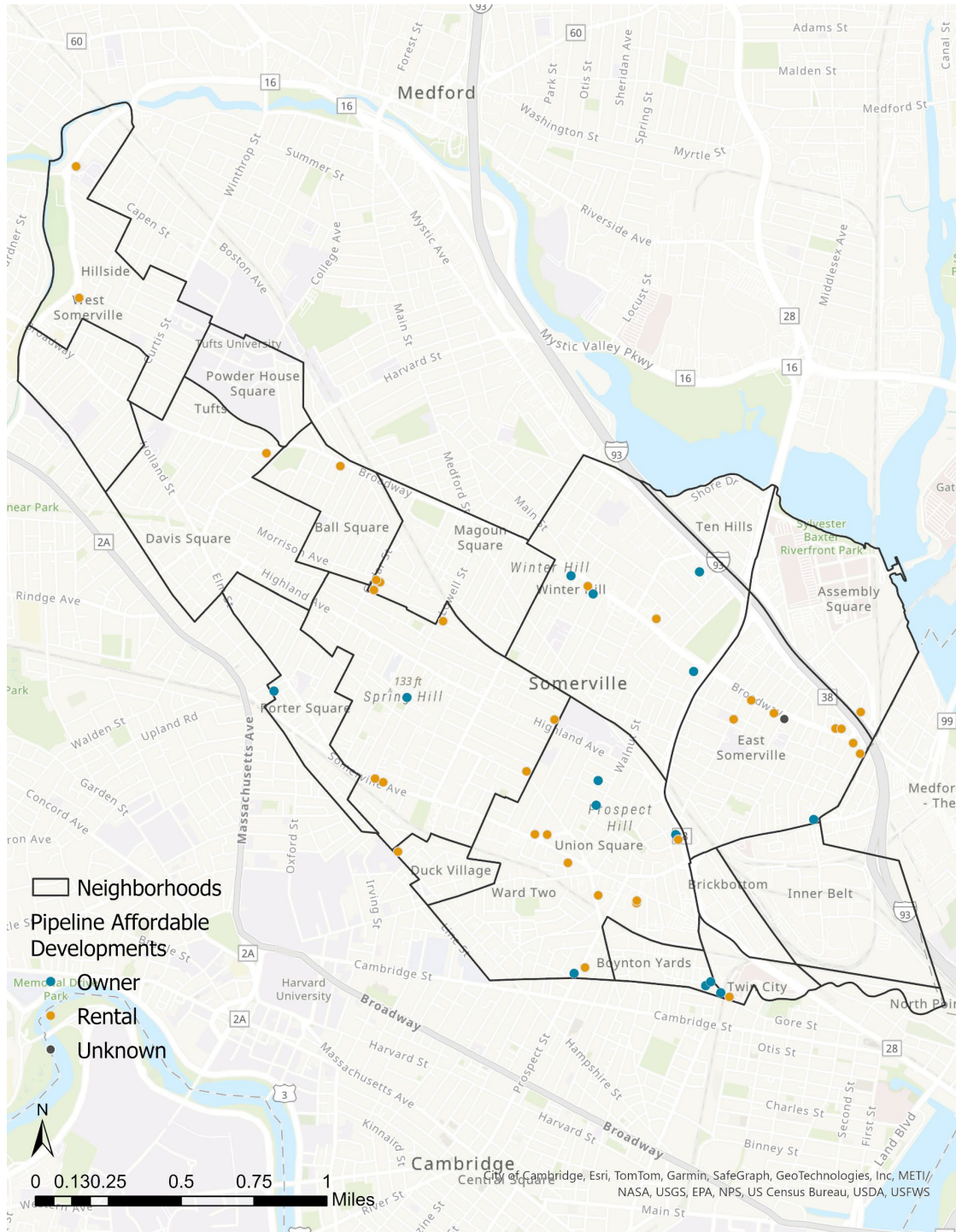
Housing Needs Assessment Somerville, MA

Figure 86: Somerville Deed-Restricted Units Expiring Before 2035



Affordable housing units in the pipeline (including both new construction and redevelopment) also generally concentrate on the east side of the city, where there are higher shares of minority and Hispanic/Latino renters with lower incomes. In addition, there is a limited pipeline of affordable housing units planned for the other parts of the city, especially areas in traditionally more affluent communities in, around, and north of Davis Square. Affordable housing options are needed throughout the city in addition to areas with higher concentrations of minority and lower-income households (Figure 87; source: City of Somerville, RKG Associates, 2024).

Figure 87: Somerville Pipeline Affordable Developments



D. Housing Affordability

1. Introduction

This section analyzes the housing supply-demand equilibrium and gap in Somerville from a housing affordability standpoint. This reveals where housing gaps exist, at what price points, and the characteristics of the most vulnerable households impacted by housing affordability issues. Data sources include the ACS 2022 5-Year Estimates, the 2022 1-year ACS Public Use Microdata Sample, HUD, and Somerville Property Assessment.

2. Income Limits

To evaluate the changes in affordability in Somerville, RKG used FY 2024 U.S. Department of Housing and Urban Development (HUD) Area Median Income (AMI) limits. The intent of using AMIs to evaluate affordability is to match household incomes with the HUD-defined affordability levels that are used to calculate income eligibility for various federal and local housing programs (Figure 88; source: U.S. Department of Housing and Urban Development).

This approach translates housing and rental costs into the same AMI bands as household incomes to better understand where there are mismatches in types of housing by income level. Area Median Income is the set midpoint of a region's income distribution, meaning half of households have incomes above and below this number, which also accounts for household size. For housing policies, understanding housing and rental costs in relation to these income thresholds can be a good starting point for identifying levels of housing needs by income.

Based on the most recent ACS estimates for Somerville, the average household size among owner-occupied units is estimated to be 2.37, and among renter-occupied units 2.14. To evaluate AMI

Figure 88: HUD FY 2024 Income Limits for Somerville

FY 2024 Income Limit Area	Median Family Income Click for More Detail	FY 2024 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Boston- Cambridge- Quincy, MA-NH HUD Metro FMR Area	\$148,900	Very Low (50%) Income Limits (\$) Click for More Detail	57,100	65,300	73,450	81,600	88,150	94,700	101,200	107,700
		Extremely Low Income Limits (\$)* Click for More Detail	34,300	39,200	44,100	48,950	52,900	56,800	60,700	64,650
		Low (80%) Income Limits (\$) Click for More Detail	91,200	104,200	117,250	130,250	140,700	151,100	161,550	171,950

NOTE: **Somerville city** is part of the **Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area**, so all information presented here applies to all of the Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area. HUD generally uses the Office of Management and Budget (OMB) area definitions in the calculation of income limit program parameters. However, to ensure that program parameters do not vary significantly due to area definition changes, HUD has used custom geographic definitions for the Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area.

levels by tenure, RKG applied the 2-person income limits to both owner and renter households (Figure 89; source: ACS 2022 5-Year Estimates, HUD).

Figure 89: Somerville FY 2024 Detailed Income Limits

	Lower Income Limit	Upper Income Limit
Extremely Low Income and Below	\$0	\$39,200
Extremely Low Income to 50% of AMI (Very Low Income)	\$39,201	\$65,300
51%-80% of AMI (Low Income)	\$65,301	\$104,200
81%-100% of AMI	\$104,201	\$130,600
101%-120% of AMI	\$130,601	\$156,720
121% of AMI and Above	\$156,721	

3. Housing Demand by AMI

In Somerville, there is a wide disparity in household income across tenure.

The most recent ACS 2022 5-Year Estimates were inflated to 2024 levels using the Consumer Price Index (CPI) changes for the Boston-Cambridge-Newton, MA-NH metro area to tabulate households by Area Median Income (AMI) level. An estimated 10,482 renter households (around 45% of renters) have incomes at 80% of the Area Median Income or below. In contrast, 7,090 owner households (60% of owners) earn a household income that exceeds 100% of the Area Median Income (Figure 90, Figure 91; source: ACS 2022 5-Year Estimates, HUD).

Households earning less than 80% of AMI include residents employed in industries such as health care, social assistance, retail trade, educational services, manufacturing, and transportation/warehousing.

Figure 90: Somerville Household Count Distribution by AMI

	Owner Count	Owner %	Renter Count	Renter %
Extremely Low Income and Below	1,172	9.9%	4,322	18.6%
Extremely Low Income to 50% of AMI (Very Low Income)	894	7.6%	2,503	10.8%
51%-80% of AMI (Low Income)	1,488	12.6%	3,657	15.7%
81%-100% of AMI	1,139	9.7%	2,406	10.3%
101%-120% of AMI	1,133	9.6%	2,393	10.3%
121% of AMI and Above	5,957	50.6%	7,971	34.3%

Figure 91

Somerville Household Distribution by Tenure by AMI



4. Rental Housing Supply/Demand Balance by AMI

The mismatch between rental supply and demand highlights a lack of units on the lowest and highest ends.

The affordability gap calculation depicted in Figure 92 (source: ACS 2022 5-Year Estimates, HUD) groups households by AMI and calculates what that household could theoretically afford with 30% of their monthly income. It then takes all rental units by gross rent and totals them by what is affordable at each AMI level.

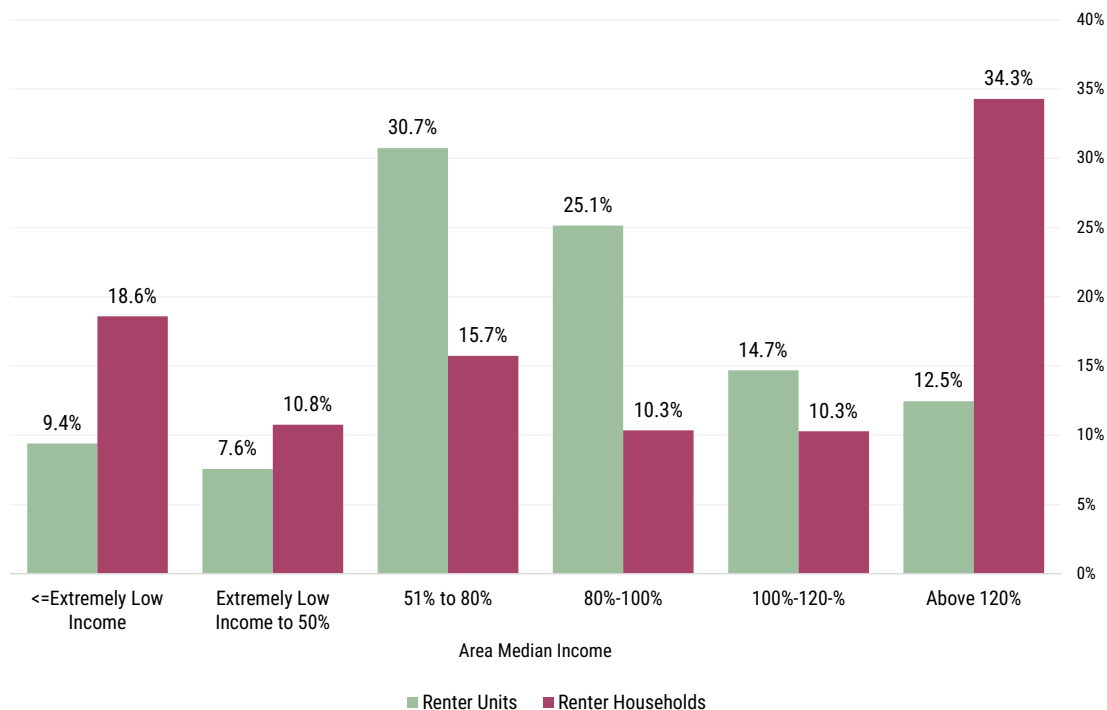
For example, 30% of the monthly income for a household earning \$65,300 annually (50% of AMI) is about \$1,632. After adjusting for utility costs (based on Somerville Housing Authority's 2024 Utility Schedule), it brings the maximum affordable rent to around \$1,382 without spending more than 30% of the income on housing costs (including utilities). Based on ACS estimates for Somerville, 6,825 renter households earn \$65,300 or less annually, and an estimated 3,872 rental units charge under \$1,382 monthly (adjusted to 2024 levels based on Costar data on Somerville rent growth rate between 2022 and 2024).

Based on this calculation, there is a deficit of 2,953 rental units affordable to households earning at or below 50% of AMI. In addition, there is a mismatch between rental units attainable to households earning above 120% of the AMI and these highest-income households (shortage of 5,127). The large presence of the highest-income households and the fewer existing rental units at the higher end of the market means these renters are taking up available units, leaving lower-income renter households with limited options, forcing them out of the market or being cost-burdened to stay in the city. However, housing market data suggests that, with rents rising in Somerville, especially for newer housing units, the market is already building higher-priced units catering to this unmet demand among households earning above 120% of the AMI.

Recommendations

Therefore, the City's policy focus should be on increasing the supply of rental units affordable to households earning at or below 50% of AMI, a goal that requires public intervention and support.

Figure 92
Rental Housing Supply/Demand Balance
Somerville, MA



5. Ownership Housing Supply/Demand Balance by AMI

Most homes are out of reach for households earning below 120% of the AMI.

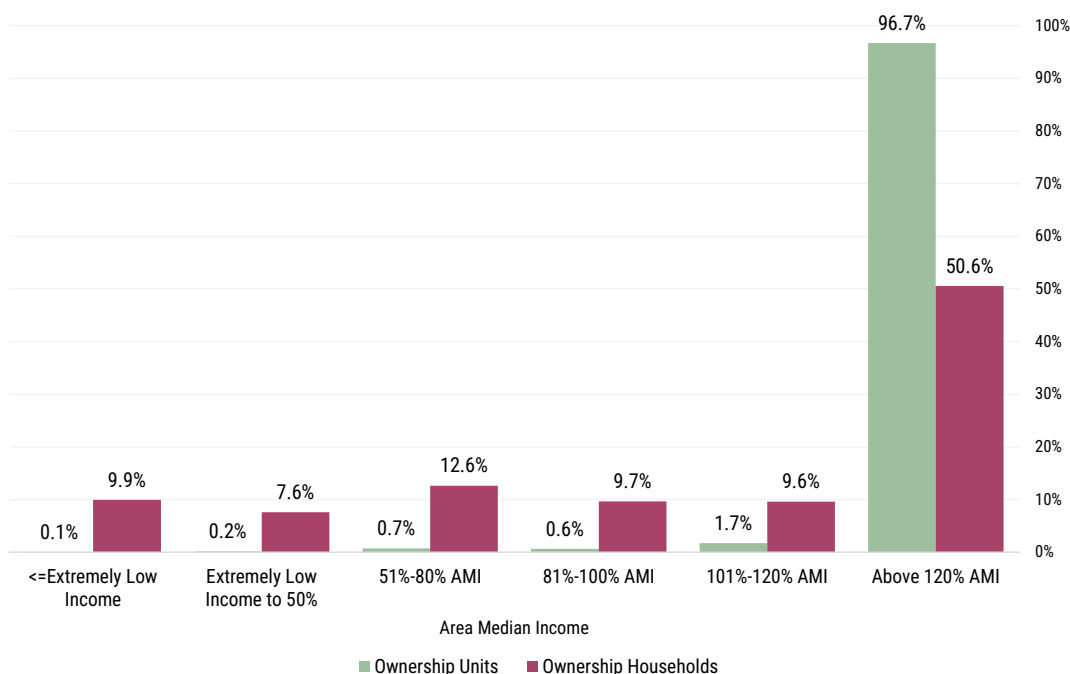
Similar to the renter affordability gap, the ownership affordability gap analysis, tabulates all owner households into their respective AMI band based on their annual household incomes.

To calculate affordability levels based on home values from the property assessment data, property tax for the city, average 30-year fixed mortgage rate, and homeowners' insurance rate are used with each AMI band's income level to calculate a theoretical maximum affordable price.

Based on these estimates, there is a gap in ownership units affordable to households earning less than 120% of AMI while most homes are priced at or above at least half a million. The shortage of homes is around 3,306 units for those priced affordable for households earning at or below 80% of the AMI, and around 4,971 for those priced affordable for households earning at or below 120% of the AMI in the scenario using loans backed by the Federal Housing Administration (FHA) (which is more common) (Figure 93; source: ACS 2022 5-Year Estimates, Somerville Property Assessment, HUD, Zillow, Redfin).

This aligns with the market data previously discussed in that the for-sale home market in Somerville is out of reach for many residents, with home sales prices even higher than the Boston metro area levels.

Figure 93
Ownership Housing Supply/Demand Balance; FHA Scenario
Somerville, MA



6. Projected 2030 Households by AMI

The current household distribution by AMI is assumed to be held constant as the baseline scenario. The annual household growth rate and change in tenure between 2012 and 2022 were calculated and extrapolated to 2030. Then the current AMI distribution was applied to the projected 2030 households. It shows that Somerville is projected to see an increase of 251 owner households and 710 renter households earning at or below 50% of the AMI by 2030 (Figure 94; source: ACS 2022 5-Year Estimates, HUD, Zillow, Redfin, RKG Associates).

Figure 94: Somerville Projected Household Distribution by AMI, 2030

2030 Projection	Owner Count	Owner %	Renter Count	Renter %
Extremely Low Income and Below	1,315	9.9%	4,772	18.6%
Extremely Low Income to 50% of AMI (Very Low Income)	1,003	7.6%	2,763	10.8%
51%-80% of AMI (Low Income)	1,669	12.6%	4,037	15.7%
81%-100% of AMI	1,278	9.7%	2,656	10.3%
101%-120% of AMI	1,271	9.6%	2,642	10.3%
121% of AMI and Above	6,681	50.6%	8,800	34.3%
Total	13,216	100.0%	25,670	100.0%

7. Most Vulnerable Households in Terms of Housing Affordability

Age Composition

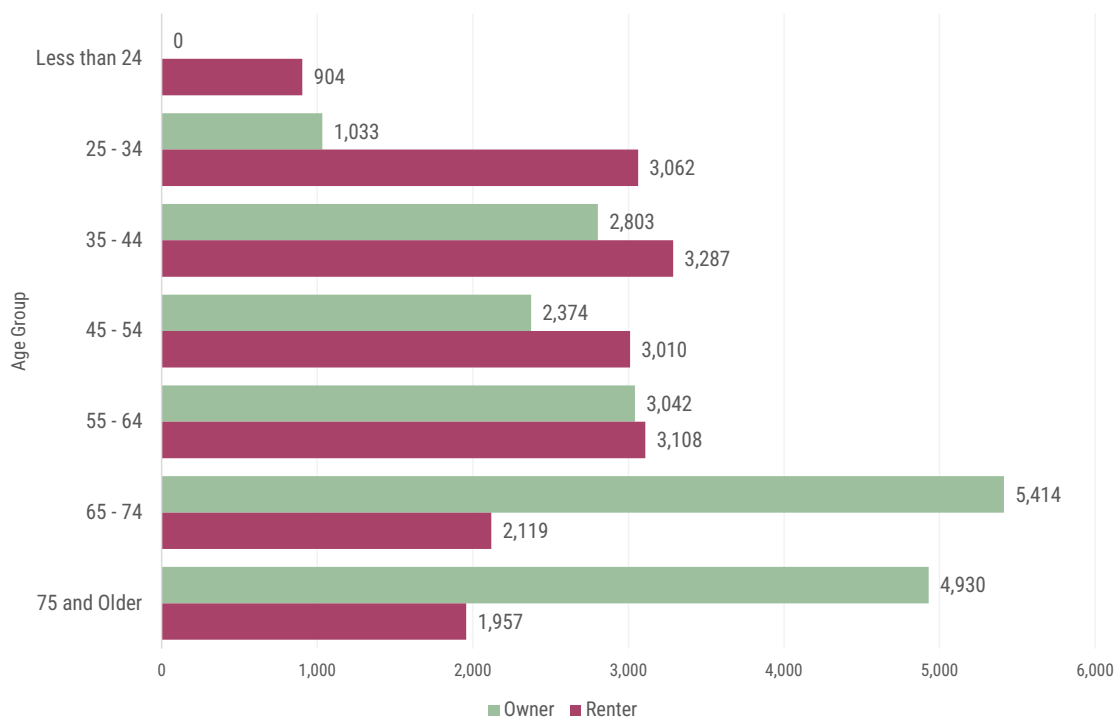
Most renter households earn less than 80% of the Area Median Income across age groups.

The 2022 1-year ACS Public Use Microdata Sample (PUMS) data was utilized to offer more detailed insights into the individual and household characteristics of those most affected by housing affordability challenges. It is important to note that this data is available only at the Public Use Microdata Area (PUMA) level, which encompasses both Somerville and Everett. As a result, the findings presented in this section may differ slightly from the data discussed earlier, which focused exclusively on Somerville. Across all age brackets, the majority (91.2%) of renters earn a household income at 80% of the Area Median Income or below in the PUMA area that Somerville is located in. Renter households earning at or below 80% of the AMI are quite evenly distributed among different age groups, almost equally impacting all age levels.

Among homeowners, a large share of older adults (65+) earn an annual income of 80% of AMI or below. However, it should be noted that many older adults are retired and live on a fixed income. This means that, though their annual incomes may be low, in some cases, household wealth (equity in homes and other sources of income) is not accounted for in this measure (Figure 95; source: 2022 1-year ACS Public Use Microdata Sample).

Figure 95

Households Earning at or Below 80% of AMI by Age
Somerville PUMA Area, MA (2022 PUMS)



Disability Status

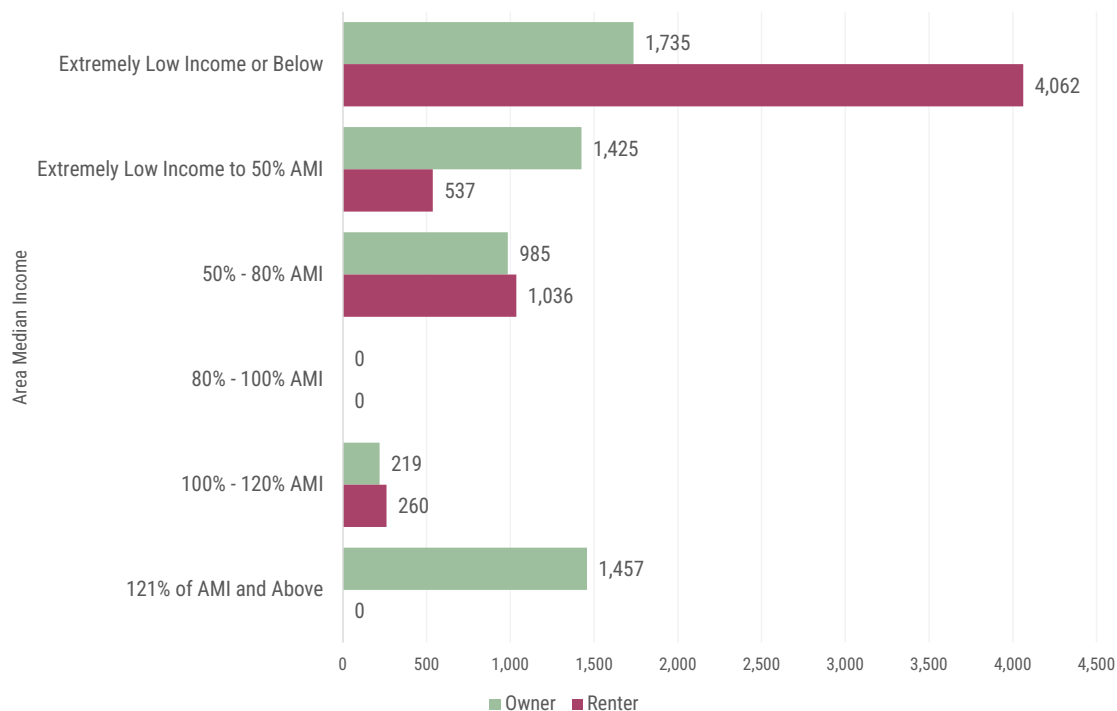
Households earning 80% of AMI or less have the highest presence of a household member living with a disability.

As the number of older adults has increased over the past two decades, so have the instances of households reporting to live with one or multiple disabilities. The figure shows a breakdown of households reporting at least one kind of disability as defined by the American Community Survey by tenure and AMI band.

The single highest reported segment was owner and renter households earning extremely low

income or less, living with more than one disability, and this is especially true for renters. It underscores the demand for affordable, accessible units and units offering care and supportive health services (Figure 96; source: 2022 1-year ACS Public Use Microdata Sample).

Figure 96
Households with a Disability by AMI
Somerville PUMA Area, MA (2022 PUMS)



Presence of Children

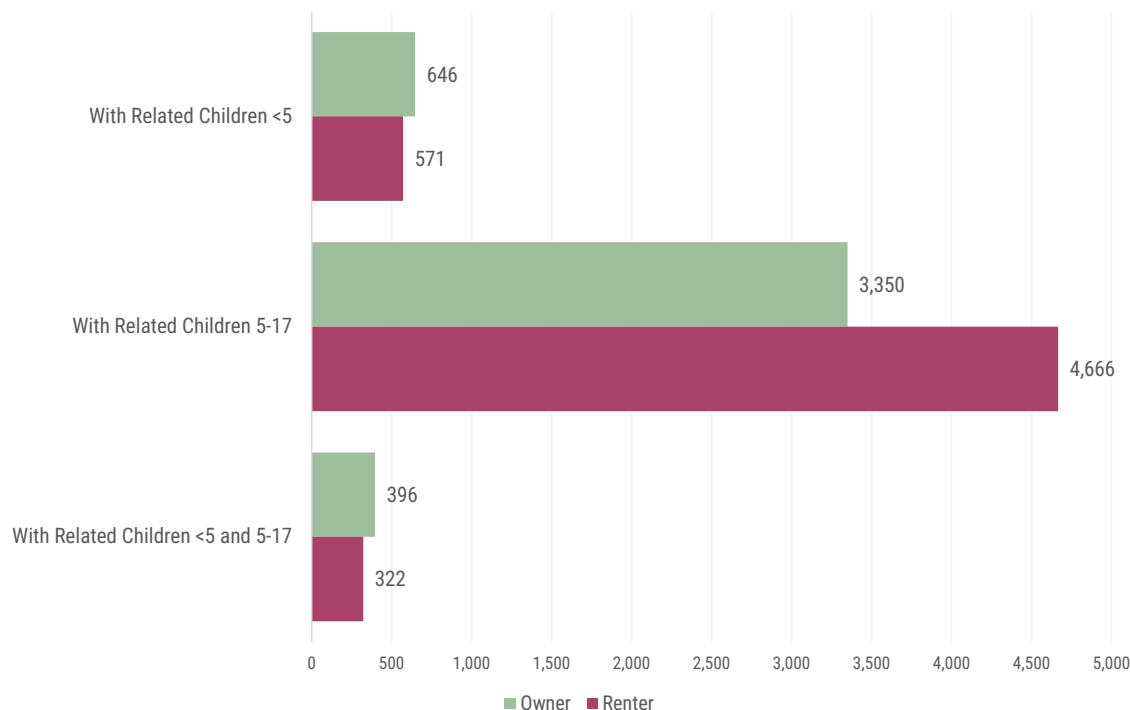
Most renter households with children earn at or below 80% of the AMI.

Most (over 80%) renter households with children are at or below 80% of the AMI in the Somerville PUMA area, especially those with children between 5 and 17 (the share is 96.9%). This resonates with previous findings that these households face more housing limitations and challenges. In comparison, 34.8% of owner households with children aged 5 to 17 earn at or below 80% of the AMI.

This highlights and echoes the need for additional larger and family rental units that are affordable for households earning at or below 80% of the AMI (Figure 97; source: 2022 1-year ACS Public Use Microdata Sample)

Figure 97

Households Earning at or Below 80% of AMI by Presence of Related Children
Somerville PUMA Area, MA (2022 PUMS)



8. Housing Affordability Gap Summary

Comparison between the housing affordability gap data and Costar market data suggests that the real shortage of rental units most likely lies in those affordable for households earning at or below 50% of the AMI, charging no more than \$1,382 monthly (not including utilities).

Somerville has 6,825 renter households earning at or below 50% of the AMI, while the city's latest data (though most likely not exhaustive) indicates only 556 deed-restricted rental units affordable to these households. Many of these renter households are not living in deed-restricted rental units and are likely facing increasing housing cost hikes and housing instability due to redevelopments and gentrification. Around 29.4% of renter households earn at or below 50% of the AMI, while only 17.0% of rental units are priced as affordable for this income level. The shortage of units for renter households earning 50% of AMI or below is likely around 2,953. The actual number is likely higher, as interviewed stakeholders indicated a recent increase in the lowest-income residents, many of them refugees and asylum seekers.

There are merely 57 ownership homes affordable for households earning at or below 50% of the AMI, and 248 units for those earning at or below 80% of the AMI, according to the property assessment data. Given Somerville has 114 deed-restricted ownership homes affordable for

households earning at or below 80% of the AMI, it means that nearly half of these lower-value homes are deed-restricted. It also implies that first-time homebuyers will likely need to depend on subsidies and deed-restricted units to access homeownership (source: 2022 5-year ACS Estimates, City of Somerville, Somerville Property Assessment, HUD).

As mentioned, this analysis serves as a foundation for the Financial Feasibility Analysis, which will assess the effectiveness and financial feasibility of Somerville's Inclusionary Zoning program.



299 Broadway (located in Winter Hill), the largest pipeline affordable housing development so far with 132 income-restricted units for 80% of the AMI and below.



Clarendon Hill, the second largest pipeline affordable housing development with 80 income-restricted units for 80% of the AMI and below.

Appendix

1. Methodological Overview: Population Projection Approaches

The two most common methods for projection populations are the cohort component method and the Hamilton-Perry Approach. Each method is useful at varying geographical levels.

The cohort component method is the standard approach when a lot of data is available and for larger geographies such as county or state level as well as the national level (method used by US Census Bureau for national projections).

The Hamilton-Perry method is useful when data is limited, or geographies are much smaller. RKG leverages a modified approach of this method that includes hierarchical smoothing to adjust for large fluctuations in smaller area data that could be a result of margins of error.

Cohort Component Method

The cohort component method uses population by 5-year age increments, mortality, fertility and migration data as inputs to create stepwise calculation of population change.

This method requires several assumptions and requires data from a number of sources that are often unavailable at geographies below the county level.

Modified Hamilton-Perry

The modified Hamilton-Perry method utilizes all available ACS 5-year estimates and calculates Cohort Change Ratios and Child to Woman Ratios as proxies for age-specific population change (i.e. mortality and fertility) to project out population change.

The value of this method is it requires less data and input assumptions and has been found to be fairly accurate at providing conservative estimates.

2. Literature Review for Modified Hamilton-Perry Method

- The modified cohort component method, Hamilton-Perry, is used to overcome data limitations for smaller areas ([Hamilton-Perry, 1962](#)).
- [Swanson et al. \(2010\)](#) and [Baker et al. \(2020\)](#) have found that using the Hamilton-Perry method for producing population projections yields reasonable estimates for population projections

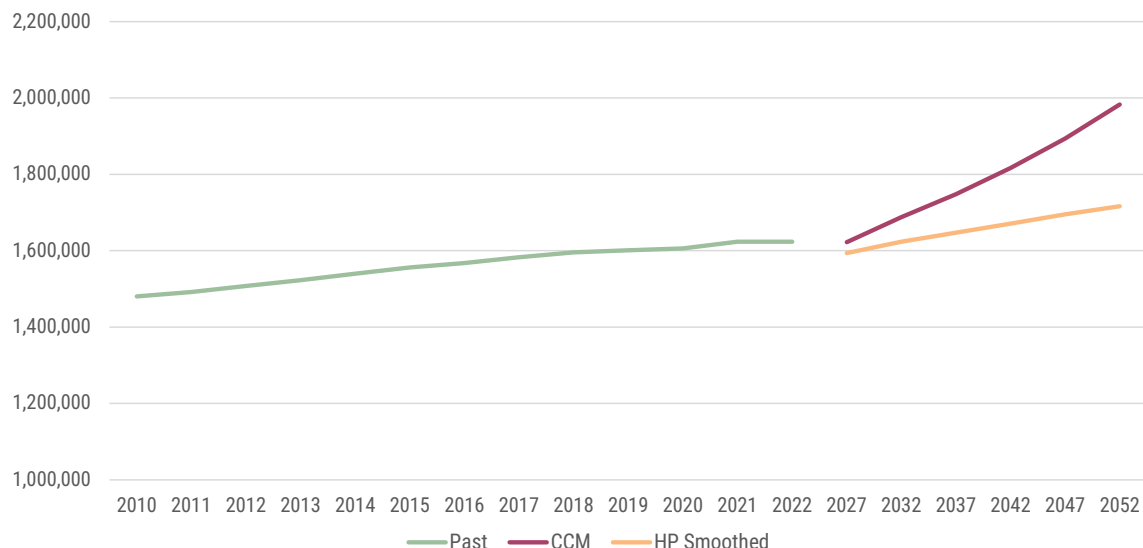
and [Swanson, David & Tayman, Jeff. \(2017\)](#) found this approach to be fairly accurate at the state level as well.

- [Inoue \(2017\)](#) further adapted this Hamilton-Perry approach by adding smoothing steps to the estimates, modifying estimates such that a small areas growth trajectory is not just information by past population growth but also the growth of surrounding populations and larger geographies that the area of interest resides in (i.e., town compared to neighboring towns benchmarked to county).
- [Wilson et al. \(2021\)](#) found that methods that incorporate smoothing approaches outperform similar models without smoothing.
- [Marquez et al. \(2024\)](#) employed this smoothed Hamilton-Perry method on King's County Washington and demonstrated that this model performs well in near term forecasts and the smoothing approach improves longer-term forecast scenarios.

3. Modified Hamilton-Perry Approach

The figure illustrates an example of performing the Cohort Component method versus the modified Hamilton-Perry method at the county level. While the cohort component model has been found to be a fairly accurate method in the near term, making assumptions about migration rates and fertility rates into the future can significantly impact longer-term forecasts. At smaller geographies such as municipalities some of this data is not easily available (i.e. migration, which is lagged by the IRS tax record data and not at the municipal level) (source: US Decennial Estimates, ACS 5-Year Estimates, UW Population Dynamics Lab).

Comparison of the Cohort Component (CCM) and Hamilton-Perry (HP) Methods
County Level Population Projection Performance



The results of the modified Hamilton-Perry method can almost be viewed as an extension of ACS 5-year estimates because they only use the data found in those estimates which have fertility and migration embedded in them, making for more conservative and higher performing accuracy over the long run.

4. Summary of Population Projection Approaches

The modified Hamilton-Perry method has been found to perform well at smaller geographies such as municipalities and relatively accurate over the long run.

The results of this type of multi-stage smoothing approach produce more conservative estimates which can be interpreted much like ACS 5-year estimates are interpreted.

Using ACS 5-year estimates and various age-sex-related ratios within this data ensures that mortality, fertility, and migration are derived from the embedded change that is captured in the ACS 5-year estimates.

RKG has tested this method at the state, county, planning region and municipal level for several states in New England and found them to perform well and conservatively at all scales. Results of this approach have been compared to the UVA Weldon Population Center, UMass Donahue Institute, Moody's Analytics and Lightcast.

5. Stakeholder Interviews Summary

Eviction, Instability, and Displacement

- Somerville's eviction levels are significantly lower than in neighboring communities. During the early stages of the COVID-19 pandemic in 2020, the eviction level was low due to the national eviction moratorium. Somerville had the longest eviction moratorium in the state till July 31, 2022, since it has a local moratorium in addition to the national one. A total of 133 evictions were filed in 2022 after the moratorium ended in July of that year. Since the resuming of eviction execution in Somerville in 2022, a total of 149 evictions have been filed in Somerville, which is about one-third the amount in Cambridge.
- No-fault eviction and displacement due to building sales or renovation are common issues, especially since the COVID-19 pandemic and the recent hikes in the housing market, often impacting immigrant households and seniors. This is repeatedly mentioned by interviewees.
- Several interviewees mentioned that overcrowding is an issue in Somerville, especially for residents displaced by no-fault evictions. In addition to doubling up, displaced residents impacted by no-fault evictions due to building sales or renovation would move into less

desirable or even substandard units (such as basement units) or be forced out of Somerville, with limited residents moving into public housing. This is because of the long wait time for displaced residents to access units in public housing, which is at least 6 months unless they secure emergency certificates from landlords, according to several interviewees.

- This is coupled with the changes in the shelter system and the fact that Massachusetts has run out of funding for family households in shelters, according to interviewees. Therefore, many unhoused families have to stay with their families and friends.
- The major cause for eviction in Somerville is the nonpayment of rent. Another factor that has involuntary eviction is the sales of 2-to-5-unit houses, with a lot of the eviction pressure coming from building sales by landlords.
- Buildings are often vacated by original owners before they are sold, as brokers tend to tell owners that doing so would increase the sale price. This has been occurring for both condo conversion and refurbishing and renovating the rental properties.
- Local tenant advocacy organizations have seen increasing interest and willingness from Somerville residents to engage in housing advocacy.
- Most evictions happen in East Somerville, which has a higher concentration of lower-income households, naturally occurring affordable housing, immigrants, etc.
- One interviewee mentioned that households earning at or below 50% of the AMI often cannot qualify for Inclusionary Zoning (IZ) units due to their extremely low incomes and therefore, they are pushed out of Somerville and need to relocate to more suburban or rural areas well outside of the commuting range of Boston.

Housing Demand and Trends

- Though one interviewee mentioned that Somerville's eviction filing levels are comparatively lower than surrounding communities, other interviewees mentioned that anecdotally, the overall level of displacement (whether or not it is due to eviction) is increasing, which is mainly driven by rising housing costs.
- It was also mentioned repeatedly that though many new housing units were built in Somerville, they are far from meeting the housing demand in the city.
- Many "affordable housing" units are inaccessible to low-income households, as they are subsidized at best for households earning 80% of the Area Median Income (AMI). However,

a lot of Somerville households in need have very to extremely low incomes and earn under 50% of the AMI, and therefore do not qualify for Inclusionary Zoning (IZ) housing units.

- Somerville has an extensive wait list for larger units with 3 or more bedrooms, and the demand has been increasing as well according to one interviewee. This is echoed by other interviewees stating that the need for larger units with 3 or more bedrooms is significant.
- One interviewee mentioned that there is a large numerical shortage of single-person units in the region, such as studios. However, building more single units means a different community image/character as well.
- More than one interviewee stated that Somerville has a great need for housing with permanent supportive services in general and not limited to those just for unhoused residents, with a need for longer-term follow-ups (compliance with leases, etc.) to ensure stability in tenancy.
- Interviewees mentioned that there is a great need for the City to support and subsidize additional senior housing and physical modifications of existing residential properties to enable aging in place. They mentioned that displacement due to rent increases in addition to the inability to age in place and the need to relocate due to accessibility issues of existing homes for seniors are among the top housing needs in Somerville.
- One interviewee also mentioned that there are many discrimination and fair housing issues present in Somerville, especially those based on sources of income and race. They mentioned that there has been a struggle with the enforcement of the Fair Housing Act in the city due to the limited bandwidth.

Condo Conversion/Redevelopment

- The interviewee personally thinks that unless done by nonprofit organizations, redeveloping older housing stock often means displacing existing renters in the end.
- Currently, 100 Homes is the major public organization responsible for the residential property purchase and redevelopment activities in Somerville.
- There is a strong appetite for the Somerville Housing Trust Fund to support nonprofit organizations in purchasing buildings during the condo conversion process. There is a fund under the Somerville Housing Trust Fund to assist nonprofit organizations with rental apartment building acquisition for conversion into affordable housing. However, in reality, this is not an easy process as it requires coordination, enough funding, and benevolent sellers willing to cooperate.

New Housing Developments

- Current zoning and regulations cannot necessarily guarantee that new housing production meets the housing needs identified in Somerville, which is a point of frustration. For example, there is no guarantee from the regulation standpoint that a family household could obtain a 3-bedroom IZ unit, as the current IZ program utilizes a lottery system.
- In addition, two interviewees mentioned that middle-income housing in Somerville is not quite meeting its intended purpose, as many households earning 100% to 190% of the AMI would rather purchase market-rate units to build equity or avoid the stigma and long application process associated with subsidized housing.
- There is limited land for new housing unit construction in Somerville. Many pipeline projects are still on hold due to increasing construction costs, recent interest rate hikes, and the downturn following the COVID-19-era investment boom in the life sciences industry, which has particularly impacted secondary and tertiary markets like Somerville. This has also occurred in primary markets in the region like Boston.
- There has been interest from developers in family-housing affordable projects.
- Future new commercial developments and job creation in Somerville will likely come from green energy/technology sectors according to one interviewee. There has been increasing interest from developers to incorporate additional residential components into their commercial projects since the commercial market has been slow in the past few years.
- It is indeed more expensive to build larger units with 3 or more bedrooms according to one interviewee, which has been relying on support and subsidies from the City to make it happen.

Subsidized Housing

- The previously identified challenge of difficulty in utilizing Section 8 vouchers for voucher holders has been resolved, as the Housing Authority has increased payment standards so more households can utilize vouchers in Somerville in 2023. Currently, all vouchers are utilized and 100% leased up.
- One interviewee mentioned that there is a deep misunderstanding of what affordable housing looks like in Somerville. They mentioned that many households living in IZ units are not eligible for utility bill support as the qualification threshold is high. Therefore, they

have seen many households unable to pay their utility bills and have to choose between food and bills. This interviewee indicated that they have also seen households wishing to get off their leases of IZ units because they are in debt due to their inability to pay for utilities.

- Two other interviewees echoed that a surge in utility costs, the presence of predatory utility companies, and strict eligibility criteria for utility assistance have exacerbated the issue. RKG noted that the City has a Somerville Community Choice Electricity (Somerville CCE) program, with lower electricity prices being negotiated and secured by the City from December 2024 through January 2028. However, the issue seems to be that some residents, especially those living in subsidized housing, are either not aware of this program or do not know how to participate. Also, City-led negotiations for utility costs other than electricity are needed, in addition to regulating predatory utility companies.
- One interviewee mentioned that there is also a gap in service for single people in their 50s as they do not qualify as seniors yet, with a lack of single-person affordable units in Somerville. This is echoed by another interviewee indicating that the city has a limited supply of units for singles and couples in public housing projects, so they cannot find one-bedroom units within a limited time.
- More than one interviewee mentioned a need for the city to renovate and modernize publicly subsidized housing projects, especially public housing properties. One interviewee estimated that around 40% to 50% of the subsidized housing units need substantial renovation or repair. One interviewee mentioned that public-private partnerships like the one created for Clarendon Hill can be a good example for other projects to leverage funding.

Special Needs Housing

- Over 60% of clients seeking rental assistance are non-English speakers, new immigrants, etc.
- Several interviewees indicated incidences and needs from unhoused residents have been significantly increasing since the COVID-19 pandemic. One interviewee mentioned that Somerville currently has seen more homeless families with disabilities than homeless individuals. There used to be 4 to 5 homeless families with disabilities, and now this number has jumped to 33. There has been a real push in the city for more permanent supportive housing. Currently, Somerville has no permanent supportive housing yet, but the Housing Authority is working with partners on funding now. The need for permanent supportive housing in Somerville should be at least several hundred based on the interviewee's estimate.

- The need for the Federal Foster Youth Program in Somerville might be larger than what the current wait list shows according to one interviewee.
- There has been uneven geographic distribution of subsidized housing options and shelters for unhoused residents in Somerville with a lack of such options in certain parts of the city, especially Davis Square.

New Housing Policies and Programs

- The Affordable Homes Act which was signed in August 2024 by the Massachusetts governor includes the promotion of “access to counsel”, which was just passed for FY 2025. Currently, 13% of tenants are represented in Somerville versus 8% in the state due to the fact that Somerville contracts with two tenant advocacy organizations.
- Somerville has newly created a municipal housing voucher program funded by City funds and Affordable Housing Trust funds that prioritizes households not eligible for federal programs, especially those with children in the Somerville school system. Nearly 30 households will be supported by the program through its initial funding, with a request for additional funds underway to assist five more families.
- The implementation of a universal waitlist for the Inclusionary Zoning program is pending. Currently, the IZ program has a lottery system, so IZ units do not necessarily go toward people who are most in need.
- Previously newly constructed Affordable Dwelling Units (ADUs) were required to be allocated to people on the affordability list, but this regulation has been taken away recently since it has discouraged the overall production of ADUs.
- Somerville has submitted a home rule petition to establish a program granting tenants and/or non-profits the first right of refusal. Additionally, a statewide enabling act, the Tenant Opportunity to Purchase Act (TOPA), has been proposed. Both initiatives are actively being advocated for, but neither has been enacted yet. Currently, Somerville’s Condo Conversion Ordinance grants tenants the right of first refusal to purchase their rental units at the as-is price when the units are being converted. The City previously also had a right to purchase, but that right was struck down by a superior court judge in 2022.
- The City’s Anti-Displacement Task Force is looking at passing a law requiring landlords to notify tenants when they list the property for sale with the Multiple Listing Service (MLS), which has “minimal impact” on landlord-tenant relationships and would not require the state to pass or approve the legislation.

- Rent stabilization in Somerville has been drafted and is pending state legislation. All interviewees expressed support for this petition. Tenants' Right to Return has been discussed but no proposal or policy has been drafted yet.
- Somerville does not currently use incremental tax to fund affordable housing. It is up to the city council to decide whether they would want to pursue that.
- A proposed Community Preservation Act (CPA) surcharge from 1.5% to 3% was passed in the fall 2024 elections, which will allow Somerville's CPA allocation for housing to double.
- There has been a proposal for a real estate transfer fee that would allow more affordable housing funds, but it is not yet passed at the state level.

Recommendations

- One possible solution for involuntary displacement is the opportunity for nonprofit organizations like Somerville Community Land Trust to purchase the residential buildings for sale before the purchase by private investors. Somerville needs more flexible sources of local funding and legislation such as first-right-of-refusal to slow down sales of private rental buildings.
- Redevelopment best practices include Tenants' Right to Return to their previous units (that have been redeveloped/renovated), adding Inclusionary Zoning requirements for redevelopment projects, etc. Tenants should have the right to return and control over new rent increases.
- There is a need for the City to rewrite regulations to guarantee that new housing units produced, especially those through the IZ program would serve households in need in terms of unit size and type (such as larger units being allocated to family households), in addition to the City's current effort to implement a new universal waitlist for the IZ program.
- There also seems to be a need to shift funding from middle-income housing to housing serving the most challenged population earning at or below 50% of the AMI, many of whom cannot access IZ units, which mostly accommodate households earning 80% of the AMI anecdotally.
- The City ideally should increase the availability of subsidized and IZ units targeting households earning at or below 50% of the AMI, as this group faces the most dire housing challenges. Expanding the Inclusionary Zoning program requirements to generate more IZ units was also mentioned.

- Somerville needs tools for additional funding for housing. There is also a need to change some restrictions on how the housing trust funds can be used to make funding more flexible. For example, tenancy mediation does not qualify for the Somerville Housing Trust Fund funding.
- Somerville will most likely need to provide local subsidies, tax relief, or phase-in Inclusionary Zoning to facilitate the launching of the pipeline projects that got held up by current market conditions, especially those with residential components, as it will speed up the city's housing production by 3 to 5 years.
- Many interviewees mentioned that the City needs to secure funding for permanent and preventative supportive housing with wrap-around services physically close to the housing units. One interviewee mentioned that potential funding could come from the Affordable Homes Act passed in 2024.
- There is a need for Somerville to continue to fund and support accessibility modifications and improvements in addition to maintenance, especially given the increasing housing challenges and demand from residents with disabilities and seniors.
- One interviewee mentioned that the new Guaranteed Basic Income program for families at risk of homelessness in Somerville is working effectively, and it should be expanded.
- One interviewee believed that the City did not choose to invest a proportional amount in housing as in commercial development. They thought that, as additional commercial projects have been built and jobs have been created, Somerville faces housing issues. This interviewee suggested that the City should balance its investment between housing and commercial development.
- The City should seriously explore the idea of city-owned housing by learning from international examples like Vienna, where publicly owned housing is the norm. Somerville should also actively expand the role of the Somerville Land Trust in subsidized housing development, which currently has 11 to 12 units.
- Some municipalities in Minnesota have made multi-family zoning as of right in 2021, and Somerville can look into learning from this practice, as the city needs additional residential densities, but NIMBYism still exists. One other interviewee echoed that there have been discussions in Cambridge about increasing density by right to facilitate the construction of housing units, even without affordability requirements. They mentioned that there is a wide consensus in Somerville that the City should increase its housing supply.
- Petition for utility cost stabilization and increasing regulating predatory utility companies were recommended. In addition, one interviewee recommended that Somerville should locally negotiate utility bills with utility companies or partner with surrounding

- municipalities in this practice. They mentioned that there are examples in other communities in Massachusetts. They also mentioned that residents living in publicly subsidized housing units should be assigned staff from local non-profit service organizations to help manage rent and utility bill payments. They mentioned that this practice will help stabilize tenancy and prevent unnecessary homelessness due to non-compliance or negligence.
- There is a need to include family households and seniors in the policy-making process. One interviewee mentioned that elected officials in Somerville need to provide policy solutions that are equitable for all, which is currently lacking. One other interviewee echoed that it is positive that Somerville has many progressive housing policies, but the City needs to ensure equitable outcomes when it comes to implementation.
 - An interviewee expressed concerns over limited parking options, especially disabled parking spots at affordable housing developments. This could be unjust for lower-income households as they need cars to get to work, and they cannot afford car-sharing services like Uber or taxis on a daily basis. Some of these lower-income households also need parking spots for healthcare aids who provide services at their homes.
 - One interviewee recommended that there should be a free municipal bus system in Somerville, which is currently lacking, according to this interviewee.
 - Cambridge recently bought a dormitory and converted it into permanent supportive housing with studios, in addition to adding studios to their public housing inventory, so it can be an example for Somerville.