

# HOUSING STUDY

DEDHAM, MA | 2019 DRAFT

## EXECUTIVE SUMMARY

### PROJECT BACKGROUND

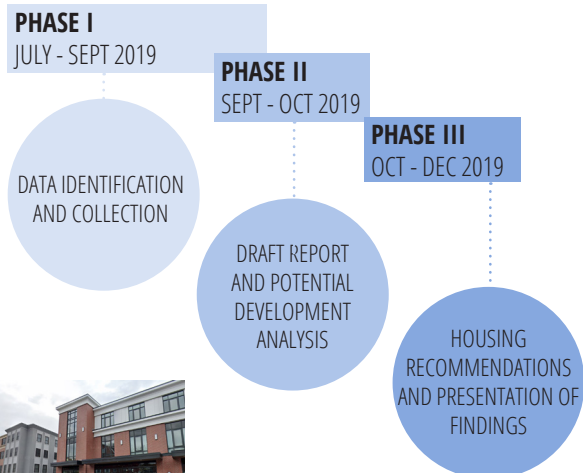
The Town of Dedham and Livable Dedham,<sup>1</sup> through a grant from the Tufts Health Plan Foundation and appropriated town funds, initiated this study to better understand Dedham's housing supply, demand, gaps, and needs.

In June 2019, the Town of Dedham contracted with consultants JM Goldson LLC to conduct a housing study and prepare an associated report that answers the following questions. This process and resulting report are intended to support the Town's update of its long-range Master Plan.

- *What are the current conditions of Dedham's housing stock?*
- *What are the current (and projected future) conditions of Dedham's population and community?*
- *Who does the current housing stock serve? Who does it not serve?*
- *Do the current housing stock and development trends provide adequate housing options to accommodate a variety of existing and prospective residents to maintain Dedham as a diverse, vibrant, and welcoming place to live?<sup>2</sup>*
- *What opportunities are available to fill current and potential gaps in housing options to meet housing needs?*

### Project Timeline

Beginning in July 2019, project consultants worked closely with town staff and the working group to determine, collect, and assess key data to determine existing housing conditions in Dedham (Phase I). JM Goldson prepared a draft report in late October - presenting the data collected and analyzed, key takeaways, and an analysis of Dedham's current zoning and housing development opportunities and barriers (Phase II). The report was presented at a public meeting on December 2, 2019 (Phase III).

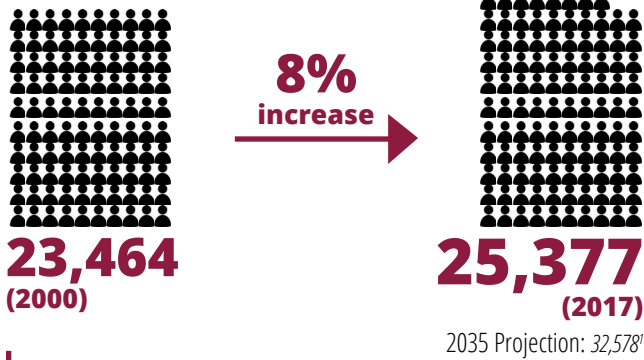


<sup>1</sup>Livable Dedham is a local advocacy non-profit focusing on quality of life and equal opportunity in the Dedham Community. Livable Dedham works to creatively and strategically improve services, access, accommodations, and engagement for people of all ages, including seniors.

<sup>2</sup>Excerpted from the town's Request For Proposals for this project.

<sup>3</sup>Photos from Google Maps.

## KEY FINDINGS



*Not only should the community consider how to accommodate the changing needs of aging residents, but how to attract, serve, and maintain younger populations.*

Dedham's population is **growing** and **aging**. With an 8 percent increase in overall population from 2000 to 2017, and a 31 percent increase in the share of the population age 60 or older, Dedham's demographics are changing. With changing demographics comes changing housing needs. An influx of residents places more pressure on the housing market, not only **limiting the available supply** of housing options in the community, but also **increasing costs**. Seniors who want to stay in the community may need to downsize, or find housing that **better meets their needs**, including first-floor living, accessibility accommodations, and access to daily services and needs (e.g. groceries, healthcare, social interaction, exercise/activity), often without the need to own or drive a car. As the proportion of older residents grows in Dedham, and the proportion of younger families declines, there is also a risk of a diminishing labor force to support the needs of the community.

## Housing Mismatches

### SUPPLY



**15%**   
**one-bedroom units**

### \$\$ COST

**Median Rent:**  
**\$1,546<sup>3</sup>**

- Comparable to Norfolk County (\$1,450) and higher than the State (\$1,173).  
- 33% increase (2000-2017; inflation adjusted)

### Median Sales Price:

**\$512,500<sup>4</sup>**

- Single-detached: \$520,200; 28% increase (2000-2017)  
- Condo: \$380,000; 40% increase (2000-2017)  
- Comparable to Norfolk County (\$510,000) and significantly higher than the State (\$399,900).

### DEMAND



**34%**   
**Single-person households**

**CAPACITY TO PAY \$**  
**Dedham Median Income:**  
**\$89,514**

- Significantly lower than the Area Median Income (AMI) of \$113,300.<sup>2</sup>  
- Owner-occupied = \$115,804  
- Renter-occupied = \$51,627

- A median-income household could reasonably afford to purchase a home

for **\$327,500<sup>5</sup>**

- A median-income renter household could reasonably afford to pay monthly rent of

**\$1,291**

Dedham's current housing supply does not match housing demand, when considering household composition. For example, 34 percent of Dedham's households consist of one person, while just 15 percent of Dedham's housing stock consists of studio or one-bedroom units. In contrast, 37 percent of housing units have three bedrooms while just 14 percent of households have three people. These mismatches are not evenly distributed across Dedham's neighborhoods. West Dedham has the largest one-bedroom to one-person household mismatch, followed by Greenlodge/Sprague/Manor (GSM), Riverdale, and Oakdale, while Dedham Village actually has slightly more one-bedroom units than one-person households. Dedham Village, GSM, and Riverdale have the largest overage of three-bedroom units compared to three-person households.

There is also a mismatch between Dedham's housing costs and the incomes that Dedham households earn. With pressures on the housing market across the entire state, including high costs of land and construction, high demand, and other factors, Dedham is no exception. Looking at rental and sales data<sup>6</sup> over the last few years, it is clear that housing costs are rising. Over the last two years, rentals ranged from \$1,100 to \$5,000, with a median of \$2,000. Over the last five years, the majority of home sales (single-detached and condos) fell between \$200,000 and \$600,000.

The impact of high housing costs is also not evenly distributed across Dedham's neighborhoods. For example, MLS data from the last two years indicates that a median income household in the West Dedham neighborhood paying the median rent would be spending more than 46 percent of their annual income on housing costs. In addition, the median sales price over the last five years in this neighborhood was just under \$1 million. Riverdale and East Dedham median income households paying median rent (based on MLS data) would be paying just over 30 percent of their income on housing costs.

Sources: 2013-2017 ACS; 2000, 2010 US Census;

<sup>1</sup>Umass Donahue Population Projections

<sup>2</sup>Department of Housing and Urban Development (HUD) 2019 AMI, for a family of four; Dedham is part of the Boston-Cambridge-Quincy, MA-NH Metro Fair Market Rate (FMR) Area.

<sup>3</sup>2013-2017 ACS

<sup>4</sup>Warren Group sales prices (2019); Households that spend 30 percent or more of their annual income on housing costs are considered housing cost burdened.

<sup>5</sup>DHCD Sales Price Calculator, JM Goldson calculations using FY2019 Dedham tax rate, assumes 30-year fixed mortgage, 10% downpayment, 3.93% interest rate, housing costs at 30% gross, 10% income window to calculate affordability.

<sup>6</sup>Multiple Listing Service (MLS) data provided by local realtors Jay Donahue and John Bethoney. MLS is the central database used by brokers and real estate agents for rentals and sales.

## Additional Take Aways

- Despite recent housing development, many of Dedham's housing units are older (69% built prior to 1970), outdated, and do not adequately serve the current and changing needs of the community.
- There are significant disparities in population and housing density among Dedham's neighborhoods, with Oakdale and East Dedham having higher densities than other areas of town.
- Of non-family households, about 91 percent live alone - 44 percent of which are seniors.
- Average household size decreased by 7 percent from 2000 to 2017 to just under 2.5 people per household. Less than a quarter (23%) of Dedham' households consist of four or more people.
- The composition of Dedham's housing stock has changed in recent years. Between 2000 and 2017, the share of single-family homes decreased by 12 percent as new larger apartment complexes (20+ units) have been developed.

## ZONING ANALYSIS & RECOMMENDATIONS

### Impediments to Housing Production

(that meets the needs of current and future residents)

**62%** of properties do not conform to basic density provisions.

(smaller than the minimum lot size required by zoning)

How lots should be according to zoning



Reality



**Small units, such as Accessory Dwelling Units (ADU's), and multifamily structures are only allowed under specified circumstances.**

ADU's are only allowed by special permit (and invalidated by ownership change), only on lots that exceed the minimum lot size by at least 10 percent, and the adaptive reuse of detached outbuildings is unclear/not allowed.

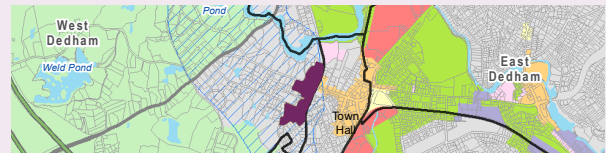
Multifamily housing structures are only allowed on lots that are at least 6 acres (SRA district) or 2.3 acres (SRB district).

## Stimulants and Opportunities for Housing Production

(that meets the needs of current and future residents)

### Historic Preservation Overlay District (HPOD)

Encourages the re-use of historic buildings for multifamily residential use on lots of 20,000 square feet and buildings of 12,000 square feet (or more). Expanding this district and/or reducing the minimum lot/building size could provide further benefits for the creation of multifamily housing. The existing HPOD is illustrated to the right in **purple**.



### Single-Detached Conversion

Allowed by special permit to create two-family, multifamily, or mixed-use redevelopment. Allowing this type of conversion by-right (in strategic or appropriate areas) could provide further benefits for the creation of diversified housing options.



### Reduce Minimum Lot Size

Reducing the minimum lot size requirements to reflect existing neighborhood characters will provide more opportunities for property owners and developers to utilize provisions that allow for the creation of more diverse housing options, including smaller units and multifamily housing.

### Adopt Inclusionary Zoning

Requires that housing developments that meet a minimum unit threshold must include affordable units for low and/or moderate-income housing.

### Create More Flexible Allowances for Small Units and Multifamily Structures

E.g. reduce the minimum lot size for multifamily housing; change ADU provisions to allow their creation by-right and on a wider inventory of properties, and in perpetuity; allow greater density of residential units permitted under mixed-use development.