

Framingham Housing Distribution

Summary

This is a study of Framingham's housing and income distribution based upon the Fiscal Year 2003 property evaluations and the 2000 Census.

Framingham has 26,734 residential housing units. 13,202 are single family homes, 11,039 are multi family homes and 2,493 are condominiums.

According to the 2000 census, 55% of the housing stock was owner occupied and 45% was renter occupied.

According to the 2000 census, the 1999 median household income was \$54,288. The median family income was \$67,420. For the purposes of this study, I have used the lower valued household median income.

49.5% of Framingham's single family homes were affordable to those earning the median household income of \$54,288. 85% of our single family homes were affordable to those earning up to 150% of the 1999 median household income.

28% of Framingham's condominiums were affordable to household earning 30% of the 1999 median household income of \$54,288. 59% of the condos were affordable to those earning 50% of the median household income and 92% of the condos were affordable to those earning 80% of the median household income. Thus Framingham's condominium supply was almost entirely affordable to those qualifying for subsidized housing according to the State and Federal guidelines.

Framingham had 11,639 rental units with rents reported in the 2000 census. The median rent was \$835. 22% of rental units were affordable to those earning 30% of the median household income. 43.2% of the rental units were affordable to those earning 50% of the median household income. 82% of the units were affordable to those earning 80% of the median household income. Thus Framingham's supply of rental housing was almost entirely affordable to those qualifying for subsidized housing according to the State and Federal guidelines.

In addition, according to the Framingham Housing Authority at least 30% of these rentals are subsidized.

A comparison was done of the household and rental information from the 2000 census with the housing distribution and evaluations from the FY03 assessor's list. I found that the number of households per income division compared to the number of residential units available for rent or purchase per income division, shows that in 2003 Framingham had a surplus of 4,977 units available to those earning less than 80% of the median household income when including subsidized units. This shows a high availability of affordable housing: one that is significantly higher than Framingham's 10% 40B count.

This comparison also shows a housing deficit of 5,930 units for those earning greater than 150% of household median household income. This analysis shows a lack of opportunity for those who are in higher income brackets to “move up” in Framingham. Thus higher income families who desire more expensive homes would need to leave Framingham.

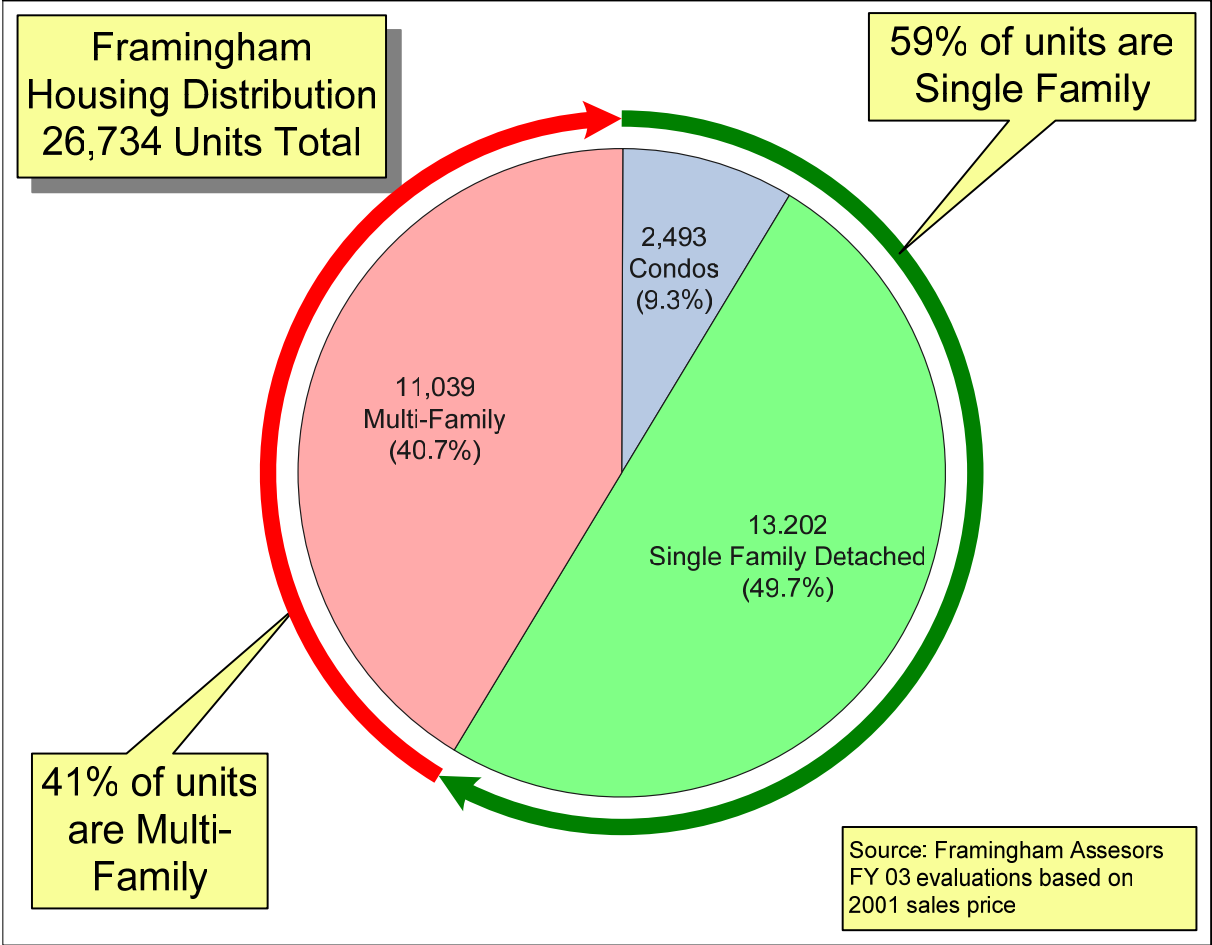
Data:

The Fiscal Year 2003 property evaluations and the DP-1 Profile of General Demographic Characteristics for Framingham, 2000 Census data sets were used because they both offer the most recent complete set of information. The information available in the 2003 property evaluations is consistent with the 2000 census since the property values were based on 2001 sale prices. The margin of error between these years would be towards slightly higher property values.

Specific Questions Answered:

The following questions were asked and answered:

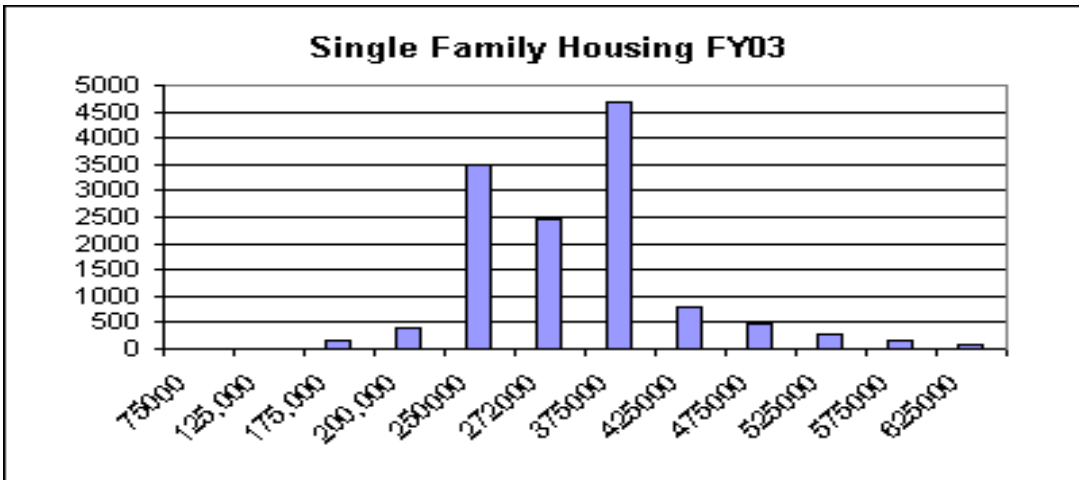
1. What is the distribution of housing in terms of single family homes, condominiums and multi-family homes. (page 3)
2. What is the price distribution of single family homes and what is the assessed median value for single family homes. (page 4)
3. What is the price distribution of condominiums and what is the assessed median condominium value. (page5)
4. What is the median household income and what are the guidelines for housing affordability? (page 6)
5. What price home can varying income levels afford to purchase based upon the median household income, the guidelines for housing affordability and a 30 year mortgage at 6% interest (Page 6)
6. How many single family homes are available for each income level to purchase based upon the price distribution of single family homes and affordability guidelines (page 7,8)
7. How many condominiums are available for each income level to purchase based upon the price distribution of condominiums and affordability guidelines(page7,9)
8. What is the rental unit distribution based upon the 2000 census (page 10)
9. What is the affordability of rental units based % of median income(page 11, 12)
10. How many total housing units, rented and owned are affordable in each income division, according to the affordability guidelines, (page 13)
11. What is the distribution of households according to percentage of median income based on the 2000 census (page 14)
12. How many housing units area are available for each income division(page 15)
13. How many households are there in each income division (page 15)
14. What is the difference between the number of households per income division and the number of housing units affordable to those incomes (page 15,16)
15. How many subsidized units does Framingham have. (page16,17)
16. Conclusions of housing stock versus household affordability (page 17)



Single Family Home Distribution from Framingham's FY03 property evaluations

Cutoff	Number	%
75000	2	0.02%
125,000	2	0.02%
175,000	155	1.17%
200,000	413	3.13%
250000	3497	26.48%
272000	2469	18.69%
375000	4696	35.56%
425000	800	6.06%
475000	477	3.61%
525000	277	2.10%
575000	172	1.30%
625000	96	0.73%
675000	40	0.30%
725000	30	0.23%
775000	20	0.15%
825000	18	0.14%
875000	11	0.08%
925000	6	0.05%
975000	5	0.04%
9975000	16	0.12%
	13202	99.98%

Median
\$ 272,600.00

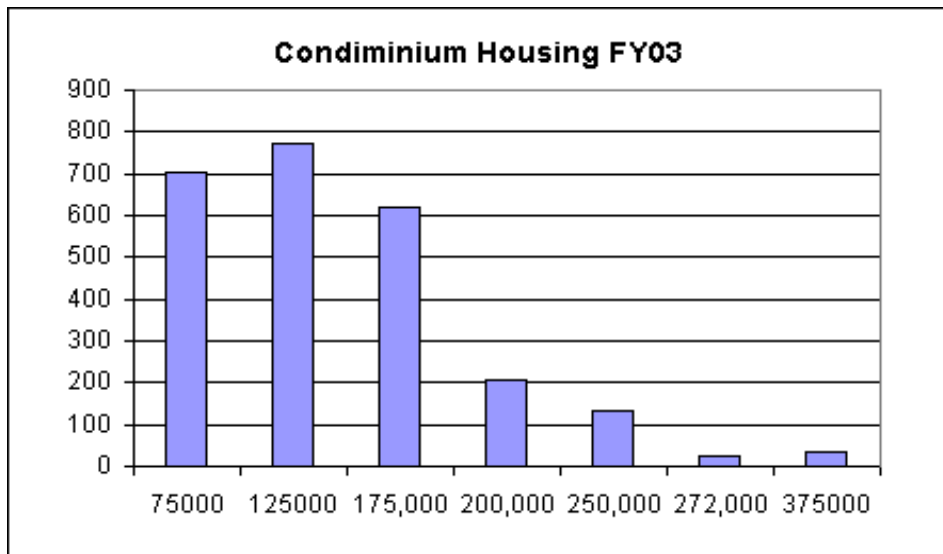


Condominium Distribution from Framingham's FY03 property evaluations

Cutoff	Number	%
75000	702	28.15%
125000	773	30.99%
175,000	618	24.78%
200,000	209	8.38%
250,000	131	5.25%
272,000	25	1.00%
375000	32	1.28%
425000	3	0.12%
475000	0	0.00%
525000	0	0.00%
575000	0	0.00%
	2493	99.96%

Median

\$106,500.00



Housing Affordability

To determine housing affordability the following guidelines will be followed:

- The 1999 Median Household Income of \$54,288 will be used
- The subsidized housing qualifications of earning less than 80% of Median Income will be followed
- State and Federal guidelines of 30-33% of income going towards housing shall be used

I followed the guidelines outlined by the Town of Weston in their 2004 study of Affordable Housing to determine what price home was affordable to the income brackets outlined in the chart.

Assumptions:

- Median Household Income for Framingham from 2000 Census \$54,288
- 30 year Mortgage @ 6% interest
- PITI costs would be approximately 33% of income with the mortgage being 30%
- The homeowner would have 10% down payment
- Some sources suggest 30% of income on housing costs. According to MHP and CHAPA 33% is acceptable

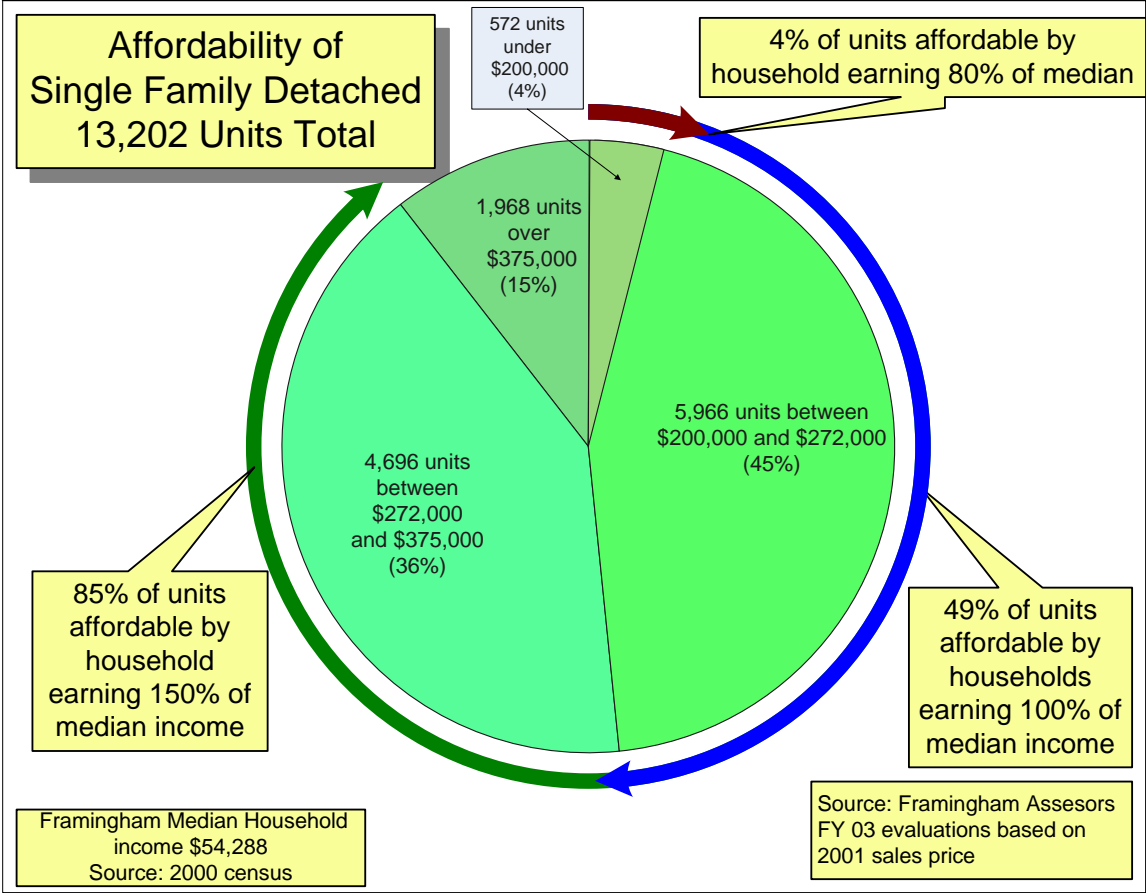
% of Median Income	Income	Maximum Buyable Home with 10% Down Payment	Mortgage @ 6% interest monthly costs	% Income
30% Low-low	\$16,287	\$75,000	\$390	29%
50% Low	\$27,144	\$125,000	\$670	30%
80% moderate	\$43,430	\$200,000	\$1080	30%
100% median	\$54,288	\$272,000	\$1450	29%

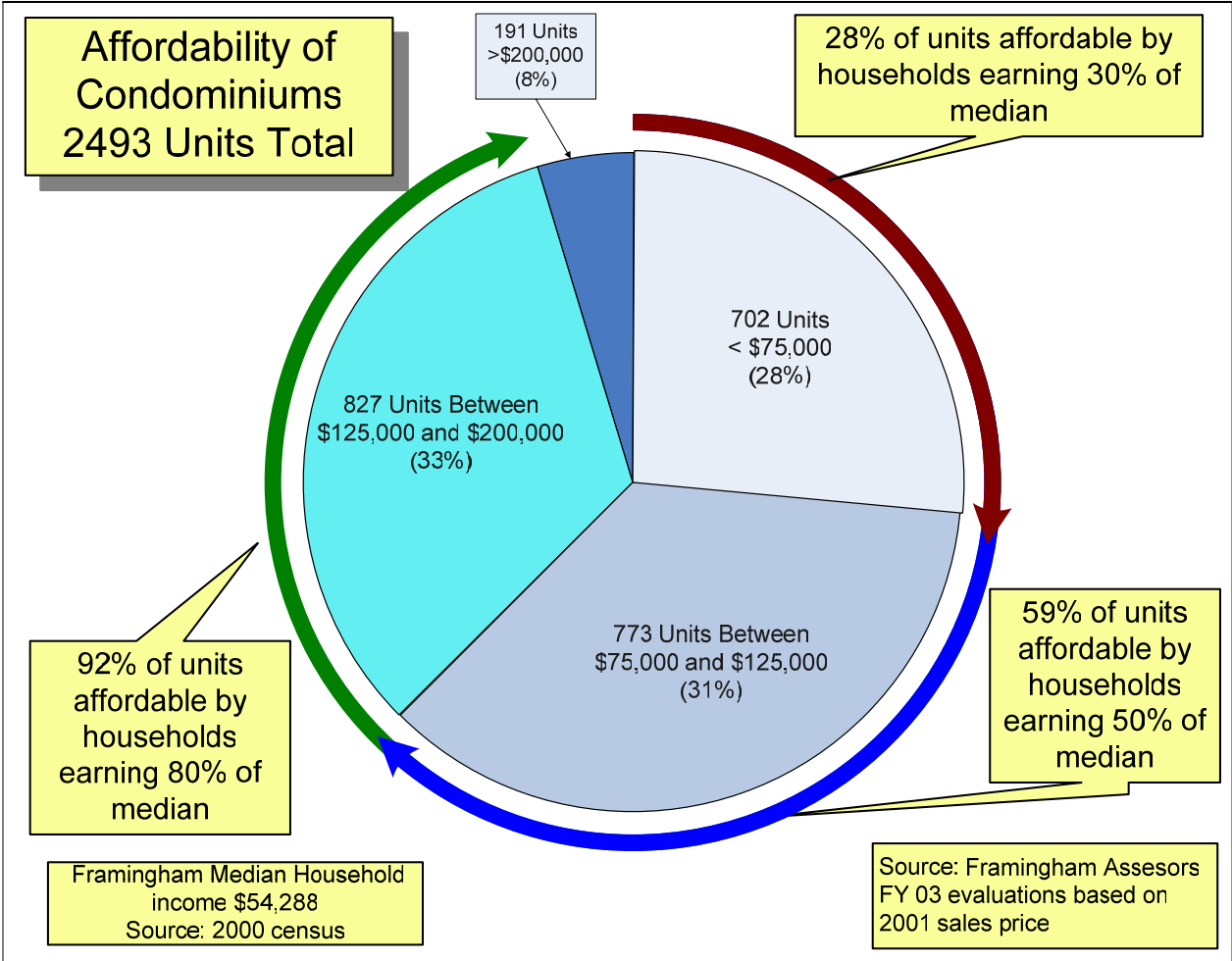
To determine how many single family homes and how many condominiums are affordable to each income bracket, I counted the number of units for both single family homes (SFH) and Condominiums (Condo) for each income level.

Number of Housing Units Affordable per Income Division

The number and % of single family homes and condominiums affordable to these income brackets as charted below are pictured on page 8 and 9.

% Median Income	#, % SFH, condos affordable per income	Max Home Price 10% Down Payment	mortgage @ 6% interest monthly costs	% monthly income
≤30%	SFH: 2 .02% Condo: 702 28.15%	\$75,000	\$390	29%
30%-50%	SFH: 2 .02% Condo: 773 31%	\$125,000	\$670	30%
50%-80%	SFH: 568 4.3% Condo: 827 33.17%	\$200,000	\$1080	30%
80%-100%	SFH: 5,966 45.2% Condo: 156 6.25%	\$272,000	\$1450	29%
100%-150%	SFH: 4,696 35.6 % Condo: 32 1.28 %	\$375,000	\$2020	30%
\$150 +	SFH: 1968 14.9 % Condo: 3 .12 %	> \$375,000		



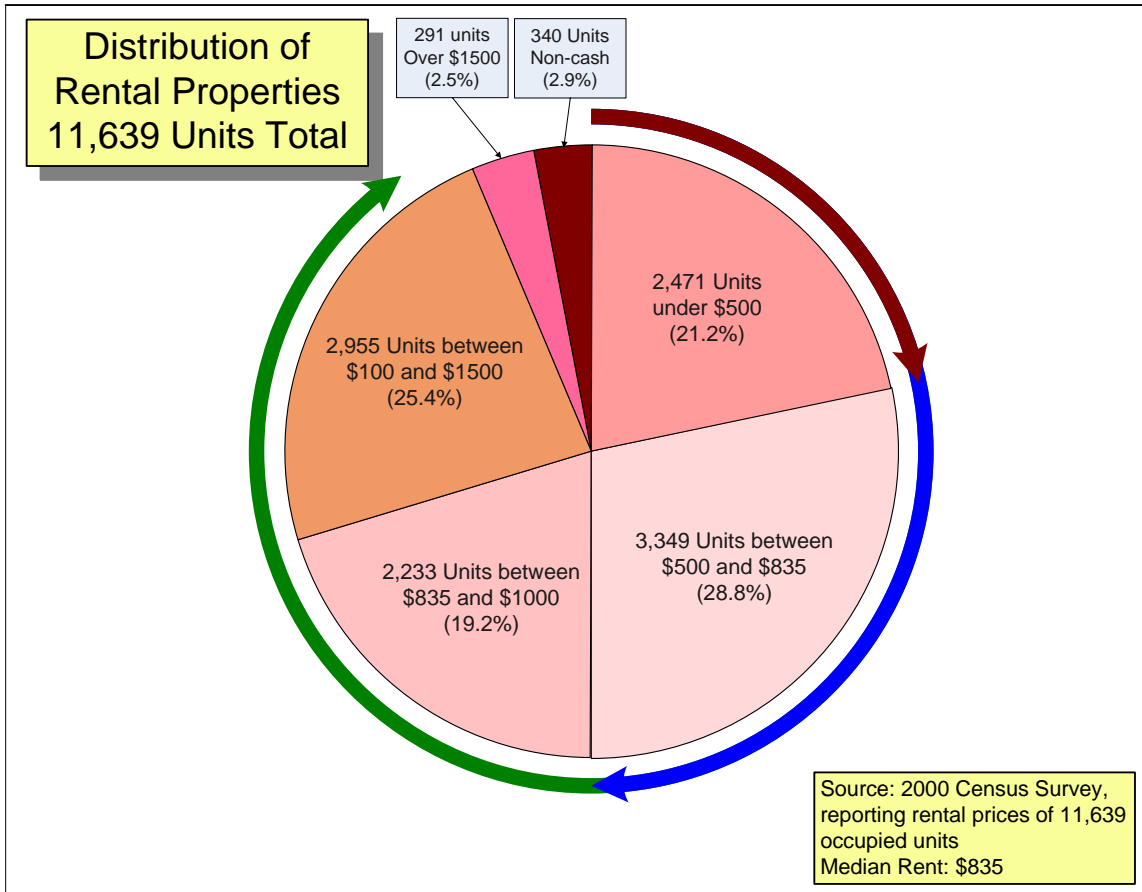


Rental Property Distribution according to the 2000 Census

Distribution of Rental Units from the 2000 Census:

The 2000 census lists the number of rented units per income bracket.

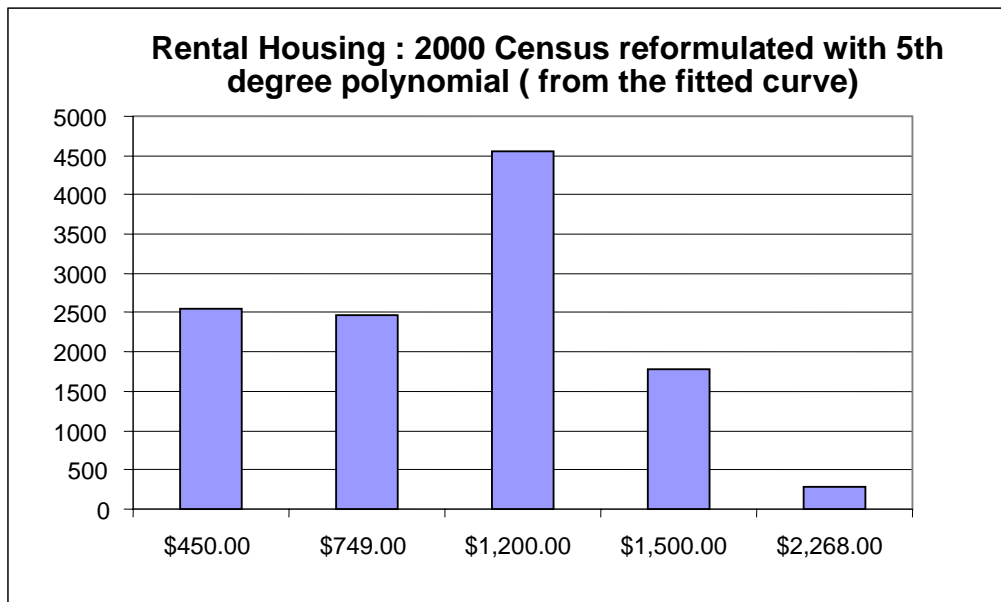
Specified renter-occupied units	11,639	100.0%
GROSS RENT		
Less than \$200	812	7.0%
\$200 to \$299	690	5.9%
\$300 to \$499	969	8.3%
\$500 to \$749	2,204	18.9%
\$750 to \$999	3,378	29.0%
\$1,000 to \$1,499	2,955	25.4%
\$1,500 or more	291	2.5%
No cash rent	340	2.9%



To compare rental information from the 2000 Census with the FY03 Property distribution affordability charts, where the income levels were broken down according to the subsidized definitions using 30%, 50%, 80% 100% ranges, reformulating the census data was necessary.

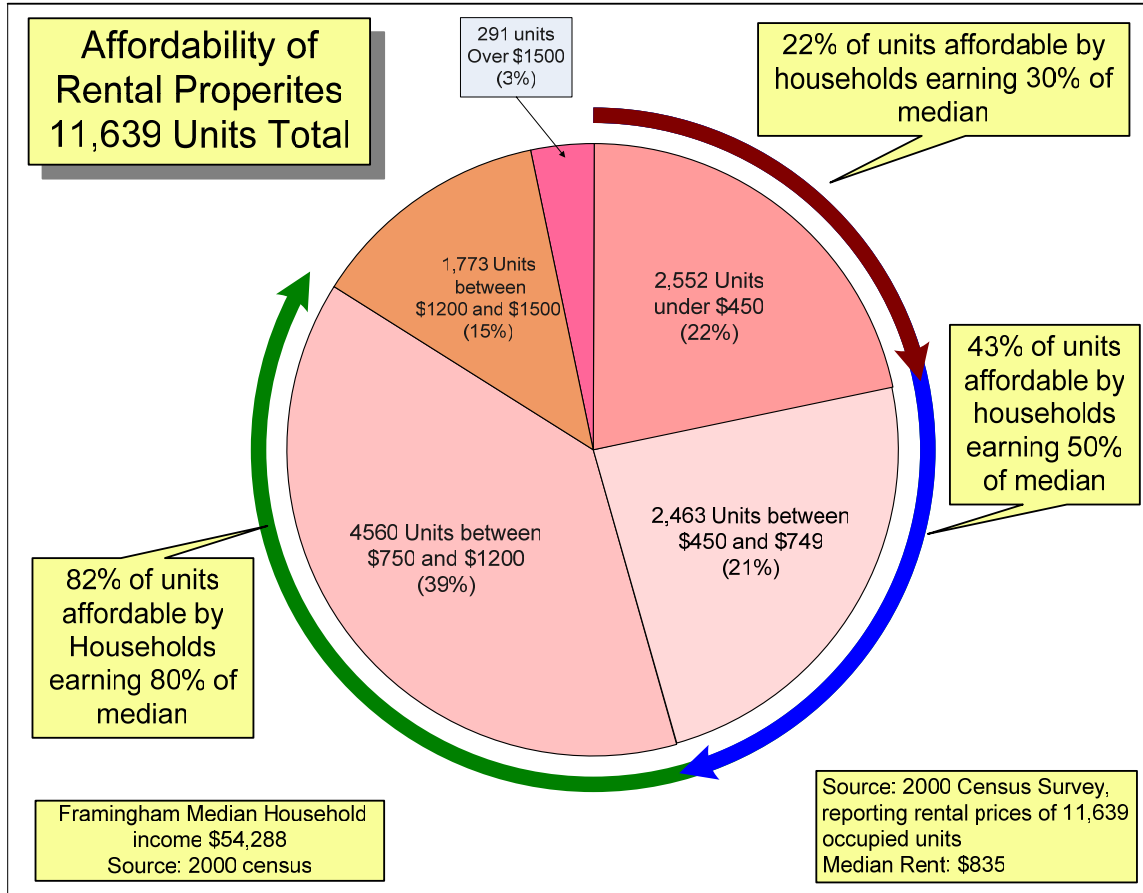
To estimate the number of rentals per income level with bin divisions aligned with percentage of mediana income levels, the census data was interpolated using a fitted curve. These results are summarized in the following chart:

Income divisions as % Median	Income cost Per Month =33% Income	# Rental's
< 30%	\$450.00	2552
30%-50%	\$749.00	2463
50%-80%	\$1,200.00	4560
80%-100%	\$1,500.00	1773
100% -150%	\$2,268.00	291
150% +		



*note: this calculation is available upon request

Number of rental units per income division



Below is a chart summarizing how many housing units in terms of Single Family, Condominium and rentals are available per income division assuming a maximum monthly payment of 33% of income:

Income % Median	33% income cost Per Month *	# SFH Affordable	# Condo's Affordable	# Rental's Affordable	Total number housing units
< 30%	\$450.00	2	702	2552	3256
30%-50%	\$749.00	2	773	2463	3238
50%-80%	\$1,200.00	568	827	4560	5955
80%-100%	\$1,500.00	5966	156	1773	7895
100% -150%	\$2,268.00	4696	32	291	5019
150% +		1968	3		1971
		13202	2493	11639	27334

Framingham has a total of 26,734 housing units. The total above exceeds this by 600 units. Single family units, houses or condominiums, which are also rented are counted twice in the above table, and are assumed to account for this difference. For the purposes of this section of the study, I assume that those 600 units are condominiums.

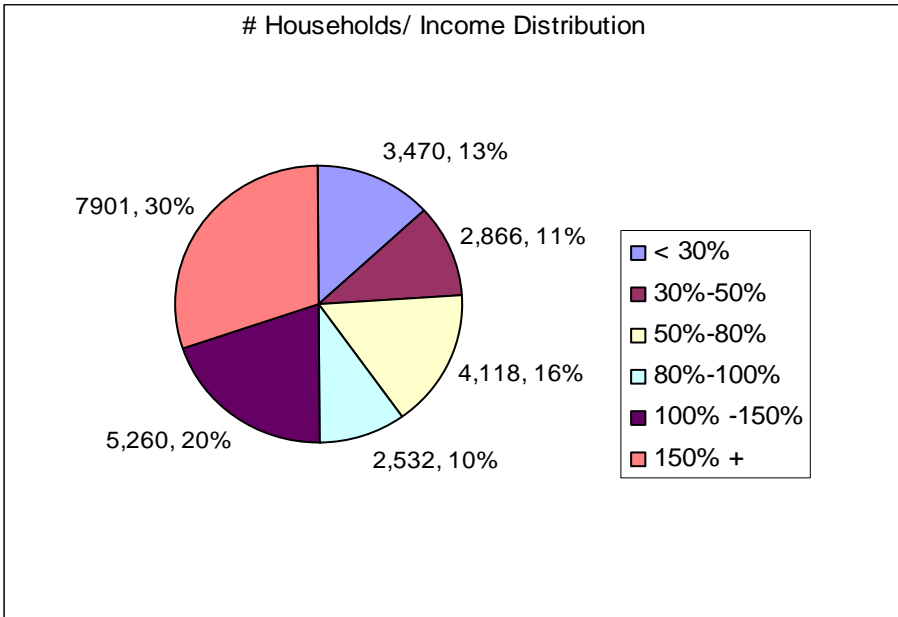
To compare household information from the 2000 Census with the FY03 Property distribution affordability charts, where the income levels were broken down according to the subsidized definitions using 30%, 50%, 80% 100% ranges, reformulating the census data was again necessary.

The 2000 census, page 3, lists the number of households per income bracket.

INCOME IN 1999		
Households	26,147	100.0 %
Less than \$10,000.....	1,84	1 7.0 %
\$10,000 to \$14,999.....	1,213	4.6 %
\$15,000 to \$24,999.....	2,771	10.6 %
\$25,000 to \$34,999.....	2,520	9.6 %
\$35,000 to \$49,999.....	3,672	14.0 %
\$50,000 to \$74,999.....	5,124	19.6 %
\$75,000 to \$99,999.....	3,717	14.2 %
\$100,000 to \$149,999.....	3,383	12.9 %
\$150,000 to \$199,999.....	1,098	4.2 %
\$200,000 or more.....	808	3.1 %

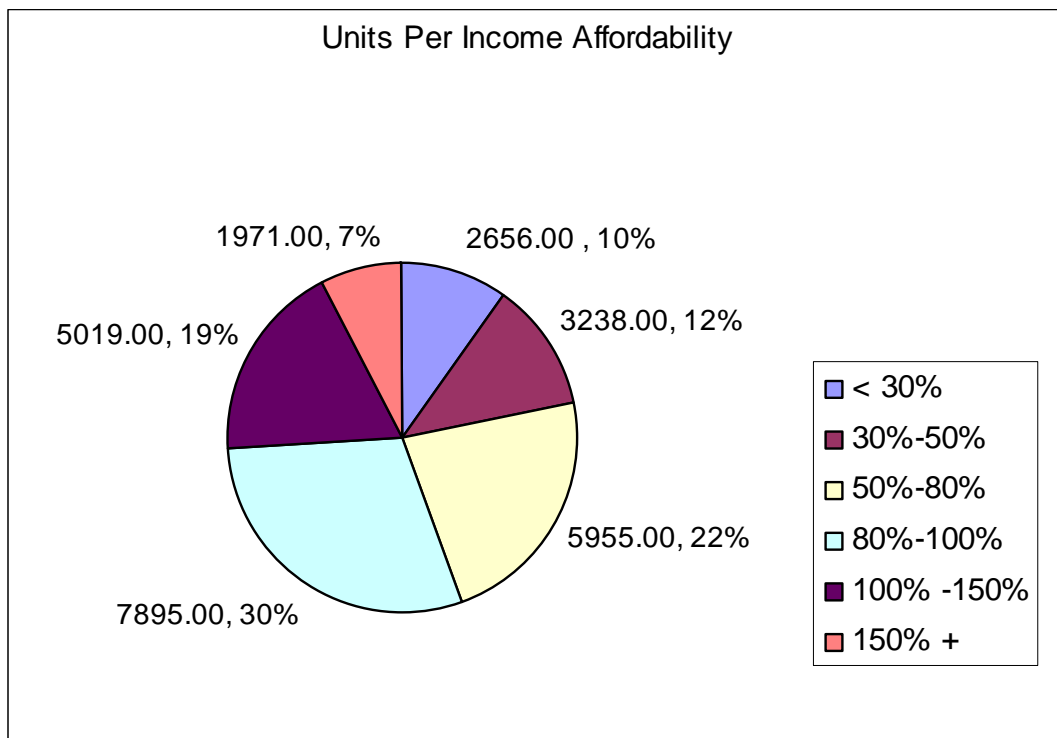
To estimate the number of households per income level with bin divisions aligned with percentage of mediana income levels, the census data was interpolated using a fitted curve. These results are summarized in the following chart:

Income % Median	Income levels	# Households	% Households
< 30%	Less than \$16,287	3,470	13%
30%-50%	\$16,287-\$27,144	2,866	11%
50%-80%	\$27,144-\$43,430	4,118	16%
80%-100%	\$43,430-\$54,288	2,532	10%
100% -150%	\$54,288-.\$81,432	5,260	20%
150% +	\$81,432 +	7901	30%
		26,147	100%



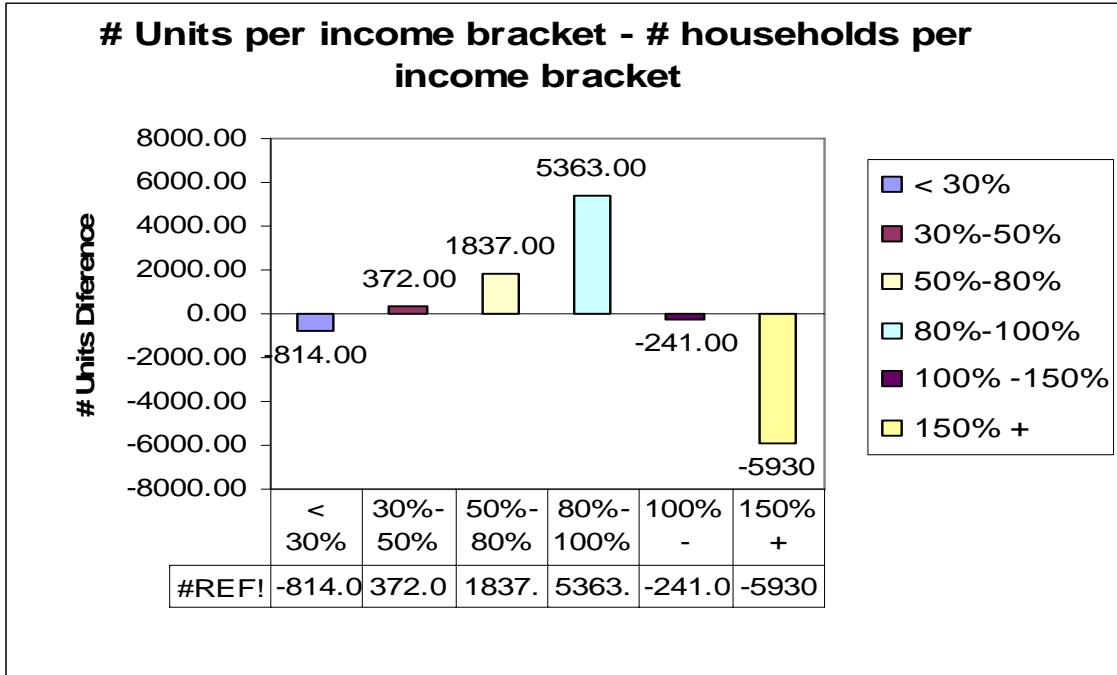
Using the charts on page 13 and 14, we can determine how many housing units available in Framingham, are affordable for each income division: Please note that I have subtracted 600 condominiums from the lowest price evaluations to ensure there is no double counting as explained on page 13. That is reflected in the bolded number.

Income % Median	# Households	% Households	# Housing Units for Income	# Units Diff
< 30%	3,470	13%	2656.00	-814.00
30%-50%	2,866	11%	3238.00	372.00
50%-80%	4,118	16%	5955.00	1837.00
80%-100%	2,532	10%	7895.00	5363.00
100% -150%	5,260	20%	5019.00	-241.00
150% +	7901	30%	1971.00	-5930
	26,147	100%	26734.00	
			adjust # low value condo's for overage	-600

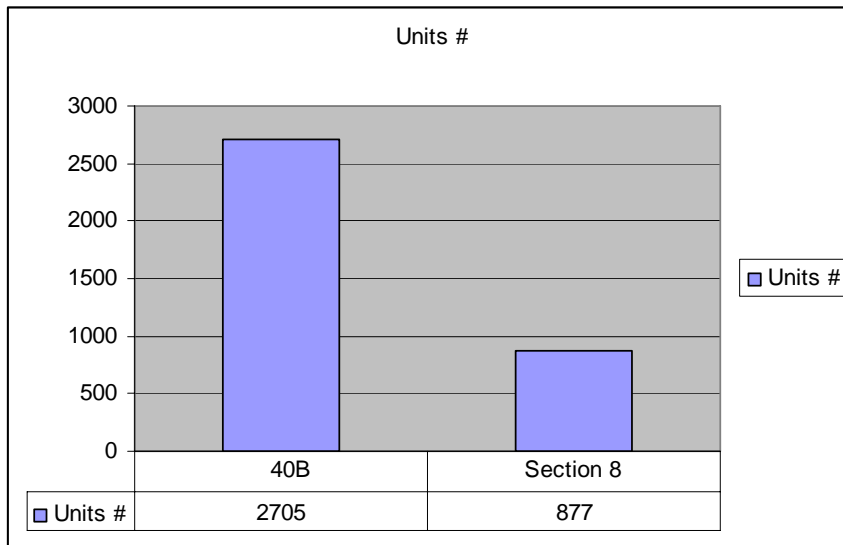


How many people in each income bracket do we have housing for?

This question can be answered by taking the difference between the number of housing units per income division from the number of households per income division, as pictured below, and listed on the table on page 15:



For a complete picture, we need to include the number of subsidized units. According to the Framingham Housing Authority we have the following subsidized units in Framingham:



From the charts on page 16 one can make the following conclusions:

The number of households earning less than 30% of the median household income exceeds the availability of affordable units by 814 units.

However, Framingham's subsidized units and section 8 rentals adds up to 3,582 units and more than covers this deficit.

This number does not include additional subsidized units that are not counted as part of the 40B housing stock.

The number of households earning between 30-50% of the median household income is 372 less than the number of units affordable to them. In other words there are more than enough units for this income division.

The number of households earning between 50-80% of the median household income is 1,837 less than the number of units affordable to them. In other words there are more than enough units for this income division.

The number of households earning between 80-100% of the median household income is 5,363 less than the number of units affordable to them. In other words there are more than enough units for this income division.

The number of households earning between 100-150% of median household income exceeds the availability of units affordable to them by 241.

The number of households earning greater than 150% of median household income exceeds the availability of units affordable to them by 5,930.

Thus those with higher incomes cannot find adequate housing supply if they choose to upgrade to a more expensive home.

Sources:

FY 2003 Property Evaluations Town of Framingham
2000 Census : DP-1 Profile of General Demographic Characteristics for Framingham
HUD Median Income Guidelines
EO 418 application
Massachusetts Housing Partnership
CHAPA
FHA
Weston Affordable Housing Study 2004

October 25,2005

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