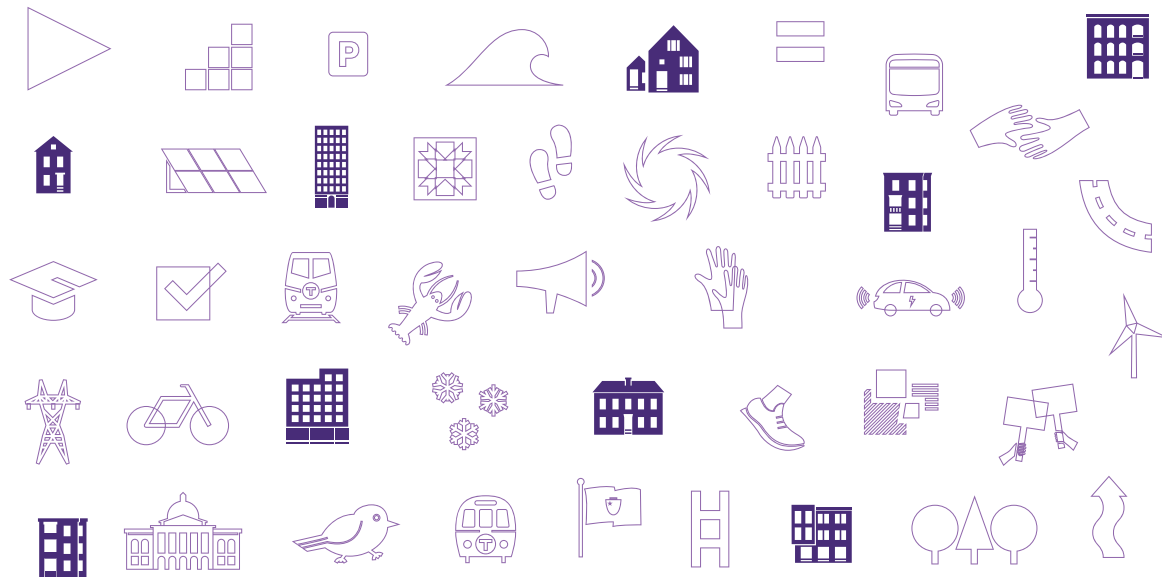




# MAPC Housing Submarkets





# Contributors

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# Agenda



## Intro

**What is a submarket?**

**Data and methods**

**Submarkets**

**People, conditions, opportunities**

**Policy strategies**




# **A different approach to housing policy**

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# Different policies for different contexts



Most planning and policy development related to housing happens at the municipal or state level.

Planners commonly rely on municipal-level statistics or comparisons to contextualize housing conditions.

*However*, most municipalities are heterogeneous, and some neighborhoods are more like other places in the region than they are like nearby areas in the same city or town.

*How do we account for neighborhood variability and similarities in order to craft targeted and effective housing policies?*




# What is a submarket?

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# Housing Submarket

## *A definition*



A housing submarket is a collection of neighborhoods—some next to each other, some not—that share similarities in housing stock and housing market characteristics.

These characteristics determine who can **find**, **afford**, and **remain** in suitable housing in a given place.

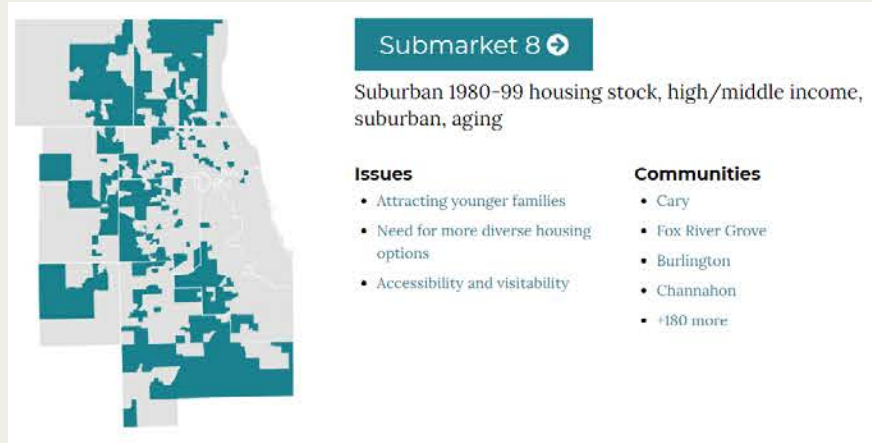
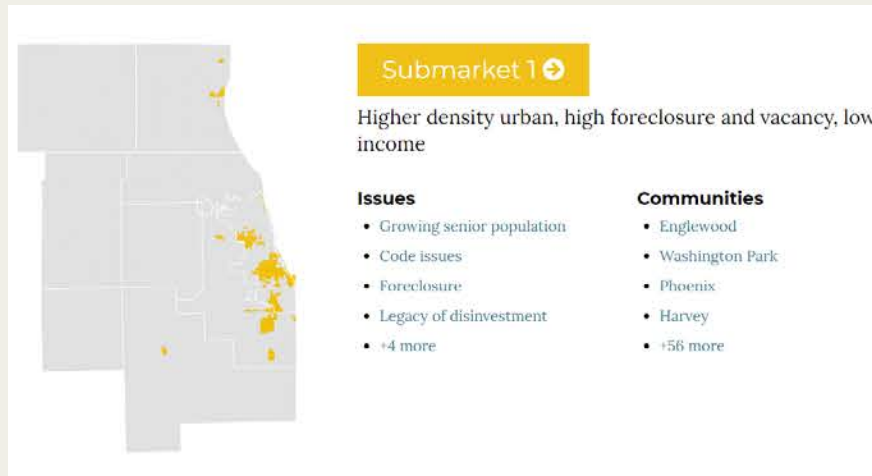


# Data and Methods

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# Guiding Example: Chicago Housing Submarket Analysis

*Institute for Housing Studies at DePaul University + The Chicago Metropolitan Agency for Planning*



## Issues + strategies

Quantitative analysis and many interviews with housing experts from across the region helped identify issues facing the region's housing markets, as well as potential solutions. Although many more housing and non-housing issues affect submarkets, the housing issues and strategies identified below represent the most significant challenges and most promising solutions in this submarket. The outlined strategies feature proven projects, programs, or other efforts undertaken in communities across the region to address similar challenges or capitalize on similar opportunities.

Accessibility, foreclosure, etc.

By issue

By strategy

### Submarkets with primary focus

Issue	1	2	3	4	5	6	7	8
+ "Setting the table" for development				✓				
+ Accessibility and visitability							✓	✓
+ Attracting investment					✓			
+ Attracting younger families							✓	✓
+ Code issues	✓	✓			✓			
+ Community resistance			✓			✓		
+ Economic development implications						✓		
+ Foreclosure	✓	✓						
+ Form matches current demand				✓				

[www.regionalhousingsolutions.org/submarkets](http://www.regionalhousingsolutions.org/submarkets)

# Data Inputs

Housing Stock	Price	Market Forces	Change
Density (housing units per square mile)	Median home sale price (\$)	Business buyers (%)	Change in median home sale price
Single-family, 2-4 units, 5 or more units (%)	Median contract rent (\$)	Cash sales (%)	Change in median contract rent
Three or more bedrooms (%)	HUD subsidized units (%)	Foreclosures (%)	Change in percent renters
Built in 1959 or earlier, 1960-1999, 2000 or later (%)	Household incomes (\$)	Vacant units (%)	Change in population
Renter units (%)			Change in housing unit density
			Change in home sale volume pre- and post-2008

# Data Sources and Methods

## DATA SOURCES:

- American Community Survey (ACS)  
5-year estimates from 2013-2017
- 2000 & 2010 Decennial Census
- Warren Group real estate transaction database  
(2000-2018)
- U.S. Department of Housing and Urban  
Development (HUD)

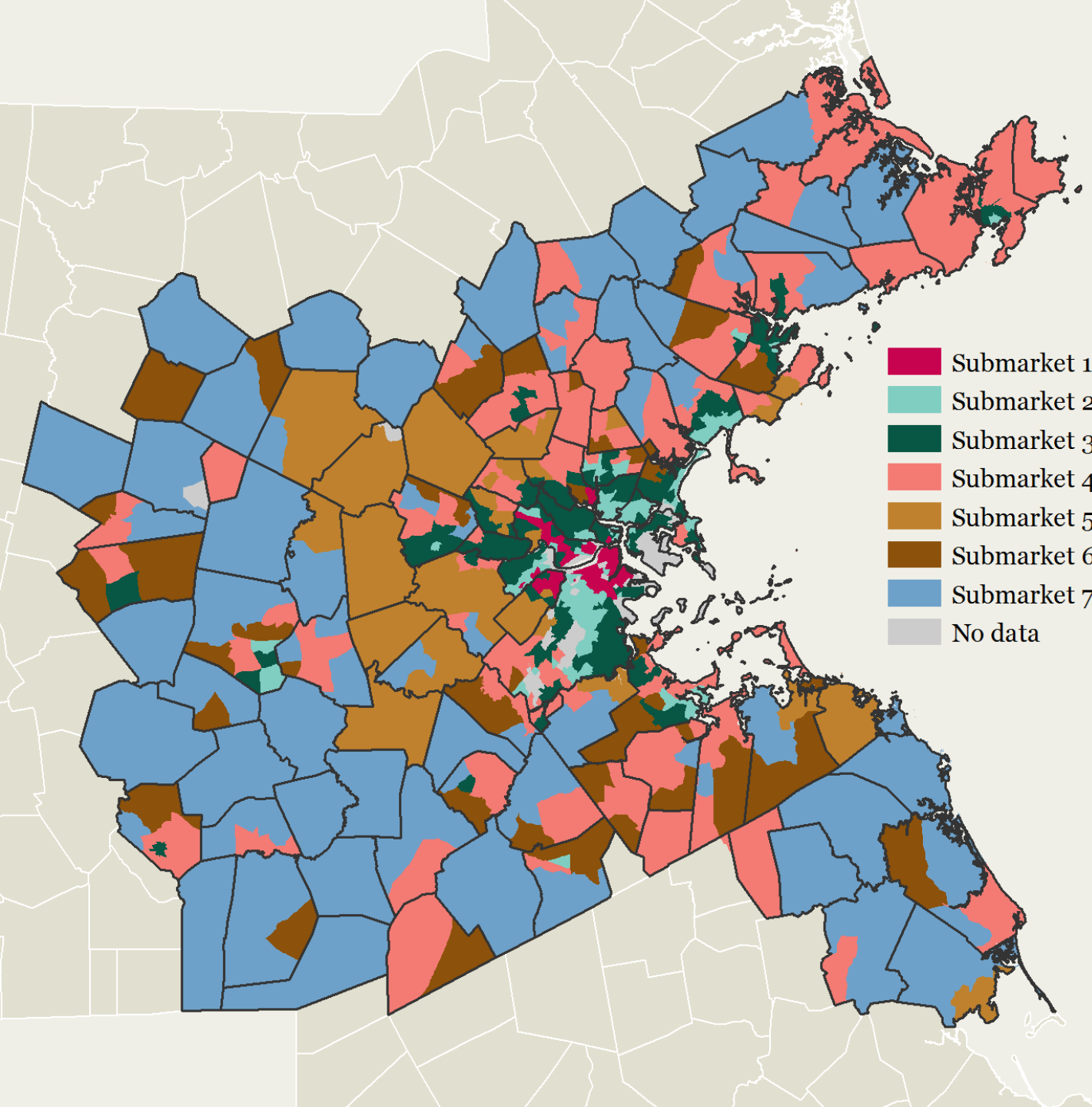
Latent Profile Analysis (LPA), a statistical classification technique, was used to cluster census tracts in 101 municipalities of MAPC region.

Seven submarkets were identified.



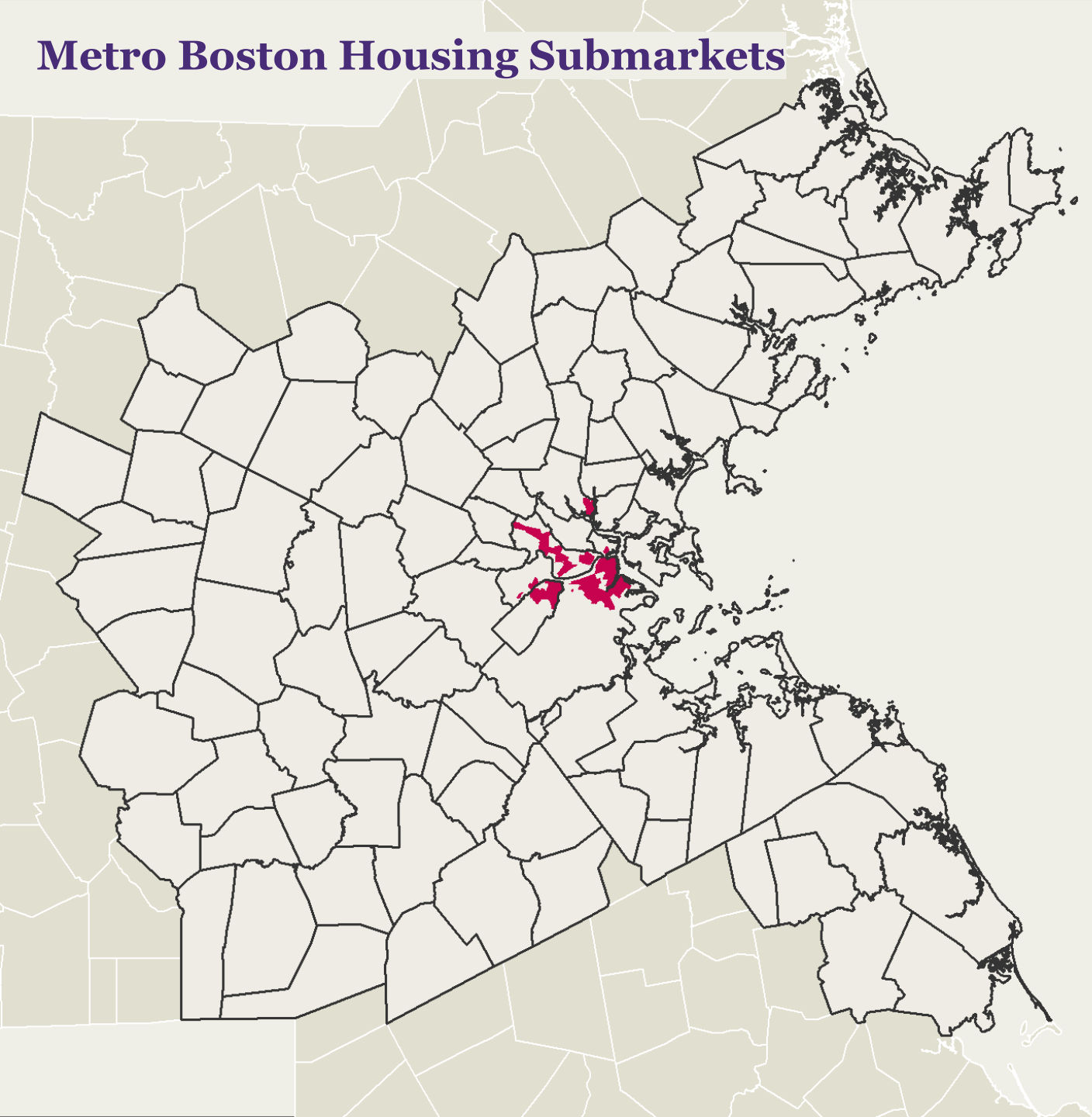
# Results

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## Metro Boston Housing Submarkets

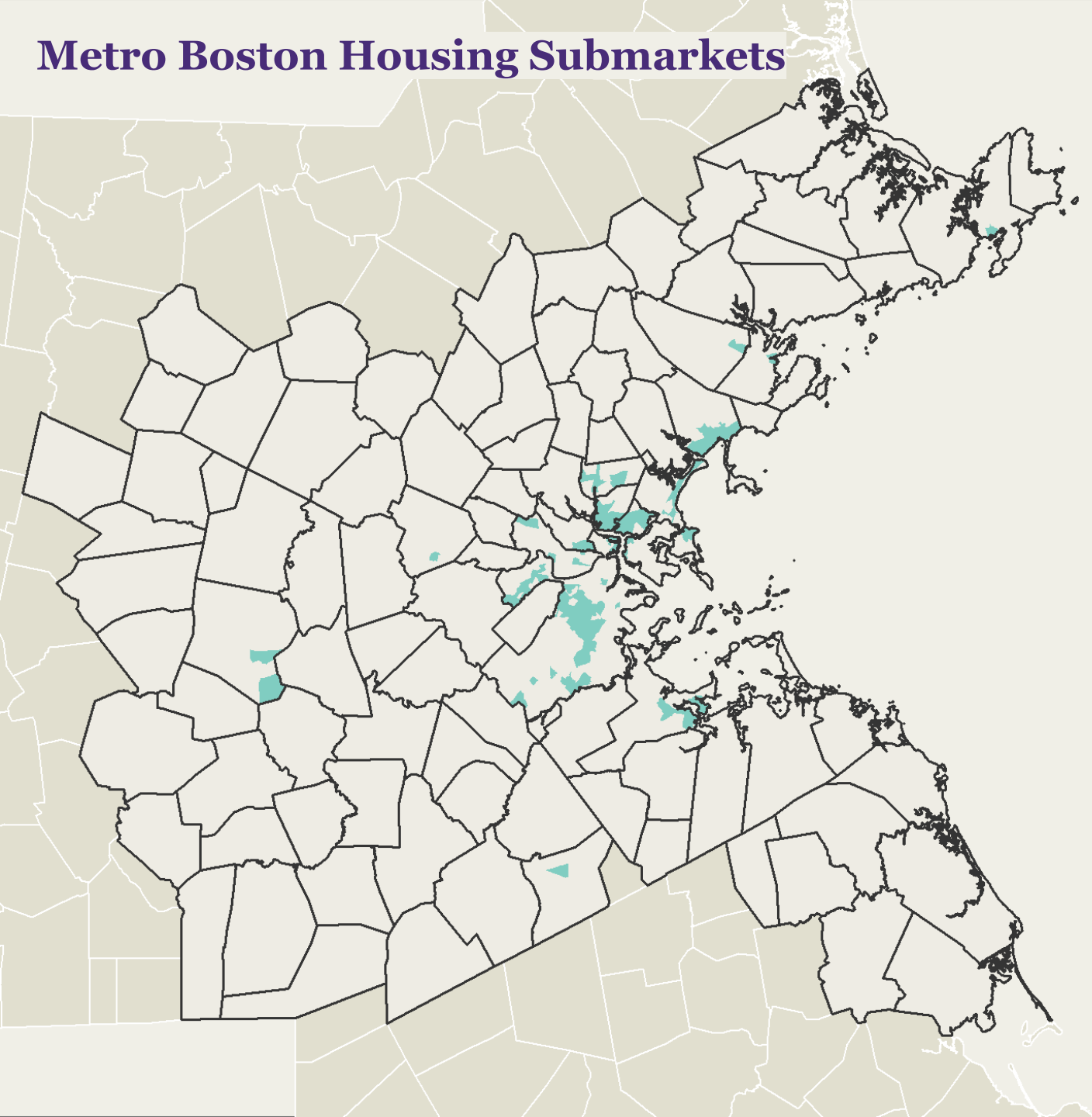
## Metro Boston Housing Submarkets



### **Submarket 1:** High-density Urban, High Price

- Increasing home prices and rents
- Declining renters

# Metro Boston Housing Submarkets

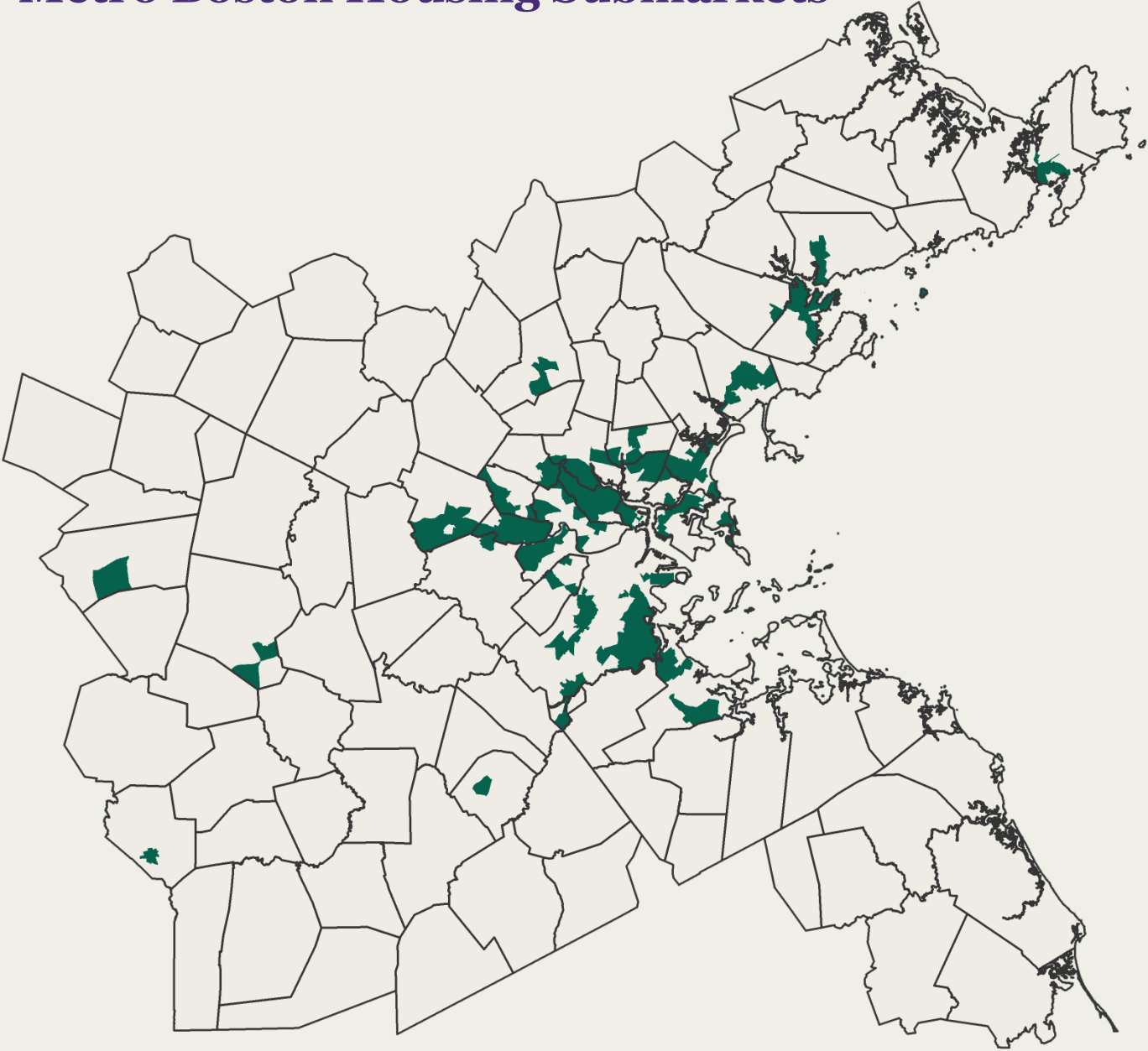


## Submarket 2

High-density Urban, Lower Prices

- Highest renter share
- High rates of foreclosure, cash sales, and business buyers
- Rapid sale price escalation

# Metro Boston Housing Submarkets

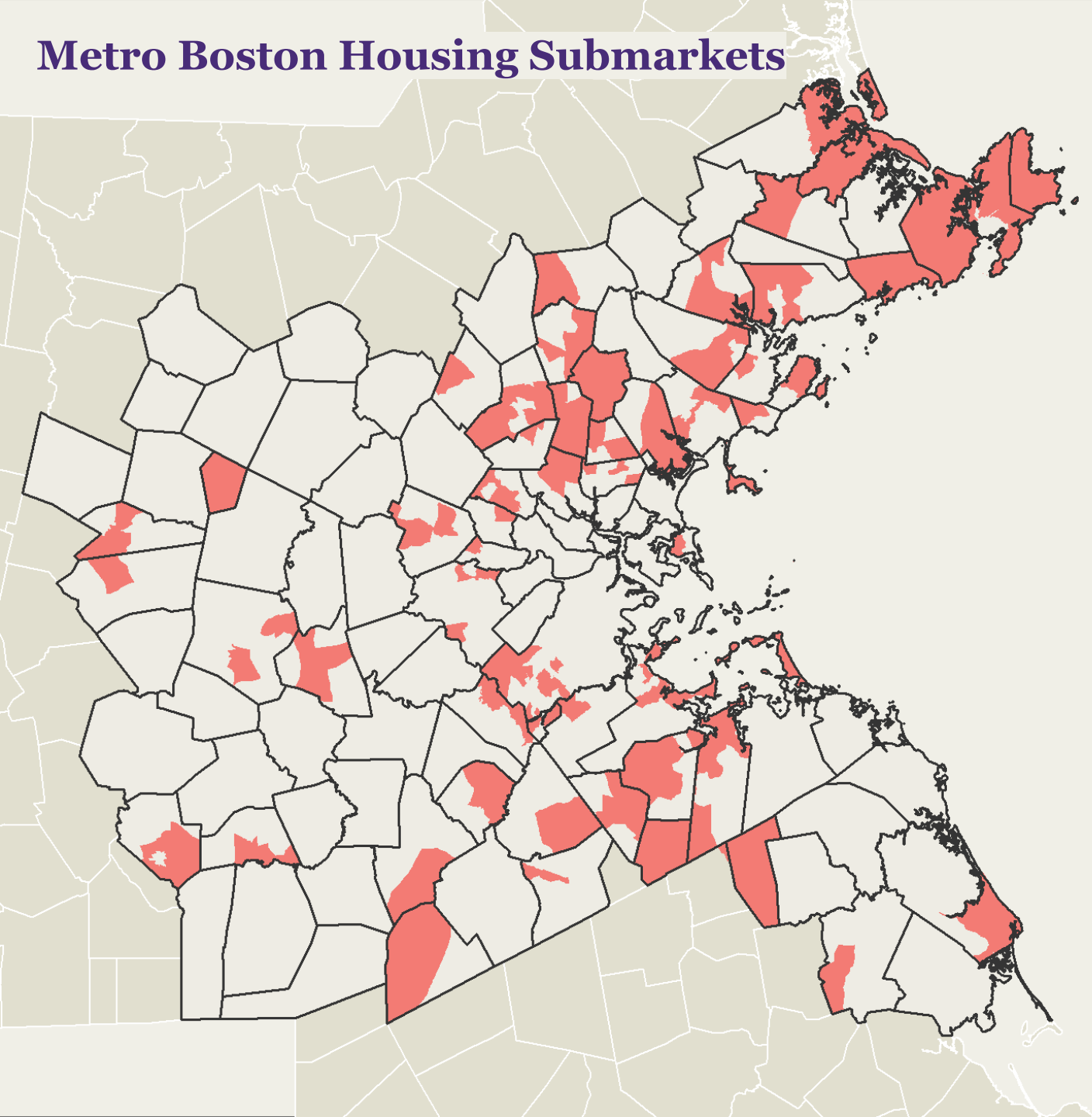


## Submarket 3

**Moderate-density Urban,  
Moderate Prices**

- Oldest housing stock
- Mix of single-family and small multifamily
- Increasing home prices and rents

# Metro Boston Housing Submarkets

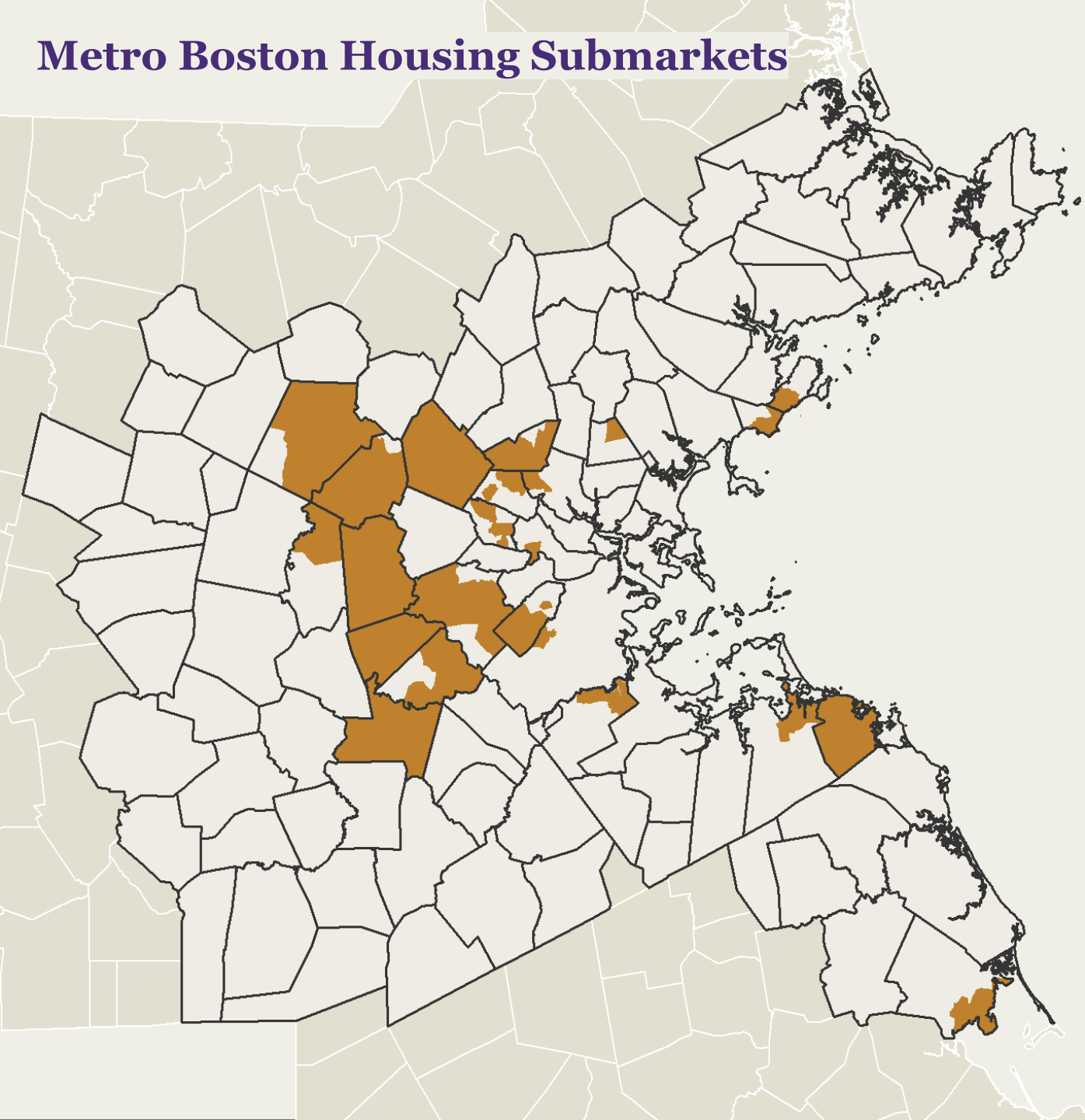


## Submarket 4

Lower density Urban-Suburban Mix, Low Costs

- Older housing stock in suburbs and regional urban centers
- Low housing costs
- Minimal change

# Metro Boston Housing Submarkets

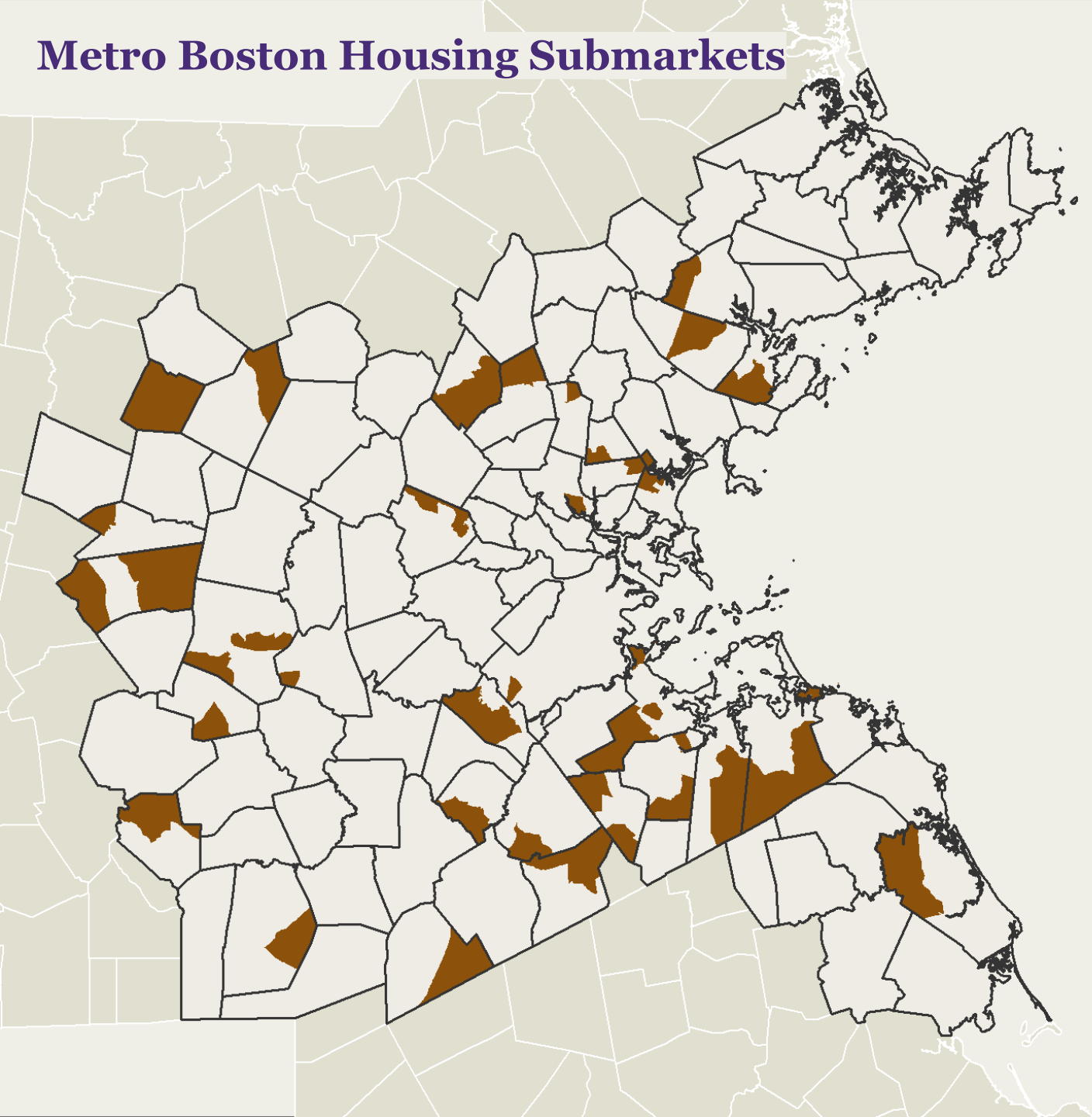


## Submarket 5

### Low-density, Highest Prices

- Premium-priced low-density suburbs
- Large, older housing stock in very expensive single-family home neighborhoods
- Low and declining renter share

# Metro Boston Housing Submarkets

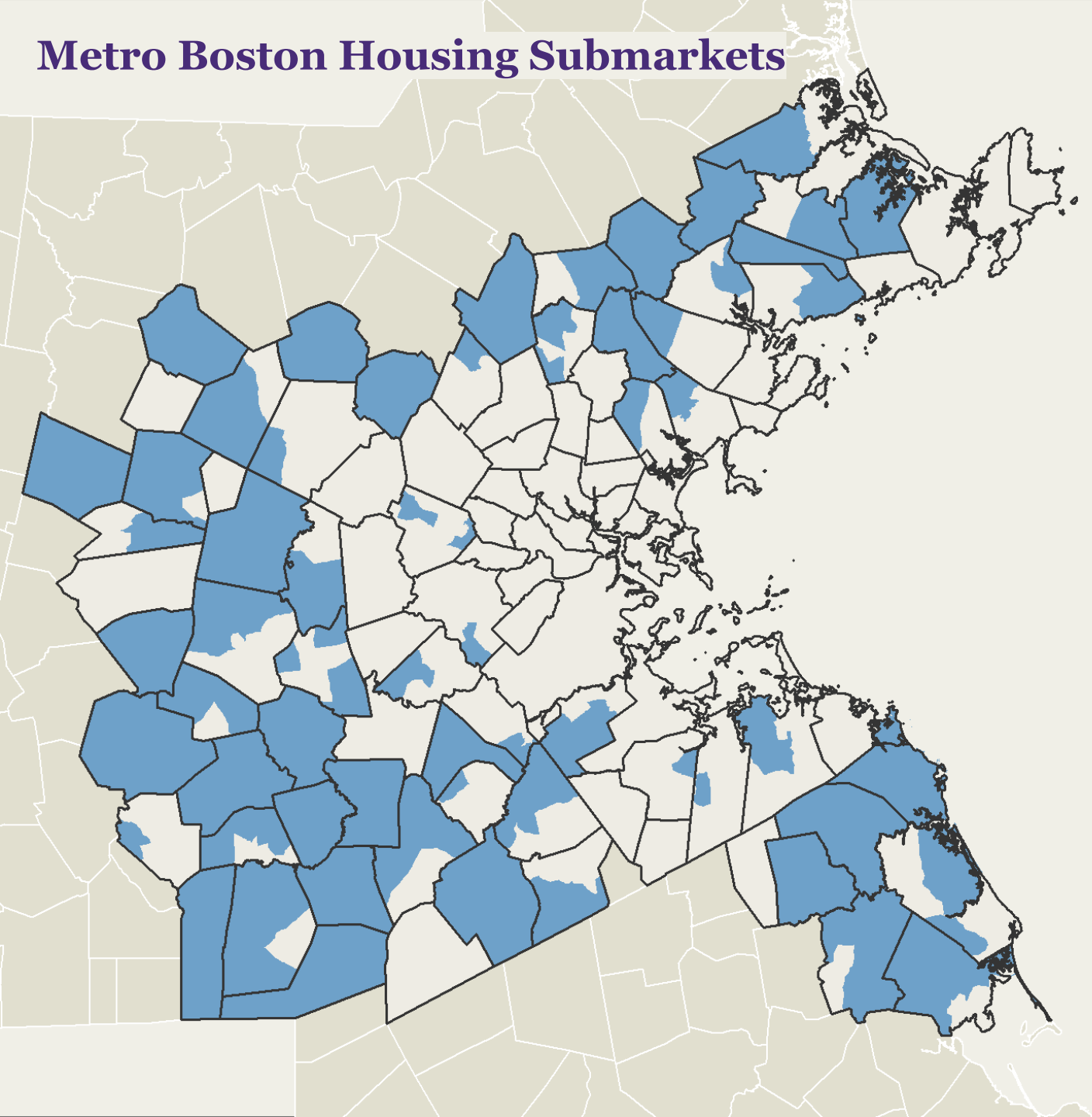


## Submarket 6

Low-density Suburban, Mixed Prices

- Suburban edges
- Newest housing stock
- Lowest home sale prices
- Rapid increases in density, rents, and renters

# Metro Boston Housing Submarkets



## Submarket 7

Lowest-Density Suburban,  
Moderate Prices

- Single-family suburbs
- Newer housing stock
- Few renters



**[housing-submarkets.mapc.org](https://housing-submarkets.mapc.org)**



# People, Conditions, Challenges and Opportunities

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## Understanding conditions and opportunities

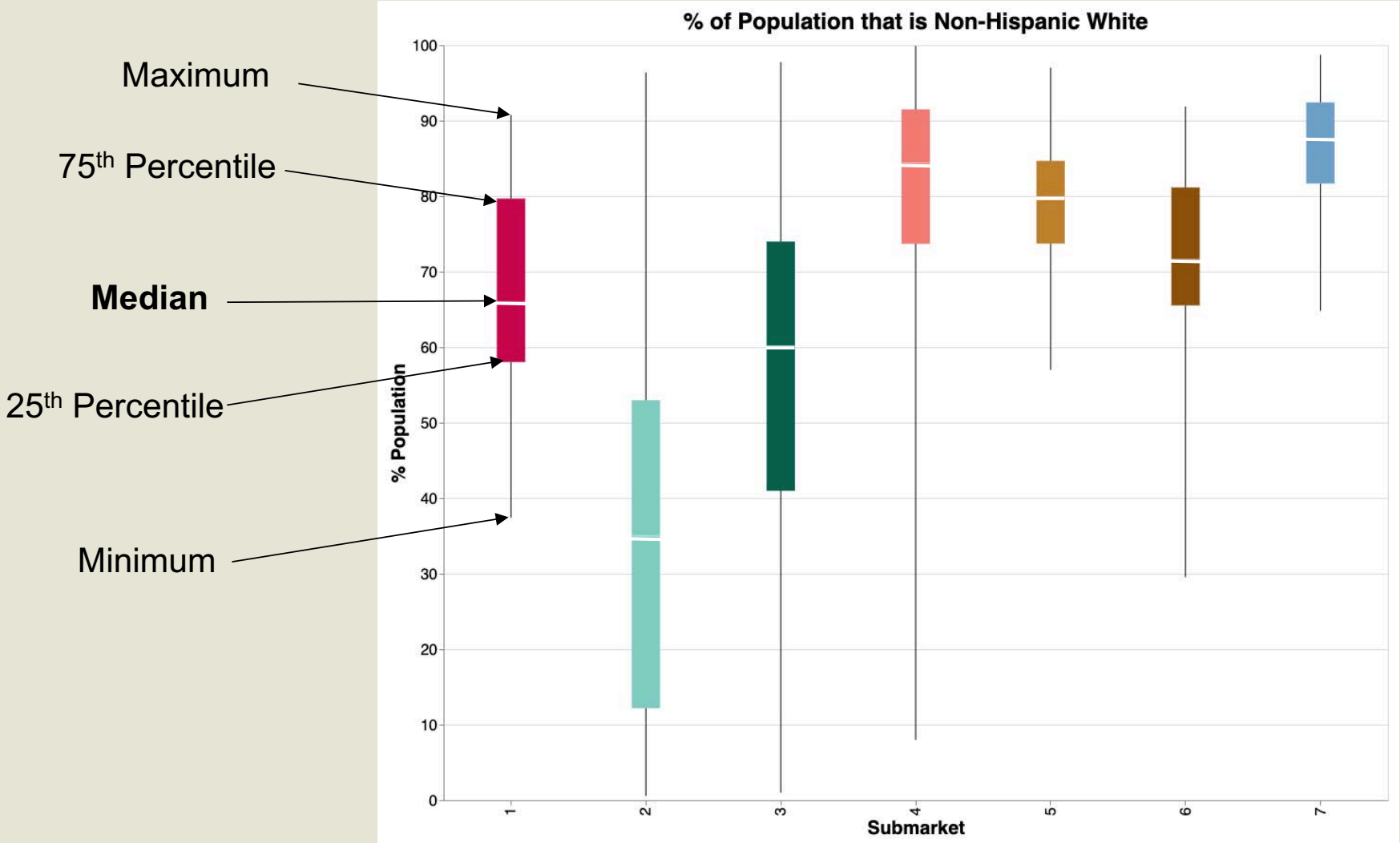


Data overlaid and summarized by submarket

- People by race, ethnicity, language, and age
- Public school performance and college attainment
- Access to jobs and unemployment
- Housing cost burden and home mortgage loans
- The legacy of Redlining

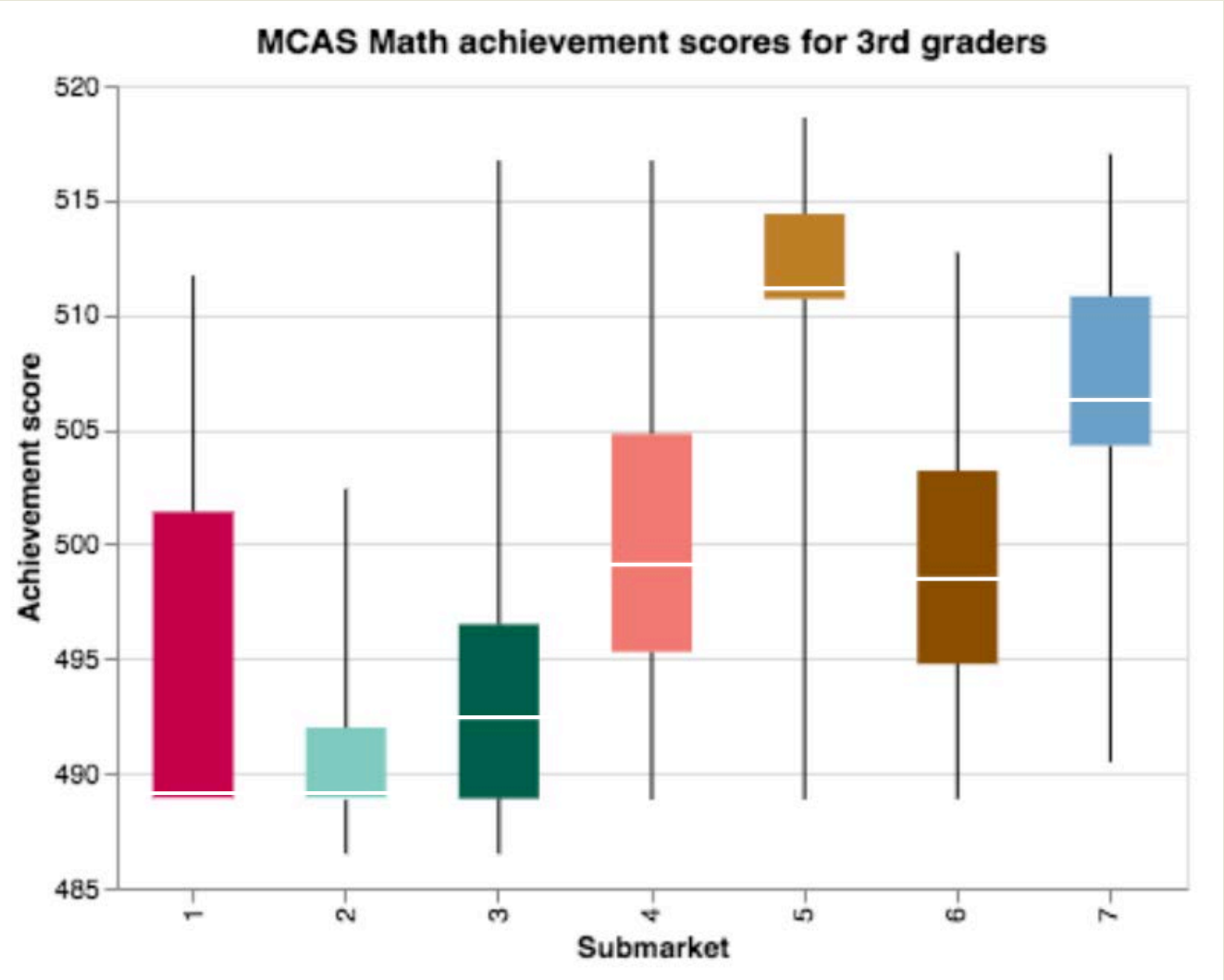
# Racial Segregation

## Percent of Population that is White



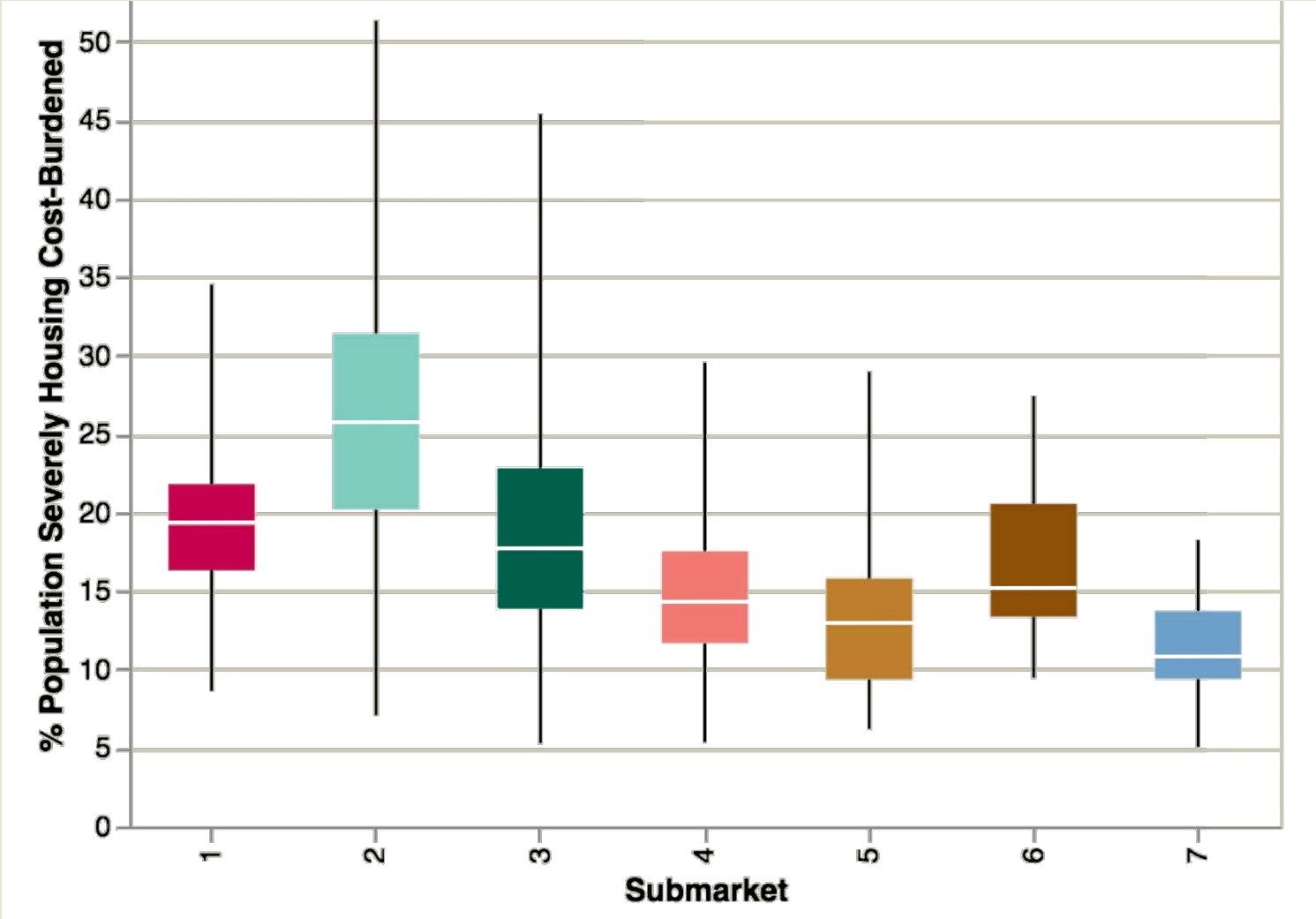
# Public School Performance

## Median MCAS Math Test Scores



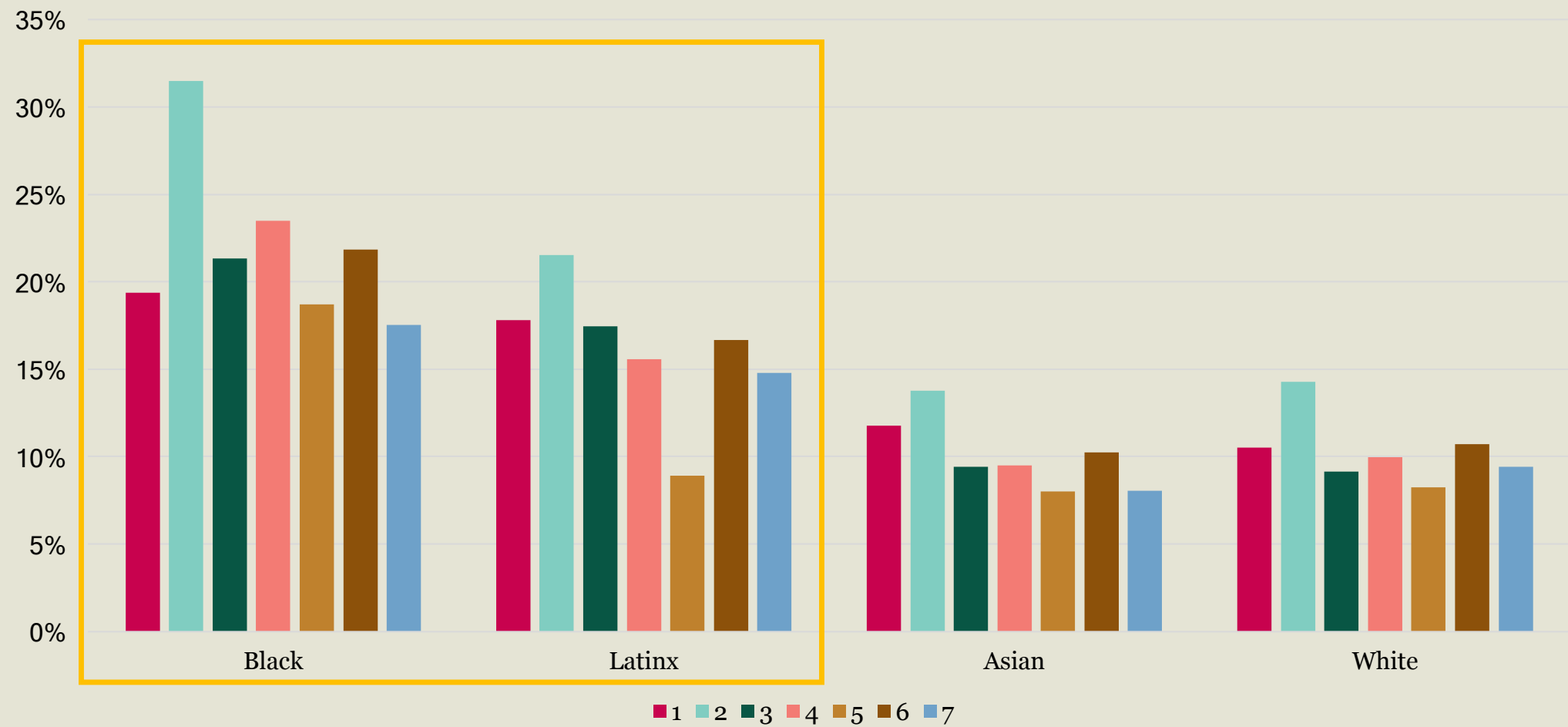
# Severe Housing Cost Burden

Percent Severely Cost Burdened Households



# Home Mortgage Loan Denial Rates

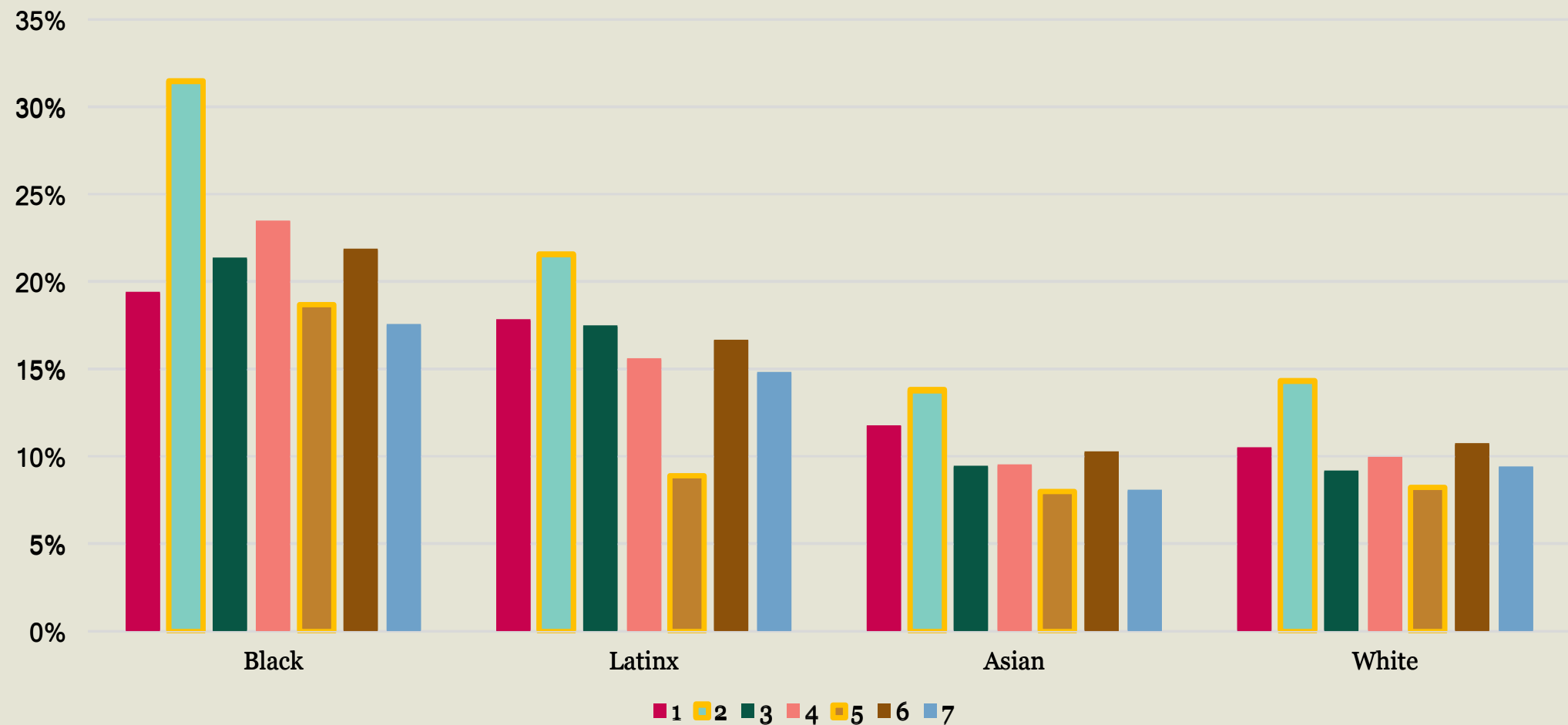
## Home Mortgage Loan Denial Rates for High-Income\* Applicants 2013 through 2017



\*High-income applicants defined as those with a combined income of \$125,000 or more  
Data Source: Home Mortgage Disclosure Act Data, 2013 through 2017

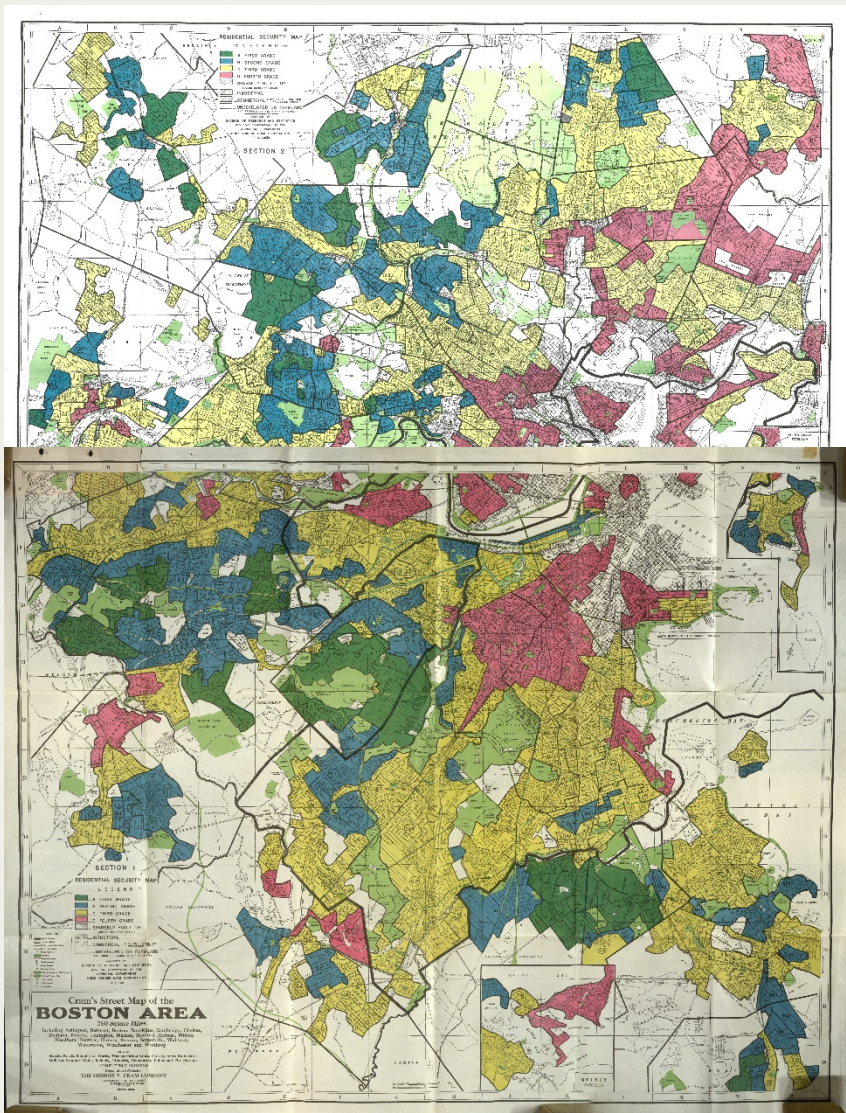
# Home Mortgage Loan Denial Rates

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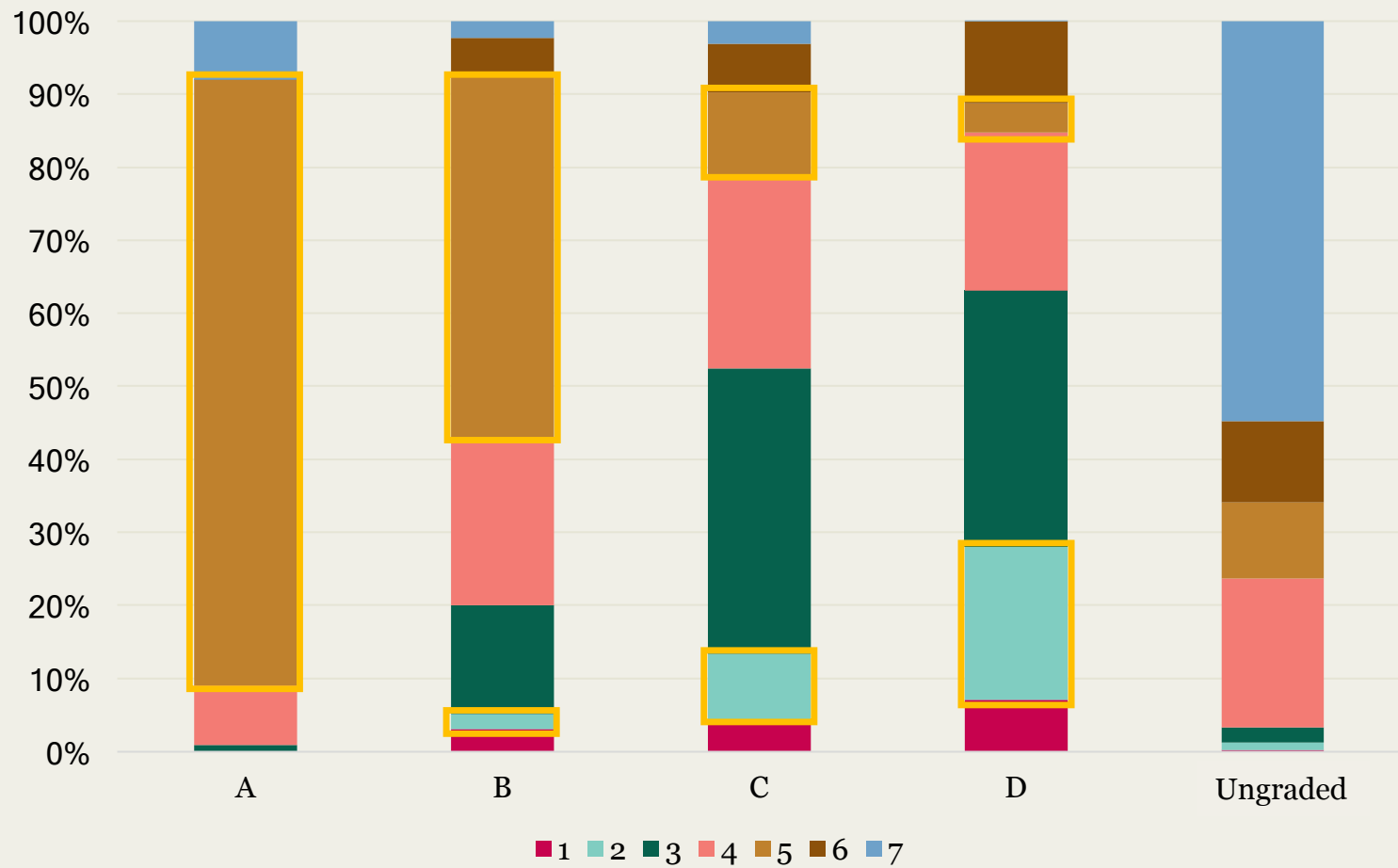


\*High-income applicants defined as those with a combined income of \$125,000 or more  
Data Source: Home Mortgage Disclosure Act Data, 2013 through 2017

# Redlining



Redlining HOLC Scores  
Share of Land Area Assigned to Each Submarket



Data Source: Robert K. Nelson, LaDale Winling, Richard Marciano, Nathan Connolly, et al., “Mapping Inequality,” American Panorama, ed. Robert K. Nelson and Edward L. Ayers, accessed February 19, 2021, <https://dsl.richmond.edu/panorama/redlining/#loc=11/42.314/-71.238&city=boston-ma>.



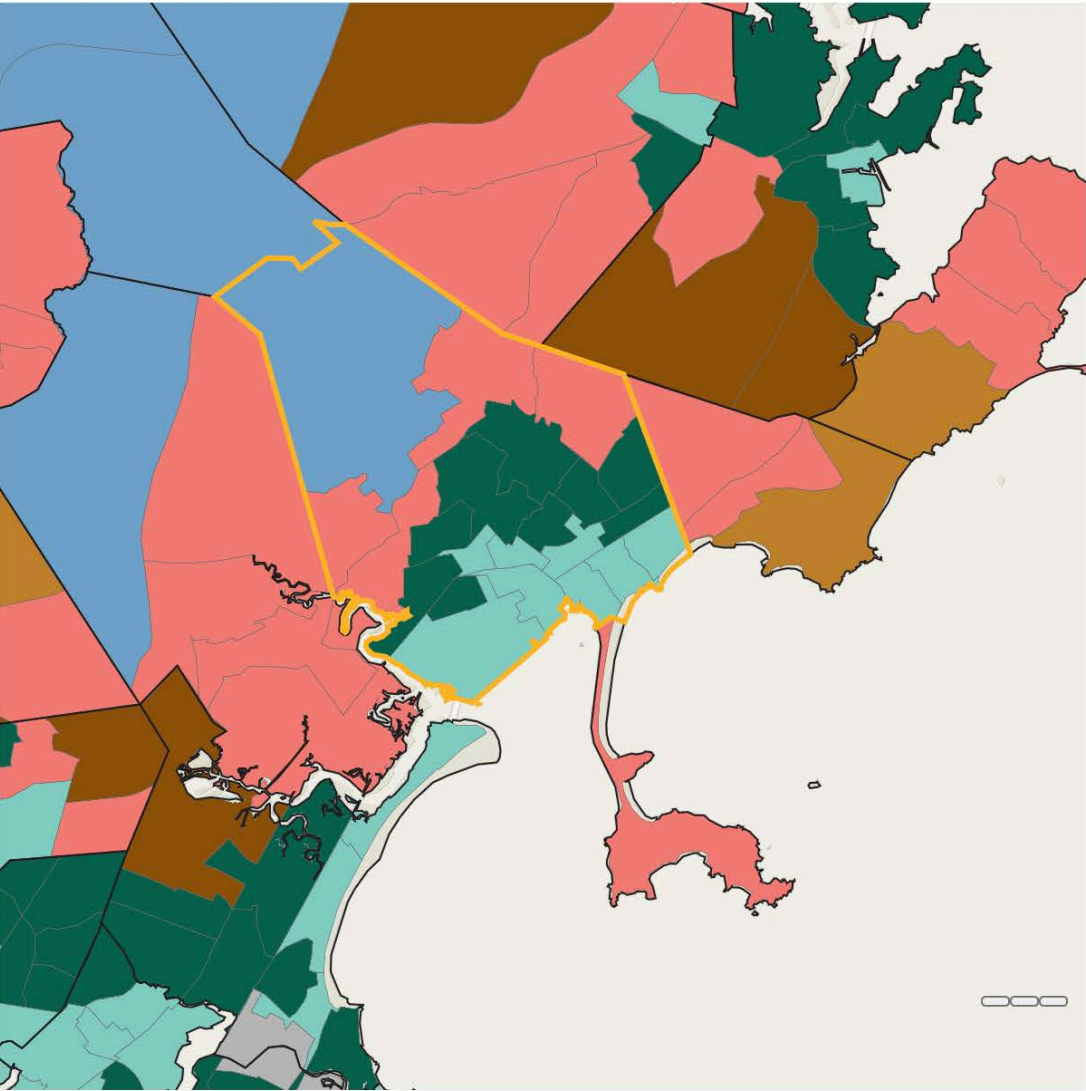
# Targeted Housing Strategies

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# Different Strategies for Different Contexts

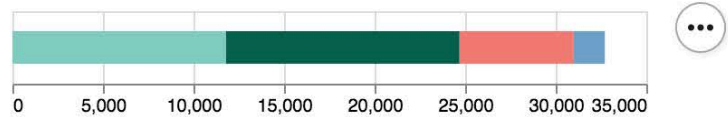
Housing strategy group							
Housing stability protections	1	2	3	4		6	
Community ownership of land		2					
Rental affordability strategies	1	2	3			6	
Owner affordability strategies		2	3	4			
Small landlord affordability incentives			3	4		6	
Affordable housing production strategies	1				5		7
Revenue sources for affordable housing	1				5		7
Multifamily production strategies				4	5		7

# Municipal Examples



[housing-submarkets.mapc.org](https://housing-submarkets.mapc.org)

Lynn



Housing strategy group							
Housing stability protections	1	2	3	4		6	
Community ownership of land		2					
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Owner affordability strategies		2	3	4			
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Affordable housing production strategies	1				5		7
Revenue sources for affordable housing	1				5		7
Multifamily production strategies				4	5		7



# **A Resource for Better Housing Policy**

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## How might this research be useful?



Provide a way for local stakeholders to understand housing market diversity within their municipality



Foster connections between similar places across the region



Facilitate the development and implementation of targeted policy responses and community development strategies.



Enable research that is more relevant to a given submarket or set of submarkets, e.g. displacement analyses.



# Thank you!

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**Jessie Partridge Guerrero**  
*Research Manager*

[housing-submarkets.mapc.org](https://housing-submarkets.mapc.org)

