CAMBRIDGE HOUSING PROFILE

2016
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INTRODUCTION: ABOUT US

ABOUT US
The Community Development Department (CDD) is the planning agency for the City of Cambridge, Massachusetts. Our mission is to foster and build a livable, sustainable and equitable City. We work to enhance the character and diversity of the city's neighborhoods and support sustainable economic growth that expands opportunities for residents, enables a high quality of life within the community, and contributes to a healthy environment.

CDD takes an interdisciplinary approach to manage and guide physical change in a manner consistent with the City’s priorities, engaging and collaborating with community partners and other government agencies to make Cambridge a desirable place to live, work, learn, innovate, and play.

SUGGESTED CITATION
About the Report

Housing, its affordability, production, and preservation, are often at the center of public policy discussions in Cambridge. This is not unusual. The second decade of the twenty-first century finds many urban communities challenged by issues such as the availability of housing, alignment of the needs of the population with the type of stock constructed, and, especially, affordability for a variety of household types. These questions have long had resonance in the dense and desirable urban fabric of Cambridge.

The issue of affordability has been a particularly influential driver of City of Cambridge policy. To address this concern, the Housing Division of the Cambridge Community Development Department focuses resources on a wide range of programs designed to meet the needs of low, moderate, and middle-income residents. The City has a long history of investment in the creation and preservation of affordable housing of various scales, types and forms, from providing technical support to encourage owner occupancy of small scale structures and condominiums to assembling complex plans to ensure the long-term preservation of large affordable rental buildings.

Planning for current and future housing needs and guiding residential growth in Cambridge calls for a thorough understanding of existing conditions and market trends over time. This document aims to provide a basic grounding through a statistical snapshot of the housing stock, the marketplace for its rental or sale, and the level of affordability in different components of the market.

Focus & Summary

The U. S. Census Bureau defines a housing unit as “separate living quarters … in which the occupants live separately from any other individuals in the building and which have direct access from outside the building or through a common hall.”¹ This is the definition of housing employed in here.

Housing units differ from group quarters living arrangements, those where the occupants reside in a location “owned or managed by an entity or organization providing housing and/or services for the residents.”² The most common form of group quarters in Cambridge is college dormitories. These and other forms of group quarters, such as nursing homes and group homes for residents with shared needs, are not addressed here.
A Cambridge housing unit can take a wide variety of forms, from an older single family structure to an apartment over a retail storefront in Central Square to a condominium in a triple-decker in North Cambridge or a residence in a new building in North Point. What these all have in common are a cost for occupancy. That cost might be constrained by affordability provisions pertaining to a property, third party financing by a bank or mortgage company, or the upper limit of what a prospective buyer or renter can or will pay in the ever-changing housing market.

In addition to physical and locational characteristics, housing cost depends in part on the nature of the relationship between the parties. Transactions most often occur on the “open” market, where the parties do not adjust prices to consider a pre-existing relationship. These are also known as “arms-length” transactions. A housing agreement where an existing relationship between the parties affects pricing is referred to as a “non-arms length transaction”. A third class of transactions, those involving affordable housing, are constrained by affordability and eligibility criteria limiting occupancy to households meeting specific requirements related to income and, in some cases, household characteristics.

This report largely concerns arm’s-length or open market transactions. However, a prime consideration throughout is the affordability of housing units, and, as such, we also include information about the affordable housing sector.

1 American Community Survey and Puerto Rico Community Survey 2015 Subject Definitions, downloaded from https://www2.census.gov/programs-surveys/acs/tech_docs/subject_definitions/2015_ACSSubjectDefinitions.pdf on April 18, 2017.  
2 Ibid.
FOCUS & SUMMARY

The report is broken into several parts:

- **Key Drivers** provides a brief overview of essential demographic and economic data points for understanding the character of the Cambridge housing market.
- **Stock** reviews information about the existing housing stock of Cambridge and the development of new housing.
- **Cost** examines the market for home sales and related aspects such as mortgages and foreclosures, as well as open market rents and rental cost drivers.
- **Affordability** examines the ability of households to afford different forms of housing in Cambridge and provides a brief overview of City of Cambridge affordable housing programs.

Since publication of the prior version of this report, Cambridge housing market has weathered the Great Recession and rebounded with the regional economy. Significant changes since publication of the 2010 report include:

- 4,600 housing starts from 2011 through 2016, including replacement units.
- A net increase of over 3,000 housing units from 2010 through June 30, 2016.
- A net increase of 700 condominium units from 2009 to 2015, a much smaller rate of growth than in the past.
- A net increase of 530 affordable housing units from 2011 to 2016.
- A 4% increase to 39% in the proportion of the housing stock located in properties of more than 50 units.
- The appearance of short term rental on-line platforms, such as Airbnb.
- Little change in the total number of arms length residential property sales over the same period, which ranged between 877 and 1,162 per year.
- A decline in mortgage originations from 3,700 in 2009 to 1,300 in 2015.
- Increases in median sales prices of arms length transactions from 2009 to 2015 of 84% for a single-family house, 77% for a two-family building, and 48% for a condominium, not accounting for inflation.
- A 36% increase in the rent of a single bedroom apartment and a 28% increase in the rent of a two-bedroom apartment from January 2010 to August 2016, not accounting for inflation.
- Decreasing level of affordability of arms-length open market rentals and sales.
**FIGURE B:**
Housing Stock Key Drivers

- **Total Residents:** 110,402
- **Residential Units:** 52,822
- **Post-Secondary Students:** 46,490
- **Median Household Size:** 2.1 in Cambridge, 2.6 in Massachusetts, 2.7 in United States
- **5 in 10 Live in Cambridge**
- **1.4 in 10 Live Off Campus in Cambridge**

**Sources, from top left:**
- Total Residents, 2015 American Community Survey (ACS) 1-Year Estimates
- Residential Units as of 6/30/2016, Cambridge Assessing Department 12/31/2015 extract
- Cambridge Development Log 2016 Q2, and Cambridge Inspectional Services Department as analyzed by Cambridge Community Development Department
- Total Households and Median Household Size, 2015 ACS 1-Year Estimates
KEY DRIVERS

FIGURE B:
Housing Stock Key Drivers

### INVENTORY: STRUCTURES & UNITS

**TABLE 1.01:**

Housing Stock Inventory: 2016

<table>
<thead>
<tr>
<th>Type of Housing</th>
<th>Count</th>
<th>Percent of Total</th>
<th>Count</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family</td>
<td>3,780</td>
<td>7.2%</td>
<td>3,780</td>
<td>34.0%</td>
</tr>
<tr>
<td>Two Family</td>
<td>6,976</td>
<td>13.2%</td>
<td>3,488</td>
<td>31.3%</td>
</tr>
<tr>
<td>Three Family</td>
<td>6,216</td>
<td>11.8%</td>
<td>2,072</td>
<td>18.6%</td>
</tr>
<tr>
<td>4 to 6 Units</td>
<td>5,019</td>
<td>9.5%</td>
<td>1,014</td>
<td>9.1%</td>
</tr>
<tr>
<td>7 to 25 Units</td>
<td>6,259</td>
<td>11.8%</td>
<td>513</td>
<td>4.6%</td>
</tr>
<tr>
<td>26 to 50 Units</td>
<td>3,995</td>
<td>7.6%</td>
<td>114</td>
<td>1.0%</td>
</tr>
<tr>
<td>51 to 100 Units</td>
<td>5,659</td>
<td>10.7%</td>
<td>83</td>
<td>0.7%</td>
</tr>
<tr>
<td>Over 100 Units</td>
<td>14,918</td>
<td>28.2%</td>
<td>69</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

**Total Units**

- **52,822** 100%  **11,133** 100%

**Mixed Use**

- **6,219** 11.8%  **369** 3.3%

---

**Sources, all figures:** Housing Stock as of 6/30/2016, Cambridge Assessing Department, 12/31/2015; Cambridge Development Log 2016 Q2 and Cambridge Inspectional Services Department as analyzed by Cambridge Community Development Department.

1 Includes all market rate and affordable housing - including housing owned by non profit organizations - and all family style housing operated as graduate student dormitories by Harvard and MIT.

Includes housing under active construction. Note that the method used to develop these figures differs from that used by the U.S. Census Bureau.

2 Mixed use properties include those with both a residential and commercial use. Associated totals refer to housing units located in mixed used properties.
TABLE 1.03:
Condominium Inventory: 2015

<table>
<thead>
<tr>
<th>Type of Housing</th>
<th>Condominium Units</th>
<th>Condominium Properties</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>Percent of Total</td>
</tr>
<tr>
<td>1 Unit^1</td>
<td>14</td>
<td>0.1%</td>
</tr>
<tr>
<td>2 Units</td>
<td>1,448</td>
<td>9.9%</td>
</tr>
<tr>
<td>3 Units</td>
<td>2,295</td>
<td>15.7%</td>
</tr>
<tr>
<td>4 to 6 Units</td>
<td>1,773</td>
<td>12.2%</td>
</tr>
<tr>
<td>7 to 25 Units</td>
<td>2,802</td>
<td>19.2%</td>
</tr>
<tr>
<td>26 to 50 Units</td>
<td>1,716</td>
<td>11.8%</td>
</tr>
<tr>
<td>51 to 100 Units</td>
<td>1,792</td>
<td>12.3%</td>
</tr>
<tr>
<td>Over 100 Units</td>
<td>2,733</td>
<td>18.8%</td>
</tr>
<tr>
<td>Total Units</td>
<td>14,573</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Mixed Use^2

<table>
<thead>
<tr>
<th></th>
<th>Count</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 3 Family Houses</td>
<td>2,722</td>
<td>18.7%</td>
</tr>
<tr>
<td>4 to 50 Unit Bldgs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over 51 Unit Bldgs</td>
<td>65</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

Sources, table: Condominium Inventory, Cambridge Assessing Department, 12/31/2015 as analyzed by Cambridge Community Development Department.
^1 Includes single residential units in mixed use properties.
^2 Mixed use properties include those with both a residential and commercial use. Associated totals refer to housing units located in mixed used properties.
**FIGURE 1.05:**
Housing Stock and Tenure: 1950 - 2010

**FIGURE 1.06:**
Housing Tenure for Cambridge, Massachusetts, and United States: 2010

TABLE 1.07:  
Vacancy Status: 2010  

<table>
<thead>
<tr>
<th>VACANCY STATUS</th>
<th>UNIT COUNT</th>
<th>PERCENT OF ALL RESIDENTIAL UNITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>On the Market</td>
<td></td>
<td>3.6%</td>
</tr>
<tr>
<td>For Rent</td>
<td>1,180</td>
<td>2.5%</td>
</tr>
<tr>
<td>For Sale</td>
<td>516</td>
<td>1.1%</td>
</tr>
<tr>
<td>Off the Market</td>
<td></td>
<td>3.3%</td>
</tr>
<tr>
<td>Rented or Sold, not Occupied</td>
<td>218</td>
<td>0.5%</td>
</tr>
<tr>
<td>Seasonal or Other Occasional Use</td>
<td>601</td>
<td>1.3%</td>
</tr>
<tr>
<td>Other Vacant</td>
<td>744</td>
<td>1.6%</td>
</tr>
<tr>
<td>All Vacant</td>
<td>3,259</td>
<td>6.9%</td>
</tr>
</tbody>
</table>

The U.S. Census Bureau defines vacancy differently than a real estate broker might. A housing unit is considered vacant by the U.S. Census if no one resides there at the time of the interview and occupants are not temporarily absent. Units under construction are classified as vacant housing once workers install all exterior windows and doors and lay final usable floors.

Units listed as vacant for sale or vacant for rent drive the housing market. Together, these percentages reflect the “On the Market” vacancy rate. Low rates might indicate a tight market struggling to keep up with demand for housing creation. Under these conditions, home prices and rents are susceptible to being bid up.

“Off the Market” vacancies include housing units rented or sold, but not yet occupied; seasonal units, like vacation homes; units occupied by persons who usually live elsewhere; and houses held vacant for legal, personal, storage, or repair reasons.

The category “Other Vacant” includes units under construction that meet the Census’s definition of completeness but are not yet “on the market” and any unit which is abandoned and to be demolished or condemned but for which a notice has not yet been posted.

The vacancy rate for Cambridge as defined by the Census Bureau is 6.9%, but the “On the Market” vacancy is 3.6% - about two thirds of the 5.5% that research has shown is needed to stabilize rents so they rise no faster than consumer price index.1

Sources, all figures: Cambridge 2010 Vacancy Status, 2010 Decennial Census DP-1 Census Summary File 1, U. S. Census Bureau.  
Sources, text: U. S. Census Bureau, American Housing Survey Definitions.  
Sources, all figures: Cambridge Assessing Department, 2016; Cambridge Community Development Log, 2016; Cambridge Inspectional Services Department, 2016.

1 Units and property count includes only new buildings, not major rehabilitations. Data is subject to revision.
MAP 1.11:
Residential Development by Number of Units: 2010-2016

Sources, data: Cambridge Assessing Department, 2016; Cambridge Community Development Department, 2016; Cambridge Inspectional Services Department, 2016.
**DEVELOPMENT: CONDOMINIUMS**

**FIGURE 1.12:**

**FIGURE 1.13:**
New and Converted Residential Condominium Units: 1996-2015

**Sources, all figures:** Condominium Inventory, Cambridge Assessing Department, 12/31/2015 as analyzed by Cambridge Community Development Department. 
1 From 2001 to 2015 status of “new” or “converted” based on year over year comparison of parcel use code, prior to 2001 based on comparison of year built and year first unit sold.
<table>
<thead>
<tr>
<th>Neighborhood</th>
<th>1 TO 3 FAMILY HOMES</th>
<th>CONDOMINIUMS</th>
<th>RENTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sales</td>
<td>Median Price</td>
<td>Sales</td>
</tr>
<tr>
<td>1 - East Cambridge</td>
<td>14</td>
<td>$989,000</td>
<td>130</td>
</tr>
<tr>
<td>2 - Area 2/MIT</td>
<td>0</td>
<td>--</td>
<td>0</td>
</tr>
<tr>
<td>3 - Wellington-Harrington</td>
<td>16</td>
<td>$887,000</td>
<td>18</td>
</tr>
<tr>
<td>4 - The Port</td>
<td>12</td>
<td>$1,025,000</td>
<td>27</td>
</tr>
<tr>
<td>5 - Cambridgeport</td>
<td>26</td>
<td>$1,100,000</td>
<td>94</td>
</tr>
<tr>
<td>6 - Mid-Cambridge</td>
<td>21</td>
<td>$1,600,000</td>
<td>113</td>
</tr>
<tr>
<td>7 - Riverside</td>
<td>16</td>
<td>$993,500</td>
<td>43</td>
</tr>
<tr>
<td>8 - Agassiz</td>
<td>6</td>
<td>$1,756,500</td>
<td>24</td>
</tr>
<tr>
<td>9 - Neighborhood Nine</td>
<td>36</td>
<td>$1,462,500</td>
<td>99</td>
</tr>
<tr>
<td>10 - West Cambridge</td>
<td>35</td>
<td>$1,580,000</td>
<td>68</td>
</tr>
<tr>
<td>11 - North Cambridge</td>
<td>39</td>
<td>$815,000</td>
<td>87</td>
</tr>
<tr>
<td>12 - Cambridge Highlands</td>
<td>2</td>
<td>$636,250</td>
<td>17</td>
</tr>
<tr>
<td>13 - Strawberry Hill</td>
<td>4</td>
<td>$1,059,500</td>
<td>9</td>
</tr>
<tr>
<td><strong>Citywide</strong></td>
<td>227</td>
<td><strong>$1,150,000</strong></td>
<td>729</td>
</tr>
</tbody>
</table>

**Sources, table:** Sales information 2015, Cambridge Community Development Department analysis of “Banker and Tradesman” data; Rent for a Single Family Residence on 09/2015, Zillow.com, accessed on 2/1/2017.

**Sources, map:** Basemaps, Cambridge GIS, 2016.

-- Indicates insufficient data.

Sources, all figures: Sales information 1995 to 2005, Cambridge Assessing Department; Sales information 2005 to 2015, Cambridge Community Development Department analysis of “Banker and Tradesman” data.
FIGURE 2.04: Median Annual Condominium Sales Price by Bedroom Count: 2006-2015

Sources, all figures: Sales information 2006 to 2015, Cambridge Community Development Department analysis of “Banker and Tradesman” data.

Cambridge Community Development Department
FIGURE 2.05: Single to Three Family Homes Median Sale Price and Regional Market Indices: 1995 - 2015

FIGURE 2.06: Condominium Median Sale Price and Regional Market Indices: 1995 - 2015

THE CASE-SHILLER INDEX

The graphs compare the annual Cambridge median sales prices of single to three-family detached homes and condominiums to the associated Case-Shiller Index. For ease of comparison, the graphs present values as a ratio to their starting value in 1995. Evaluating the Cambridge and index trends together can provide a regional and national context for the local residential housing market.

The S&P/Case- Shiller Home Price Indices comprise a group of measurements widely used to track the U.S. housing market. These indices are calculated by comparing purchase price and resale value from repeated sales of the same home. Indicators are available for the national housing market and twenty regions, including the Boston area. The economists Karl Case and Robert Shiller developed the original methodology, and the American financial services company Standard & Poor currently maintains and publishes monthly indices.

The Greater Boston Consumer Price Index uses the Boston-Brockton-Nashua Consumer Price Index (CPI) published by the U. S. Bureau of Labor Statistics. The CPI tracks the rate of change in the cost of a range of consumer goods and services.

Mortgage Loans are issued by private banks and other mortgage lenders. The federal government does not directly insure or guarantee these loans. Lenders may require private mortgage insurance if the down payment is 20% or less of the sale amount.

The Department of Housing and Urban Development (HUD) manages the Federal Housing Administration (FHA) loan program. The government insures participating lenders against losses that may result from borrower default. FHA loans require smaller down payments and have more flexible guidelines than conventional mortgages.

The Department of Veterans Affairs (VA) loan program services military service members, veterans, and their families. The VA reimburses the lender for any losses that may result from borrower default. Borrowers can receive up to 100% financing for the purchase of a home.

Farm Service Agency (FSA) or Rural Housing Service (RHS) guaranteed loans are offered through the Department of Agriculture (USDA). These loan programs target rural borrowers who fall within income guidelines. Cambridge does not meet the criteria for USDA guaranteed loans, but these mortgages play an important role in other regions.

**Sources, all figures:** Mortgage Loans 2007-2015, Consumer Financial Protection Bureau Home Mortgage Disclosure Act (HMDA) Records.

1 Records include loans secured by a first lien for one-to-four family dwelling or manufactured housing where property was owner-occupied as a principal dwelling.

WHAT IS A FORECLOSURE?

Foreclosure is the process through which lenders recover the amount owed on a defaulted mortgage by selling or taking ownership of the property securing the loan. Foreclosure proceedings begin once the lender files a public notice of the borrower’s defaulted loan with the court. This official notice of default, or Petition, provides information on the amount owed to the lender and the date by which the borrower must make payment. The Petition makes the borrower aware that there is a danger of losing all rights to the property.

After a lender files a Petition the borrower enters a grace period during which the opportunity exists to work out an arrangement for payment to the lender. If the default is not paid off by the end of grace period, the foreclosure proceeds to a Scheduled Auction.

The borrower has up until the scheduled time of the Auction to pay off the full amount of the unpaid loan. Should this not occur, the auction proceeds and a Foreclosure Deed subsequently filed with the Registry of Deeds grants ownership of the property to the purchaser at the foreclosure sale.

Properties may exit and reenter the foreclosure process multiple times in a single year. Thus, in the first figure each property subject to a Petition or Auction is counted only once in each foreclosure category each year, even if the lender filed multiple Petitions or scheduled multiple Auctions during that year.

Sources, all figures: Petitions, Scheduled Actions, and Foreclosure Deeds 2003 to 2016, Cambridge Community Development Department analysis of “Banker and Tradesman” data; August 2016 Foreclosure Rates, Redwood RealtyTrac LLC.
FIGURE 2.11: Median Asking Rent by Apartment Size: 1996 - 2016

MAP 2.12:
Rental Premiums
Associated with Transit Station Proximity and Cambridge Location: November 2015

Dollar amounts represent the additional amount paid in rent per bedroom for an apartment within 1/2 miles of a MBTA station, as compared to an analogous unit not within walking distance of an MBTA station. Not all stations were associated with statistically significant premiums.

After adjusting for number of bedrooms and proximity to MBTA stations, rent per apartment was $500 more in Cambridge than Somerville or Allston.

Sources, data: Rental data, scraped and cleaned by Sharon Ron from Padmapper.com, collected on 11/05/2015 and 11/30/2015; Pedestrian Street Network, Cambridge Community Development Department, 2017; Additional basemaps, Cambridge GIS, 2017.

RENTALS: AIRBNB SNAPSHOT

FIGURE 2.13: Number of Unique Airbnb Listings by Type: 2013-2015

FIGURE 2.14, far right: Average Annual Airbnb Bookings: September 2016

FIGURE 2.15: Airbnb Hosts and Listings by Host Size: 1 September 2016

Sources, bottom figure: Airbnb Data, Collected by Tom Slee (http://tomslee.net/) 9/30/2016.
1 Not adjusted for instances where hosts may list under multiple names.
MAP 2.16: Airbnb Listings of any Type per Acre: September 2016

Sources, data: Airbnb Data, Collected by Tom Slee (http://tomslee.net/) 9/30/2016.

1 Natural breaks classes are based on natural groupings inherent in the data. Class breaks are identified that best group similar values and that maximize the differences between classes.
AFFORDABILITY
### TABLE 3.01: Affordable Housing Inventory: 1997-2016

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Affordable Housing Units</strong></td>
<td>6,492</td>
<td>7,082</td>
<td>7,240</td>
<td>7,294</td>
<td>7,546</td>
<td>7,670</td>
<td>7,674</td>
<td>7,770</td>
</tr>
<tr>
<td><strong>Total Housing Units</strong></td>
<td>42,073</td>
<td>45,544</td>
<td>47,400</td>
<td>47,500</td>
<td>48,400</td>
<td>50,100</td>
<td>51,904</td>
<td>52,822</td>
</tr>
<tr>
<td><strong>Percent Affordable Units</strong></td>
<td>15.4%</td>
<td>15.6%</td>
<td>15.3%</td>
<td>15.4%</td>
<td>15.6%</td>
<td>15.3%</td>
<td>14.8%</td>
<td>14.7%</td>
</tr>
</tbody>
</table>

### DEFINITION OF TERMS

**Affordable Housing** is housing with a legal restriction limiting the occupancy or ownership to households earning at or below a specified income level.

### FIGURE 3.02: Affordable Housing by Type: 2016

- **Non-Profit Sponsored Affordable Housing**
- **Public Housing**
- **Privately-owned Affordable Housing**
- **Inclusionary Housing**
- **Scattered-site Homeownership**

### Sources, table:

### Sources, graph:
2016 City of Cambridge Affordable Housing unit count, City of Cambridge Community Development Department city analysis, 6/30/2016.

1 The “Cambridge Inclusionary Housing Study” used different methods for evaluating total size of housing stock prior to 2016, thus the figures are not strictly comparable to those stated in other tables.
INCOME REQUIRED: HOME PURCHASE

FIGURE 3.03: Income Required to Purchase Median Priced Residential Property: 1 1995-2015

HOW TO READ THESE GRAPHS

These graphs illustrate the ratio of the income necessary to purchase a median priced residential property to the median income of the area as determined by HUD.

A ratio of 1.0 indicates that the median income to purchase is equal to the area median income (AMI) for the area. For example, if the median income to purchase is $75,000, a ratio of 1.0 means that the AMI is $75,000.

A ratio above 1.0 means that the income necessary for purchase exceeds the AMI. Conversely, a ratio below 1.0 indicates that the AMI exceeds the minimum income required to purchase a median priced unit.

Affordable price calculations assume 24% of income for mortgage financing with a 30 year term and a 10% down payment. The interest rate, private insurance, and real estate taxes are calculated annually at the then-current rate. Condominiums also include a condominium fee. For two family homes, 75% of the average annual rent from the second unit is applied towards the mortgage.


1 HUD’s methodology changes occasionally, affecting the comparability of figures from different periods. The AMI for a 4-person family was used for all calculations.
INCOME REQUIRED: AFFORDABILITY LADDER

FIGURE 3.04:
Affordable Housing
and Area Median
Income Limits (AMI)¹:
2016

Sources, all figures: 05/2016 Market & Affordability Analysis based on 09/2015 Median Rent, Zillow.com from 09/2016 download and 2016 Median Housing Costs, Cambridge Community Development Department analysis of Banker & Tradesman data; HUD Boston-Cambridge-Quincy MA FY16 Income Limits data set, HUD USER Portal, FY16; City 80% of AMI, Cambridge Affordable Housing Trust, FY16.

1 All median income limits assume four person household.

2 Income required estimation assumes 24% of income for mortgage, 10% down-payment, 30 year financing, 4% interest rate, private insurance, condominium fee and real estate taxes at then current residential rate.

Cambridge Community Development Department
The Housing Division of the Cambridge Community Development Department offers access to affordable rental and homeownership units created through City programs and works to retain the City's affordable housing stock. This effort takes several forms:

- Working with affordable housing providers and the Cambridge Housing Authority to acquire, build and preserve affordable housing;
- Administering the City's Inclusionary Housing program, managing over 800 completed units, and working with private developers and owners to offer access to affordable units created by the Inclusionary Housing Ordinance;
- Offering First Time Homebuyer Classes, pre-purchase counseling, and financial assistance for new homebuyers;
- Managing the City's stock of more than 500 affordable homeownership units; and
- Working with non-profit community development organizations to offer low-interest loans to assist owners in making necessary home repairs and improvements.

There are several channels through which you can learn more about affordable housing in Cambridge:

- Search the housing section of the City's web site at: http://www.cambridgema.gov/housing. Information can be found here about the various programs and services for renters and homeowners in need of affordable housing, program guidelines, application forms, Frequently Asked Questions and more.
- Attend one of the information sessions about the City's rental and homeownership programs. Information about these programs is also provided through the Housing Division website.
- If you have additional questions email housing@cambridgema.gov and send your questions to the Housing Division or call the Housing Division at 617/349-4622.
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ABOUT THE DATA

Several of the data sets that serve as the basis for topics reviewed in the report will be added to the City of Cambridge Open Data portal (https://data.cambridgema.gov/). Information about specific data sources follows.

**AirBnB Data (corporate):** AirBnB short term rental information regarding change in unique listings over time and nights rented per year was provided to the City of Cambridge by AirBnB.

**AirBnB Data (tomslee.net):** AirBnB short term rental information regarding hosts with multiple units and unit locations was obtained using data collected through tomslee.net on September 30, 2016. Metadata and data downloads are available through the website: http://tomslee.net/airbnb-data-collection-get-the-data

**American Community Survey (ACS):** The ACS is an ongoing survey conducted by the U. S. Census Bureau, which provides a wide variety of socioeconomic information about the population. City of Cambridge tables are available for one and five year periods. The information cited in this report all comes from 2015 one-year tables. More information about the ACS program, data downloads and metadata is available from the Census Bureau: https://www.census.gov/programs-surveys/acs/

**Banker & Tradesman (B&T):** B&T is weekly journal covering the development and financial services industries in Massachusetts. Reporting includes weekly tables listing housing sales. This data is purchased on an ongoing basis by the City of Cambridge and analyzed to evaluate the arms-length transaction real estate market: http://www.bankerandtradesman.com/

**Cambridge Assessing Database:** The Assessing Department maintains the City’s property database, which includes data about the number of units and condominium status of a parcel. Data reports are available through the Cambridge Open Data website: https://data.cambridgema.gov/browse?category=Assessing

**Cambridge Development Log:** The Development Log is a quarterly publication of the Community Development Department providing information about any project with 50,000 or more square feet, eight or more residential units, or of special interest to the City: http://www.cambridgema.gov/DevLog
ABOUT THE DATA

Cambridge Geographic Information System (GIS): The Cambridge GIS provides spatial data on a wide variety of topics. Data drawn from the GIS was used to construct the maps found throughout the report. Data downloads and metadata are available through the Cambridge GIS website: https://www.cambridgema.gov/GIS.

Cambridge Inclusionary Housing Study: This 2016 study evaluates the impact of new market-rate residential development on housing affordability and socio-economic diversity and includes tables on variety of topics, including growth overtime of the affordable housing stock: https://www.cambridgema.gov/CDD/Projects/Housing/inclusionaryhousingstudy.

Cambridge Town Gown Reports: Major post-secondary educational institutions in Cambridge provide a Town Gown Report annually to the Community Development Department. These reports summarize information about students, employment, and facilities as well as long term plans: https://www.cambridgema.gov/towngown.


Home Mortgage Disclosure Act (HMDA): HMDA requires certain financial institutions to report home loan data to determine whether the institutions are serving the housing needs of their communities. Data is available through the U. S. Consumer Financial Protection Bureau: https://www.consumerfinance.gov/data-research/hmda/.

HUD Income Limits: Each year the U. S. Department of Housing and Urban Development (HUD) publishes income limits for participation in federal-funded affordable housing programs. To develop income limits HUD first calculates the median income for a family of four in each metropolitan region. These figures, referred to as Area Median Income, provide a generally accepted basis for judging the affordability of market-rate housing: https://www.huduser.gov/portal/datasets/il.html.

Padmapper.com: Padmapper is a company that provides information about apartments available for rent along with specific location information that can be used in a spatial analysis of the distribution of rents: https://www.padmapper.com/sitemap.

Redwood RealtyTrac: This firm reports foreclosure rates throughout the United States based on total properties in any state of the foreclosure process http://www.realtytrac.com/statsandtrends.

S&P/Case-Shiller Home Price Index: The S&P/Case-Shiller Indices comprise a group of measurements widely used to track the U.S. housing market. These indices are calculated by comparing purchase price and resale value from repeated sales of the same home: http://us.spindices.com/index-family/real-estate/sp-corelogic-case-shiller.
ABOUT THE DATA

United States Decennial Census: The Decennial Census, conducted by the U. S. Census Bureau every ten years as required by the U. S. constitution, collects basic demographic and housing tenure data from all members of the population:
https://www.census.gov/2010census/

Zillow.com: Zillow is an internet-based real estate firm that collects and distributes consumer level data about various aspects of the for-sale and for-rent real estate markets. The company makes freely available a variety of statistical measures of real estate markets:
https://www.zillow.com/cambridge-ma/home-values/
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