March 2015

AMHERST HOUSING MARKET STUDY

Prepared for:
Town of Amherst, Massachusetts

Credit: Rent.com

Credit: MassHousing

Credit: UMass Amherst

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Massachusetts

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TABLE OF CONTENTS

Chapter 1 EXECUTIVE SUMMARY 1-1
A. Introduction 1-1
B. Demographic Analysis 1-1
C. Real Estate Market 1-3
D. Conclusions 1-4
E. Major Recommendations 1-5

Chapter 2 INTRODUCTION 2-1
A. Background 2-1
B. Scope of Work 2-2
C. Organization of this Report 2-3

Chapter 3 DEMOGRAPHIC ANALYSIS 3-1
A. Key Findings 3-1
B. Population and Household Growth 3-5
C. Migration Trends 3-5
D. Household Characteristics 3-10
E. Lifestyle Segmentation 3-14

Chapter 4 REAL ESTATE MARKET ANALYSIS 4-1
A. Key Findings 4-1
B. Baseline Conditions 4-4
C. Residential Market Analysis 4-8
D. Owner Household Characteristics and Trends 4-13
E. For-Sale Market 4-17
F. Renter Household Characteristics and Trends 4-26
G. Rental Market 4-31
H. Forecasted Residential Demand 4-32

Chapter 5 STUDENT HOUSING ASSESSMENT 5-1
A. Key Findings 5-1
B. College Students and Young Renter Households 5-3
C. Land Use and Housing Supply in Amherst 5-8
D. Sale of Owner and Non-Owner Occupied Single Family Homes 5-11

Chapter 6 RECOMMENDATIONS 6-1
A. Introduction 6-1
B. Zoning Bylaw Assessment 6-1
C. Market Based Recommendations 6-3
D. Regulatory Recommendations 6-7

Chapter 7 APPENDIX 7-1
A. Esri Tapestry Segmentation Methodology Descriptions for Amherst 7-1
B. Glossary 7-13

1. EXECUTIVE SUMMARY

A. INTRODUCTION

Like most college towns, Amherst feels the effects of having many students and faculty living within its borders. However, Amherst is a relatively small town that hosts two colleges and a large university: Amherst College and Hampshire College, both private schools, and the University of Massachusetts (UMass Amherst), the flagship campus in the state university system. Their combined 2010 enrollment was approximately 30,900 students. UMass accounts for the vast majority, with 27,500 students.

These institutions generate significant demand for off-campus housing due to a large gap between total student enrollment and the total number of rooms in college dormitories. This is especially true for UMass Amherst, which provides on-campus housing for 61 percent of its undergraduates. The number of college and university students, faculty, and staff seeking off-campus housing has a powerful spillover effect on the housing supply in Amherst, nearby bedroom communities, and the larger region as students and others seek housing in the private real estate market. Given this long-standing dynamic and its increasing pressure on Amherst's housing in recent years, the Town wanted a better understanding of the actual impacts on its housing supply and the potential for addressing them. Accordingly, the Town retained RKG Associates, Inc., to prepare this Amherst Housing Market Study.

The study consists of three major components:

- A comparison demographic analysis of Amherst, two tiers of surrounding communities, and the three counties that comprise Pioneer Valley (Franklin, Hampshire, and Hampden);
- A housing market analysis; and
- Recommendations that Amherst can consider to achieve a better alignment between the local housing supply and the competing demands placed upon it. Below is a summary of these three major components.

It should be noted that this is a professional housing market study, not a public policy document of the Town of Amherst. RKG's data, conclusions, projections, and recommendations do not themselves represent community policies. The purpose of this report is to provide the Town of Amherst with a framework of housing market data, perspectives, and in some cases, recommendations about the most efficient and effective policies RKG has identified in use by other communities. The various figures for unmet housing demand do not, for instance, represent either housing goals or an imperative for community action. They represent RKG's assessment of the scope of the housing market situation in which Amherst finds itself. It is the responsibility of the community to decide how to use this information. Finally, while Amherst cannot control what happens beyond its borders, the housing market which directly impacts Amherst extends well beyond those borders as both a source of challenges and opportunities. That reality should be taken into account as the community considers its future actions with regard to housing.

B. DEMOGRAPHIC ANALYSIS

The demographic analysis focuses on current and potential demand for housing in Amherst – how have we grown and what are our opportunities – regardless of ability to pay. The analysis provides an

assessment of the student and non-student market segments most interested in living in Amherst. The following narrative summarizes the findings from that analysis.

Population Growth. According to U.S. Census data, Amherst experienced substantial population growth from 2000 to 2010. Most of the increase resulted from enrollment growth at UMass Amherst, Amherst College, and Hampshire College, together with the additional faculty and support staff needed to serve the new student population. The surrounding area experienced population growth as well, but at a much slower rate than Amherst. This finding is consistent with economic data, as population and household growth has outpaced job growth in the region. In other words, enrollment growth at UMass has been a driving factor in the pace of population growth in Pioneer Valley through the economic downturn.

Outside of college-age population growth in Amherst, the region's population growth has been concentrated in the over-55 age group. Data from DemographicsNow indicate the number of households headed by people over 55 years increased between 2000 and 2012 while the number of households headed by people under 45 years declined. It is no secret that Pioneer Valley provides a high quality of life for retirees, but it has experienced limited job growth, particularly since the economic downturn. In-migration of retiree households also slowed during the economic downturn. American Community Survey (ACS) data indicates the share of people over 55 that moved to Hampshire County was approximately 5 percent between 2006 and 2010.

While household growth in Amherst and the region slowed between 2010 and 2012 due to the economic downturn and subsequent decline in housing development, areas outside Amherst experienced a more robust gain in family-age households (30-54 years old). Amherst offers a much more limited range of housing supply, particularly for low- and moderate-income households (earning below $60,000). Simply put, some communities in Amherst's region have more diversity in the type and cost of housing.

Housing Barriers. The differences are due in part to local regulations. RKG found that some communities around Amherst allow for smaller lot sizes and higher densities, and they accommodate multi-unit development more efficiently. This has allowed for a more diverse mix and pricing of housing through better equilibrium of supply and demand. Together, the impact of low supply and high demand allows developers to "cherry pick" which market they will serve and effectively forces them to concentrate new development to the high end (over $400,000). This is because the high cost of land in Amherst cannot be recaptured without higher price points. In addition, the communities around Amherst have less pressure from student populations due to their distance from UMass and the colleges.

Demand for housing in Amherst is not limited to high-income/high-equity households or to homeownership for non-student households. The restrictions on development density and type have made development of modestly priced housing unprofitable, blocking the potential to accommodate lower-income renters and owners. The pressure of student population growth without the commensurate increase in student housing has driven prices up for rental properties and increased consumption of traditional ownership units for rental occupancy.

Based on Census data, the percentage of over-55 renter households in Amherst increased nearly 60 percent between 2000 and 2010. While Amherst is and will remain a rental market due to the transiency created by being a "college town," recent trends indicate it is not just students and professors seeking residency in Amherst without the responsibilities of ownership. This finding is partially attributable to the development of age-restricted, assisted living facilities in Amherst, the draw of urban community amenities offered by the colleges, and the quaint lifestyle of a small town, which attracts increasingly mobile retirees as well.

Competing Interests. From a student's perspective, Amherst is the preferred community to live in because of its proximity to UMass and the colleges. For non-student households, the demographic analysis indicates that demand for housing in Amherst is as much a function of access to the amenities and quality of life as it is the draw of jobs in Amherst. This matters because much of Amherst's employment growth involves industries that provide lower-wage, primarily service-based, jobs.

Based on RKG's research, non-student households and single people seeking to live in Amherst have some common traits. Most notably, the households tend to be smaller. While national trends indicate households are getting smaller overall, Amherst has not attracted large family households – unlike some of the surrounding towns. This is largely due to Amherst's housing prices, for the student population is consuming the affordably priced housing that does exist. The exception is Chapter 40B housing, which is governed by deed restrictions that require property owners to verify tenant incomes and rent to income-eligible households. However, most of Amherst's "affordable" housing is not deed restricted. It is affordable due to its general condition, location, or size, not legal requirements, so the income qualification requirement does not apply.

Another common trait is the desire to be near a college or university and the amenities it provides. A school like UMass Amherst offers similar quality entertainment and cultural amenities available in more urban environments at a lower cost and in a more pastoral setting. It is this attraction that spans across income and age groups; from the retirees that enjoy the activity and support offered in a college town to the service providers and laborers that make their living from the university's presence. Similarly, many of the households seeking Amherst appreciate mixed income/diversity in their community.

RKG estimates there are more than 1.1 million households in New England that find the lifestyle offered in Amherst desirable. Chapter 3 provides a detailed breakdown of the non-student market segments that would locate in Amherst if the appropriate type and price of housing were available.

C. REAL ESTATE MARKET

RKG analyzed Amherst's existing housing supply in order to better understand the opportunities and barriers for existing and potential market demand. The real estate market analysis helped to inform the recommendations presented in this report by identifying the impact of the existing regulatory environment on the balance of supply and demand in Amherst. The following narrative summarizes the conclusions of the real estate market analysis.

Shortage of Student Housing. Amherst's residential market supply does not meet the needs of its residential demand. At the most basic level, Amherst does not have enough student-focused housing to meet the current need. "Student-focused housing" means apartment-style rental units close to UMass. As a matter of policy, UMass requires a percentage of each school's enrollment to live on campus. This policy, along with the impact of the so-called Pacheco Law (G.L. c. 7, §§ 52-55)[1] and continued student enrollment growth, has resulted in growth in the market for off-campus student housing. The increase in demand without a corresponding increase in supply has created an unhealthy rental market with a reported vacancy rate of less than 2 percent and annual rent increases despite the economic downturn.[2]

[1] The Pacheco Law limits contracting out government services – in this case university housing – without performing a cost analysis of continuing to provide that service within the government "in the most cost-effective manner." As recently as this year, the Chancellor of UMass Amherst noted that the Pacheco Law creates a significant legal barrier against public-private partnerships to build student housing on university land. However, state legislators have been quoted as supporting such partnerships.
[2] Based on sampling of Amherst's larger apartment complexes.

It may seem that the shortage of on-campus housing and student-focused housing off-campus affects only the student body, but that is not the case. It has effectively "priced out" households at low- and moderate-income levels and disrupted the "ebb and flow" relationship with Amherst's traditional ownership market. From the rental demand side, households with similar income levels as students cannot compete with the ability of students to pay. This is because students often receive financial assistance from their families, and they rent at the bedroom level, not for the entire dwelling. This phenomenon has led most of Amherst's rental housing market to establish "per bedroom" rents that, when added cumulatively for the entire unit, results in a monthly rent well above what a household earning $30,000 to $40,000 can pay. For those that can pay, the challenge becomes their willingness to live within an apartment community occupied primarily by student renters.

Homeownership Demand. From an ownership unit perspective, changing economic conditions can influence the attractiveness of existing housing to investors in search of income properties. While much of Amherst's housing stock is priced above financial feasibility for rental conversion (based on the financial realities of allowing four unrelated residents in a single dwelling unit), the Town has neighborhoods with a notable inventory of older, modestly priced single-family detached and attached dwellings. RKG's research indicates that market factors such as changes in enrollment at UMass Amherst, delivery of new of rental housing, and demand for traditional owner-occupancy (often tied to job growth and economic prosperity) can influence investment decisions in Amherst.

When the demand is high for ownership, traditional owners typically are more willing to pay for a housing unit than an investor's value of the house based on the return on investment as a rental property. Prior to the economic downturn, Amherst's housing prices were very high, effectively pricing investors out of the market. Census data indicate that Amherst experienced a period where converted housing returned to ownership. Market activity reverses when demand for ownership is weak, enrollment increases rapidly, or no new rental units are delivered. Most recently, Amherst has been affected by all three 'conversion' factors, with the economic downturn effectively eliminating ownership demand, fast-growing enrollment encouraging rental demand, and very little new rental housing being delivered in or around Amherst. The Town's property assessment data show increased conversion of ownership units to rental units between 2010 and 2012. The "tipping point' value of a unit in Amherst has ranged from $200,000 to $250,000 (for a 4-bedroom unit). Real estate professionals say this pattern of fluctuation in rental conversions has been occurring for decades in Amherst.

Limited Housing Mix. Compared with other communities in the region, Amherst does not have an efficient mix of housing. While the economic downturn adversely affected all of the Pioneer Valley between 2007 and 2011, recent market activity indicates the surrounding towns have experienced substantial or even full recovery – from a housing value perspective. In contrast, Amherst remains at a level more than 15 percent below the 2007 peak. This is due, in part, to the disproportionately large concentration of "luxury" housing (over $400,000) in Amherst as compared to some neighbors. However, it also is a reflection that many of the recent sales have been to investors focusing on the lowest end of the ownership housing market. The percentage of sales to investors spiked to 30 percent since 2010, up from 20 percent between 2000 and 2007. RKG's research in other communities that have allowed more multi-family housing (both owner and rental) have proven to be more resilient in price recovery.

D. CONCLUSIONS

Amherst has three separate housing markets: students (predominantly renters), non-student renters, and non-student homeowners.

1. Student Rental Demand Drives the Market

The first is the student housing market driven by UMass Amherst, Amherst College, and Hampshire College. RKG estimates the demand for off-campus housing this market generates in Amherst is between 4,000 and 4,500 students. UMass accounts for most of this demand. Enrollment changes since 2010 (approximately 1,500 more students for the 2013-2014 school year) and University projections (an additional 1,500 students by 2020) will add the demand for 3,000 new bed spaces in Amherst. The University delivered the Commonwealth Honors College dorm (1,500 bed spaces) and removed 500 non-housing bed spaces (i.e. converted common rooms), for a net increase of 1,000 bed spaces. Administration representatives confirmed there are no plans to add any more on-campus housing by 2020, indicating the demand from student renters in Amherst will increase by approximately 2,000 beds during the decade. This is important because the imbalance of appropriate housing for student renters and the demand for that housing will adversely impact the Town's other two markets: non-student renters and non-student homeowners.

2. Students Can Outspend Non-Student Renters

RKG's analysis indicates that the bulk of the non-student rental market cannot compete with the ability of student households to pay. As a result, the non-student market segment will remain challenged to find suitable, desirable rental opportunities in Amherst. While some relief can be provided for senior (over-55) renter households if rental age-restricted housing is built (which is very difficult to get financed from private or governmental sources), that market constitutes a portion of the non-student rental demand for Amherst. The student market is competitive with households earning up to $100,000 per year, based on supportive monthly rents. Based on RKG's analysis, only 20 percent of the total market demand for rental housing will have that ability to pay. RKG Associates' analysis indicates there is demand from non-student households for as many as 150 to 250 housing units each year. Currently, there are very few units available (from a cost perspective) to these households, meaning initial demand will require substantial new construction until there is sufficient supply to accommodate new demand through turnover.

3. Unmet Student Housing Demand Overwhelms Non-Student Homeownership

As in many other college communities, the unmet demand for student rentals in Amherst has manifested in conversions of traditional ownership units for rental use. While the net number of conversions has varied in the recent past, current market conditions and projected demand levels indicate the financial feasibility for conversion will outpace demand by owner occupants. As noted, this applies primarily to ownership housing priced below $300,000. Several existing neighborhoods are, and they remain, at risk to continued conversion.

E. MAJOR RECOMMENDATIONS

The following section highlights recommendations for Amherst to consider. Greater detail and explanation can be found in Chapter 6 of this report.

1. Market Based Recommendations

UNLOCK MULTI-FAMILY DEVELOPMENT

Unlocking the Town's apartment regulations is the most efficient way to increase the land supply by increasing allowable densities. While there are several multi-family projects under consideration in Amherst, they are not enough to address current and projected future need. That said, adding even more multi-family supply at a moderate- or larger-scale may be difficult for Amherst to consider if the public perceives the result as more beneficial to college students than year-round residents who need affordable housing. The Town's existing requirements limit apartments to areas that appear to be substantially built, such as the business and village districts. These locations make good planning sense for higher-density housing, but they offer few opportunities to create a significant number of housing units unless regulations are adjusted.

RKG's analysis indicates that Amherst will have an annual rental housing demand of approximately 475 housing units. Based on turnover ratios, this demand will necessitate the development of an additional 25 new units per year. The predominance of this demand will be households that can afford less than $1,500 in monthly rent. However, the estimated 25 units per year does not account for the projected enrollment increase at UMass or any reclamation of rental conversions. As noted, the administration's target undergraduate enrollment will add approximately 1,500 new students without any subsequent dormitory space by 2020. The 600+ traditional single family units under absentee ownership are estimated to account for as many as 1,500 to 3,000 potential tenants in traditional rental housing.

In considering Amherst's housing demand, it is important to acknowledge the realities imposed by housing demand from households other than students and from beyond Amherst's borders. Student households do not constitute the entire annual demand for rental housing in this price range. RKG estimates that as much as 50 percent of this annual demand comes from non-student households within Amherst, from the tier towns around Amherst, and from the New England region. Given the challenges facing non-student households in finding suitable rental units in Amherst, the net need for new rental housing dedicated to non-student households could be as high as 150 to 200 units annually until enough supply exists to accommodate new demand through turnover.

Student housing demand (as well as housing demand from faculty, staff, and others) reaches well beyond Amherst into the tier towns identified in Chapter 3. However, Amherst is the community most heavily affected by this demand, and the extent of that impact is in large part the result of the imbalance created by Amherst's limited housing supply and strong demand. The data indicate that non-student households at the low- and moderate-income thresholds are limited in their opportunities to find suitable housing in Amherst. As noted throughout this report, Amherst will be challenged to accommodate much of its non-student demand without simultaneously relieving pressure from the student housing demand market. The Town can pursue regulatory efforts to accomplish this as long as it remains mindful of the federal Fair Housing Act.

- **Allow Multi-Family Housing by Right.** Removing the perceived regulatory barrier of a special permit can help to spur housing production, whether through new construction or adaptive reuse of existing facilities.
- **Consider a University Neighborhood Overlay District.** A University Neighborhood Overlay District could address a wide variety of issues including residential development and density; dimensional

regulations; types of housing to be built; building design standards; parking; commercial uses; property maintenance, upkeep; and other town-gown concerns.

- **Enable infill development at existing apartment complexes.** The Town should consider allowing density bonuses and/or parking relief to these projects to add units to the existing open spaces.

ACCOMMODATE PROJECTS TO PROTECT NON-STUDENT RENTERS

- **Pursue a Housing Incentive Overlay District.** Rather than attempt "across the board" changes in Amherst's multifamily regulations, the Town might consider exploring the recruitment of development partners for a housing incentive overlay district.
- **Expedited review process.** An expedited review process for Project Eligibility applications that address most or all of the Town's preferences could incent the development community to focus on multi-family development other than student housing.
- **Transition away from the traditional minimum lot area approach to a units-per-acre system of density control.** Utilizing a minimum lot size requirement is appropriate for low-density and detached housing developments, but not for multi-unit developments.
- **Provide for small, two- or three-bedroom cottage-style units at a higher density than traditional single-family homes.** These types of units are likely to cater to non-student households that are currently priced out of Amherst's housing market.

2. Work to Increase On-Campus Housing Accommodations

- **Work with UMass/state on modifying laws about on-campus student housing.** Several Amherst individuals have expressed a desire to see UMass Amherst help solve the need for additional student housing with on-campus facilities. To accomplish this, substantial work needs to be done to reverse the prevailing position on UMass' role in housing more or all of its students AND to change the application of the Pacheco Law.
- **Work with Amherst College on portion of land holdings.** While potentially challenging, Amherst College has substantial land holdings that do not have a current use.

3. Regulatory Based Recommendations

SMALLER-SCALE MULTI-UNIT HOUSING

Amherst has existing zoning tools that could, if reconceived, help to address the housing needs of lower-income families as well as college students. In some cases, precluding student competition for available units will take more than simply changing the Zoning Bylaw to stimulate housing production.

- **Deed Restrictions.** An affordable housing deed restriction that requires eligibility for the Subsidized Housing Inventory (SHI) will remain very important for "matching" housing types and sizes with families that need affordable units, particularly for low- or moderate-income housing,
- **Remove Regulatory Barriers to Small-Scale Housing Production.** To reduce regulatory barriers to smaller-scale production, Amherst could consider the following methods:
    - Amend Section 5.011 to allow "Supplemental Apartments" as of right in all residential zoning districts under certain threshold conditions.
    - Amend Section 3.3210 to allow owner-occupied two-family homes as of right in the R-N as well as the R-G and R-VC zoning districts, reserving special permit controls for investor-owned duplexes.

- Amend Section 3.32 by adding a new use category, infill dwelling units, to be allowed by special permit in the R-N, R-VC, and R-G districts.
- In addition to adding infill dwelling units to Section 3.32, the Town would need to amend Article 12 by adding a definition for this class of use, and special development regulations under Article 4, i.e., a new Section 4.6, Infill Development.
- Amend Section 3.32 by adding a new category, adaptive reuse dwellings, to be allowed by special permit in the R-N, R-VC, and R-G districts and any of the village or business districts.
- The Town could also consider reducing the off-street parking requirement for adaptive reuse projects in which the proposed dwelling units are limited to one-bedroom apartments.
- In an effort to make more efficient use of limited space, the Town can consider amending its regulations to encourage smaller cottage-style housing.
- Amend Section 3.328 by changing "congregate housing for the elderly" to "congregate housing or single-room occupancy housing," and removing the words "for the elderly."
- In certain zoning districts (i.e. Low Density Residence or Outlying Residence), allowing an existing lot to be divided into two lots, one of which has reduced area and width requirements.

INCLUSIONARY ZONING

One of the most important steps Amherst can take to increase its supply of non-student housing is to institute inclusionary zoning that works well and reliably produces affordable units. The present inclusionary zoning bylaw (Article 15) is more complicated than some inclusionary zoning bylaws and ordinances in Massachusetts. Effective inclusionary zoning usually has the following characteristics:

- **An unambiguous method for calculating the minimum required number of affordable units.** Linking affordable unit requirements to development size (as in Amherst) is one method, but adding supplemental rules about the percentage of affordable units for low-income v. moderate-income requirements adds a level of complexity that may not accomplish the Town's objectives.
- **Smart cost offsets,** including density bonuses, expedited permitting, and fee waivers (often accompanied by non-zoning policies that determine how a community's housing trust fund will be used to invest in privately developed affordable housing).
- **Density bonuses as of right for new affordable units created within the proposed development.** Providing higher density by right to developers who provide affordable units in their projects – as opposed to paying a fee in lieu of units or donating land – will increase the probability of getting actual units.
- **The regulatory setting encourages multi-family development.** Barriers in the current zoning that impede mixed-use and multi-family developments should be removed wherever possible. Both the Amherst Master Plan and the Housing Production Plan address this issue.
- **An adequate, effective inclusionary requirement.** Many inclusionary zoning bylaws in Massachusetts—including the state's model bylaw—require at least 10 percent affordable units. However, RKG recommends a 15 percent minimum, at least for housing developments other than detached single-family homes – with appropriate cost offsets.

- **Flexibility for very small projects.** Regulations that allow a developer to create affordable units by combining on-site units with off-site units or with payments in lieu of units to the local housing trust can be very helpful to small projects, i.e., developments with less than ten units.
- **Strong incentives for actual unit creation.** Incentives for including affordable units in a proposed development instead of "creating" them through other means is a well-used approach to developing affordable housing. Amherst should allow generous density bonuses in exchange for a commitment of units at 60 percent AMI. This approach can work for all types of housing developments, from detached single-family homes to multi-family development.
- **Incentives for providing more than the minimum required number of units, e.g., "credits" that can be transferred to meet the affordability requirements in a future project or sold to another developer.** The City of Beverly offers credit certificates to developers who create more than the minimum required number of units. The certificates must be used within ten years of issuance, and they can be transferred to other developers. Similar inclusionary zoning models exist in Highland Park, IL, and Walnut Creek, CA.
- **A density penalty for providing no affordable housing benefit,** e.g., requiring a larger minimum lot size in exchange for exempting a developer from the inclusionary zoning bylaw.
- **A permitting guide,** which can be particularly helpful to small developers who are not accustomed to dealing with the Commonwealth's affordable housing practices.
- **A referral system to lottery agents** working in the immediate region, which can be done through a Planning Board's inclusionary zoning administrative regulations.
- **Clear procedures and clear requirements.** Most developers just want to understand what the community expects. An inclusionary zoning bylaw that communicates the town's preferences will do more to produce affordable units than one that entangles the developer at every turn in a prolonged discussion with town staff and boards. If a town wants to create affordable housing, the inclusionary zoning ordinance will provide enough density to make unit creation realistic or enough permitting predictability and speed to entice cooperative developers.

2. INTRODUCTION

Like most college towns, Amherst feels the effects of having many students and faculty living within its borders. However, Amherst is a relatively small town that hosts two colleges and a large university: Amherst College and Hampshire College, both private schools, and the University of Massachusetts (UMass Amherst), the flagship campus in the state university system. In 2010, their combined enrollment was approximately 30,900 students. UMass accounts for the vast majority, with 27,500 students.

These institutions generate significant demand for off-campus housing due to a large gap between total student enrollment and the total number of rooms in college dormitories. This is especially true for UMass Amherst because of its sheer size. Even though UMass provides on-campus housing for 61 percent of its undergraduates, there are thousands of students who need off-campus housing. The number of college and university students, faculty, and staff seeking off-campus housing has a powerful spillover effect on the housing supply in Amherst, nearby bedroom communities, and the larger region as students and others seek housing in the private real estate market. Given this long-standing dynamic and its increasing pressure on Amherst's housing in recent years, the Town sought to establish a better understanding of the actual impacts on its housing supply and the potential for addressing them. Accordingly, the Town retained RKG Associates, Inc., to prepare this Amherst Housing Market Study.

A. BACKGROUND

UMass and the two colleges have been in Amherst for many years, so their impact on housing both locally and in the region is hardly new. However, Amherst's recent Housing Production Plan (HPP), a comprehensive planning analysis prepared for the Town in 2013, revealed that developing new, market-rate housing for the non-student population is difficult for several reasons including cost, local resistance, and restrictive land use regulations.

A primary impetus for this market study was the Gateway Corridor plan, prepared for the Town of Amherst and Amherst Redevelopment Authority in 2011. The concept for the Gateway Corridor involves linking the north end of downtown and the southern edge of the UMass campus, just as the Amherst College campus adjoins the south end of downtown. Toward this end, the Gateway Corridor plan promotes several action steps, including a housing market study to assess the viability of non-student housing demand, and a traffic study to evaluate the potential impact of UMass and Gateway development on nearby streets. The housing study action step is described as follows:

Conduct a residential market analysis of the "potential" market for new housing in Amherst that will help determine the Town's for-rent and for-sale housing potential and will indicate the types of housing products that need to be introduced to satisfy that potential market. The results will determine with great specificity the building types and mix likely to succeed in the Gateway Corridor. Specifically the study should determine:

- *The depth and breadth of the potential housing market;*
- *The characteristics of those households most likely to move in[to] the Gateway Area (this is a critical component of the analysis considering the fact that the plan wants to attract younger singles and couples, empty nesters and retirees, and small families);*
- *Their housing and lifestyle preferences; and*

- *The price range of those units.*

B. SCOPE OF WORK

In response, Amherst issued a Request for Proposals (RFP) for an analysis of the potential for new market-rate rental and ownership housing in Amherst for households other than undergraduate students, emphasizing the housing needs of various demographic groups identified through a study of national and regional trends. The Town wanted the analysis to identify the specific demographics of households most likely to seek housing in Amherst, and the mix of building types, units, and prices that could meet their needs in and immediately adjacent to Amherst's settled centers: the Town Center, the outlying villages, and adjacent 'center' neighborhoods, as determined by the Town. Specifically, the RFP asked for the following:

- The characteristics of the regional market-rate housing market in western Massachusetts and the New England region in terms of demographic trends, consumer/market surveys, migration and mobility data, and lifestyle housing preferences.
- The depth and breadth of the potential market-rate housing market in western Massachusetts and the New England region in terms of individuals and households currently looking for market rate rental and ownership housing and most likely to look for such housing in the next five (5) years, based on current demographic trends.
- Describe in detail the demographic characteristics of the major potential target market segment(s) other than undergraduate students for both rental and ownership housing in Amherst.
- Identify the housing and lifestyle preferences of these kinds of households in terms of unit size, bedroom count, features, amenities, price, landscape surroundings, and geographic location vis-à-vis public transit, employment, goods and services, recreation, etc.
- Assess the degree to which Amherst's existing housing stock meets the housing demand and preferences of these households, and which forms of desired housing are missing or under-represented.
- Project realistic absorption rates for both rental and ownership housing units of the preferred kinds over a five (5) year period.
- Provide direction as to how the preferred housing types would best be balanced and integrated within mixed-use village center development.
- Recommend outreach and marketing techniques/venues that can help Amherst reach and attract potential preferred households.

In light of the above, the scope of this market study has three overarching objectives:

- To identify non-student, target population(s) that would potentially seek to live in Amherst if a supply of appropriately priced and designed housing were available.
- To understand the impacts on housing costs and supply created by student housing needs in both the rental and owner-occupied market.
- To review existing land use regulations with the intent of recommending changes that could help to support development of market-rate housing over the next five years.

C. ORGANIZATION OF THIS REPORT

1. Socioeconomic and Housing Market Conditions

The study consists of three sections that address the goals noted above. **Chapters 3 and 4** present a detailed analysis of existing socioeconomic and housing market conditions in Amherst and the surrounding region. RKG examined two tiers, or concentric rings, of communities and the counties that comprise the Pioneer Valley in order to provide a broader perspective on projected market demand. The analysis includes changes in the housing supply over the past decade, home sales pricing and volumes, rental market lease rates and availability, and the characteristics of both owner and renter-occupied households. Migration trends were also reviewed to determine the origin and age-structure of the population that has recently moved to Amherst and the region in order to analyze potential housing demand.

The Tier 1 and Tier 2 towns referred to above (Map 3-1 in Chapter 3) represents what RKG considers a "reasonable" market area for examining residential real estate characteristics in the Amherst area. No town in these tiers has the same characteristics as Amherst and would never be a substitute for Amherst per se. Rather, the communities together represent a collection of households that have chosen to live in the greater Amherst area for a variety of reasons (e.g. employment, quality of life, education, etc.). Not surprisingly, these towns have relatively strong economic ties to Amherst, as evidenced by the number of workers commuting to Amherst for employment. RKG concluded that the socioeconomic and housing characteristics of existing and future households in these tier communities represents "market potential" for growth in Amherst as well, if suitable housing options were available. This potential was further refined, as noted below, by examining and comparing specific household "segments" or groupings of like households that have an apparent affinity for the town and region.

SOURCES OF DATA

RKG consulted several sources of data in order to prepare this report. These include property assessment records from the Amherst Assessor, the U.S. Census Bureau's decennial census and multi-year sample data from the American Community Survey (ACS), and private firms that compile specialized data based on proprietary sources and models. RKG obtained and presented proprietary data that illustrate potential housing market niches in and around Amherst based on age, income, lifestyle and housing preferences, which in turn helped to inform recommended changes to Amherst's land use regulations.

Like the HPP (2013), RKG's market study relies on federal census data as the foundation for socioeconomic characteristics because it allows for consistent comparison among communities and regions. Where possible, RKG has also used local data, recognizing that some census data, such as the ACS, are actually estimates based on a small sample of the population. By contrast, all of the local real estate analysis is based on the Town's assessment records. Combining data sources is necessary because one source seldom provides all of the information required for a market analysis. Still, this approach can result in seemingly conflicting information that must be reconciled where possible. Obtaining accurate and precise socioeconomic data in a college town can be especially challenging due to the transient nature of the student population. Similarly, developing population and household projections following an economic downturn, such as the one that began in 2007, is also problematic since historical trends (prior to the downturn) have been severely disrupted. In this sense, Amherst's growth (as well as the region's) represents a "tale of two towns": pre- and post-2007. Since the projections presented in this report are for only a five-year horizon, they are more of a reflection of the

post-2007 conditions where the town had relatively slower growth than during the earlier part of the decade.

The two private suppliers of socioeconomic and demographic data used in this study, DemographicsNow and Esri, are nationally recognized firms.

- DemographicsNow provides short-term projections (five years) that are not typically available from public sources. DemographicsNow uses a sophisticated, proprietary econometric model to forecast changes in key demographics such as Housing Units, Households, Families, Total Population, and Population split by Age, Sex, Ethnicity, and Race. The components of this modeling are proprietary and technical. However, the projections represent likely changes in future socioeconomic conditions within the Town and region based on a series of known and calculated market conditions.[1]
- Esri's Tapestry Segmentation model was used to define the socioeconomic characteristics of households living in Amherst and comparison regions (Pioneer Valley, the Commonwealth of Massachusetts, and New England). Tapestry offers insight about types of households (e.g., age, income, housing choice, neighborhood preferences, etc.) and helps to illustrate the potential for attracting non-student households to Amherst, based on local and regional comparisons. It classifies U.S. neighborhoods as 65 distinct market segments. Neighborhoods with the most similar characteristics are grouped together while neighborhoods with divergent characteristics are separated. Tapestry is useful in market studies because it combines the "who" of lifestyle demography with the "where" of local neighborhood geography to create a model of lifestyle classifications, or segments, of actual neighborhoods with addresses—that is, distinct behavioral market segments.

The Town's RFP specified a desire to understand the housing market potential in Amherst for several distinct groups including the following:

- "Baby Boomers," or empty nesters and other active and independent retirees;
- "Millennials," or the adult children of Boomers, including small families, couples, and younger singles, including single female households, above the age of 21 but not including undergraduate students;
- Academics, or adults affiliated with UMass Amherst and the colleges, such as professors, staff, graduate students, foreign students, visiting professors, etc.;
- Others, which includes any other statistically significant non-undergraduate student household types identified in the regional market analysis.

Esri's Tapestry provides insight into most if not all of these categories even though it does not use the specific terms found in Amherst's RFP. In addition, Tapestry provides a high level of specificity about housing choices that can be used to develop a targeted implementation strategy for future housing

[1] A more complete explanation of the methodology can be found on the company's website at http://www.demographicsnow.com/custom/templates/static/CAPE_V1_2013_Tech_Overview.pdf

development. Appendix A in Chapter 7 contains a complete listing of the Tapestry segment characteristics relevant to Amherst.

2. Impact Analysis

Chapter 5 presents the estimated impacts of off-campus housing of students in Amherst. Here, as in other portions of the market study, RKG relied on a variety of information sources since there is no single data source that identifies the location of all college-age students living in non-institutional housing. By combining information from the Town's assessment records, block level data from the U.S. Census Bureau, and properties listed for rent in the UMass Off-Campus Housing services database, RKG was able to develop a compelling estimate of the number of single-family homes used to support the student housing market and the influence of this market on assessed values and rental lease rates.

In addition to data sources noted previously, RKG interviewed local real estate brokers, housing providers, developers, municipal staff, and neighborhood representatives in order to develop as complete a picture as possible of the local housing market. RKG also used Geographic Information System (GIS) technology to analyze and present the findings of this study in a series of maps included in Chapter 5.

Relationship to Other Plans and Studies. It is important to note that the content and purposes of the Amherst's HPP, completed in 2013, differ significantly from this market study, although both reports use similar data. The HPP's primary focus is Amherst's affordable housing needs, and the Town funded it with Community Development Block Grant (CDBG) resources. It includes a general demographic housing market profile, based primarily on Census 2010 data, in order to frame the housing market setting within which affordable housing needs were determined. Conversely, RKG's housing market analysis focuses solely on market-rate housing costs, as opposed to low- and moderate-income costs, in order to assess potential demand from other socioeconomic segments that may be suited for Amherst.

In addition, the findings and conclusions of this market study may not reflect Amherst's values and beliefs. Similarly, it differs from the Amherst Master Plan (2010) in that it is not intended to reflect community goals, aspirations, or desires. The analysis and conclusions in this report may be used to inform and refine the Master Plan's recommendations based on market realities, which may not always align with the Master Plan's goals for short- or long-term growth.

3. Recommendations

RKG has made specific recommendations to the Town of Amherst for addressing existing and projected housing market needs based on market and regulatory research and the findings outlined in this report. These recommendations focus both on addressing the supply and demand opportunities and challenges of the off-campus student housing market as well as methods to accommodate both student and non-student household demand in Amherst. The recommendations include market-based recommendations and regulatory-based recommendations. The market recommendations include approaches and techniques the Town can use to enhance access for those groups with unmet demand. The regulatory section focuses on changes that could be made to existing policies to increase potential success.

RKG's charge was to identify actions that provide the Town with the most effective and efficient strategies regardless of their potential popularity with the various stakeholders in the Town. RKG

stresses that the Select Board, Town staff, the development community, the University and colleges, and the Town's citizenry should consider these recommendations in context of the community's stated goals and values. That said, the consequences of inaction must also be considered. The demand from student households will not subside in the near future, and most likely will intensify without community intervention. The proposed 639 beds currently under consideration by the Town or under construction (Trolley Barn in North Amherst, Olympia Place, Kendrick Place, Carriage Shops and Presidential Apartments expansion) will help alleviate some unmet student demand, but RKG's analysis indicates existing need is much greater (let alone UMass' stated growth targets for 2020).

3. *DEMOGRAPHIC ANALYSIS*

A. KEY FINDINGS

Amherst is a highly desirable place to live for reasons that go beyond the economic and real estate market evaluation presented in this report. It has many qualities that are difficult to quantify, yet they play a significant role in attracting people to live in Amherst and therefore have an impact on the housing market. Some of these qualities include the high value placed on education, excellent local schools, good town services, a diverse population, and the vibrancy and cultural amenities of a well-established college town, all set in a scenic and largely preserved natural landscape with viable farms, fields, and woodlands. These characteristics contribute to the market conditions described in the following chapters and underlie many of the trends that are expressed mainly in statistical form throughout this report. Furthermore, the presence of UMass and the colleges creates a longstanding "network" of influence on the local housing market. For example, the ties between generations of alumni, families, and employers can continue to affect the decisions of people affiliated with these institutions for many years. These social linkages extend across the region, the nation, and often around the world, and they affect the findings of this housing market analysis in ways that are not always apparent in the data analysis alone.

The demographic analysis yielded the following major findings:

- Amherst has seen growth in student-age, renter households
- Senior households (over 55 years-old) account for most of the non-student household growth.
- There is unmet demand from non-student households seeking housing similar to that occupied by student households.
- The decline in young family households is a regional demographic phenomenon, and not unique to Amherst or its housing market.

Amherst has seen growth in student-age renter households

Amherst has lagged behind its neighbors and Pioneer Valley in household growth.[1] Market data show that the total number of households in Amherst increased by less than 1 percent between 2000 and 2010 despite the 3 percent to 5 percent growth in the surrounding towns and the counties as a whole (Map 1). Despite this, Amherst's population increased by nearly 3,000 people during the past decade. This is consistent with enrollment growth at UMass and the two colleges.

Viewed together, these population and household growth trends corroborate the real estate realities that have occurred in Amherst. The lack of new residential development (particularly to support student population growth) has led to new market paradigms. Most notably, there has been a steady increase in conversions of traditional ownership units to rental housing over the past five to six years. Without development to accommodate growth, Amherst's new residents have had to seek alternative housing

[1] For purposes of this report, Pioneer Valley includes Franklin, Hampshire, and Hampden Counties.

options. Furthermore, Amherst is experiencing housing affordability issues despite having the highest income in the region and the fastest income growth.

Senior households (over 55 years-old) account for most of the non-student household growth

Housing costs in Amherst are comparatively higher than the surrounding Pioneer Valley communities. This cost differential has limited the ability of many households to find suitable housing within the Town. Simply put, there is relatively little housing supply that is affordable to households earning below $75,000 or those households that do not have substantial equity to invest in a new house. Of the supply that is priced appropriately, student households compete directly for it within Amherst.

RKG's analysis of real estate conditions shows that four college students renting bedrooms in a four-bedroom house can afford to pay more per month than the "average" western Massachusetts family. Pricing for housing within Amherst is driven in part by the income potential of traditional ownership units rather than a typical family household's ability to pay. As a result, high-income households seeking to live in Amherst are most likely to find opportunities. The data also show that non-student markets are prevalent and growing elsewhere in Pioneer Valley and throughout Massachusetts.

There is unmet demand from non-student households seeking housing similar to that occupied by student households

Of course, not everyone wants to live in a town with a large university and two colleges, considering the benefits and drawbacks of that environment. Still, it is reasonable to anticipate that some of the household types that are growing in the Pioneer Valley would choose to live in Amherst if they had the opportunity to do so. According to available socioeconomic data, the household types that are growing elsewhere in Pioneer Valley – in communities with little or no student household influence – have incomes slightly below those found in Amherst. Until unmet student housing needs are addressed, these market segments and households with low or moderate incomes will continue to be priced out of Amherst's housing market.

There are almost 1.1 million households in New England that fall within the lifestyle segments represented in Amherst, excluding student-age households. For the two largest non-student populations in Amherst alone, there are almost 400,000 households in New England. These findings indicate a range of household types in the immediate region, the state, and New England as a whole that might find Amherst a suitable place to live if appropriate housing were available.

The decline in young family households is a regional demographic phenomenon, and not unique to Amherst or its housing market

The Pioneer Valley Planning Commission's (PVPC) Affordable Housing Plan and demographic studies by the UMass Donahue Institute show that the decline in young family households is due to demographic trends associated with the aging of the population in the region and the nation. Accordingly, the decline in young families in Amherst cannot be attributed to an increase in off-campus student rentals. This trend would occur independently of local housing market conditions. However, in a limited market, an increase in the conversion of former single family homes to student rentals will make it more difficult for young families to find housing in Amherst. Housing policies that address the needs of non-students and low and moderate income households could help to offset this wider trend and, by changing the community's current housing dynamics, create housing opportunities for those priced out of the Amherst market.

To attract a broader mix of households, Amherst would need to change its land use regulations and create opportunities for more types of housing. Any of the following housing types would be attractive to the households that are experiencing growth in Pioneer Valley:

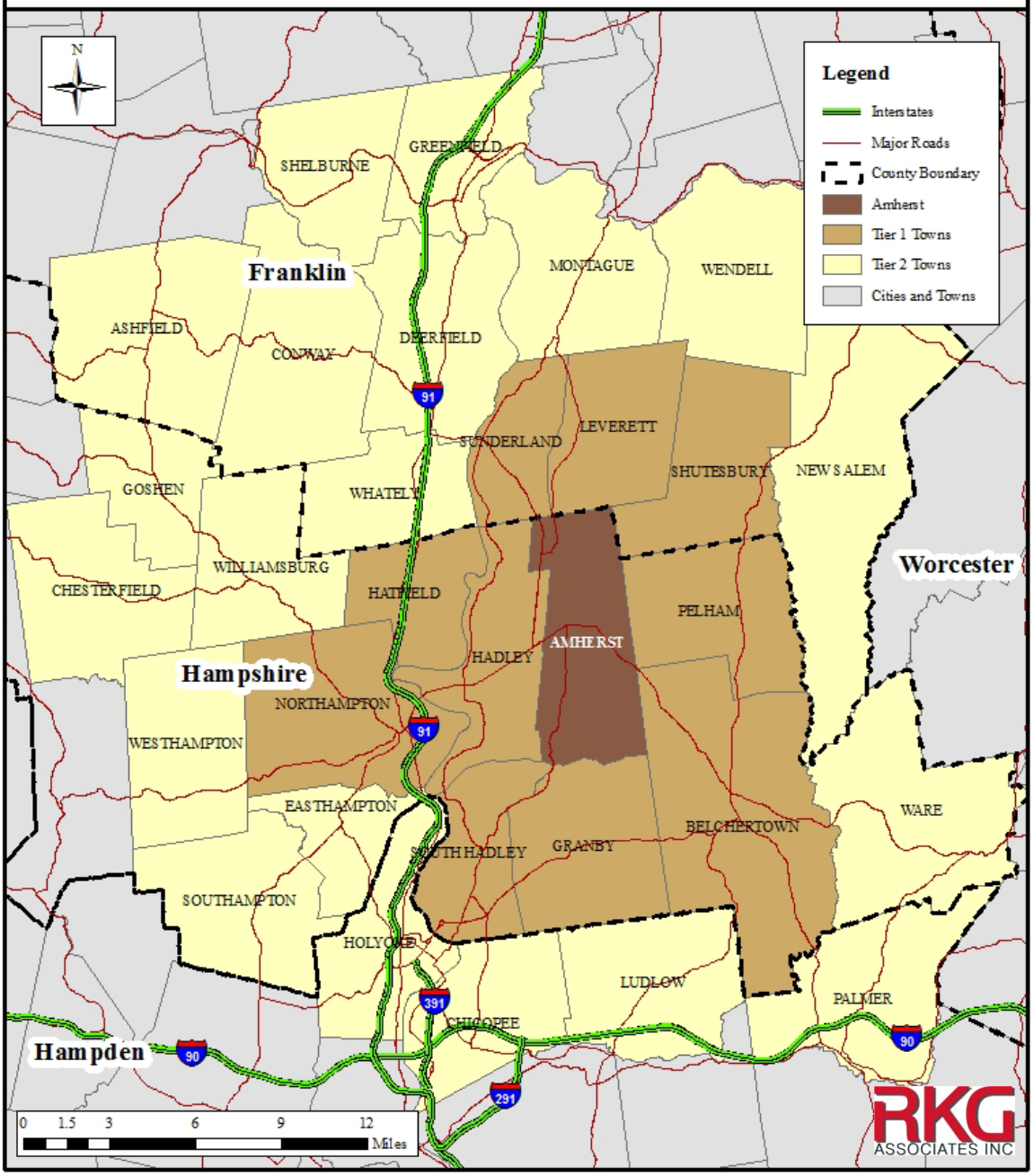
- A mixed use neighborhood, such as in a downtown or village center environment, with single family homes in the $200,000 price range, along with multi-unit buildings like townhouses. This would require zoning to encourage more affordable single family homes than has been the norm for Amherst in the past.
- Mixed-use neighborhoods with an emphasis on apartments, including high-rent or luxury units. The potential for developing high-end for-sale units in Amherst may be sufficient to accommodate some households, but it is not clear that Amherst offers enough density to support rental development. Potential demand for higher-priced rental units is reflected in the findings of this market study, which estimates that 20 percent of future demand units could be more upscale. Similarly, projected demand of higher-end for-sale units is also expected to continue, with more than 80 percent in the $380,000+ range.

What is less evident is the projected unit demand for single-family homes within the price range of $150,000-$250,000. Although the households that prefer such housing are well represented regionally, they are less evident in Amherst's growth trends, presumably because of market conditions (higher incomes, student housing market pressures). However, historic median sales prices in the Tier 1 towns (Map 3-1) indicate that demand exists locally in the higher end of this range, i.e., above $200,000. It seems that Amherst could capture more of this market in the future if appropriately priced units were made available.

Map 3-1

Local Region for Housing Market Analysis

Amherst, MA



B. POPULATION AND HOUSEHOLD GROWTH

Population and household growth over the last decade (2000-2010) illustrates the demographic influence of college students in Amherst. Although Amherst's population growth rate of 8.4 percent exceeded all other comparison areas, its *household* growth rate of less than 1 percent was comparatively marginal (Table 3-1). By contrast, household growth in Tier 1 and Tier 2 was more robust, with the addition of 1,679 and 2,698 households respectively, over the study period. The Pioneer Valley as a whole added 8,346 households (including the two Tiers).

Table 3-1
Population and Household Change 2000-2017
Town of Amherst, Selective Regional Areas, and the State of Massachusetts

	Population				Change		Percent Change		Avg. Annual Change	
	Census 2000	Census 2010	Estimate 2012	Projection 2017	00-10	12-17	00-10	12-17	00-10	12-17
Amherst	34,874	37,819	37,727	38,011	2,945	284	8.4%	0.8%	0.8%	0.2%
Tier 1 Towns	81,965	84,108	84,221	85,392	2,143	1,171	2.6%	1.4%	0.3%	0.3%
Tier 2 Towns	205,855	206,382	206,848	207,692	527	844	0.3%	0.4%	0.0%	0.1%
Pioneer Valley Counties	680,014	692,942	694,042	698,225	12,928	4,183	1.9%	0.6%	0.2%	0.1%
Massachusetts	6,349,097	6,547,629	6,621,621	6,712,742	198,532	91,121	3.1%	1.4%	0.3%	0.3%

	Households				Change		Percent Change		Avg. Annual Change	
	2000	2010	2012	2017	00-10	12-17	00-10	12-17	00-10	12-17
Amherst	9,174	9,259	9,234	9,366	85	132	0.9%	1.4%	0.1%	0.3%
Tier 1 Towns	32,346	34,025	34,122	34,747	1,679	625	5.2%	1.8%	0.5%	0.4%
Tier 2 Towns	83,241	85,939	86,324	87,416	2,698	1,092	3.2%	1.3%	0.3%	0.3%
Pioneer Valley Counties	260,745	269,091	270,046	273,668	8,346	3,622	3.2%	1.3%	0.3%	0.3%
Massachusetts	2,443,580	2,547,075	2,581,361	2,635,320	103,495	53,959	4.2%	2.1%	0.4%	0.4%

** Includes Franklin, Hampden, & Hampshire Counties
Source: US Census and DemographicsNow

The household growth estimates and projections collected from DemographicsNow in Table 3-1 indicate that housing demand in Amherst's region differs from that of the town. While growth is projected to slow over the next five years, the Tier 1 and 2 communities are expected to add approximately 1,700 households. However, Amherst is expected to experience a marginal net increase in households (132) over five years. This finding is consistent with development trends, where Amherst has experienced slower growth than other areas in the region.

The housing market analysis (Chapter 4) shows that housing construction over the last decade outpaced household growth both in Amherst and the Tier 1 towns, with 284 and 2,355 units added, respectively. As a result, vacancy rates increased for both areas. There will likely be some surplus inventory in Amherst and the surrounding area that will have to be absorbed during the projection period. This may adversely affect new construction, as consumers will have substitution opportunities. Regardless, the market analysis indicates that any available "surplus" housing developed in the near term will still be priced out of range for low- and moderate-income households unless other actions are taken.

C. MIGRATION TRENDS

1. Regional Migration Trends

Migration trends reported by the Census Bureau provide insight into who is moving to the Amherst area and the impact that may have on housing demand. As shown in Table 3-2, county-to-county

migration estimates for 2006-2010 indicate that 17,172 people migrated to Hampshire County within the past year. Approximately 10,200 (59 percent) of the in-migrant population came from within Massachusetts. In-migrants in the 18- to 24-year age cohort accounted for 59 percent (10,147) of movers, illustrating the influence of area's educational institutions on local demand. Still, some portion of the remaining 41 percent (7,025) must have relocated to Hampshire County for non-education related reasons. Approximately 900 of the latter group were age 55 and older, suggesting that only a moderate amount—perhaps 5 percent—was potentially retirement-related migration. This means the remaining 30 percent-35 percent included families or working-age households.

Table 3-2
Migrants to Hampshire, Franklin and Hampden Counties by Age Group
American Community Survey Estimates 2006-10

	Migrants to Hampshire County from Massachusetts Counties									
Residence 1 Year Ago	**<18**	**18 to 24**	**25 to 29**	**30 to 44**	**45 to 54**	**55 to 64**	**65 to 74**	**75+**	**Total**	**% Total**
Barnstable County	-	203	-	3	-	-	33	27	266	3%
Berkshire County	2	98	-	82	-	-	3	8	193	2%
Bristol County	14	300	-	-	-	-	-	-	314	3%
Essex County	12	344	24	13	7	-	-	7	407	4%
Franklin County	66	315	58	376	66	40	17	38	976	10%
Hampden County	675	955	743	463	266	186	48	10	3,346	33%
Middlesex County	63	1,708	67	64	69	16	-	-	1,987	19%
Norfolk County	13	493	66	4	-	-	-	-	576	6%
Plymouth County	11	454	-	-	-	-	-	-	465	5%
Suffolk County	140	298	63	126	-	3	-	-	630	6%
Worcester County	34	720	75	66	69	80	-	-	1,044	10%
Massachusetts Total	1,030	5,888	1,096	1,197	477	325	101	90	10,204	100%
% Total	10%	58%	11%	12%	5%	3%	1%	1%	100%	

	Migrants to Hampshire County from other States/Countries									
Residence 1 Year Ago	**<18**	**18 to 24**	**25 to 29**	**30 to 44**	**45 to 54**	**55 to 64**	**65 to 74**	**75+**	**Total**	**% Total**
New York	121	591	77	188	34	27	22	44	1,104	16%
Connecticut	40	299	43	10	30	11	-	-	433	6%
New Hampshire	-	286	36	-	19	-	-	-	341	5%
North Carolina	170	16	-	107	47	-	-	-	340	5%
Florida	51	192	-	46	-	-	13	26	328	5%
California	-	201	26	9	36	27	6	16	321	5%
New Jersey	7	273	-	-	-	-	20	-	300	4%
Virginia	7	188	-	9	28	-	-	31	263	4%
Pennsylvania	27	155	30	44	-	-	-	-	256	4%
Other States	88	880	127	135	22	10	10	25	1,297	19%
Other Countries	166	1,178	228	234	71	95	-	13	1,985	28%
Subtotal Outside MA	677	4,259	567	782	287	170	71	155	6,968	100%
% Subtotal	10%	61%	8%	11%	4%	2%	1%	2%	100%	41%
Massachusetts	1,030	5,888	1,096	1,197	477	325	101	90	10,204	59%
Total	1,707	10,147	1,663	1,979	764	495	172	245	17,172	100%
% Total	9%	59%	10%	11%	4%	3%	1%	1%	100%	

	Migrants to Franklin and Hampden Counties								
Current Residence	**<18**	**18 to 24**	**25 to 29**	**30 to 44**	**45 to 54**	**55 to 64**	**65 to 74**	**75+**	**Total**
Franklin County	630	1,051	422	804	314	325	91	94	3,731
% County	17%	28%	11%	22%	8%	9%	2%	3%	100%
Hampden County	3,717	5,330	2,480	3,354	1,967	1,014	338	624	18,824
% County	20%	28%	13%	18%	10%	5%	2%	3%	100%

Source: ACS 2006-2010

About one-third (3,346) of in-state migrants came from neighboring Hampden County, with about 950 (ages 18-24) of those, based on age, appearing to have moved for educational reasons while the remaining 2,400 (rounded) were in other age brackets. This suggests that housing or work options available in Hampshire County provide a draw for Hampden County residents. Some 1,716 in-

migrants were age 25 and over, with an additional 675 at high school age or younger, indicating family-related migration between the two counties.

Middlesex and Worcester counties also contributed many new residents to Hampshire County, with 1,987 and 1,044 in-migrants, respectively. Approximately 80 percent were college-age, with the remaining 600 potentially moving for non-education reasons. Other noteworthy trends include Franklin County, which generated about 660 non-college age migrants to Hampshire County, and Suffolk County, which generated a notable number of families with a combined total of 140 children under age 18.

Most out-of-state migrants came from New York (1,104). States such as Connecticut (433), New Hampshire (341), North Carolina (340), Florida (328), California (321), and New Jersey (300) contributed less than half as many migrants. Some 28 percent came from other countries, of which 40 percent (800) were in age groups other than 18 to 24 years. A slightly higher percentage (61 percent) of out-of-state migrants appear directly related to area colleges than in-state migrants (59 percent).

2. Local Migration Trends

Migration data at the town-to-town level is restricted due to data privacy requirements and the Census Bureau's survey methodology. However, the following information presents some revealing indicators about Amherst relative to Hampshire County's overall migratory trends.

Table 3-3 (next page) shows that Amherst absorbed almost half (46 percent) of total in-migrants to the county during the study period, followed by Northampton (22 percent) and South Hadley (10 percent), with all remaining communities at 6 percent or less.[2] As noted previously, most in-migrants to Hampshire County towns are college-related (55 percent of the total), with most locating in Amherst. In non-student oriented age groups, Northampton generally attracted the greatest numbers. For example, Northampton's percentage of in-migrants in all age groups between 30 and 74 ranged between 27 percent and 37 percent, the highest among all communities. It also absorbed the largest number of children under 18 (27 percent). However, Amherst absorbed notable percentages in the 30 to 44 and 45 to 54 age groups, 14 percent and 17 percent respectively, as well as 18 percent of those under age 18, which exceeded the amounts in South Hadley, Easthampton, Belchertown, and Ware, indicating that Amherst is attractive to non-student family households moving to the area.

Table 3-4 provides a more detailed breakdown, to the extent that data are available, of the previous town of residence for recent Amherst in-migrants. Of the total 8,620 migrants to Amherst recorded in the sample data, about 64 percent were from Massachusetts. In-state movers are largely tied to the universities, representing 90 percent of total migrants (ages 18 to 24). About 6 percent can be generally related to older families/households with children (age groups 30 to 54 and <18), and 3 percent from emerging households ages 25 to 29. This last category may also be partially tied to education as advanced-degree or other non-traditional students. Notable proportions of non-student age in-migrants came from Stoneham, Northampton, Newburyport, and Sunderland. Retirees and near-retirees age 55 and over accounted for less than 2 percent of in-state migrants, a large proportion of which came from Barnstable and Hadley.

[2] Note: the data in Tables 3-3 and 3-4 are from different data sets than presented in Table 3-2; therefore, the numerical totals do not match.

Table 3-3
Migrants to Hampshire County Towns by Age Group
American Community Survey Estimates 2006-10

	Migrants to Hampshire County from 1 Year Ago									
Moved Into	**<18**	**18 to 24**	**25 to 29**	**30 to 44**	**45 to 54**	**55 to 64**	**65 to 74**	**75+**	**Total**	**% Total**
Amherst	323	7,176	458	323	161	61	38	83	8,623	46%
Northampton	500	1,701	751	703	282	169	66	51	4,223	22%
South Hadley	296	831	310	203	134	116	14	56	1,960	10%
Easthampton	251	203	316	300	67	62	-	-	1,199	6%
Belchertown	78	140	105	229	35	88	-	-	675	4%
Ware	89	88	67	209	36	54	9	-	552	3%
Hadley	50	169	78	85	23	8	19	63	495	3%
Granby	83	77	99	72	90	-	-	-	421	2%
Goshen	39	28	6	77	-	-	-	3	153	1%
Cummington	66	13	3	15	13	6	-	-	116	1%
Worthington	10	27	15	15	16	-	-	-	83	0.4%
Hatfield	4	-	-	42	12	14	7	-	79	0.4%
Williamsburg	-	8	-	32	13	12	6	7	78	0.4%
Westhampton	19	14	6	18	13	6	-	-	76	0.4%
Southampton	19	-	-	1	19	15	12	-	66	0.3%
Chesterfield	2	6	-	31	3	7	3	-	52	0.3%
Pelham	7	5	3	18	11	3	-	-	47	0.2%
Plainfield	-	2	2	3	-	-	3	-	10	0.1%
Grand Total	1,836	10,488	2,219	2,376	928	621	177	263	18,908	100%
% Total	10%	55%	12%	13%	5%	3%	1%	1%	100%	

	Percent of Totals by Age Group							
Moved Into	**<18**	**18 to 24**	**25 to 29**	**30 to 44**	**45 to 54**	**55 to 64**	**65 to 74**	**75+**
Amherst	18%	68%	21%	14%	17%	10%	21%	32%
Northampton	27%	16%	34%	30%	30%	27%	37%	19%
South Hadley	16%	8%	14%	9%	14%	19%	8%	21%
Easthampton	14%	2%	14%	13%	7%	10%	-	-
Belchertown	4%	1%	5%	10%	4%	14%	-	-
Ware	5%	1%	3%	9%	4%	9%	5%	-
Hadley	3%	2%	4%	4%	2%	1%	11%	24%
Granby	5%	1%	4%	3%	10%	-	-	-
Goshen	2%	0%	0%	3%	-	-	-	1%
Cummington	4%	0%	0%	1%	1%	1%	-	-
Worthington	1%	0%	1%	1%	2%	-	-	-
Hatfield	0.2%	-	-	2%	1%	2%	4%	-
Williamsburg	-	0.1%	-	1%	1%	2%	3%	3%
Westhampton	1%	0.1%	0.3%	1%	1%	1%	-	-
Southampton	1%	-	-	0%	2%	2%	7%	-
Chesterfield	0.1%	0.1%	-	1%	0.3%	1%	2%	-
Pelham	0.4%	0.0%	0.1%	1%	1%	0.5%	-	-
Plainfield	-	0.0%	0.1%	0.1%	-	-	2%	-
	100%	100%	100%	100%	100%	100%	100%	100%

Source: ACS 2006-10

UMass draws many of the in-migrants from out-of-state locations, for 71 percent are in the key age group of 18 to 24 years. However, there is more diversity in this group of movers, with about 16 percent estimated to be family households with children and 9 percent as emerging households. A notable portion of the family-age in-migrants originated in Maryland, Florida, New Hampshire, New Jersey, and Texas. Retirees and near-retirees accounted for 3 percent of out-of-state migrants, with notable origins of North Carolina, Rhode Island and California. Asia represented the largest international in-migration population to Amherst.

In summary, UMass, Amherst College, and Hampshire College are driving in-migration to Amherst. While not a surprise, it underscores the substantial demand that exists for housing priced appropriately

for student renters. According to UMass officials, the school has established a goal of increasing enrollment by 3,000 students between 2010 and 2020. Based on current enrollment figures, the student population already has increased by 1,500 students since the 2009-2010 school year. Without a corresponding supply, the growing demand in this category is forced to seek other types of housing, such as subdivided single family homes. In addition, the lack of diversity (compared with surrounding communities) in the non-student age groups suggest other factors drive the decision to locate in Amherst. The real estate analysis suggests price/cost is a predominant factor, as discussed later in this report.

Table 3-4
Migrants to Amherst by Age Group
American Community Survey Estimates 2006-10

	Migrants to Amherst from Massachusetts								
Residence 1 Year Ago	**<18**	**18 to 24**	**25 to 29**	**30 to 44**	**45 to 54**	**55 to 64**	**65 to 74**	**75+**	**Total**
Attleboro	-	39	-	-	-	-	-	-	39
Barnstable	-	44	-	-	-	-	-	15	59
Boston	-	190	12	-	-	-	-	-	202
Boxborough	-	45	-	-	-	-	-	-	45
Braintree	-	45	-	-	-	-	-	-	45
Brockton	-	44	-	-	-	-	-	-	44
Carlisle	-	56	-	-	-	-	-	-	56
Chelmsford	-	61	-	-	-	-	-	-	61
Easton	-	52	-	-	-	-	-	-	52
Fall River	-	44	-	-	-	-	-	-	44
Franklin	-	48	-	-	-	-	-	-	48
Hadley	-	10	-	-	-	-	-	15	25
Haverhill	-	41	17	-	-	-	-	-	58
Hingham	-	114	-	-	-	-	-	-	114
Hull	-	56	-	-	-	-	-	-	56
Leominster	-	46	-	-	-	-	-	-	46
Littleton	-	55	-	-	-	-	-	-	55
Longmeadow	-	60	-	-	-	-	-	-	60
Marlborough	17	42	-	-	-	-	-	-	59
Medfield	-	45	-	-	-	-	-	-	45
Melrose	-	43	-	-	-	-	-	-	43
Milton	-	158	-	-	-	-	-	-	158
Newburyport	12	34	-	13	-	-	-	-	59
Newton	-	105	-	-	-	-	-	-	105
Northampton	-	78	22	-	14	-	-	-	114
Northborough	-	106	-	-	-	-	-	-	106
Pembroke	-	48	-	-	-	-	-	-	48
Southwick	-	43	-	-	-	-	-	-	43
Springfield	-	102	15	-	-	-	-	-	117
Stoneham	-	22	21	-	24	-	-	-	67
Sunderland	-	75	17	10	-	-	-	7	109
Tyngsborough	-	47	-	-	-	-	-	-	47
Westborough	-	62	-	-	-	-	-	-	62
Wilbraham	16	87	-	-	-	-	-	-	103
Winchester	-	67	-	-	-	-	-	-	67
Worcester	-	66	-	-	-	-	-	-	66
Other MA	78	2,692	71	65	59	24	-	15	3,004
Subtotal MA	123	4,972	175	88	97	24	-	52	5,531
% Subtotal	2%	90%	3%	2%	2%	0.4%	0%	1%	100%
Residence 1 Year Ago	**Migrants to Amherst from other locations**								
Asia	16	492	23	22	-	10	11	15	589
New Hampshire	36	416	60	36	8	8	-	-	564
Florida	-	245	156	61	6	9	-	-	477
Rhode Island	-	248	-	-	-	-	17	-	265
Pennsylvania	17	212	20	-	9	-	-	-	258
Maryland	83	16	-	90	11	-	-	-	200
New York	14	133	-	-	-	-	-	-	147
Texas	-	117	-	-	19	-	-	-	136
California	-	53	12	9	11	-	-	16	101
Michigan	16	73	-	-	-	-	-	-	89
Virginia	-	77	-	-	-	-	-	-	77
North Carolina	-	40	-	-	-	10	10	-	60
Europe	18	31	-	-	-	-	-	-	49
New Jersey	-	11	12	17	-	-	-	-	40
Connecticut	-	40	-	-	-	-	-	-	40
Subtotal Other	200	2,204	283	235	64	37	38	31	3,092
% Subtotal	6%	71%	9%	8%	2%	1%	1%	1%	100%
Grand Total	323	7,176	458	323	161	61	38	83	8,623
% Total	4%	83%	5%	4%	2%	1%	0.4%	1%	100%

Source: ACS 2006-2010

D. HOUSEHOLD CHARACTERISTICS

1. Age of Households

In almost all regions examined for this report, household growth over the last ten years has occurred among Baby Boomers (people born between 1946 and 1964). The 55-64 age group in particular experienced the greatest net and percentage gains. Tier 1 Towns in particular experienced a surge in this age group, with an 86 percent growth rate (3,474 households). Tier 2 (6,353 households) and the Pioneer Valley as a whole (19,637 households) both grew by approximately 57 percent (Figure 3-1). The Tier 2 and regional growth rate is commensurate with that of Amherst. The in-migration data indicate that a relatively small proportion of in-migrants to Hampshire County were in the 55-64 age group. Most of the increase seems to relate to households aging in place.[3]

However, the net increase in Baby Boomer cohorts has not been uniform. In Amherst, for example, the 45-54 year age cohort experienced a net decline of approximately 20 percent despite growth across all other comparison areas. As noted, the change in household numbers (outside of 18-24) is more an issue of aging in place than in-migration. For example, households age 35-44 are not as well represented in Amherst in 2010 as households age 45-54. For those moving out of Amherst over the last five years (2006-2010), ACS migration data show that about 55 percent (1,039) of the reported movers stayed close to Amherst. Most moved to Northampton and Belchertown as well as Hadley and Leverett. Of this group, 50 percent (528) were 18-24 years of age and may have moved to a new dwelling while still in school, but some may have graduated and decided to stay local. The 25-29 year age group represented 22 percent of local movers, about half relocating to Northampton. This group may also represent recent graduates, or possibly adult children of Amherst families who chose to remain close to home while having more independence. In any case, the data indicate that young adults are moving out of Amherst for any number of reasons, including housing choice, affordability, living arrangements, and access to socioeconomic amenities that may not be available in Amherst.

The five-year projections for 2012-2017 anticipate continued population aging but also suggest modest potential for growth in younger households as well. Household growth rates will slow somewhat in comparison to the previous decade, with the largest increases expected in the 64-75 year age group, and following and leading concentrations in the 55-64 and 75+ age groups (Figure 3-2). Additionally, projections indicate an 8 percent increase in households headed by people in the 25-34 age group. However, growth in the younger cohort would be contingent upon retaining these residents, for they will relocate if adequate jobs, housing, and social amenities are not available in the region.

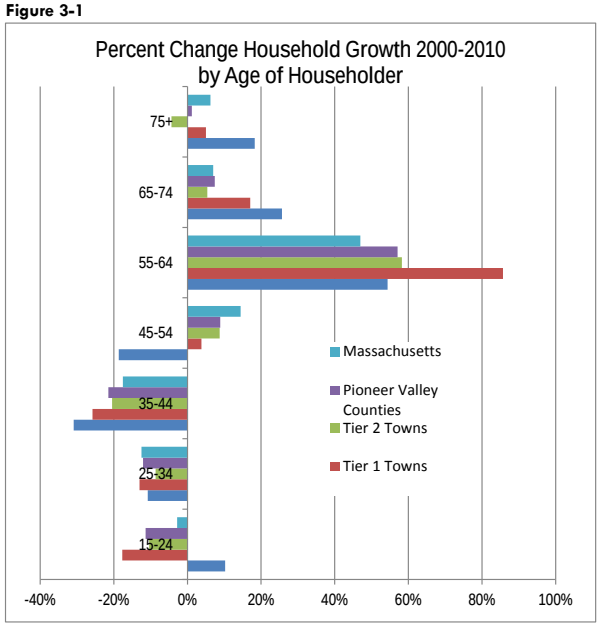
These short-term projections have clear ramifications for housing demand both in Amherst and the broader region over the next five years. Since the majority of population growth is expected to occur in age cohorts of 55 and above, several scenarios are likely.

- First, Baby Boomers may elect to remain in their existing housing into retirement as long as possible. This scenario would create the least amount of demand for new construction.

[3] Note: approximately 3 percent of the total in-migrants to Hampshire County were 55-64. However, if the influence of college-age in-migrants is removed from the total, the percentage of persons moving into Pioneer Valley in the 55-64 age cohort increases to 7 percent.

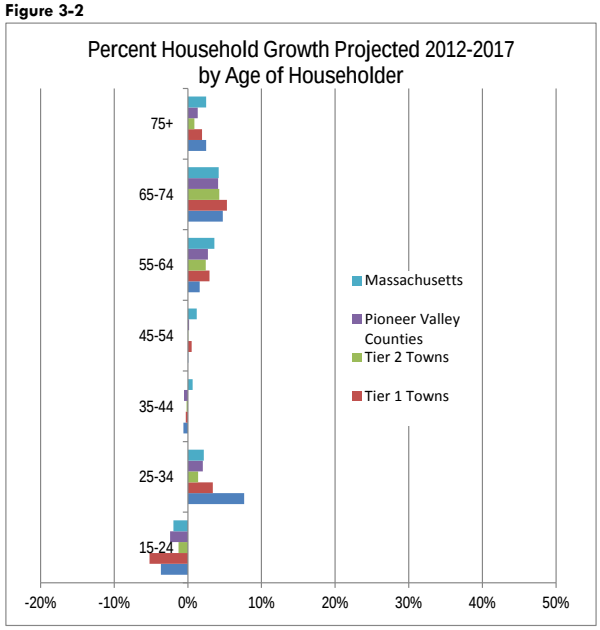
- Alternatively, near-retirees and aging retirees may elect to downsize from their current property if they are "over-housed" in a larger single family home. In that case, these households tend to look for smaller, lower maintenance properties with amenities, such as condominiums and apartments, if suitable options are available in the market. However, the more active may also look for small, single family detached units that afford a greater sense of privacy and opportunities to continue

Figure 3-1



Source: Demographics Now

Figure 3-2



Source: Demographics Now

with home maintenance tasks.

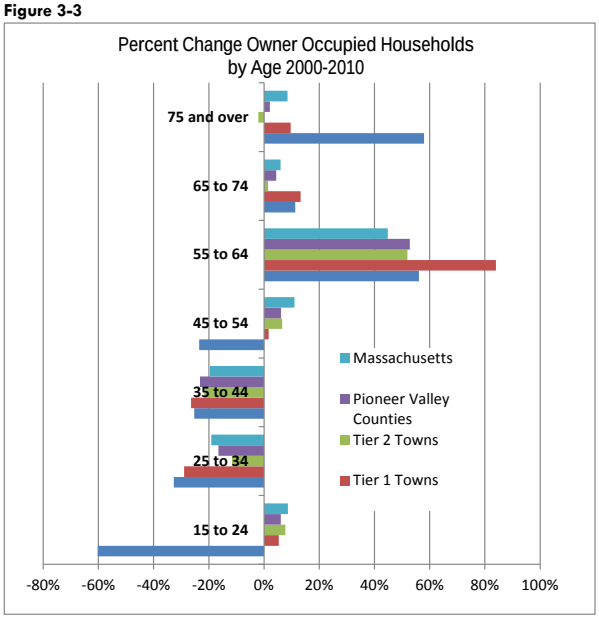
- Finally, increases in the oldest age groups above 75 may lead to an increasing number of residents seeking options for assisted living facilities that offer a continuum of care.

The more modest projected growth in the 25-34 age group could result in demand for similar housing options, but for different reasons. These emerging households may be looking for starter homes if they have sufficient financial capacity. However, recent housing market trends indicate that many younger households are delaying homeownership due to uncertain economic conditions and higher personal debt. Therefore, demand for rental housing has increased substantially over the last few years in many markets and could see a slight uptick in demand locally, based on projected household growth.

2. Households by Tenure

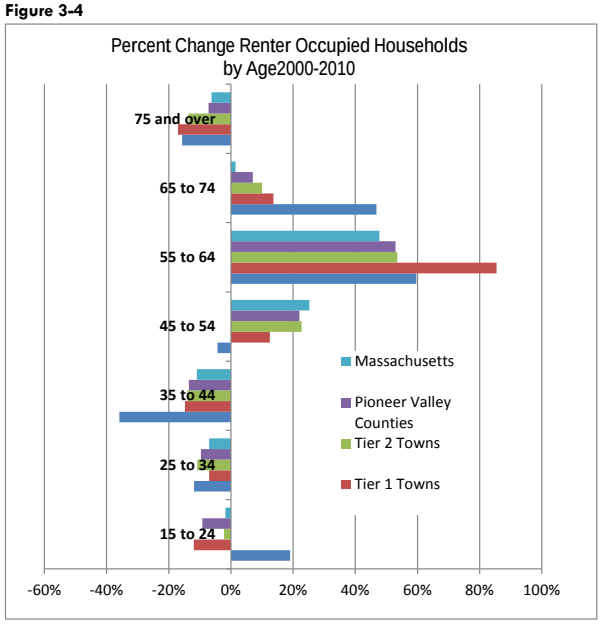
The change in households from 2000 to 2010 is further examined by differentiating owner- and renter-occupied housing units. As noted previously, most household growth occurred in the 55-64 age group. For this cohort, the data indicate that the percentage increase in ownership households was roughly equivalent to the percentage increase in renter households, albeit slightly higher for renters (Figures 3-3 and 3-4), so the preference for renting and owning has remained steady, with a slight movement toward renting. Each of the other cohorts, except for households headed by persons over 75, will likely experience similar changes.

Figure 3-3



Source: Demographics Now

Figure 3-4



Source: Demographics Now

With projections indicating the region's most substantial household growth will be in the 65-74 age group over the next five years, it is reasonable to assume that demand for housing will continue to shift toward smaller dwellings. Some of this shift is already occurring, as evidenced by increased condominium production and the development of senior housing and assisted living facilities. The result is most evident when examining the over-75 age cohort, which experienced a large percentage increase in owner-occupied units during the 2000s.

Of all geographies examined in the chart above, Amherst is the only location where renter- occupied units exceeded owner-occupied units (5,000 vs. 4,258) between 2000 and 2010. All others have at least 1.5-2 times greater owner occupancy. Projections indicate there will be little change in this housing balance through 2017. Demand for owner-occupied housing in communities around Amherst means that a lack of new housing targeted toward this market segment will limit Amherst's potential to capture non-student households in the future.

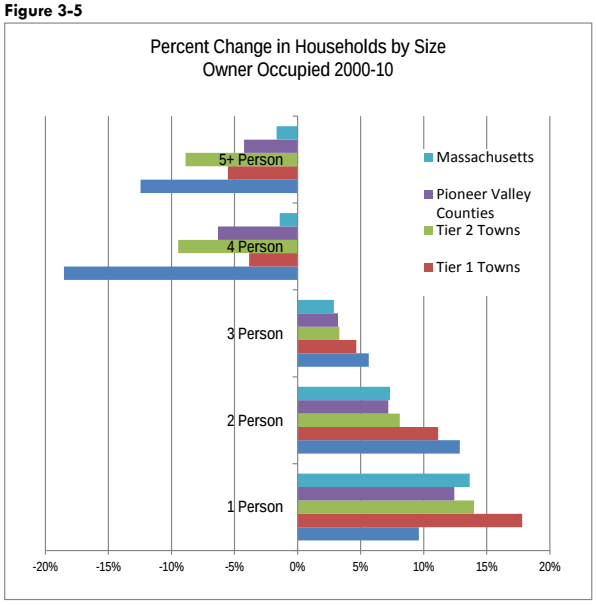
3. Household Size

Regionally, the primary increases in owner-occupied housing were in 1- and 2-person households with decreases in larger (4- and 5-person) households, which in turn reflects a decrease of family households (households with dependent children). On a percentage basis, the greatest loss of larger households over the decade occurred in Amherst (Figure 3-5). Conversely, renter households experienced a higher percent growth in larger household sizes, although the actual number of units represented was relatively modest (Figure 3-6).

Housing affordability issues can be gleaned from the data. One-person households in Amherst, which either grew more slowly (owners) or lost households (renters), lagged behind each of the other study areas. Individuals seeking to live in Amherst have to share a housing unit or seek housing elsewhere. Furthermore, larger households (more than 4 people) have a higher tendency to rent than own. This finding reflects both the continued conversion of traditional ownership units (i.e. single-family

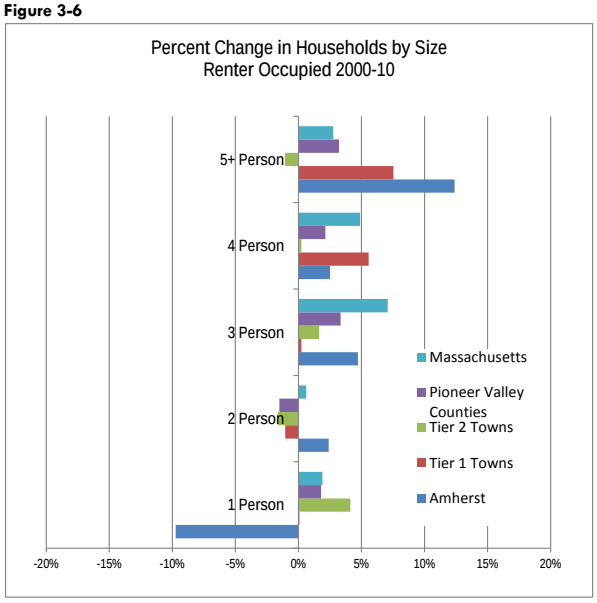
detached homes) for student rentals and the subsequent challenge for families to price compete with that market.

Figure 3-5



Source: Demographics Now

Figure 3-6



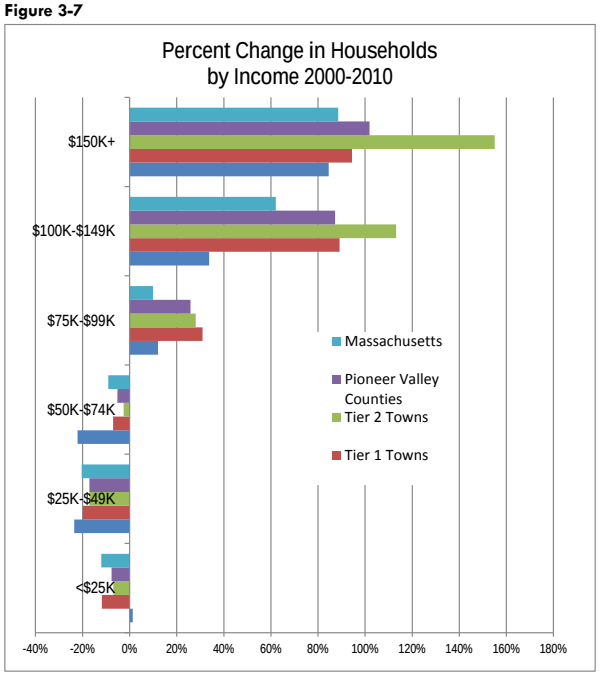
Source: Demographics Now

4. Household Income

Amherst has a relatively high household income compared with the surrounding region (Tiers 1 & 2 and the counties), although the Tier 1 median household income is most comparable to Amherst's. Generally speaking, this suggests that housing is more affordable to existing households elsewhere in the region than in Amherst. Historical changes in household incomes between 2000 and 2010 indicate that each of the comparison areas experienced the greatest percentage growth in households earning above $100,000 (Figure 3-7). However, Amherst's income levels have risen, and are projected to rise, faster than the region's through 2017 (Figure 3-8). The state's median household income remains consistently higher than Amherst's, but it is projected to grow at a slower rate over the next five years.

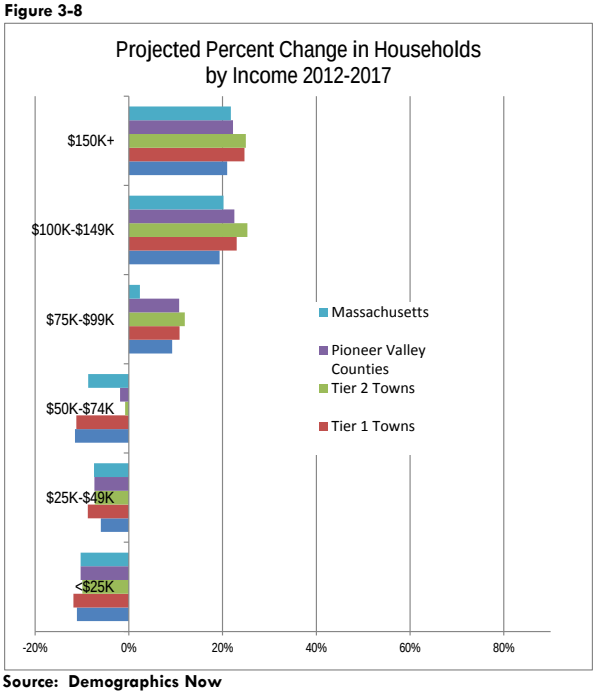
The concentration of higher-income households in Amherst is consistent with housing prices. Amherst historically has maintained the region's largest concentration of expensive housing (over $400,000). Since housing costs are typically a household's greatest expense, the occupants of Amherst's relatively expensive housing most likely have high incomes, too – at least in most cases.

Figure 3-7



Source: Demographics Now

Figure 3-8



Source: Demographics Now

E. LIFESTYLE SEGMENTATION

Esri, the nation's leading GIS technology company, has developed a sophisticated tool known as Tapestry Segmentation for analyzing the socioeconomic and demographic composition of U.S. neighborhoods and grouping the data into distinct market segments. There are 65 Tapestry segments based on unique socioeconomic characteristics and lifestyle habits. RKG used Tapestry to develop a refined look at Amherst's households. This section summarizes the Tapestry segments that relate directly to Amherst. A more thorough discussion of these market segments can be found in Appendix A.

Table 3-5
Tapestry Segmentation Categories
2011 Households

	Amherst	Pioneer Valley	Massachusetts
Student Segment #1	34.0%	2.0%	2.1%
Segment #1	11.6%	9.2%	6.0%
Segment #2	9.6%	4.5%	3.7%
Segment #3	9.3%	5.1%	2.2%
Segment #7	7.8%	2.4%	2.2%
Segment #13	7.8%	1.6%	2.1%
Segment #4	5.6%	N/A	3.9%
Segment #5	5.5%	N/A	3.7%
Segment #6	5.2%	N/A	2.7%
Segment #8	3.6%	1.6%	2.1%
TOTAL	100.0%	26.4%	30.7%

Source: ESRI and RKG Associates, Inc. 2013

Not surprisingly, Amherst's population is concentrated in market segments that relate to university student and university town lifestyles. Overall, its households are grouped within ten Tapestry classifications as shown in Table 3-5. The largest segment is college students (Student Segment #1), totaling more than one-third of Amherst's households. Other notable market segments that include college-age households include the Tapestry groups called Segment #3 (9.3 percent), Segment #13 (7.8 percent), and Segment #6 (5.2 percent).

The ten lifestyle segments found in Amherst make up much smaller shares of the households in Pioneer Valley, 26.4 percent, and Massachusetts, 30.7 percent. In addition to the greater diversity of these two comparison areas, the categories not reflected in Amherst but well represented in regional and statewide markets include lifestyles more conducive to suburban and exurban communities. The top four lifestyle segments in Pioneer Valley (Segments #9, #10, #11, and #12) are compatible with the lifestyle offered in Amherst and they represent more than 36 percent of all households in the three-county area. While it is not realistic to assume that all would want to live close to a large university and two colleges, it is reasonable to anticipate some of these households would live in Amherst if the opportunity were available. According to the socioeconomic data for Amherst, each of these four categories has income ranges somewhat below their counterparts in Amherst, with little or no student household influence.

Table 3-6
Lifestyle Segment Market Size
2011 Households

	Pioneer Valley	Massachusetts	New England	TOTAL
Segment #1	3,820	91,914	58,795	154,529
Segment #2	6,538	87,454	151,443	245,435
Segment #3	5,271	21,532	58,238	85,041
Segment #7	726	37,873	34,831	73,430
Segment #4	1,368	98,815	108,921	209,104
Segment #5	786	150,557	26,323	177,666
Segment #6	480	69,749	7,973	78,202
Segment #8	4,924	32,802	34,494	72,220
TOTAL	23,913	590,696	481,018	1,095,627

Source: ESRI and RKG Associates, Inc. 2013
NB - New England total is less Massachusetts, Massachusetts total less Pioneer Valley

That said, there are almost 1.1 million households in New England that fall within the non-student lifestyle segments found in Amherst (Table 3-6). Within the two largest non-student groups in Amherst alone (Segments #1 and #2), there are almost 400,000 households in New England. These findings suggest that there is a range of non-student households throughout the state and region that might find Amherst a desirable place to live if suitable housing were available.

Some of the key characteristics of the eight non-student oriented lifestyle segments are summarized below. Each of these segments includes household types that represent one or more of the four target market groups (i.e. Baby Boomers, Millennials, academics, and other non-student households) identified by the Town in its RFP for this project.

Segment #1 (target market: Academics and Other Non-Student)

- Well-educated professionals with sophisticated lifestyles
- More than half are married but less than half have children
- Median age of 42.7 years; older than the U.S. median of 37 years
- Median household income of $87,200 and high net worth allows for stylish living
- Residential preferences find 66 percent in single family homes and 27 percent in apartments
- Median home value is $536,360; more than three times the U.S. median

Segment #2 (target market: Academics and Other Non-Student)

- Predominantly professional couples who live in the suburbs but prefer the "city lifestyle"
- Married couples represent 54 percent of the segment, but two-thirds are married without children, single, or live in shared housing.

- Median age is 40 years, and median household income is $70,745
- Residents prefer affluent neighborhoods in metropolitan area in more suburban than urban locations
- 56 percent prefer single family homes and 14 percent reside in townhouses
- Median home value is $218,290, with a 68 percent rate of homeownership

Segment #3 (target market: Millennials, Academics and Other Non-Student)

- This group prefers to live in older urban neighborhoods
- About half of these households are singles living alone and 40 percent are married couples
- The median age is 37.7 years, and one-quarter are ages 20-34
- Median household income is $60,190
- Residential preferences include a mix of single family and multi-unit buildings in established, eclectic neighborhoods that are slow to change
- The homeownership rate is 60 percent, with a median home value of $192,370

Segment #4 (target market: Millennials, Academics and Other Non-Student)

- Families living in growing suburban neighborhoods
- Married couples, with and without children, comprise 80 percent of households
- The median age is 41.6 years, and half of the population is between ages 35 and 64
- This segment is very upwardly mobile, with a median income of $121,660: more than double the U.S. median
- These households prefer large, luxurious homes that have a median value of $388,380 and are located in growing neighborhoods

Segment #5 (target market: Baby Boomers, Millennials, Academics and Other Non-Student)

- This segment is comprised of diverse neighborhoods situated primarily in the Northeast
- Households include families and singles with a median age of 38.6 years
- Compared to the U.S. population, there are slightly fewer children and more people age 75 or older, with a slightly higher racial diversity
- Residents earn a "good living" in white-collar and service occupations, with median incomes of $63,960
- Housing choices are comprised of an array of options including single family, townhomes, and apartment buildings with 2 to 50 or more units but 35 percent have 2 to 4 units
- Homeownership is lower than the U.S. average, at 36 percent, with a median home value of $346,250

Segment #6 (target market: Millennials, Academics and Other Non-Student)

- This segment is comprised predominantly of singles who do not own a home or have children
- They tend to live alone or have a roommate; the average household size is 1.8
- The median age is 38.7 and although predominantly White, about 10 percent are Asian
- Residents are highly educated and financially affluent, with median household income of $93,900
- This group prefers to live in older urban neighborhoods in major metropolitan areas and residents are more likely to rent than own; homeownership rate is 39 percent, with the majority of housing located in apartment buildings with 20 or more units
- Average gross rents are 85 percent higher than the U.S. average and median home value is $634,290

Segment #7 (target market: Baby Boomers)

- With a median age of 60.1 years, residents of this segment are the second oldest of all Tapestry segments. More than 70 percent are 55 years or older
- Most are retired professionals and married empty-nesters
- Overall, this is a relatively small segment representing less than 1 percent of U.S. households, but annual growth has been 2.3 percent since 2000
- This group is predominantly wealthy, educated seniors with median incomes of $67,800
- They tend to prefer sunnier climates in the South, mainly Florida, and are likely to represent a "snowbird" population in the Amherst area
- Homeownership is high, at 83 percent, with a median home value of $247,320 and their housing tends to be newer, single family homes that are not where they raised their children

Segment #8 (target market: Baby Boomers)

- These residents live on very low, fixed incomes and rely on accumulated savings to support their lifestyles; their median household income is $16,800
- The median age is 46.4 years, and 40 percent are age 65 or older
- They tend to be more ethnically diverse, with one-half White, one-third Black, and 18 percent Hispanic
- Most residents in this segment rent apartments in low-rent, high-rise buildings in larger urban areas; median home values are $111,800 in these neighborhoods
- More than half of the households do not own cars and rely on public transportation

Along with the eight Tapestry segments outlined above, four additional segments are prominent in the Pioneer Valley. Their characteristics include.

Segment #9 (target market: Millennials, Academics, and Other Non-Student)

- This segment represents a mix of household types that are comparable to the U.S. distribution

- Approximately half are married couple families, about one-third are single people or shared households, and the rest are single parents or other family households
- The median age is 38.6 years
- Median household income is $57,190
- Housing preferences are comprised of a mix of single family and multi-unit buildings that are commonly found in suburbs of smaller cities
- The homeownership rate is 63 percent, and the median home value is $174,970

Segment #10 (target market: Baby Boomers, Academics, and Other Non-Student)

- Residents of this group prefer an affluent lifestyle beyond the urban fringe of larger cities
- About 40 percent are empty-nesters, but 32 percent are married with children
- They may be part of the "sandwich generation" in between paying for children's college and caring for elderly parents
- Median age is 45.5 and half of households are between 45 and 64 years of age
- Median household income is $84,520 with net worth of $368,500
- Housing preferences are predominantly single family homes with median value of $248,490; 1 ½ times the U.S. median value
- Nearly 80 percent of households have two cars with a commute time comparable to the U.S. average

Segment #11 (target market: Baby Boomers and Other Non-Student)

- This segment is comprised of middle-aged married couples; households may or may not have children
- The median age is 42.3 with median household incomes of $65,665
- These households tend to be comfortably settled in single family homes in older neighborhoods, primarily in the suburbs
- Homeownership is about 88 percent and the median home value is $154,860

Segment #12 (target market: Baby Boomers and Other Non-Student)

- Residents in this segment are transitioning from child-rearing to retirement; about 40 percent of households are married couples with no children
- Median age is 48.9 and 60 percent are age 55 or older
- Population in this segment has been increasing slowly but will accelerate as baby boomers mature
- Median household income is $67,295 with median net worth of $261,595
- Residential preferences typically include established neighborhoods with one-third along the East Coast which experience little housing turnover from year to year
- Most of the housing is single family with a median value of $193,780

4. REAL ESTATE MARKET ANALYSIS

A. KEY FINDINGS

This chapter identifies and explains selected socio-economic, housing and real estate market indicators in Amherst and its comparison regions. First, employment trends in Amherst are examined in comparison with those in the Franklin/Hampshire Workforce Investment Area. Second, housing supply trends in Amherst are analyzed and compared with those in the Tier 1 Towns (excluding Amherst). Key characteristics of owner households are also analyzed, as well as conditions in the for-sale market. Thereafter, trends in renter households and current conditions in the rental market are identified. Chapter 4 concludes with a forecast of housing demand in Amherst over the next five years.

Chapter 4 has the following key findings:

- UMass and the colleges have a profound impact on the local and regional market.
- Amherst has a lower concentration of ownership households than the surrounding towns.
- From a housing market perspective, the data indicate that there are severe barriers for households seeking moderately-priced ownership housing in Amherst.
- Amherst's current strength appears to be in its single-family market, especially at the upper end.
- Amherst's weaknesses appear to be in moderately-priced ownership housing and the upper-end condominium market.
- The rental market analysis indicates that the number of renter households occupying single family units declined during the 2000s.
- Renter income data for Amherst is reflective of a college community.
- Assuming the Town does not adjust its current regulatory environment, there are three market segments where demand will substantially exceed supply.
  - Modest-income renter households (both student and non-student),
  - Higher-end rental, and
  - Higher-end ownership markets

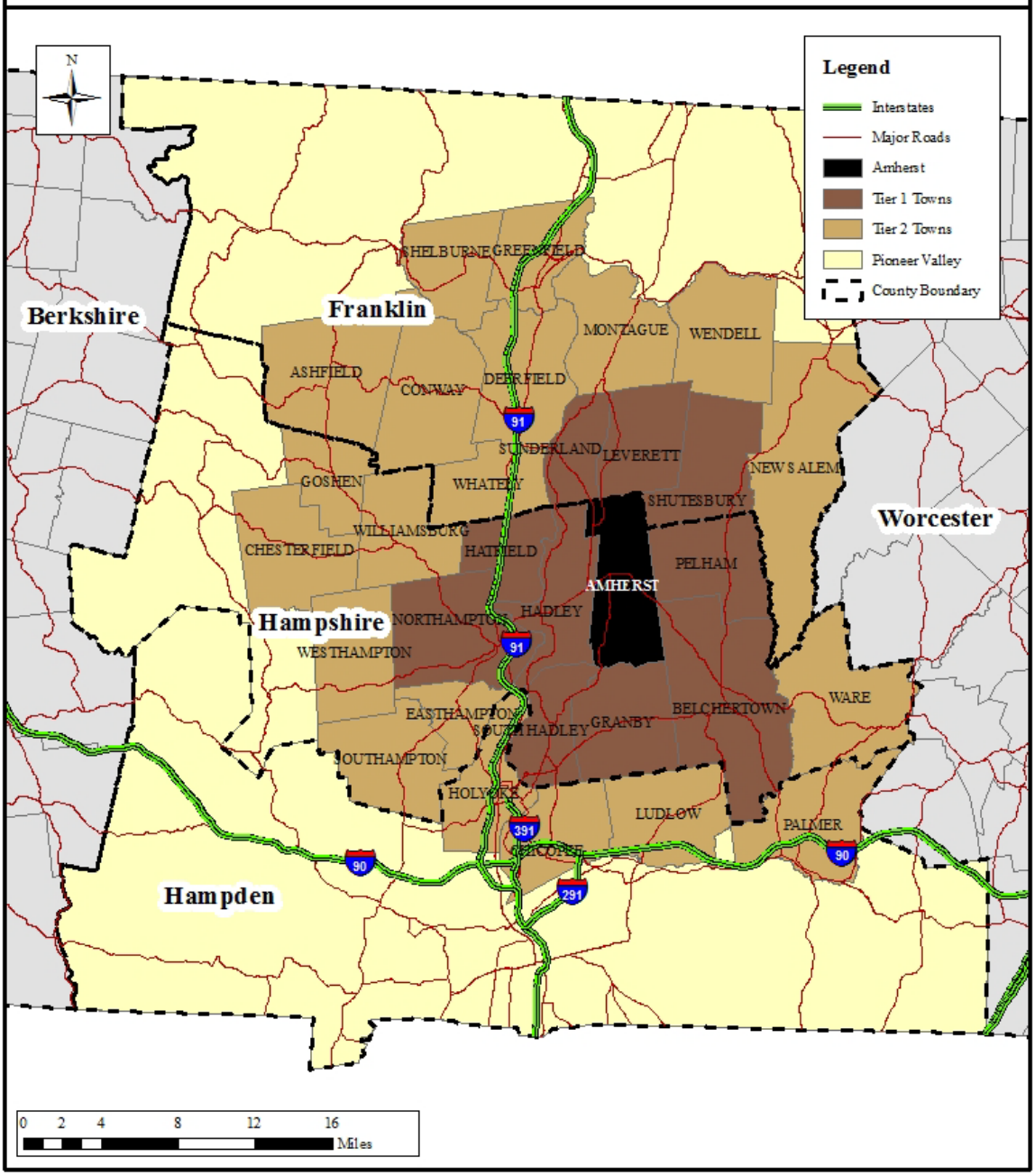
UMass and the colleges have a profound impact on the local and regional market

Employment trends in Amherst were positive over the last decade, yet nearly all of the growth was associated with public sector employment (particularly in Educational Services). The recent national recession did little to change employment in Amherst, since the minor loss in 2009 was recovered by 2010. Nevertheless, the region lost over 2,500 jobs between 2008 and 2009 (nearly 3 percent of the base), and employment levels in 2012 remain about 440 jobs below the peak in 2008.

Map 4-1

Local Region for Housing Market Analysis

Amherst, MA



Amherst has a lower concentration of ownership households (46 percent) than the surrounding towns (69 percent)

This pattern exists across the country in smaller communities with a major university (e.g., Morgantown, WV; Blacksburg, VA; and Boone, NC). Growth in consumption of traditional ownership units for rental housing in Amherst, due to the direct and indirect effects of the recent economic downturn, has resulted in a slower net growth in homeowner households, a greater shift in homeownership affordability (particularly housing priced below $300,000), and a decline in owner-occupied housing units with four or more bedrooms (compared to a net increase of 312 units in the Tier 1 Towns).

From a housing market perspective, the data indicate that there are severe barriers for households seeking moderately-priced ownership housing in Amherst

However, the data also indicate that Amherst and the surrounding communities have seen an increase in multi-unit ownership development (townhouses and condominiums). This is not surprising, given the relative cost differential to deliver better affordability to ownership consumers. However, consumption data indicate there is unmet demand for housing at these price points. Within Amherst, the greatest challenges to providing this type of housing are [1] zoning, which restricts multi-unit development and [2] encroachment, where investors can potentially "price out" ownership households and convert units to rentals due to unmet demand for student housing.

Amherst's current strength appears to be in its single-family market, especially at the upper end

The upper-end single family market in Amherst showed signs of strength as sales increased by 20 percent over the last year, and 40 percent of sales were for homes valued at $500,000 or more. Sales of upper-end homes in the region were about 3 percent higher in 2012 than the previous year, but homes valued at $500,000 or more accounted for 22 percent of these upper-end sales. Sales of upper-end condominiums in Amherst also increased in the last year, but activity remained below the 5-year average. Only 8 percent of the upper-end condominium sales in Amherst over the last five years were valued at $400,000 or more, as compared to 34 percent in the Tier One Towns, including 18 percent of upper-end sale valued at $500,000 or more.

Its weaknesses appear to be in moderately-priced ownership housing and the upper-end condominium market

The lack of very high-end condominiums may be due to lack of new product in comparison to other towns in the region. In terms of rental housing, the make–up of renter households has changed in Amherst despite the net decline during the 2000s. Most notably, there has been a substantial increase in college-age renter households and active adult households. Given the enrollment shifts in Amherst and the development of age restricted housing, these findings are consistent with the market data.

The most interesting finding from the rental market analysis is that the number of renter households occupying single family units had declined during the 2000s

This fact contradicts widely held beliefs within Amherst. However, there has been a recent shift in owner-to-rental conversion (since 2010) corroborated by the Town's property ownership data (detailed in the Student Housing section). Simply put, the impact of student conversions appear to be concentrated in very specific locations (near the universities) and price points (below $250,000). The distribution within unit size suggest those units with high number of bedrooms are the most susceptible to conversion.

Renter income data for Amherst is reflective of a college community

The median income for renter households in Amherst was nearly $25,490 in 2010, with renter households earning less than $25,000 accounting for almost half of all renters. This is consistent with college

communities, where students typically have little or no income. In comparison to the Tier 1 Towns, the 2010 median renter income was 31.6 percent higher than in Amherst in 2010. Despite the lack of income, rents in Amherst have steadily risen. The median gross rent in Amherst was $1,078 in 2010, an increase of nearly 57 percent since 2000. In comparison, the median gross rent for the Tier 1 Towns was $872 in 2010, and increased by 33.6 percent since 2000. As of 2010, Tier 1 rental units had a median rent level 19.1 percent lower than in Amherst despite having a more affluent renter population.

Assuming the Town does not adjust its current regulatory environment (e.g., zoning, other incentives), the data indicate there will be three market segments where demand will substantially exceed supply
The first is modest-income renter households. Net enrollment at the university and colleges in Amherst is projected to continue to increase. Without additional housing developed to accommodate this need, the student population will continue to place pressure on non-traditional rental markets in and around Amherst. Traditional renters in this category will be especially impacted. The analysis indicates that student households have a greater willingness to pay higher premiums despite their relatively lower income levels. To this end, the non-student renters cannot compete in an open market with this segment. Given that off-campus student households are projected to increase as well, it is likely that many existing and potential residents will be displaced without regulatory adjustments.

Second and third are the higher-end rental and ownership markets. The data indicate there is a market for small (loft-style and 1-bedroom units) within the region that is not being met in Amherst. The growth of 55 and older population is the perfect candidate for this housing, particularly in a community such as Amherst that offers cultural amenities commensurate with larger, urban communities. The demographic analysis corroborates this finding.

As noted earlier in this chapter, the greatest challenges to accommodating the unmet demand in Amherst are the regulatory policies that restrict the development of higher density housing. Current market conditions have made conversion of traditional ownership units and consumption of high-end apartments for student rental financially feasible. The economic downturn has depressed sales prices, reduced the ownership demand pool, and increased interest for rental housing. Given that there is little or no multi-unit development slated in the immediate vicinity of Amherst and projected increases in student enrollment, the supply-demand imbalance will continue to drive rental prices. Simply put, the market is demanding an increase of both student-focused and traditional multi-unit development in Amherst.

B. BASELINE CONDITIONS

1. Employment Trends

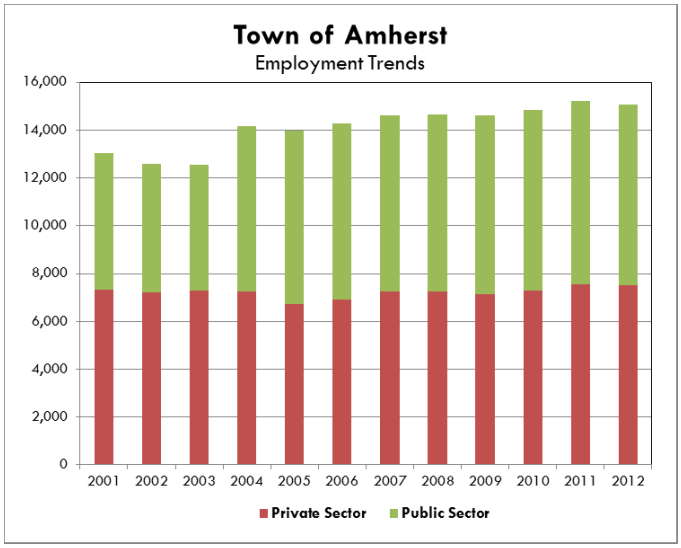
This section analyses trends in the employment base of the Town of Amherst in comparison to those in the Franklin/Hampshire Workforce Investment Area (WIA)[1] in order to understand the strength of the economy and its make-up. Figure 4-1 exhibits trends in employment in Amherst between private and public sector jobs since 2001. Total employment increased from 13,039 in 2001 to 15,210 in 2011 for a gain of 2,015 jobs (or 15.5 percent). As shown, employment jumped to 14,160 in 2004, and continued to experience gains in five of the next seven years. During the national recession, employment declined by 45 jobs between 2008 and 2009, but by 2010 the employment base recovered and surpassed the 2008

[1] Geographic areas defined under the national Workforce Investment Act and used by state boards to identify employment training and workforce needs for which socioeconomic data is made available and used in this analysis.

level by 1.2 percent. Since 2001, private sector employment generated only 9.8 percent of the job growth in Amherst and represented 50 percent of total employment in 2012, down from 58 percent in 2003.

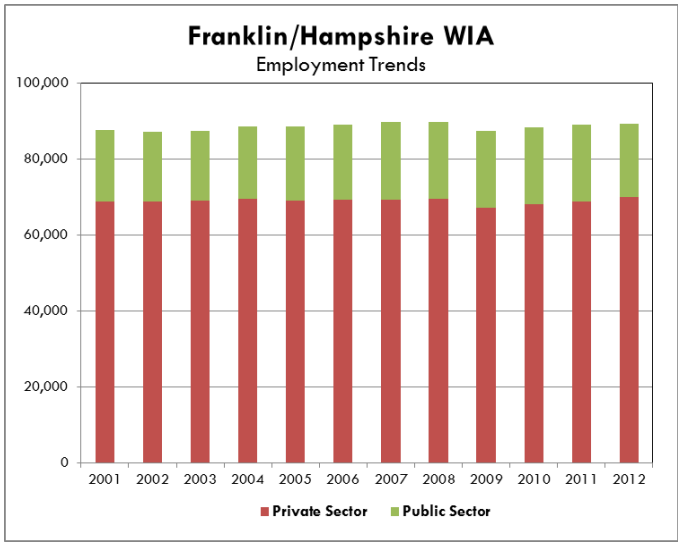
Employment trends in the Franklin/Hampshire WIA differed from those in Amherst. As shown in Figure 4-2, total employment increased from 87,640 jobs in 2001 for 89,340 in 2012 representing a gain of over 1,700 jobs (1.9 percent). In effect, employment gains in Amherst over that period accounted for 18 percent more of the gains in the WIA during this period. Employment in the WIA peaked at 89,790 jobs in 2008 and declined by 2,520 jobs in 2009 due primarily to the recession. Employment in 2012 in the WIA remained about 440 jobs (-0.5 percent) below the peak level in 2008, unlike Amherst. Over the twelve year period, 76 percent of the job growth in the WIA occurred in the private sector and in 2012 private sector employment accounted for 78 percent of total employment as compared to Amherst at 50 percent.

Figure 4-1



Source: Massachusetts EOL & WD and RKG Associates, Inc. 2013

Figure 4-2



Source: Massachusetts EOL & WD and RKG Associates, Inc. 2013

2. Employment by Industry Sector

In 2011, approximately 57 percent of the employment base in Amherst was in the Educational Services sector. Within education services, employment increased by 1,960 jobs since 2001 and accounted for 97.3 percent of total job growth in Town during that period. According to the most recent Comprehensive Economic Development Strategy (CEDS) prepared by the Pioneer Valley Planning Commission, the University of Massachusetts employs approximately 4,800 people, making it the largest educational institution in the region and the third largest single employer within the Pioneer Valley. Overall, the Pioneer Valley contains 13 public and private colleges and universities which have a combined total employment of 12,304. The northern half of the region, which includes Amherst, is home to the University of Massachusetts/Amherst, Smith College, Mount Holyoke College, Hampshire College, and Amherst College. These five institutions together graduate more than 6,000 students each year and employ approximately 8,500 people representing a large economic engine in Western Massachusetts.

Table 4-1
Trends in Employment by Industry Sector
Town of Amherst

	Total Employment			Net Change		% Change		Distribution of Employment		
	2001	2006	2011	2001-06	2006-11	2001-06	2006-11	2001	2006	2011
Total, All Industries	13,039	14,266	15,207	1,227	941	9.4%	6.6%	100%	100%	100%
Agriculture, Forestry, Fishing & Hunting	106	51	51	(55)	0	-51.9%	0.0%	0.8%	0.4%	0.3%
Construction	169	178	143	9	(35)	5.3%	-19.7%	1.3%	1.2%	0.9%
Manufacturing	128	61	117	(67)	56	-52.3%	91.8%	1.0%	0.4%	0.8%
Wholesale Trade	63	27	38	(36)	11	-57.1%	40.7%	0.5%	0.2%	0.2%
Retail Trade	1,055	929	868	(126)	(61)	-11.9%	-6.6%	8.1%	6.5%	5.7%
Transportation and Warehousing	154	99	101	(55)	2	-35.7%	2.0%	1.2%	0.7%	0.7%
Information	172	177	191	5	14	2.9%	7.9%	1.3%	1.2%	1.3%
Finance and Insurance	179	207	206	28	(1)	15.6%	-0.5%	1.4%	1.5%	1.4%
Real Estate and Rental and Leasing	143	183	225	40	42	28.0%	23.0%	1.1%	1.3%	1.5%
Professional and Technical Services	439	281	304	(158)	23	-36.0%	8.2%	3.4%	2.0%	2.0%
Administrative and Waste Services	539	115	85	(424)	(30)	-78.7%	-26.1%	4.1%	0.8%	0.6%
Educational Services	6,765	8,359	8,725	1,594	366	23.6%	4.4%	51.9%	58.6%	57.4%
Health Care and Social Assistance	949	914	1,024	(35)	110	-3.7%	12.0%	7.3%	6.4%	6.7%
Arts, Entertainment, and Recreation	142	487	506	345	19	243.0%	3.9%	1.1%	3.4%	3.3%
Accommodation and Food Services	1,115	1,132	1,256	17	124	1.5%	11.0%	8.6%	7.9%	8.3%
Other Services, Ex. Public Admin	421	640	973	219	333	52.0%	52.0%	3.2%	4.5%	6.4%
Public Administration	464	389	362	(75)	(27)	-16.2%	-6.9%	3.6%	2.7%	2.4%

Source: MA EOL&WD & RKG Associates, Inc.

Table 4-2
Trends in Employment by Industry Sector
Franklin/Hampshire WIA

	Total Employment			Net Change		% Change		Distribution of Employment		
	2001	2006	2011	2001-06	2006-11	2001-06	2006-11	2001	2006	2011
Total, All Industries	87,641	89,058	89,057	1,417	(1)	1.6%	0.0%	100%	100%	100%
Agriculture, Forestry, Fishing & Hunting	641	650	910	9	260	1.4%	40.0%	0.7%	0.7%	1.0%
Construction	3,462	3,675	3,257	213	(418)	6.2%	-11.4%	4.0%	4.1%	3.7%
Manufacturing	11,575	8,665	7,724	(2,910)	(941)	-25.1%	-10.9%	13.2%	9.7%	8.7%
Wholesale Trade	2,770	3,052	2,672	282	(380)	10.2%	-12.5%	3.2%	3.4%	3.0%
Retail Trade	10,921	10,874	10,640	(47)	(234)	-0.4%	-2.2%	12.5%	12.2%	11.9%
Transportation and Warehousing	1,968	2,104	2,148	136	44	6.9%	2.1%	2.2%	2.4%	2.4%
Information	2,092	1,782	1,463	(310)	(319)	-14.8%	-17.9%	2.4%	2.0%	1.6%
Finance and Insurance	1,597	1,906	1,823	309	(83)	19.3%	-4.4%	1.8%	2.1%	2.0%
Real Estate and Rental and Leasing	874	742	762	(132)	20	-15.1%	2.7%	1.0%	0.8%	0.9%
Professional and Technical Services	1,880	2,223	2,211	343	(12)	18.2%	-0.5%	2.1%	2.5%	2.5%
Management of Companies	1,143	1,208	1,160	65	(48)	5.7%	-4.0%	1.3%	1.4%	1.3%
Administrative and Waste Services	2,689	2,527	2,293	(162)	(234)	-6.0%	-9.3%	3.1%	2.8%	2.6%
Educational Services	18,620	20,393	20,802	1,773	409	9.5%	2.0%	21.2%	22.9%	23.4%
Health Care and Social Assistance	10,891	11,652	12,386	761	734	7.0%	6.3%	12.4%	13.1%	13.9%
Arts, Entertainment, and Recreation	1,215	1,553	1,702	338	149	27.8%	9.6%	1.4%	1.7%	1.9%
Accommodation and Food Services	6,777	7,486	7,617	709	131	10.5%	1.7%	7.7%	8.4%	8.6%
Other Services, Ex. Public Admin	3,388	3,932	4,687	544	755	16.1%	19.2%	3.9%	4.4%	5.3%
Public Administration	4,707	4,224	4,450	(483)	226	-10.3%	5.4%	5.4%	4.7%	5.0%

Source: MA EOL&WD & RKG Associates, Inc.

As shown in Table 4-1, employment in the following sectors accounted for between 2 percent and 10 percent of the 2011 employment base: Accommodation and Food Services (8.3 percent); Health Care and Social Assistance (6.7 percent); Other Services (6.4 percent); Retail Trade (5.7 percent) and Arts, Entertainment and Recreation (3.3 percent); Public Administration (2.4 percent) and Professional and Technical Services (2.0 percent). All of these sectors with the exception of retail trade and public administration experienced employment growth (a net 609 jobs) since 2006.

These characteristics in Amherst are different than in the Franklin/Hampshire WIA. As shown in Table 4-2, total employment in the WIA increased by 1.6 percent between 2001 and 2006, but no change in total employment occurred between 2006 and 2011. In 2011, employment in Amherst represented 17.1 percent of total employment in the WIA, reflecting an increase from 14.9 percent 2001. Educational Services employment in Amherst accounted for 42 percent of that in the region. Employment in the following 11 sectors accounted for between 2 percent and 23 percent of the region base in 2011:

Educational Services (23.4 percent); Health Care and Social Assistance (13.9 percent); Manufacturing (8.7 percent); Accommodation and Food Services (8.6 percent); Public Administration (5.0 percent); Construction (3.7 percent); Wholesale Trade (3.0 percent); Administrative and Waste Services (2.6 percent); Professional and Technical Services (2.5 percent); Transportation and Warehousing (2.4 percent); and Finance and Insurance (2.0 percent)

Amherst employment in the seven sectors other than educational services accounted for more than 10 percent of the regional base respectively. These include Arts, Entertainment, and Recreation (29.7 percent); Real Estate and Rental and Leasing (29.5 percent); Other Services, Ex. Public Admin (20.8 percent); Accommodation and Food Services (16.5 percent); Professional and Technical Services (13.7 percent); Information (13.1 percent); Finance and Insurance (11.3 percent) However, many of these employment sectors constitute only a small portion of Amherst employment, suggesting that these industries are not well represented regionally.

3. Trends in Average Weekly Wage

The average weekly wage in Amherst was $848 in 2011, approximately 9.7 percent higher than 2006 and 21.3 percent higher than in 2001 (Table 4-3). The average weekly wage in the Franklin/Hampshire WIA historically has trailed behind Amherst, totaling $742 in 2011 (14.3 percent below the Town average) However, increases in the average weekly wage rate for the WIA has increased faster on a percentage basis than the Town (10.3 percent since 2006 and 29.0 percent since 2001), indicating the "gap" is gradually declining.

The top five industry sectors with the highest weekly wage in Amherst in 2011 account for 63.3 percent of the employment base, including Wholesale Trade ($1,309); Professional and Technical Services ($1,171); Public Administration ($1,135); Finance and Insurance ($1,105); and Educational Services ($1,054). Having a comparatively high Educational Services sector is the primary reason why the Town wages exceed the region, given the industry's high concentration in Amherst.

Table 4-3
Average Wage Comparison
Amherst and Franklin/Hampshire WIA

	Town of Amherst					Franklin/Hampshire WIA					Amherst
	AVG Weekly Wages			% Change		AVG Weekly Wages			% Change		Difference
	2001	2006	2011	2001-06	2006-11	2001	2006	2011	2001-06	2006-11	in 2011
Total, All Industries	$699	$773	$848	10.6%	9.7%	$575	$673	$742	17.0%	10.3%	14.3%
Agriculture, Forestry, Fishing & Hunting	$273	$279	$333	2.2%	19.4%	$351	$435	$467	23.9%	7.4%	-28.7%
Construction	$724	$793	$862	9.5%	8.7%	$686	$784	$862	14.3%	9.9%	0.0%
Manufacturing	$492	$551	$576	12.0%	4.5%	$724	$874	$923	20.7%	5.6%	-37.6%
Wholesale Trade	$1,021	$1,057	$1,309	3.5%	23.8%	$754	$861	$889	14.2%	3.3%	47.2%
Retail Trade	$399	$457	$481	14.5%	5.3%	$376	$456	$486	21.3%	6.6%	-1.0%
Transportation and Warehousing	$505	$719	$789	42.4%	9.7%	$545	$633	$735	16.1%	16.1%	7.3%
Information	$722	$758	$823	5.0%	8.6%	$669	$781	$874	16.7%	11.9%	-5.8%
Finance and Insurance	$667	$921	$1,105	38.1%	20.0%	$820	$904	$1,027	10.2%	13.6%	7.6%
Real Estate and Rental and Leasing	$575	$667	$652	16.0%	-2.2%	$435	$534	$660	22.8%	23.6%	-1.2%
Professional and Technical Services	$1,069	$952	$1,171	-10.9%	23.0%	$752	$830	$967	10.4%	16.5%	21.1%
Management of Companies	N/A	N/A	N/A	N/A	N/A	$773	$1,040	$1,431	34.5%	37.6%	N/A
Administrative and Waste Services	$232	$608	$535	162.1%	-12.0%	$408	$518	$613	27.0%	18.3%	-12.7%
Educational Services	$903	$944	$1,054	4.5%	11.7%	$711	$816	$925	14.8%	13.4%	13.9%
Health Care and Social Assistance	$500	$589	$606	17.8%	2.9%	$554	$687	$778	24.0%	13.2%	-22.1%
Arts, Entertainment, and Recreation	$286	$235	$348	-17.8%	48.1%	$253	$287	$331	13.4%	15.3%	5.1%
Accommodation and Food Services	$227	$268	$297	18.1%	10.8%	$222	$253	$276	14.0%	9.1%	7.6%
Other Services, Ex. Public Admin	$359	$398	$411	10.9%	3.3%	$341	$372	$395	9.1%	6.2%	4.1%
Public Administration	$779	$978	$1,135	25.5%	16.1%	$613	$799	$852	30.3%	6.6%	33.2%

Source: MA EOL&WD & RKG Associates, Inc.

In comparison, the top five industry sectors with the highest weekly wage in the WIA in 2011 for 37.9 percent of the employment base, including Management of Companies and Enterprises ($1,431);

Finance and Insurance ($1,027); Professional and Technical Services ($967); Educational Services ($925); and Manufacturing ($923). The variation between Educational Services income between WIA and the Town likely reflects pay variations for university-level education institutions and primary/secondary schools. The Town has a much higher concentration of university-related jobs than the WIA as a whole.

At the other end of the wage scale, the following industries in Amherst had the five lowest average wages in 2011: Retail Trade ($481); Other Services, Ex. Public Admin ($411); Arts, Entertainment, and Recreation ($348); Agriculture, Forestry, Fishing & Hunting ($333); and Accommodation and Food Services ($297). The diminishing wage gap between the Town and the WIA is partially explained by this finding, since three of these five industries account for a net gain of more than 1,000 jobs in Amherst. Some of the higher paying industries (except for Educational Services) have experienced a net loss.

As discussed later, an annual wage of $44,100 (or weekly wage of $488) would be able to afford a condominium unit in the $165,000 to $200,000 price range depending on the down-payment. Alternatively, monthly gross rent of $1,100 would be affordable to person earning an average wage. A single-family home may be unrealistic for a household earning the average wage given the median value of $300,000 in 2012, but a condominium may be realistic given the $190,000 median value in 2012. The ability to purchase a home would increase for a two-wage earning household.

4. Conclusions

The impact of the universities on employment locally and regionally is profound. Employment trends in Amherst were positive over the last decade; however, nearly all the growth was associated with public sector gains (particularly in Educational Services). Employment in the region increased over the last decade, with most of its gains in the private sector. In 2012, the private sector accounted for 50 percent of total employment in Amherst, and over 75 percent in the region. In contrast, the recent national recession did little to impact employment in Amherst, since the minor loss in 2009 was recovered by 2010. The region on the other hand lost over 2,500 jobs between 2008 and 2009 (nearly 3 percent of the base), and employment levels in 2012 remain about 440 jobs below the peak in 2008.

In Amherst, employment in the educational services sector accounted for 57.4 percent of total jobs in 2011, and this sector had one of the highest average weekly wages ($1,054). Amherst's employment in this sector accounted for nearly 42 percent of the total WIA regional employment base. Because of the high concentration of employment in this one sector, other key growth sectors such as health care and professional and technical services had a relatively small presence in Amherst as well as the region.

The average wage in Amherst in 2012 was approximately 14 percent higher than in the region, with approximately 63 percent of the employment base earning an average weekly wage of $1,000 or more. However, another 24 percent of the employment in Amherst was concentrated in five industry sectors with an average weekly wage of less than $500. The former could afford home ownership in the $190,000 to $230,000 range, while the latter could only afford gross rent of $650 or less.

C. RESIDENTIAL MARKET ANALYSIS

This section identifies trends in the housing supply in the Town of Amherst in comparison to those in the Tier One Towns (exclusive of Amherst). Key characteristics of owner households are analyzed as well as conditions in the for-sale market. Then, trends in renter households are identified and current conditions

in the rental market analyzed to provide a comprehensive analysis of the supply and demand equilibrium in the Town.

1. Housing Supply, Occupancy, and Tenure Trends

Total housing in the Town of Amherst experienced a net gain of 284 units (3.0 percent) between 2000 and 2010, while occupied housing increased by 85 units (0.9 percent), as shown in Table 4-4. Vacant units also increased by 199 units, resulting in a higher vacancy rate (4.7 percent) in 2010. A small shift in tenure[2] occurred as owner households increased by 127 units while renter households declined by 42 units. As a result, the owner occupancy rate increased to 46 percent in 2010, while the renter occupancy rate decreased to 54 percent.

The Tier One Towns (also referred to as the region) experienced a net gain of 2,355 housing units (7.0 percent) over the last decade while occupied units increased by 1,678 units, of which 97.6 percent were owners and 2.4 percent renters. The ownership rate increased to 68.8 percent in 2010 while the renter rate decreased to 31.2 percent. The number of vacant units also increased by 677 units over the last decade and the overall vacancy rate increased to 5.4 percent in 2010.

Table 4-4
Housing Supply Statistics
Amherst and Tier 1 Towns

			Change		% of Total [1]	
	2000	2010	Net	Percent	2000	2010
AMHERST						
Total Housing Units	9,427	9,711	284	3.0%	100.0%	100.0%
Occupied Units	9,174	9,259	85	0.9%	97.3%	95.3%
Owner Households	4,131	4,258	127	3.1%	45.0%	46.0%
Renter Households	5,043	5,001	(42)	-0.8%	55.0%	54.0%
Vacant Units	253	452	199	78.7%	2.7%	4.7%
TIER 1 TOWNS						
Total Housing Units	33,597	35,952	2,355	7.0%	100.0%	100.0%
Occupied Units	32,347	34,025	1,678	5.2%	96.3%	94.6%
Owner Households	21,760	23,398	1,638	7.5%	67.3%	68.8%
Renter Households	10,587	10,627	40	0.4%	32.7%	31.2%
Vacant Units	1,250	1,927	677	54.2%	3.7%	5.4%

Source: US Census & RKG Associates, Inc.

Table 4-4.1 presents a comparative summary of housing units built in Amherst over the past several years, based on town assessment records. As shown, assessment data indicates that 573 units were added between 2000 and 2010, as compared to the Census figure of 284. The reason for this discrepancy cannot be readily determined without further investigation into original census data, which is beyond the scope of this analysis. Assuming the unit counts in the assessment data provide a more accurate representation of new units, a second consideration relates to the number of new households these units represent, since not all units will be occupied. Census data indicates that there was a net increase of 85 households in Amherst over the past decade and that the vacancy rate increased by almost 80 percent, or 199 additional vacant units. Given the collapse of the housing market that

Table 4-4.1
Housing Units Built 2000-2013
Town of Amherst

Year Built	Single Family	Condominium	Small MF & Other[1]	Apartments[2]	Grand Total
2000	45		1		46
2001	20		12		32
2002	40		4		44
2003	33	36	1		70
2004	36	41	7		84
2005	27	10			37
2006	28	55	6		89
2007	9	6	2		17
2008	18	42	11		71
2009	12	1			13
2010	8		2		10
ubtotal 2000-	276	191	46	0	513
2011	5		13	27	45
2012	8	1	3		12
2013	3				3
Total	292	192	62	27	573

[1] Includes 2 & 3 family; S-F with in-law; mixed use or multiple dwellings <4 units; exempt units
[2] Includes 4 units or more & a 20-room fraternity rebuilt after fire in 2003
Source: Amherst's Assessor & RKG Associates, Inc.

[2] For this analysis, the term "tenure" is a measure of housing occupancy; whether the household owns or rents their unit.

occurred in the latter half of the decade, it is not surprising that vacancy rates were estimated to have increased substantially due to higher unemployment and home foreclosures. Given these considerations, the question then becomes, "how many additional households above the 85 reported by the Census might be represented by the greater housing construction reflected in the assessment data?" There is no easy answer to this question. If the Census vacancy rate of 4.7 percent for 2010 is used, it suggests that approximately 300 new households were created in Amherst over the past decade. However, this is only a speculative estimate. Regardless, the data indicate that the growth in housing units within Amherst does not directly reflect a "one-for-one" increase in households as it has in the past. The economic downturn has created greater vacancy in the Town than historically has occurred.

2. Permit Data and Average Unit Cost

As shown in Table 4-5, building permit data indicate that Amherst issued building permits for 503 units over the last decade, which is considerably higher than the 284 new units reported by the Census Bureau (Table 4-4) and which more closely mirrors assessment data totals (Table 4-4.1). A total of 2,099 units were reportedly permitted in Tier 1 towns and accounted for 89 percent of the net increase in housing over the last decade. The difference in the Tier 1 Towns suggests that additional gains in housing resulted from units permitted prior to 2000. The reason for such a large discrepancy cannot be ascertained with certainty, but based on available information, it appears that the permitting/construction of condominium units in Amherst over the past decade were under-reported in the Census enumerations.

Table 4-5
Units by Type from Reported Permit Data
Amherst and Tier 1 Towns

	TOWN OF AMHERST					TIER ONE TOWNS				
Year	Single Family	Two Family	3 & 4 Family	5 & up Family	Total	Single Family	Two Family	3 & 4 Family	5 & up Family	Total
2000	32	0	0	12	44	212	2	0	0	214
2001	37	0	0	0	37	210	4	0	8	222
2002	37	0	0	0	37	235	6	7	22	270
2003	36	0	0	0	36	264	18	0	0	282
2004	31	0	0	0	31	263	18	0	0	281
2005	38	0	0	39	77	189	36	0	14	239
2006	24	0	0	44	68	191	2	0	11	204
2007	33	0	4	7	44	137	4	16	12	169
2008	24	0	0	0	24	92	0	3	37	132
2009	36	0	0	0	36	69	6	11	0	86
Subtotal	328	0	4	102	434	1,862	96	37	104	2,099
2010	35	0	0	0	35	123	0	4	12	139
2011	8	0	0	18	26	74	0	3	0	77
Subtotal	43	0	0	18	61	197	0	7	12	216
Total	371	0	4	120	495	2,059	96	44	116	2,315
Annual AVG.	31	0	0	10	41	172	8	4	10	193

Source: US Census & RKG Associates, Inc.

Permit activity in Amherst was highest prior to 2007 and fell thereafter with the onset of the economic downturn and housing market bust. This is a similar trend to what was observed in the Tier 1 Towns. Approximately 50 percent of the units permitted over the last decade in Amherst were in multi-unit structures (2 or more units), and the remainder were single-family homes. By contrast, Tier 1 Towns had only 11 percent of the permitted units built in multi-unit structures since 2000. Over twelve years, permit activity averaged around 45 units per year in Amherst and 193 units per year in the Tier 1

Towns. In the Tier 1 Towns, annual permit activity was above this average in each year between 2000 and 2006, and afterward activity dropped below this average and in some years quite significantly.

Table 4-6
Average Residential Construction Cost
Amherst and Tier 1 Towns

	TOWN OF AMHERST					TIER ONE TOWNS				
Year	Single Family	Two Family	3 & 4 Family	5 & up Family	Total	Single Family	Two Family	3 & 4 Family	5 & up Family	Total
2000	$186,977			$38,917	$146,597	$153,747	$120,000			$153,432
2001	$193,636				$193,636	$161,231	$166,250		$62,500	$157,763
2002						$172,330	$76,747	$104,929	$144,193	$166,166
2003						$179,937	$74,191			$173,187
2004	$275,947				$275,947	$222,087	$118,126			$215,428
2005	$229,302			$61,538	$144,331	$219,570	$177,760		$133,000	$208,201
2006	$203,807			$60,045	$110,785	$238,774	$121,000		$133,636	$231,950
2007	$221,409		$180,000	$179,857	$211,034	$212,886	$174,100	$118,242	$118,467	$196,304
2008	$297,749				$297,749	$250,550		$141,030	$124,781	$212,808
2009						$232,098	$57,083	$102,547		$203,317
Subtotal	$227,212		$180,000	$66,353	$176,146	$197,743	$130,286	$112,905	$125,411	$189,579
2010						$231,582		$121,221	$105,153	$217,492
2011	$314,175			$166,222	$211,746	$266,116		$184,929		$262,953
Subtotal	$314,175			$166,222	$211,746	$244,555		$148,524	$105,153	$233,698
Overall AVG.	$230,277		$180,000	$81,333	$178,783	$202,222	$130,286	$118,572	$123,315	$193,695

Source: US Census & RKG Associates, Inc.

The number of units in 5+-unit properties developed in Amherst (120 units) between 2000 and 2011 was considerably greater than the number developed in the Tier 1 Towns (116 units). Approximately 78 percent of the multi-unit development occurred in Northampton (90 units) while the remainder was split between Hatfield (14 units) and South Hadley (12 units). Belchertown captured approximately 39 percent (806 units) of the single-family development in the Tier 1 Towns, followed by South Hadley (15 percent or 313 units) and Northampton (13 percent or 275 units). Northampton also captured 54 percent (52 units) of the two-family units, and 84 percent (37 units) of the three-and-four-family units developed in the Tier 1 Towns between 2000 and 2011. Belchertown (21 percent or 20 units) and South Hadley (15 percent or 12 units) also captured a high percentage of two-family development activity over the twelve-year period.

Table 4-6 reports the average construction cost per unit based on the reported permit data. As indicated, the average cost for single-family units was $230,280 in Amherst over the twelve-year period as compared to $202,220 in the Tier 1 Towns. In Amherst, the average unit cost for 5 units or more ranged from less than $40,000 (2000) to almost $180,000 (2007) and averaged $81,330 per unit, which was 34 percent lower than in the region for this unit type ($123,315). However, the most recent (2011) average for this type in Amherst ($166,220) was nearly 35 percent higher than indicated in the Tier 1 Towns.

3. Change in Tax Parcels since 2000

Another way to measure the increase in single-family homes and condominiums is to review changes in the number of tax parcels over the last decade, using data from the Massachusetts Department of Revenue, Division of Local Services. As shown in Table 4-7, Amherst had 3,876 single-family parcels in 2000, and they had increased by 208 parcels over the preceding decade. Condominiums totaled 821 units in 2000, and they increased by 185 over the decade. Combined, the increase in single-family parcels and condominiums over the last decade totaled 393 units, which is about 110 units more than the net change in housing supply indicated by the U.S. Census data (284 units) and 68 units more than

indicated from reported permit activity (325 units). This suggests that some of the condominiums may have been conversions of existing multi-unit properties, which appears reasonable given the changes

Table 4-7
Change in Residential Tax Parcels
Amherst and Tier 1 Towns

	TOWN OF AMHERST				TIER 1 TOWNS			
Year	Single Family	Condos	2 & 3 Family	4 units & up	Single Family	Condos	2 & 3 Family	4 units & up
Parcels in 2000	3,876	821	315	143	19,961	2,240	2,020	332
	Change in Parcels by Year				Change in Parcels by Year			
2001	24	(6)	5	0	137	(6)	(3)	2
2002	34	3	5	(2)	216	9	8	1
2003	32	3	(5)	15	143	39	3	(2)
2004	27	72	44	3	206	50	2	(1)
2005	21	3	9	2	179	123	0	(4)
2006	33	73	(4)	(2)	168	118	(2)	0
2007	(2)	0	6	(8)	146	111	(6)	1
2008	22	39	(11)	(5)	87	40	(4)	0
2009	6	(2)	(2)	1	92	7	2	5
2010	11	0	0	(3)	(9)	53	(15)	(6)
Subtotal	208	185	47	1	1,365	544	(15)	(4)
2011	4	46	(5)	(45)	69	31	(7)	(1)
2012	5	0	(1)	2	54	23	(1)	(2)
Subtotal	9	46	(6)	(43)	123	54	(8)	(3)
Parcels in 2012	4,093	1,052	356	101	21,449	2,838	1,997	325
Change from 2000	217	231	41	(42)	1,488	598	(23)	(7)
ANNUAL AVG	18	19	3	(4)	124	50	(2)	(1)

Source: MA DLS & RKG Associates, Inc.

in multi-unit tax parcels over this period. By 2012, Amherst experienced a net increase in tax parcels of 217 since 2000 and 231 condominium parcels (units). These figures indicate an average increase of 18 single-family parcels and 19 condominium parcels per year, for a total of 37 units per year over the study period. This is about 8 units per year more than indicated from permit activity (29 units/year) between 2000 and 2011.

The net increase in single-family properties in the Tier 1 Towns totaled 1,374 parcels over the last decade, and in condominiums it was 491 parcels for a combined total of 1,865 units. This figure is about 21 percent lower than the net change in housing (2,355 units) indicated from decennial census data, but closer to the increase indicated from permit activity (2,099 units). Between 2000 and 2012, the increase in single-family properties in the region averaged at 124 parcels per year, with condominiums averaging 50 units annually. Combined, this average (174 units) was about 20 units per year less than indicated from permit activity (193 units annually). In both geographies, increases in single-family and condominium tax parcels occurred, and in some cases they were a result of conversion of multi-unit properties given their fluctuations.

In short, nearly all the increase in housing since 2000 in the Tier 1 Towns was mostly from new single-family development, while in Amherst it was fairly evenly divided between condominium and single-family developments, including conversions of existing multi-unit buildings.

4. Vacant Housing by Type

The Census Bureau reported 452 vacant units in Amherst in 2010, for an increase of 199 vacant units since 2000. The data indicates household growth failed to keep pace with new construction, as shown in Table 4-8. The increase in vacant units represented 70 percent of the net change in housing over the last decade. Approximately 45.4 percent of the vacant units were rentals, while 18.4 percent were for-sale units. In effect, the homeowner vacancy rate was 1.9 percent while the rental vacancy rate was 3.9

percent. Another 164 vacant units in Amherst were classified as seasonal or other vacancies and accounted for 1.7 percent of the town-wide housing supply in 2010.

In the Tier 1 Towns, approximately 1,930 units were classified as vacant, an increase of 677 vacant units since 2000 and representing 25 percent of the net change in housing over the last decade. Approximately 27 percent of the vacant units were for rent and 22 percent were for sale. The homeowner vacancy rate was 1.7 percent and the rental vacancy rate was 4.6 percent in 2010. Another 52 percent of the vacant units were classified as seasonal or other, and accounted for 2.3 percent of the housing stock.

Table 4-8
Vacancy Status
Amherst and Tier 1 Towns

			Change		% of Total	
	2000	2010	Net	Percent	2000	2010
AMHERST						
Total housing units	9,427	9,711	284	3.0%	100.0%	100.0%
Vacant housing units	253	452	199	78.7%	2.7%	4.7%
For rent	87	184	97	111.5%	0.9%	1.9%
Rented, not occupied	20	21	1	2.6%	0.2%	0.2%
For sale only	15	62	47	313.3%	0.2%	0.6%
Sold, not occupied	4	21	17	495.0%	0.0%	0.2%
For seasonal use	62	90	28	45.2%	0.7%	0.9%
All other vacants	65	74	9	13.8%	0.7%	0.8%
Overall Vacancy Rate	2.7%	4.7%	2.0%			
Homeowner Rate	0.4%	1.9%	1.5%			
Rental Rate	2.1%	3.9%	1.9%			
TIER 1 TOWNS						
Total Housing Units	33,597	35,952	2,355	7.0%	100.0%	100.0%
Vacant housing units	1,250	1,927	677	54.2%	3.7%	5.4%
For rent	319	463	144	45.1%	0.9%	1.3%
Rented, not occupied	109	53	(56)	-51.2%	0.3%	0.1%
For sale only	136	330	194	142.6%	0.4%	0.9%
Sold, not occupied	46	85	39	83.5%	0.1%	0.2%
For seasonal use	376	457	81	21.5%	1.1%	1.3%
All other vacants	264	539	275	104.2%	0.8%	1.5%
Overall Vacancy Rate	3.7%	5.4%	1.6%			
Homeowner Rate	0.8%	1.7%	0.9%			
Rental Rate	3.9%	4.6%	0.7%			

Source: US Census & RKG Associates, Inc.

5. Conclusions

The economic downturn had a profound effect on housing production in the Pioneer Valley. Comparatively, housing supply in Amherst (3 percent) increased at a slower pace than in the Tier 1 Towns (7 percent). Occupancy, however, did not keep pace with new construction and as a result the vacancy rate increased to 4.7 percent in Amherst and 5.4 percent in the Tier 1 Towns. Owner households in Amherst increased by 3 percent since 2000, but renter households declined by less than 1 percent. Owner households in the region increased by 7.5 percent over the last decade, but renter households increased by less than 1 percent. In absolute terms, Amherst lost 42 renter households over the last decade, while the region gained 40 renter households. Amherst gained 127 owner households while the region gained 1,638 owner households, or almost thirteen-times the gain in Amherst. Amherst had a much lower owner tenure rate (46 percent) than the region (69 percent) in 2010 despite a small increase in the rate since 2000.

Housing production in Amherst totaled about 325 or so new units since 2000, and averaged at about 35 units per year. In the Tier 1 region, housing production averaged less than 200 units per year round, nearly all for single-family development, while in Amherst it was evenly divided between single-family and multi-unit development.

These findings support the demographic analysis. Amherst's market demand has been and continues to be driven by student households. Given that, it is reasonable for development to attempt to meet market demand. However, development production has not kept pace with growth primarily due to the lack of appropriately zoned land. That said, the economic downturn has slowed development regionally. Amherst has been more adversely affected than the surrounding communities (in terms of activity levels). As noted in the real estate section, Amherst's relatively high concentration of upper-end housing could be a primary cause, as affordability has been limited due to slow economic recovery.

D. OWNER HOUSEHOLD CHARACTERISTICS AND TRENDS

This section identifies trends and characteristics of owner-occupied housing in Amherst and the Tier 1 Towns from a review of decennial census and ACS data. Key statistics about the types of housing, the number of bedrooms, age and income characteristics of the owners, owner-occupied housing values as well as mobility of owner households are examined.

Table 4-9
Owners by Housing Type (Units in Structure)
Amherst and Tier 1 Towns

			Change		% of Owner HHs	
	2000	2010	Net	Percent	2000	2010
AMHERST						
Total Households	**9,174**	**9,259**	**85**	**0.9%**		
Owner Households	4,131	4,258	127	3.1%	45.0%	46.0%
Single unit	3,772	3,784	12	0.3%	91.3%	88.9%
2 to 4 units	194	173	(21)	-10.6%	4.7%	4.1%
5 to 9 units	111	122	11	9.9%	2.7%	2.9%
10 to 19 units	27	17	(10)	-36.5%	0.7%	0.4%
20 units or more	24	161	137	572.2%	0.6%	3.8%
TIER 1 TOWNS						
Total Households	**32,347**	**34,025**	**1,678**	**5.2%**		
Owner Households	21,760	23,398	1,638	7.5%	67.3%	68.8%
Single unit	19,877	20,756	879	4.4%	91.3%	88.7%
2 to 4 units	1,282	1,878	596	46.5%	5.9%	8.0%
5 to 9 units	253	312	59	23.5%	1.2%	1.3%
10 to 19 units	119	164	45	37.9%	0.5%	0.7%
20 units or more	205	288	83	40.4%	0.9%	1.2%

Source: US Census; American Community Survey & RKG Associates, Inc.

1. Ownership by Housing Type

The number of Amherst homeowners living in detached single-family structures increased marginally over the last decade, with a net gain of 12 households (Table 4-9). The largest increase (137 households) occurred in 20+ unit buildings, indicating growth in owner-occupied condominiums. Minor fluctuations occurred evident in the other unit types. Regardless, detached single-family homes remained the preference of owner-occupant households in Amherst, as 88.9 percent of all homeowners lived in one-family units.

Similarly, 88.7 percent of homeowner households throughout the Tier 1 Towns lived in detached single-family homes, too. However, percentage growth in owner-occupied units by type indicates growing popularity of multi-unit structures. Each of the multi-unit categories reported in Table 4-9 experienced net increases over 23 percent between 2000 and 2010, with the number of homeowners in 2-to-4 unit structures increasing the most, at 46.5 percent. The net number of owner-occupied detached single-family units increased by 4.4 percent.

The data indicate that the study area is beginning to experience a greater mix of owner-occupied housing types. This trend reflects two primary causes; (1) an increase of age-restricted housing (i.e. active adult communities) and (2) a market reaction to ownership affordability and increasing preference for "downtown" living. Each of these findings is consistent with regional and national trends related to the aging of Baby Boomers and corresponding increase in empty-nester households

2. Ownership by Number of Bedrooms

In 2010, owner households in 3-bedroom and 4-bedroom units represented approximately 82.6 percent of the owner-occupant household count in Amherst, which is fairly similar to the percentage of owner-occupied detached structures (88.9 percent). Less than 2 percent of ownership households resided in loft-style or 1-bedroom units in Amherst (Table 4-10). Interestingly, the number of ownership households in units with 4+ bedrooms declined between 2000 and 2010 despite a net increase in ownership of 1-, 2-, and 3-bedroom units.

The net breakdown of ownership households in the Tier 1 Towns was similar to Amherst in 2010. More than 75 percent of homeownership households lived in dwellings with three or more bedrooms while fewer than 3 percent occupied loft style or 1-bedroom units. However, there were increases in owner occupancy across all bedroom count categories, including 4+ bedroom units. The largest gain (in absolute numbers) was in 2- and 3-bedroom units (1,061 households). This seeming disparity is due, in part, to the profitability of converting larger units into rental housing for college students. RKG's interviews with community leaders and real estate professionals indicate that the economic downturn has made it possible for investors to acquire older, larger units based on the reduced price, lack of ownership demand, and their ability to generate rental income.

Table 4-10
Owners by Number of Bedrooms
Amherst and Tier 1 Towns

	2000	2010	Change Net	Change Percent	% of Owner HHs 2000	% of Owner HHs 2010
AMHERST						
Total Households	**9,174**	**9,259**	**85**	**0.9%**		
Owner Households	4,131	4,258	127	3.1%	45.0%	46.0%
No bedroom	0	0	0	N/A	0.0%	0.0%
1 bedroom	64	125	61	95.4%	1.5%	2.9%
2 bedrooms	541	616	75	13.9%	13.1%	14.5%
3 bedrooms	1,745	1,781	36	2.0%	42.2%	41.8%
4 + bedrooms	1,778	1,736	(42)	-2.3%	43.0%	40.8%
TIER 1 TOWNS						
Total Households	**32,347**	**34,025**	**1,678**	**5.2%**		
Owner Households	21,760	23,398	1,638	7.5%	67.3%	68.8%
No bedroom	23	47	24	106.4%	0.1%	0.2%
1 bedroom	604	862	258	42.8%	2.8%	3.7%
2 bedrooms	4,700	5,195	495	10.5%	21.6%	22.2%
3 bedrooms	10,999	11,565	566	5.1%	50.5%	49.4%
4 + bedrooms	5,416	5,728	312	5.8%	24.9%	24.5%

Source : RKG Associates, Inc., US Census Bureau and American Community Survey

3. Ownership by Age

Over the last decade, an aging-in-place shift in owner households occurred in Amherst. During the 2000s, each age group 55-and-older experienced a net increase in ownership households, while declines occurred in the younger cohorts. Households in the two age groups 35-to-54 experienced the largest net declines (Table 4-11). By 2010, the baby-boom generation (age 45-to-64) accounted for 52.1 percent of owners households in Amherst. Households headed by persons 55 or older constituted almost 84 percent of all ownership households.

Table 4-11
Owners by Age of Head of Householder
Amherst and Tier 1 Towns

	2000	2010	Change Net	Change Percent	% of Owner HHs 2000	% of Owner HHs 2010
AMHERST						
Total Households	**9,174**	**9,259**	**85**	**0.9%**		
Owner Households	4,131	4,258	127	3.1%	45.0%	46.0%
Less than 25 yrs	34	31	(3)	-8.8%	0.8%	0.7%
25 to 34 yrs	238	144	(94)	-39.5%	5.8%	3.4%
35 to 44 yrs	787	520	(267)	-33.9%	19.1%	12.2%
45 to 54 yrs	1,292	1,015	(277)	-21.4%	31.3%	23.8%
55 to 64 yrs	780	1,205	425	54.5%	18.9%	28.3%
65 to 74 yrs	560	719	159	28.4%	13.6%	16.9%
75 yrs +	440	624	184	41.8%	10.7%	14.7%
TIER 1 TOWNS						
Total Households	**32,347**	**34,025**	**1,678**	**5.2%**		
Owner Households	21,760	23,398	1,638	7.5%	67.3%	68.8%
Less than 25 yrs	108	99	(9)	-8.3%	0.5%	0.4%
25 to 34 yrs	1,914	1,373	(541)	-28.3%	8.8%	5.9%
35 to 44 yrs	5,095	3,713	(1,382)	-27.1%	23.4%	15.9%
45 to 54 yrs	5,950	6,034	84	1.4%	27.3%	25.8%
55 to 64 yrs	3,326	6,178	2,852	85.7%	15.3%	26.4%
65 to 74 yrs	2,689	3,147	458	17.0%	12.4%	13.4%
75 yrs +	2,678	2,854	176	6.6%	12.3%	12.2%

Source: US Census & RKG Associates, Inc.

The Tier 1 Towns experienced a similar, but less substantial, shift in ownership by age as Amherst. All ownership cohorts headed by persons 45-and-older experienced a net increase in the number of owner-occupants over the last decade. In 2010, owner-occupant households headed by a person 55-or-older accounted for 77.8 percent of owner households. However, the region (10.9 percent) had a higher concentration of owners aged 35-to-44 as compared to Amherst (5.6 percent) as well as those age 25-to-34 (4.0 percent and 1.6 percent, respectively).

In both geographies, declines in younger, owner households were evident over the last decade. This finding is consistent with regional and national trends where the cost of housing has out-paced earning for years. The net result is a higher income requirement to buy the same house, adjusted for inflation. This has made ownership more difficult for younger (and typically lower-earning) households to

become owners. Furthermore, the economic downturn has made people less certain of the employment status (and ability to find work). Given that ownership is a long-term commitment, it is reasonable that typical consumers may no longer be willing to commit to a 30-year mortgage. However, the economic and financial realities of ownership are not the only factors. There is evidence that the recent financial/banking crisis is changing the "typical" preference patterns for ownership and rental housing. This is mostly an issue for the youngest household groups (under 35), who are the most mobile and typically least sure of stable employment. However, the market economies in Amherst (an increasing cost of housing and the non-competitive nature of purchasers compared to investors at the lowest end of the ownership band) have priced many younger households out of the Town.

4. Ownership by Income and Housing Values

The median owner household income in the Amherst was $108,141 in 2010 (Table 4-12), 35.6 percent higher the Tier One Towns ($79,730). In Amherst, the number of owner households earning less than $75,000 declined over the last decade for each cohort while increases occurred in the three income groups earning above $75,000. This finding is not surprising, as incomes generally increase for people over time. Furthermore, the increased cost of housing has driven buyers earning at the lowest level from Amherst. The net trends in earnings is similar for the Tier 1 Study Area, however, the concentrations of incomes are much different. Ownership households earning above $100,000 in Amherst account for 54.7 percent of all ownership households, as compared to 35 percent in the Tier 1 Towns. This disparity is best understood when housing values are considered.

Table 4-12
Owners by Income Level
Amherst and Tier 1 Towns

			Change		% of Owner HHs	
	2000	2010	Net	Percent	2000	2010
AMHERST						
Total Households	**9,174**	**9,259**	**85**	**0.9%**		
Owner Households	4,131	4,258	127	3.1%	45.0%	46.0%
Less than $25,000	405	340	(65)	-16.1%	9.8%	8.0%
$25,000 to $49,999	730	414	(316)	-43.2%	17.7%	9.7%
$50,000 to $74,999	906	408	(498)	-54.9%	21.9%	9.6%
$75,000 to $99,999	651	763	112	17.2%	15.8%	17.9%
$100,000 to $149,000	917	1,134	217	23.7%	22.2%	26.6%
$150,000 or more	519	1,198	679	130.8%	12.6%	28.1%
Median Owner Income	*$75,611*	*$108,141*	*$32,530*	*43.0%*		
TIER 1 TOWNS						
Total Households	**32,347**	**34,025**	**1,678**	**5.2%**		
Owner Households	21,760	23,398	1,638	7.5%	67.3%	68.8%
Less than $25,000	3,255	1,997	(1,258)	-38.6%	15.0%	8.5%
$25,000 to $49,999	5,602	4,240	(1,362)	-24.3%	25.7%	18.1%
$50,000 to $74,999	5,689	4,722	(967)	-17.0%	26.1%	20.2%
$75,000 to $99,999	3,366	4,253	887	26.3%	15.5%	18.2%
$100,000 to $149,000	2,632	5,144	2,512	95.4%	12.1%	22.0%
$150,000 or more	1,198	3,043	1,845	154.0%	5.5%	13.0%
Median Owner Income	*$58,060*	*$79,730*	*$21,669*	*37.3%*		

Source: US Census; American Community Survey & RKG Associates, Inc.

The 2010 median value of an owner-occupied house in Amherst was $340,000, approximately 25 percent higher than in the Tier One Towns ($273,130). Almost all of the net increases in owner-occupied housing over the last decade occurred in homes valued at $300,000 or more in Amherst. In contrast, the largest net gain occurred in the $200,000 to $299,999 category for the Tier 1 Town Study Area (Table 4-13). In 2010, the highest concentration of owner housing in the Tier 1 Region was in the $200,000 to $299,999 range (42.0 percent), while in Amherst it was in the $300,000 to $399,999 range (32.3 percent).

Table 4-13
Owners by Housing Value
Amherst and Tier 1 Towns

			Change		% of Owner HHs	
	2000	2010	Net	Percent	2000	2010
AMHERST						
Total Households	**9,174**	**9,259**	**85**	**0.9%**		
Owner Households	4,131	4,258	127	3.1%	45.0%	46.0%
Less than $100,000	269	111	(158)	-58.8%	6.5%	2.6%
$100,000 to $199,999	2,344	382	(1,962)	-83.7%	56.7%	9.0%
$200,000 to $299,999	1,006	1,083	77	7.6%	24.4%	25.4%
$300,000 to $399,999	352	1,377	1,025	291.3%	8.5%	32.3%
$400,000 to $499,999	84	729	645	767.8%	2.0%	17.1%
$500,000 and up	73	576	503	688.7%	1.8%	13.5%
Median Owner Value	*$175,900*	*$340,200*	*$164,300*	*93.4%*		
TIER 1 TOWNS						
Total Households	**32,347**	**34,025**	**1,678**	**5.2%**		
Owner Households	21,760	23,398	1,638	7.5%	67.3%	68.8%
Less than $100,000	2,872	914	(1,958)	-68.2%	13.2%	3.9%
$100,000 to $199,999	14,185	3,585	(10,600)	-74.7%	65.2%	15.3%
$200,000 to $299,999	3,409	9,816	6,407	187.9%	15.7%	42.0%
$300,000 to $399,999	883	5,356	4,473	506.6%	4.1%	22.9%
$400,000 to $499,999	209	1,981	1,772	847.6%	1.0%	8.5%
$500,000 and up	184	1,746	1,562	849.0%	0.8%	7.5%
Median Owner Value	*$147,530*	*$273,170*	*$125,640*	*85.2%*		

Source: US Census; American Community Survey & RKG Associates, Inc.

Approximately 63.0 percent of the owner housing in Amherst had values in 2010 of $300,000 or more as compared to 38.8 percent in the region. Over the last decade, the median value in Amherst increased by 93.4 percent, while it increased by 85.2 percent in the region. In both cases, this increase was much greater than the increase in median owner household income. Amherst also had a higher concentration of owner housing in the two value categories of $400,000 or more than the Tier One Towns. While much of the relative change in value from lower to higher value is due to appreciation of home values in both areas, the difference in the $200,000 to $299,999 group is partially due the rental conversion phenomenon detailed earlier.

5. Ownership by Period of Moving Into Unit

Amherst has been experiencing fairly active housing owner-occupant sales activity. Approximately 850 owner households, or about 19.9 percent of all owner households, moved into Amherst between 2005 and 2010 (Table 4-14). Another 821 owner households moved into the Town during the first half of that decade. Combining the two numbers and deducting growth indicates that 1,543 owner households moved into their residences over the last decade in Amherst for an annual turnover rate of 3.6 percent in owner-occupied housing.

Table 4-14
Owners by Move-In Date
Amherst and Tier 1 Towns

	2010	% of Total
AMHERST		
Total Households	**9,259**	
Owner Households	4,258	46.0%
2005 or later	849	19.9%
2000 to 2004	821	19.3%
1990 to 1999	958	22.5%
1980 to 1989	872	20.5%
Prior to 1980	758	17.8%
TIER 1 TOWNS		
Total Households	**34,025**	
Owner Households	23,398	68.8%
2005 or later	3,757	16.1%
2000 to 2004	4,268	18.2%
1990 to 1999	6,189	26.5%
1980 to 1989	3,860	16.5%
Prior to 1980	5,324	22.8%

Source: US Census; ACS & RKG Associates, Inc.

In comparison, 757 owners moved into the Tier One Towns in the five years prior to the 2010 Census, coupled with another 4,268 owner households that moved in during the early part of the decade. When adjusted for natural growth, effectively 6,387 owner households moved into their home over the last decade. This results in a Tier 1 Town owner turnover rate of 2.7 percent during the study period.

6. Conclusions

The university presence in Amherst has substantially impacted the Town's housing market, as compared to the surrounding towns. Amherst has a lower concentration of ownership households (46 percent) than the surrounding towns (69 percent), which is consistent for smaller communities with major university presence (i.e. Blacksburg, VA; Boone, NC). The consumption of traditional ownership units for rental housing within Amherst has resulted in a slower net growth in owner households (3 percent and 7.5 percent, respectively), greater shift in homeownership affordability (particularly housing priced below $300,000), and a decline in owner-occupied housing units with 4 or more bedrooms (compared to a net increase of 312 units in the Tier 1 Towns).

The socioeconomic makeup of ownership households in Amherst and the Tier 1 Towns is substantially different as well. The impact of affordability – most notably the loss of housing units valued below $300,000 for owner-occupancy – has made the average owner-occupant household in Amherst older and wealthier than their counterparts in the surrounding towns. While both Amherst and the region had a high concentration of owners age 45 and older, owner households younger than age 45 were declining at a slightly faster rate in Amherst.

From a housing market perspective, the data indicate there are severe impediments for households to find moderately-priced ownership housing in Amherst. However, the positive finding in this research

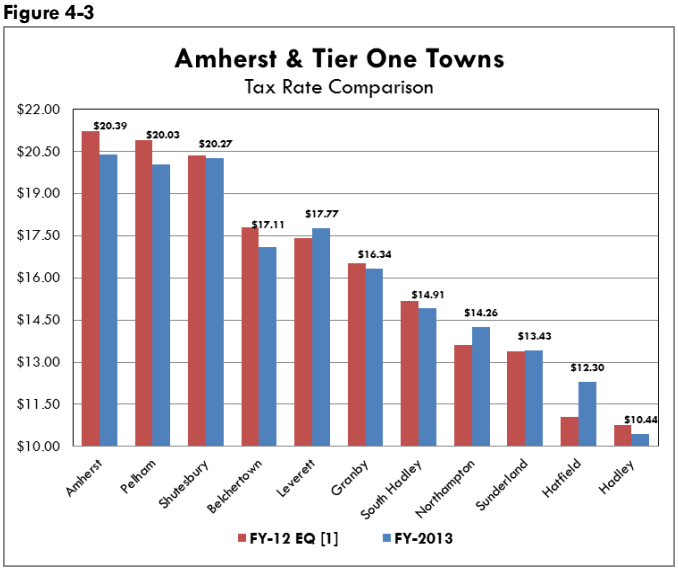
is that Amherst and the surrounding communities are seeing an increase in multi-unit ownership development (i.e. townhouses, condominiums). This finding is not surprising; given multi-unit ownership housing can be delivered to the market at a lower price. Despite the increase in multi-unit ownership development, the market data indicate additional unmet demand for this housing remains.

Within Amherst, the greatest challenges to providing this housing is [1] zoning, which restricts multi-unit development and [2] encroachment, where investors can potentially "price out" these ownership households to convert the units for rental due to unmet demand for student housing (detailed in the Student Housing chapter). Providing sufficient student-focused housing and placing appropriate restrictions on conversion is paramount to meeting the market need for Amherst's greatest demand segments. It is possible to place direct regulatory restrictions on conversions in Massachusetts, which can encourage the provision of alternative housing to meet unmet student and non-student demand.

E. FOR-SALE MARKET

This section identifies trends in the volume of residential sales in Amherst and the Tier One Towns and median sale prices based on data obtained from Warren Information Services. Sales activity of upper-priced single-family homes ($350,000 and up) and condominiums ($250,000 and up) over the last five years are also quantified.

Figure 4-3



Source: Massachusetts DLS and RKG Associates, Inc.

1. Tax Rate Comparison

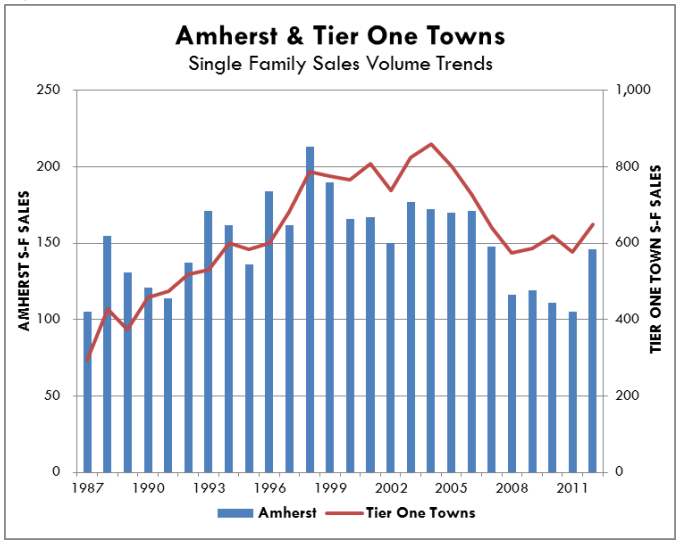
A comparison of residential tax rates is first presented, since home buyers typically make such a comparison when looking at homes in different communities. For this comparison, the actual FY-2013 tax rate was used for Amherst and Tier One Towns, as well as the equalized tax rate in FY-2012. Amherst's tax rate in FY-2013 of $20.39 per $1,000 of value (Figure 4-3) is the highest in comparison to the other 10 Tier One Towns, which ranged from $10.44 (Hadley) to $20.03 (Pelham). Even on an equalized basis the FY-2012 tax rate in Amherst was higher than all other towns in the region. For a $250,000 home, the tax bill in the Tier One Towns would on average be about $1,400 less than in Amherst, with the difference ranging from less than $100 in Pelham to more than $2,600 in Hadley.

2. Trends in the Volume of Single-Family Sales

Figure 4-4 exhibits the trends in the volume of single-family sales in Amherst and the Tier One Towns. In both areas, sale activity in 2012 was greater than in 2011, as well as the four prior years. In Amherst, sales in 2012 (146 units) was on par with activity in 2007 (148 units) but remained below the 170 or so sales experienced annually between 2003 and 2006. In the region, sales in 2012 (626 units) was slightly lower than in 2007 (641 units), but much lower than 800 or so sales experienced between 2003 and 2005. The sales statistics in 2012 for Amherst represented about 3.6 percent of the single-family tax parcels, while in the region total sales represented about 3.0 percent of their single-family tax parcels. This is consistent with historic trends.

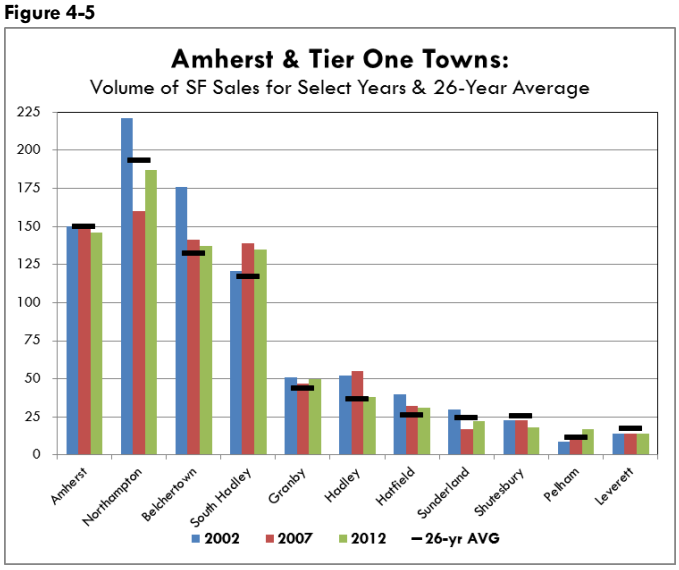
Figure 4-5 exhibits the sales volume of single-family sales in Amherst and the individual towns of the region for select years, as well as the 26-year average. As indicated, single-family sales in Amherst were generally below that in Northampton but on par with Belchertown and South Hadley. In nearly all communities, sales in 2012 were similar to the 26-year average.

Figure 4-4



Source: Warren Information Services and RKG Associates, Inc.

Figure 4-5

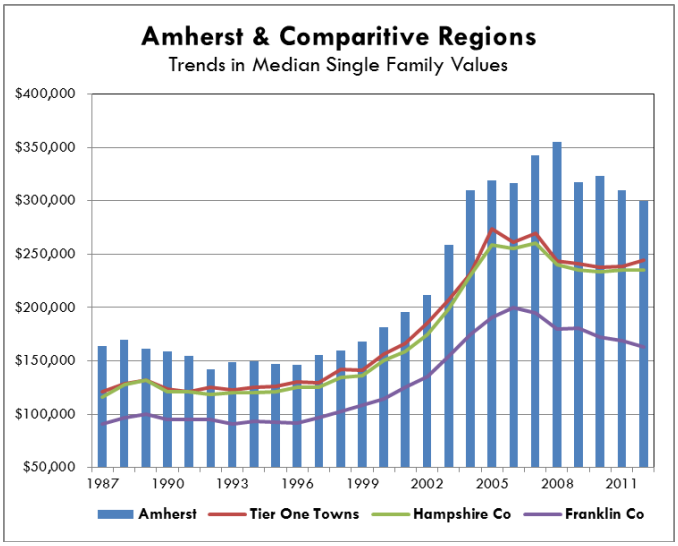


Source: Warren Information Services and RKG Associates, Inc.

3. Trends in Single-Family Median Values

Figure 4-6 exhibits trends in the median values of single-family sales in Amherst, the Tier One Towns, and Hampshire and Franklin Counties. Amherst historically has maintained a higher median housing value than the other study area. The Town had the highest median value over the 26-year time frame, which peaked at $355,000 in 2008. However, the economic downturn has caused a 15 percent drop since then, with a 2012 median sales value in Amherst of $300,000. Franklin County has experienced a similar valuation adjustment to Amherst. The median value in Franklin County peaked in 2006, declining 18.4 percent to $163,300 in 2012 with no recovery.

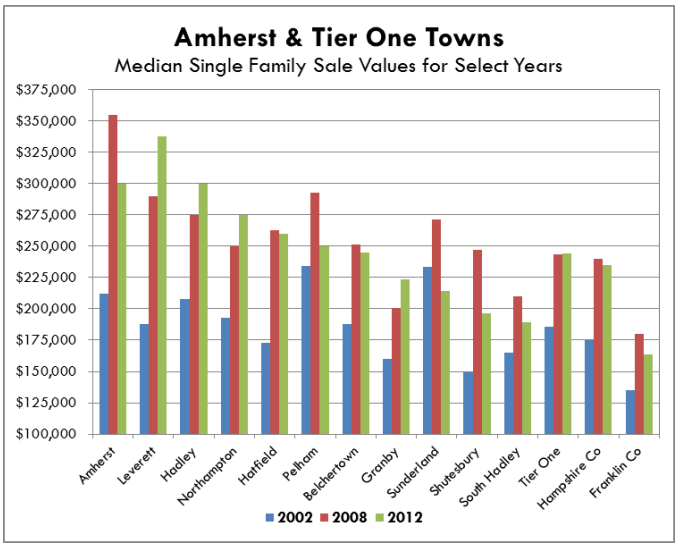
Figure 4-6



Source: Warren Information Services and RKG Associates, Inc.

In contrast, the trends in median values for both the Tier 1 Towns and Hampshire County were almost identical in terms of values and have experienced modest recovery since 2010. The median value for the Tier 1 Towns declined by 12 percent between 2007 ($269,900) and 2010 ($237,900), but modestly recovered (2.6 percent) by 2012. The data indicate Amherst has been impacted the most by the recent national economic downturn.

Figure 4-7



Source: Warren Information Services and RKG Associates, Inc.

Figure 4-7 exhibits the median value of single-family home sales for select years in Amherst, the individual towns of the Tier One Town Region, as well as for Hampshire and Franklin Counties. The statistics for each area between 1987 and 2012 are shown in Table 4-15. As noted earlier, the median value in Amherst peaked at $355,000 in 2008, when it was the only town to have a median value above the $300,000 level. At that time, Pelham ($293,058) and Leverett ($289,750) had the next highest median values, while Granby ($201,000) had the lowest of the Tier One Towns.

In 2012, Leverett ($338,000) had the highest median value, followed by Amherst ($300,000) and then Hadley ($299,750), while South Hadley ($189,400) had the lowest in the Tier One Towns. Some communities such as Hadley and Northampton had higher median values in 2012 than in 2008, but in most cases the peak median value occurred in an earlier year. Leverett is the sole example where the 2012 median value was its highest over the 26-year period.

The median values in 2012 in each town, region and county were higher than in 2002, except for Sunderland. Leverett (80 percent) experienced the greatest increase in median value between 2002 and 2012, while Amherst (42 percent), Hadley (44 percent), Northampton (43 percent), Granby (40 percent) and Hatfield (50 percent) had increases in the 40 percent to 50 percent range. Collectively, the Tier One Towns experienced a 32 percent increase, slightly below that of Hampshire County (34 percent).

4. Sales and Listing of Upper-End Single-Family Homes

This section compares activity in Amherst and the Tier One Towns of single-family sales in different price ranges of $350,000 or more. As seen in Table 4-16, Amherst had an average of 52 sales of upper-end single family homes over the last five years, ranging from 46 sales (2010) to 60 sales (2008). The volume of upper-end sales in 2012 (55 sales) was higher than the three previous years, as well as the average. The average volume of these upper-end sales in Amherst accounted for about 43 percent of total sales activity of single-family homes, which ranged from 38 percent of total sales in 2012 to 52 percent of total sales in 2008.

In comparison, sales of upper-end homes in the Tier One Towns averaged 128 sales per year, ranging from 122 sales (2009) to 134 (2012). This average accounted for about 21 percent of total single-family sales over the last five-years, about half that indicated in Amherst.

Approximately 34 percent of the upper-end sales in Amherst were in the $350,000 to $399,999 price range, while 24 percent were in the $400,000 to $449,999 range and another 14 percent in the $450,000 to $499,999 price range. The remaining 28 percent of upper-end sales were in the $500,000 or more range, including 17 percent for $600,000 or more. The region on the other hand had a lower concentration of sales at $500,000 or more (22 percent), including only 10 percent at $600,000 or more.

Table 4-15
Trends in Median Values of Single Family Sales
Amherst, Tier 1 Towns, Hampshire County, and Franklin County

Year	Amherst	Leverett	Hadley	North-ampton	Hatfield	Pelham	Belcher-town	Granby	Sunderland	Shutesbury	South Hadley	Tier One Towns	Hampshire County	Franklin County
2012	$300,000	**$338,000**	$299,750	$275,000	$260,000	$250,000	$245,000	$223,750	$214,250	$196,501	$189,400	$244,100	$235,000	$163,300
2011	$310,000	$318,000	$305,000	$250,000	$250,000	$225,000	$238,700	$217,000	$242,500	$225,000	$195,000	$238,900	$235,000	$169,000
2010	$323,700	$258,375	$263,000	$255,000	$310,000	$322,500	$240,000	$206,450	$281,000	$230,000	$197,000	$237,900	$233,500	$172,000
2009	$317,500	$257,000	$275,500	$256,500	$235,000	$285,000	$249,000	$223,500	$245,000	$232,000	$206,500	$241,500	$235,000	$180,250
2008	**$355,000**	$289,750	$275,000	$250,000	$263,000	$293,058	$251,000	$201,000	$271,250	$247,000	$210,000	$243,500	$240,000	$180,000
2007	$342,500	$325,000	**$342,500**	$277,125	$270,000	**$343,000**	$263,000	$227,000	$294,025	$263,000	**$240,000**	**$269,900**	**$260,000**	$195,000
2006	$317,000	$285,000	$305,500	$275,000	$277,500	$336,500	$267,500	$225,000	$268,000	**$270,000**	$230,000	$261,000	$255,000	**$200,000**
2005	$319,000	$302,500	$320,000	**$299,000**	**$292,500**	$302,500	**$272,000**	**$229,950**	**$343,500**	$225,000	$224,000	$273,600	$259,000	$190,725
2004	$310,000	$334,000	$281,250	$242,500	$256,075	$250,000	$239,000	$202,000	$257,000	$196,250	$191,250	$232,000	$230,000	$175,000
2003	$259,000	$282,000	$235,950	$221,000	$225,000	$280,750	$204,000	$194,000	$225,000	$229,000	$173,950	$207,800	$199,000	$155,000
2002	$212,000	$188,000	$208,000	$192,500	$173,000	$234,000	$187,700	$160,000	$233,500	$149,000	$165,000	$185,400	$175,000	$135,000
2001	$196,000	$195,500	$158,000	$174,500	$167,000	$209,900	$168,500	$141,950	$214,250	$172,500	$143,500	$166,800	$158,900	$125,000
2000	$181,750	$235,000	$167,500	$160,000	$146,000	$182,500	$161,000	$139,350	$156,000	$159,250	$135,500	$156,200	$150,650	$114,500
1999	$168,450	$138,000	$155,500	$147,000	$173,250	$189,950	$139,500	$127,500	$165,000	$144,000	$121,000	$141,400	$136,500	$108,375
1998	$159,300	$175,000	$154,750	$148,000	$157,000	$167,500	$137,000	$128,000	$162,500	$134,000	$125,500	$141,800	$134,900	$102,500
1997	$155,450	$150,000	$152,500	$130,000	$148,000	$151,500	$133,000	$122,750	$129,500	$136,600	$112,000	$129,700	$125,350	$96,750
1996	$146,375	$78,750	$160,000	$130,000	$142,500	$225,000	$129,950	$121,500	$141,000	$130,000	$118,675	$130,100	$125,000	$91,500
1995	$147,000	$122,000	$143,000	$129,000	$132,250	$148,500	$123,850	$115,000	$133,000	$112,500	$120,000	$126,000	$121,000	$92,500
1994	$149,500	$158,000	$133,000	$120,000	$119,000	$148,500	$128,750	$118,475	$134,000	$129,500	$121,000	$125,300	$120,000	$93,000
1993	$149,000	$95,000	$123,000	$127,000	$115,450	$165,375	$126,125	$117,500	$135,000	$114,250	$116,000	$122,800	$120,050	$90,750
1992	$142,000	$165,000	$138,500	$125,000	$136,000	$125,000	$118,500	$115,000	$122,750	$123,000	$123,000	$125,100	$118,700	$95,000
1991	$154,500	$110,550	$123,000	$122,500	$133,000	$122,000	$122,950	$115,000	$125,000	$106,900	$120,250	$120,700	$121,000	$95,000
1990	$159,000	$105,000	$153,000	$121,000	$140,500	$146,000	$122,475	$119,900	$140,000	$94,000	$131,000	$123,600	$121,375	$95,000
1989	$161,000	$150,800	$146,500	$131,750	$144,000	$133,000	$137,000	$120,500	$145,000	$42,000	$149,900	$132,100	$132,000	$99,900
1988	$170,000	$153,000	$145,000	$133,000	$125,000	$164,900	$133,940	$120,000	$129,900	$80,000	$123,500	$128,900	$127,500	$96,500
1987	$164,000	$150,000	$142,000	$126,000	$135,000	$116,000	$110,250	$58,050	$145,000	$83,500	$109,000	$121,500	$116,000	$91,000

NOTE: BOLD FIGURES REPRESENT PEAK MEDIAN VALUES
Source: Warren Information Services & RKG Associates, Inc.

A review of Realtor.com indicated that Amherst had 78 listings of single-family homes, and approximately 64 percent were priced at $350,000 or more, with the highest amount in the $500,000 to $599,999 range followed by listings in the $450,000 to $499,999 range. In these cases, the number of listings exceeded the average number of sales over the last five years, while the listings in the other price categories were equal or less than the average number of sales.

Table 4-16
Upper-End Single Family Sales by Price Range
Amherst and Tier 1 Towns

Price Range	2008	2009	2010	2011	2012	AVG	%	Listings
AMHERST								
$350,000 - $399,999	18	18	18	15	20	18	34%	8
$400,000 - $449,999	16	13	14	9	9	12	24%	10
$450,000 - $499,999	9	9	6	7	4	7	14%	11
$500,000 - $599,999	7	7	4	7	4	6	11%	13
$600,000 - $699,999	4	1	3	4	12	5	9%	5
$700,000 & up	6	3	1	4	6	4	8%	3
Total	60	51	46	46	55	52	100%	50
All SF Sales	116	119	111	105	146	119		78
% $350,000 & Over	52%	43%	41%	44%	38%	43%		64%
TIER ONE TOWNS								
$350,000 - $399,999	50	53	57	56	48	53	41%	46
$400,000 - $449,999	28	31	31	24	43	31	25%	36
$450,000 - $499,999	20	15	18	9	14	15	12%	21
$500,000 - $599,999	13	13	14	19	17	15	12%	26
$600,000 - $699,999	9	3	3	9	7	6	5%	13
$700,000 & up	5	7	4	13	5	7	5%	19
Total	125	122	127	130	134	128	100%	161
All SF Sales	575	586	620	578	649	602		351
% $350,000 or more	22%	21%	20%	22%	21%	21%		46%

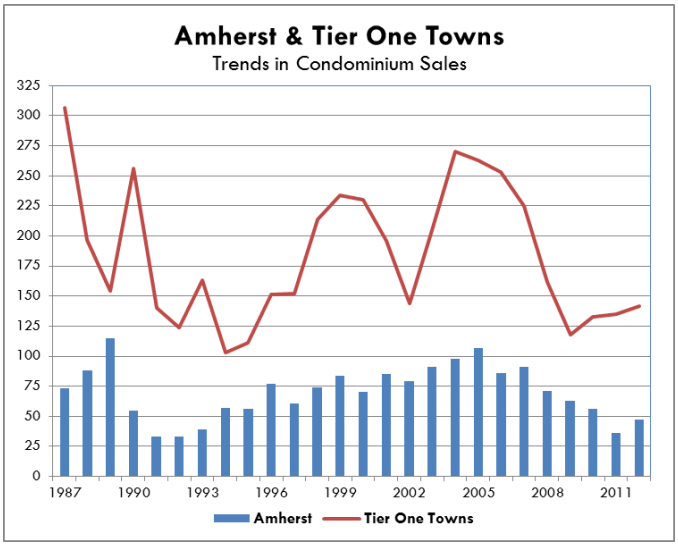
Source: Warren Information Services, Realtor.com & RKG Associates, Inc.

The Tier One Towns had a total of 351 single-family listings and 46 percent were priced at $350,000 or more. The number of listings in the $350,000 to $399,999 range was the only price category below the average number of sales, while all the other categories had listing exceeding the average number of sales. This suggests that sellers in the Tier One Towns may be more aggressive with their pricing than prior sales activity indicated.

5. Trends in the Volume of Condominiums Sales

As shown in Figure 4-8, Amherst had 47 condominium sales in 2012, which was 30.6 percent more than in 2011 (36 sales), but 32.9 percent below the average (70 sales) indicated between 1987 and 2012. Over the last decade, condominium sales in Amherst peaked at 107 transfers in 2005, but this was 7.5 percent lower than the high in 1989 (115 sales). In the region, sales in 2012 (142 sales) were 5.2 percent more than in 2011 (135 sales), but 47.4 percent below the peak over the last decade in 2004 (270 sales), and 53.8 percent below the high in 1987 (307 sales). The sales statistics in 2012 for Amherst represented about 4.5 percent of the condominium tax parcels, while in the region total sales represented about 5.0 percent of their condominium tax parcels.

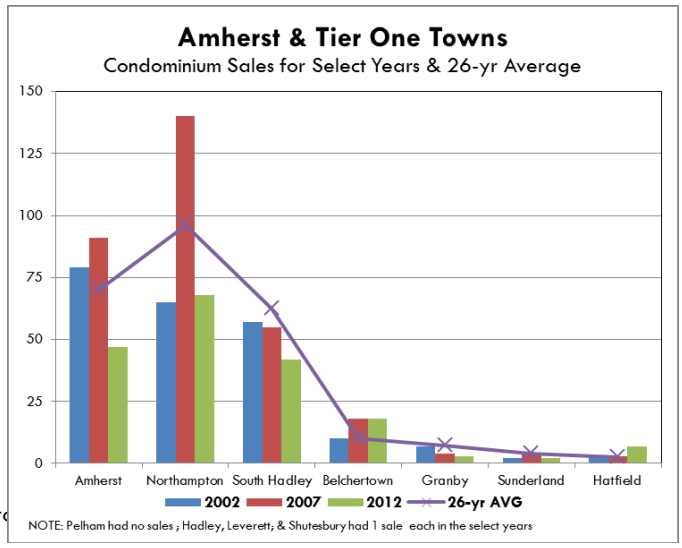
Figure 4-8



Source: Warren Information Services and RKG Associates, Inc.

Figure 4-9 exhibits the sales for select years in the Tier One Towns although not inclusive of all as noted due to the small number of transfers in some towns. The number of 2012 transfers in Amherst (47 sales) was lower than in 2007 (91 sales) as well as in 2002 (79 sales), but sales in each of these years were greater than the 26-year average (70 sales). These fluctuations were due primarily to the changes in supply. Northampton had the highest condominium sales volume in 2007 (140 sales) as compared to Amherst and the other towns. Northampton also had the highest average (96 sales) over the 26-year period. South Hadley had a lower average (63 sales) than Amherst and Northampton, and activity in the select years was below this average. The other four communities of the Tier One Towns had much smaller condominium sales activity, with 26-year averages ranging from 3 sales (Hatfield) to 10 sales (Belchertown). The remaining four communities not shown had a minimal, if any, condominium sales.

Figure 4-9

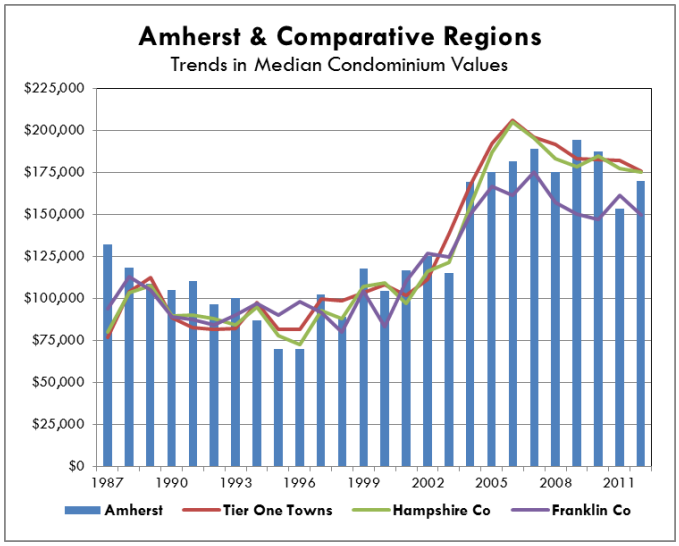


Source: Warren Information Services and RKG Associates, Inc.

6. Trends in the Median Value of Condominiums

Figure 4-10 exhibits the median condominium value in Amherst to the other comparative regions. As shown, Amherst's median value in 2012 ($170,000) was 10.8 percent higher than in 2011 ($153,375) but 12.4 percent below the peak in 2009 ($194,000). In the Tier One Towns, the median in 2012 ($175,700) was 3.4 percent lower than in 2011 ($181,800), and 14.7 percent lower than the peak in 2006 ($206,000). Also, 2012 was the sixth year of declining median condominium values in the surrounding communities, suggesting any recovery did not occur. Similarly, the 2012 median value ($175,000) in Hampshire County was 1.1 percent lower than in 2011 and 14.6 percent lower than in 2006. In Franklin County, the 2012 median value ($146,450) was 7.5 percent lower than in 2011, and 14.6 percent lower than the peak in 2007 ($175,000). Some recovery was indicated in 2011 but it dissipated in 2012. These trends suggest that evidence of recovery in the condominium market was not apparent since the economic downturn.

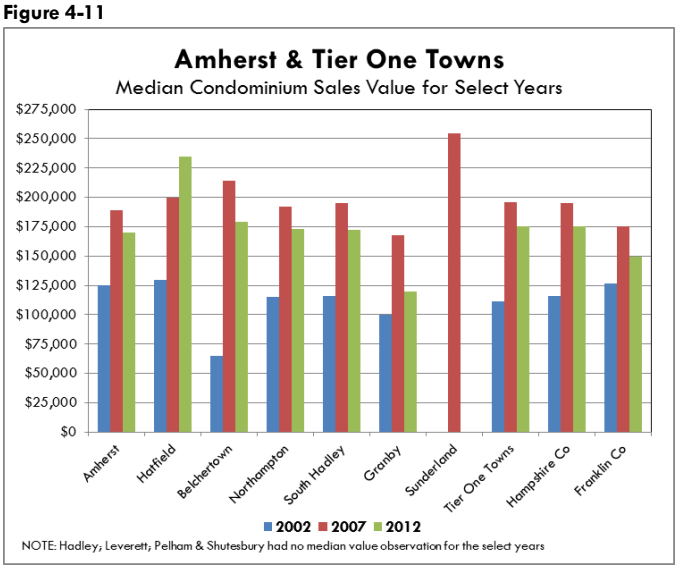
Figure 4-10



Source: Warren Information Services and RKG Associates, Inc.

Figure 4-11 displays the median condominium values for select years in the individual Tier One Towns in comparison to Amherst, and Table 4-17 exhibits the statistics over the 26-year period. In 2012, Hatfield ($235,000) had the highest median value, while Granby ($120,000) had the lowest. Amherst ($170,000) ranked in the middle in 2012, but below the median in Belchertown ($179,500), Northampton ($173,000) and South Hadley ($172,500). Sunderland had the highest median value ($254,500) in the select years (2007) and also the highest median condominium value in the region ($293,500 in 2005) over the 26-year period.

Figure 4-11



Source: Warren Information Services and RKG Associates, Inc.

The median condominium values in all towns/regions were higher in 2002 than in 2012, but Hatfield was the only community to show a higher median in 2012 than in 2007. However, as shown previously in Figure 4-9, Hatfield had seven condominium sales in 2012, as compared to an average of three sales per year over the 26-year period.

7. Sales of Condominiums $250,000 and Above

This section compares activity in Amherst and the Tier One Towns of condominium sales in different price ranges of $250,000 or more. Amherst had an average of 12 sales of upper-end condominiums annually over the last five years, ranging from 5 sales (2011) to 18 sales in 2009 (Table 4-18). The volume of upper-end sales in 2012 (9 sales) was higher than in 2011 but below the average. The average volume of these upper-end sales in Amherst accounted for about 22 percent of total sales activity of condominiums, and ranged from 14 percent of total sales in 2011 to 29 percent of total sales in 2009.

Table 4-17
Trends in Median Values of Condominium Sales
Amherst, Tier 1 Towns, Hampshire County, and Franklin County

Year	Amherst	Leverett	Hadley	North-ampton	Hatfield	Pelham	Belcher-town	Granby	Sunderland	Shutesbury	South Hadley	Tier One Towns	Hampshire County	Franklin County
2012	$170,000			$173,000	**$235,000**		$179,500	$120,000			$172,500	$175,700	$175,000	$149,450
2011	$153,375			$178,500	$219,000		**$209,400**	$85,000	$280,000		$169,000	$181,800	$177,000	$161,500
2010	$187,500			$187,250	$194,500		$190,500	$119,750	$86,000		$188,250	$182,700	$184,500	$147,000
2009	**$194,000**			$170,600			$202,000				**$196,628**	$182,800	$178,000	$150,000
2008	$175,000			**$201,200**			$205,000	$169,200			$177,000	$191,400	$183,000	$157,000
2007	$189,000			$192,250	$200,000		$213,950	$168,000	$254,500		$195,500	$195,600	$195,250	**$175,000**
2006	$181,500			$195,000			$200,000	**$179,900**	$167,500		$225,000	**$206,000**	**$205,000**	$161,500
2005	$175,000			$199,000	$180,000		$182,512	$171,000	**$293,500**		$178,000	$192,000	$186,500	$166,500
2004	$169,475			$153,950	$181,000		$161,600	$136,250	$255,000		$188,000	$167,500	$155,500	$150,000
2003	$115,000			$122,750	$166,000		$125,000	$112,000	$210,000		$162,500	$138,600	$121,500	$124,500
2002	$125,000			$115,000	$130,000		$64,500	$99,900			$115,750	$111,300	$116,000	$126,900
2001	$116,500			$97,000			$58,700	$95,000	$98,000		$114,000	$101,600	$97,000	$110,000
2000	$104,500	$98,000		$125,000	$121,450		$101,250	$82,400	$145,950		$84,500	$108,300	$109,000	$83,250
1999	$117,500			$87,500			$98,000	$76,000	$129,900		$125,250	$103,400	$107,000	$104,450
1998	$89,000			$78,750	$90,000		$74,500	$79,250	$133,726		$122,000	$98,400	$88,000	$80,000
1997	$102,000		**$170,000**	$87,500			$46,750	$75,900	$147,000		$116,000	$99,700	$92,500	$91,875
1996	$70,000	**$148,000**		$75,750			$76,000	$75,000			$86,000	$81,600	$72,500	$98,000
1995	$70,000			$82,000			$35,000	$75,000			$85,450	$81,600	$77,750	$89,900
1994	$87,000			$79,950			$86,320		$130,608		$123,500	$97,700	$95,000	$97,000
1993	$100,000			$62,500			$130,000	$92,000			$110,950	$82,000	$84,000	$89,900
1992	$96,500			$64,625					$108,000		$117,000	$81,600	$88,000	$84,000
1991	$110,000			$76,000				$91,900			$89,900	$82,600	$89,900	$87,400
1990	$105,000			$74,900	$95,000		$90,500	$99,900	$126,900		$99,465	$88,300	$89,270	$89,150
1989	$108,400			$101,771			$101,000	$108,500	$153,900		$125,000	$112,100	$107,450	$104,950
1988	$118,000			$107,900			$114,000	$85,000	$145,411		$92,950	$103,600	$103,500	$113,000
1987	$132,000			$74,000	$131,655		$114,900	$86,225			$78,200	$76,800	$80,000	$93,750

NOTE: BOLD FIGURES REPRESENT PEAK MEDIAN VALUES
Source: Warren Information Services & RKG Associates, Inc.

In comparison, sales of upper-end condominiums in the Tier One Towns averaged 40 sales per year, ranging from 35 sales (2012) to 46 (2008). This average accounted for about 29 percent of total condominium sales over the last five-years, higher than indicated in Amherst

Approximately 34 percent of the upper-end sales in the Tier One Towns were in the three price ranges of $400,000 or more, while in Amherst only 8 percent of the upper-end sales were in these price categories. This finding suggests that product at the very upper-end of the condominium market may not be available in Amherst as compared to the Tier One Towns.

Table 4-18
Upper-EndCondominium Sales by Price Range
Amherst and Tier 1 Towns

Price Range	2008	2009	2010	2011	2012	AVG	%	Listings
AMHERST								
$250,000 - $299,999	6	9	11	3	4	7	56%	2
$300,000 - $349,999	2	5	3	0	3	3	22%	1
$350,000 - $399,999	3	3	0	0	2	2	14%	1
$400,000 - $449,999	0	1	0	1	0	0	3%	0
$450,000 - $499,999	1	0	0	1	0	0	3%	1
$500,000 & up	1	0	0	0	0	0	2%	1
Total	13	18	14	5	9	12	100%	6
All Condo Sales	71	63	56	36	47	55		28
% of All Condo Sales	18%	29%	25%	14%	19%	22%		21%
TIER ONE TOWNS								
$250,000 - $299,999	16	14	21	15	14	16	40%	19
$300,000 - $349,999	6	3	5	8	6	6	14%	9
$350,000 - $399,999	8	6	4	3	5	5	13%	6
$400,000 - $449,999	3	4	5	4	2	4	9%	0
$450,000 - $499,999	3	5	2	1	2	3	7%	4
$500,000 & up	10	8	3	8	6	7	18%	1
Total	46	40	40	39	35	40	100%	37
All Condo Sales	162	118	133	135	142	138		120
% of All Condo Sales	28%	34%	30%	29%	25%	29%		31%

Source: Warren Information Services, Realtor.com & RKG Associates, Inc.

8. Conclusions

Conditions in the for-sale market were mixed as sales were up in 2012, and any recovery in median values was modest in most case, if at all. Median values in 2012 were generally 10 percent to 15 percent below peak values experienced four to six years ago. Amherst had the second highest median single-family value in the region in 2012 but it was 15 percent below the prior peak in 2008 when it was the highest in the region. The median condominium value in Amherst ranked in the middle of the Tier One Towns. Some recovery was evident in 2012 but it remained 12 percent below its prior peak.

The upper-end single family market in Amherst showed signs of strength as sales increased by 20 percent over the last year, and 40 percent of sales were for homes valued at $500,000 or more. Sales of upper-end homes in the region were about 3 percent higher in 2012 than last year, but homes value at $500,000 or more accounted for 22 percent of these upper-end sales. Sales of upper-end condominiums in Amherst also increased in the last year, but activity remained below the 5-year average. Only 8 percent of the upper-end condominium sales in Amherst over the last five years were valued at $400,000 or more, as compared to 34 percent in the Tier One Towns, including 18 percent of upper end sale valued at $500,000 or more.

In short, Amherst's current strength appears to be in its single-family market, especially at the upper end. Its weaknesses appear to be in moderately-priced ownership housing and the upper-end condominium market. The lack of very high-end condominiums may be due to lack of new product in comparison to select towns in the region. Some of this lack may be attributable to Amherst's regulations.

F. RENTER HOUSEHOLD CHARACTERISTICS AND TRENDS

This section identifies trends and characteristics of renter-occupied housing in the Town of Amherst and the Tier One Towns from a review of decennial census data. Key statistics about the types of housing, the

number of bedrooms, age and income characteristics of the renters, renter-occupied housing values as well as mobility of renter households are examined.

1. Renter Households by Housing Type

Census data indicate that renter households are well distributed in various types of housing units. Multi-unit buildings account for almost 90 percent of the rental household population, with distribution being well spread among different size structures. This finding is consistent with the Town's existing rental stock, where there is a variety of rental housing developments. Structures with 2-4 units (1,340 households) account for the largest share among multi-unit categories (Table 4-19), reflecting the influence of small-scale apartment buildings and townhouse development that has occurred in Amherst. Trends in renter households by unit type show that renter households are migrating from smaller structures (single family and 2-4 unit facilities) to larger structures (5+ units). Despite the net decline in renter households from 2000 to 2010, the number of renter households occupying structures with 10+ units has increased by nearly 240.

Table 4-19
Renters by Housing Type (Units in Structure)
Amherst and Tier 1 Towns

			Change		% of Renter HHs	
	2000	2010	Net	Percent	2000	2010
AMHERST						
Total Households	**9,174**	**9,259**	**85**	**0.9%**		
Renter Households	5,043	5,001	(42)	-0.8%	55.0%	54.0%
Single unit	836	584	(252)	-30.2%	16.6%	11.7%
2 to 4 units	1,396	1,340	(56)	-4.0%	27.7%	26.8%
5 to 9 units	970	994	24	2.5%	19.2%	19.9%
10 to 19 units	1,044	1,096	52	5.0%	20.7%	21.9%
20 units or more	799	986	187	23.4%	15.8%	19.7%
TIER 1 TOWNS						
Total Households	**32,347**	**34,025**	**1,678**	**5.2%**		
Renter Households	10,587	10,627	40	0.4%	32.7%	31.2%
Single unit	1,928	1,892	(36)	-1.9%	18.2%	17.8%
2 to 4 units	4,149	3,960	(189)	-4.6%	39.2%	37.3%
5 to 9 units	1,714	1,966	252	14.7%	16.2%	18.5%
10 to 19 units	1,138	877	(261)	-22.9%	10.7%	8.3%
20 units or more	1,634	1,933	299	18.3%	15.4%	18.2%

Source: US Census; American Community Survey & RKG Associates, Inc.

Interestingly, the category with the least amount of households is single family detached units (584 households), which also experiences net decline in rental occupants between 2000 and 2010. This data directly contradicts concerns expressed during this process that there has been substantial encroachment of rental households – particularly student households – into traditional ownership communities. As noted in more detail in the Student Housing section, there is likely a recent phenomenon occurring as a result of the economic downturn that has seen a recent increase in conversions. However, the impact of encroachment likely is concentrated in a few specific areas.

The Tier 1 Town Study Area has a similar focus of rental households in structures with 2 to 4 units. Approximately 37 percent of renter households in the Tier 1 Area were living in 2-to-4 unit structures in 2010, more than double the concentration of any other structure size category. Unlike Amherst, the share of larger structures is much smaller. Renter-occupied structures with 10 or more housing units account for 41.6 percent of rental units in the Town, as compared to only 26 percent in the Tier 1 Area. This finding is logical, given the presence of the universities in Amherst and the efficiency of delivering larger structures and the greater willingness of college-aged persons to live in larger rental structures.

All the increases in renter households for the Tier 1 Towns occurred in those residing in 5-to-9 unit or 20-unit or more structures, while declines in renter households were indicated in the other housing types. This finding corresponds with information provided by local real estate professionals, where certain surrounding towns accommodated multi-unit structures during the 2000s to regain compliance with Chapter 40B.

2. Renter by the Number of Bedrooms

Many of the rental housing units in Amherst cater to non-family households. In 2010, renter households in 2-bedroom units in Amherst represented approximately 42 percent of all renter households. The next highest concentration was in 1-bedroom-or-less unit, which accounted for 30.4 percent of total households in 2010 (Table 4-20). However, occupancy patterns over the past decade indicate that renter households are showing a preference for larger units. Between 2000 and 2010, the number of renter households in Amherst occupying efficiencies or 1-bedroom units declined by 407, while units with 2+bedrooms represented a 363 increase in renter households. As noted earlier, the growth in rental households in 4+bedroom units most likely corresponds with the decline in owner-occupancy in these units. Interviews with local real estate professionals indicate that conversions and new development has focused in the 2- and 3-bedroom category due to their more efficient profitability.

Table 4-20
Renters by Number of Bedrooms
Amherst and Tier 1 Towns

			Change		% of Renter HHs	
	2000	2010	Net	Percent	2000	2010
AMHERST						
Total Households	**9,174**	**9,259**	**85**	**0.9%**		
Renter Households	5,043	5,001	(42)	-0.8%	55.0%	54.0%
No bedroom	272	57	(215)	-79.0%	5.4%	1.1%
1 bedroom	1,657	1,465	(192)	-11.6%	32.9%	29.3%
2 bedrooms	1,891	2,108	217	11.5%	37.5%	42.2%
3 bedrooms	880	938	58	6.6%	17.4%	18.8%
4 + bedrooms	345	433	88	25.6%	6.8%	8.7%
TIER 1 TOWNS						
Total Households	**32,347**	**34,025**	**1,678**	**5.2%**		
Renter Households	10,587	10,627	40	0.4%	32.7%	31.2%
No bedroom	406	657	251	61.8%	3.8%	6.2%
1 bedroom	3,633	3,818	185	5.1%	34.3%	35.9%
2 bedrooms	4,306	3,988	(318)	-7.4%	40.7%	37.5%
3 bedrooms	1,661	1,510	(151)	-9.1%	15.7%	14.2%
4 + bedrooms	598	654	56	9.3%	5.6%	6.2%

Source : RKG Associates, Inc., US Census Bureau and American Community Survey

The Tier 1 Towns experienced an opposite effect from Amherst. While the breakdown of renter household by unit bedroom count is similar to Amherst, settlement trends indicate that renter households are seeking smaller units (in bedroom count) than larger. The Tier 1 Region experienced a net increase in renter households for efficiency and 1-bedroom units (436 households), while a net decline in renter households in units with 2- and 3-bedrooms. There was a small increase in renters in 4+bedroom units, most likely due to the impacts of the economic downturn on owner households. The data indicates that renter households in Amherst (predominantly student households) prefer larger units while "traditional" renter households are seeking smaller units. This finding is significant in identifying a type of housing that had demand regionally, but may not attract student households.

3. Renters by Age

In 2010, Amherst had 1,964 renter households headed by persons less than age 25, which was a 10.6 percent increase in renters in the age group since 2000 (Table 4-21). These renters accounted for 21.2 percent of total households, or 39.3 percent of all Amherst renters. Renters in the age 25-to-34 group accounted for 23.9 percent of renter households in 2010, but experienced a net decline over the last decade. The 35 to 44 age group accounted for the largest net decline of renter households in Amherst, dropping by more than 200 households. In fact, the only age cohorts to experience a net increase in renter households were under 25 years old (likely students) and 55 to 74 year-olds (active adult). This finding is consistent with student enrollment trends and the increase of age-restricted housing in Amherst.

This change in Amherst was different than in the surrounding Towns, where all of the 2000 to 2010 declines in renter households occurred in the three cohorts encompassing households headed by persons age 44 and younger (net decline of 890 households). However, these losses were offset by gains in the four cohorts for heads of household age 45-and-older. In 2010, the highest concentration of renter households in the region were in the age 25-to-34 group, followed by those in the two cohorts age 35-to-54 (5.4 percent, each). The data suggest that renter households headed by older persons tend to seek opportunities outside Amherst, but close by.

4. Renters by Income and Gross Rents

Renter income data for Amherst is reflective of a college community. The median income for renter households in Amherst was nearly $25,490 in 2010,

Table 4-21
Renters by Age of Head of Householder
Amherst and Tier 1 Towns

			Change		% of Renter HHs	
	2000	2010	Net	Percent	2000	2010
AMHERST						
Total Households	**9,174**	**9,259**	**85**	**0.9%**		
Renter Households	5,043	5,001	(42)	-0.8%	55.0%	54.0%
Less than 25 yrs	1,776	1,964	188	10.6%	35.2%	39.3%
25 to 34 yrs	1,263	1,195	(68)	-5.4%	25.0%	23.9%
35 to 44 yrs	744	538	(206)	-27.7%	14.8%	10.8%
45 to 54 yrs	522	460	(62)	-11.9%	10.4%	9.2%
55 to 64 yrs	221	340	119	53.8%	4.4%	6.8%
65 to 74 yrs	157	182	25	15.9%	3.1%	3.6%
75 yrs +	360	322	(38)	-10.6%	7.1%	6.4%
TIER 1 TOWNS						
Total Households	**32,347**	**34,025**	**1,678**	**5.2%**		
Renter Households	10,587	10,627	40	0.4%	32.7%	31.2%
Less than 25 yrs	1,382	1,126	(256)	-18.5%	13.1%	10.6%
25 to 34 yrs	2,941	2,848	(93)	-3.2%	27.8%	26.8%
35 to 44 yrs	2,366	1,825	(541)	-22.9%	22.3%	17.2%
45 to 54 yrs	1,630	1,832	202	12.4%	15.4%	17.2%
55 to 64 yrs	727	1,350	623	85.7%	6.9%	12.7%
65 to 74 yrs	583	682	99	17.0%	5.5%	6.4%
75 yrs +	958	964	6	0.6%	9.0%	9.1%

Source: US Census & RKG Associates, Inc.

Table 4-22
Renters by Income Level
Amherst and Tier 1 Towns

			Change		% of Renter HHs	
	2000	2010	Net	Percent	2000	2010
AMHERST						
Total Households	**9,174**	**9,259**	**85**	**0.9%**		
Renter Households	5,043	5,001	(42)	-0.8%	55.0%	54.0%
Less than $25,000	2,473	2,469	(4)	-0.2%	49.0%	49.4%
$25,000 to $49,999	1,653	1,377	(276)	-16.7%	32.8%	27.5%
$50,000 to $74,999	536	695	159	29.7%	10.6%	13.9%
$75,000 to $99,999	217	129	(88)	-40.7%	4.3%	2.6%
$100,000 to $149,000	110	168	58	52.9%	2.2%	3.4%
$150,000 or more	56	164	108	192.6%	1.1%	3.3%
Median Renter Income	*$25,465*	*$25,487*	*$22*	*0.1%*		
TIER 1 TOWNS						
Total Households	**32,347**	**34,025**	**1,678**	**5.2%**		
Renter Households	10,587	10,627	40	0.4%	32.7%	31.2%
Less than $25,000	4,628	4,102	(526)	-11.4%	43.7%	38.6%
$25,000 to $49,999	3,591	3,140	(451)	-12.6%	33.9%	29.5%
$50,000 to $74,999	1,564	1,828	264	16.9%	14.8%	17.2%
$75,000 to $99,999	506	824	318	62.9%	4.8%	7.8%
$100,000 to $149,000	245	459	214	87.1%	2.3%	4.3%
$150,000 or more	70	274	204	292.1%	0.7%	2.6%
Median Renter Income	*$29,309*	*$33,552*	*$4,243*	*14.5%*		

Source: US Census; American Community Survey & RKG Associates, Inc.

Table 4-23
Renters by Gross Rents
Amherst and Tier 1 Towns

			Change		% of Renter HHs	
	2000	2010	Net	Percent	2000	2010
AMHERST						
Total Households	**9,174**	**9,259**	**85**	**0.9%**		
Renter Households	5,043	5,001	(42)	-0.8%	55.0%	54.0%
No rent to $499	1,075	625	(450)	-41.9%	21.3%	12.5%
$500 to $749	1,878	607	(1,271)	-67.7%	37.2%	12.1%
$750 to $999	1,104	970	(134)	-12.2%	21.9%	19.4%
$1,000 to $1,499	718	1,855	1,137	158.4%	14.2%	37.1%
$1,500 to $1,999	145	681	536	369.4%	2.9%	13.6%
$2,000 and up	79	264	185	234.1%	1.6%	5.3%
Median Gross Rent	*$687*	*$1,078*	*$391*	*56.9%*		
TIER 1 TOWNS						
Total Households	**32,347**	**34,025**	**1,678**	**5.2%**		
Renter Households	10,587	10,627	40	0.4%	32.7%	31.2%
No rent to $499	3,318	2,074	(1,244)	-37.5%	31.3%	19.5%
$500 to $749	3,790	1,869	(1,921)	-50.7%	35.8%	17.6%
$750 to $999	2,562	2,961	399	15.6%	24.2%	27.9%
$1,000 to $1,499	775	2,766	1,991	257.0%	7.3%	26.0%
$1,500 to $1,999	49	718	669	1364.5%	0.5%	6.8%
$2,000 and up	14	240	226	1611.0%	0.1%	2.3%
Median Gross Rent	*$653*	*$872*	*$219*	*33.6%*		

Source: US Census; American Community Survey & RKG Associates, Inc.

nearly identical to the 2000 median (not adjusted for inflation). Renter households earning less than $25,000 accounted for almost half of all renters (Table 4-22). This is consistent with college communities, where students typically have little or no income. In comparison to the Tier 1 Towns, the 2010 median renter income was 31.6 percent higher than in Amherst in 2010. The median rent for the Tier 1 region increased by 14.5 percent during the 2000s, reflecting the impact of inflation in earnings. Additionally, the number of renter households earning less than $25,000 in 2010 totaled 31 percent, well below Amherst levels.

Despite the lack of income, rents in Amherst have steadily risen. As shown in Table 4-23, the median gross rent in Amherst was $1,078 in 2010, an increase of nearly 57 percent since 2000. In comparison, the median gross rent for the Tier 1 Towns was $872 in 2010, and increased by 33.6 percent since 2000. In 2010, Tier 1 rental units had a median rent level 19.1 percent lower than in Amherst despite having a more affluent renter population.

In Amherst, rental units capturing rents above $1,000 per month experienced a 3-fold increase since 2000, representing approximately 56 percent of rental units. In contrast, units renting for less than $1,000 declined by 46 percent over the last decade, and almost 68 percent of the loss were in rental units in the $500 to $749 range. Changes in renter households by rent rate was similar to the Town, with the number of households paying less than $750 declining and those paying more than $750 increasing. However, households paying over $1,500 per month in Amherst account for almost 19 percent of all renter households, as compared to the Tier 1 Region with less than 10 percent in this category. While it is common to see rent levels increase over time due to inflation, the higher rent levels and comparatively more aggressive increase in rental pricing within Amherst indicates a greater supply and demand imbalance.

5. Renter Households by Period of Moving Into Unit

Table 4-24 exhibits the number of renter households in Amherst and the Tier 1 Towns by the period they moved into their unit. These statistics are the basis for understanding turnover of renter households. Given the comparatively shorter contract period for leases compared to mortgages, it is common that renter turnover is more robust. As shown, approximately 77 percent of the renter households moved into their unit in Amherst within the five years prior to the 2010 Census. Another 13.5 percent moved in during the first half of the last decade. The situation is similar in the Tier 1 Towns as well (69.4 percent and 16.6 percent, respectively). As a result, annual renter turnover rate was comparable for Amherst (9.1 percent annually) and the Tier 1 Towns (8.6 percent). This finding indicates that the influence of college households has only a minor impact on renter turnover and mobility.

Table 4-24
Renters by Move-In Date
Amherst and Tier 1 Towns

	2010	% of Total
AMHERST		
Total Households	**9,259**	
Renter Households	5,001	54.0%
2005 or later	3,856	77.1%
2000 to 2004	673	13.5%
1990 to 1999	406	8.1%
1980 to 1989	58	1.2%
Prior to 1980	8	0.2%
TIER 1 TOWNS		
Total Households	**34,025**	
Renter Households	10,627	31.2%
2005 or later	7,374	69.4%
2000 to 2004	1,763	16.6%
1990 to 1999	824	7.8%
1980 to 1989	293	2.8%
Prior to 1980	372	3.5%

Source: US Census; ACS & RKG Associates, Inc.

6. Conclusions

Amherst experienced a marginal decline (0.8 percent) in renter households since 2000, while the region had a marginal increase (0.4 percent). However, while the Town experienced a net decline, the make of these households has changed. Most notably, there has been a substantial increase in college-age renter households and active adult households. Given the enrollment shifts in Amherst and the development of age restricted housing, these findings are consistent with the market data.

The most interesting finding from this analysis is that the number of renter households occupying single family units had declined during the 2000s. This fact contradicts widely held beliefs within Amherst. However, there has been a recent shift in owner-to-rental conversion (since 2010) corroborated by the Town's property ownership data (detailed in the Student Housing section). Simply put, the impact of student conversions appear to be concentrated in very specific locations (near the universities) and price points (below $200,000). The distribution within unit size suggest those units with high number of bedrooms are the most susceptible to conversion.

Approximately 39 percent of total households in Amherst were renters age 24-and-younger in 2010, and another 24 percent were age 25-to-34. The former increased by 11 percent over the last decade, while the latter declined (5 percent). The concentration of younger renters (age 34-and-younger) was much higher than in the Tier 1 Towns, consistent with the influences of the University and colleges in Amherst. In comparison, the distribution of renters in the older age groups in the region was fairly similar to Amherst, although more growth (changes) occurred outside the Town. As noted earlier, this could be a market that desires the amenities in Amherst, but cannot afford the costs.

Renter income data for Amherst is reflective of a college community. The median income for renter households in Amherst was nearly $25,490 in 2010, with renter households earning less than $25,000 accounting for almost half of all renters. This is consistent with college communities, where students typically have little or no income. In comparison to the Tier 1 Towns, the 2010 median renter income was 31.6 percent higher than in Amherst in 2010.

Despite the lack of income, rents in Amherst have steadily risen. The median gross rent in Amherst was $1,078 in 2010, an increase of nearly 57 percent since 2000. In comparison, the median gross rent for the Tier 1 Towns was $872 in 2010, and increased by 33.6 percent since 2000. In 2010, Tier 1 rental units had a median rent level 19.1 percent lower than in Amherst despite having a more affluent renter population.

G. RENTAL MARKET

RKG inventoried a sample of apartment complexes in Amherst and Tier One Towns, and the results are summarized in Table 4-25. The following highlights findings from a review of the data:

- The five complexes ranged in size from 102 units to 232 units and totaled 868 units. Four of the complexes were in Amherst, while one was in Sunderland.
- Three of the complexes offered one-bedroom units ranged in size from 400 square feet (SF) to nearly 760 SF. The monthly rental rate ranged $873

Table 4-25
Apartment Complex Survey
Amherst and Tier 1 Towns

Complex	Southpointe Apartments	Rolling Green	Mill Valley	Aspen Chase	Sugarloaf Estates
Town	Amherst	Amherst	Amherst	Amherst	Sunderland
# of Units	182	204	148	102	232
One Bedroom					
Size (SF)	710	759		400	
Rent	$873	$1,250		$885	
Rent/SF	$1.23	$1.65		$2.21	
Two Bedroom					
Size (SF)	887	1,072	974	650	850
Rent	$1,033	$1,580	$1,400	$1,420	$1,468
Rent/SF	$1.17	$1.47	$1.44	$2.18	$1.73
Three Bedroom					
Size (SF)		1,158	1,172	1,200	
Rent		$1,930	$1,700	$1,899	
Rent/SF		$1.67	$1.45	$1.58	
Four Bedroom					
Size (SF)		1,158	1,680	1,000	
Rent		$2,480	$2,425	$2,624	
Rent/SF		$2.14	$1.44	$2.62	

Source: Move.com & RKG Associates, Inc.

to $1,250, and the indicated price per SF ranged from $1.23/SF to $2.21/SF.

- All five properties had two-bedroom units ranging in size from 650 SF to $1,072 SF. The average monthly rental rate ranged from $1,033 to $1,580, and the indicated price per SF ranged from $1.17/SF to $2.18/SF
- Three of the properties had three-bedroom units that ranged in size from 1,158 SF to 1,200 SF. The asking rental rate ranged from $1,700 to $1,930, and the indicated price per SF ranged from $1.45/SF to $1.67/SF.
- Three complexes also had four-bedroom units that ranged in size from 1,000 SF to 1,680 SF. The asking rental rate ranged from $2,425 to $2,624, and the indicated price per SF ranged from $1.44/SF to $2.62/SF.

RKG also tabulated a sample of listings from Craig's List, a popular website to finding rental listings. These listings, which are typically reflective of the more informal market, were arrayed by unit size and geography, and the results are in Table 4-26. For comparison purposes, the Fair Market Rent for the Springfield Metropolitan Area is shown. The following comments come from a review of the data:

Table 4-26
Sample of Rents from Craigslist
Amherst and Tier 1 Towns

	1-Bedroom	2-Bedrooms	3-Bedrooms	4+Bedrooms	Total
AMHERST					
Count	9	6	6	5	26
Average	$884	$1,123	$1,893	$2,266	$1,438
Minimum	$600	$989	$1,800	$2,000	$600
Maximum	$1,300	$1,250	$2,050	$2,650	$2,650
Median	$840	$1,125	$1,875	$2,200	$1,200
TIER ONE TOWNS					
Count	6	14	5	4	29
Average	$954	$1,213	$1,725	$1,824	$1,332
Minimum	$700	$850	$1,400	$1,495	$700
Maximum	$1,375	$1,800	$2,000	$2,175	$2,175
Median	$943	$1,238	$1,775	$1,813	$1,325
Fair Market Rent	***$748***	***$935***	***$1,167***	***$1,330***	

Source: Craigslist.com, HUDUSER.org, & RKG Associates, Inc.

- Nine one-bedroom listings were located in Amherst, and another 6 out of town. The local listings ranged from $600 to $1,300 and the indicated median was $840 per month. The sample from the Tier One Towns ranged from $700 to $1,375 and the median was $943. In comparison the fair market rent was $748, almost $100 less than the median indicated for Amherst.
- Six two-bedroom listings were located in Amherst, and 14 offerings were located in the Tier One Towns. Rents for two-bedroom listings in Amherst ranged from $989 to $1,250 and the median was $1,125. The rents for two-bedroom listings in Tier One Towns ranged from $850 to $1,800 with a median of nearly $1,240. The fair market rent was $935, well below the two medians.
- Six three-bedroom listings were located in Amherst and ranged from $1,800 to $2,050 and the median was $1,875. In the region, asking rents for five three-bedroom apartments ranged from $1,400 to $2,000, and the median was $1,775. In both cases, the medians were well above the fair market rent for three-bedroom units.
- Five four-bedroom listings were located in Amherst and rents ranged from $2,000 to $2,650 per month, and the median was $2,200. Four listings of four-bedroom units in the Tier One Towns indicated a range of $1,495 to $2,175, and a median of $1,813. These medians were well above the fair market rent of $1,330 per month for four-bedroom units.

1. Conclusions

The rental market in Amherst and surrounding towns is heavily influenced by students at the University of Massachusetts. The indicated monthly rents were well above the fair market rents making

affordability an issue for non-student renters. There are rental options outside Amherst and the Tier One Towns in some of the larger cities such as Chicopee, Holyoke and Springfield where rents were more consistent with fair market rents than indicated locally or in the Tier One Towns. However, distance, transportation time, and inconvenience make these communities less than viable for many student and non-student renters.

H. FORECASTED RESIDENTIAL DEMAND

This section identifies annual demand for housing in Amherst based on five-year forecasts obtained from DemographicsNow and key characteristics from US Census data. The annual demand is allocated to owners and renters by age, income and pricing.

1. Forecasted Annual Household Demand (2012-2017)

To estimate future demand for housing in Amherst, RKG utilized DemographicNow's 5-year household forecasts coupled with turnover rates in housing and other factors derived from US Census data to formulate an annual forecast of housing demand over the next five years.

As shown in Table 4-27, annual demand is estimated at 643 households of which 4 percent (rounded) would be new growth, and the remainder a result of turnover. Annual demand for for-sale housing is estimated at 170 units per year, and for rental housing over, 470 units per year. Theoretically, most of this demand will be accommodated by existing housing stock. The net increase in households within the Town translates into demand for 15 to 25 new owner units and 10 to 20 new renter units, or a total of 25 to 45 new units per year. The annual estimate for new construction (35) is 35 percent more than the annual growth in households (26) forecasted over the next five years.[3]

Table 4-27
Annual Housing Demand (2012-2017)
Town of Amherst

	Owner	Renter	Total
Five-year growth in Households	117	15	132
Annual Average	23	3	26
Annual Turnover	146	471	617
Total Households	170	474	643
New Construction [1]	17	24	41

[1] 10% of owner & 5% of renter demand for new construction
Source: Demographics NOW; US Census & RKG Associates, Inc.

This estimate does not include the potential impact of UMass meeting its 2020 goal of increasing enrollment by 3,000 students over the 2010 enrollment. Based on conversations with the UMass administration, enrollment has already increased by approximately 1,500 students over the 2010 enrollment number quoted in this document. The administration remains confident that UMass will attract an additional 1,500 net new students by 2020. A portion of this new demand has been accommodated by the 1,500 bed Commonwealth Honors College dormitory that was delivered. However, the administration also noted that they have permanently removed approximately 500 beds from their available inventory that were non-residential spaces temporarily converted to housing to accommodate their growing enrollment. Based on the data from the university, the net demand for off-campus housing has increased by 500 beds since 2010, and will reach a net increase of 2,000 off-campus beds by 2020. According to the university representatives, there are no current plans to build additional dormitory space on campus through 2020.

[3] This forecast may seem aggressive but it is less severe than trends over the last decade, when the net change in housing (284 units) represented about 3.3 times the increase in households (85 units).

2. Affordability of Owning and Renting

In order to quantify future demand for housing by different age and income levels, it is necessary to establish a range in home values and monthly rents that would be affordable at different income levels. Based on current financial assumptions as noted in Table 4-28, a range in home values and monthly rents are estimated.

As indicated, households with annual earnings of $75,000 or more could afford homes of $285,000 and up, noting that the median single-family price in 2012 was $300,000 in Amherst. The median selling price for condominium units was $170,000, which would be affordable to a household earning $40,000, depending on the down-payment. In terms of monthly rents, households with earnings of $75,000 or more could afford a monthly rent of $1,875, which was more than the median monthly rents for 2-bedroom ($1,125) units in the limited sample inventory in Amherst, or the high end of the range for 2-bedroom units ($1,580) indicated at apartment complexes.

Table 4-28
Affordability of Owning in Amherst, MA (2013)
Town of Amherst

	Ownership [1]		Monthly
Gross Income	Low Value	High Value	Rent [2]
$40,000	$150,000	$180,000	$1,000
$60,000	$225,000	$270,000	$1,500
$75,000	$285,000	$340,000	$1,875
$100,000	$380,000	$495,000	$2,500
$125,000	$475,000	$585,000	$3,125
$150,000	$570,000	$680,000	$3,750

[1] Financial Assumptions	Low Value	High Value
Interest Rate	4.00%	3.25%
Term	30	30
Down Payment	5%	20%
RE TAXES/1000	$20.39	$20.39
Insurance /1000	$4.00	$4.00
Cost as % of Income	30%	30%

[2] Rental Cost factored at 30% of gross income

Source: RKG Associates, Inc.

3. Annual Demand for Units by Price Range and Conclusions

Table 4-29 exhibits average annual owner demand for housing in Amherst over the next five years by age, income, and home value. These totals reflect demand based on no changes in regulatory policies. Approximately 58 percent of demand would be from households earning $125,000 or more, including 57 percent of this group in the two cohorts age 45 to 64. About 22 percent of annual owner demand would come from elderly households, and all could afford units valued at $285,000 or more (or earning $75,000 or more). Assuming that 5 percent of owner demand would be channeled to new construction most of that would likely be targeted for households earning $100,000 or more.

Table 4-30 exhibits average annual renter demand for housing in Amherst over the next five years by age, income and monthly rent. Approximately 53 percent of demand would come from households earning less than $40,000 and could only afford rents of up to $1,000 per month. Approximately 33 percent of annual renter demand would come from households younger than age 25 and 70 percent of that demand could afford rents of $1,000 or less. Another 27 percent of annual renter demand would be in the age 25-to-35 cohort, and 60 percent of this group could afford rents of $1,000 or more including 21 percent at $3,125 or more.

Approximately 17 percent of renter demand would come from elderly renters; however, only 27 percent of that demand would come from households that could afford rents of $1,000 or higher. About 30 percent of annual demand comes from renters earning $75,000 or more, and nearly 50 percent would be younger households (less than age 35). In absolute terms, total demand for renters earning $75,000 or more equals 140 households per year.

Assuming the Town does not adjust its development regulations, the data indicate there will be three market segments where demand will substantially exceed supply.

Table 4-29
Annual Owner Demand by Age, Income & Value (2012-2017)
Town of Amherst

Income Range	< 25 years	Age 25 to 34	Age 35 to 44	Age 45 to 54	Age 55 to 64	Age 65 & up	Total	% of Total	Home Value Range
Less than $40,000	0	(2)	(0)	(0)	(2)	(8)	(12)	-7%	$180,000 or less
$40,000 - $59,999	0	0	(1)	(0)	(2)	1	(2)	-1%	$150,000 to $270,000
$60,000 - $74,999	0	0	1	1	0	4	7	4%	$245,000 to $340,000
$75,000 - $99,999	0	0	7	5	12	12	36	21%	$285,000 to $495,000
$100,000-$124,999	0	5	5	13	10	9	43	25%	$380,000 to $585,000
$125,000 & up	0	15	8	28	26	21	99	58%	$475,000 & Up
Total	1	19	20	47	45	38	170	100%	
% of Total	0%	11%	12%	28%	26%	22%	100%		

Source: Demographics NOW; US Census & RKG Associates, Inc.

Table 4-30
Annual Renter Demand by Age, Income & Value (2012-2017)
Town of Amherst

Income Range	< 25 years	Age 25 to 34	Age 35 to 44	Age 45 to 54	Age 55 to 64	Age 65 & up	Total	% of Total	Monthly Rent Range
Less than $40,000	109	50	13	8	14	59	253	53%	$1,000 or less
$40,000 to $59,999	18	18	8	2	5	5	57	12%	$1,000 to $1,500
$60,000 to $74,999	7	9	3	1	2	2	24	5%	$1,500 to $1,875
$75,000 to $99,999	14	9	8	3	7	5	45	10%	$1,875 to $2,500
$100,000 to $124,999	4	13	8	3	2	4	34	7%	$2,500 to $3,125
$125,000 & up	3	27	6	9	10	5	61	13%	$3,125 & up
Total	155	126	46	27	40	81	474	100%	
% of Total	33%	27%	10%	6%	8%	17%	100%		

Source: Demographics NOW; US Census & RKG Associates, Inc.

The first is modest-income renter households. Net enrollment at the university and colleges in Amherst is projected to continue to increase. Without additional housing developed to accommodate this need, the student population will continue to place pressure on non-traditional rental markets in and around Amherst. Traditional renters in this category will be especially impacted. The analysis indicates that student households have a greater willingness to pay higher premiums despite their relatively lower income levels. To this end, the non-student renters cannot compete in an open market with this segment. Given that off-campus student households are projected to increase as well, it is likely that many existing and potential residents will be displaced without regulatory adjustments.

Second and third are the higher-end rental and ownership markets. The data indicate there is a market for small (loft-style and 1-bedroom units) within the region that is not being met in Amherst. The growth of 55 and older population is the perfect candidate for this housing, particularly in a community such as Amherst that offers cultural amenities commensurate with larger, urban communities. The demographic analysis corroborates this finding.

As noted earlier in this chapter, the greatest challenges to accommodating the unmet demand in Amherst are the regulatory policies that restrict the development of higher density housing. Current market conditions have made conversion of traditional ownership units and consumption of high-end apartments for student rental financially feasible. The economic downturn has depressed sales prices, reduced the ownership demand pool, and increased interest for rental housing. Given there is little or no multi-unit development slated in the immediate vicinity of Amherst and projected increases in student enrollment, the supply-demand imbalance will continue to drive rental prices. Simply put, the market is demanding an increase of both student-focused and traditional multi-unit development in Amherst.

5. STUDENT HOUSING ASSESSMENT

A. KEY FINDINGS

This chapter presents information that quantifies, to the extent possible, the number and location of college-age student households that live off campus in Amherst. RKG relied on a variety of data sources in effort to identify the distribution and characteristics of residential properties that house area college students. These include sources such as the Town's property assessment database, town-wide and block level data from the U.S. Census, and a recent report by the Pioneer Valley Planning Commission (PVPC). The effects of off-campus student housing on the Amherst residential market, and more specifically, the single family sector, were also examined, and the estimated impacts are summarized in this chapter. The most prominent findings are summarized below:

- Residential conversions of single-family units appear to follow market swings.
- RKG estimates that the off-campus student population in Amherst ranged from 4,000 to 4,500 persons, including approximately 1,900 young renter households.
- Home purchase records indicate conversions occur at the low-end of pricing.
- The likelihood of continuing additional conversions of single family homes to rental housing in the future is considered great when UMass enrollment projections are considered.
- Ultimately a sufficient supply of student-focused housing, either in dormitories or in the private real estate market, must first be developed in Amherst before the town will be able to attract and/or support any significant increase in non-student households within the community.
- Students living off-campus in Amherst and those living in the tier towns outside Amherst need to be considered when determining demand.

Residential conversions of single-family units appear to follow market swings

RKG was not able to determine a defensibly accurate rate of conversion of single-family homes from ownership to rentals because the data are not available. However, RKG was able to develop a better understanding of the single-family market and its competition from the multi-unit supply in Amherst. Census data indicate that Amherst probably would have lost population and households without the increase in college enrollments over the last decade. However, over 75 percent of that increase was accommodated on campus, not in the rest of town. Also, the number of renters at single-unit properties declined over the last decade, and the absolute number identified by census statistics was not much different from what the Town Assessor has estimated. In addition, Amherst experienced a small increase in seasonal housing that could affect estimates.

A review of off-campus housing listings over the last seven plus years indicated a similar number of listings at single family homes that were owner-occupied as well as not owner-occupied. In some cases, it was a room in a private house, or an apartment in a house or the house itself. This suggests that new buyers may seek students in their home to help defray their mortgage costs (or real estate taxes). Alternatively, it is safe to assume that there are some "illegal" apartments, or owners using a property address for the tax bill, but living elsewhere.

RKG estimates that the off-campus student population in Amherst ranged from 4,000 to 4,500 persons, including approximately 1,900 young renter households

Living on-campus in a shared room was the most economical option for students (parents), since additional costs for utilities would not have to be considered. The options for living off-campus are multiple, and spread throughout the eleven neighborhoods in Amherst. Four neighborhoods have approximately 80 percent of multi-unit supply to attract students and other renters. The supply of not owner-occupied single family homes was much less in these same neighborhoods, but rather spread throughout the Town. Interestingly, the average assessed value of not owner-occupied homes was less than for owner-occupied in almost all neighborhoods. However, the overall average value of single family homes also differed greatly between neighborhoods, and not because of the presence of not owner-occupied homes.

Home purchase records indicate conversions occur at the low-end of pricing

Sales activity over the last decade suggests that 81 percent of total activity was for owner-occupied homes, and these buyers were paying a slight premium in relationship to their assessed value in comparison to not owner-occupied homes. This also indicates that not owner-occupied buyers were buying the lower valued properties, and likely ones that were passed over by highly qualified owner-occupant buyers. While a lower difference in sale price to assessment was indicated, the actual percentage difference was not that significant. To place this in perspective, had it not been for the buyers of the not owner-occupied properties, they may have sat empty and/or forced the seller to reduce the price. While an increase in sales activity was noted in the last few years by not owner-occupied buyers, the actual net change in the conversion of single family homes could not be identified by the data available.

The likelihood of additional conversions of single family homes in the future is considered great when UMass enrollment projections are considered

The University of Massachusetts Amherst administration has established a goal of expanding enrollment by 3,000 students over the 2010 enrollment by 2020. Based on conversations with the UMass administration, enrollment has increased by approximately 1,500 students over the 2010 enrollment number quoted in this section. The administration remains confident they will attract an additional 1,500 net new students by 2020. A portion of this new demand has been accommodated by the 1,500 bed Commonwealth Honors College dormitory that was delivered. However, the administration also noted that they have permanently removed approximately 500 beds from their available inventory that were non-residential spaces temporarily converted to housing to accommodate their growing enrollment. Based on the data from the university, the net demand for off-campus housing has increased by 500 beds since 2010, and will reach a net increase of 2,000 off-campus beds by 2020. According to the university representatives, there are no plans to build additional dormitory space on campus through 2020. Assuming historic student absorption levels continue into the future, there are 200 more students currently seeking off-campus housing in the Amherst area than in 2010, and an additional 600 college students would likely be searching for housing in the Amherst area by 2020.

The growth in enrollment and changes in housing availability on-campus translates into the need for 400 to 600 new student-focused housing units within the greater Amherst market to retain the existing supply/demand balance. Based on historic absorption trends, this translates into 250-400 new student units in the Town alone.

Ultimately a sufficient supply of student-focused housing, either in dormitories or in the private real estate market, must first be developed in Amherst before the town will be able to attract and/or support any significant increase in non-student households within the community

If new student housing is not developed, the enrollment growth at UMass and the colleges will continue to place pressure on the existing housing supply. The result of inaction will be continued price escalations for rental housing due to the imbalance of supply and demand, continued occupation of single family homes, and additional conversions of traditional ownership units as investors continue to fill the void by purchasing low-valued homes in Amherst.

There are several rental projects geared towards student renters currently under consideration or under construction within the Town. These projects (Trolley Barn in North Amherst, Olympia Place, Kendrick Place, Carriage Shops and Presidential Apartments expansion) total approximately 639 bed spaces. Assuming all projects and bed spaces are approved and built, they would accommodate approximately 32 percent of the projected new demand created by enrollment growth at UMass. This would leave the demand for an additional 1,361 bed spaces to be accommodated market-wide just to retain the current market equilibrium.

Students living off-campus in Amherst and those living in the tier towns outside Amherst need to be considered when determining demand

Like all housing sectors, student households weigh many factors when choosing where to live. Within Amherst, location and available amenities factor above cost for student households. This is evident in the instant success of the North Apartments at UMass. These units are more desirable due to their proximity to campus and technology/lifestyle amenities make them highly desirable despite their comparatively higher cost than off-campus units. That said, it is highly likely that students living further from campus will opt to live in-town if housing becomes available.

Since the percentage of current UMass students living off campus that reside in the Town likely is between 40 percent and 60 percent, the new demand for student housing in Amherst likely is much higher than simply adding the current student population in rental conversions (estimated between 1,500 and 3,000 students) and the projected 2020 enrollment growth (estimated between 1,000 and 1,500 students). New student housing built in Amherst will also draw from those approximate 2,000 to 4,000 students living outside the Town of Amherst in the ring of nearby tier towns.

B. COLLEGE STUDENTS AND YOUNG RENTER HOUSEHOLDS

As noted in Amherst's HPP, developing an accurate count of college students who reside off-campus in non-dormitory space is a difficult task. Since there is no specific census or other inventory that identifies their locations in private housing, estimates are typically based on a number of data variables and sources. This data, which looks at age, income, and education levels, was cross-referenced with information obtained from the Town, university, and colleges, to arrive at the best estimate of where students live in Amherst.

Table 5-1 presents selected decennial census data that identifies the estimated college student population, based on age, in Amherst. In 2010, there were 16,830 persons between the ages of 19 and 22 years residing in Amherst, reflecting an increase of 3,470 persons in this age group since 2000. This age group also accounted for 79.7 percent of the age 18-to-24 cohort. In 2010, an estimated 14,950 students reportedly resided in college dormitories in Amherst, and assuming these were all age 19-to-22, then 1,876 persons of this age group resided outside the college dormitories in the Town. In 2010, the Census Bureau reported that Amherst had 1,964 young renter households (less than age 25), which would be about 90 householders more than Amherst's age 19-to-22 population living outside college dormitories.

Table 5-1
Select Census Indicators for College Students
Town of Amherst

	2000	2010	# Chg	% Chg
Population	34,874	37,819	2,945	8.4%
18 to 24 years	17,429	21,115	3,686	21.1%
19 to 22 years	13,358	16,828	3,470	26.0%
Population in college dorms	12,252	14,952	2,700	22.0%
Population not in dorms [1]				
19 to 22 years	1,106	1,876	770	69.6%
18 to 24 years	5,177	6,163	986	19.0%
Households	9,174	9,259	85	0.9%
Total H'holds < 25 yrs	1,810	1,995	185	10.2%
Renter H'holds < 25 yrs	1,776	1,964	188	10.6%
Renter Households	5,043	5,001	(42)	-0.8%
Renters in single-unit, detached	533	417	(116)	-21.8%
Renters in single-unit, attached	299	135	(164)	-54.8%
Subtotal	832	552	(280)	-33.7%
Housing for Seasonal Use	62	90	28	45%

[1] Population in the two age groups less population in college dormitories
Source: US Census & RKG Associates, Inc.

Younger households increased by almost 11 percent over the last decade, while the increase in households was less than 1 percent in Amherst, and renter households declined by less than 1 percent. A greater loss of renter households occurred in single-unit structures over the last decade, according to Census data. In addition, the number of seasonal units increased in Amherst over the last decade.

In short, decennial Census data indicates that most if not all the population growth in Amherst over the last decade occurred in the college student age groups, but approximately 75 percent were housed on-campus versus 25 percent off-campus. Similarly, nearly all the growth in households occurred in younger households and more specifically young renter households, and the growth effectively was about 2 percent of total households. However, the actual gain in young renter households (188 households) did not occur in single-unit renter properties, as the rental supply in single-units declined by 252 units over the last decade. In fact, a decline in population and households would have occurred in Amherst over the last decade had it not been for the gains in college-age population and young households, especially renters.

1. College Students and Student Households

Amherst is home to three major institutions of higher education with a total 2010 enrollment of 30,900 students (Table 5-2). This total constitutes 43 percent of an estimated 72,640 students matriculating at the thirteen institutions in the Pioneer Valley. UMass had the highest student enrollment, accounting for 89 percent of the total student enrollment in Amherst, and the remainder was fairly evenly split between Amherst College and Hampshire College. Approximately 48 percent of the 25,520 full-time students matriculating in Amherst lived on-campus, while 34 percent lived off-campus. Another 17 percent of the students attended UMass on a part time basis.

Table 5-2
2010 College Enrollment Statistics
Town of Amherst

Type	Amherst College	Hampshire College	UMASS-Amherst	Amherst Total	%	Pioneer Valley	% in Amherst
Full Time Enrollment	1,795	1,534	22,193	25,522	83%	54,140	47%
Live On-Campus [1]	1,750	1,188	12,012	14,950	48%	28,117	53%
Live Off-Campus	45	346	10,181	10,572	34%	26,023	41%
Part Time	0	0	5,376	5,376	17%	18,497	29%
Total Students	1,795	1,534	27,569	30,898	100%	72,637	43%
% of Total	5.8%	5.0%	89.2%	100.0%			

[1] Based on dormitory capacity
Source: PVPC/IPEDS & RKG Associates, Inc.

In absolute terms, the number of students living off-campus and attending part-time totaled 15,950 students; however, not all these students lived in Amherst. Census data indicated that perhaps as little as 12 percent (or 1,800 persons age 19 to 22) to as many as 39 percent (or 6,160 persons, age 18 to 24) of these off-campus/part-time students resided within the Town boundaries, assuming all persons in these age cohorts were actual college students.

Using the Amherst's average renter household size of 2.39 persons from Census 2010, the 1,964 young households would have a population of approximately 4,700 persons, which appears higher than the mid-point indicated by census data and would represent about 45 percent of students that lived off-campus. However, not all these younger households were attending college. Therefore, it is reasonable to assume that between 4,000 and 4,500 college students lived off campus but in Amherst.

UMass has established a goal of expanding undergraduate enrollment by 3,000 students over the 2010 enrollment by 2020. Based on conversations with the UMass administration, enrollment has increased by approximately 1,500 students over the 2010 enrollment number identified above. The administration remains confident that UMass will attract an additional 1,500 net new students by 2020. A portion of this new demand has been accommodated by the 1,500 bed Commonwealth Honors College dormitory that was delivered. However, the administration also noted that they have permanently removed approximately 500 beds from their available inventory that were non-residential spaces temporarily converted to housing to accommodate their growing enrollment. Based on the data from the university, the net demand for off-campus housing has increased by 500 beds since 2010, and will reach a net increase of 2,000 off-campus beds by 2020.

According to the university representatives, there are no current plans to build additional dormitory space on campus through 2020. Assuming historic student absorption levels remain constant, there are 200 more students currently seeking off-campus housing in Amherst than in 2010, and an additional 600 college students will be searching for housing in Amherst by 2020. However, it is likely that Amherst will attract a greater share of this new demand, as there are relatively fewer multi-family developments planned or underway in the Tier 1 Towns.

2. Geographic Distribution of Young Renter Households

Table 5-3 exhibits the geographic distribution of households in Amherst including the renter households younger than age 25. The residential neighborhoods analyzed for this purpose are shown on maps beginning on page 5-17 at the end of this chapter and appear in several tables. The UMass, Amherst College and Hampshire College neighborhoods shown on the maps are not included in the tables as they show areas providing predominantly on-campus housing.

Table 5-3
Renter Households by Neighborhood
Town of Amherst

	Households by Tenure and Age						
Neighborhood	Total H'holds	% of Total	Renter H'holds	% of Renters	Renter Tenure	Renters < 25 yrs	< 25 as % of Renter
AMHERST WOODS	469	5.1%	40	0.8%	8.5%	4	10%
CAMPUS EDGE	652	7.0%	466	9.3%	71.5%	150	32%
CENTRAL AMHERST	2,121	22.9%	1,306	26.1%	61.6%	438	34%
CUSHMAN	666	7.2%	104	2.1%	15.6%	24	23%
DEEP SOUTH AMH	459	5.0%	116	2.3%	25.3%	5	4%
EAST AMHERST	860	9.3%	565	11.3%	65.7%	258	46%
ECHO HILL	650	7.0%	287	5.7%	44.2%	80	28%
MILL VALLEY	824	8.9%	633	12.7%	76.8%	207	33%
NORTH AMHERST	1,663	18.0%	1,315	26.3%	79.1%	754	57%
ORCHARD VALLEY	413	4.5%	101	2.0%	24.5%	24	24%
SOUTH AMHERST	482	5.2%	68	1.4%	14.1%	20	29%
Total	9,259	100.0%	5,001	100.0%	54.0%	1,964	39%

Source: US Census; Amherst Assessor & RKG Associates, Inc.

The neighborhood boundaries shown on the maps were determined by using the GIS Boundary file for neighborhoods provided by the Town, which in some areas, does not follow the Assessors neighborhood boundaries precisely. Where the boundary bisected parcels, RKG allocated them to the neighborhood where the majority of the parcel's land area falls. Census Blocks were used to estimate the boundaries of the neighborhoods for the demographics. Where there was overlap, RKG allocated

the blocks to the neighborhood that holds the most land area of that block, and used this data to analyze the demographics.

As seen in Table 5-3, North Amherst (38.4 percent) had the highest concentration of younger renters, and accounted for 57 percent of the renters in this neighborhood. Central Amherst (22.3 percent), East Amherst (13.1 percent), Mill Valley (10.5 percent) and Campus Edge had the next highest concentration of younger renters, which ranged from 32 percent (Campus Edge) to 46 percent (East Amherst) of the renter households in each neighborhood. The remainder of the younger renters were scattered over the other neighborhoods in the Town. Map 5-1 exhibits the neighborhoods and concentration of college-aged renter household, by census block, within the Town.

3. Off-Campus Housing Listings

RKG obtained a rental listing database with a limited number of fields maintained by UMass Off-Campus Housing Student Services (UMOCH). The data contained listings on nearly 5,840 apartments, houses, condominiums and rooms in Amherst dating back to 2006. The number of listings averaged about 700 per year with "house" listings accounting for nearly 20 percent of the total, while "apartment in a house/small building" listings and "studio apartments in a house/small building" listings accounted for another 33.7 percent, combined (Table 5-4). "Room/suite in a private home" listings represented 12.7 percent of the total listings, while "condo" listings accounted for less than 5 percent.

Rental listings average 702 listings per year, and five years were above this average (including 2011 and 2012) while three were below (including 2013, through April). Approximately 43 percent of the listings were submitted by a tenant, 11 percent by an agent, and the remaining 47 percent by an owner.

Table 5-4
Off-Campus Housing Listings by Type & Submitter
Town of Amherst

	2006	2007	2008	2009	2010	2011	2012	2013	Total	AVG [2]	%
LISTING TYPE											
Apartment in a Complex	205	180	118	115	186	246	337	216	1,603	193	27.5%
Studio Apartment in a Complex	3	5	2	4	2		3	2	21	3	0.4%
Apartment in a House/Small Building	222	282	233	205	256	245	311	123	1,877	226	32.2%
Studio Apartment in a House/Small Bldg	17	31	16	6	5	7	6	2	90	11	1.5%
Boarding/Rooming House et al [1]	5	4	4	3	6	10	3		35	4	0.6%
Condo	51	48	32	26	43	45	30	13	288	35	4.9%
House	197	239	151	124	123	123	162	38	1,157	139	19.8%
Room/Suite in a Private Home	87	91	84	103	88	119	138	29	739	89	12.7%
Sabbatical/House Sitting	7	9	3	2	4	1	1		27	3	0.5%
Total Listings	794	889	643	588	713	796	991	423	5,837	702	100.0%
SUBMITTING ENTITY											
a Tenant	348	272	205	183	358	398	485	231	2,480	298	42.5%
an Agent	44	111	59	75	84	59	115	77	624	75	10.7%
an Owner	402	506	379	330	271	339	391	115	2,733	329	46.8%
Total Listings	794	889	643	588	713	796	991	423	5,837	702	100.0%

[1] Includes Fraternity/Sorority Houses & Hittel
[2] Annual Average based on 8.31 years
Source: UMASS Off-Campus Housing & RKG Associates, Inc.

RKG was able to match the property address of 1,196 listings over the seven plus years to single family homes in the Amherst Assessor's database (2013), and arrayed these listings annually by the owners' residence status. These single family listings were fairly evenly divided between those that were estimated to be not owner-occupied dwellings versus those that were owner occupied (Table 5-5). In 2009, 2011 and 2012, the number of listings at owner-occupied homes was higher than not owner-occupied homes. As noted below, these listings included an array of different unit types; however the relatively high number of owner-occupied listings suggests that maybe a few owners were using their property addresses for tax bill mailing purposes only, while others may represent an inventory of unrecorded apartments that existed in single family homes. Some homes were also listed by an agent due to a sluggish home sale market over the last few years.

Table 5-5
Single Family Rental Liatings by Ownership and Year
Town of Amherst

	SF Rental Listings			Not Owner Occupied	
Year	Not Owner Occupied	Owner Occupied	Total	% of Total	% of Year
2006	80	70	150	6.7%	53.3%
2007	97	94	191	8.1%	50.8%
2008	78	75	153	6.5%	51.0%
2009	64	83	147	5.4%	43.5%
2010	75	72	147	6.3%	51.0%
2011	77	87	164	6.4%	47.0%
2012	87	96	183	7.3%	47.5%
2013	36	25	61	3.0%	59.0%
Total	594	602	1,196	49.7%	49.7%

Source: UMASS Off-Campus Housing; Amherst Assessor, & RKG Associates, Inc.

Map 5-2 illustrates the single family rental listings throughout the Town over the seven plus years that were identified in the UMOCH database, as well as additional not owner-occupied single family homes that could not be matched to the database. Table 5-6 summarizes the single family listing data by neighborhood and the property-owner status. Central Amherst and Cushman had the highest number of listings followed by East Amherst, Campus Edge, and South Amherst. Collectively, single family rental listings in these five neighborhoods accounted for nearly 70 percent of the listings, indicating the other 30 percent were scattered about the other six neighborhoods.

Table 5-6
Off-Campus SF Rental Listings by Neighborhood
Town of Amherst

	SF Rental Listings			Not Owner Occupied	
Neighborhoods	Not Owner Occupied	Owner Occupied	Total	% of Total	% of Neighhood
AMHERST WOODS	7	34	41	0.6%	17.1%
CAMPUS EDGE	69	54	123	5.8%	56.1%
CENTRAL AMHRST	99	120	219	8.3%	45.2%
CUSHMAN	100	117	217	8.4%	46.1%
DEEP SOUTH AMH	13	28	41	1.1%	31.7%
EAST AMHERST	110	59	169	9.2%	65.1%
ECHO HILL	41	53	94	3.4%	43.6%
MILL VALLEY	19	26	45	1.6%	42.2%
NORTH AMHERST	48	8	56	4.0%	85.7%
ORCHARD VALLEY	49	37	86	4.1%	57.0%
SOUTH AMHERST	39	66	105	3.3%	37.1%
Total	594	602	1,196	49.7%	49.7%

Source: UMASS Off-Campus Housing; Amherst Assessor, & RKG Associates, Inc.

4. Student Housing Costs

Table 5-7 exhibits housing cost to live on-campus at UMass by different types of units either in shared or single rooms. These costs are shown by semester, school-year and the effective monthly rent over an 8-month school year. Sharing a dorm room on-campus provided the most economical option for a student (parent) as the monthly cost over the school year ranged from $485 to $668 month. For a single room, the costs increased and ranged from $855 to $1,225 per month. On-campus housing costs include all utilities, such as heat, hot water, electricity, water, sewer and the like. However, if a student wanted to reside on-campus year-round, the options appeared limited to graduate students.

Table 5-7
On-Campus Housing Cost (2012)
Umass Amherst

	On-Campus Housing Cost per		
Room Type	Semester	School Year	Month (8)
Economy Triple	$1,939	$3,877	$485
Shared Room	$2,673	$5,346	$668
Single Room	$3,450	$6,899	$862
Break Single + Fee [1]	$3,850	$7,699	$855
Single North Apt	$4,901	$9,801	$1,225

[1] Per month cost based on 9 months includes fees for extra month ($400)
Source: UMASS & RKG Associates, Inc.

Table 5-8 exhibits the range in monthly rents for different types of apartment in Amherst based on annual survey prepared by the UMOCH. The percent changes in average rent since 2011 is also exhibited. For the most part, rents excluded utility charges, except for room-in-house listings. Therefore an additional cost ranging from perhaps $30 to $100 per month or more would need to be included depending on the size of the unit and/or house. Most units were rented on an annual basis as compared to an 8-month school year although the effective school year rent is shown for comparison purposes.

Studio and one-bedroom units had the highest costs. Monthly rents for studios ranged from $603 to $850, while the effective monthly rent for the school year ranged from $905 to $1,275 without utilities. Rents for room-in-house listings ranged from $595 to $724 depending on kitchen privileges, which would effectively be $893 to $1,086 per month over a school-year. One-bedroom rents ranged from $1,062 to $1,075, or effective rents from $1,593 to $1,612 excluding utilities. Rents for a bedroom in a two-bedroom unit ranged from $603 to $821, or effective rents ranged from $904 to $1,232.

Rents for a bedroom in a three-bedroom unit/home or larger were less than for two-bedroom unit/home or smaller and more equivalent to a single room charge on-campus, excluding the North Apartments, although utilities would be extra off-campus. Monthly rents for a bedroom at a three-bedroom unit ranged from $520 to $587 and effective monthly rents over the school year from $780 to $881. These effective rents were even less in most cases for a bedroom in a 4- or 5-bedroom unit/home.

The average monthly rent for nearly all unit types increased over the last year and in some cases quite significantly. There were exceptions where the average rate declined, and most notably, rents at a room in a house with kitchen privileges declined by 14 percent between 2011 and 2012. This may be indicative of a softening in this sector given the other rental options available for rent.

Table 5-8
Average Off-Campus Rental Costs
Town of Amherst

	Studio	1-BR	2-BR	3-BR	4-BR	5-BR
HOUSE						
Unit Mo. Rent			$1,643	$1,762	$2,148	$2,623
% Chg from 2011			4.1%	5.1%	29.4%	12.8%
Month/Bed			$821	$587	$537	$525
Year/Bed			$9,857	$7,046	$6,444	$6,295
SY/Bed (8) [1]			$1,232	$881	$806	$787
APARTMENT IN HOUSE						
Unit Mo. Rent	$850	$1,062	$1,206	$1,561	$1,975	
% Chg from 2011	29.1%	-5.9%	1.7%	2.7%	1.4%	
Month/Bed	$850	$1,062	$603	$520	$494	
Year/Bed	$10,200	$12,748	$7,234	$6,243	$5,925	
SY/Bed (8) [1]	$1,275	$1,593	$904	$780	$741	
APARTMENT IN COMPLEX						
Unit Mo. Rent	$603	$1,075	$1,208	$1,612	$2,208	
% Chg from 2011	0.7%	7.6%	5.4%	-1.6%	9.4%	
Mo/Bed	$603	$1,075	$604	$537	$552	
Year/Bed	$7,240	$12,898	$7,248	$6,447	$6,623	
SY/Bed (8) [1]	$905	$1,612	$906	$806	$828	
ROOM IN HOUSE	**Kit. Prv.**	**No Kitch.**				
Unit Mo. Rent	$724	$595				
% Change 2011	-14.3%	-1.1%				
Mo/Bed	$724	$595				
Year/Bed	$8,689	$7,140				
SY/Bed (8) [1]	$1,086	$893				

[1] Effective monthly rent per bedroom over 8-month school year (SY)
Source: UMass Off-Campus SS & RKG Associates, Inc.

C. LAND USE AND HOUSING SUPPLY IN AMHERST

Map 5-3 presents existing land uses in Amherst based on tax assessment records. Residential uses represent about 30 percent of the acreage in Amherst but generate over 75 percent of the total assessed valuation, while vacant residential land represents another 2.7 percent (Table 5-9). Commercial and industrial uses occupy 1.4 percent of Amherst's land but generate 6 percent of total assessment. Undeveloped commercial land accounts for 0.3 percent of the Town but represents 21 percent of the total commercial and industrial land supply. Institutional and government uses accounted for 29 percent of the Town. Since they are tax-exempt, technically the value of these uses has no impact on the Town's total assessed valuation. Another 36 percent of the Town's land is classified as farm, forest and recreational, together accounting for 0.3 percent of the Town's assessment.

Table 5-9
Land Use Characteristics
Town of Amherst

				% of Total		
Land Use	**Parcels**	**Acres**	**Assessment**	**Parcels**	**Acres**	**Assm't**
Residential	5,688	5,967.4	$1,810,880,600	77.5%	30.3%	75.4%
Residential Land	240	540.2	$28,134,700	3.3%	2.7%	1.2%
Commercial & Industrial	316	272.3	$146,541,700	4.3%	1.4%	6.1%
Commercial Land	38	57.1	$2,881,600	0.5%	0.3%	0.1%
Institutional, Government et al	472	5,694.5	$405,505,700	6.4%	28.9%	16.9%
Recreation; Farm; Forest et al	581	7,169.1	$7,830,900	7.9%	36.4%	0.3%
Total	7,335	19,701	$2,401,775,200	100%	100%	100%

Source: Amherst Assessor's File & RKG Associates, Inc.

Table 5-10
Residential Uses by Type
Town of Amherst

				% of Total		
Land Use	**Parcels**	**Acres**	**Assessment**	**Parcels**	**Acres**	**Assm't**
Single Family	4,096	3,917.6	$1,306,251,600	68.4%	59.6%	69.4%
Condominium	1,053	1,198.7	$179,281,500	17.6%	18.2%	9.5%
Small Multi-Family	476	510.1	$194,699,800	7.9%	7.8%	10.3%
Apartments	81	313.7	$133,595,900	1.4%	4.8%	7.1%
Fraternity, Sorority et al	25	55.1	$23,368,500	0.4%	0.8%	1.2%
Nursing/Assisted Care	2	18.6	$6,403,500	0.0%	0.3%	0.3%
Amherst Housing Auth.	16	14.7	$10,989,900	0.3%	0.2%	0.6%
Residential Land	240	540.2	$28,134,700	4.0%	8.2%	1.5%
Total	5,989	6,569	$1,882,725,400	100.0%	100.0%	100.0%

Source: Amherst Assessor's File & RKG Associates, Inc.

1. Residential Uses by Type

Table 5-10 presents a summary of tax base characteristics for the Town's residential housing supply. The locations of these properties are illustrated on Map 5-4. Approximately 60 percent of the acreage was for single family residences which generated almost 69 percent of the residential tax base. Condominiums were developed on another 18 percent of the residential land, but only generated 9.5 percent of the residential assessment. Undeveloped residential land represented another 8 percent of the residential acreage suggesting an adequate supply for near- and long-term development. Small multi-family properties (< 4 units) were developed on 8 percent of residential acreage and represented 10 percent of the residential assessment. Apartments utilized about 5 percent of the residential acreage and generated about 7 percent of the assessment. In short, Amherst has a diverse supply of residential properties across all types; however, single family homes contributed the most.

2. Housing Units by Type, Neighborhood and Owner's Residence Status

Table 5-11 exhibits the housing supply in Amherst by the different neighborhoods and housing types. In addition, the supply of properties that were classified as "not owner-occupied" is also exhibited for comparison purposes. Single family units (4,096) accounted for 43.7 percent of the housing supply, and the highest concentration of single family homes were in the Cushman and Central Amherst neighborhoods.

Table 5-11
Housing Supply by Type; Not Owners-Occupied
Town of Amherst

	Single-Family		Condomoniums		Small MF		Apartments		Total Units		
Neighborhood	Total Units	Not Own-Occ	Total Units	Not Own-Occ	Total Units	Not Own-Occ	Total Units	Not Own-Occ	Total Units	Not Own-Occ	% Not Own-Occ
AMHERST WOODS	390	19	56	13	6	5	6	6	458	43	9.4%
CAMPUS EDGE	166	54	5	5	106	94	34	34	311	187	60.1%
CENTRAL AMHERST	713	154	192	70	472	394	496	496	1,873	1,114	59.5%
CUSHMAN	829	93	16	2	96	73	4	4	945	172	18.2%
DEEP SOUTH AMH	281	34	100	20	26	15			407	69	17.0%
EAST AMHERST	300	67	186	63	181	150	489	489	1,156	769	66.5%
ECHO HILL	335	26	147	37	8	7	228	228	718	298	41.5%
MILL VALLEY	151	19	141	55	6	3	818	818	1,116	895	80.2%
NORTH AMHERST	133	45	172	110	104	90	1,027	1,027	1,436	1,272	88.6%
ORCHARD VALLEY	354	43	20	6	29	21	35	35	438	105	24.0%
SOUTH AMHERST	444	59	18	10	51	37			513	106	20.7%
Total	4,096	613	1,053	391	1,085	889	3,137	3,137	9,371	5,030	53.7%
% of Total	43.7%	12.2%	11.2%	7.8%	11.6%	17.7%	33.5%	62.4%	100%	100%	

Source: US Census; Amherst Assessor & RKG Associates, Inc.

Condominiums totaled 1,053 units and represented 11 percent of the housing supply, and the highest concentration was in the Central Amherst and East Amherst neighborhoods. Small multi-family properties contained 1,085 units or 11.6 percent of the supply, and the highest concentration was in the Central Amherst neighborhood. Apartment properties contained 3,137 units or just over one-third of the supply, with the highest concentration in the North Amherst neighborhood, followed by Mill Valley.

According to the assessor's file, approximately 5,030 units (53.7 percent) were categorized as "not owner-occupied", including 3,137 apartment units (62.4 percent); 889 units at small multi-family properties (17.7 percent); 613 single family homes (12.2 percent), and 391 condominiums (7.8 percent). Central Amherst had the highest concentration of not owner-occupied single family residences; while North Amherst had the highest concentration of not owner-occupied condominiums; Central Amherst had the highest number of not owner-occupied small multi-family properties. North Amherst (88.6

percent) had the highest percentage of not owner-occupied units, while Amherst Woods (9.4 percent) had the lowest. Mill Valley (80.2 percent), North Amherst (88.6 percent), East Amherst (66.5 percent), Campus Edge (60.1 percent) and Central Amherst (59.5 percent) all ranked higher than the Town (53.7 percent) in the percentage of not owner-occupied units. Map 5-5 exhibits the location of single family residences in Amherst by the owners' residence status as identified in the Town's assessment records.

3. Single family Assessment Differential

Table 5-12 exhibits the number of single family homes in the various neighborhoods in Amherst, the average assessed value of the single family homes, and the differences in the average assessed values between owners' residence status. The Cushman neighborhood had the higher concentration of single family homes and the average assessment was $316,400 or about 1 percent lower than indicated town-wide. Approximately 88 percent of the single family homes were owner-occupied, and had an average value of $321,400. Cushman contained approximately 15 percent of the supply of not owner-occupied homes whose average assessed value was $264,970, about 18 percent lower than indicated for owner-occupied homes in Cushman.

Table 5-12
Single Family Assessment & Comparison of Owner and Not Owner-Occupied
Town of Amherst

Neighborhood	SF Units [1]	% of Total	Average SF Assessment	Difference of Average Neighborhood /Town	Percent Owner-Occupied	Average Owner-Occupied Assessment	Percent Not Owner-Occupied	Average Not Owner-Occupied Assessment	Difference of Owner to Not Owner Occ. Assessment
AMHERST WOODS	390	9.5%	$428,613	34.2%	94.1%	$427,852	3.1%	$457,100	6.8%
CAMPUS EDGE	166	4.1%	$291,691	-8.7%	67.5%	$297,774	8.8%	$279,074	-6.3%
CENTRAL AMHRST	709	17.3%	$333,470	4.4%	78.0%	$340,586	25.2%	$305,332	-10.4%
CUSHMAN	825	20.2%	$316,375	-0.9%	88.2%	$321,391	15.1%	$264,974	-17.6%
DEEP SOUTH AMH	281	6.9%	$332,103	4.0%	87.9%	$337,232	5.5%	$294,841	-12.6%
EAST AMHERST	300	7.3%	$262,790	-17.7%	77.7%	$267,667	10.9%	$245,831	-8.2%
ECHO HILL	335	8.2%	$295,840	-7.4%	92.2%	$299,834	4.2%	$248,377	-17.2%
MILL VALLEY	151	3.7%	$279,893	-12.4%	87.4%	$282,804	3.1%	$259,668	-8.2%
NORTH AMHERST	133	3.3%	$308,429	-3.4%	64.7%	$328,014	7.3%	$264,547	-19.3%
ORCHARD VALLEY	353	8.6%	$244,847	-23.3%	87.8%	$247,645	7.0%	$224,679	-9.3%
SOUTH AMHERST	444	10.9%	$340,344	6.6%	86.7%	$340,740	9.6%	$337,763	-0.9%
Total	4,087	100%	$319,333	0.0%	84.7%	$324,811	614	$285,187	-12.2%

[1] Property Use Code 1010 only
Source: Amherst Assessor & RKG Associates, Inc.

Central Amherst had the highest concentration of not owner-occupied homes (25 percent) in Amherst, whose average assessed value was $305,330, 10 percent below the average owner-occupied home assessment there. Approximately 22 percent of the single family homes in Central Amherst were not owner occupied. North Amherst (19 percent) had the highest differential in assessed value between owner and not owner-occupied homes, followed by Cushman and Echo Hill (17 percent). Mill Valley and Amherst Woods (3 percent each) had the lowest concentration of not owner-occupied homes, but the latter had the highest average value ($457,100) while the former was among the lowest ($259,700).

Map 5-6 illustrates the average assessed value differential, in relation to the overall town-wide average value as of 2013, for single family homes in each neighborhood. Orchard Valley had the lowest average assessment ($244,850) and the average assessment of the not owner-occupied ($223,680) was also the lowest in that category. Orchard Valley had about 9 percent of the town-wide supply of single family homes and 7 percent of the not owner-occupied supply.

4. Reconciling the Housing Supply to Younger Renter Households

Table 5-13 compares the supply of housing in Amherst including the not owner-occupied supply in each neighborhood with the demand of the young (< age 25) renter households. As mentioned earlier, the block boundaries did not match exactly with the neighborhood boundaries so minor differences did occur. North Amherst (754) had the highest number of younger renters, as well as the highest number of not owner-occupied units (1,227) in multi-unit properties, but a relatively small percentage of the not owner-occupied (4 percent) single family homes. Central Amherst (438) had the next highest number of younger renters, and a relatively high number of not owner-occupied units in multi-unit structure (960) plus another 154 not owner-occupied single family homes that accounted for 14 percent of the not owner-occupied supply in this neighborhood.

Table 5-13
Housing Supply and Younger Renter Households
Town of Amherst

	Total Units		Single-Family		Multi-Unit			Households by Tenure and Age				
Neighborhood	Total Units	Not Own-Occ	Total Units	Not Own-Occ	Total Units	Not Own-Occ	S-F Not O as % of Not O	Total H'holds	Renter H'holds	Renter Tenure	Renters < 25 yrs	< 25 as % of Renter
AMHERST WOODS	458	43	390	19	68	24	44%	469	40	8.5%	4	10%
CAMPUS EDGE	311	187	166	54	145	133	29%	652	466	71.5%	150	32%
CENTRAL AMHERST	1,873	1,114	713	154	1,160	960	14%	2,121	1,306	61.6%	438	34%
CUSHMAN	945	172	829	93	116	79	54%	666	104	15.6%	24	23%
DEEP SOUTH AMH	407	69	281	34	126	35	49%	459	116	25.3%	5	4%
EAST AMHERST	1,156	769	300	67	856	702	9%	860	565	65.7%	258	46%
ECHO HILL	718	298	335	26	383	272	9%	650	287	44.2%	80	28%
MILL VALLEY	1,116	895	151	19	965	876	2%	824	633	76.8%	207	33%
NORTH AMHERST	1,436	1,272	133	45	1,303	1,227	4%	1,663	1,315	79.1%	754	57%
ORCHARD VALLEY	438	105	354	43	84	62	41%	413	101	24.5%	24	24%
SOUTH AMHERST	513	106	444	59	69	47	56%	482	68	14.1%	20	29%
Total	9,371	5,030	4,096	613	5,275	4,417	12%	9,259	5,001	54.0%	1,964	39%

Source: US Census; Amherst Assessor & RKG Associates, Inc.

East Amherst (258) had the next highest amount of young renter households, and they represented 46 percent of the renters in this neighborhood. It also had a relatively high amount of not owner-occupied units (702) in multi-unit buildings, plus another 67 single family homes that represented 9 percent of the not owner-occupied supply. Mill Valley (207) ranked next in the number of young renter households, which accounted for 33 percent of the renter households in this neighborhood. However, Mill Valley had a relatively small percent (2 percent) of not owner-occupied single family homes as compared to multi-units properties (876). In short, the younger renter households (1,964) accounted for 39 percent of the renter households in Amherst, but the number of not owner-occupied units at multi-unit properties (4,417) was likely a much greater draw than not owner-occupied single family homes, which accounted for only 12 percent of the town-wide supply of not owner-occupied units. Four of the eleven neighborhoods had more than 80 percent of the not owner-occupied supply, combined; namely, North Amherst, Central Amherst, Mill Valley and East Amherst. However, the single family not owner-occupied supply in this four neighborhood accounted for only 46 percent of that supply combined, indicating the rest of that was spread to other neighborhoods in Amherst.

D. SALES OF OWNER AND NON-OWNER OCCUPIED SINGLE FAMILY HOMES

This final section quantifies the number of single family homes that had sold over the last thirteen years based on the Amherst's Assessor coding of the owner residence status (owner-occupied or non-occupied). The number of sales is analyzed as well as the average assessed value per year for comparison purposes. However, it is not clear if these properties had the same owners' residence status prior to the last sale, or if the owners' residence status changed after the sale, since the residence status is only known for FY-2013, and prior data was not available. It is also not clear how many of these were used as rental units as

Table 5-14
Sales of Owner & Not Owner-Occupied Singel Family Homes
Town of Amherst

Last Sale Year	Not Owner-Occupied Sales	Average Assessment	Owner-Occupied Sales	Average Assessment	Total Units Sold	Average Assessment	% Not Owner-Occupied of Total Sales
<2000	191	$273,952	1,632	$315,583	1,824	$311,467	10.5%
2000	7	$309,229	98	$341,616	105	$339,457	6.7%
2001	17	$288,312	136	$338,202	153	$332,659	11.1%
2002	23	$273,543	127	$340,522	150	$330,252	15.3%
2003	33	$283,897	127	$337,476	160	$326,426	20.6%
2004	20	$256,180	136	$328,702	156	$319,404	12.8%
2005	42	$284,783	146	$335,716	188	$324,337	22.3%
2006	28	$280,636	165	$338,792	194	$338,493	14.4%
2007	32	$303,097	145	$325,046	179	$322,951	17.9%
2008	30	$290,800	128	$329,984	158	$322,544	19.0%
2009	48	$289,946	152	$329,089	200	$319,695	24.0%
2010	25	$335,540	158	$325,004	184	$327,076	13.6%
2011	42	$279,924	147	$326,614	190	$317,019	22.1%
2012	75	$297,781	165	$335,708	245	$321,164	30.6%
Subtotal	422	$290,255	1,830	$332,975	2,262	$325,635	18.7%
Annual Average	32		141		174		
Total	613	$285,175	3,462	$324,777	4,086	$319,310	15.0%

Source: Amherst's Assessor & RKG Associates, Inc.

compared to seasonal occupancy; or if they were rental units, if they were specifically targeted for college students.

Table 5-14 identifies the supply of single family homes by the owners' residence status and the last sale date of a property. In FY-2013, there were 613 single family homes that were determined to be not owner-occupied, which represents 15 percent of the all single family homes. Also, 191 (31 percent) of the not owner-occupied single family homes were transferred to their current owner prior to 2000, and the remaining 422 (69 percent) were transferred after 2000. The average assessed value ($273,950) of those not owner-occupied homes transferred prior to 2000 was about 13 percent below the owner-occupied homes ($315,580). The not owner-occupied homes that sold since 2000 also had an average assessment about 13 percent lower than owner-occupied homes.

The number of transfers in the last two years (2011 and 2012) for both ownership types was greater than the average over the last decade or so, and activity in 2012 was the highest over the 13-year period for not-owner occupied and total sales. However, the data reflects both valid (arms' length) and invalid (non-arms' length) sales. It is likely that an increase in not owner-occupied single family homes could have resulted over the last few years; however, the net increase cannot be determined based on the available data. If it did occur, it was likely relatively small amount in comparison to the overall supply of single family homes (4,096) in Amherst.

1. Valid Single family Sales by Owners' Residence Status (2008 – 2012)

Table 5-15 exhibits the activity of valid sales of not owner-occupied single family homes (as classified in FY-2013) over the last five years by the different neighborhoods and its share of total activity. As shown, 2012 had the highest number of not owner-occupied single family valid sales (44) which represented 33 percent of total single family sales (valid). This activity in 2012 was more than twice the average indicated over the last five-years, and almost 3 times the activity in the prior year. The sales occurred throughout each neighborhood with the largest number in 2012 (and the average) occurring

in the Center Amherst and Cushman neighborhoods, where the concentration of single family homes were the highest.

2. Average Sale Price Comparison by Neighborhood

Table 5-16 exhibits the average sale price of not owner-occupied homes and all sales (valid) by the various neighborhoods over the last five years, as well as the difference between the sale price and the assessed value. The average sale price of the not owner-occupied homes ranged from $256,025 (2011) to $363,900 (2008) as compared to the average price of all sales which ranged from $338,250 (2009) to $394,640 (2008), indicating that the sale prices of the not owner-occupied homes were below that of all sales. This finding suggests that owner-occupied homes were trading at higher values, while investors (not owner-occupied) were buying the lower priced homes in most cases. As discussed above, the not owner-occupied sales (as coded in FY-2013) represented about 19 percent of total single family activity over the last five-years, but 33 percent in 2012.

Table 5-15
Not Owner-Occupied Single Family Sales by Neighborhood
Town of Amherst

	Not Owner-Occupied S-F Sales						Not Owner-Occupied as % of Total S-F Sales					
Neighborhood	**2008**	**2009**	**2010**	**2011**	**2012**	**AVG**	**2008**	**2009**	**2010**	**2011**	**2012**	**AVG**
AMHERST WOODS	1				3	1	7%				25%	7.8%
CAMPUS EDGE	2	2	2	4	4	3	29%	67%	50%	67%	57%	51.9%
CENTRAL AMHRST	2	5	2	4	11	5	14%	25%	14%	22%	39%	25.5%
CUSHMAN		3	1	3	9	3		16%	4%	14%	31%	13.6%
DEEP SOUTH AMH			1	1		0			17%	25%		6.7%
EAST AMHERST	2	3	1		4	2	40%	33%	25%		36%	28.6%
ECHO HILL	1	2	2		2	1	13%	17%	18%		14%	13.2%
MILL VALLEY	2				1	1	40%				100%	15.8%
NORTH AMHERST					2	0					50%	11.8%
ORCHARD VALLEY	2	1		3	3	2	33%	9%		38%	25%	20.9%
SOUTH AMHERST	4			1	5	2	50%			8%	50%	24.4%
Total	16	16	9	16	44	20	16%	16%	9%	16%	33%	19.1%

Source: Amherst's Assessor & RKG Associates, Inc.

The range in average sale value of the not owner-occupied home was quite diverse between the neighborhoods. The lowest average value ($109,000) was indicated in Deep South Amherst in 2011, while the highest average value ($563,625) occurred in South Amherst in 2008. The latter was about 3 percent higher than its assessed value, while the former was nearly 12 percent lower. The difference in sale price to assessed value was not that significantly different overall but in nearly all cases the average sale price of total sales had a higher differential than not owner-occupied sales. In a few instances, the average sale price of a not owner occupied home was below the assessed value, but the sample of sales was also relatively small. For instance, Deep South Amherst (2010 and 2011) had not owner-occupied average sale price 11 percent to 12 percent below assessed value, but in each case it was reflective of one sale. Similarly, South Amherst had an average sale price of not owner-occupied home 12 percent below the assessed value, but again it was a sample of one sale.

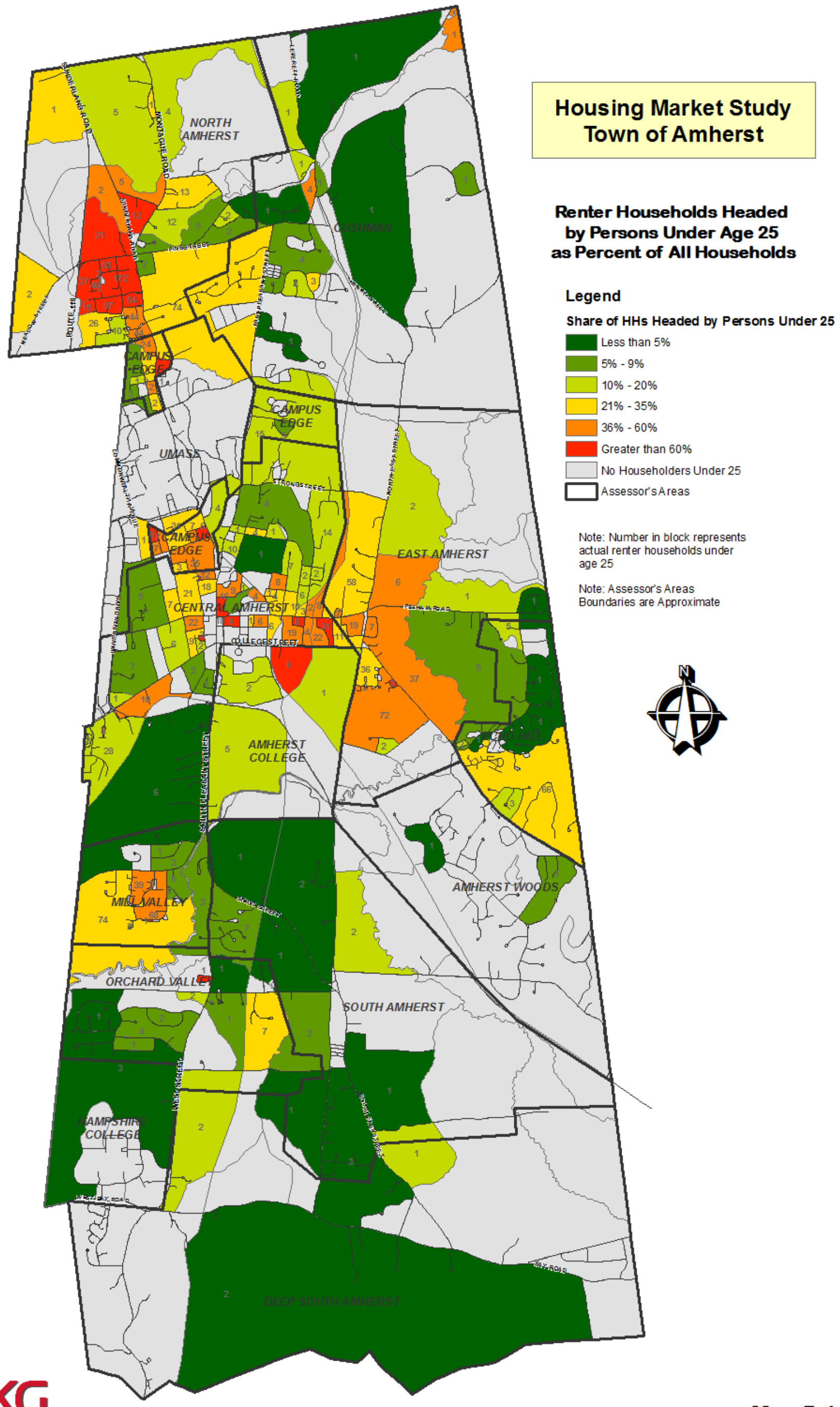
These findings indicate that the not owner-occupied buyer represented almost 19 percent of single family sales activity in Amherst, and these buyers were not paying premiums in most cases but rather buying the lower value homes, while owner-occupied buyers were paying premiums for properties and passing over the lower priced ones. The differences in sale prices to assessments between not owner-occupied and owner-occupied support this finding, that owner-occupied buyers purchased at

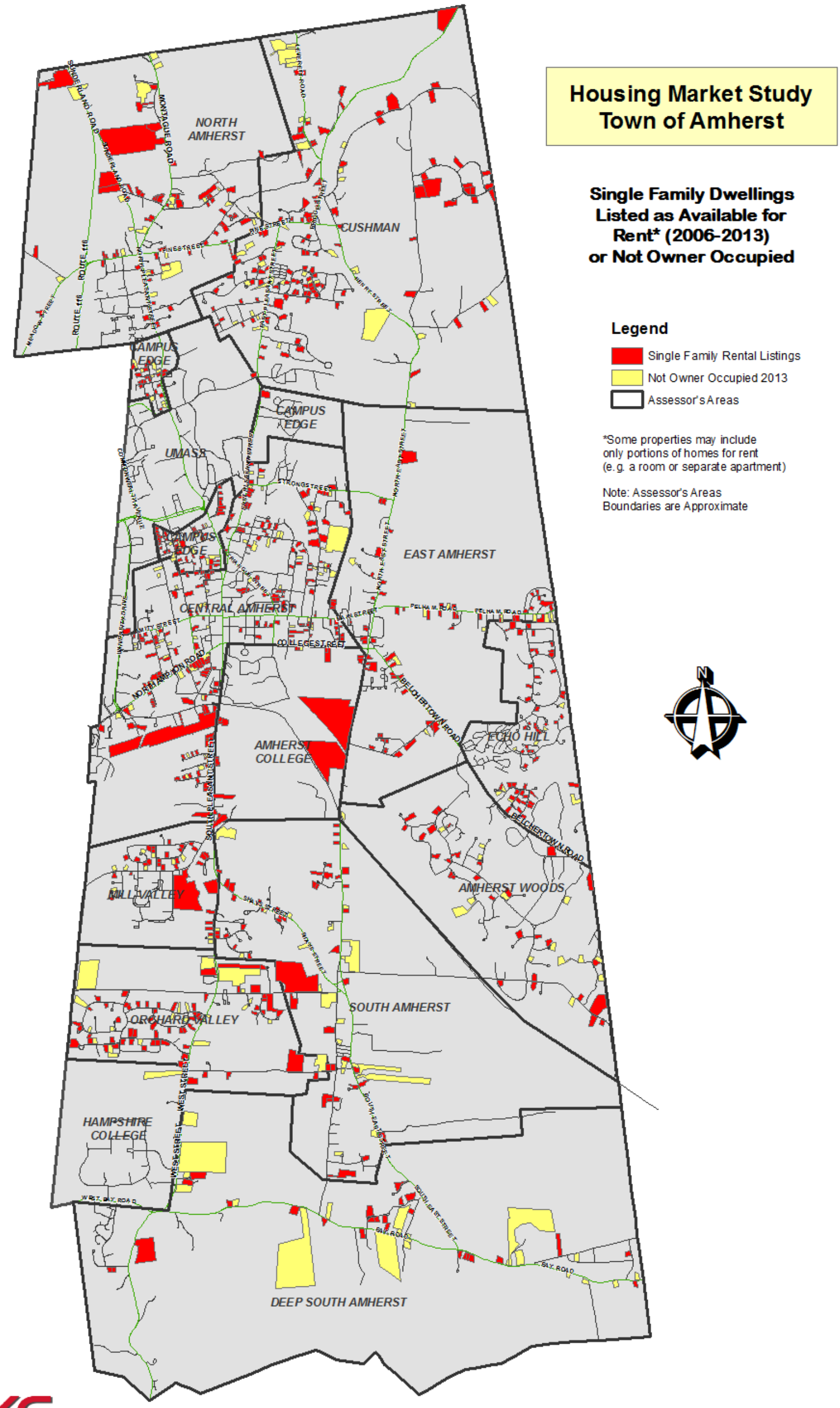
slightly higher values than assessments, while not owner-occupied buyers were purchasing the lower valued ones and slightly closer (but still higher) than their assessment.

Table 5-16
Average Single Family Sale Price Comparison
Town of Amherst

	Average Price of Not-Owner Occupied SF Sales					Difference in Sale Price to Assessment (FY-13)				
Neighborhood	**2008**	**2009**	**2010**	**2011**	**2012**	**2008**	**2009**	**2010**	**2011**	**2012**
AMHERST WOODS	$230,000				$559,633	11.9%				10.1%
CAMPUS EDGE	$262,000	$252,000	$368,750	$303,300	$315,725	3.9%	1.7%	10.1%	5.1%	2.9%
CENTRAL AMHRST	$413,500	$284,574	$467,500	$295,725	$345,318	12.9%	4.9%	9.5%	-1.3%	7.3%
CUSHMAN		$253,917	$270,000	$251,500	$287,500		4.4%	10.1%	-5.2%	3.5%
DEEP SOUTH AMH			$162,600	$109,000				-11.3%	-11.8%	
EAST AMHERST	$292,000	$274,833	$242,000		$278,175	23.4%	15.3%	0.1%		5.2%
ECHO HILL	$215,000	$281,250	$267,850		$231,000	-2.3%	7.8%	3.8%		-17.8%
MILL VALLEY	$319,000				$237,000	7.9%				8.3%
NORTH AMHERST					$283,000					3.7%
ORCHARD VALLEY	$273,250	$257,000		$225,667	$209,333	13.6%	22.0%		7.0%	-6.1%
SOUTH AMHERST	$563,625			$159,800	$391,100	3.2%			-12.2%	12.9%
Total	$363,688	$270,789	$320,311	$256,025	$324,750	7.9%	7.5%	6.4%	0.2%	5.2%
	Average Price of All SF Sales					**Difference in Sale Price to Assessment (FY-13)**				
Neighborhood	**2008**	**2009**	**2010**	**2011**	**2012**	**2008**	**2009**	**2010**	**2011**	**2012**
AMHERST WOODS	$482,238	$453,943	$433,473	$478,286	$535,301	8.8%	8.8%	10.2%	6.6%	9.6%
CAMPUS EDGE	$334,320	$292,500	$362,400	$352,200	$337,629	8.6%	9.2%	8.2%	4.6%	7.1%
CENTRAL AMHRST	$347,801	$381,396	$390,714	$334,512	$406,232	12.6%	11.4%	6.9%	9.6%	8.0%
CUSHMAN	$380,584	$333,250	$335,371	$384,552	$340,759	9.8%	7.3%	7.8%	10.7%	5.7%
DEEP SOUTH AMH	$418,070	$346,016	$322,933	$388,750	$257,667	3.9%	0.5%	8.0%	7.0%	1.6%
EAST AMHERST	$382,740	$301,056	$288,875	$299,750	$314,918	21.5%	13.8%	-1.3%	6.7%	10.6%
ECHO HILL	$449,329	$309,379	$296,505	$355,175	$288,107	15.0%	11.3%	1.6%	5.3%	0.3%
MILL VALLEY	$331,500	$318,620	$287,300	$342,933	$237,000	13.8%	11.4%	7.4%	8.8%	8.3%
NORTH AMHERST	$433,000	$379,513	$687,750	$403,300	$410,750	23.2%	8.4%	1.6%	7.1%	11.9%
ORCHARD VALLEY	$327,500	$241,273	$241,483	$276,738	$253,929	19.7%	9.4%	5.4%	7.6%	2.9%
SOUTH AMHERST	$346,550	$381,000	$341,333	$384,408	$353,150	7.4%	9.7%	8.0%	11.9%	6.7%
Total	$394,636	$338,253	$344,313	$363,136	$354,819	11.6%	9.1%	6.8%	8.7%	6.6%

Source: Amherst's Assessor & RKG Associates, Inc.

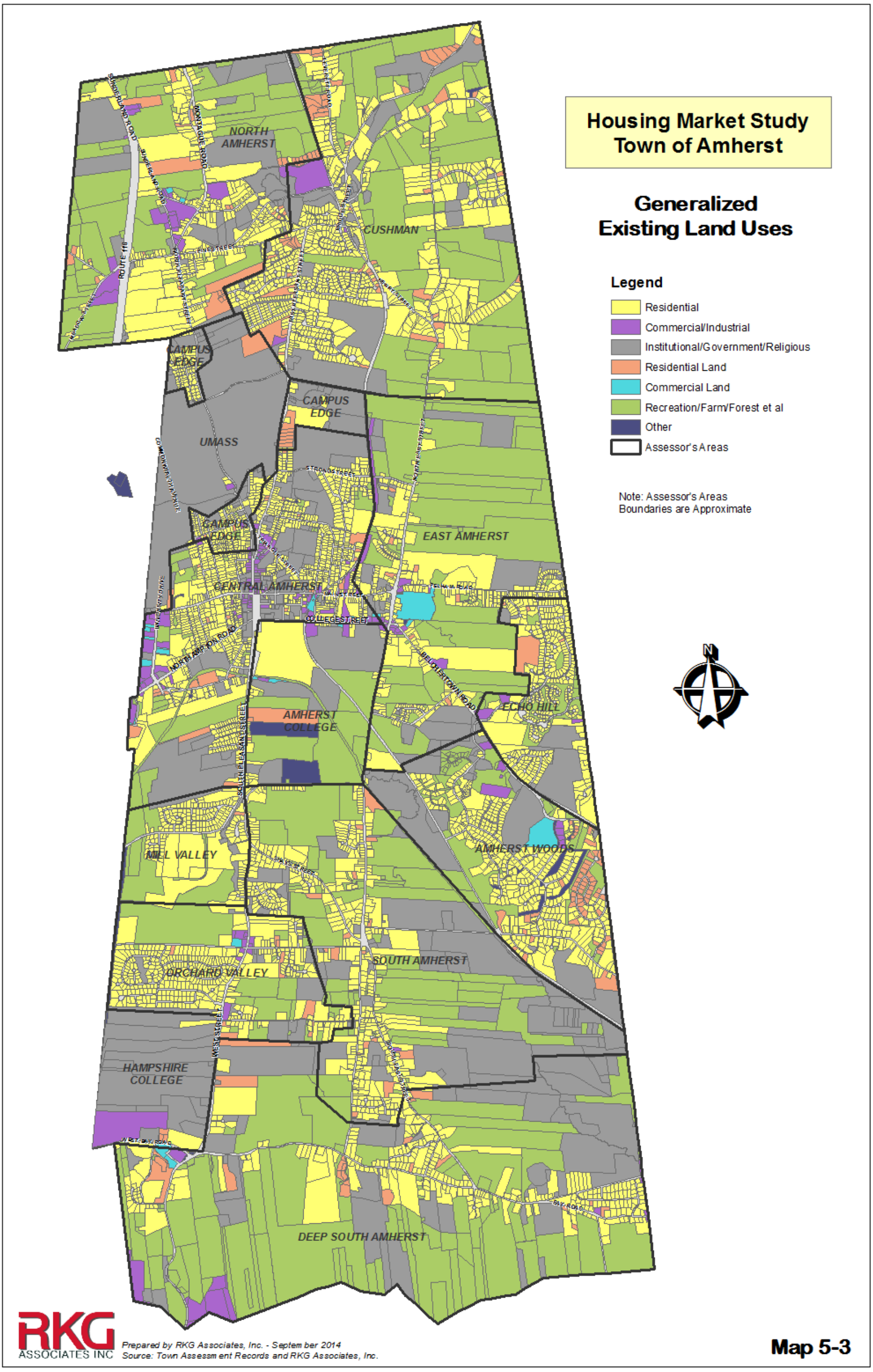

Housing Market Study
Town of Amherst
Renter Households Headed by Persons Under Age 25 as Percent of All Households
Legend
Share of HHs Headed by Persons Under 25
Less than 5%
5% - 9%
10% - 20%
21% - 35%
36% - 60%
Greater than 60%
No Householders Under 25
Assessor's Areas
Note: Number in block represents actual renter households under age 25
Note: Assessor's Areas Boundaries are Approximate
N
NORTH AMHERST
CAMPUS EDGE
UMASS
EAST AMHERST
CENTRAL AMHERST
AMHERST COLLEGE
AMHERST WOODS
MILL VALLEY
ORCHARD VALLE
SOUTH AMHERST
HAMPSHIRE COLLEGE
DEEP SOUTH AMHERST
RKG ASSOCIATES INC
Prepared by RKG Associates, Inc. - Septem ber 2014
Source: 2010 US Census and RKG Associates, Inc.
Map 5-1

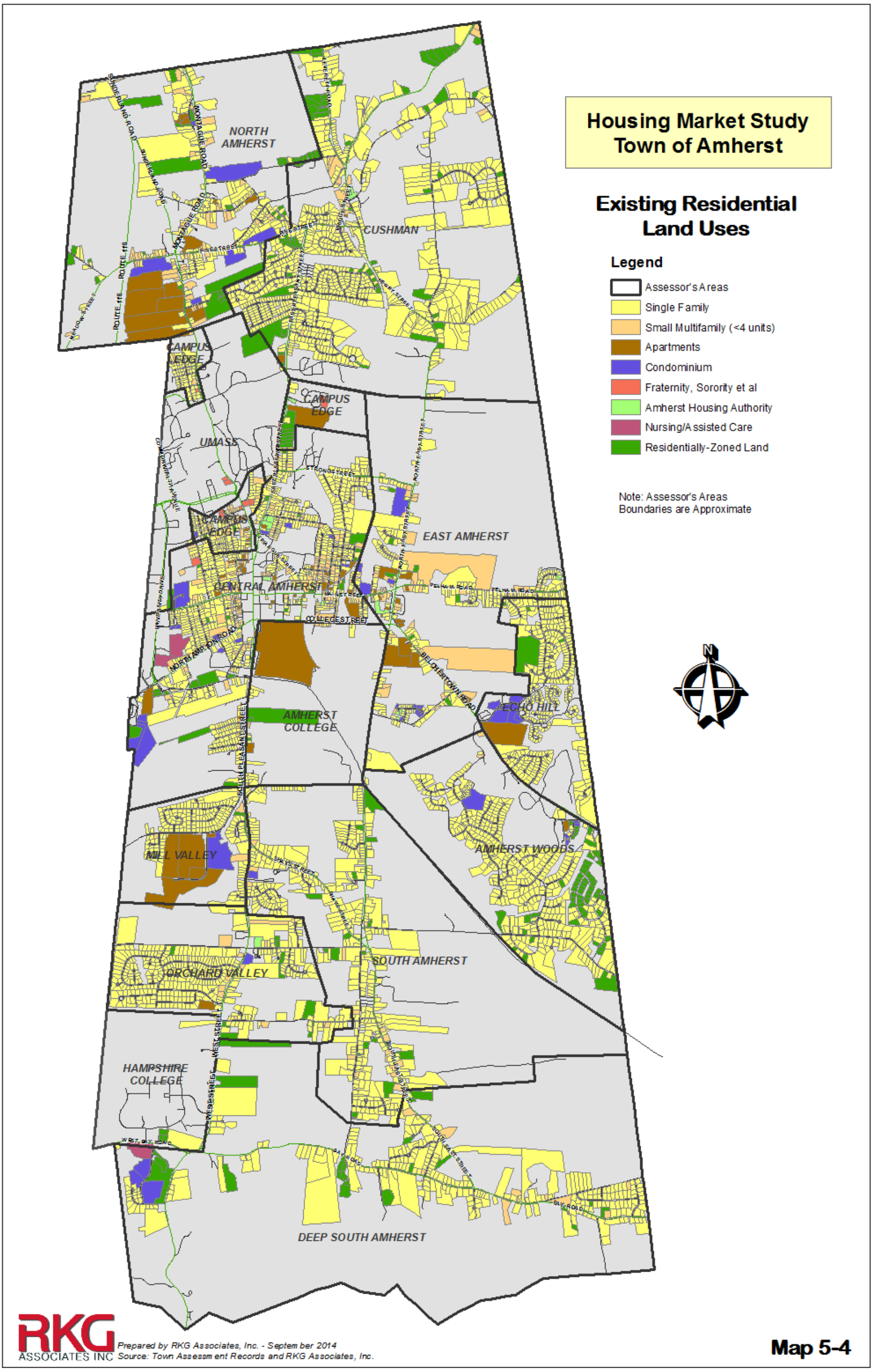


RKG ASSOCIATES INC

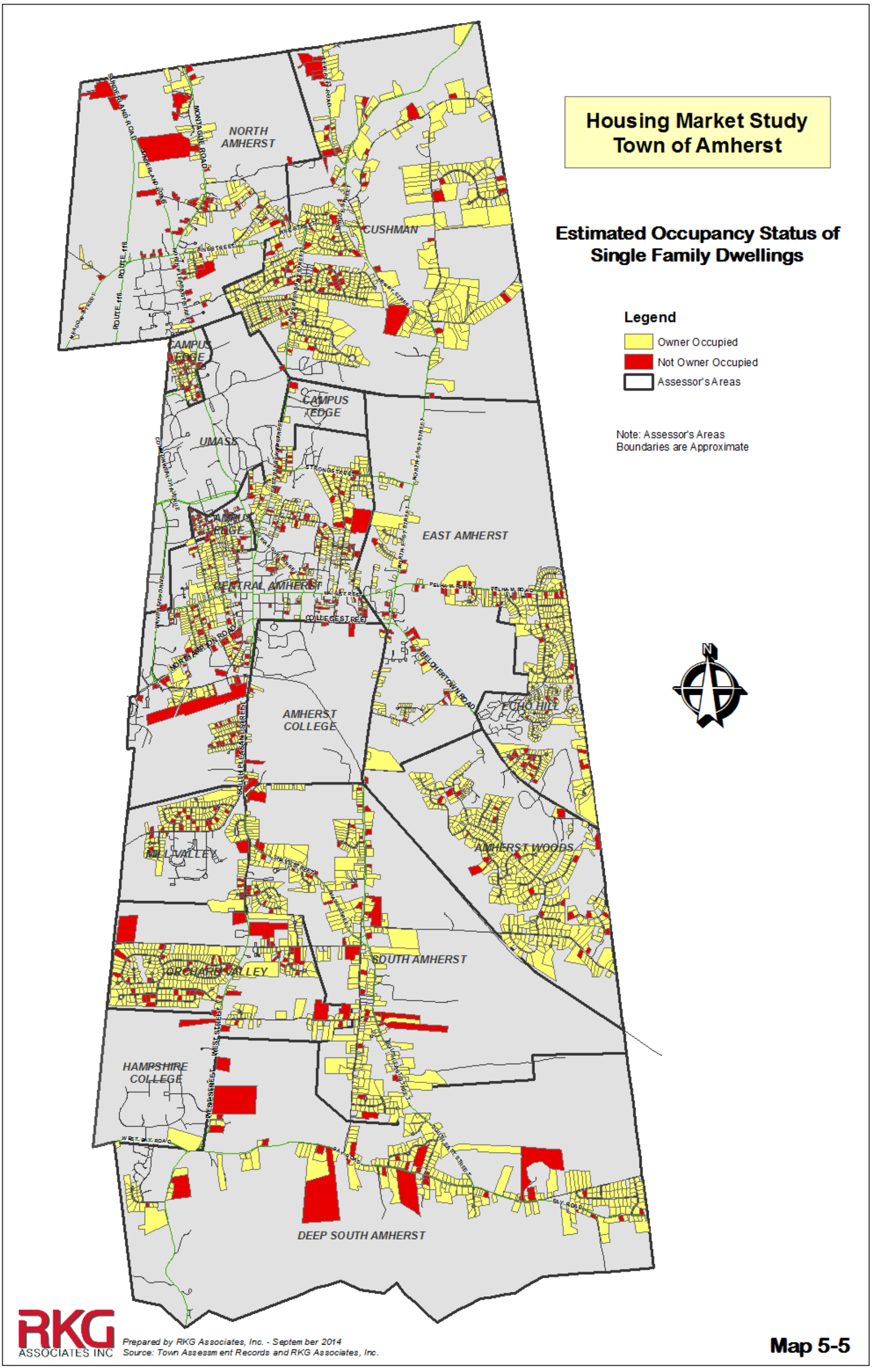
Prepared by RKG Associates, Inc. - September 2014
Source: UMASS Off Campus Housing Database, Town Assessment Records and RKG Associates, Inc.

Map 5-2

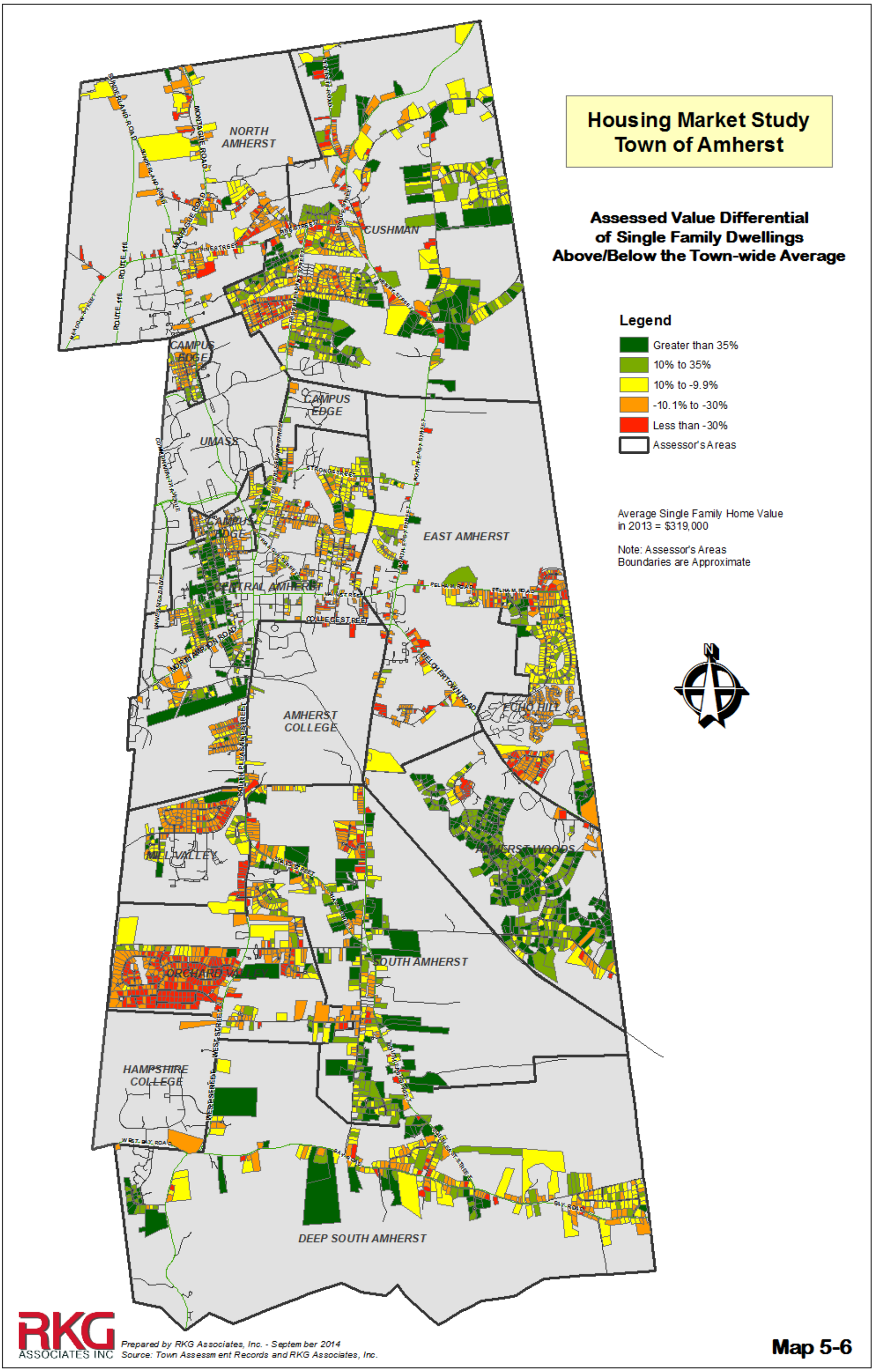

Housing Market Study
Town of Amherst
Generalized
Existing Land Uses
Legend
Residential
Commercial/Industrial
Institutional/Government/Religious
Residential Land
Commercial Land
Recreation/Farm/Forest et al
Other
Assessor's Areas
Note: Assessor's Areas
Boundaries are Approximate
NORTH AMHERST
CUSHMAN
CAMPUS EDGE
UMASS
CAMPUS EDGE
CAMPUS EDGE
EAST AMHERST
CENTRAL AMHERST
COLLEGE STREET
AMHERST COLLEGE
ECHO HILL
MILL VALLEY
AMHERST WOODS
SOUTH AMHERST
ORCHARD VALLEY
HAMPSHIRE COLLEGE
DEEP SOUTH AMHERST
RKG ASSOCIATES INC
Prepared by RKG Associates, Inc. - September 2014
Source: Town Assessment Records and RKG Associates, Inc.
Map 5-3


Housing Market Study
Town of Amherst
Existing Residential Land Uses
Legend
Assessor's Areas
Single Family
Small Multifamily (<4 units)
Apartments
Condominium
Fraternity, Sorority et al
Amherst Housing Authority
Nursing/Assisted Care
Residentially-Zoned Land
Note: Assessor's Areas Boundaries are Approximate
N
NORTH AMHERST
CUSHMAN
CAMPUS EDGE
UMASS
CENTRAL AMHERST
EAST AMHERST
ECHO HILL
AMHERST COLLEGE
MILL VALLEY
AMHERST WOODS
SOUTH AMHERST
ORCHARD VALLEY
HAMPSHIRE COLLEGE
DEEP SOUTH AMHERST
RKG ASSOCIATES INC
Prepared by RKG Associates, Inc. - September 2014
Source: Town Assessment Records and RKG Associates, Inc.

Map 5-4


Housing Market Study
Town of Amherst
Estimated Occupancy Status of Single Family Dwellings
Legend
Owner Occupied
Not Owner Occupied
Assessor's Areas
Note: Assessor's Areas Boundaries are Approximate
NORTH AMHERST
CUSHMAN
CAMPUS EDGE
UMASS
EAST AMHERST
CENTRAL AMHERST
AMHERST COLLEGE
ECHO HILL
MILL VALLEY
AMHERST WOODS
SOUTH AMHERST
ORCHARD VALLEY
HAMPSHIRE COLLEGE
DEEP SOUTH AMHERST
RKG ASSOCIATES INC
Prepared by RKG Associates, Inc. - September 2014
Source: Town Assessment Records and RKG Associates, Inc.

Map 5-5


Housing Market Study
Town of Amherst
Assessed Value Differential
of Single Family Dwellings
Above/Below the Town-wide Average
Legend
Greater than 35%
10% to 35%
10% to -9.9%
-10.1% to -30%
Less than -30%
Assessor's Areas
Average Single Family Home Value
in 2013 = $319,000
Note: Assessor's Areas
Boundaries are Approximate
N
NORTH AMHERST
CUSHMAN
CAMPUS EDGE
CAMPUS EDGE
UMASS
CAMPUS EDGE
EAST AMHERST
CENTRAL AMHERST
AMHERST COLLEGE
ECHO HILL
MILL VALLEY
AMHERST WOODS
SOUTH AMHERST
ORCHARD VALLEY
HAMPSHIRE COLLEGE
DEEP SOUTH AMHERST
RKG ASSOCIATES INC
Prepared by RKG Associates, Inc. - September 2014
Source: Town Assessment Records and RKG Associates, Inc.
Map 5-6

6. RECOMMENDATIONS

A. INTRODUCTION

The following recommendations address existing and projected housing market needs based on RKG's findings through market and regulatory research. These recommendations focused both on addressing the supply and demand opportunities and challenges of the off-campus student housing market as well as methods to accommodate both student and non-student household demand in Amherst. The recommendations include market-based recommendations and regulatory-based recommendations. The market recommendations include approaches and techniques the Town can use to enhance access for those groups with unmet demand. The regulatory section focuses on changes that could be made to existing policies to increase potential success.

It is important to note that RKG's charge was to identify actions that provide the Town with the most effective and efficient strategies regardless of their potential popularity with various groups in the Town. The recommendations are not listed in any particular order and they do not carry any prioritized weighting. The Select Board, Town staff, implementation stakeholders, and the Town's citizenry should consider these recommendations in context of the community's stated goals and values. Of course, the consequences of inaction must be considered, too. The demand from student households will not subside in the near future and most likely will intensify without community action. The result will be continued increases in rent rates (further prohibiting non-student renters to gain access to the Town) and continued encroachment into traditional ownership neighborhoods (as economic forces increase the profitability of conversion). Ultimately, the recommendations outlined in this chapter are intended to give the Town a suite of options. Which options to pursue and how best to pursue them should be done through a collaborative process within the Town.

B. ZONING BYLAW ASSESSMENT

The Amherst Zoning Bylaw (ZBL) establishes twenty-four districts, including sixteen use districts and eight overlay districts. Amherst allows residential uses by right or by special permit in most districts, yet many of the housing types provided for may be difficult to create due to dimensional and other requirements. The dimensional controls in particular effectively reduce the land supply, so even where multi-unit uses are allowed under existing zoning, it may not be economical to create them.

Amherst's residential use regulations are fairly complicated. The layers of uses and their nuances may be due to the presence of UMass and two colleges and the demands created by so many students seeking off-campus housing. Amherst provides for (and defines) the following residential use types:

Use	District Notes
One-family detached dwelling	R-O, R-LD, R-N, R-VC, R-G (Y)
Two-family detached dwelling (duplex)	
Owner occupied	R-O, R-LD, (SP); R-VC, R-G, B-N (Y/SPR)
Non-owner occupied	R-O, R-LD, R-VC, R-G, B-N (SP)
Townhouse	R-VC, R-G, B-L, B-VC, B-N (SP); B-G (Y/SPR); close a heavily traveled street, a

Use	District Notes
	business or educational district, or existing multi-family uses
Apartments	R-VC, R-G, B-L, B-VC, B-N (SP); B-G (Y/SPR); close a heavily traveled street, a business or educational district, or existing multi-family uses
Subdividable/converted dwellings	
Subdividable dwelling	R-O, R-LD, R-VC, R-G, B-G, B-L, B-VC, B-N (SP)
Converted dwelling	R-O, R-LD, R-VC, R-G, B-L, B-VC, B-N (SP); B-G (Y/SPR)
Dwelling units in commercial buildings	R-VC (SP); B-G, B-L, B-VC, B-N, COM (Y/SPR)
Fraternity or sorority	R-F (SPR)
Overnight lodging1	
Hotel	B-G, B-L, B-VC, B-N, COM (SP)
Inn	B-G, B-N (Y/SPR); B-L, B-VC, COM (SP)
Hostel	R-O, R-LD, R-N, R-VC, R-G, R-F, B-L, B-VC (SP); B-G, B-N, COM (Y/SPR)
Congregate housing (elderly)	R-VC, R-G, B-VC, B-N, COM (SP)
Lodging or boarding house	R-VC, B-L, B-VC, B-N, COM (SP); B-G (Y/SPR)
Accessory residential	
Lodgers/boarders/bed & breakfast, maximum 3	Accessory to a dwelling in any district (Y)
Lodgers/boarders/bed & breakfast, 4-6	Accessory to a dwelling in any district (SP)
Bed & breakfast, maximum 7 or 10 (depending on district)	R-VC (7/SP); B-G, B-L, B-VC, B-N (10/SP)
Supplemental Apartment I	R-O, R-LD, R-N, R-VC, R-G (Y if it meets certain criteria)
Supplemental Apartment II	R-O, R-LD, R-N, R-G, R-VC (SP if it meets certain criteria)
Supplemental Detached Dwelling Unit	R-O, R-LD, R-N, R-G, R-VC (SP if it meets certain criteria)

RKG finds that there are three market segments where demand will substantially exceed supply: students, non-student renters, and non-student homeowners, with the latter two categories consisting of households at a variety of income levels. The recommendations in this section are aimed at providing housing alternatives for these markets, especially modest-income non-student renters who constitute the most vulnerable market.

Renters – students, families, elders, singles, etc. – constitute the largest current and potential housing market in Amherst. In order to accommodate modest-income renter households in particular, density

[1] Overnight lodging uses should be relocated in Section 3.3 to Section 3.35, Retail Business and Consumer Service Uses. They are not residential uses and should not be classified as such.

regulations should be changed from a cap on the number of units to an approach based upon square feet of floor area to allow for a greater mix of unit sizes, especially in zoning districts immediately adjacent to the University and college campuses. Renters may be looking for smaller units as a way to reduce rental costs. In order to meet the demand for higher-end housing, again in smaller-sized units, cottage-style housing can be a good alternative to the typical detached single-family home or condominium. This can be an attractive alternative to meet the needs of over-55 households as well as young professionals, with or without children. Similarly, accessory apartments could also address some over-55 housing needs.

After reviewing the Amherst Master Plan, the Amherst HPP, and the Amherst Zoning Bylaw, RKG makes several recommendations for potential zoning changes that could help to address the Town's housing objectives. Given the complex and inter-related sources of Amherst's housing challenges, it should be understood that a sustained, comprehensive approach utilizing multiple, mutually-supportive approaches over a period of years will be needed, and that no that single regulatory change will resolve the housing issues facing the community.

C. MARKET-BASED RECOMMENDATIONS

1. Unlock Multi-Family and Higher-Density Housing Development

Unlocking Amherst's apartment regulations is the most efficient way to increase the land supply by increasing allowable densities. However, moderate- or larger-scale multifamily housing may be difficult for Amherst to consider if the public perceives the result as more beneficial to college students than year-round residents who need affordable housing. The Town's existing requirements limit apartments to areas that appear to be substantially built, such as the business and village districts. These locations make good planning sense for higher-density housing, but they offer few opportunities to create a significant number of housing units unless regulations are adjusted.

RKG's analysis indicates that Amherst will have an annual rental housing demand of approximately 475 housing units. Based on turnover ratios, this demand will necessitate the development of an additional 25 new units per year. The predominance of this demand will be households that can afford less than $1,500 in monthly rent. However, the estimated 25 units per year does not account for the projected enrollment increase at UMass or any reclamation of rental conversions in the Town. As noted, the administration's target undergraduate enrollment will add approximately 1,500 new students to the Town without any subsequent dormitory space by 2020. The 600+ traditional single family units under absentee ownership are estimated to account for as many as 1,500 to 3,000 potential tenants in traditional rental housing.

It is important to acknowledge that student households do not constitute the entire annual demand for rental housing in this price range. RKG estimates that as much as 50 percent of this demand comes from non-student households within Amherst, in the tier towns, and from the New England region. Given the challenges facing non-student households in finding suitable rental units in Amherst, the net need for new rental housing dedicated to non-student households could be as high as 150 to 200 units annually until enough supply exists to accommodate new demand through turnover.

RKG recognizes that student housing demand reaches well beyond Amherst. However, Amherst is the community most heavily impacted and that impact is in large part the result of the imbalance between Amherst's limited housing supply and strong demand. The data indicate that non-student households at the low and moderate income thresholds are limited in their opportunities to find suitable housing

in the Town. As noted throughout the report, Amherst will be challenged to accommodate much of its non-student demand without simultaneously relieving pressure from the student housing demand market. The Town can pursue regulatory efforts to accomplish this as long as the approach does not violate the federal Fair Housing Act.

Allow multi-family units by right

Removing the regulatory barrier of a special permit can help to spur housing production, whether through new construction or adaptive reuse of existing facilities. Amherst's moderate-density dimensional regulations in districts such as Neighborhood Residence (R-N) or Village Center Residence (R-VC) are not far from meeting the minimum density requirements of the Commonwealth's "Compact Neighborhoods" program. A Compact Neighborhoods designation would elevate Amherst's competitiveness for some state grant programs, but Amherst will not qualify unless it replaces the existing special permit requirement for multifamily or townhouse uses with provisions for multifamily development or higher-density single-family development by right. This change, whether pursued through Chapter 40R or Chapter 40A zoning amendments that qualify under the Compact Neighborhoods Program, would eliminate uncertainty by providing for higher density by right.

Consider a University Neighborhood Overlay District

A University Neighborhood Overlay District could address a wide variety of issues including residential development and density; dimensional regulations; types of housing to be built; building design standards; parking; commercial uses; property maintenance, upkeep; and similar concerns. The overlay district should include the campus-edge neighborhoods to ensure that these regulatory policies are targeted appropriately. As Amherst's zoning is currently organized, instituting this type of district would require amendments to Article 2/Zoning Districts (Section 2.04, Special Districts), Article 3/Use Regulations, Article 6/Dimensional Regulations. It may also require adding a new Article 16 in order to establish and tailor development standards and design guidelines to areas contained within the district.

RKG recommends focusing a university overlay district in sections of the Amherst Center and North Amherst Center areas. Given that almost all of the Town's student housing demand is from UMass, it is logical to provide appropriate housing in these areas. RKG estimates that between 2,500 and 3,500 beds of student housing (approximately 600 to 900 4-bedroom student housing units) will need to be accommodated in order to mitigate the projected 2020 enrollment growth (approximately 1,500 students), to mitigate some of the rental conversion demand (approximately 1,500 to 3,000 students), and to accommodate in-migration pressures from students living outside the Town (estimated 2,000 to 4,000 students). It has been noted earlier in this report that there are development projects proposed within the Town currently under consideration or under construction that could provide approximately 639 new bed spaces. Those projects which are approved and constructed can be considered as beginning to help address the projected increase in student housing demand.

Within the overlay district, Amherst could allow denser housing types not otherwise buildable in Amherst, provided the units are restricted for or offered on a first-serve basis to undergraduate and graduate students. Developers seeking to build under the rules of the overlay district would be able to propose higher-density housing subject to unique dimensional requirements, design standards, off-street parking requirements, and property maintenance standards. These developments should offer shared or individual bathroom facilities for each bedroom with a common area for each unit. Given the concerns expressed about large outdoor gathering spaces at existing multi-family developments,

amenities should focus on indoor offerings (e.g., computer rooms, movie lounge, and gaming areas) that can be access controlled and monitored.

Some examples of free-standing cottages or dormitory-style apartments can be found on the UMass campus (North Apartments, Birch House), as well as at Oakland University (Michigan), the University of Texas at Austin-West Campus (Austin, Texas), Coastal Carolina University (Conway, South Carolina), California Baptist University (Riverside, California), the University of Oklahoma (Norman, Oklahoma), and Purdue University (West Lafayette, Indiana).

Enable infill development at existing apartment complexes

It was noted through community outreach that some of Amherst's existing apartment developments have large open-space areas. The Town should consider allowing density bonuses and/or parking relief to these projects to add units to the existing open spaces. Providing this incentive across the board to land currently zoned for multi-family use could encourage owners to consider infill development.

A more aggressive alternative would allow a substantial increase in density on these sites to catalyze redevelopment. However, RKG's experience in other communities with similar market supply and demand fundamentals will require a replacement of units much greater than the existing number of units. While outside the scope of this effort, RKG believes Amherst will probably need to embrace a replacement ratio of 5-10 new units for every one demolished unit to incent property owners to demolish a performing asset for redevelopment. RKG has advised communities (e.g., Roswell, GA and Morgantown, WV) on this very issue. However, communities typically are not willing to pursue this approach (particularly ones that are the size and scale of Amherst) due to the change in character the new development would bring.

Change the Town's approach to regulating density

Using a minimum lot size requirement is appropriate for low-density and detached housing developments, but not for multi-unit developments. Examples within Amherst were given where density allowances did not correspond with minimum lot size requirements, effectively forcing projects to either not maximize development potential or build inappropriately sized units. In use districts and overlay districts that allow multi-unit development (either by-right or through special permits), Amherst should reconsider its minimum lot size strategy and embrace a units-per-acre approach instead.

Provide Incentives for Single-Family Cottage Development

In any residential district but especially in and around the village centers, the Town could create a special permit provision for small two- or three-bedroom cottages with a maximum floor area of 1,200 to 1,500 sq. ft., developed at a fairly high density, e.g., eight to ten units per acre. The units would most likely be developed as detached condominiums. A few communities in Massachusetts have successfully attracted cottage-style housing at a variety of market levels, from luxury cottages in Medfield to a more modest cottage home product developed in Northborough under a so-called "friendly" comprehensive permit. (Northborough has since adopted zoning to encourage similar cottages in its downtown neighborhoods.)

The same kinds of cottages could be considered on the UMass campus if the University made some of its land available on a ground lease basis for privately developed student housing.

2. Work to Increase On-Campus Housing Accommodations

Work with UMass and the Legislature to modify laws that constrain the development of on-campus student housing. The UMass system is committed to providing a certain percentage of beds for its student body. UMass Amherst currently meets the state's goal, so it seems unlikely that the state will build more on-campus housing to address existing housing demand. RKG estimates that between 4,000 and 4,500 students live in Amherst in off-campus housing units. Enrollment projections indicate this number will increase if UMass holds to its partial housing commitment.

An important barrier to providing more on-campus housing is the so-called Pacheco Law, G.L. c. 7, §§ 52-55, which limits contracting out government services – in this case university housing – without performing a cost analysis of continuing to provide that service within the government "in the most cost-effective manner." As recently as this year, the Chancellor of UMass Amherst noted that the Pacheco Law all but prohibits creating a partnership with private developers to build student housing on university land. However, state legislators have been quoted as supporting public/private partnerships for on-campus student housing.

Many people in Amherst want UMass Amherst to help meet the need for additional student housing by providing more on-campus facilities. However, substantial work needs to be done to encourage UMass to take more responsibility for housing its students and to change the Pacheco Law as well. Toward these ends, Amherst should collaborate with other university communities in Massachusetts to lobby together. Other states such as West Virginia have allowed public-private partnerships for on-campus housing, and their initiatives can be used as a template for updating policies in Massachusetts. Of course, these efforts should be pursued concurrently with other approaches. Changing the University system's on-campus housing targets or reforming the Pacheco Law require sustained, long-term actions. They will not address existing needs or the impact of unmet needs.

Work with Amherst College on a portion of its land holdings. While potentially challenging, Amherst College has substantial land holdings that do not have current use. The Town should work with Amherst College to identify the potential for some portions of these holdings to be developed for student housing. Focus should be placed on portions of the property with access to utilities and roads.

3. Accommodate Chapter 40R and Chapter 40B Developments to Protect Non-Student Renters

Pursue a Housing Incentive Overlay District

Rather than attempt "across the board" changes in Amherst's multifamily regulations, the Town could recruit development partners for a housing incentive overlay district. This could be done under G.L. c. 40R ("Chapter 40R"). Many Massachusetts communities that historically opposed higher-density housing have successfully approved Chapter 40R districts, in part because the Commonwealth provides incentive funds to participating cities and towns (G.L. c. 40S). Another advantage of Chapter 40R: it specifically provides for site plan review, thereby eliminating any lingering concerns about imposing a plan review process and plan conditions on the issuance of a building permit. Furthermore, Chapter 40R could help Amherst create new affordable housing that "counts" on the Chapter 40B Subsidized Housing Inventory (SHI) without using comprehensive permits. This will become increasingly important in Amherst if existing low- or moderate-income units convert to market-rate units when the affordable housing restriction expires.

Enacted in 2004, Chapter 40R is a mechanism for increasing the supply of market-rate and affordable housing by making land available for higher-density development. A community that establishes a Chapter 40R overlay district becomes eligible for two types of payments from the Commonwealth: first, a zoning incentive payment (for adopting the overlay district), and second, a "bonus payment" for each building permit issued for a unit that could not have been built without the Chapter 40R district ("bonus units"). Example: if a Chapter 40R district designed for 200 housing units is created on a site that could support 20 units under existing zoning, the community would be eligible for a zoning incentive payment of $200,000 and up to 180 "bonus unit" payments of $3,000 per building permit, or $540,000. Of course, access to these payments depends on the amount of money the state has in its Chapter 40R trust fund.

As of December 2013, thirty-three Massachusetts cities and towns have created Chapter 40R overlay districts and two more are currently considering it. According to DHCD, the agency that administers Chapter 40R, these thirty-three communities have placed a combined total of 1,436 acres of land under Chapter 40R with capacity for over 12,000 new housing units. To date, building permits have been issued for approximately 1,900 Chapter 40R units. In Amherst's area, the cities of Northampton, Holyoke, Chicopee, Easthampton, and Westfield have created Chapter 40R districts for over 2,200 new units.

Chapter 40S provides for compensatory payments to communities that experience a net increase in public school costs due to Chapter 40R developments, i.e., costs not offset by a combination of local revenues from Chapter 40R developments and Chapter 70 education aid from the state. The Chapter 40S reimbursement equals the cost of educating Chapter 40R students minus an amount equal to the sum of: (a) new property and excise taxes in the Chapter 40R district times the average percent of total local spending on education statewide (about 52 percent), and (b) any increases in Chapter 70 state education funding that are a direct result of the new students. Of the fifteen communities where new housing construction has occurred in Chapter 40R districts, two (Chelsea and Lakeville) have received payments under Chapter 40S.

Expedited review process

An expedited review process for Chapter 40B Project Eligibility applications that address most or all of the Town's preferences could encourage developers to focus on multi-family development other than student housing. Streamlined and predictable permitting procedures matter as much to developers as density. Making these projects less challenging could influence the cost/benefit assessment compared with pursuing non-restricted housing.

D. REGULATORY RECOMMENDATIONS

1. Smaller-Scale Multi-Unit Housing

Amherst has existing zoning tools that could, if reconceived, help to address the housing needs of lower-income families as well as college students. In some cases, precluding student competition for available units will take more than simply changing the Zoning Bylaw to stimulate housing production.

Deed Restrictions

An affordable housing deed restriction that requires eligibility for the Subsidized Housing Inventory (SHI) will remain very important for "matching" housing types and sizes with families that need affordable units, particularly for low- or moderate-income housing, Making units SHI-Eligible can be

accomplished with effective inclusionary zoning and strategic use of Community Development Block Grant (CDBG), HOME, and Community Preservation Act (CPA) funds.

Remove Regulatory Barriers to Small-Scale Housing Production

To reduce regulatory barriers to smaller-scale production, Amherst could consider the following methods:

- Amend Section 5.011 to allow "Supplemental Apartments" as of right in all residential zoning districts under certain conditions. Supplemental apartments (what many towns call "accessory apartments") offer a relatively low-impact approach to increasing the supply of small housing units – housing suitable for college students but also for rental to family members and small households. Measures such as conditions requiring ongoing owner-occupancy can help to address student/neighborhood conflicts.
- Amend Section 3.3210 to allow owner-occupied two-family homes as of right in the R-N as well as the R-G and R-VC zoning districts, reserving special permit controls for investor-owned duplexes.[2]
- Amend Section 3.32 by adding a new use category, infill dwelling units, to be allowed by special permit in the R-N, R-VC, and R-G districts. "Infill" means filling in the voids between established uses with some additional development, thereby supporting compact, walkable neighborhoods. By granting a special permit for infill uses, the Town would be able to allow reductions in lot area and frontage in exchange for the public benefit of efficient land use. In addition, the Town could consider allowing infill uses by right on small lots that satisfy certain minimum requirements, e.g., at least 5,000 sq. ft. of land area and 50 feet of frontage, located on heavily traveled streets or within a specified distance of business, commercial, and educational uses, and reserve the special permit for infill development on lots that do not meet the as-of-right requirements.

In addition to adding infill dwelling units to Section 3.32, the Town would need to amend Article 12 by adding a definition for this class of use, and special development regulations under Article 4, i.e., a new Section 4.6, Infill Development. A model prepared by the Pioneer Valley Planning Commission can be found at:

http://www.pvpc.org/val_vision/html/toolbox/PDFs/building%20blocks/Infill%20Development.pdf

Another model from New Hampshire is available at:

http://des.nh.gov/organization/divisions/water/wmb/repp/documents/ilupt_chpt_1.6.pdf

- Amend Section 3.32 by adding a new category, **adaptive reuse units**, to be allowed by special permit in the R-N, R-VC, and R-G districts and any of the village or business districts. As with infill uses, the inclusion of adaptive reuse units to the schedule of uses should be accompanied by a definition in Article 12 and development regulations in Article 4. Overall density could be controlled on a traditional units-per-acre basis, but to maximize the redevelopment potential of these "tired" assets (which are often difficult-to-develop sites), it makes more sense to limit the

[2] The Planning Board should seek an opinion from Town Counsel about the legality of imposing different requirements on a class of use based on ownership. Though the existing provisions in Amherst's zoning have probably been there for many years, interpretations *do* change in the Attorney General's Municipal Law Unit – usually because of amendments to the statute or changes in case law.

building envelope to that which exists on the site as of the date of application plus a reasonable increase in floor space or one additional story in height (or both).

- The Town could also consider reducing the off-street parking requirement for adaptive reuse projects in which the proposed dwelling units are limited to one-bedroom apartments. This may increase the feasibility of some projects, but it also creates opportunities to house students, thereby helping to reduce pressure on Amherst's single-family housing stock. Examples include the Towns of Hudson and Winchendon. Most often, it is accomplished through the creation of an overlay district, as is the case in Hudson and Winchendon. In addition, the Town of Ware has a specific Millyard zoning district, and the use and dimensional standards are designated in those sections of the Town's Zoning Bylaw.
- In an effort to make more efficient use of limited space, the Town can consider amending its regulations to encourage smaller cottage-style housing. The intent is to encourage residential infill or new development designed in smaller-scale bungalow type housing built on small lots (or as an infill option) compatible with surrounding areas. Although typically designed to be for senior citizens, this style of housing is now being built for students as well, including at Clemson University, Louisiana State University and the University of Missouri. Zoning to allow this type of housing was recently adopted in Medfield and Northborough, and in Barrington, RI.
- Amend Section 3.328 by changing "congregate housing for the elderly" to "congregate housing or single-room occupancy housing," and removing the words "for the elderly." The more Amherst can do to create very small units suitable for students, the more likely it is that the Town will be able to address non-student housing needs. Eliminating a minimum age requirement in Amherst's zoning will not prevent a qualified developer from building small congregate dwellings for the elderly if a market exists for them. By the same token, eliminating the minimum age requirement could enable a small multifamily developer to propose a project that is currently not allowed under Amherst's zoning.
- In certain zoning districts (i.e. Low Density Residence or Outlying Residence), allow an existing lot to be divided into two lots, one of which has reduced area and width requirements. The newly created lot with the existing house should have 100 percent of the minimum lot area, while the new lot without a house should have at least 75 percent. Generally, the intent is to ensure that there will not be any detrimental effect on the character of the neighborhood in which the proposed lot will be split. In part, it would be based upon what has actually been developed over the years, rather than the minimum lot requirement in the zoning so that this provision can result in a consistent density in the immediate area. Infrastructure to support the new housing should also be a consideration. Barrington, RI recently adopted this as well.

2. Inclusionary Zoning

One of the most important steps Amherst can take to increase its supply of non-student housing is to institute inclusionary zoning that works well and reliably produces affordable units. The present inclusionary zoning section (Article 15) is more complicated than some inclusionary zoning bylaws and ordinances in Massachusetts, and affordable housing regulations exist in other parts of Amherst's zoning, too. Effective inclusionary zoning usually has most or all of the features described below.

An unambiguous method for calculating the minimum required number of affordable units

Amherst's bylaw establishes tiers of affordable unit requirements depending on the total number of units in a development. It goes on to divide the affordable housing between "low income" and

"moderate income" units, and prescribes a minimum percentage of "low income" units. In addition, these terms have a somewhat different meaning in Amherst than elsewhere in the state.

Smart cost offsets

Smart cost offsets, including density bonuses, expedited permitting, and fee waivers (often accompanied by non-zoning policies that determine how a community's housing trust fund will be used to invest in privately developed affordable housing).

Density bonuses as of right for new affordable units created within the proposed development

The development community often shies away from special permits because they involve time, unpredictability, and increased risk of appeal. Providing higher density by right to developers who provide affordable units in their projects – as opposed to paying a fee in lieu of units or donating land – will increase the probability of getting actual units. The inclusionary zoning in Shrewsbury and Beverly has this type of provision.

The regulatory setting encourages multi-family development

Barriers in the current zoning that impede mixed-use and multi-family developments should be removed wherever possible. Both the Amherst Master Plan and the HPP address this issue. The Master Plan specifically mentions rezoning the Limited Business areas near downtown to General Business to make it easier to create multi-family residential units and mixed use. In addition, the Housing Production Plan refers to the Village Center Residence district, which requires a special permit for housing above commercial or retail space, while other business districts allow this by right (with site plan review). The Town could consider allowing such uses by right with site plan review in the Village Center residence district as well.

An adequate, effective inclusionary requirement

Many inclusionary zoning bylaws in Massachusetts — including the state's model bylaw — require at least 10 percent affordable units. However, RKG recommends a 15 percent minimum, at least for housing developments other than detached single-family homes, provided the Town offers reasonable cost offsets. Towns that use 15 percent (e.g., Shrewsbury and Beverly, in some zoning districts) do so because they want to accelerate reaching the 10 percent statutory minimum under Chapter 40B. In addition, Chapter 40B developments must have at least 25 percent affordable units, so the local requirement of 15 percent seems less restrictive. The density offsets (to which there often are none) rarely make 15 percent an economic option for developers, but a multi-family development with 15 percent affordable units was recently finished in Shrewsbury.

Flexibility for very small projects

Regulations that allow a developer to create affordable units by combining on-site units with off-site units or with payments in lieu of units to the local housing trust can be very helpful to small projects, i.e., developments with less than ten units. Beverly's inclusionary zoning ordinance provides for this type of "mix and match" approach.

Strong incentives for actual unit creation

Incentives for including affordable units in a proposed development instead of "creating" them through other means is a well-used approach to developing affordable housing. Communities such as Fairfax County, VA, have offered density bonuses for developments that incorporate restricted for lower-income households (80 percent and 60 percent of area median income in Fairfax County, as determined by HUD). The regulation allows developers to receive an administrative increase in

development density in exchange for committing a certain percentage of units for affordable development. In this case, Fairfax County offers from a 10 percent increase for a 6 percent of all unit commitment to affordability to a 20 percent increase for a 12 percent commitment of all units for affordable housing. Amherst should allow generous density bonuses in exchange for a commitment of units at 60 percent AMI. This approach can work for all types of housing developments, from detached single-family homes to multi-family development.

Incentives for providing more than the minimum required number of units, e.g., "credits" that can be transferred to meet the affordability requirements in a future project or sold to another developer
The City of Beverly offers credit certificates to developers who create more than the minimum required number of units. The certificates must be used within ten years of issuance, and they can be transferred to other developers. Similar inclusionary zoning models exist in Highland Park, IL, and Walnut Creek, CA. It is worth noting that inclusionary housing credits can be particularly beneficial to non-profit developers because their projects almost always have more affordable units than a community's zoning would require. The sale of credits can provide a modest income source to the non-profit and simultaneously help small-scale for-profit developers to comply.

A density penalty for providing no affordable housing benefit
For example, requiring a larger minimum lot size in exchange for exempting a developer from the inclusionary zoning bylaw. The Town of Shrewsbury has such a provision.

A permitting guide
A permitting guide can be particularly helpful to small developers who are not accustomed to dealing with the Commonwealth's affordable housing practices. Acton, Needham, and Shrewsbury have created guides and policies for affordable housing developers.

A referral system to lottery agents working in the immediate region
This can be done through a Planning Board's inclusionary zoning administrative regulations – as in Shrewsbury, for example.

Clear procedures and clear requirements
Most developers just want to understand what the community expects. An inclusionary zoning bylaw that communicates the town's preferences will do more to produce affordable units than one that entangles the developer at every turn in a prolonged discussion with town staff and boards. If a town wants to create affordable housing, the inclusionary zoning ordinance will provide enough density to make unit creation realistic or enough permitting predictability and speed to entice cooperative developers.

7. APPENDIX

A. ESRI TAPESTRY SEGMENTATION METHODOLOGY DESCRIPTIONS FOR AMHERST

Tapestry Segmentation a system for classifying consumers and constituents using all the variables that can distinguish consumer behavior, from household characteristics such as income and family type to personal traits like age, education, or employment and even housing choices. Tapestry Segmentation classifies US neighborhoods into 65 distinct market segments. Neighborhoods with the most similar characteristics are grouped together, while neighborhoods with divergent characteristics are separated. Tapestry Segmentation combines the "who" of lifestyle demography with the "where" of local neighborhood geography to create a model of various lifestyle classifications, or segments, of actual neighborhoods with addresses—distinct behavioral market segments.

1. Statistical Methods

Cluster analysis is the generic approach used to create a market segmentation system. There are a number of different techniques or clustering methods that can be applied to identify and classify market types. Each technique has its strengths and weaknesses. Previous generations of Tapestry Segmentation have been built using a combination of techniques, such as the iterative partition K-means algorithm, to create the initial clusters or market segments, followed by the application of Ward's hierarchical minimum-variance method to group the clusters. This combination has provided a complementary match of the strengths of each technique.

Tapestry Segmentation combines the traditional and latest data mining techniques to provide a robust and compelling segmentation of US neighborhoods. Esri developed and incorporated the data mining techniques to complement and strengthen traditional methods to work with large geo-demographic databases. Robust methods are less susceptible to extreme values, or outliers, and are therefore crucial to small-area analysis. The traditional methodology of cluster analysis has a long track record in developing market segmentation systems. Complementary use of data mining techniques and implementation of robust methods enhance the effectiveness of traditional statistical methodology in developing Tapestry Segmentation.

2. Creation of Tapestry Segmentation Summary Groups

For a broader view of consumer markets, cluster analysis was again used to develop the Tapestry Segmentation summary groups. Summary groups are ideal when users want to work with fewer than 65 segments. The 65 segments are combined into 12 LifeMode Summary Groups based on lifestyle and life stage. The 11 Urbanization Summary Groups present an alternative way of combining the 65 segments based on their geographic and physical features, such as population density, city size, and location relative to a metropolitan area, and whether they are part of the economic and social center of a metropolitan area. The following 13 segments are those found to be most relevant for Amherst. A complete list of all 65 can be viewed on the ESRI website www.esri.com/data/esri_data/tapestry.

STUDENT SEGMENT #1
TAPESTRY NAME: COLLEGE TOWNS

Demographic: With a median age of 24.4 years, College Towns is the third youngest of all the Tapestry segments. Most residents are aged between 18 and 34 years and live in single-person or shared households. One-fourth of households are occupied by married-couple families. The race profile of this market is somewhat similar to the US profile. Approximately three-fourths of the residents are white.

Socioeconomic: College Towns residents are focused on their education; 59 percent are enrolled in college or graduate school. After graduation, other residents stayed on to teach or do research. Because many students only work part-time, the median household income of $31,271 ranks near the low end. The median net worth is $12,027. Fifty-two percent of the employed residents work part-time. This segment ranks second to the Dorms to Diplomas segment for the highest proportion of part-time employment. Most of the employed residents work in the service industry, holding on- and off-campus jobs in educational services, health care, and food preparation.

Residential: One in seven College Towns residents lives in a dorm on campus. Students in off-campus housing live in low-income apartment rentals. Thirty percent of housing is owner-occupied, typically by town residents, who live with their families in single-family dwellings. The median home value is $137,707. One-third of the housing is single-family structures.

Preferences: Convenience dictates food choices; they usually buy ready-made, easy-to-prepare, or frozen meals, frozen pasta, pizza crusts, and peanut butter and jelly at the closest grocery store. With their busy lifestyles, they frequently eat out or order in from fast-food restaurants, particularly McDonald's, Wendy's, and pizza outlets during the week; however, many cook at home over the weekend. They buy books online and in stores. They have student loans and bank online or by ATM. These computer-savvy students own laptop computers or expensive desktop personal computers and the peripherals to match. Connecting to the Internet is essential; they go online to research assignments, look for jobs, check e-mail, and download music. Keeping in touch is also important; they buy and use cell phones and accessories.

New to living on their own, many College Towns residents purchase bedding, bath, and cooking products. They own few appliances but, at a minimum, have a microwave oven, a toaster, and an upright vacuum cleaner. Their lifestyle is very casual. They rank high for participating in nearly every outdoor sport and athletic activity.

College Towns residents attend country music and rock concerts and college basketball and football games, play pool, and go to movies and bars. They also participate in public activities including fund-raising and volunteer work. They usually listen to alternative music on their MP3 players, tune in to public radio, and watch MTV and Comedy Central on cable TV. They shop at discount stores but prefer to buy branded clothes from Old Navy, Gap, and Target.

SEGMENT #1
TAPESTRY NAME: URBAN CHIC

Demographic: Urban Chic residents are professionals who live a sophisticated, exclusive lifestyle. More than half of these households are married-couple families, similar to the US proportion. Fewer than half of them have children. Unlike the United States, there is a smaller proportion of single parents and a higher

proportion of singles and shared households. The median age of 42.7 years is older than the US median of 37 years, while the diversity index of 51 is lower than the US figure of 61.

Socioeconomic: A median household income of $87,202 and a median net worth of $314,496 enable residents of Urban Chic neighborhoods to live in style. They are well-educated; more than half of residents aged 25 years and older hold a bachelor's or graduate degree; 80 percent have attended college. They work in a variety of occupations, especially professional, management, and sales positions in the scientific and technical services, educational services, and health care industry sectors. Twenty percent of these households earn income from self-employment ventures; 55 percent receive additional income from investments.

Residential: Major concentrations of Urban Chic neighborhoods are found in urban areas on the northern and southern California coasts and along the east coast. These neighborhoods parallel the United States for housing type and home ownership. Homes range in age from pre-World War II to post-2000, and types from high-rises to single-family houses. Sixty-three percent of the housing is single-family; 27 percent is apartments in multiunit buildings. The rate of home ownership is 66 percent. The median home value is $536,367, more than three times the US median.

Preferences: Urban Chic residents focus more on their lifestyle than ambience. They travel extensively, visit museums, attend dance performances, shop at upscale stores, and do volunteer work. To stay fit, they downhill ski; go backpacking, hiking, and biking; practice yoga; do aerobics; play tennis; and lift weights. They buy natural or organic food and take a multitude of vitamins and dietary supplements. They drink imported wine and truly appreciate a good cup of coffee.

These busy, tech-savvy residents use PCs extensively. This is a top segment to own an Apple computer. They go online to arrange travel; get the latest news; check their investment portfolios; trade stocks; and buy books, clothes, flowers, and tickets to concerts and sports events. They use credit cards, often charging more than $700 a month. They also own shares in stocks, tax-exempt funds, mutual funds, and money market funds. They will occasionally use a financial planner or brokerage firm.

Urban Chic is one of Tapestry Segmentation's top segments for radio listening; these residents tune in to classical music, all-talk, and public radio. They are also avid readers of newspapers; books; and general editorial, news and entertainment, business, and home service magazines. They seldom watch TV; however, their favorite channels broadcast news programs and documentaries.

SEGMENT #2
TAPESTRY NAME: IN STYLE

Demographic: In Style residents live in the suburbs but prefer the city lifestyle. Professional couples predominate. Household distributions by type are similar to those of the United States. Married-couple families represent 54 percent of households. Households without children (married couples without children, single-person, shared, and other family types), comprise more than two-thirds of all households. This count is increasing. The population is slightly older, with a median age of 40 years. There is little diversity in these neighborhoods.

Socioeconomic: In Style residents are prosperous, with a median household income of $70,745 and a median net worth of $182,665. Wages and salaries provide income for 84 percent of the households; 47 percent also receive some form of investment income. In Style residents are more educated compared to

the US level: 42 percent of the population aged 25 years and older hold a bachelor's or graduate degree. Labor force participation is 68.5 percent; unemployment is 8.4 percent. Forty-six percent of employed residents have professional or management positions, with above average concentrations in the finance, insurance, health care, technical services, and education industry sectors.

Residential: In Style residents live in affluent neighborhoods of metropolitan areas across the country. More suburban than urban, they embrace an urbane lifestyle; 14 percent prefer townhouses to traditional single-family homes chosen by 56 percent of the households. The median home value is $218,289. The 68 percent rate of home ownership is just slightly above average. More than three-quarters of the housing was built in the last 30 years.

Preferences: Computer savvy In Style residents go online daily to research real estate information; do their banking; track investments; trade stocks; book travel; and buy computer hardware or software, concert tickets, or tickets to sporting events. They use a financial planner and invest in stocks, bonds, money market funds, money market bank accounts, and securities. Looking toward the future, residents hold life insurance policies and contribute to IRA and 401(k) retirement accounts. To maintain their homes, they hire professional household cleaning services and contractors to remodel their kitchens.

Residents stay fit by exercising, eating a healthy diet to control their weight, buying low-fat foods, and taking vitamins. They attend live musical performances and gamble at casinos. They take domestic vacations to hike, golf, and go backpacking. They read magazines, listen to news-talk radio, and watch professional sports events and golf on TV.

SEGMENT #3
TAPESTRY NAME: METROPOLITANS

Demographic: Residents of Metropolitans communities prefer to live in older city neighborhoods. Approximately half of these households are singles who live alone or with others; 40 percent are married-couple families. One in four of the residents is aged 20–34 years; the median age is 37.7 years. Diversity is low; most of the population is white.

Socioeconomic: The labor force participation rate of 67.2 percent is well above average; the unemployment rate is 8.3 percent. Half of the residents who are employed work in professional or managerial positions. More than 75 percent of the population aged 25 years and older have attended college or completed a degree program. Thirty percent have earned a bachelor's degree, and 23 percent hold a graduate degree. The median household income is $60,191; the median net worth is $102,460. Nearly half of the households earn extra income from interest, dividends, and rental properties.

Residential: Distributed throughout the country, residents of Metropolitans neighborhoods live in an eclectic mix of single-family homes and multiunit buildings. Sixty percent of the housing units were built before 1960. These neighborhoods change slowly; since 2000, the annual household growth is 0.28 percent. The home ownership rate is 60 percent, and the median home value is $192,372.

Preferences: Metropolitans residents are no different from other owners of older homes who incur costs for maintenance and remodeling. They will contract for lawn maintenance and professional housecleaning services. Many will own or lease a station wagon. Planning for the future, residents own shares in investment funds, contribute to IRA savings accounts, and hold large life insurance policies.

These residents pursue an active, urbane lifestyle. They travel frequently for business and pleasure. They listen to jazz, classical, public, and alternative music radio. They go to rock concerts, watch foreign films on DVD, read women's fashion magazines, and play a musical instrument. They also practice yoga and go kayaking, hiking/backpacking, and water and snow skiing.

Active members of their communities, Metropolitans residents join civic clubs, volunteer for environmental causes, address public meetings, and work for a political party or candidate. They also belong to business clubs and contribute to PBS. They prefer to own and use a laptop computer, preferably an Apple. They go online daily to download music and buy books, airline tickets, CDs, and clothes. They also order merchandise by mail or over the phone.

SEGMENT #4
TAPESTRY NAME: SUBURBAN SPLENDOR

Demographic: Suburban Splendor residents are families who live in growing suburban neighborhoods. Married couple families with and without children comprise 8 in 10 of these households. Household growth in these suburbs is 2 percent annually. The median age is 41.6 years, and half of the population is aged 35–64 years. These low-diversity neighborhoods are predominantly white.

Socioeconomic: These successful suburbanites are the epitome of upward mobility, just a couple of rungs below Top Rung in affluence. Suburban Splendor residents have a median household income of $121,661 and a median net worth of $621,888. The wealth of Suburban Splendor residents is more than double that of the US median. Labor force participation rates are high for both men and women; many households are two income. Most employed residents work in management, professional positions, and sales. They supplement their salaries with income from interest, dividends, and rental property at a rate much higher than the national level. Well educated, more than half the population aged 25 years and older hold a bachelor's or graduate degree.

Residential: Sharing the lead with Top Rung for home ownership at 91 percent, Suburban Splendor neighborhoods are located in metropolitan areas throughout the United States. Their large, luxurious homes have a median home value of $388,380. Located in growing neighborhoods, 60 percent of the houses are relatively new, built after 1979. Because two-income households commonly require multiple vehicles, it is not surprising that 85 percent of these households own two or more vehicles.

Preferences: Hot tubs, espresso machines, granite countertops, and the latest interior design amenities are featured in Suburban Splendor homes. A main focus is home improvement and remodeling projects done mostly by contractors, although residents will tackle interior painting jobs. They own a wide array of electric tools that they may or may not use regularly. Residents hire a lawn maintenance service to cut the grass but like to plant their own shrubs and trees; treat their lawn with fertilizer, weed control, or insecticide; and sow grass seed. They have all the latest electronic gadgets including digital camcorders, video game systems, projection screen TVs, and numerous cell phones. This market prefers to own or lease a minivan or full-size SUV and is one of the top markets for owning or leasing a luxury car.

They devote free time to family; travel; and self-improvement pursuits such as physical fitness, reading, visiting museums, and attending the theater. They keep fit by working out weekly at a club or exercising on a treadmill or stationary bike at home in addition to skiing, ice skating, playing tennis and golf, and bicycling. They read the newspaper, books, and magazines (particularly epicurean, airline, travel, business, finance, and boating). Because they travel extensively in the United States and overseas for business and

pleasure, they rack up the miles in frequent flyer programs. A favorite hobby is furniture refinishing. When listening to the radio, they prefer classical music as well as all-news, all-talk, news/talk, and sports programs.

Suburban Splendor residents are members of business clubs and are active investors, using the Internet to track and trade their stocks, bonds, and funds. They hold home equity credit lines, consult with financial planners, use stock rating services, and own life insurance policies valued at approximately $500,000. They shop at upscale retailers, home stores, and wholesalers. They order items over the phone and shop online for airline tickets, flowers, and computer equipment.

SEGMENT #5
TAPESTRY NAME: CITY LIGHTS

Demographic: The City Lights segment is composed of diverse neighborhoods situated primarily in the Northeast. This dense urban market is a mixture of housing, household types, and cultures that all share the same city space. Households include families and singles, similar to the US distribution by household type. With a median age of 38.6 years, the population is slightly older than that of the United States. Compared to the US population, there are fewer children and slightly more people aged 75 or older. The ethnic or racial diversity is slightly higher than the US level, with higher ratios of Asian, Hispanic, and multiracial populations.

Socioeconomic: City Lights residents earn a good living working in white-collar and service occupations. The median household income is $63,959, derived primarily from wages and some investments. The median net worth is $105,095. The labor force participation rate of 62.9 is slightly above the US level.

Residential: Housing types include single-family homes, townhouses, and apartments in buildings with 2 to 50 or more units. Thirty-five percent of housing are apartments in buildings with two to four units, approximately four times the national level. Unlike US housing, the proportion of single-family homes in the City Lights market is only 36 percent of the household inventory. Housing is also much older than the US average, because nearly two-thirds of the structures were built before 1960. The home ownership rate of 54 percent is lower than the national average. The median home value of $346,249 is more than double that of the US median.

Preferences: City Lights residents lead an urban lifestyle and take advantage of big-city opportunities. They buy household furnishings, groceries (including fast food and takeout), personal goods, and entertainment. They are more likely to buy household furnishings than home maintenance. They shop for clothes, shoes, jewelry, and toys at stores such as Target, Macy's, and Costco. They buy groceries at stores such as Kroger and Stop & Shop.

City Lights residents take vitamins, practice yoga, and do aerobics to stay fit. They travel domestically and abroad, take cruises, go to the movies, and watch family and classic movies on DVD. They visit Atlantic City to gamble and play the lottery. They read two or more Sunday newspapers and listen to news, soft adult contemporary, and classical music radio. Many households in large cities subscribe to digital cable service; HBO is a favorite cable channel.

SEGMENT #6
TAPESTRY NAME: LAPTOPS AND LATTES

Demographic: With no home ownership or child-rearing responsibilities, residents of Laptops and Lattes neighborhoods enjoy single life in the big city. Most households are singles who live alone or with a roommate. The average household size remains constant at 1.8. Although this segment is slowly increasing, it is maturing and diversifying more quickly. The median age is 38.7 years. Although most of the population is white, Asians represent 10.4 percent of the total population.

Socioeconomic: This segment is affluent; the median household income of $93,899 supports these residents. The median net worth is $285,718. Laptops and Lattes residents are highly educated. More than 70 percent of residents aged 25 years and older hold a bachelor's or graduate degree; approximately 90 percent have attended college. The percentage enrolled in college or graduate school is more than three times the national level. Two-thirds of the employed residents work in professional or management positions, especially in the scientific, technical, finance, insurance, educational services, health care, and information industry sectors. More than half receive investment income; 19 percent earn self-employment income.

Residential: Laptops and Lattes residents prefer to live in major metropolitan areas such as New York City, Los Angeles, San Francisco, Boston, and Chicago. They are more likely to rent than own their homes; home ownership is at 39 percent. The majority of housing is apartments in multiunit buildings, especially those with 20 or more units. These neighborhoods are older and virtually untouched by urban renewal. Although 38 percent of the housing units were built before 1940, they are not inexpensive. The average gross rent is 85 percent higher than the US level, third highest of the Tapestry segments. The median home value is $634,295, second only to Top Rung. Thirty percent do not own a vehicle.

Preferences: Cosmopolitan, connected, and politically liberal, Laptops and Lattes residents rely on their web-enabled cell phones instead of laptops to communicate. After the college segments, this is the top market to own an iPod and laptop or notebook computer. They go online to check e-mail, trade and track investments, review the latest news, arrange travel, and shop on sites such as amazon.com, ebay.com, and barnesandnoble.com. They also order items by phone. These residents travel, especially abroad, and enjoy a variety of vacations, such as backpacking, hiking, and beach trips. They stay at upscale hotels and rent cars when on vacation. A typical resident owns renter's insurance policies and uses dry cleaning services frequently.

Laptops and Lattes residents go to the movies, the theater, dance performances, rock concerts, museums, bars, nightclubs, baseball and football games, and professional basketball games. They watch foreign films or movie classics on DVD and news and music channels on cable TV. Saturday Night Live is a favorite program. They eat out frequently and take adult education classes. They shop at Target for essentials and luxuries at high-end department and home stores.

Residents exercise regularly at a health club and practice yoga, go downhill skiing, play tennis, jog, and bike. When they listen to the radio, they have a strong preference for classical music and all-news programs. They also listen to public radio and contribute to PBS. They read two or more daily newspapers; a variety of books such as history, biographies, and self-help; and travel, epicurean, airline, fashion, finance, and business magazines. They tend to buy organic and low fat/high fiber food. They eat nutrition/energy bars and take vitamins regularly. They get involved in community activities, write to elected officials, write articles that are published, and participate in environmental groups.

SEGMENT #7
TAPESTRY NAME: SILVER AND GOLD

Demographic: With a median age of 60.1 years, Silver and Gold residents are the second oldest of the Tapestry segments. More than 70 percent are aged 55 years or older. Most residents have retired from professional occupations. Half of the households are composed of married couples without children. This segment is small, less than 1 percent of all US households; however, annual household growth is 2.35 percent since 2000. Residents of these neighborhoods are not ethnically diverse; 93 percent of them are white.

Socioeconomic: These are wealthy, educated seniors. Their median household income is $67,806, and their median net worth is $331,108. Fifty-six percent of the households still earn wages or salaries, half collect Social Security benefits, 63 percent receive investment income, and 35 percent collect retirement income. Labor force participation is 44 percent, well below the US level. The percentage of those who work from home is higher than the US worker percentage; nearly one-fourth of employed residents are self-employed, also higher than the US level.

Residential: Their affluence enables them to relocate to sunnier climates. More than 60 percent of these households are in the South, mainly in Florida. One-fourth are located in the West, mainly in California and Arizona. Neighborhoods are exclusive, with a median home value of $274,320 and a home ownership rate of 83 percent. Silver and Gold ranks second of the Tapestry segments for the percentage of seasonal housing. Because these seniors have moved to newer single-family homes, they are not living in the homes where they raised their children.

Preferences: Silver and Gold residents have the free time and resources to pursue their interests. They travel domestically and abroad including cruise vacations. They are also interested in home improvement and remodeling projects. Although they own the tools and are interested in home improvement and remodeling projects, they are more likely to contract for remodeling and housecleaning services. Active in their communities, they join civic clubs, participate in local civic issues, and write to newspaper or magazine editors. They prefer to shop by phone from catalogs such as L.L. Bean and Lands' End.

Golf is more a way of life than just a leisure pursuit. They play golf, attend tournaments, and watch The Golf Channel. They also go to horse races, bird watching, saltwater fishing, and power boating. They eat out, attend classical music performances, and relax with a glass of wine. Favorite restaurants include Outback Steakhouse, Cracker Barrel, and Applebee's.

Silver and Gold residents are avid readers of biography and mystery books and watch numerous news programs and news channels such as Fox News and CNN. Favorite non-news programs include detective dramas.

SEGMENT #8
TAPESTRY NAME: SOCIAL SECURITY SET

Demographic: Four in ten householders are aged 65 years or older; the median age is 46.4 years. Most of them live alone. Somewhat ethnically diverse, Social Security Set neighborhoods are a blend of different racial groups; however, half of the residents are white and one-third are black and 18 percent are Hispanic.

Socioeconomic: Although Social Security Set residents live on very low fixed incomes, they have accumulated some wealth they can tap into now that they're retired. Their median household income is $16,805; their median net worth is $10,814. Unemployment is high among the younger residents who are still part of the labor force. Eight percent of households rely on public assistance; 16 percent receive Supplemental Security Income. The service industry provides more than half of the jobs held by these employed residents. Overall, more than two-thirds of the residents graduated from high school. Thirty-seven percent attended college; 16 percent hold a bachelor's or graduate degree.

Residential: Located in large US cities, these communities are dispersed among business districts and around city parks. Most Social Security Set residents rent apartments in low-rent, high-rise buildings; a few elderly residents opt to live in congregate housing. Owner-occupied houses in these neighborhoods have a median value of $111,801. Because more than half of these households do not own a vehicle, many residents rely on easily accessible public transportation.

Preferences: Limited resources somewhat restrict the activities and purchases of residents in Social Security Set neighborhoods. They shop at discount stores but prefer grocery stores close to home. Many depend on Medicare or Medicaid to pay their health care costs. They bank in person and pay cash when they shop. Many purchase renter's insurance. Most households subscribe to cable television; residents enjoy their daytime and prime time TV. They watch game shows, a variety of sports, and entertainment news shows. This high viewership provides an easy way to reach these residents. Avid newspaper readers, many will read two or more to stay current on sports and the news.

SEGMENT #9
TAPESTRY NAME: MAIN STREET USA

Demographic: Main Street, USA neighborhoods are a mix of household types, similar to the US distribution. Approximately half of the households are composed of married-couple families, nearly one-third are single-person or shared households, and the rest are single-parent or other family households. The median age of 36.8 years nearly matches the US median. These residents are less diverse than the US population.

Socioeconomic: The median household income is $57,196, derived from wages, interest, dividends, or rental property. Their median net worth is $84,763. More than one in five residents aged 25 years and older hold a bachelor's or graduate degree; half of the residents have attended college. Occupation and industry distributions are similar to those of the United States.

Residential: A mix of single-family homes and multiunit buildings, these neighborhoods are located in the suburbs of smaller cities in the Northeast, West, and Midwest. Nearly two-thirds of the housing was built before 1970. The home ownership rate is 63; the median home value is $174,970.

Preferences: Family-oriented and frugal, these residents may occasionally go to the movies or eat out at a family restaurant, such as Friendly's or Red Robin, but are most likely to stay home and watch a rental movie or play games with their children. They own pet cats. They play baseball and basketball and go swimming. They listen to classic hits and rock radio and watch cartoons and courtroom shows on TV. They go to the beach and theme parks or take domestic vacations to visit with family or see national parks.

They go online periodically to look for jobs, research real estate, and play games and are beginning to shop online. Those who do not have Internet access at home will go online at school or the public library. They

use the Yellow Pages to find veterinarians or stores. They will invest in small home improvement and remodeling projects, usually doing the work themselves instead of hiring a contractor. They buy the tools and supplies for these projects from Home Depot or Ace Hardware. They keep up their lawns and gardens by planting bulbs, fertilizing, and applying lawn care products regularly.

SEGMENT #10
TAPESTRY NAME: EXURBANITES

Demographic: Exurbanites residents prefer an affluent lifestyle in open spaces beyond the urban fringe. Although 40 percent are empty nesters, another 32 percent are married couples with children still living at home. Half of the householders are aged between 45 and 64 years. They may be part of the "sandwich generation," because their median age of 45.5 years places them directly between paying for children's college expenses and caring for elderly parents. To understand this segment, the lifestage is as important as the lifestyle. There is little ethnic diversity; most residents are white.

Socioeconomic: The 65.2 percent labor force participation rate is slightly higher than the US rate of 62.4 percent. Approximately half work in substantive professional or management positions. These residents are educated; more than 40 percent of the population aged 25 years and older hold a bachelor's or graduate degree; approximately three in four have attended college. The median net worth is $368,532, approximately four times the national figure. The median household income is $84,522. More than 20 percent earn retirement income; another 57 percent receive additional income from investments.

Residential: Although Exurbanites neighborhoods are growing by 1.61 percent annually, they are not the newest areas. Recent construction comprises only 22 percent of the housing. Seventy percent of the housing units were built after 1969. Most are single-family homes. The median home value is $248,490, more than one-and-one-half times the national median. Because Exurbanites cannot take advantage of public transportation, nearly 80 percent of the households own at least two vehicles. Their average commute time to work is comparable to the US average.

Preferences: Because of their lifestage, Exurbanites residents focus on financial security. They consult with financial planners; have IRA accounts; own shares in money market funds, mutual funds, and tax-exempt funds; own common stock; and track their investments online. Between long-term care insurance and substantial life insurance policies, they are well insured. Many have home equity lines of credit.

To improve their properties, Exurbanites residents work on their homes, lawns, and gardens. They buy lawn and garden care products, shrubs, and plants. Although they will also work on home improvements such as interior and exterior painting, they hire contractors for more complicated projects. To help them complete their projects, they own all kinds of home improvement tools such as saws, sanders, and wallpaper strippers.

They are very physically active; they lift weights, practice yoga, and jog to stay fit. They also go boating, hiking, and kayaking; play Frisbee; take photos; and go bird watching. When vacationing in the United States, they hike, downhill ski, play golf, attend live theater, and see the sights. This is the top market for watching college basketball and professional football games. They listen to public and news/talk radio and contribute to PBS. They participate in civic activities, serve on committees of local organizations, address public meetings, and help with fundraising. Many are members of charitable organizations.

SEGMENT #11
TAPESTRY NAME: COZY AND COMFORTABLE

Demographic: Cozy and Comfortable residents are middle-aged married couples who are comfortably settled in their single-family homes in older neighborhoods. The median age of 42.3 years is five years older than the US median of 37 years. Most residents are married without children or married couples with school-aged or adult children. With 8.7 million people, this is a relatively large segment that is growing moderately by 0.48 percent annually since 2000. Most of these residents are white.

Socioeconomic: Although the labor force is older, they are in no hurry to retire. The labor force participation rate is 65.7 percent; the unemployment figure is 9.3 percent. Employed residents work in professional, managerial, and service occupations in a variety of industry sectors. Occupation distributions are similar to US values. The median household income is $65,665. Income for 80 percent of the households is earned from wages and salaries. Forty-six percent of households receive investment income. Their median net worth is $181,850.

Residential: Cozy and Comfortable neighborhoods are located in suburban areas, primarily in the Midwest, Northeast, and South. Many residents are still living in the homes in which they raised their children. Single-family structures make up 88 percent of the household inventory. The median home value is $154,868. Sixty-two percent of the housing units were built before 1970. Home ownership is at 85 percent.

Preferences: Cozy and Comfortable residents prefer to own certificates of deposit and consult a financial planner. They typically hold a second mortgage, a new car loan, a home equity line of credit, and a universal life insurance policy. Home improvement and remodeling projects are important to them. Although they will contract for some work, they attempt many projects, especially painting and lawn care. Depending on the season, they play golf or ice skate for exercise. They attend ice hockey games, watch science fiction movies on DVD, and take domestic vacations. They eat at family restaurants such as Friendly's, Bob Evans Farms, and Big Boy.

Going online isn't a priority, so they own older home computers. Television is very important; many households own four or more sets so they won't miss any of their favorite shows. They watch sports, particularly football, and news programs. Reading the Sunday newspaper is part of the routine for many.

SEGMENT #12
TAPESTRY NAME: PROSPEROUS EMPTY NESTERS

Demographic: Approximately 6 in 10 householders in Prosperous Empty Nesters neighborhoods are aged 55 years or older. Forty percent of the households are composed of married couples with no children living at home. Residents are enjoying the move from child-rearing to retirement. The median age is 48.9 years. Population in this segment is increasing slowly, at 0.53 percent annually; however, the pace will probably accelerate as the Baby Boomers mature. Prosperous Empty Nesters residents are not ethnically diverse; approximately 90 percent are white.

Socioeconomic: With a median net worth of $261,595, Prosperous Empty Nesters invest prudently for the future. The median household income is $67,295. Although 71 percent of the households earn income from wages and salaries, 59 percent receive investment income, 30 percent collect Social Security benefits, and 28 percent receive retirement income. Forty-one percent of residents aged 25 years and older hold bachelor's or graduate degrees; nearly 70 percent have attended college. Many residents who are still

working have solid professional and management careers, especially in the education and health care industry sectors.

Residential: These residents live in established neighborhoods located throughout the United States; approximately one-third of these households are found on the East Coast. These neighborhoods experience little turnover from year to year. Seventy-seven percent of the housing was built before 1980. Most of the housing is single-family, with a median home value of $193,784.

Preferences: Prosperous Empty Nesters residents value their health and financial well-being. Their investments include annuities, certificates of deposit held longer than six months, mutual funds, money market funds, tax-exempt funds, and common stock. They hold universal life insurance policies. Residents exercise regularly and take a multitude of vitamins. They refinish furniture and play golf. They also attend golf tournaments and sports events, particularly baseball games and college football games. They order by phone from catalogs and use coupons. Households are likely to own or lease a luxury car.

Prosperous Empty Nesters residents take pride in their homes and communities, so home remodeling, improvements, and lawn care are priorities. Residents will join a civic club or charitable organization, help with fund-raising, write to a radio station or newspaper editor, and volunteer. They travel extensively in the United States and abroad. They read biographies, mysteries, and history books; two or more daily newspapers; and business or fitness magazines. They watch golf, news, and talk programs on TV.

SEGMENT #13
TAPESTRY NAME: DORMS TO DIMPLOMAS

Demographic: With a median age of 21.7 years, Dorms to Diplomas residents are college students who are the youngest of the Tapestry segments. Seventy-nine percent of the residents are enrolled in a college or university. Forty-two percent share housing with one or more roommates; 38 percent live in single-person dwellings. Ethnic diversity is slightly lower in this segment than in the United States. Seventy-one percent of the residents are white; 10 percent are black. Although there is a higher percentage of Asians, Hispanics have a lower percentage compared to the United States.

Socioeconomic: To support themselves while they attend school, nearly three-fourths of the employed residents work part-time in low-paying service jobs. The educational institutions at the center of these communities employ many residents, especially in the educational services, accommodation/food services, and retail trade industry sectors. The median household income for this segment is $19,089; the median net worth is $8,899. Fifty-five percent of the residents aged 25 years and older hold a bachelor's or graduate degree.

Residential: Forty-three percent of the residents in the Dorms to Diplomas communities live in dormitories on campus; the remainder rent apartments in multiunit buildings off campus. Ninety percent rent. Most of these communities are in urban locations or part of a major campus that is the core of an urban cluster. The median home value for owner-occupied housing is $140,966.

Preferences: Spending patterns of Dorms to Diplomas residents reflect their carefree lifestyle and their focus on their education. When they do not eat at the dining hall or in one of the nearby fast-food restaurants, they use convenient prepared and frozen foods. Most individuals own or share a refrigerator and microwave. Owning a personal computer is a necessity; they prefer laptops. Internet access is available to all and used frequently to research school assignments, find employment opportunities, make travel

plans, and keep in touch with friends and family. Most own cell phones, iPods, and digital cameras. They download music and share videos. They bank online.

Aside from the exercise they get from participating in college sports and walking or jogging around campus, they work out at on-campus gyms. Favorite pastimes include playing football, basketball, volleyball, and practicing yoga. They eat low-fat, low-calorie food. They also attend rock concerts, go dancing, and go to the movies and the theater. Typical of dorm life, they spend time with friends watching sports and playing cards. Although they often shop at discount stores, they prefer branded clothing from American Eagle and Old Navy.

B. GLOSSARY

Adaptive Reuse Unit. A unit created in an existing non-residential structure that has become obsolete for its originally intended purpose, such as a vacant industrial building or a decommissioned school

American Community Survey (ACS). An ongoing survey process conducted by the U.S. Census Bureau. The ACS reports social, economic, and housing data every year, thereby giving communities current information. Data from the survey help to determine how federal and state funds will be distributed each year. For smaller communities, ACS estimates are based on three to five years of survey results.

Area Median Income (AMI). The median family income, adjusted for household size, within a given metropolitan or non-metropolitan area, updated annually by HUD and used to determine eligibility for most housing assistance programs.

Chapter 40A. G.L. c. 40A, the state Zoning Act. The current version of the Zoning Act was adopted in 1975 (1975 Mass. Acts 808).

Chapter 40B. G.L. c. 40B, § 20-23 (1969 Mass. Acts 774). he state law administered locally by the Board of Appeals in order to create affordable housing. It provides eligible developers with a unified permitting process that subsumes all permits normally issued by multiple town boards. Chapter 40B establishes a basic presumption at least 10 percent of the housing in each city and town should be affordable to low- or moderate-income households. In communities below the 10 percent statutory minimum, affordable housing developers aggrieved by a decision of the Board of Appeals can appeal to the state Housing Appeals Committee, which in turn has authority to uphold or reverse the Board's decision.

Chapter 40R. G.L. c. 40R (2004 Mass. Acts 149, s. 92). A state law that provides for overlay districts with variable densities for residential development and multi-family housing by right (subject to site plan review). At least 25 percent of the units in a Chapter 40R district have to be affordable to low- or moderate-income people.

Chapter 44B. G.L. c. 44B (2000 Mass. Acts 267). The Community Preservation Act, allows communities to establish a Community Preservation Fund for open space, historic preservation, and community housing by imposing a surcharge of up to 3 percent on local property tax bills. The state provides matching funds (or a partial match) from the Community Preservation Trust Fund, generated from Registry of Deeds fees.

Community Development Block Grant (CDBG). Under the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5300 et seq.), the U.S. Department of Housing and Urban Development (HUD) makes funds available each year for cities with populations of 50,000 or more ("entitlement communities") and each of the fifty states (the Small Cities or "non-entitlement" program). CDBG can be used to support a variety of housing and community development activities provided they meet one of three "national objectives" established by Congress. Housing activities are almost always designed to meet the national objective of providing benefits to low- or moderate-income people. Funds may be used for housing rehabilitation, redevelopment of existing properties for residential purposes (in some cases), making site improvements to publicly owned land in order to support the construction of new housing, interest rate and mortgage principal subsidies, and

down payment and closing cost assistance. As a "non-entitlement community," Amherst can access CDBG funds by applying to DHCD. The state program is guided by a five-year Consolidated Plan and One-Year Action Plans required by HUD.

Comprehensive Permit. The unified permit authorized by Chapter 40B for affordable housing development.

Consolidated Plan. A five-year plan prepared by CDBG entitlement recipients and Participating Jurisdictions under the HOME Program. The purpose of the plan is to document and analyze housing market conditions, affordable housing needs, homelessness and disability housing needs, and non-housing community development needs in the city or state that receives federal housing and community development funds and design a strategy to address those needs using federal, state, local, and private resources. Grant recipients also have to prepare one-year action plans showing how each year's funding will be used in a manner consistent with the five-year Consolidated Plan.

Department of Housing and Community Development (DHCD). The state's lead housing agency, originally known as the Department of Community Affairs (DCA). DHCD oversees state-funded public housing and administers rental assistance programs, the state allocation of CDBG and HOME funds, various state-funded affordable housing development programs, and the Community Services Block Grant (CSBG) Program. DHCD also oversees the administration of Chapter 40B.

Extremely Low Income. See Very Low Income.

Fair Housing Act, Federal. Established under Title VII of the 1968 Civil Rights Act, the federal Fair Housing Act prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and disability.

Fair Housing Law, Massachusetts. G.L. c. 151B (1946). The state Fair Housing Act prohibits housing discrimination on the basis of race, color religious creed, national origin, sex, sexual orientation, age, children, ancestry, marital status, veteran history, public assistance recipiency, or physical or mental disability.

Family. A household of two or more people related by blood, marriage, or adoption.

Gross Rent. Gross rent is the sum of the rent paid to the owner plus any utility costs incurred by the tenant. Utilities include electricity, gas, water and sewer, and trash removal services but not telephone service. If the owner pays for all utilities, then gross rent equals the rent paid to the owner.

Group Home. A type of congregate housing for people with disabilities; usually a single-family home.

Inclusionary Zoning. A zoning ordinance or bylaw that encourages or requires developers to build affordable housing in their developments or provide a comparable public benefit, such as providing affordable units in other locations ("off-site units") or paying fees in lieu of units to an affordable housing trust fund.

Infill Development. Construction on vacant lots or underutilized land in established neighborhoods and commercial centers.

HOME Investment Partnership Program (HOME). A HUD-administered formula grant program that supports the creation and preservation of housing for low- or moderate-income people. Authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended, HOME provides funding to states, larger cities, and groups of contiguous communities that form a consortium for the purpose of qualifying as a "Participating Jurisdiction," or "PJ," which is similar to a CDBG entitlement recipient. HOME funds can be used for home purchase or rehabilitation financing assistance to eligible homeowners and new homebuyers, construction or rehabilitation of housing for rent or ownership, or site acquisition or improvement, demolition of dilapidated housing to make way for HOME-assisted development, and relocation expenses. PJs may also use HOME funds for tenant-based rental assistance contracts of up to two years if doing so is consistent with their Consolidated Plan and justified under local market conditions. Up to 10 percent of the PJ's annual allocation may be used for program planning and administration.

Household. One or more people forming a single housekeeping unit and occupying the same housing unit.

Housing Authority. Authorized under G.L. 121B. A public agency that develops and operates rental housing for very-low and low-income households.

Housing Cost, Monthly. For homeowners, monthly housing cost is the sum of principal and interest payments, property taxes, and insurance, and where applicable, homeowners association or condominium fees. For renters, monthly housing cost includes rent and basic utilities (oil/gas, electricity).

HUD. See U.S. Department of Housing and Urban Development.

Inclusionary Zoning. Zoning regulations that encourage or require developers to provide affordable housing.

Local Initiative Program (LIP). A program administered by DHCD that encourages communities to create Chapter 40B-eligible housing without a comprehensive permit, e.g., through inclusionary zoning, purchase price buy-downs, a Chapter 40R overlay district, and so forth. LIP grew out of recommendations from the Special Commission Relative to the Implementation of Low or Moderate Income Housing Provisions in 1989. The Commission prepared a comprehensive assessment of Chapter 40B and recommended new, more flexible ways to create affordable housing without dependence on financial subsidies.

Low Income. As used in this report, low income means a household income at or below 50 percent of AMI. Under Amherst's zoning, "low income" means households with income at or below 80 percent of the area median family income (AMI) for the economic region that includes Amherst, as determined by HUD.

MassHousing. The quasi-public state agency that provides financing for affordable housing.

Mixed-Income Development. A residential development that includes market-rate and affordable housing.

Mixed-Use Development. A development with more than one use on a single lot. The uses may be contained within a single building ("vertical mixed use") or divided among two or more buildings ("horizontal mixed use").

Moderate Income. As used in this report, moderate income means a household income between 51 and 80 percent of AMI. Under Amherst's zoning, however, "moderate income" means households with incomes at or below 120 percent of the median for Amherst.

Open Space-Residential Development. An approach to residential development that seeks to preserve as much land as possible for open space and resource protection by allowing housing to be concentrated on less sensitive areas of a site.

Overlay District. A zoning district that covers all or portions of basic use districts and imposes additional (more restrictive) requirements or offers additional (less restrictive) opportunities for the use of land.

Regulatory Agreement. An affordable housing restriction, recorded with the Registry of Deeds or the Land Court, outlining the developer's responsibilities and rights

Shared Equity Homeownership. Owner-occupied affordable housing units that remain affordable over time due to a deed restriction that controls resale prices, thereby retaining the benefits of the initial subsidy for future moderate-income homebuyers.

Single Room Occupancy (SRO). A building that includes single rooms for occupancy by individuals and usually includes common cooking and bathroom facilities shared by the occupants.

Subsidized Housing Inventory (SHI). A list of housing units that "count" toward a community's 10 percent statutory minimum under Chapter 40B.

Subsidy. Financial or other assistance to make housing affordable to low- or moderate-income people.

Transit-Adjacent Development (TAD). Development that is in close proximity to transit, but with a design that has not been significantly influenced by it. It is distinguished from TOD, where transit is the central design feature.

Transit-Oriented Development (TOD). Residential and commercial developments designed to maximize access by transit and non-motorized transportation. A TOD typically has a rail or bus station at its center, surrounded by relatively high-density development, with progressively lower-density within one-quarter to one-half mile of the center.

Typical, Non-substandard Rental Units. A term that defines the types of rental units that HUD includes and excludes in establishing the FMR for each housing market area. The term excludes: public housing units, rental units built in the last two years, rental units with housing quality problems, seasonal rentals, and rental units on ten or more acres.

U.S. Department of Housing and Urban Development (HUD). The lead federal agency for financing affordable housing development and administering the Fair Housing Act.

Very Low Income. As used in this report, very low income is a household income at or below 30 percent of AMI. In some housing programs, a household with income at or below 30 percent of AMI is called extremely low income.