



2. Demographics and Housing

KEY FINDINGS

- + Between 2000 and 2010, the Town's population increased three percent, from 32,170 to 33,006 people.
- + The median household income in Natick is \$98,902.
- + Approximately 61 percent (8,878) of Natick's 14,459 housing units are detached single family units.
- + The median single family sales price in 2015 was \$521,000; the median condominium sales price was \$268,000.
- + The average single family tax bill in 2015 was \$6,630.

Introduction

Natick's industrial past provides key information for understanding the physical development pattern in the Town. Pre-1900 commercial and residential development was concentrated in the downtown area, with the commercial core surrounded by homes. Housing development during the industrial period placed workers close to their jobs. Village development occurred in South Natick, with significant social and civic components. During the twentieth century with the proliferation of the automobile, development began to spread across the Town. New areas of commercial development emerged, particularly along Route 9, accompanied by widely dispersed residential development. Natick's suburbanization and transformation into a bedroom community between 1945 and 1965 were essential components of making Natick the Town it is today. The rise of postwar retail (starting with Sherwood Plaza and the Natick Industrial Park) was heavily influenced by new housing development both within and around Natick.

Today, Natick is a vibrant community with significant commercial nodes and well-established neighborhoods. Its strategic location, public amenities, great schools, and low commercial tax rate make Natick a desirable place to live.

Existing Conditions

Background

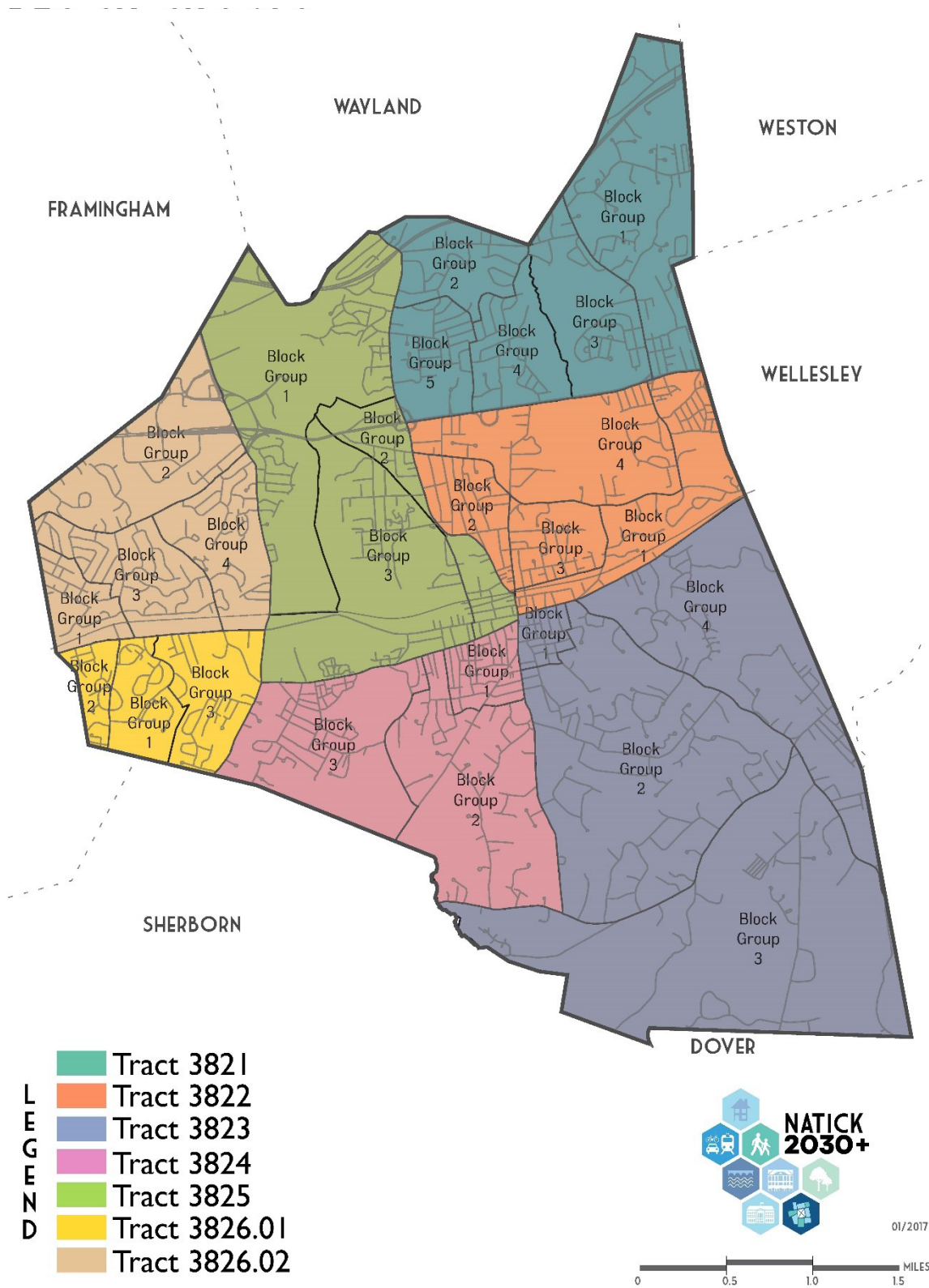
Placing local conditions and trends in the context of a larger geography helps to shed light on a community's relationship to its surroundings. For purposes of this plan, four communities have been selected as nearby comparison towns: Framingham, Holliston, Needham, and Wellesley. The larger MetroWest region and the state as a whole have also been used for some comparisons.¹ The accompanying map shows Natick at the Census Tract and Block Group level: geographies that help to understand demographic and housing differences within Natick. It should be noted, however, that Census Tracts and Block Groups do not necessarily represent homogeneous population or building characteristics.

Population

Natick is a maturely developed suburb, but it is still growing and changing. Between 2000 and 2010, the Town's population increased 3 percent, from 32,170 to 33,006 people.² Compared with its neighbors, Natick grew at a greater rate than all except Wellesley, which grew by 5 percent. The population is expected to grow further in the coming years as more people make Natick their home. This is in contrast to the period between 1970 and 1990, where Natick experienced a decline in population. While the Metropolitan Area Planning Council (MAPC) forecasts a 1 percent population increase in Natick between 2010 and 2030, from 33,006 to 33,433 people, the

1 MetroWest Region is composed of: Ashland, Framingham, Holliston, Marlborough, Natick, Southborough, Wayland, Wellesley, and Weston. The definition of this geography was determined by Metropolitan Area Planning Council (MAPC), the regional planning agency for Boston.

2 Census 2000 and Census 2010, Summary File 1, P1, Total Population.



MAP 2.1: BLOCK GROUP LOCATIONS IN NATICK

This map shows the boundaries of the Census Block Groups that make up the Town of Natick.

Massachusetts State Data Center predicts that Natick’s population could increase by as much as 7 percent in the same period.³ While there is a disparity in population projections, the overall trend is that of growth, ultimately requiring the Town to plan for its future.

The population increase that Natick is likely to experience will require significant decisions on the part of the Town. Demographers and economists at the University of Massachusetts estimate that as the large millennial generation ages into its thirties over the next decade, household formation rates will rise in just about all of the suburbs along the fringe of the Boston metro area. The added increase in population will have a direct impact on housing, both in terms of demand and availability, and on infrastructure, Town facilities and services, and schools. Demand for multi-family housing is expected to be greater in the future.

GEOGRAPHY	2000	2010	2020	2025	2030	00 - 10 (%)	10 - 30 (%)
Framingham	66,910	68,318	73,070	74,084	75,027	2%	10%
Holliston	13,801	13,547	13,283	12,937	12,524	-2%	-8%
NATICK	32,170	33,006	34,823	35,020	35,171	3%	7%
Needham	28,911	28,886	29,610	28,974	28,539	0%	-1%
Wellesley	26,613	27,982	29,647	29,323	28,340	5%	1%

TABLE 2.1: POPULATION TRENDS AND PROJECTIONS, NATICK AND COMPARISON COMMUNITIES

Source: Metro Boston Population and Housing Data, UMass Donohue Institute, Long-term Population Projections for Massachusetts Municipalities, & RKG Associates, Inc.

Population Age

Table 2.2 reports the distribution of age groups in Natick and the surrounding towns. The largest population segment in Natick consists of people under 18 years, an age group that accounts for nearly 24 percent of the total population (7,287 people). Seniors – defined here as the population 65 years and over – also are an important demographic in Natick. Population estimates from the Census Bureau indicate that seniors comprise about 15 percent of Natick’s population, and only Needham, which has significant active and assisted living facilities, has a larger percentage of seniors than the comparison communities. An especially important age group in all of these communities is the population 35 to 54 years old: people in their prime earning years and who contribute significantly to the local economy. Their housing choices and spending habits have a direct impact on the town. They typically have school-age children, too, so school quality is an important driver in the decisions they make about where they will live.

Further investigating the population by age data at the census tract level shows that across nearly all of Natick, the population by age group is distributed similarly across census tracts. The census tract which stands out is 3826.01, located in southwest Natick bordering Framingham and bounded by West Central and Speen Streets. This tract maintains a significantly larger percentage (40%) of residents that are between 25 and 44 years old.⁴

3

Metropolitan Area Planning Council (MAPC) Projections, Metro Boston Population and Housing Demand Projections 2014, and UMass Donohue Institute Population Projections Program, Massachusetts Population Projections 2010 to 2035. MAPC projections assume “status quo” growth (or loss).

4

ACS 2010-2014, Table B01001, “Age.”

	FRAMINGHAM	HOLLISTON	NATICK	NEEDHAM	WELLESLEY	METROWEST	MASSACHUSETTS
Total Population	69,900	14,008	34,230	29,540	28,858	237,989	6,657,291
Under 18	21%	27%	24%	27%	27%	24%	21%
18 to 24 years	10%	5%	5%	6%	17%	9%	10%
25 to 34 years	15%	7%	11%	7%	4%	11%	13%
35 to 44 years	14%	15%	15%	13%	11%	14%	13%
45 to 54 years	14%	18%	17%	15%	15%	16%	15%
55 to 64 years	12%	14%	13%	14%	11%	13%	13%
65+ years	14%	14%	15%	17%	14%	14%	14%

TABLE 2.2: POPULATION BY AGE GROUP: NATICK AND COMPARISON COMMUNITIES

Source: U.S. Census, American Community Survey (2010-2014), Table B01001, "Age", and RKG Associates, Inc.

Race and Ethnicity

Like other Boston-area suburbs, Natick is becoming a more diverse community. While the Town is still 87 percent white, demographic changes have resulted in an increased Latino population. Natick's Latino population has risen more than 26 percent, from just 635 people in 2000 to almost 798 in 2014.⁵ To some extent, the minority population changes that have occurred in Natick go hand-in-hand with an increase in foreign-born residents. The overall foreign-born population for Natick is currently estimated at 4,745 people, and they represent nearly 14 percent of the total population. Natick has the second largest percentage of foreign-born residents among the immediate comparison communities (second to Framingham).⁶ Both the MetroWest region and state have higher foreign-born population percentages than Natick (19 and 15 percent, respectively). Table 2.3 provides a breakdown of the race and ethnicity of residents of Natick and the comparison communities.

	FRAMINGHAM	HOLLISTON	NATICK	NEEDHAM	WELLESLEY	METROWEST	MASSACHUSETTS
Total Population	69,900	14,008	34,230	29,540	28,858	237,989	6,657,291
White	75%	95%	87%	88%	83%	82%	80%
Black	8%	1%	2%	2%	2%	4%	7%
American Indian	0%	0%	0%	0%	0%	0%	0%
Asian	7%	2%	9%	7%	11%	8%	6%
Pacific Islander	0%	0%	0%	0%	0%	0%	0%
Other Race	5%	1%	1%	0%	1%	2%	4%
Two + Races	4%	1%	2%	3%	2%	4%	3%
Hispanic Origin	14%	3%	3%	3%	5%	8%	10%

TABLE 2.3: RACE AND ETHNICITY: NATICK AND COMPARISON COMMUNITIES:

Source: U.S. Census, American Community Survey (2010-2014), Tables B02001, "Race", B03002, "Hispanic of Latin Origin", and RKG Associates, Inc.

⁵ Census 2000, Summary File, DP-1, "Profile of General Demographic Characteristics", ACS 2010-2014, B03002, "Hispanic or Latino Origin."

⁶ ACS 2010-2014, B05012, "Nativity."

Further examining the Town at the census tract level, it becomes apparent that Asians are the most dominant minority across nearly all census tracts. Town-wide, Asians account for about 8 percent of the total population.⁷ The largest concentration of Asian population is found in census tract 3826.01, which is in southwest Natick. The area in general has a significant minority population, but Asians account for 22 percent of the total population in this census tract. Asians are a significant minority within the Town, but are significantly under-represented in Town Meetings.

Education

Overall the population of Natick is highly educated as compared to the rest of the Commonwealth. Natick is home to major technology companies, MathWorks and Cognex, and is also in close proximity to a number of other companies near Framingham and the Route 128 corridor. Based on an advantageous geographic location in the MetroWest region and with commuter rail access to Boston, the Town has become a community for working professionals.

Based on data provided by the ACS, nearly 66 percent of individuals over the age of 25 have educations of at least a Bachelor’s degree, as compared to the Commonwealth with 40 percent.⁸ The comparison communities have similar educational levels as Natick, with some having greater concentrations of individuals with graduate and professional degrees. The strong human capital base that Natick possesses is a great asset for the Town, as highly educated individuals are typically well-paid and have the disposable income to generate sales tax revenue for the Town.

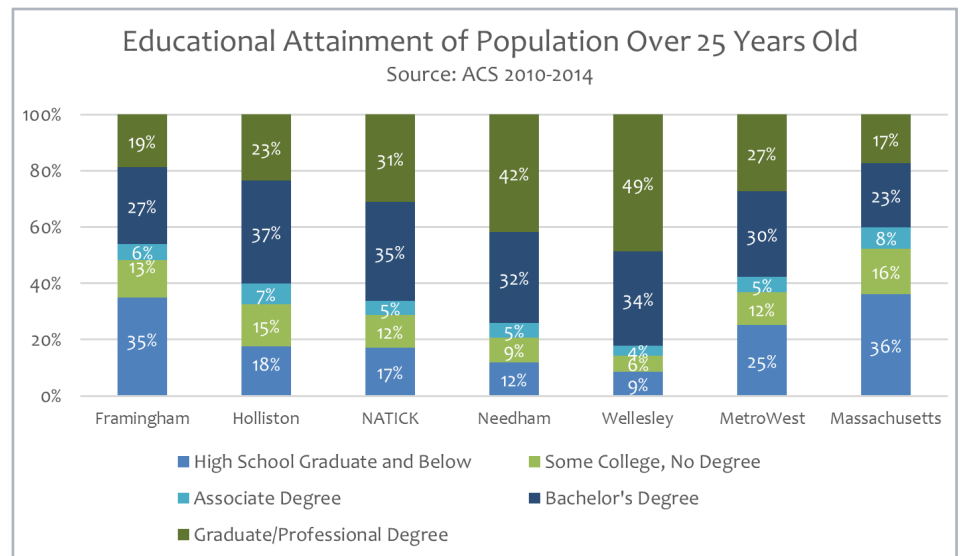


FIGURE 2.1: EDUCATIONAL ATTAINMENT

7 ACS 2010-2014, B02001 and B03002, "Race" and "Hispanic or Latino Origin."

8 ACS 2010-2014, B15003, "Education."

Household Trends

The federal Census Bureau defines "household" as one or more people living in a housing unit, so "household" can include a variety of living arrangements. Natick is expected to experience considerable household growth over the next two decades.

Some of the growth can be attributed to the elderly households downsizing and properties being sold to families with children. According to estimates from MAPC, the number of households in Natick could increase by as much as 10 percent between 2010 and 2030, from 13,406 to 14,714 (an increase of 1,308).⁹ Natick's projected household growth rate exceeding its population growth rate is no surprise. It echoes the nation's long-term trend toward smaller households. The projected growth in households highlights the importance of having an adequate housing supply to meet demand. The relationship between housing supply and demand is important because if a significant under-supply exists, prices will increase, eroding the ability of households to choose Natick as a place to live.

Household Income

Household income directly influences the ability of residents to support their families, local businesses, and town services. Lower household incomes can equate to a lower threshold for spending on housing and goods and services while people with higher income households can afford to spend more. The median household income in Natick, \$98,902, is at the lower end of the comparison communities.¹⁰ The economic position of Natick households is generally high, though not as high as their counterparts in Holliston, Needham, and Wellesley. Compared to the state median income of \$67,846, Natick as a community retains a significant amount of affluence.

	FRAMINGHAM	HOLLISTON	NATICK	NEEDHAM	WELLESLEY	METROWEST	MASSACHUSETTS
Households	26,724	5,028	14,044	10,536	8,594	88,907	2,538,485
<\$15,000	12%	5%	6%	6%	3%	7%	11%
\$15,000 - \$24,999	9%	9%	6%	3%	6%	7%	9%
\$25,000 - \$34,999	8%	5%	6%	2%	2%	6%	8%
\$35,000 - \$49,999	10%	9%	9%	6%	4%	9%	11%
\$50,000 - \$74,999	14%	8%	14%	10%	9%	13%	16%
\$75,000 - \$99,999	12%	11%	9%	12%	9%	11%	13%
\$100,000 - \$149,999	19%	21%	21%	17%	14%	18%	17%
\$150,000 - \$199,999	9%	14%	14%	14%	16%	12%	8%
\$200,000+	6%	18%	15%	30%	38%	17%	8%
Median HH Income	\$68,881	\$108,350	\$98,902	\$129,154	\$159,615	\$122,530	\$67,846

TABLE 2.4: HOUSEHOLD INCOME: NATICK AND COMPARISON COMMUNITIES

Source: U.S. Census, American Community Survey (2010-2014), Table B19001, "Household Income", Table B19013, "Median Household Income in the Past 12 Months (In 2014 Inflation-Adjusted Dollars)," and RKG Associates, Inc.

⁹ MAPC Projections, 2016.

¹⁰ ACS 2010-2014, B19013, "Median Household Income in the Past 12 Months (In 2014 Inflation-Adjusted Dollars)."

Of the census tracts located in Natick, the tract with the highest median income is tract 3823, located in southeast Natick, adjacent to Wellesley, Dover, and Sherborn, and bounded by East Central and Cottage streets. The median income of this area is \$114,396, with 24 percent of its residents having incomes of greater than \$200,000 per annum. The tract with the lowest median income is tract 3826.01, which is in southwest Natick, and has a median income of \$69,801. Interestingly, the lowest median income census tract in Natick was higher than the median incomes of both Framingham and the Commonwealth. The difference between the highest and lowest median income in Natick is 64 percent, a large disparity in income. Some

of the explanation for the acute difference is that tract 3823 has a vastly different housing stock and built environment that is composed of large mansion style housing. Tract 3826.01 is adjacent to Framingham, a historically more affordable city, and has a built environment composed of multi-family rental units set within a suburban commercial district, and younger households than other parts of town.

Housing Characteristics

Housing Stock

Natick is like other Boston area suburbs in that its most common housing type is the detached single family home. Approximately 61 percent (8,878) of Natick's 14,459 housing units are detached single family units.¹¹ In addition, Natick has a significant inventory of multi-family units, including apartment and condominium structures of three units or more, which together account for almost 27 percent (1,534) of all units in the town.¹² The diversified housing stock is both a strength and weakness because while there are housing options, the entry price point for both for-sale and rental housing is high. Those who can afford to live in Natick do have options which span from apartments to condos and single family homes. New high-end developments, such as Modera at Natick Center or Nouvelle (pictured) by the Natick Mall, offer significant housing options and amenities for those able to afford them. Moderately priced, or permanently affordable units, are found in locations such as Natick Village.



Nouvelle at Natick Collection

Table 2.5 shows Natick having a larger percentage of multi-family units than any of the comparison communities except for Framingham. Within Natick, nearly 17 percent of the housing units are located in structures that have 10 or more units.¹³ These findings parallel those of the MetroWest Region. The existing supply of multi-family housing in Natick provides an opportunity for new residents and young families to live in Natick while not having to purchase a single family home. In the other comparison communities, particularly Holliston and Wellesley, single family homes are the predominant housing type and account for greater than 80 percent of all units.

At the census tract level, it is apparent that census tract 3826.01 holds the majority of Natick's multi-family housing. Table 2.6 shows that single family homes account for only 15 percent of total housing units in Tract 3826.01, and 50 percent of the housing units are in developments of 10 units or more. This census tract is also the most racially and economically diverse. Tract 3821 has the least multi-family housing, with 90 percent of its housing stock listed as single family homes. Single family homes in the remaining tracts range from 53 to 72 percent, indicating that multi-family homes are spread around the community.

Demand for housing in Natick will continue to grow in the near and long term future. Based on projections by MAPC, in the short-term Natick is expected to experience a growth in housing of 4 percent between 2010 and 2020; while over the long-term, between 2010 and 2030, the Town is set to experience housing unit growth of 9 percent, with the greatest demand for multi-family housing.¹⁴ Of all the comparison communities, Natick is expected to grow at the fastest rate. The expected increased demand for housing in Natick between 2010 and 2030 is 1,262 units. This is an important metric for the Town to consider because determining the type, size, and location of new housing will have impacts on existing residents and community character.

11

ACS 2010-2014, Table B25024, "Housing Units."

12

ACS 2010-2014, B25024, "Units in Structure."

13

Ibid.

14

MAPC Population and Housing Demand Projections, 2014.

	FRAMINGHAM	HOLLISTON	NATICK	NEEDHAM	WELLESLEY	METROWEST	MASSACHUSETTS
Housing Units	27,550	5,077	14,459	10,829	9,105	92,544	2,816,875
Units - 1, detached	51%	81%	61%	76%	80%	61%	52%
Units - 1, attached	4%	2%	5%	4%	3%	5%	5%
Units - 2	7%	3%	6%	6%	2%	6%	10%
Units - 3 or 4	8%	3%	4%	2%	3%	6%	11%
Units - 5 to 9	6%	4%	6%	2%	3%	5%	6%
Units - 10 to 19	5%	1%	7%	2%	2%	5%	4%
Units - 20 to 49	5%	2%	4%	3%	3%	4%	4%
Units - 50 or more	14%	4%	6%	6%	4%	8%	6%
Units - Other	0%	0%	0%	0%	0%	1%	1%

TABLE 2.5: UNITS IN STRUCTURE: NATICK AND COMPARISON COMMUNITIES

Source: U.S. Census, American Community Survey (2010-2014), Table B25024, "Units in Structure"

	TRACT 3821	TRACT 3822	TRACT 3823	TRACT 3824	TRACT 3825	TRACT 3826.01	TRACT 3826.02
Housing Units	1,909	2,079	2,259	1,992	1,931	2,395	1,894
Units - 1, detached	90%	72%	73%	64%	53%	15%	72%
Units - 1, attached	4%	2%	9%	9%	2%	5%	5%
Units - 2	0%	12%	7%	11%	12%	2%	1%
Units - 3 or 4	0%	8%	9%	5%	5%	2%	1%
Units - 5 to 9	0%	2%	0%	3%	3%	25%	2%
Units - 10 to 19	1%	2%	0%	5%	3%	33%	1%
Units - 20 to 49	1%	2%	2%	3%	5%	14%	1%
Units - 50 or more	5%	0%	0%	1%	18%	3%	17%
Units - Other	0%	0%	0%	0%	0%	0%	0%

TABLE 2.6: UNITS IN STRUCTURE: NATICK AND COMPARISON COMMUNITIES

Source: U.S. Census, American Community Survey (2010-2014), Table B25024, "Units in Structure"

GEOGRAPHY	2010	2020	2030	10 - 20	10 - 20 (%)	10 - 30	10 - 30 (%)
Framingham	27,529	28,738	29,837	1,209	4%	2,308	8%
Holliston	5,087	5,311	5,350	224	4%	263	5%
NATICK	14,121	14,694	15,383	573	4%	1,262	9%
Needham	11,122	11,293	12,052	171	2%	930	8%
Wellesley	9,189	9,345	9,526	156	2%	337	4%

TABLE 2.7: COMPARATIVE HOUSING UNIT TRENDS 2010-2030

Source: MAPC Projections, Metro Boston Population and Housing Demand Projections 2014

Age of Housing

The arrival of industry in the Town during the nineteenth century led to the growth of residential development. Initially residential development was concentrated in the historic downtown and South Natick area. However, over the course of time and with the creation of more employment nodes throughout the Town, housing spread throughout the Town. The accompanying map depicts the residential development patterns found in Natick since the turn of the twentieth century. What is apparent from the map is that during the era between 1900 and 1940, large swaths of housing were built and coincided with commercial development along Route 9. This residential pattern was facilitated by the proliferation of the automobile and the multiple commercial nodes that developed throughout the Town. Much of the new development that is occurring in Natick results from in-fill development and the creation of mixed-use projects that incorporate both residential and commercial components.

Compared with surrounding towns, Natick has fairly new housing. About 28 percent of the housing was built after 1980 (total of 3,966 units) with 8 percent being built since 2000, the largest percent concentration of the neighboring communities.¹⁵ Another interesting aspect of Natick's housing stock is that 54 percent was built before 1959, indicating that the town experienced significant growth and expansion in the past.

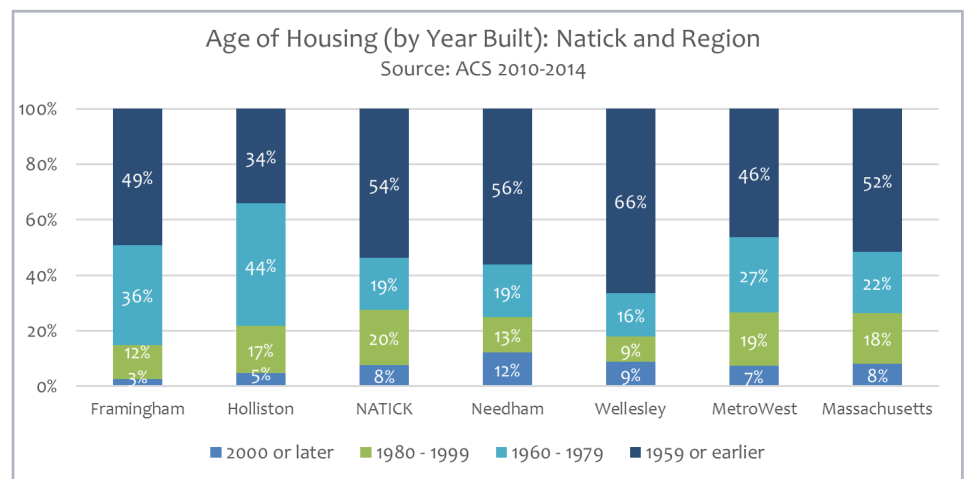
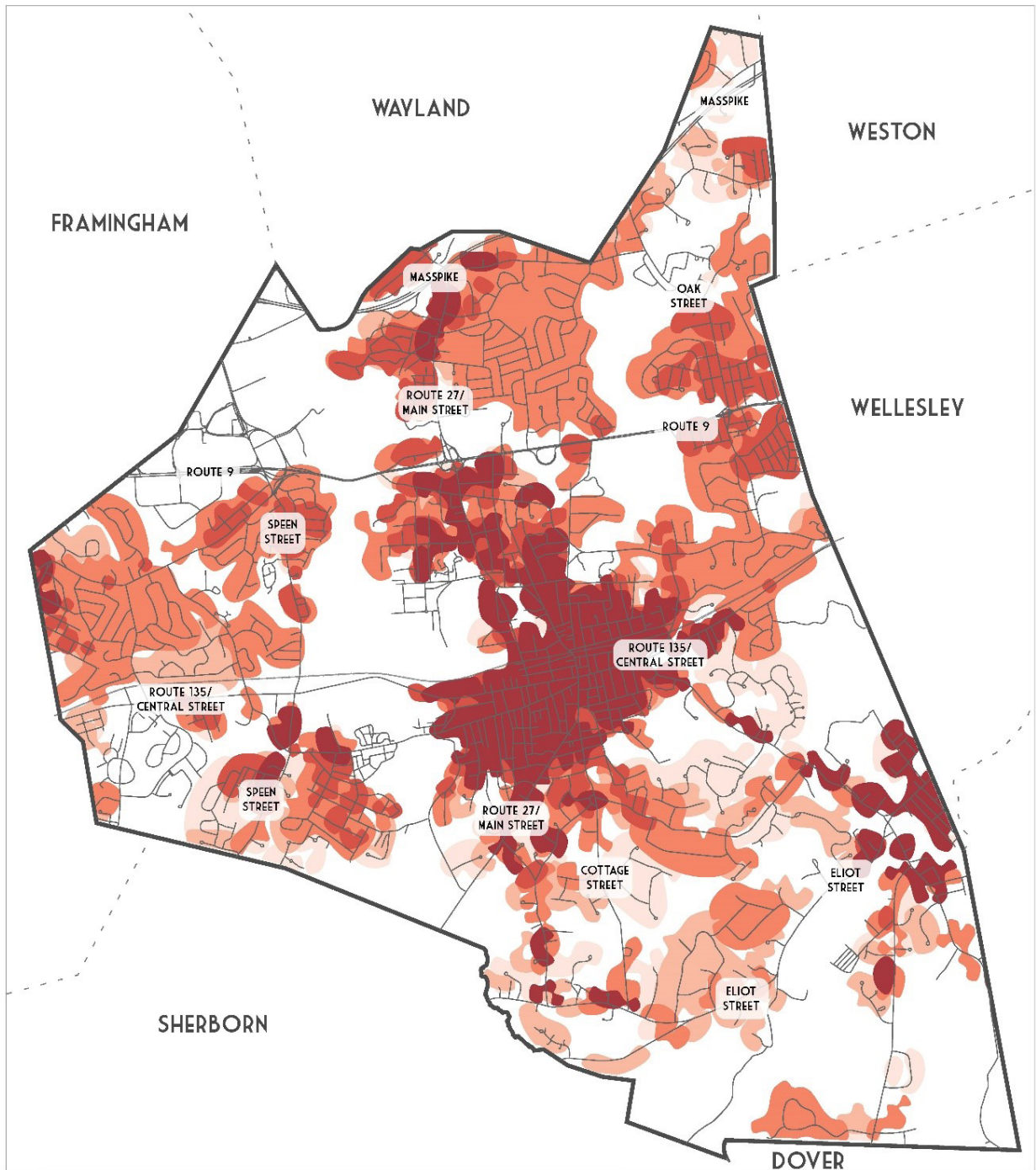


FIGURE 2.2: AGE OF HOUSING

The age of housing stock can tell the story of development patterns and design. Many of the older housing units are desirable because they have first floor master bedrooms, something which is lacking in more recently developed units. The disparity of housing stock age in Natick is quite drastic at the census tract level. Tract 3826.01 has by far the largest percentage of housing built after 1959, at 92 percent. In this tract, the overwhelming majority of housing was built between the years 1960 and 2000. This census tract has a number of multi-family housing developments such as Natick Village Apartments, Kendall Crossing Apartments, and Natick Green Condominiums, all of which are relatively more mature and affordable than the newer developments.

15

ACS 2010-2014, B25034, "Year Structure Built."



- LEGEND**
- Built before 1900
 - Built between 1901 - 1940
 - Built between 1941 - 1970
 - Built between 1971 - 1990
 - Built between 1991 - 2016



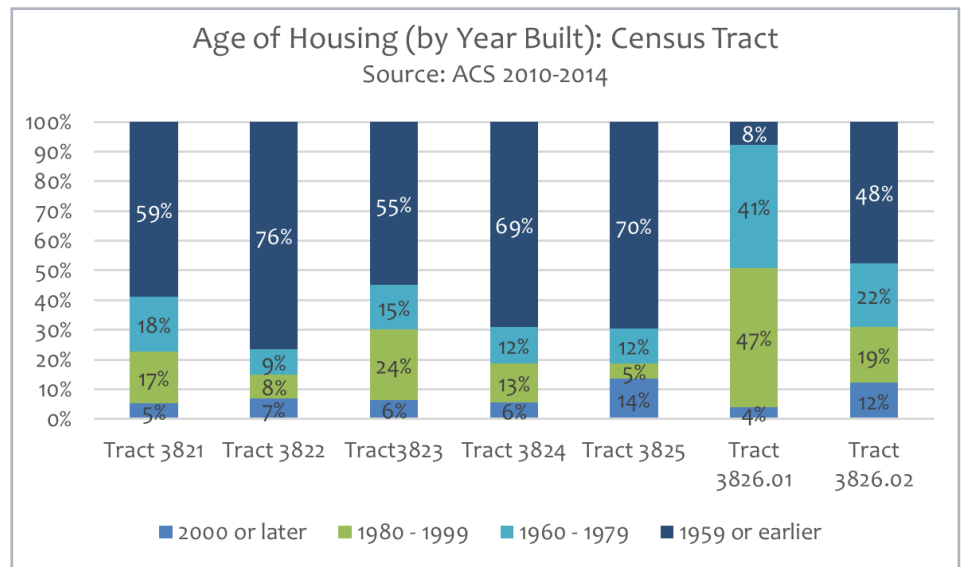
XX/2016



MAP 2.2: AGE OF HOUSING IN NATICK

This map shows the age of housing and general residential development patterns across the Town.

Tract 3825, located around Lake Cochituate and adjacent to Natick Mall, has the largest percentage of housing built after the year 2000 (14 percent); the second largest percentage is in tract 3826.02 (12 percent). The presence of newer housing around the mall coincides with the development trend of repositioning assets such as a mall into a center that is “live, work, and play.” New developments are Nouvelle at Natick Residence, Avalon Natick, and the Cloverleaf Apartments. These developments offer housing and amenities at signify high price points. This emerging trend is important for the ongoing success of this area, known as The Golden Triangle, and the Town’s finances.



A home in Natick.

FIGURE 2.3: AGE OF HOUSING (TRACTS)

Tenure

Natick has more owner-occupied housing than rental housing. Based on data from the ACS, nearly 71 percent of the housing stock is owner-occupied and 26 percent is rental; placing Natick between Framingham and its wealthier neighbors. A high percentage of owner-occupied units is common for suburban communities that have a majority of housing stock composed of single family homes. Compared to the neighboring communities, with the exception of Framingham, Natick maintains a high percentage of rental housing stock. Framingham maintains 43 percent of its housing stock as rental, which makes sense given the abundance of affordable and multi-family housing available. Within the larger geography, Natick lags behind both the MetroWest Region and the Commonwealth in terms of rental housing. However, with the continued development of new multi-family housing stock in Natick, measurable increases in rental housing will be felt into the future.

The census tracts that have the greatest percentage of rental housing were tracts 3825 (40%) and 3826.01 (39%). Census tract 3825 is located near the mall and encompasses Lake Cochituate, while census tract 3826.01 is in southwest Natick. These tracts have higher concentrations of multi-family housing because they are in areas less likely to detract from the single family character of adjacent Natick neighborhoods. These areas are close to commercial districts, which are also zoned

for multi-family housing. Some of the developments in this area include Avalon Natick, Cloverleaf Apartments, and Natick Village Apartments.

Map 2.3 illustrates the ratio of owner-occupied housing to renter-occupied housing in Natick. One key aspect to note in Natick is that, typical of suburban communities, there are not many single family rental homes - these units tend to be owner-occupied. Areas on the map with significant imbalances include South Natick which has a severe lack of multi-family housing and an abundance of single family units. Areas such as Natick Center, the historical heart of the community, and West Natick, near Framingham, have lower ratios and greater numbers of multi-family housing units.

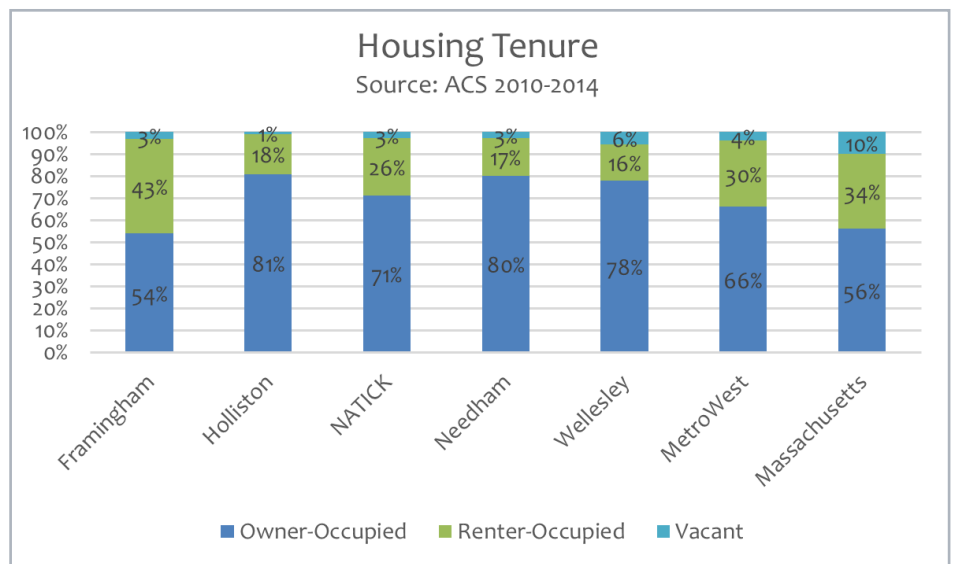


FIGURE 2.4: HOUSING TENURE

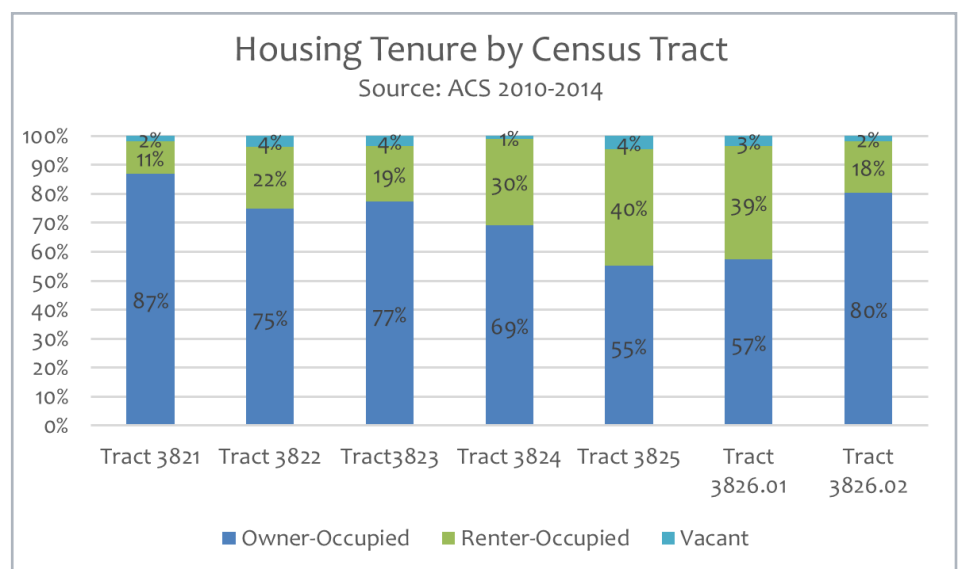
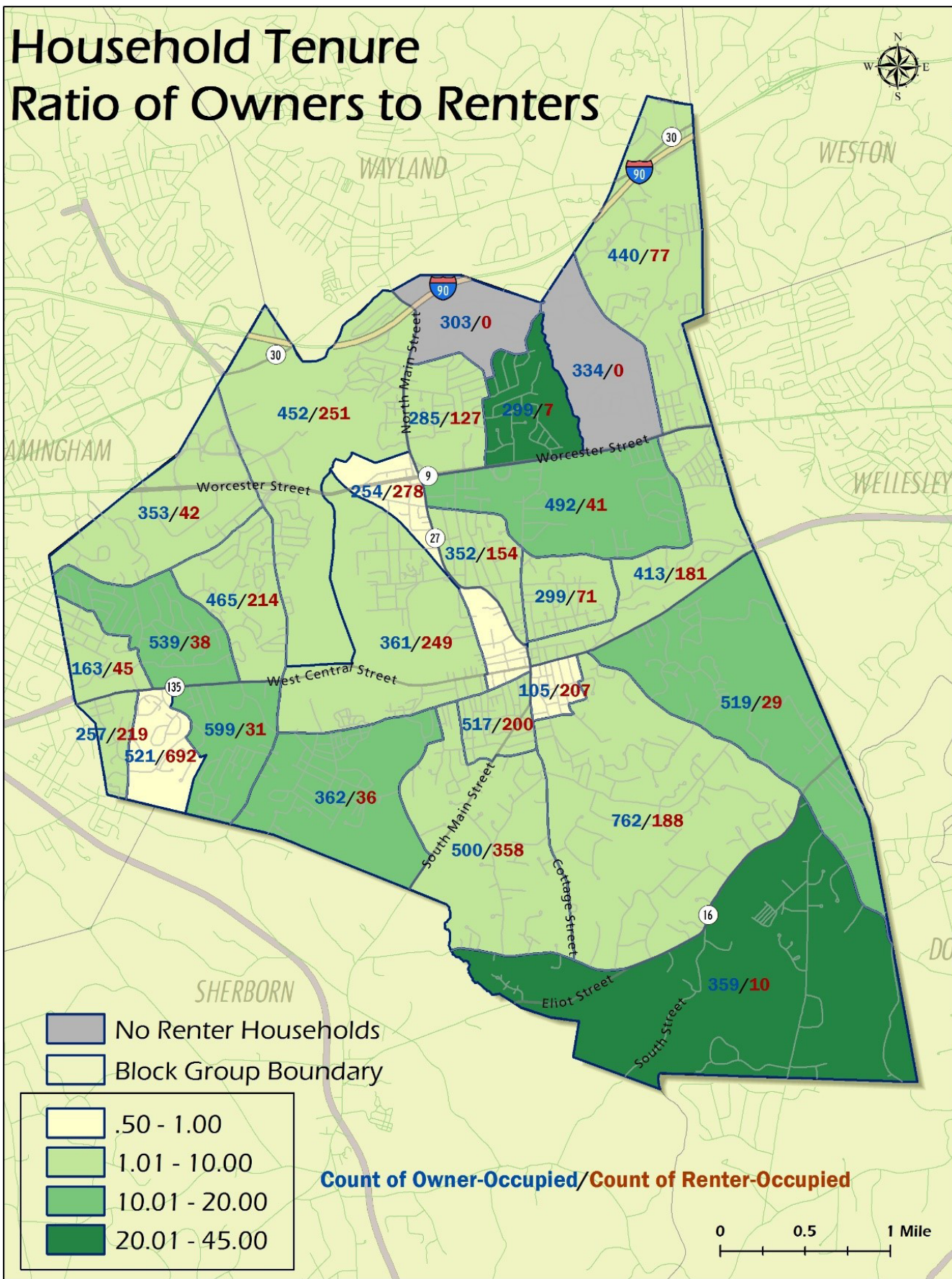


FIGURE 2.5: HOUSING TENURE (TRACTS)



MAP 2.3: HOUSING TENURE BY CENSUS BLOCK GROUP

This map shows the ratio of owner occupied households to renter households in each Census Block Group.



A single family home in Natick

Financial Characteristics of Housing in Natick

Single Family Homes

Single family homes make up the majority of housing units in Natick. Table 2.8 provides a snapshot of Natick’s single family home inventory, based on data from the assessor’s office. Today, Natick has a total of 8,517 single family units, of which 46 percent are three bedroom units and 45 percent have four or more bedrooms;¹⁶ this has implications for school populations. As Natick grew over the last few decades, the size and value of its single family homes also grew.

The market for single family homes in Natick is quite strong. Based on data provided by the Warren Group in 2015, the median sales price was \$521,000 with a total of 363 sales. The median sales price of homes in Natick is quite competitive and in some cases lower than the surrounding communities. Between 2006 and 2015, the median sales price of a home in Natick increased by three percent. The communities that have highest single family sales values are Wellesley and Needham, with respective median sales values of \$1,177,250 and \$840,000. The comparison communities that surround Natick have historically been desirable communities for families, with excellent schools. The relative affordability in Natick, combined with its proximity to Boston and excellent school system, drives demand for housing; it is expected that this trend will continue based on population and housing projections.

UNITS	COUNT	COUNT %	AVERAGE YEAR BUILT	AVERAGE STRUC-TURE AGE	AVERAGE LIVING AREA (SQ. FT.)	AVERAGE AS-SESSED VALUE
1 BR	55	1%	1933	83	961	\$322,856
2 BR	715	8%	1935	81	1,298	\$384,389
3 BR	3,947	46%	1945	71	1,731	\$452,356
4+ BR	3,791	45%	1960	56	2,655	\$640,246
Studio/BR not reported	9	0%	1970	46	1,646	\$604,944
Grand Total	8,517	100%	1951	65	2,101	\$529,607

TABLE 2.8. NATICK HOUSING INVENTORY: SINGLE FAMILY HOMES, 2016

Source: Natick Assessor’s Parcel Database, 2016

Map 2.4 presents the most recent qualified sales prices for single family residences.¹⁷ The map illustrates how single family home sales prices are distributed throughout Natick. The concentrations of sales location, in the north and central portion of Natick, are especially telling as this area hosts much of the new housing construction.

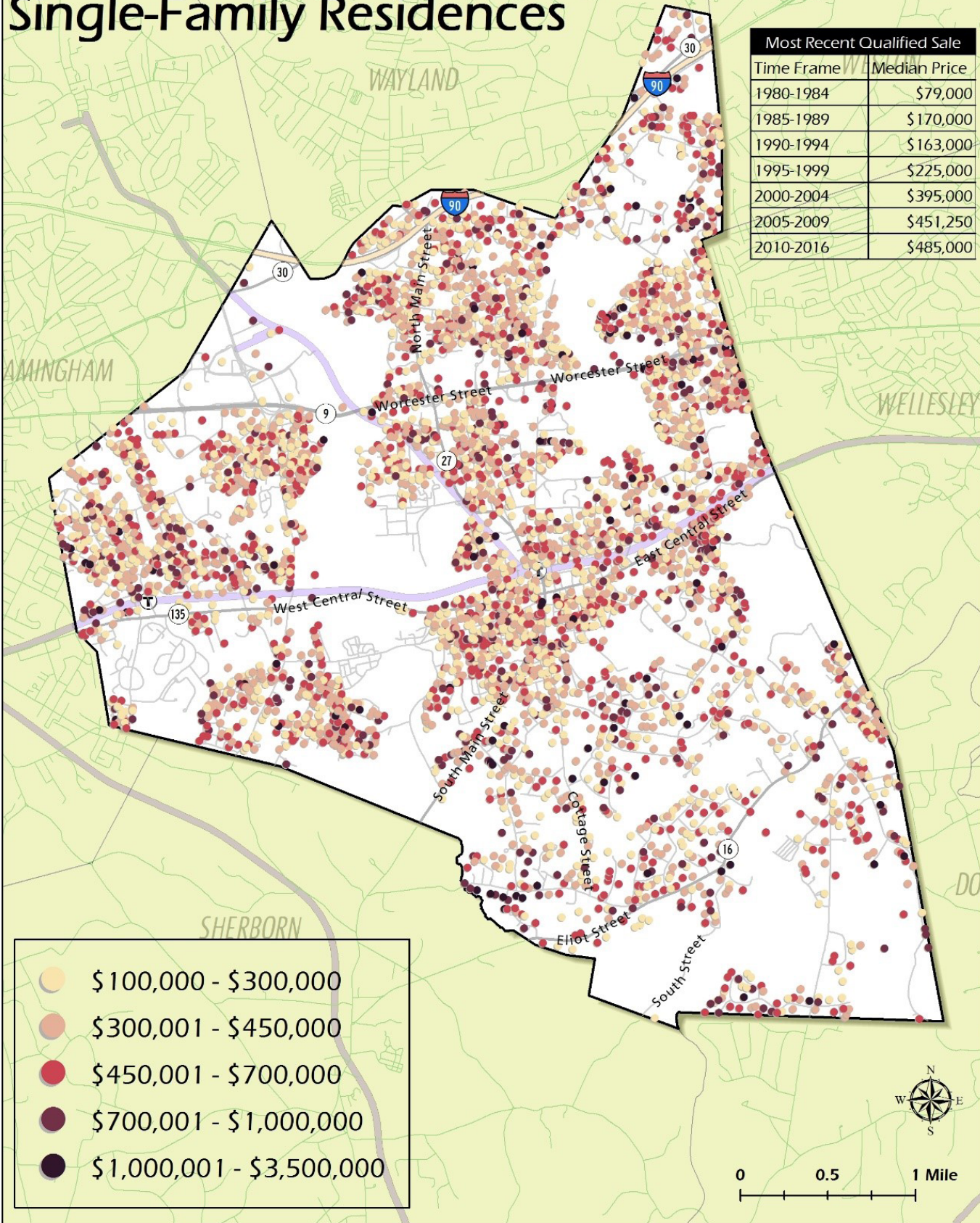
16

Natick Assessor, 2016. Assessor housing units do not equal ACS estimates because the assessor uses actual unit counts while the ACS is based on estimates.

17

Qualified sales are transactions in which the sales price of a property is reflective of actual market value. Data from qualified sales came from the assessor’s database.

Most Recent Qualified Sale Prices Single-Family Residences



MAP 2.4: QUALIFIED SALE PRICES BY YEAR SOLD

This map shows the location, sale price, and year sold of single family residential properties in Natick.

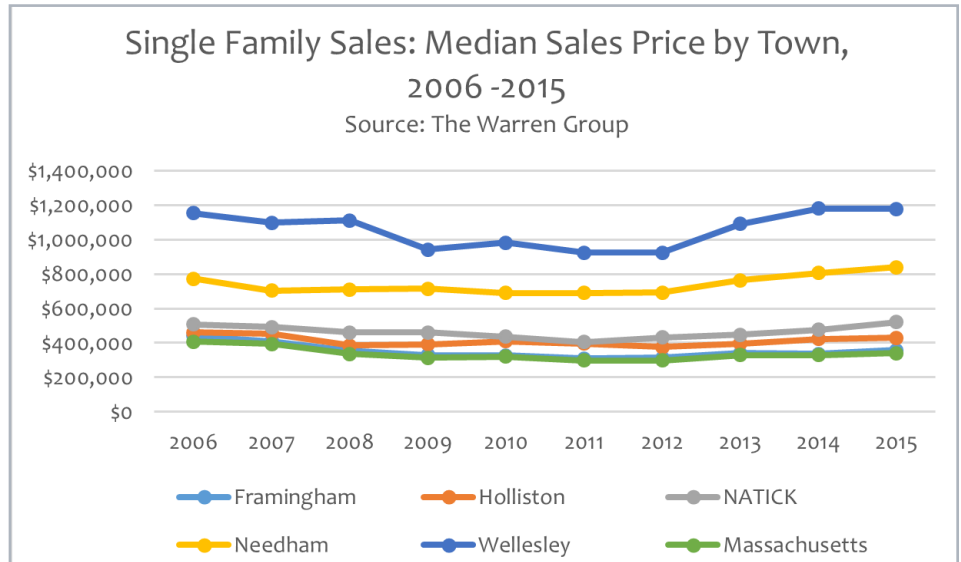


FIGURE 2.6: MEDIAN SINGLE FAMILY SALE PRICE

Condominiums

Condominium developments exist in various locations around the Town, mostly near major commercial areas and downtown. Condominium units differ from single family homes in that they offer the setting of two-family (e.g. Fairway Estates) or clustered multi-family housing but with an ownership component. Condos are typically sold in one or two-bedroom configurations and marketed to young professionals or small families. In 2015, the median sale price for the 165 condominiums that sold in Natick was \$268,000.¹⁸ In 2010, Natick had its highest recorded count of condominium sales with 232 units sold. The median price for a condominium in Natick is significantly less than that of a single family home. A key finding is that the price differential is attractive to young families and first time homebuyers looking to move to Natick.

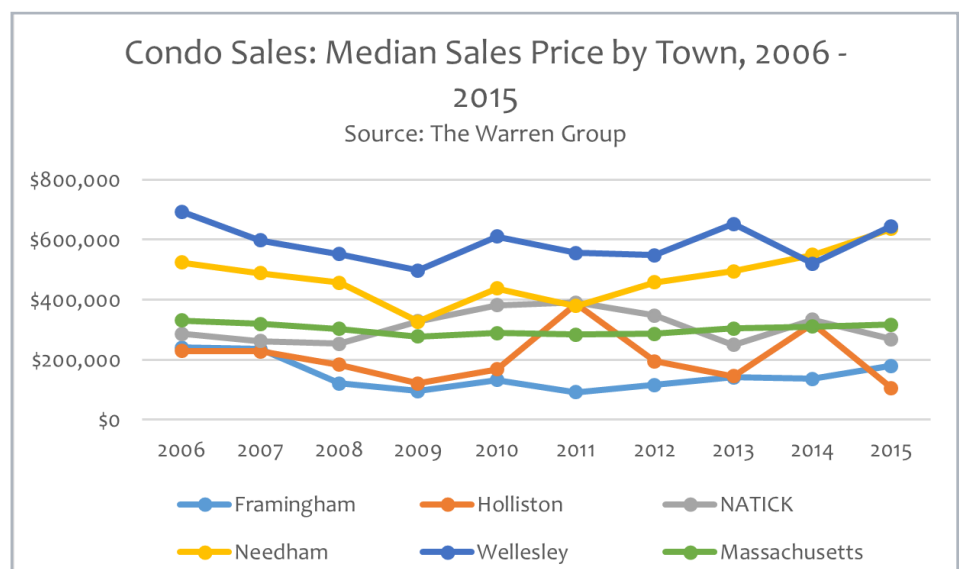


FIGURE 2.7: MEDIAN CONDOMINIUM SALE PRICE

Compared to the surrounding communities, condominium sales prices in Natick are very competitive. In 2015, both Wellesley and Needham had higher median sales values for condominiums, with respective values of \$645,000 and \$636,000. The relatively moderate price for a condo unit enables easier entry into the housing market for younger individuals and families.

Homes For Sale in Natick

Data taken from the Multiple Listing Service (MLS), showed that housing stock built in different eras have different median sales prices. The era with the greatest median sales price spans between 1990 and 2015, with a median sales price of \$856,560.¹⁹ This makes sense because new developments tend to have higher-end finishes and are targeted towards the upper end of the market, and because ordinary wear-and-tear found in older units is minimized.

The dramatic jump in median sales price for homes constructed after 1970 is quite apparent. The percent difference between the sales prices for a home constructed before 1970 and between 1970 and 1990 is greater than 50 percent, or about \$200,000. Older homes would require many updates and renovations on the part of the homeowners.

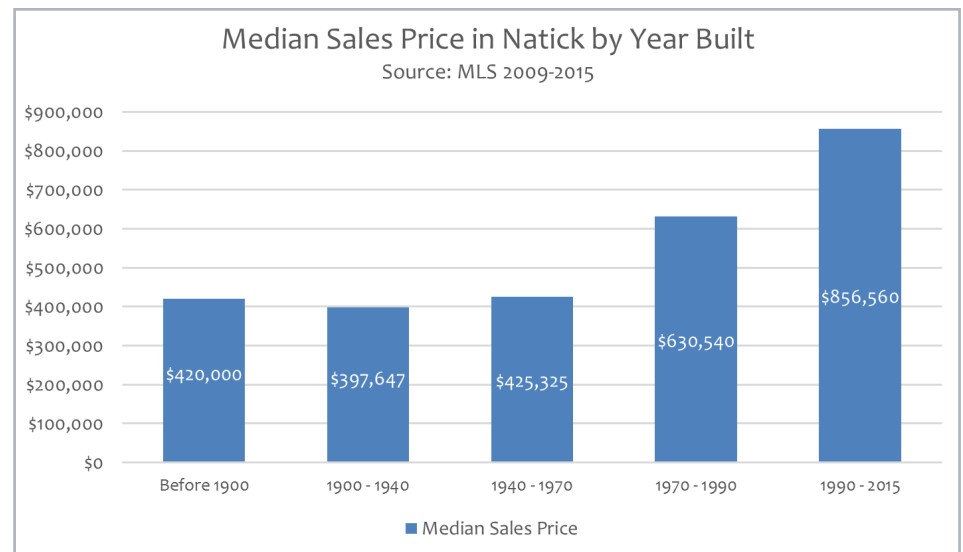


FIGURE 2.8: MEDIAN SALE PRICE BY YEAR

Desirability of a home can also be measured based on the number of bedrooms available. Within Natick during 2015, the majority of homes sold were either three (36 percent) or four bedroom (49 percent) units. Mansion style housing with bedroom counts of five or more accounted for a very small percentage of total sales, as did units with two or less bedrooms. It appears that there is significant appetite for buyers to acquire larger size properties, typically single family homes. The implications of this trend is that larger families will have an impact on the schools.

19 Data from MLS 2009-2015 was used for the analysis. Data includes both single family and condominium units.



Modera development in Natick

Rental Housing

The availability and pricing of rental housing is important because rental units offer choices to people relocating to an area. Natick has a robust rental market; the supply is made up primarily of multi-family developments, while single family homes contribute only slightly to the overall rental stock base. Recent estimates place Natick’s renter-occupied single family inventory at 498 units.²⁰ In 2015, the average monthly rent on a single family home in Natick was \$2,569, which places Natick in the middle of the pack of comparison communities.²¹ Between 2011 and 2015, Natick’s average single family rent increased by only 9 percent - much slower than in the surrounding communities.

GEOGRAPHY	2011	2012	2013	2014	2015	11 - 15
Framingham	\$2,082	\$2,155	\$2,178	\$2,194	\$2,303	10%
Natick	\$2,329	\$2,362	\$2,381	\$2,393	\$2,569	9%
Needham	\$3,004	\$3,009	\$2,934	\$3,280	\$3,554	15%
Wellesley	\$3,903	\$3,925	\$3,998	\$4,537	\$5,023	22%
Holliston	\$2,169	\$2,261	\$2,275	\$2,267	\$2,414	10%

TABLE 2.9. AVERAGE SINGLE FAMILY RESIDENCE RENT (INflation ADJUSTED TO 2016)

Source: Zillow, 2016

Rent prices in multi-family apartment developments have escalated significantly over the past five years. This is true for Natick and all of the surrounding towns. To some extent, growth in asking rents is the direct result of higher-end rental product being built, paired with a lack of supply and increased demand. In 2015, the average monthly rent in a multi-family residence in Natick was \$2,089, in the middle of comparison communities. Between 2011 and 2015, Natick’s average multi-family unit rent increased by only 23 percent, which was a greater percent change than all the communities except Needham. The sharp increase in rent indicates that demand and supply factors are influencing the price of rental housing stock.

GEOGRAPHY	2011	2012	2013	2014	2015	11 - 15
Framingham	\$1,451	\$1,554	\$1,567	\$1,620	\$1,718	16%
Natick	\$1,602	\$1,789	\$1,829	\$1,929	\$2,089	23%
Needham	\$2,185	\$2,316	\$2,434	\$2,755	\$2,930	25%
Wellesley	\$2,357	\$2,597	\$2,589	\$2,795	\$2,952	20%
Holliston	\$1,327	\$1,476	\$1,372	\$1,445	\$1,668	20%

TABLE 2.10. AVERAGE MULTI-FAMILY RESIDENCE RENT (INflation ADJUSTED TO 2016)

Source: Zillow, 2016

Residential Property Taxes

Employers and employees consider not only the cost of purchasing a home when deciding where to live or locate a business, but also property taxes. Massachusetts towns are particularly dependent on real estate taxes to fund local government services such as schools, public safety, and public works; residential property invariably accounts for the largest percentage of the total assessed value in cities and towns. In Natick, the average single family tax bill in 2015 was \$6,630, an increase

20

ACS 2010-2014, B25032, “Units in Structure by Tenure.”

21

Zillow, Natick, Single Family Residence Rent, 2016.

of 16 percent over the average bill in 2011.²² The residential property tax rate in Natick for 2015 is \$13.82 per \$1,000 in assessed value and has increased by 9 percent from 2011. Comparatively, Natick experienced the second largest percent increase, with Framingham experiencing a 10 percent increase between 2011 and 2015.

GEOGRAPHY	2011	2012	2013	2014	2015	11 - 15
Framingham	\$5,197	\$5,774	\$5,783	\$5,922	\$5,952	13%
Holliston	\$6,754	\$6,916	\$7,090	\$7,220	\$7,495	10%
Natick	\$5,561	\$6,015	\$6,216	\$6,459	\$6,630	16%
Needham	\$7,719	\$8,075	\$8,416	\$8,765	\$9,240	16%
Wellesley	\$11,281	\$11,860	\$12,198	\$12,469	\$13,326	15%

TABLE 2.11. AVERAGE SINGLE FAMILY HOME TAX BILLS, 2011-2016

Source: Massachusetts Department of Revenue, 2016, and RKG Associates, Inc.

Housing Affordability

Chapter 40B



Multi-family housing development in Natick

G.L. c. 40B, §§ 20-23 (Chapter 40B) is a state law that went into effect in 1969. Its purpose is to provide for a regionally fair distribution of affordable housing for people with low or moderate incomes. Affordable units created under Chapter 40B retain their affordability over time, even under strong market conditions, because an affordable housing deed restriction limits resale prices and rents for many years, if not in perpetuity. Another type of affordable housing - generally older, moderately priced dwellings without deed restrictions, and which lack the features and amenities of new, high-end homes - can help to meet housing needs, too, but only if the market allows. Both types of affordable housing exist in Natick, and both types matter. The key difference is that the market determines the price of unrestricted affordable units while a recorded legal instrument determines the price of deed restricted units. There are also other differences; for example, any household - regardless of income - may purchase or rent an unrestricted affordable unit, but only a low- or moderate-income household is eligible to purchase or rent a deed restricted unit. Regardless of the approach taken, the benefit of creating affordable housing is manifold, as it provides housing options to individuals with limited resources. Long-term planning is required on the part of the community to ensure that such housing exists.

Chapter 40B establishes a statewide goal that at least 10 percent of housing units in every city and town will be deed restricted affordable housing. It authorizes the Zoning Board of Appeals (ZBA) to grant a comprehensive permit to qualified developers to build affordable housing. A comprehensive permit is a unified permit, i.e., a single permit that incorporates all local approvals required under zoning and other local bylaws and regulations. Under Chapter 40B, the ZBA can approve, conditionally approve, or deny a comprehensive permit, but in communities that do not meet the 10 percent minimum, developers may appeal to the state Housing Appeals Committee (HAC). The Avalon and Cloverleaf developments were 40B projects. Additionally, the Modera project exists because it is a Chapter 40R project with an affordable component. Chapter 40R allows a town to work in concert with a developer to building multi-family housing in specifically zoned areas.

²²

Massachusetts Department of Revenue, 2016.

The 10 percent statutory minimum is based on the total number of year-round housing units in the most recent federal census. For Natick today, the 10 percent minimum is 1,405 units, or 10 percent (rounded) of the 14,052 year-round units reported in Census 2010. Natick currently exceeds the 10 percent statutory minimum, but just barely, as there are 1,440 units on Natick’s Subsidized Housing Inventory (SHI), or 10.25 percent affordable units. If Natick remains over the 10 percent minimum, it will not be at risk from large, unwanted comprehensive permits that require waivers of zoning and other local requirements. *However, the present “surplus” is only thirty-five SHI units, making it important that the continued development and creation of affordable units remains on track.*

SHI DEVELOPMENT TYPES	UNITS
Rental	1,316
Ownership	124
Total SHI Units	1,440
Census 2010 Year Round Housing Units	14,052
Percent Subsidized	10.25%

TABLE 2.12. NATICK SUBSIDIZED HOUSING INVENTORY, 2016

Source: Massachusetts Department of Housing and Community Development, 2016

Natick is not the only town in the immediate area that currently meets the 10 percent goal. Table 2.13 reports the goal, existing SHI units, and SHI gap or surplus for Natick and neighboring towns. Of the comparison communities, both Holliston and Wellesley are under the statutory requirement of 10 percent affordable units. The importance of remaining over the 10 percent threshold cannot be overstated as it protects the town from 40B developments that result in comprehensive permits that supercede local oversight and input. Natick is close to the 10 percent threshold, and should be cognizant that the housing unit count will change based on the year 2020 decennial census.

GEOGRAPHY	CENSUS 2010 YEAR-ROUND UNITS	10 PERCENT TARGET	EXISTING SHI UNITS	SHI PERCENT	SHI GAP/ SURPLUS
Framingham	27,443	2,744	2,867	10.45%	123
Holliston	5,077	508	233	4.59%	-275
Natick	14,052	1,405	1,440	10.25%	35
Needham	11,047	1,105	1,382	12.51%	277
Wellesley	9,090	909	559	6.15%	-350

TABLE 2.13. CHAPTER 40B STATUS, NATICK & SURROUNDING COMMUNITIES

Source: Massachusetts Department of Housing and Community Development, 2016

The Natick Housing Authority manages and maintains a number of affordable properties. These units are spread throughout the Town and provide affordable housing to individuals and families with low incomes or people who are elderly. There are a total of 417 units owned by the Natick Housing Authority.²³

Housing Cost Burden

Rapid growth in housing prices coupled with sluggish growth or an outright decline in incomes, contributes to a housing affordability problem known as housing cost burden. The U.S. Department of Housing and Urban Development (HUD) defines housing cost burden as the condition in which low- or moderate-income households spend more than 30 percent of their gross income on housing. When low- or moderate-income households are spending more than half of their income on housing costs, they are said to be severely housing cost burdened.²⁴ Housing cost burden – not Chapter 40B criteria – is the key indicator of affordable housing need in cities and towns.

Over 29 percent of Natick’s households (about 4,005) have low or moderate incomes, and since its housing values and rents run high, it is not surprising to find that many of the Town’s existing residents spend more on housing than they can really afford.²⁵ Table 2.14 reports HUD’s current housing program income limits by family size for the Boston metro area and the maximum housing payment that is affordable in each tier. “Low” and “moderate” incomes are based on percentages of the HUD Area Median Family Income (HAMFI), adjusted for household size, in the Boston metro area (which includes Natick).

HOUSEHOLD SIZE (NUMBER OF PEOPLE)	LOW INCOME		MODERATE INCOME	
	INCOME LIMIT	MAXIMUM AFFORDABLE HOUSING PAYMENT	INCOME LIMIT	MAXIMUM AFFORDABLE HOUSING PAYMENT
1	\$34,350	\$859	\$51,150	\$1,279
2	\$39,250	\$981	\$58,450	\$1,461
3	\$44,150	\$1,104	\$65,750	\$1,644
4	\$49,050	\$1,226	\$73,050	\$1,826
5	\$53,000	\$1,325	\$78,900	\$1,973
6	\$56,900	\$1,423	\$84,750	\$2,119

TABLE 2.14. LOW & MODERATE INCOME LIMITS AND AFFORDABLE HOUSING COSTS
Source: U.S. Department of Housing and Urban Development, FY 2016 Income Limits

Based on the percentage of households in Natick with low to moderate incomes, it is not surprising to find that in Natick, 2,665 low- or moderate-income residents are housing cost burdened (67 percent) and 1,325 are severely cost burdened (33 percent). Though it is a fairly affluent suburb, Natick has a significant percentage of households that have been affected by the rise in homeownership and rental prices. About 71 percent of Natick’s homeowners and 42 percent of its renters have household incomes that exceed 100 percent of the Boston Metro HAMFI. Table 2.15 summarizes the incidence of housing cost burden in Natick and comparison communities. It should be noted that in affluent communities, some homeowners are making the conscious choice to spend more than 30% on housing costs because they can afford it. Reasoning for these choices include having access to excellent public amenities such as schools.

24

For homeowners, “housing cost” includes a mortgage payment, property taxes, and insurance. For renters, “housing cost” includes monthly rent and utilities.

25

CHAS, derived for HUD from ACS Five-Year Estimates, 2009-2013.

GEOGRAPHY	LOW-INCOME HH	% COST BURDENED	MODERATE-INCOME HH	% COST BURDENED	COST BURDENED HOMEOWNERS	COST BURDENED RENTERS
Framingham	8,145	76%	3,020	49%	73%	67%
Holliston	915	60%	345	26%	63%	34%
NATICK	2,845	68%	1,160	62%	68%	65%
Needham	1,370	65%	540	61%	65%	62%
Wellesley	1,000	74%	420	61%	80%	54%

TABLE 2.15. LOW/MODERATE-INCOME HOUSEHOLDS AND HOUSING COST BURDEN

Source: HUD, Comprehensive Housing Affordability Strategy (CHAS) Data, and RKG Associates, Inc.

Development Trends

New Residential Development

Residential development across Natick over the last ten years has accelerated, giving rise to many new housing units. Much of the development in Town is in the form of single family homes with 361 units built between 2006 and 2015.²⁶ The growth in single family homes also has a direct impact on schools, as more children enrolled require greater amounts of resources. Multi-family units have also greatly increased. Based on building permit data, a few large-scale developments have produced a significant number of units; between 2006 and 2015, the 12 structures built that were larger than five units generated 708 units. Some of the large developments are Avalon Natick and Modera.

One of the major concerns with residential development is the impact on Town services like schools. The schools in Natick are experiencing a yearly increase in student population that greatly impacts the ability to physically accommodate students. Concurrent with the new development of housing units, existing homeowners without school age children are downsizing and selling their homes to families with children. While not a physical change to housing stock, the demographic change in the number of occupants impacts school enrollments.

Another concern related to housing is that single family homes are being acquired and demolished, with duplexes developed in their place. This occurrence is happening in areas where property values and density are high; areas such as Natick Center are experiencing this phenomenon. This development trend is occurring because old single family homes on larger lots are attractive to developers. Based on building permit data, between 2006 and 2015, there were 12 duplexes constructed that resulted in 24 units. Although the total number of duplex units developed in this manner is small, it is still important to bear in mind the consequences of the additional density.

Planning Issues and Opportunities

At the November 29, 2016 Community Meeting, several residents discussed their desire for the Town to go further in recognizing the demographic and housing challenges facing the community. Other issues and opportunities were identified through stakeholder meetings and research for this report. For the most part, these suggestions can be organized into the following categories: population and household growth, seniors, housing, and affordability.



Townhomes in Natick Center

Population and Household Growth

Based on the projected population and household growth in Natick, proactive planning is essential for accommodating new growth while maintaining the characteristics and qualities that make Natick a great place to live and work. This future growth has the potential to impact transportation, public infrastructure, housing, and Town services in Natick. The increase in population requires a proactive strategy on the part of the Town to minimize impacts, while not completely closing the doors on new development or redevelopment.

Changes in population and households have positive impacts. The growth in residents between the ages of 35 and 54 years old is helping to fill jobs and homes that are on the market, as well as supporting local retailers. This generates sales and property taxes that are reinvested back into the community. While homeowners and renters in this age group contribute substantially to the vitality of the community, they also rely on Town services such as schools, recreation facilities, and the library. The Town should be aware of the changing demographics and the shifts in age groups to continue to anticipate the needs of its residents.

Other mentioned items from the public meeting and stakeholder interviews are:

- + Population growth impacting school enrollment
- + Elderly care facilities to accommodate older population

Seniors

Residents ages 65 and older currently account for about 15 percent of the total population in Natick. Seniors have special needs and require services that can be different from the rest of the population. The need for amenities such as transportation services, grocery delivery, increased calls to the police and fire departments, and programming to maintain social interaction are all critical pieces to the health and general well-being of senior residents.

In Natick, the escalating housing prices and housing-related costs (taxes, utilities, insurance) can make it difficult for senior residents to remain in their homes. There are also very few options for seniors to move into a different type of housing because of accessibility issues related to housing design and living space arrangements. Seniors maintain a special place within the community and ensuring their presence through targeted initiatives by the Town can help improve the situations faced by seniors.

Other items mentioned at the public meeting and stakeholder interviews are:

- + A serious lack of housing for those over 55 years
- + Housing with first floor master bedrooms

Housing

The price and availability of housing in Natick is driven by the supply and demand of the marketplace. Natick has become a desirable place to live for many reasons. Although population and households have increased substantially over the last forty years, the Town is under market pressure to develop because of the price escalation and supply issues. There is considerable debate, and rightly so, among residents, boards, and officials about how, why, when, and where to accommodate additional housing development. The Master Plan and the Town ultimately have a role in shaping the type, location, and even to some degree the price of new housing. This is an opportunity for the Town to come together to discuss the future of the community and options to direct new housing development, or redevelopment, to particular locations and encourage certain housing types.

Other items mentioned at the public meeting and stakeholder interviews include:

- + Adaptive reuse of existing buildings
- + Available housing for all ages and incomes
- + Increased housing in Downtown
- + More housing choices by type
- + Greater density

Affordability

Long-term affordability within Natick is of great importance because it affects many different types of households. Natick is an affluent community, making it difficult for lower-income households to enter the housing market due to being priced out. Ensuring that lower and middle-income households, and seniors, have adequate housing options is important for preserving the accessibility of Natick. About 10 percent of the housing stock in Natick has been set aside as affordable, just barely over the required 10 percent Chapter 40B threshold. However, just being above the minimum threshold does not satisfy the demand for affordably-priced housing. Even with a town-wide median income of nearly one-hundred thousand per year, home prices both in the rental and for-sale market are still unaffordable for low- and moderate-income households.

Seniors are also burdened with housing affordability issues as many are on fixed incomes and do not have the financial resources to cover ever increasing property taxes and housing-related expenses. Creating housing options for seniors that are either deed-restricted affordable units is one avenue of exploration to help solve the problem of affordability. Other issues raised at the public meeting and stakeholder interviews are:

- + Affordability at all age groups and incomes
- + More affordable units in walkable areas