



Harvard Square Neighborhood Association

info@harvardsquareneighborhood.org

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 - We care deeply concerned about the future of our city.

85% of new condos in Ontario went to investors!

ONTARIO'S BIG CITIES SAW INVESTORS BUY UP TO 85% OF CONDOS, FUELED BY GOVERNMENT INCENTIVES

POSTED IN



Canadian real estate is increasingly being scooped up by investors, and incentives play a large role. That was the take in the latest report from the Canadian Housing Statistics Program (CHSP) at Statistics Canada (Stat Can). The agency's latest numbers show that up to 85% of condo apartments in Ontario's ten largest census metropolitan areas (CMAs) were investor-owned in 2022. More surprisingly, the CHSP attributes this boom in part to large, single corporate investors fueled by government incentives. The share owned by investors may actually rise in coming years, as even more incentives are being rolled out by various levels of government.

INVESTORS OWN OVER 2 IN 5 ONTARIO CONDOS, THEY BOUGHT

MOST OF THE NEW SUPPLY

Ontario real estate investors are consuming an even bigger share of the condo market. They owned 43.5% of all condo apartments in the province, up 0.9 points from a year before. As high as that is, those numbers imply that 65% of new condos added in the province that year are owned by investors.

Those who assume investors target big cities are absolutely correct. Out of the ten largest CMAs, the highest concentration was in London, ON where 85.5% of condos are investor-owned. The top three are rounded out with Windsor (64.4%) and Kitchener-Cambridge-Waterloo (60.7%). It's worth noting all three of those markets are typically considered college cities. That can be a problem with the shift in student policies.

ONTARIO'S BIG CITIES HAVE SEEN INVESTORS BUY UP TO 85% OF CONDOS, FUELED BY GOV INCENTIVES

Today Only 6.5% of Cambridge total housing stock of 57,000 homes are Single Family (3772 homes) of 57,894 total housing units. Far fewer than other cities, and we have 3 university campuses & Fresh Pond.

- Cambridge, MA: 6.5% SFH (for 6.8 square miles)
- Somerville, MA: 15% SFH (for 4 square miles)
- New York City: 17% SFH (for 469 square miles)
- San Francisco, CA: 30% SFH (for 46.9 square miles)
- Boston, MA: 35% SFH (for 48.4 square miles)
- Minneapolis, MN: 35% SFH (for 59 square miles)
- Austin TX: 41% SFH (for 305 square miles)
- Chicago, Il.: 79% SFH (for 234 square miles).

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What Cambridge Can Do

Vote to allow multi-family housing citywide

Follow Envision:

Build higher/denser on the Corridors

Promote Neighborhood Preservation

Add green spaces in denser areas

Invite our large employers to help be part of solution in creating more area housing and providing transportation

Add more design type specific BZA forms

Like the recent dormer resolution

Do this for some ADUs

Offer carrots and sticks to corridor & other available development.

Follow Menino's example and require give backs for market rate re-zoned units.

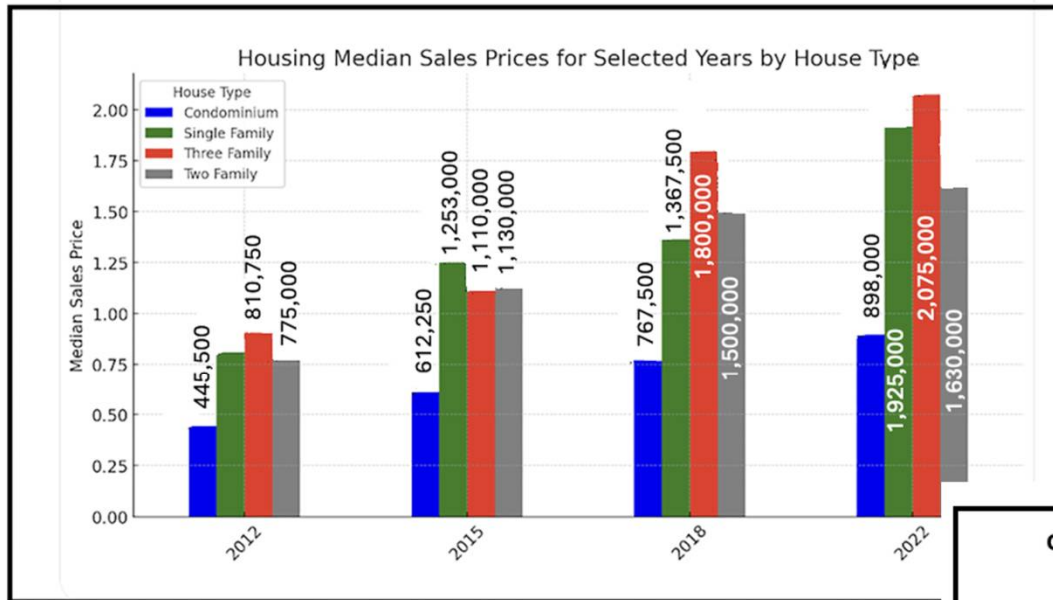
Discourage demolitions

Discourage down-sizing with real action

Discourage vacancies with real action

Design oversight matters: Good design is NOT more expensive than bad design

Consult with other high demand cities



Defining the Problem: What do we want?
 Is it Housing Unit Increase? (& How many total?)
 Or bringing down Cambridge housing costs?

Housing Demand and Costs in Date Perspective

Upzoning likely will have many unintended consequences that cannot be fully corrected.

General Trends:

- Overall Increase:** Across all home types (Single Family, Two Family, Three Family, and Condominium), there is a consistent upward trend in prices from 2012 to 2022.
- Condominium Prices:** The prices for condominiums increased steadily, though their growth appears slightly more gradual compared to other home types.
- Single Family Homes:** These homes had significant price jumps, especially between 2018 and 2022.
- Two and Three Family Homes:** Both categories showed notable increases, though Three Family homes demonstrated more price volatility.

Largest Price Increases:

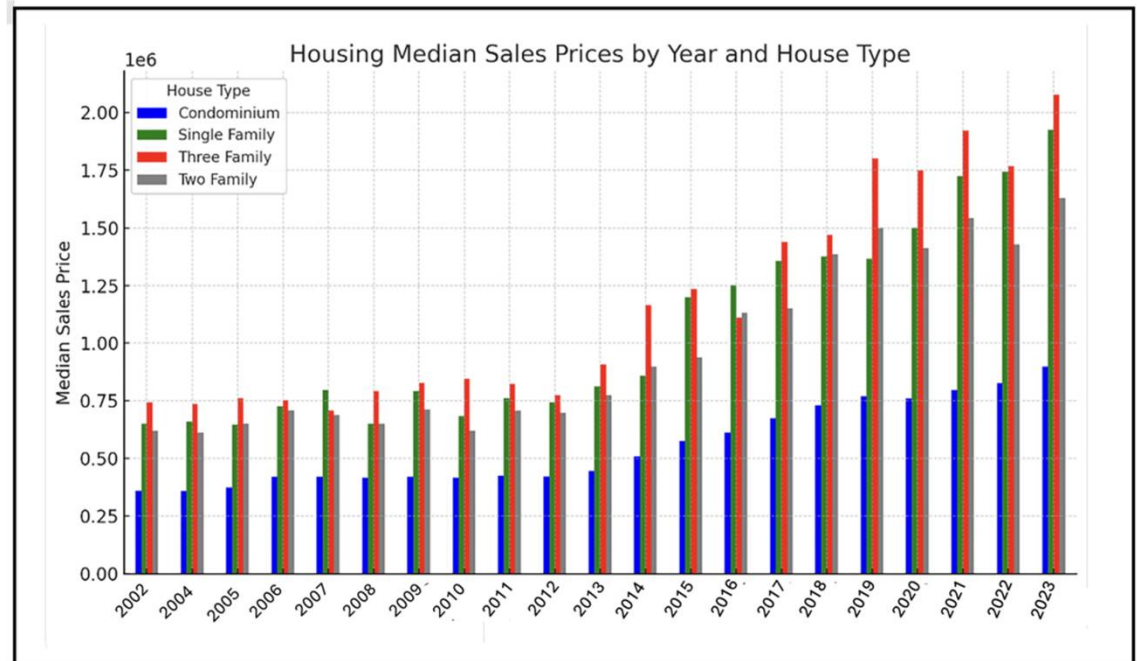
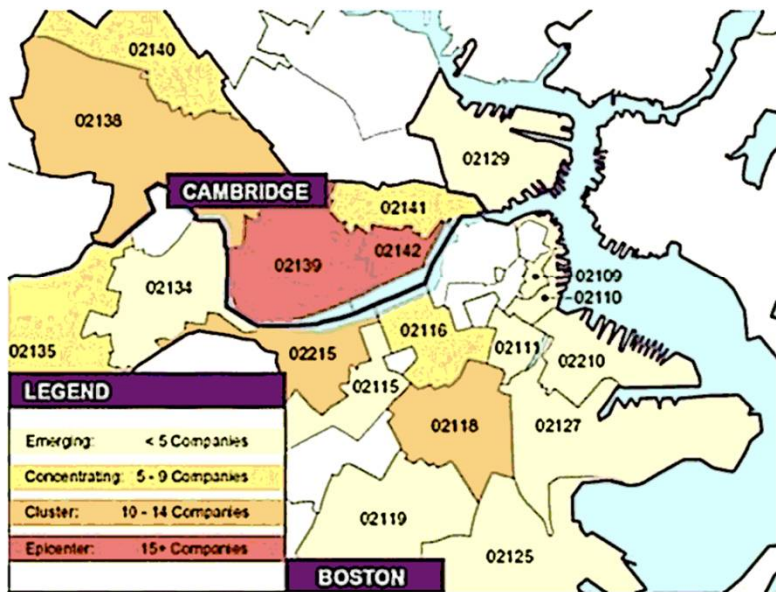
- Single Family Homes:** From 2018 to 2022, prices for Single Family homes had a sharp increase, with some of the largest jumps in the dataset. This could be attributed to higher demand in a post-pandemic market, with increased interest in more spacious homes.
- Three Family Homes:** These also saw a significant spike, particularly from 2015 to 2018, likely driven by demand for multi-family properties, which are often attractive for both investment and multi-generational living.
- Condos and Two Family Homes:** While their increases were substantial, they did not experience as dramatic a spike as Single Family and Three Family homes, especially after 2018.

BIOTECH IMPACTS ON CAMBRIDGE HOUSING COSTS

64% of the 146 life sciences companies surveyed in Boston and Cambridge are located within just three zip codes: 02139 (Central Square/MIT), 02142 (Kendall Square/MIT) or 02138 (Harvard Square): <https://news.mit.edu/2004/massimpact>

72,960 BIOTECH EMPLOYEES work in Cambridge:
Where will they find housing?

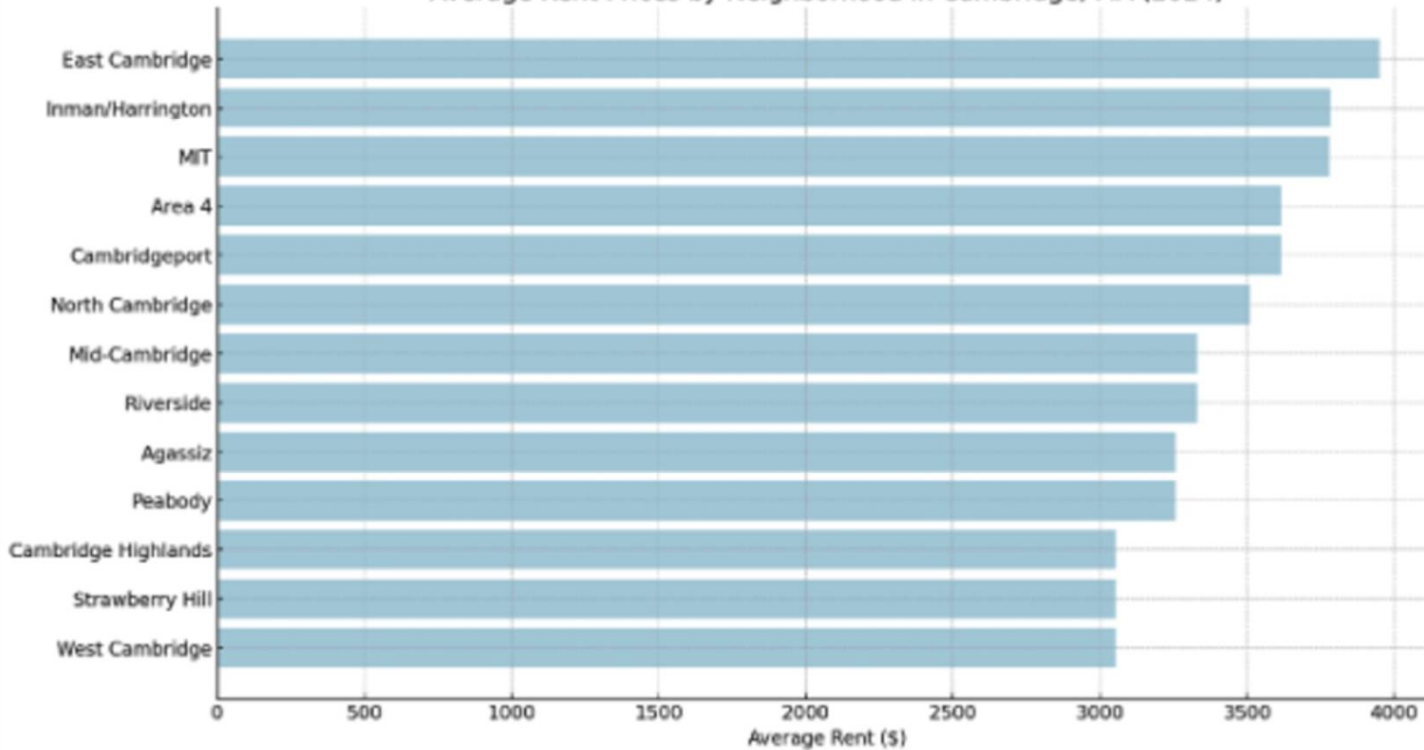
Housing Price Changes: A Year by Year Analysis



Average Rent Prices By Neighborhood In Cambridge, MA (20...



Average Rent Prices by Neighborhood in Cambridge, MA (2024)

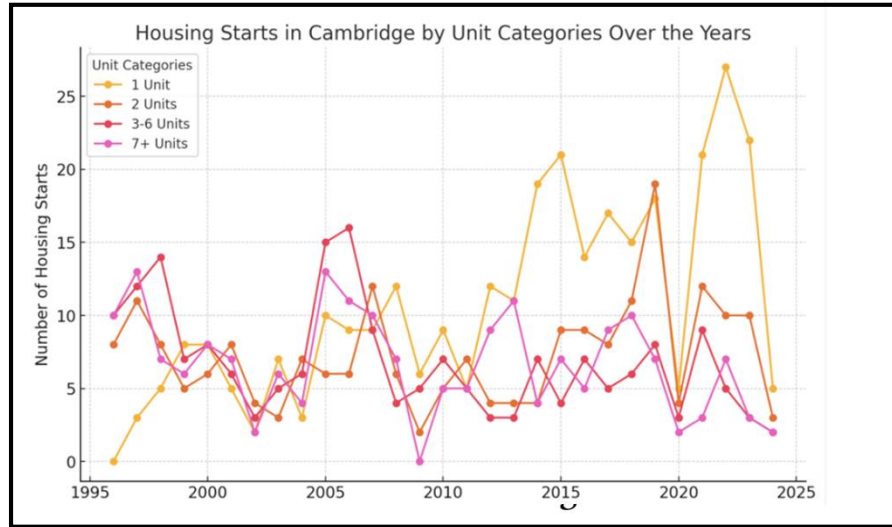


Highest rents
East Cambridge
MIT
Wellington-Harrington

Lowest Rents
West Cambridge
Strawberry Hill
Cambridge Highlands

HOUSING STARTS BY UNIT NUMBERS AND NEIGHBORHOODS ACROSS TIME

MARKET MOVES TO MORE SINGLE FAMILY HOMES

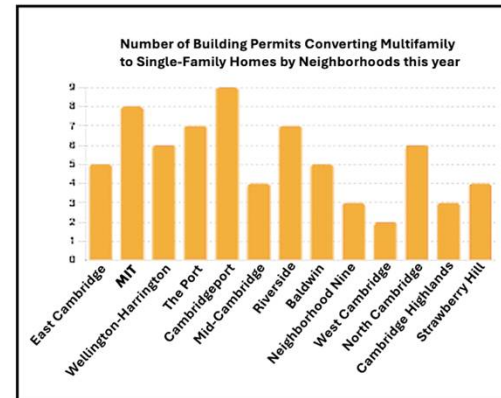
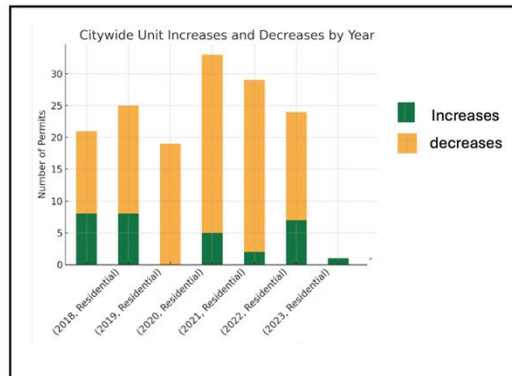


Yellow is SFH
Orange is TFH
Red is 3-4 units
Pink is 7+ units

ACROSS THE CITY: One thing is very clear in the data: Owners and Investors are primarily interested in downsizing e.g. decreasing the number of units on a given property.

Downsizing units – Orange
Increasing units - Green

By year



Down-sizing Units by Area
Fewest – West Cambridge, Neighborhood Nine
Most – Cambridgeport, MIT, Riverside

By neighborhood

Housing Needs for **10,473 Cambridge University Students/Post Docs** yearly PLUS Others

UNDERGRADUATE OFF-CAMPUS STUDENT HOUSING NEEDS

Harvard University 30 students need off-campus housing (out of 7,028 students)
HUIT International 418 students need off-campus housing (out of 789 students)
Lesley University 164 students need off-campus housing (out of 643 students)
MIT 153 students need off-campus housing (out of 3916 students)

GRADUATE STUDENT OFF-CAMPUS HOUSING NEEDS

Harvard: 3920 students need off-campus housing (out of 6603 students)
HUIT International: 692 students need off-campus housing (out of 891) students
Lesley University 90 students need off-campus housing (out of 110) students
MIT 2646 students need off-campus housing (out of 5043 students)

POST-DOCTORATE OFF-CAMPUS HOUSING NEEDS

Harvard University 1103 people need off-campus housing
MIT 1267 people need off-campus housing s

SUB-TOTAL OF OFF-CAMPUS STUDENT HOUSING NEEDS:

Harvard University 5053 individuals (30 + 3920 + 1103)
HUIT International 1110 (418 + 692)
Lesley University 254 (164 + 90)
MIT 4066 (153 + 2646 + 1267).
Student and post doc NUMBERS: 5053 + 1110 + 254 + 4066 = 10,473.

**10,473 Cambridge
university students
need housing each year
With frequent
lease turnovers**

Harvard: 5053 individuals
Huit: 1110 individuals
Lesley: 4066 individuals
MIT: 4066 individuals

TOP 20 CITY EMPLOYERS & THEIR EMPLOYEE NUMBERS

These employers alone add an additional 20,117 employees. Most of these employees likely also would want to find housing in the city of Cambridge.

Where will they all be housed?

20,117 employees (only for the top 20 employers)

Plus current residents
Students (local & area)

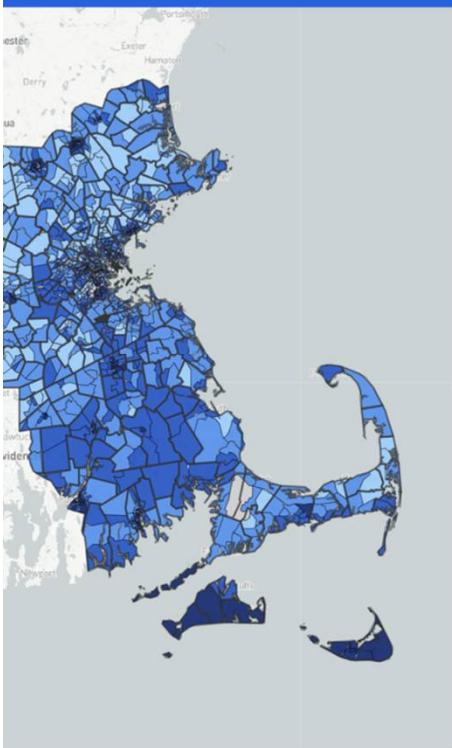
We need to ask our large
employers to help answer
the call.

Universities
Biotech
Infotech
Others

Year	Rank	Company	Industry	Employment
2023	1	HARVARD UNIVERSITY	HIGHER EDUCATION	13,229
2023	2	MASSACHUSETTS INST. OF TECHNOLOGY	HIGHER EDUCATION	9,043
2023	3	CAMBRIDGE INNOVATION CENTER	START UP INCUBATOR	3,883
2023	4	CITY OF CAMBRIDGE	GOVERNMENT	3,594
2023	5	TAKEDA PHARMACEUTICALS	BIOTECHNOLOGY	3,504
2023	6	SANOFI	BIOTECHNOLOGY	2,433
2023	7	NOVARTIS INST. FOR BIOMEDICAL RESEARCH	BIOTECHNOLOGY	2,188
2023	8	GOOGLE	SOFTWARE & INTERNET	2,100
2023	9	BROAD INSTITUTE	RESEARCH & DEVELOPMENT	1,936
2023	10	HUBSPOT	SOFTWARE & INTERNET	1,771

Year	Rank	Company	Industry	Employment
2023	11	DRAPER LABORATORY	RESEARCH & DEVELOPMENT	1,656
2023	12	MODERNA THERAPEUTICS	BIOTECHNOLOGY	1,615
2023	13	PHILIPS NORTH AMERICA	ELECTRONICS & HEALTH TECHNOLOGY	1,600
2023	14	AKAMAI TECHNOLOGIES	SOFTWARE & INTERNET	1,593
2023	15	CAMBRIDGE HEALTH ALLIANCE	HEALTHCARE	1,534
2023	16	MT. AUBURN HOSPITAL	HEALTHCARE	1,348
2023	17	EF EDUCATION FIRST	TRAVEL & EDUCATION PROGRAMS	1,206
2023	18	FEDERAL GOVERNMENT	GOVERNMENT	1,152
2023	19	ALNYLAM PHARMACEUTICALS	BIOTECHNOLOGY	1,117
2023	20	BIOGEN	BIOTECHNOLOGY	1,000

Profit



Homes for Profit

Cambridge

25017353000 (2020 Census Tract ID)

Measurement	Census Tract	Municipality	State
Number of transactions 2000-2023	836	26701	2337802
Number of transactions 2002-2021	687	22895	1964453
Number of transactions 2004-2019	546	18700	1541244
Number of investor transactions 2004-2019	99	3635	326466
Number of investor transactions 2000-2023	161	4929	445408
Share total investor transactions 2004-2019	18.1%	19%	21.2%
Share large and institutional investor transactions 2004-2019	29.3%	22%	42.2%
Share cash buyer transactions 2000-2023	27.6%	27%	23.5%
Share flip transactions 2002-2021	7.1%	8%	8.7%

Investment Monies & Profits
(no downturn in 2008) or COVID

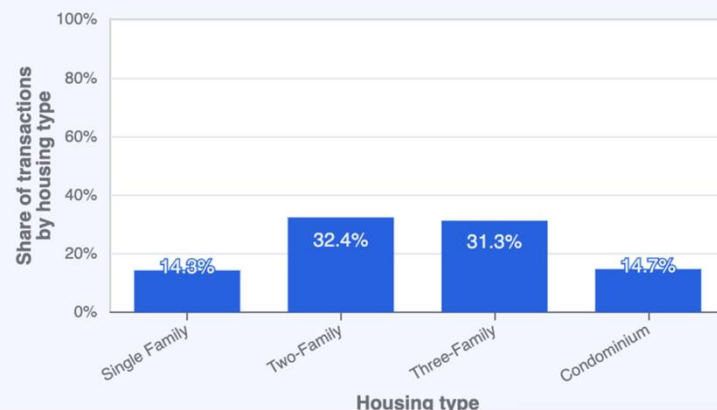
Investor transactions 2004-2019: 18.1%
 Flip transactions: 7.1%
 Large Investor transactions: 2014-19: 29.3%

Investments by Housing Type

Single Family 14.3%
 Two Family 32.4%
 Three Family 31.3%
 Condos 14.7%

Share of investor transactions by housing type

(for selected census tract: 25017353000)





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