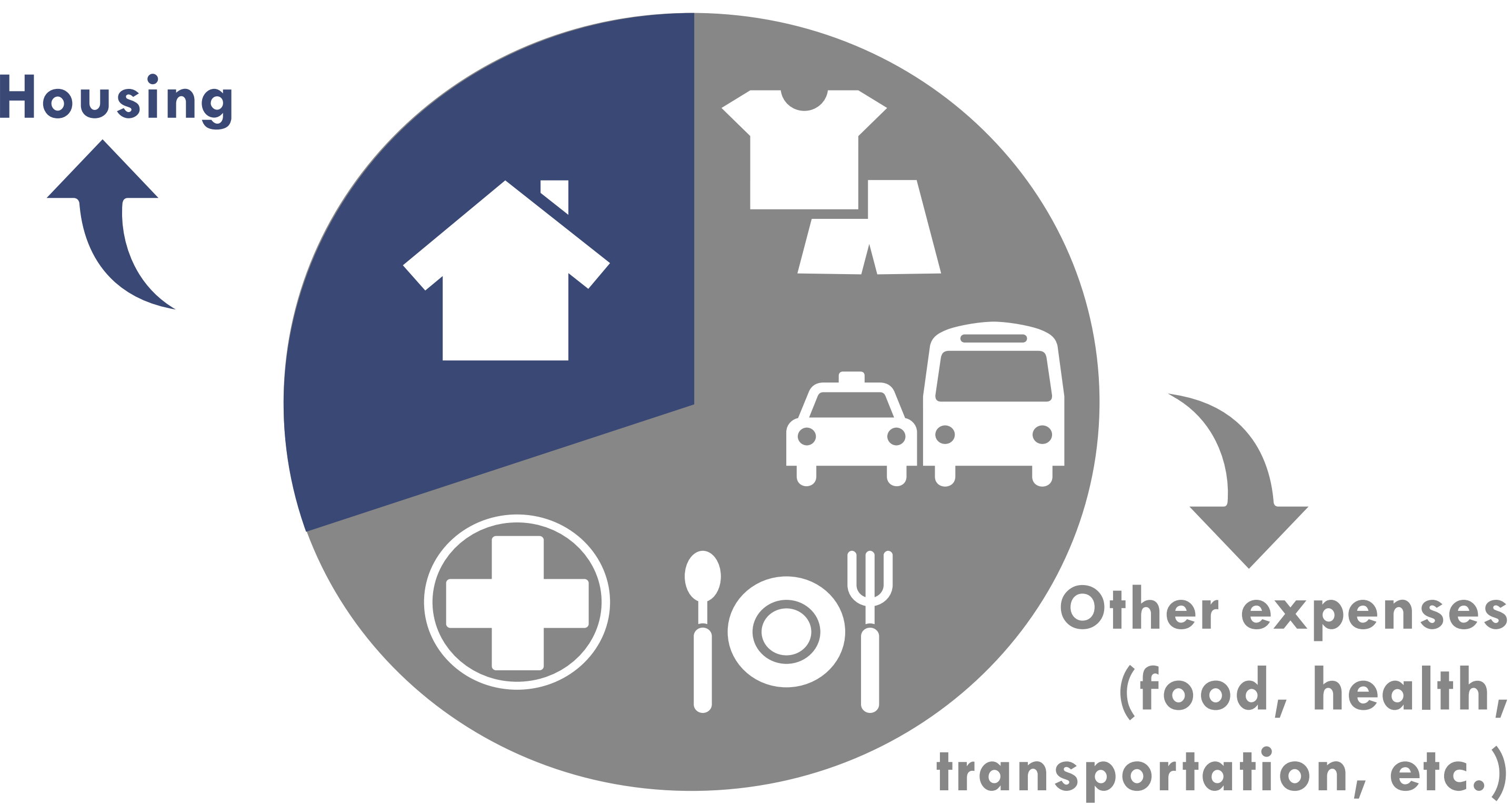


# ESSEX KEY HOUSING TERMS AND CONCEPTS

## What is considered affordable housing?

Rental or owner-occupied housing is “**affordable**” when it costs **30% or less** of a household’s income.



Households that pay more than 30% of their income on housing are **cost burdened**.

Households that pay more than 50% of their income on housing are **severely cost burdened**.

## And how is that different from deed-restricted Affordable Housing?

**Deed-restricted Affordable Housing** is for low-income households. Households pay no more than 30% of their income on housing.

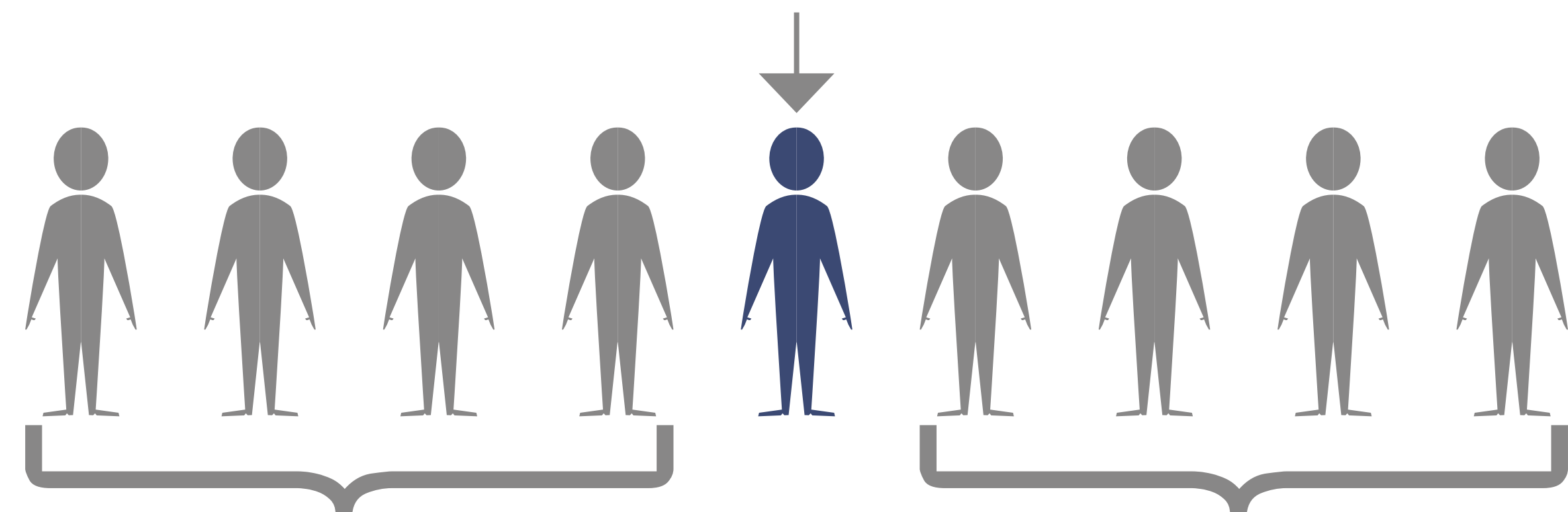


Usually, eligible households earn **less than 80% of the Area Median Income** and comply with other legal requirements.

## What’s the Area Median Income?

To determine housing eligibility for **deed-restricted Affordable Housing**, government programs use the **Area Median Income (AMI)**:

AMI for Essex + surrounding communities is **\$107,800**



Half the households earn **less** than the median

Half the households earn **more** than the median

**80% of the AMI** in Essex varies by household size, and is **\$73,000** for a **3-person** household.

Source: The U.S Department of Housing and Urban Development (HUD), 2018

## Shortage of Rentals

The amount of rental units in Essex hasn’t changed much over the last two decades. **In 2000, 28% of housing units were reported as renter-occupied. In 2018, even fewer (26%) of units were renter-occupied.** And a survey of available online rental listings showed **only 11 listings** for a rental unit **from 2017 to 2018**.

Source: American Community Survey (ACS), 2018 and MAPC Rental Database, 2018

## The Cost to Buy

 **\$578k**  
Single-family home

 **\$367k**  
Condominium

 **\$116k**  
**20% Down Payment**

 **\$73k**

Source: The Warren Group, 2019 (Median Home Prices)

## Key Takeaway

Based on the median prices for single-family homes and condominiums in Essex, a household would need to have saved more than **\$70,000** to purchase a home in town. And since there are so few rentals in Essex (26% of total housing units), existing households looking to downsize to something smaller than a single-family home will have a difficult time relocating within the town and may need to move elsewhere. For similar reasons, many new households that would like to move to Essex and would support the local economy cannot live in town at all.

# HOW DOES HAVING A VARIETY OF HOUSING OPTIONS SUPPORT THE LOCAL ECONOMY?

## Retain Existing Patrons



As Essex residents age, their housing needs will change, and they may need to downsize into a home different than a single-family house. Providing existing residents with more housing options can help them remain in Essex and continue to support the local economy.

## Attract New Amenities



Housing options that allow existing residents to stay in Essex also provide opportunities for new residents to settle in town and support local businesses year-round. Particularly, families and young professionals have significant spending power. Additional housing can also make the market more attractive to developers interested in bringing new amenities to Essex, such as a grocery store.



### Rule of Thumb

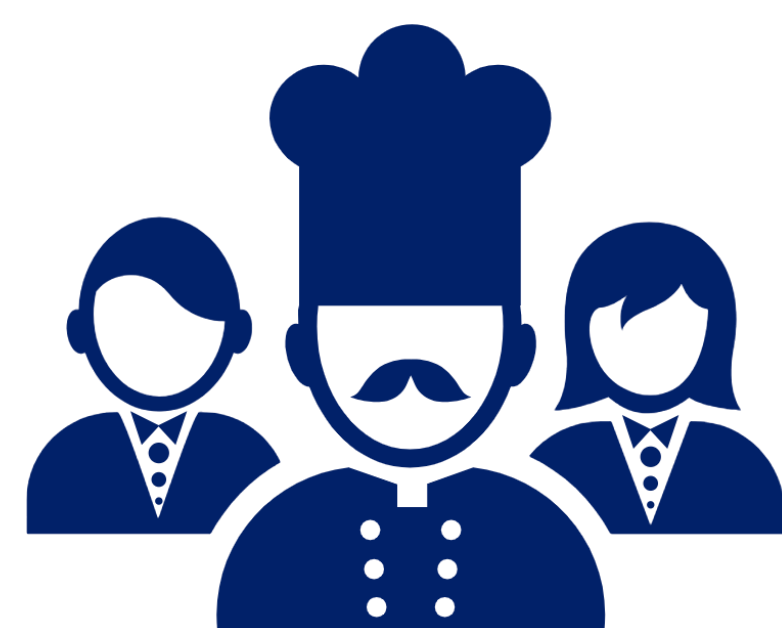
A corner grocery store with 15,000 square feet typically needs at least 1,000 households to support its customer base.

## Protect Local Industry



The increased spending power of residents in homes they can afford, and the addition of new residents helps protect local industries that make Essex unique.

## Support The Workforce



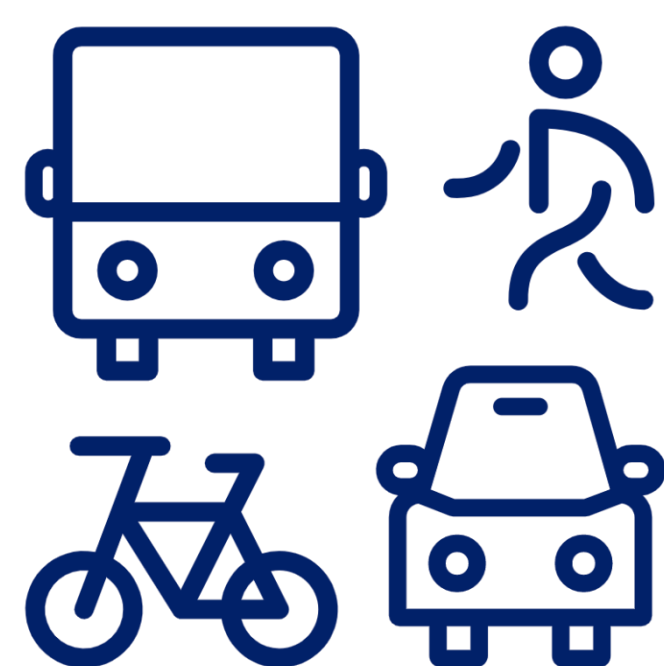
A variety of housing options supports Essex's workers who would benefit from the ability to live in town but cannot find a home to rent or one that's affordable to buy based on service industry wages.



### Rule of Thumb

A two-person household earning the Massachusetts minimum wage of \$12 per hour can afford a rental rate of approximately \$1,250 per month without being cost burdened.

## Reduce Commuter Traffic



When housing allows employees to live and work in Essex, this reduces commuter traffic and associated congestion and pollution.

## Improve Walkability



Housing near downtown, such as mixed-use housing, provides for a walkable environment, creating consistent foot traffic to support local businesses. Generally, when new development occurs, the Town can require developers to improve nearby pedestrian infrastructure.

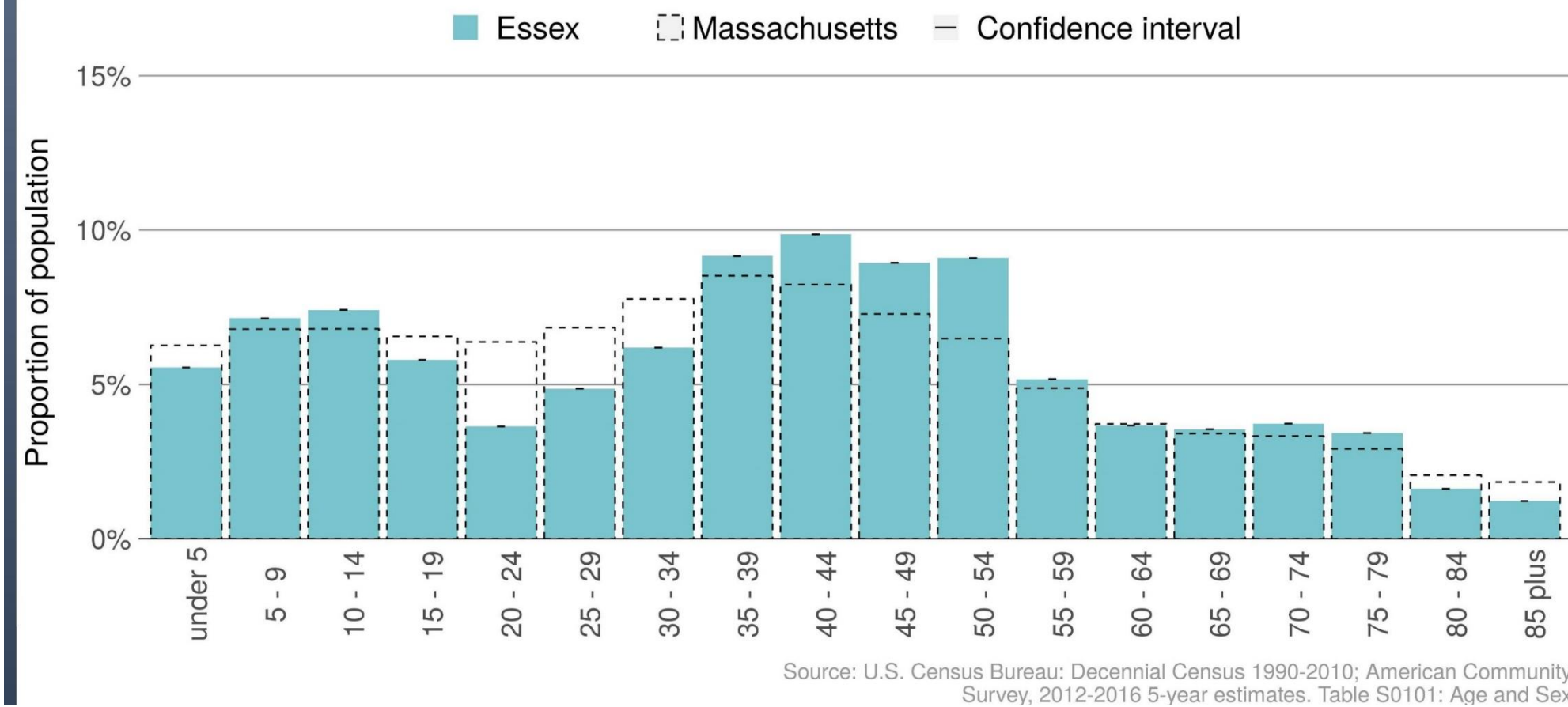


### Rule of Thumb

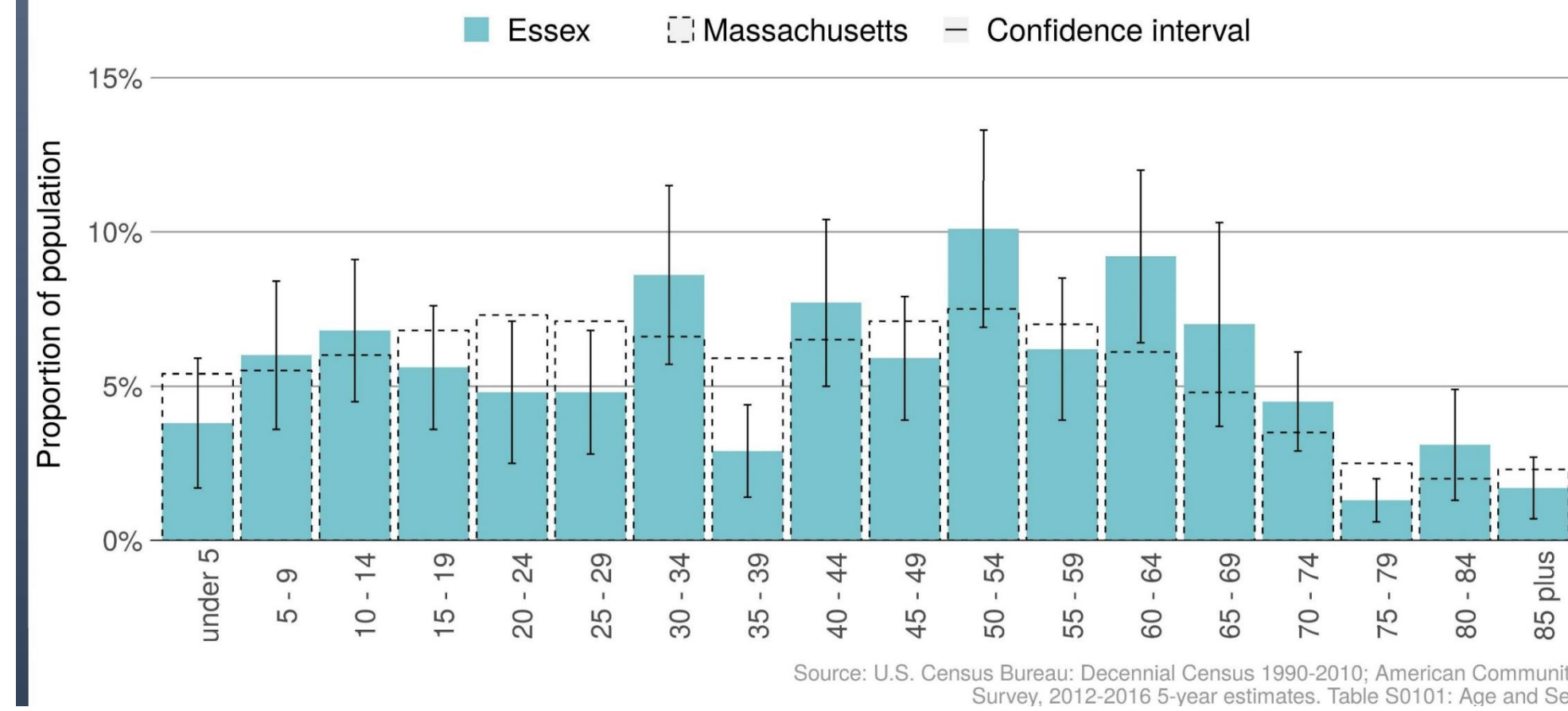
Removing one passenger vehicle from the roadway reduces approximately five metric tons of carbon dioxide per year.

# POPULATION

Age distribution of population  
Essex v. State  
2000



Age distribution of population  
Essex v. State  
2012-2016 ACS

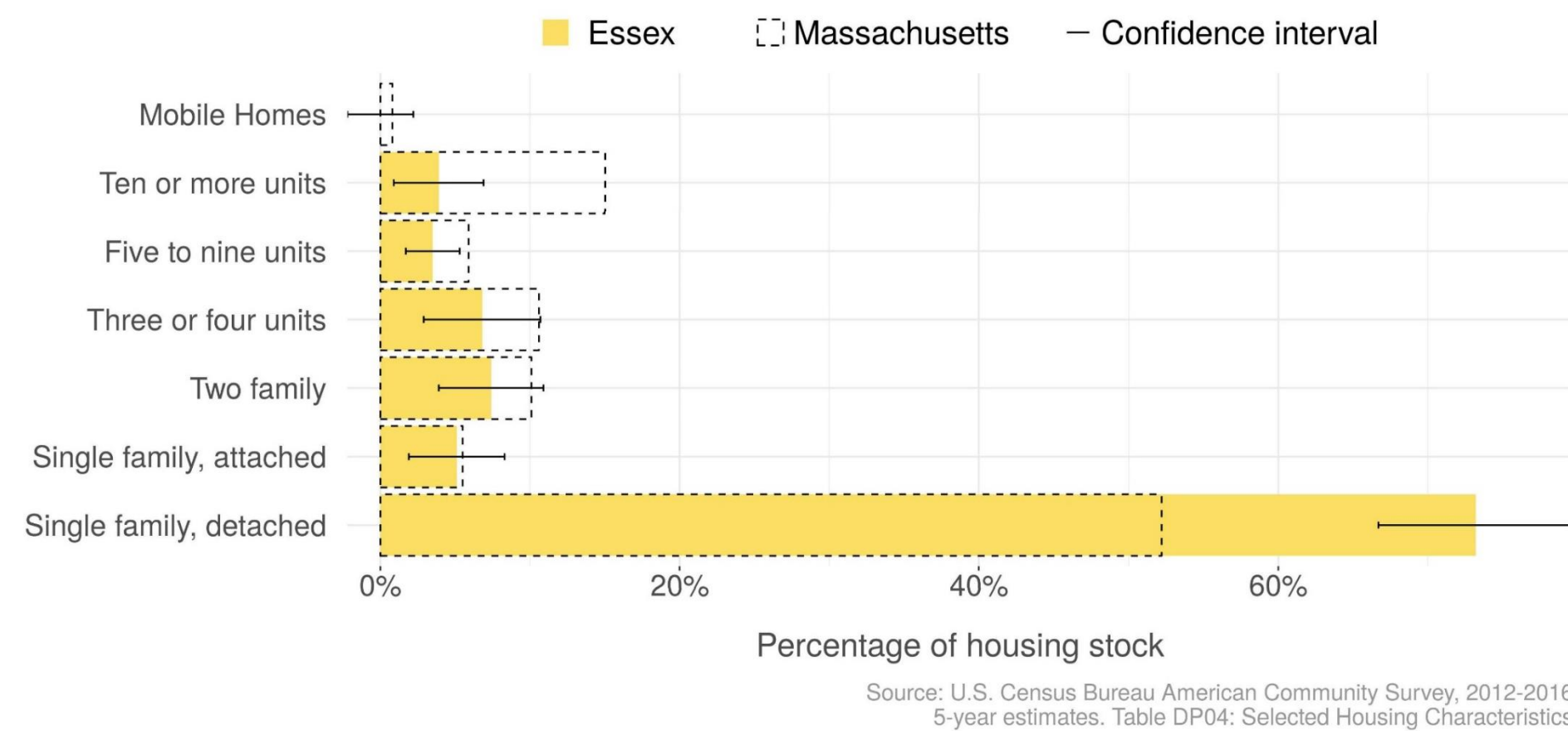


## Key Takeaway

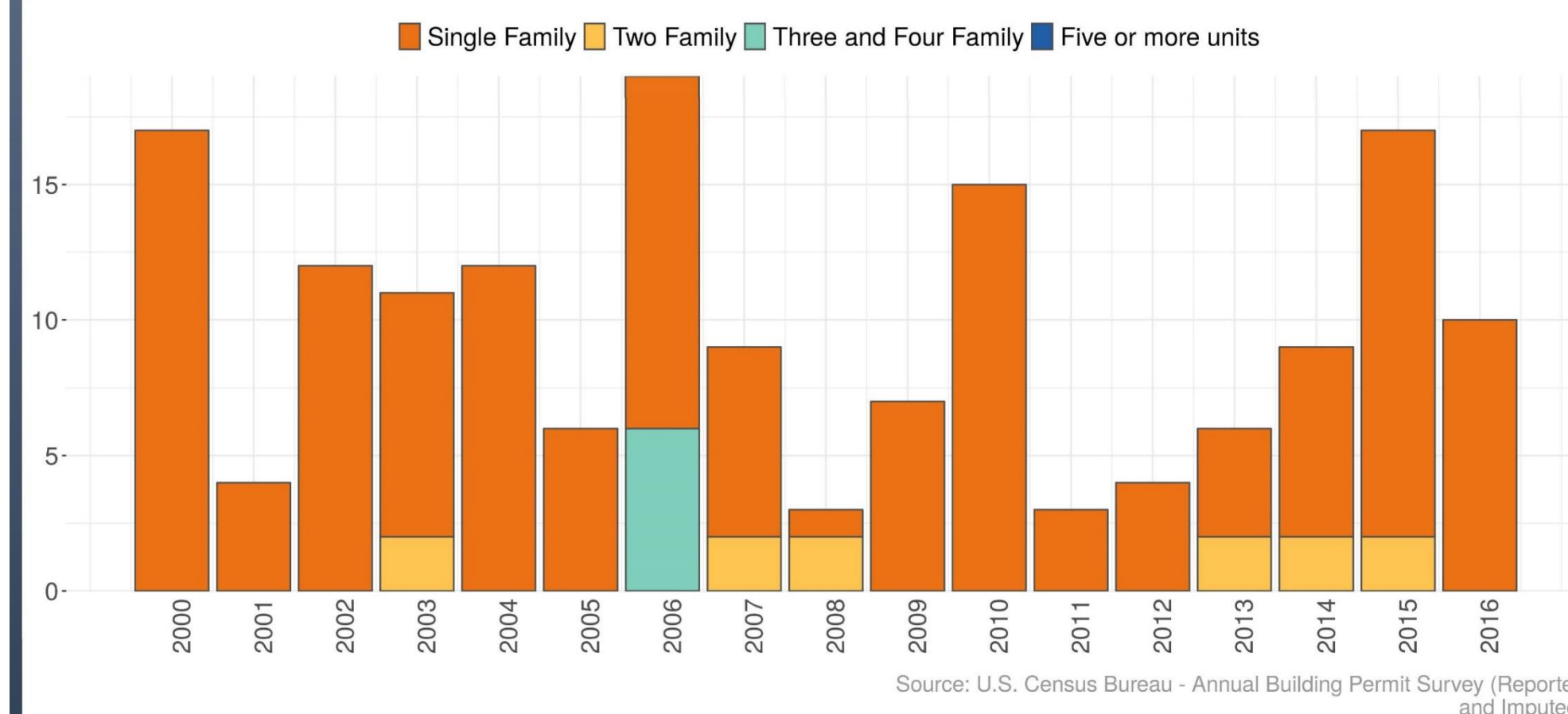
Compared to the Commonwealth, Essex's population is aging. Many households will have different housing needs and may want to downsize into a home that is easier to maintain or accommodates physical limitations brought on by aging. These households may also be looking for a home that they can afford after transitioning to a fixed-income during retirement.

# HOUSING STOCK

Housing units by building type  
Essex v. State



Annual housing units permitted  
by building type  
Essex

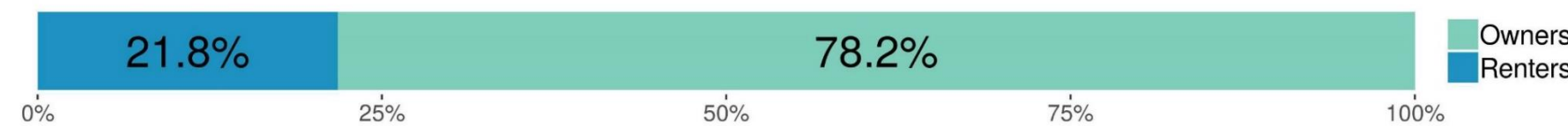


## Key Takeaway

Almost 80% of Essex's housing stock is single-family homes and [based on locally reported data], no multifamily units have been permitted since 2006. The challenge of creating a variety of housing options in town is due to land use regulations that limit what type of housing can be developed among other constraints, such as natural features and development costs.

# HOUSING AFFORDABILITY

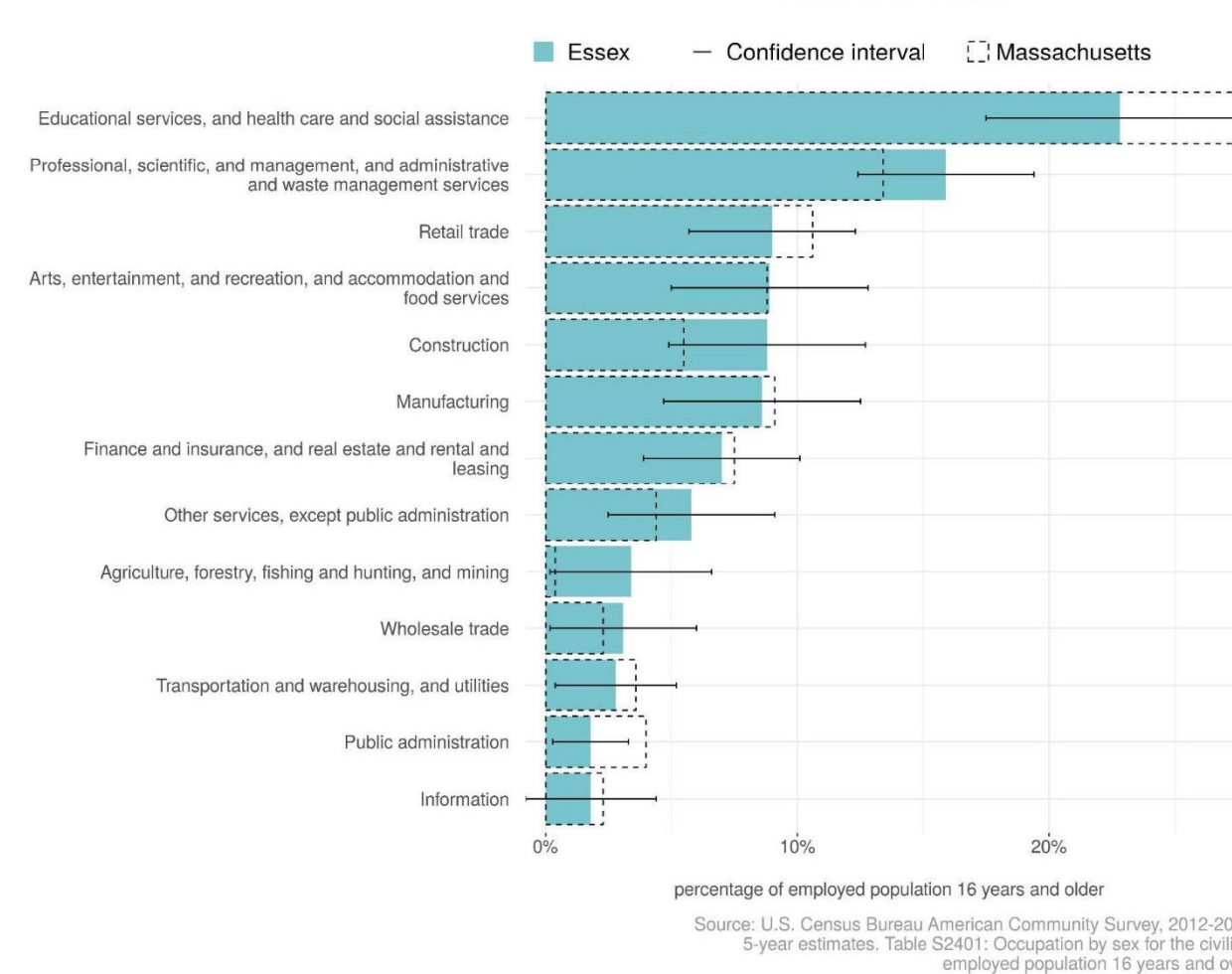
Tenure Mix - Essex



Tenure Mix - Statewide



Workforce by industry  
Essex v. State

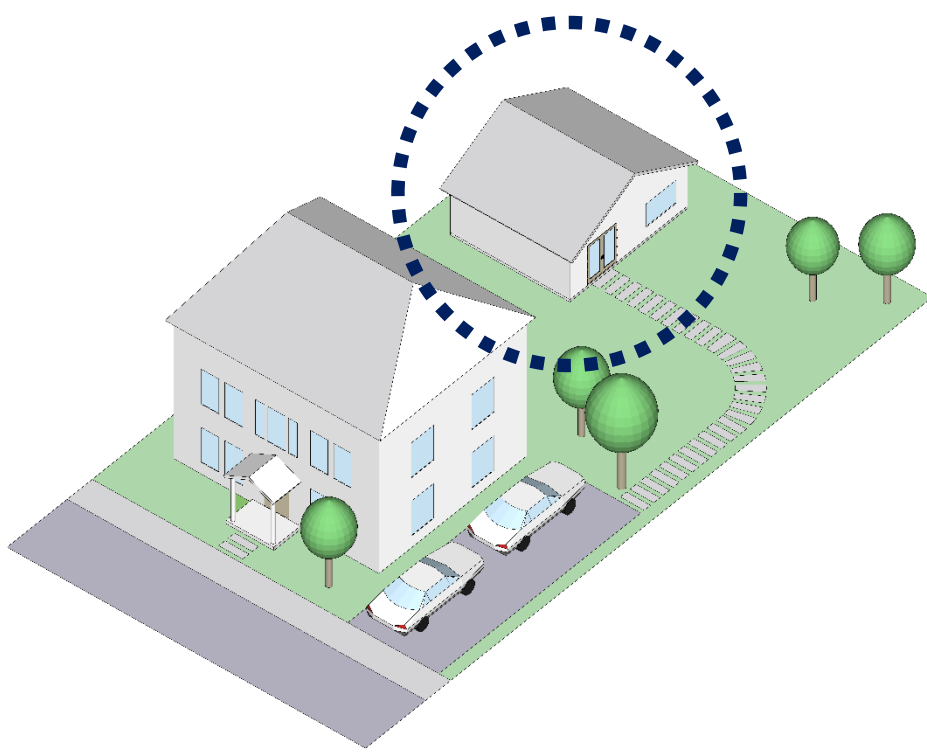


## Key Takeaway

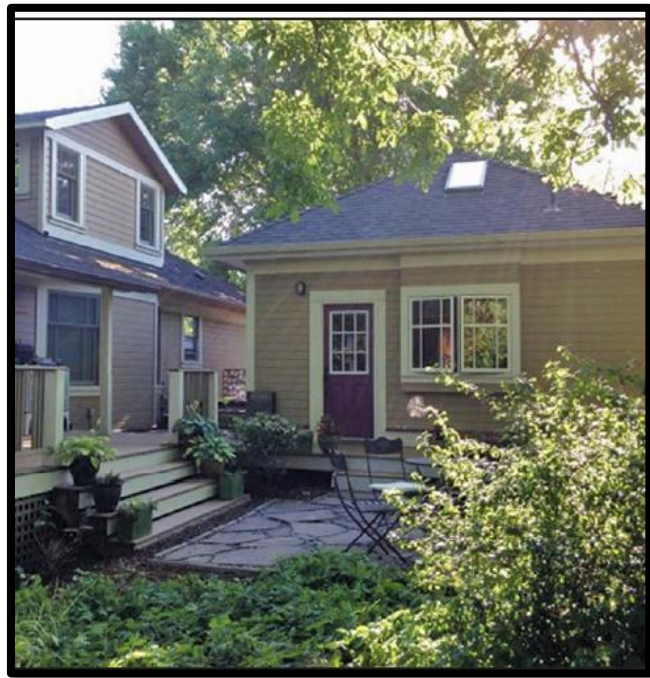
There are fewer renters in Essex than the Commonwealth because a lack of housing types other than single-family homes doesn't provide many options to rent. This mismatch between housing needs and the town's housing stock makes it difficult for aging households to downsize and remain in Essex. It also makes it difficult for those that work in Essex to live in town. Most of the town's workers are employed in the service, retail, and construction industries, which don't provide enough income to cover local housing costs without being cost burdened.

WHICH HOUSING OPTIONS WOULD YOU LIKE TO SEE MORE OF IN ESSEX?

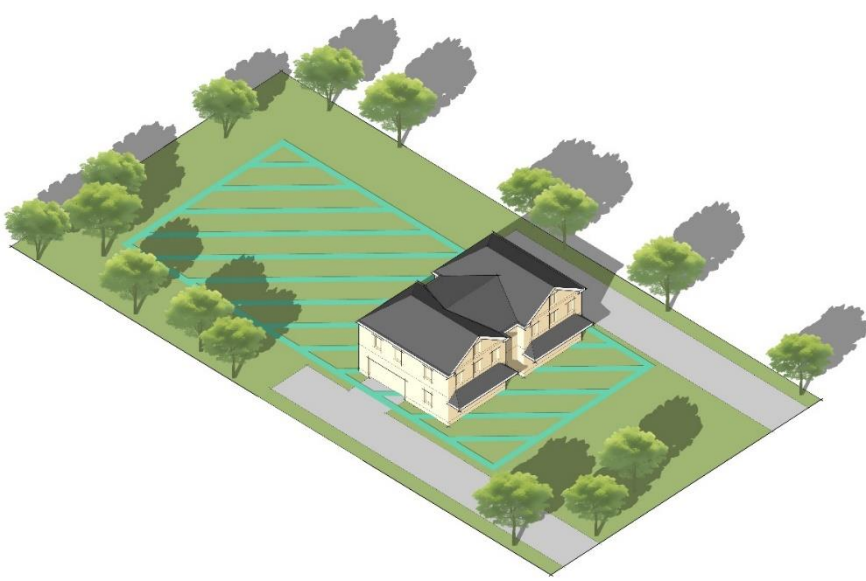
Use the dots to vote for your preferred housing type.



Detached Accessory Dwelling Units



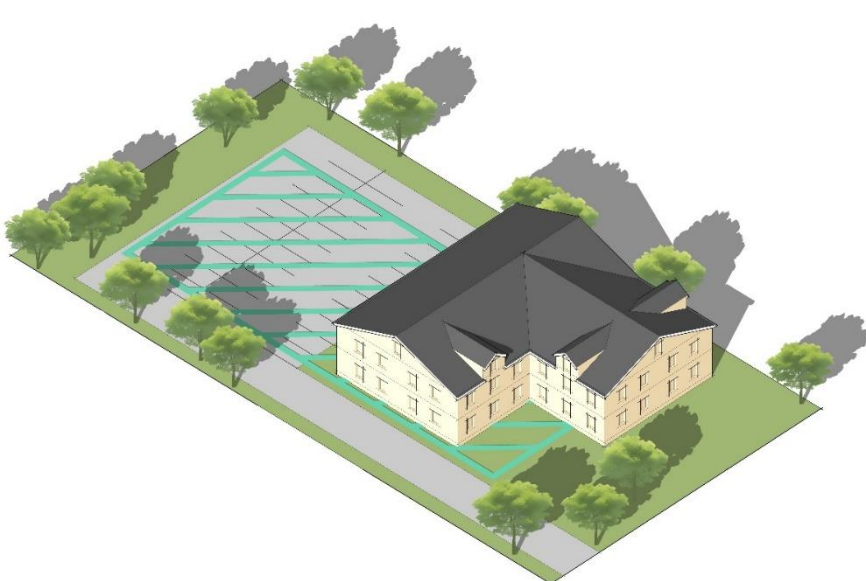
Clustered/Cottages



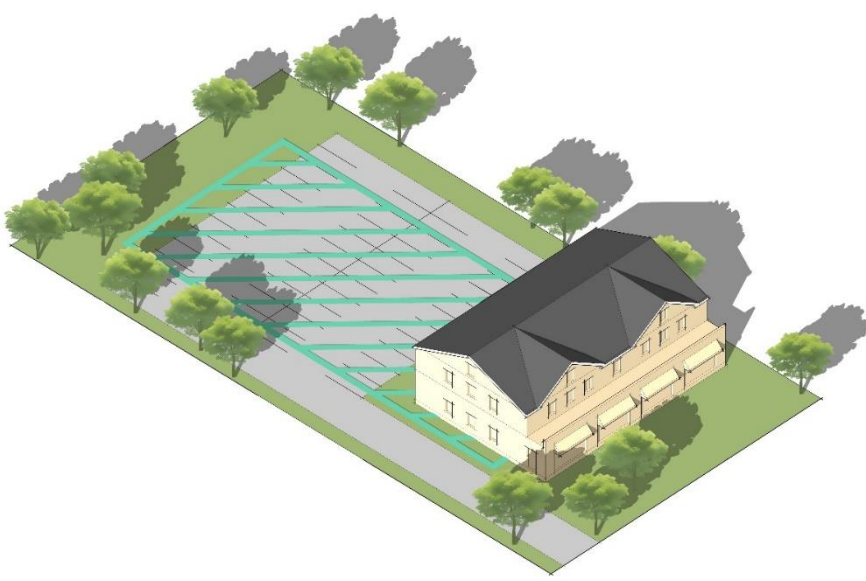
2 or 3 Family Homes



Townhouses



Multifamily Housing



Mixed-use Housing

