

Residential Development Challenges in the Arc of Innovation Region

A Perspective

May 17, 2006

Regulation and the Rise of Housing Prices – Is There a Connection?

- Absolutely: all regulation adds costs to some party in any market.
- The degree of impact depends on the community and the local market
- Two-acre zoning in a community that no one wants to live in for a whole host of reasons will have little impact on price.
- There must be consideration of what signal is being sent by prices in any particular community or market?

Reasons Why Growth Control is Important to Residents

1. The Financial Implications of Growth

- A May 2001 study completed by Connery Associates/Community Opportunities Group, Inc advised that for every \$1.00 in revenue generated by the following land uses leads to the following approximate costs:

Residential	\$1.42
Commercial	\$.54
Industrial	\$.13

2. Loss of rural/suburban character
3. Strain on existing public works, public safety, educational and public facilities infrastructure
4. Lack of water and sewer capacity
Shrewsbury is limited to 3.650 MGD that was based on a 2000 population estimate (made in 1988) of 22,696 (Actual Population was 31,640)
5. Environmental concerns
6. NIMBY

Regulation in Shrewsbury

- Low Barrier Community
 - No local Board of Health rules
 - No local Wetland Protection By-Law
 - Lot sizes of 12,500 to 20,000 sf
 - 125 lf frontage
 - Two-family homes by right
 - Multi-family housing by SP (Planning Board)
 - In-law apartments, cluster zoning, density bonuses, private driveways, etc.
 - Just adopted Inclusionary by-law
 - One-stop permitting

Residential Growth 1986 to 2005

Year	Single Family Homes	MF Units (Condo/ Apart)	2 Family Units	School Enrollment K-12	Enrollment Change	Cummulative
1986	113	218	24	3299		
1987	111	317	10	3188	(111)	(111)
1988	78	58	18	3134	(54)	(165)
1989	67	66	4	3117	(17)	(182)
1990	61	302	16	3192	75	(107)
1991	125	5	0	3277	85	(22)
1992	288	6	4	3356	79	57
1993	256	18	28	3558	202	259
1994	222	26	22	3688	130	389
1995	157	0	20	3793	105	494
1996	221	1	14	3964	171	665
1997	261	0	4	4067	103	768

Residential Growth 1986 to 2005

Year	Single Family Homes	MF Units (Condo/ Apart)	2 Family Units	School Enrollment K-12	Enrollment Change	Cumulative
1998	269	22	26	4247	180	948
1999	244	8	34	4386	139	1087
2000	178	8	16	4663	277	1364
2001	126	6	0	4946	283	1647
2002	128	16	10	5168	222	1869
2003	96	34	0	5407	239	2108
2004	68	26	4	5557	150	2258
2005	53	85	22	5688	131	2389
Totals	3122	1222	276			
	Total Units	4,620	68%	Single Family		
	Per year	231	27%	MF		
			5%	2-Fam		

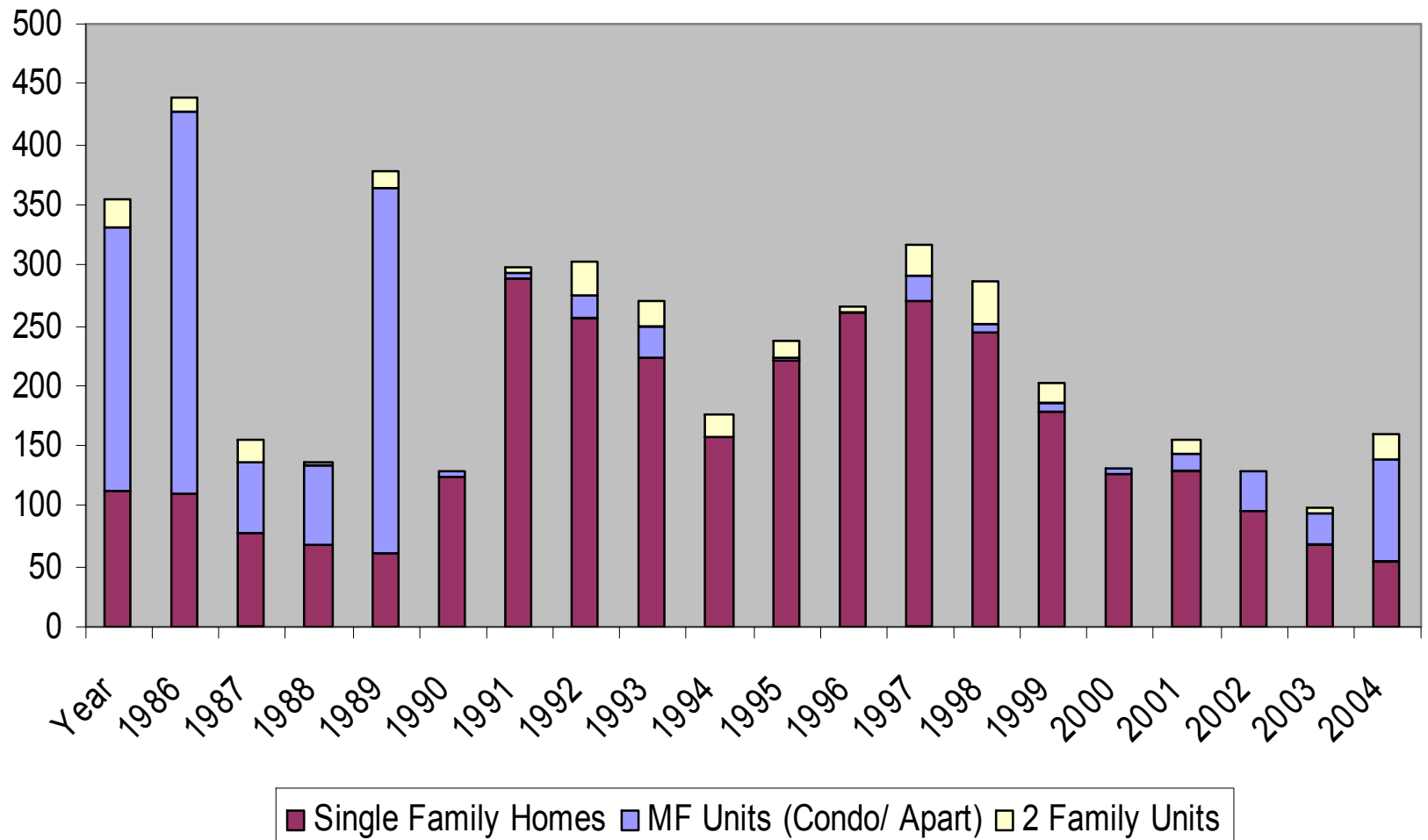
Residential Growth 1986 to 2005

Year	Population	Increase	Percent
1960	16,622		
1970	19,229	2,607	15.7%
1980	22,674	3,445	17.9%
1990	24,146	1,472	6.5%
2000	31,640	7,494	31.0%
2004 (est)	33,161	1,521	4.8%

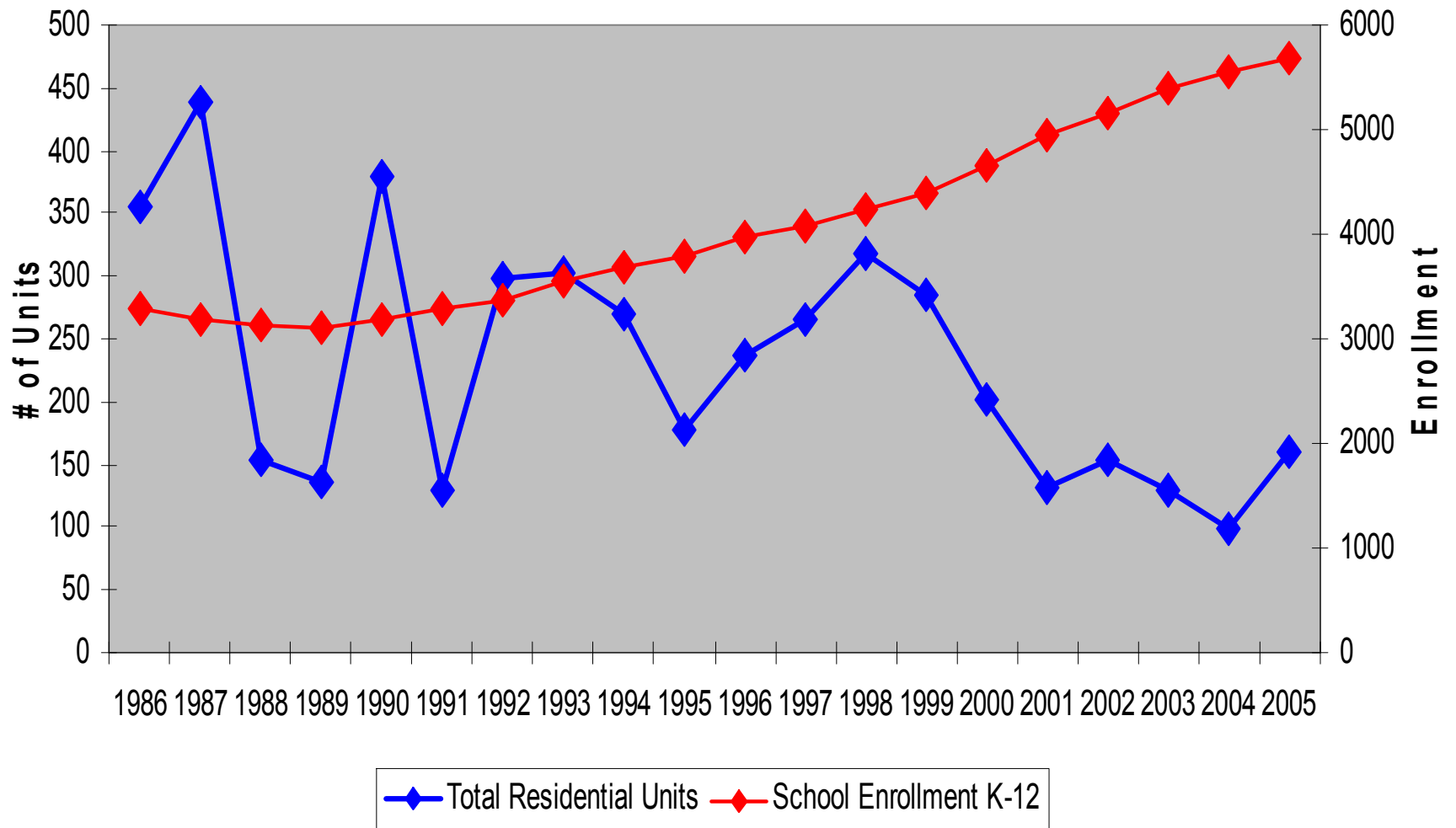
Median Home Sales

Year	Single-Family	Condominium	All Sales	Year	Single-Family	Condominium	All Sales
2005	\$390,500	\$222,500	\$367,550	1996	\$158,550	\$109,875	\$154,000
2004	\$362,500	\$165,000	\$324,500	1995	\$153,000	\$119,900	\$146,000
2003	\$360,000	\$185,000	\$320,000	1994	\$152,000	\$32,750	\$130,000
2002	\$329,900	\$140,040	\$285,000	1993	\$142,697	\$25,000	\$123,750
2001	\$285,070	\$117,000	\$248,000	1992	\$159,900	\$32,625	\$130,000
2000	\$279,900	\$137,000	\$217,000	1991	\$140,000	\$42,000	\$116,000
1999	\$230,000	\$120,500	\$192,000	1990	\$146,250	\$143,500	\$145,000
1998	\$177,000	\$127,500	\$168,500	1989	\$165,000	\$144,900	\$152,500
1997	\$176,750	\$129,250	\$175,483	1988	\$160,000	\$165,572	\$163,500

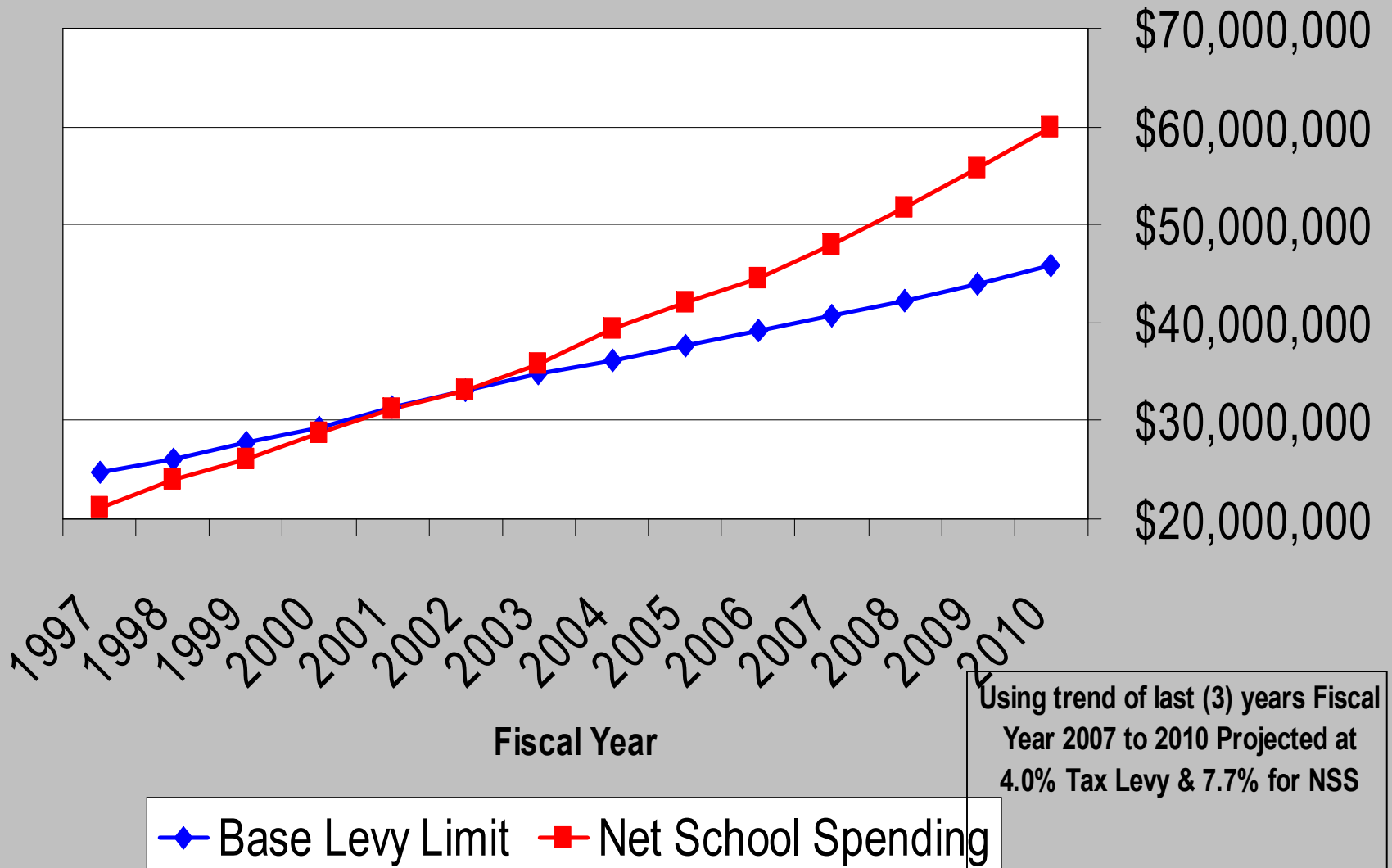
Total Residenital Units



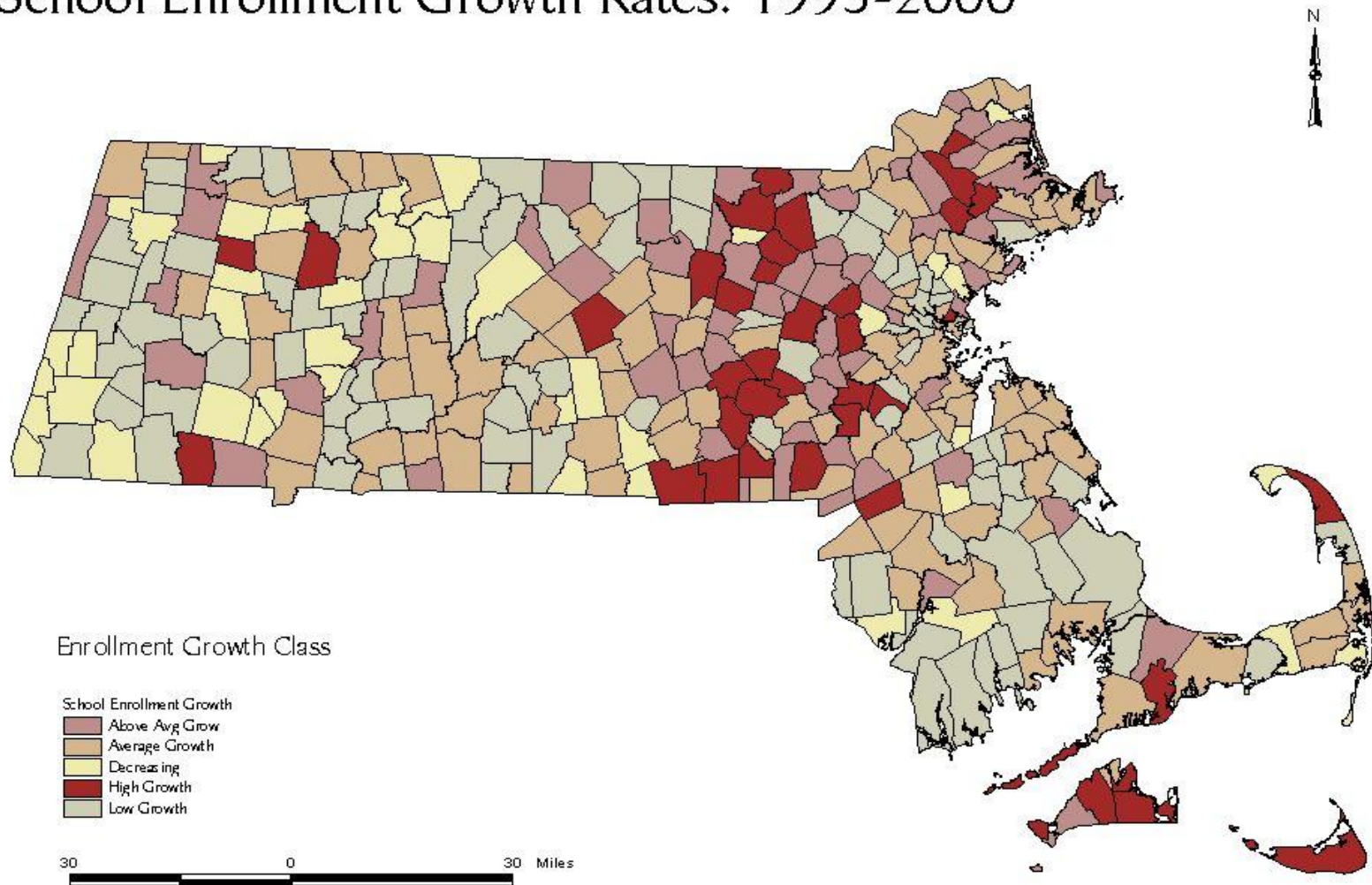
Residential Units to Enrollment



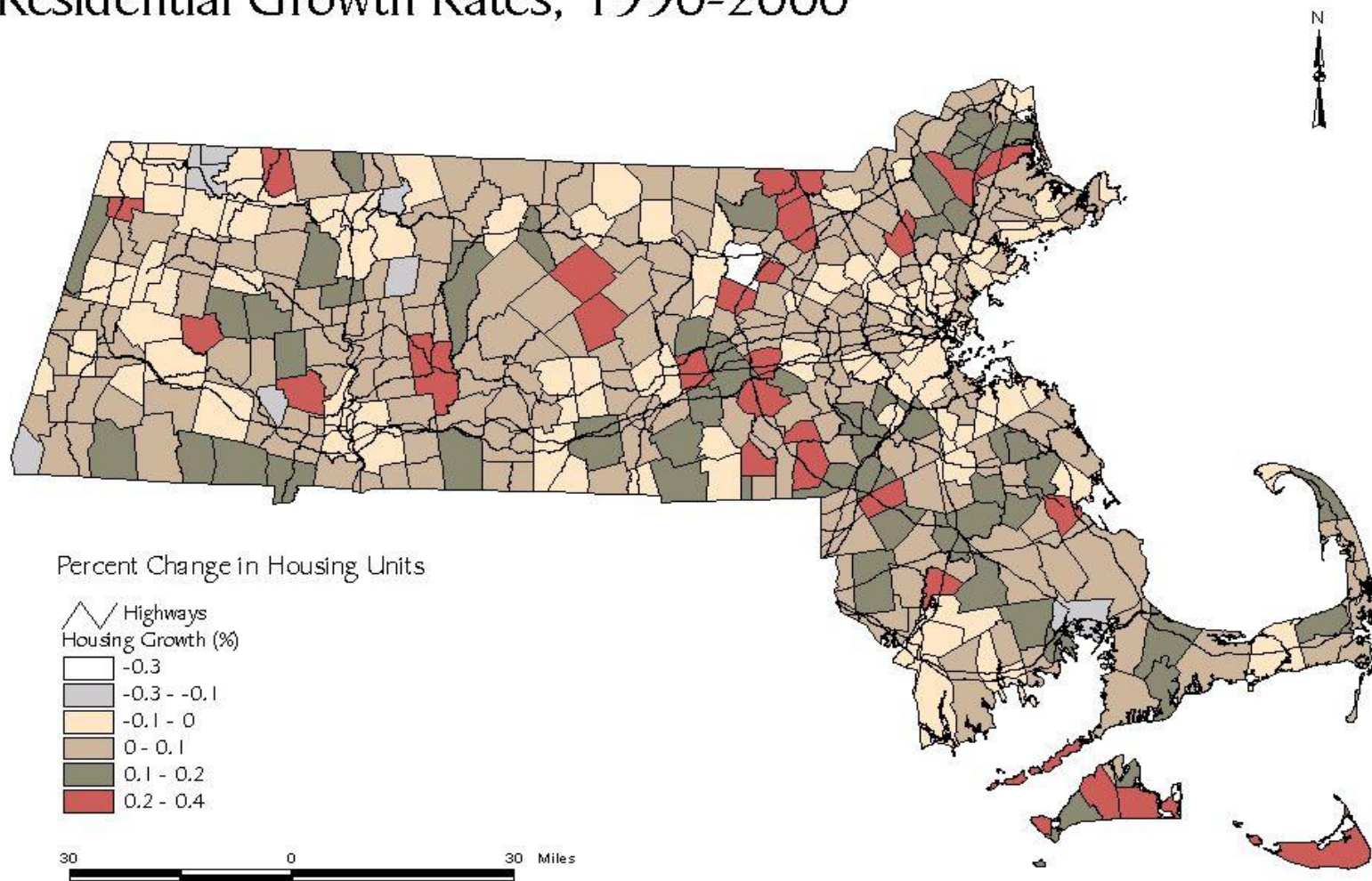
Base Tax Levy Limit and Net School Spending Projected Forward FY 2007 to FY 2010



School Enrollment Growth Rates: 1993-2000



Residential Growth Rates, 1990-2000



TOWN OF SHREWSBURY

Community Development Plan

EXECUTIVE ORDER 418

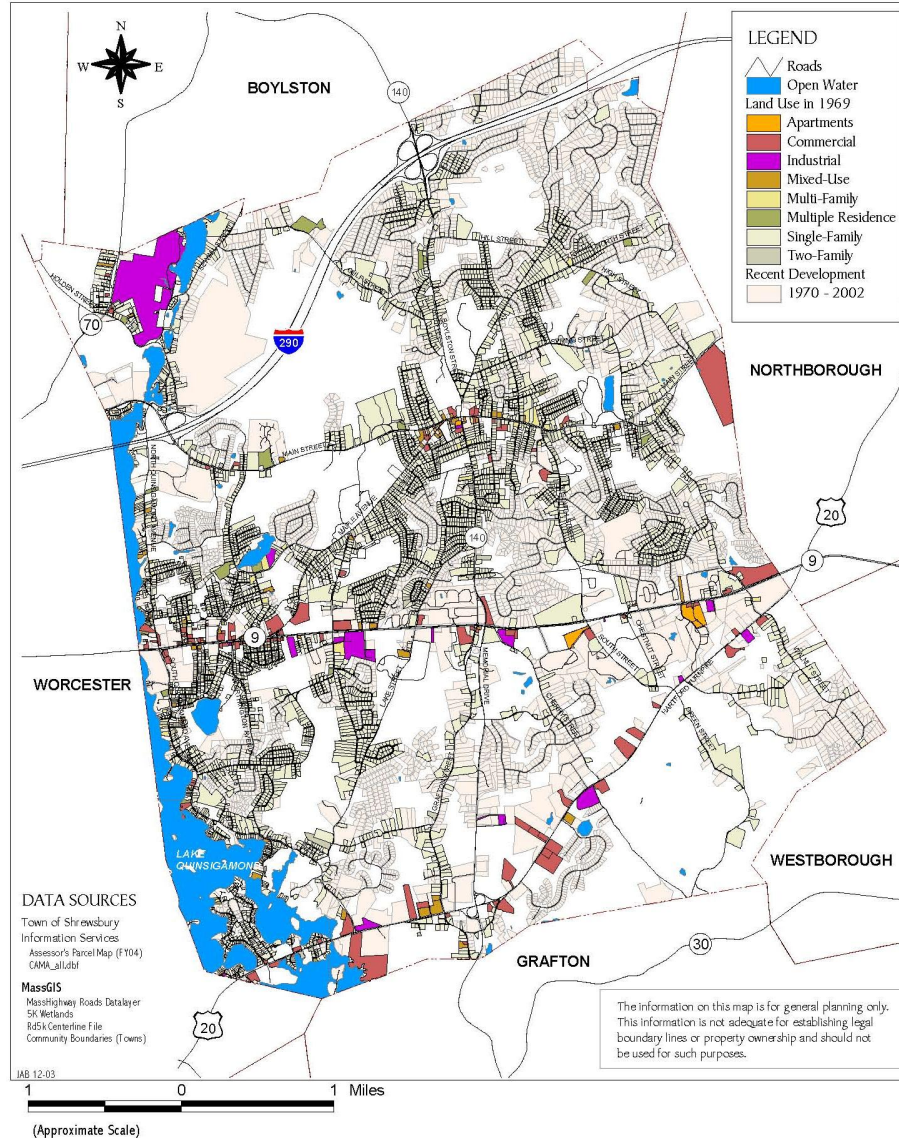
December 2003

EXECUTIVE OFFICE OF ENVIRONMENTAL AFFAIRS
DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT
DEPARTMENT OF ECONOMIC DEVELOPMENT
EXECUTIVE OFFICE OF TRANSPORTATION & CONSTRUCTION

Community
Opportunities
Group, Inc.

Central Massachusetts
Regional Planning
Commission

Map H-1 Shrewsbury in 1969



What Must Be Done

1. The fiscal implications of growth must be addressed and it is more than a one time payment or a payment of 3-5 years but a commitment of 15-20 years
2. Communities that are doing the heavy lifting must be rewarded not just for future actions but the past as well.
3. We have to stop building Chapter 30B projects in non-residential zoned areas particularly in high growth communities.
4. Water, Water & Water
5. Need to look at other contributing factors to the price of housing.