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## Rebutting affordable housing fears

Mixed-income projects don't hurt the value of single-family homes nearby, MIT study says

By Kimberly Blanton  
 GLOBE STAFF

Despite sometimes-fierce opposition to mixed-income housing developments by officials and residents in Boston's suburbs, a new study found that such developments have no impact on home values in the communities where they are built.

The Center for Real Estate at the Massachusetts Institute of Technology examined seven rental developments, dating to the mid-1980s, in Boston's suburbs from Littleton to Norwood. In each case, the price appreciation of single-family houses in the area surrounding a development was virtually the same as house-price gains community-wide.

"These neighborhoods around the developments neither suffered nor gained as a result of

the development," said Henry Pollakowski, a senior researcher at the center and co-author of the study being released today.

The study contributes new information that had been lacking in the debate over affordable housing, according to housing specialists and advocates. Its release comes at a time when many builders, in response to unprecedented demand for housing in the Boston area, are employing a powerful state law that permits them to effectively override local zoning boards to win approval for large projects that preserve a portion of the units for lower-income residents.

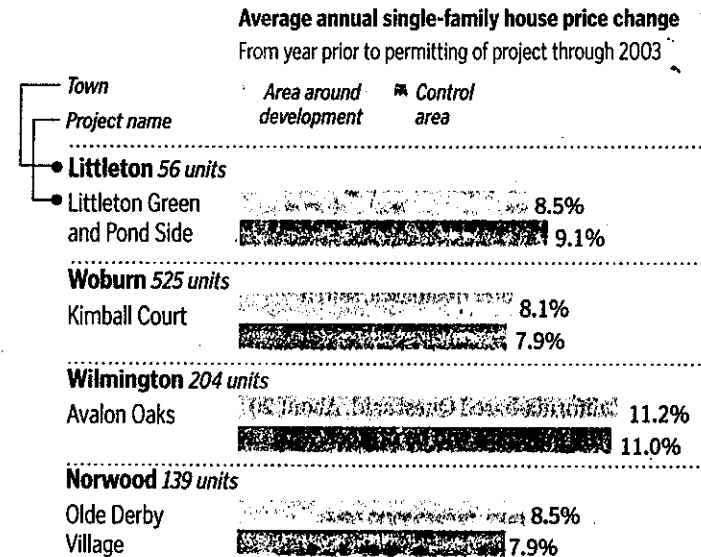
In 2003 and 2004, 10,800 housing units were approved under the state's 1969 affordable-housing law, Chapter 40B, a record for a two-year period, the state Department of Housing and Community Development said.

Critics of the study said house prices are not the only concern for local residents, who fear large developments disrupt traffic, burden already-stretched municipal budgets and infrastructure, and may change the feel of the neighborhood, a complaint affordable-housing advocates say is another way of saying they do not want lower-income residents nearby.

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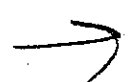
### Little difference in price appreciation

An MIT study says property values in suburban areas near mixed-income developments appreciated at about the same rate as property values in the rest of the community.



SOURCE: Center for Real Estate, Massachusetts Institute of Technology

GLOBE STAFF GRAPHIC

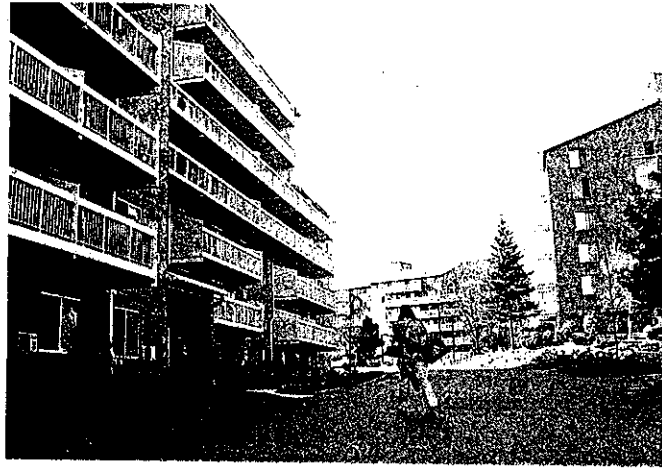


# Study rebuts fears that mixed-income projects hurt home values

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The study's "assumption is that municipal officials are concerned about values of housing," said Matthew Feher, a lobbyist and housing specialist who represents cities and towns for the Massachusetts Municipal Association. "I don't think it's the issue for them. It's other issues for them."

The study, "Effects of Mixed-Income, Multi-Family Rental Housing Developments on Single-Family Housing Values," looked at average annual changes in house prices in areas expected to be affected by a large development and compared them with price changes in the rest of the city or town over various time periods. The periods started one year prior to permitting, through construction, and up through 2003. MIT's Pollakowski said the projects selected were among the most contentious. "If any developments were to have any impact on prop-



GLOBE PHOTO/LISA POOLE

**Kimball Court in Woburn, which the study found to have little impact on the value of neighboring single-family homes.**

erty values, it would be these," he said. In every case, the study found the differences are not statistically significant, he said.

Fred Habib, deputy director of Massachusetts Department of

Housing, said the study was valid. Residents near 40 projects "want to make sure the values of their homes are protected," he said. The MIT study "shows the values of their homes are protected."

The developments examined were all permitted under Chapter 40B, which allows builders to construct condominiums or apartments in any city where less than 10 percent of the housing is considered affordable by state standards. Under the law, 25 percent of the units must be affordable and targeted for individuals who earn 80 percent or less of median income in that area.

Town opposition to 40B affordable housing isn't always stated explicitly in terms of fears of falling house prices, said Habib. "Sometimes it's implied but it's always there," he said.

Governor Mitt Romney in the past has supported legislation that would make 40B more palatable to cities and towns by limiting builders' powers if a town can demonstrate that they are slowly raising the number of units.

The largest project in the study is Kimball Court in Woburn, which had 525 rental units in

three large buildings. The first phase was permitted in 1985, the study said. But before it could proceed, Zoe Weinrobe, a former MIT student and a co-author, said the City of Woburn's repeated objections to the state's 40B permit for Kimball Court made it all the way to the Massachusetts Appeals Court, which upheld the permit.

A reason for opposing the project, stated on record, was that the city did not have an adequate water supply to serve the large building, she said. "It was quite controversial," said Weinrobe, who is now a Cambridge housing official. In 1989 and 1999, two more Kimball Court buildings were permitted.

The study found that the multi-phased project's impact on house prices was minimal: Between 1984 and 2003, the average annual increase in house prices surrounding Kimball Court rose 8.1 percent, compared with 7.9 percent for Woburn houses outside

the neighborhood.

Shorter periods of time showed similar results. For example, when house prices fell 3.3 percent in Woburn between 1987 and 1992, house prices were virtually flat in the area of the development. Between 1997 and 2003, prices were up 12 percent in the rest of the city, compared with 12.9 percent in the area near the development.

A new project by the developer, Joseph R. Mullins Co. in Braintree, is currently under construction on property adjacent to Kimball Court, the firm said.

Woburn planning director Edmund Tarallo sees problems with a study that compares house prices in different types of neighborhoods, given the range of properties in his city. "You've got such a variation in the community, it doesn't tell you what you need to know," he said.

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