Massachusetts Median House Prices Rise To $580,000 in March

By Colin A. Young
State House News Service

The signs of spring are all around: the days are getting warmer, baseball is back, and Massachusetts home prices are setting records as demand continues to significantly outpace the inventory of houses for sale.

The real estate analysts at The Warren Group reported Wednesday morning that $580,000 was the median price of the 2,563 single-family homes sold in the Bay State in March. That’s a new all-time high for March and a 7.4 percent increase over the median price in March 2023. Meanwhile, the number of houses sold last month was down, also by 7.4 percent.

Cassidy Norton, associate publisher and media relations director for The Warren Group, said it was not surprising that the median price of homes continues to set records and suggested a reason for some optimism.

“Despite the increase, we actually aren’t seeing the rapid, double-digit percent increases we were experiencing at the height of the pandemic and the subsequent months. Despite this slowdown, limited inventory will probably continue to be the biggest barrier to homeownership in the coming months,” she said.

Through March, there had been 7,001 single-family home sales in Massachusetts in 2024, a 2.8 percent decline compared to the first three months of 2023. At the same time, the year-to-date median single-family home sale price is up 9.8 percent to

$560,000, the Warren Group said.

Condominium sales were also down last month to the fewest March sales since 2015 – 1,431 sales compared to 1,520 last March, down 5.9 percent. March's median condo sale price rose 10 percent to $550,000, also a new all-time high for the month, The Warren Group said. Year-to-date, there have been 3,482 condo sales, a 6.2 percent drop from the first three months of 2023 while the median sale price of $520,000 is an 8.3 percent increase over the same period.

Housing in Massachusetts is inaccessible or unaffordable for many residents, and Gov. Maura Healey last year identified housing as "the number-one issue facing this state." She said as recently as last month that "we are short 200,000 housing units in this state."

In the fall, Healey filed a five-year, $4.12 billion housing bond bill (H 4138) seeking to kickstart production of new housing units by, among other initiatives, allowing accessory dwelling units by right in single-family zoning districts. But her bill alone would not be enough to eliminate the state's 200,000-unit shortfall. Healey's office said in November that the bill would "unlock creation of 40,000 new homes statewide."

The governor's priority bill was sent Tuesday morning to its third legislative committee. The Committee on Bonding, Capital Expenditures and State Assets reported Tuesday that the massive housing bond and policy bill should not pass, citing the rule that governs how long a committee can review a bill. But instead of disposing of the matter, representatives moved Tuesday to send the governor's bill (which has now gone unchanged through two committees) to the House Ways and Means Committee.

That committee is likely to redraft the governor's proposal or at least bulk it up. Speaker Ronald Mariano said last month that he is “going to go big” when the House takes up housing legislation and plans to expand the governor’s $4.1 billion bill in a number of ways, including by proposing to expand the Mass. Water Resources Authority service territory.

Mariano has said the House will consider the housing bill soon after it passes its annual state budget next week.

S&P cites New Bedford’s ‘very strong management’ in affirming City’s Bond Rating

“NEW BEDFORD – A leading credit rating agency has affirmed the City’s credit rating, pointing to New Bedford’s effective leadership and strong economic prospects.

Standard & Poor’s recently awarded New Bedford a AA+/Stable long term enhanced rating and affirmed its AA-/Stable underlying rating, giving the City high marks for financial health and management. Among the key metrics the City scored high on were: Very Strong management, Very Strong liquidity, Strong economy, and Strong institutional framework. S&P uses 10 grade levels in its evaluations, from General Default to Strong, Very Strong and Extremely Strong.

“The ratings reflect our view of New Bedford’s very strong management with strong financial-management policies and practices – including its quarterly review of budget-to-actual reports; detailed five-year capital plan that it updates annually, including planned funding sources; (and) investment-management policy that adheres to commonwealth statutes,” the 2024 S&P Global Ratings report states.

"New Bedford's economic profile has benefitted from the city's diversification away from its traditional dependence on port activities, as well as from the city's relative affordability and investments to support offshore wind development," the report also stated.

"These high marks are a testament to the professionalism and commitment of our finance and economic development teams," Mayor Jon Mitchell said. "Our disciplined management of the City budget and our efforts to expand and diversify the regional economy are producing tangible outcomes – notably lower interest rates that mean savings for taxpayers."

The high credit ratings helped the City solicit several competitive bids and sell $23.5 million worth of bonds and notes earlier this month. Proceeds will fund various capital projects."-City of New Bedford.

Massachusetts Migrant Work Permits Stagnant Since December

By Sam Drysdale
State House News Service

Gov. Maura Healey has frequently pointed to getting more migrants authorized to work as a key step in moving people out of the state's overwhelmed emergency family shelter system, but the number of new arrivals who have work authorizations has stagnated since December.

About half of the families in the state's Emergency Assistance family shelter system are newly arrived immigrants, refugees or asylum-seekers, many of whom are not authorized to work in the United States. As the number of immigrants coming into Massachusetts has skyrocketed in the last year, Healey has repeatedly called on the federal government to expedite the work authorization process to help migrants who are eager to work leave state-funded housing and support their families financially.

With family shelter cost estimates of close to $1 billion per year, both the House and Senate are now considering putting time limits on how long a family can stay in emergency shelter. Shelter limits would add urgency to the need for these authorizations as parents would need to be able to work to pay for housing once they are no longer able to stay in the shelter system.

The House has proposed a nine-month limit on shelter stays, while the Senate will take up a bill later this week to impose a nine-month limit with opportunities for extensions. Either option would be a significant change to the system, where most families stay for over a year, according to the Healey administration.

“The federal government is allowing people into the United States. And my position has been, if you’re going to allow people in, then work with us states on getting people working – expedite those work authorizations,” Healey said last fall.

The administration held two “clinics” in November with the U.S. Department of Homeland Security to help process work authorizations for shelter residents, where they said they helped “thousands” of new arrivals become eligible to work in the country.

Though the clinics seemed to lead to a sharp increase in work authorizations, that number has since stagnated.

As of Dec. 12, 2023, 813 newly arrived immigrants, refugees or asylum-seekers in Massachusetts’ shelter system had federal work authorizations. That number climbed to 2,713 individuals two weeks later.

Since late December 2023, however, the number of non-citizens living in shelters and able to legally work in the U.S. has remained unchanged, according to reports from the governor’s administration.

The most recent report on the EA family shelter system to come out of the Executive Office of Housing and Livable Communities showed that as of March 7, there were still only 2,713 of these individuals with work authorizations.

A Healey aide said the work authorization numbers are derived from the U.S. Department of Homeland Security and recommended reaching out to them.

Despite this stagnation, Healey continues to point at the success of the November clinics in expediting this process that she deems as critical to helping people out of shelter and opening up space for other families in need.

At an unrelated press conference at the State House on Monday, responding to a reporter’s question about whether the migrant population is an “untapped labor market,” Healey replied, “I do. That’s why I’ve focused from the outset on getting work authorizations.”

“I’m proud that we as a state have really led when it came to getting folks processed. I called on the federal government to act for a long long time, and I also said we’re not going to wait. And so we were able to get folks from DHS here on the ground… That work has continued,” she said.

The News Service followed up, pointing out there have been no new work authorizations reported by her office since late December.

“The work does continue… We continue to process people for work authorization,” Healey replied. “It’s a good thing right now that Salem Hospital was able to fill its janitorial and cleaning staff. It hadn’t been able to do that for years. So we’re continuing to look for opportunities.”

She did not directly respond to a question on why her administration had not reported an increase in work authorizations over the last three months.

In the time since late December when the number of new migrants eligible to work flatlined, hundreds of families have been added to the waiting list of folks waiting to be let into shelter. Around 400 families were on the waitlist — waiting for a spot after Healey capped the system at 7,500 families last fall. By early March, that number had reached about 780 families.

Earlier this month, the Healey administration announced partnerships with eight resettlement agencies to help families exit shelter by connecting with resources such as housing, job searching and social services. Healey’s office said the initiative, funded by money included in last year’s supplemental budget, will enable families to access permanent housing.

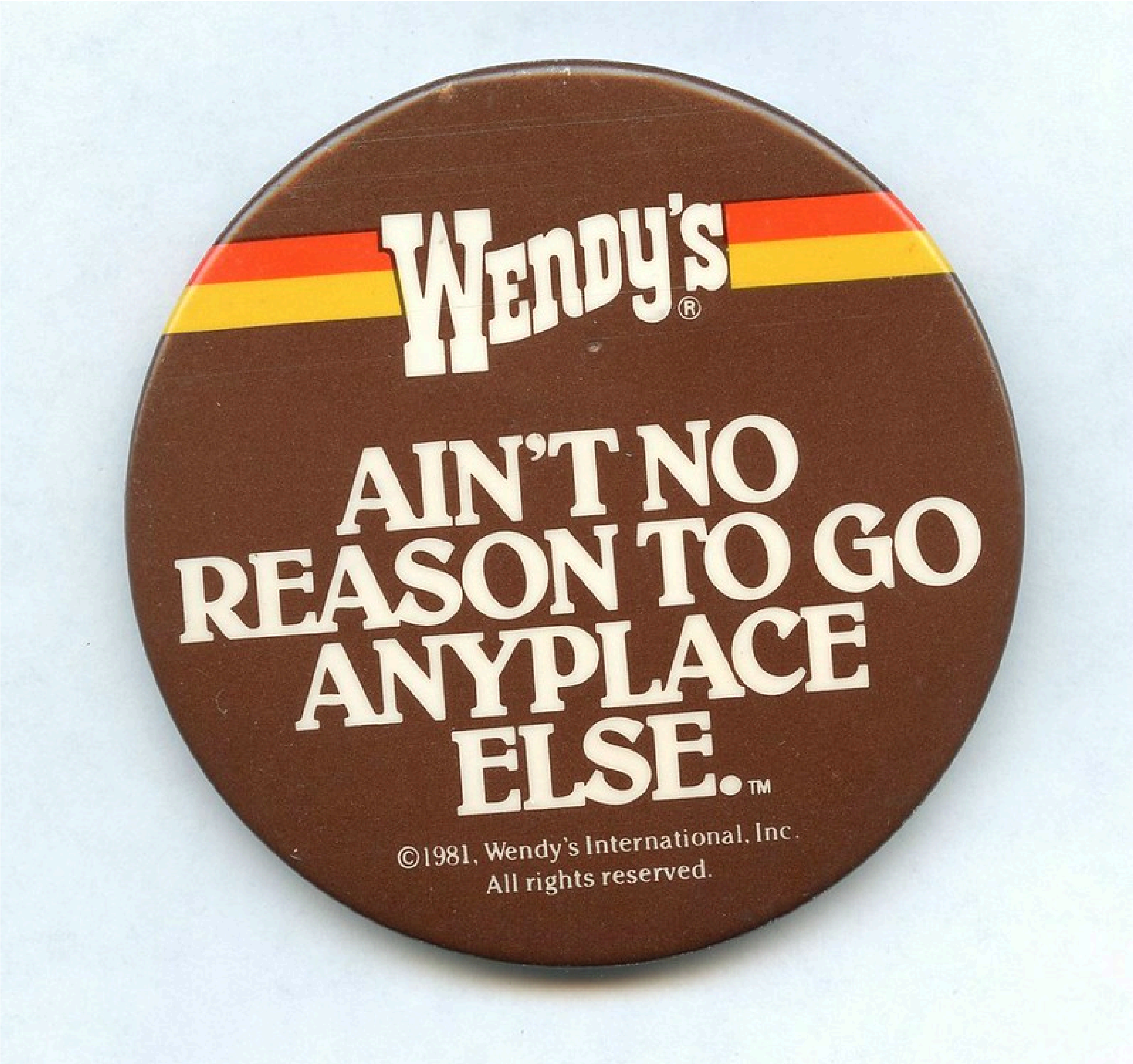
Wendy’s Will Test Surge Pricing In Some Of It’s Restaurants

Just imagine that you have been waiting in line at your local Wendy’s during the lunch rush, but when you pull up to order everything on the menu is a dollar more than usual. That scenario may soon become real, because Wendy’s plans on testing surge pricing that will increase the price of its spicy nuggets, burgers, Frostys, and other favorites during its busiest times. How do we feel about this? Uber does this for its rideshare app, but should is this a sustainable business practice in fast food?

Earlier this month, Wendy’s CEO Kirk Tanner has this to say: “The fast food chain plans on investing $20 million to roll out digital menu boards to US-based restaurants by the end of 2025. As part of the change, Wendy’s will also introduce something called “dynamic prices” that will change the prices on the digital menu boards based on demand. It sounds similar to the surge pricing system implemented by Uber, which charges riders higher rates in busy areas.”

“Beginning as early as 2025, we will begin testing more enhanced features like dynamic pricing and day-part offerings along with AI-enabled menu changes and suggestive selling,” Tanner says. “As we continue to show the benefit of this technology in our company-operated restaurants, franchisee interest in digital menu boards should increase further supporting sales and profit growth across the system.”

Won’t this practice simply drive customers to their competitors or can we expect other industry leaders to follow suit? This vintage Wendy’s ad reminds of the good times…



Massachusetts Ratepayers Fed Up With High Energy Costs

By Colin A. Young
State House News Service

From the edge of the Atlantic Ocean in Lynn to the state's western border in Richmond, people in Massachusetts are letting the state know how they feel about wallet-busting energy bills.

“I struggle to pay my bills, my electric runs $250 a month and in the winter I am paying $500 a month to heat our home. I have many other bills aside from these bills including car payments, insurance, food cost and everyday necessities. I don’t qualify for assistance of any kind,” Dacia Clark, a single Pittsfield mother of four children who also cares for her disabled mother, wrote to state officials last month. “I know many other residents of Massachusetts have the same struggle as me. My time is limited with my family because I work so much in order to keep up on the bills, I pray there will one day be something done to help take a little weight off all the responsibilities we carry as responsible parents trying to juggle it all.”

Travis Roger from Richmond shared a copy of a recent electric bill showing that it cost him “over $500 a month to keep our electric on.”

“We are a family trying to raise three young children, living pay check to paycheck. We simply CANNOT afford to pay over $500 a month to keep the electric on. My weekly paycheck isn’t much more than my monthly Eversource bill and my electric is only one bill of the many bills that I need to pay each month.

More than half our of Eversouce bill is delivery fees!! We are left helpless,” Roger wrote. He added, “Families are struggling to make ends meet, struggling to keep the lights on, and struggling to feed their familes. Something needs to be done.”

Clark, Roger and more than a dozen others submitted their comments as part of an official “inquiry” the Department of Public Utilities launched in early January scrutinizing the high costs of energy bills and potential improvements to energy affordability programs that could reduce that burden on residential ratepayers.

After a public input period that runs through Friday, DPU will hold meetings to explain the changes under consideration and then issue a written order detailing any changes it might mandate to the energy affordability programs that utility companies are required to offer.

“Possible measures include offering varying levels of discounts depending upon income or placing a cap on the percentage of income spent on bills from energy utilities,” the department said in its announcement.

Blanca Hurrutia and a handful of other Lynn residents shared similar comments with DPU, writing in Spanish that no one should have to reduce their food consumption to keep their lights on “pero eso está sucediendo ahora,” which means “but that’s happening now.” Hurrutia and others also suggested to DPU that the state should cap utility bills at a maximum amount based on the customer’s income.

Massachusetts has some of the highest energy costs in the country. Many households that earn 80 percent or below the state median income level “endure financial hardships in relation to paying utility bills,” DPU said, and lower-income households pay as much as 3.5 times more of their income on energy than other households.

As part of its clean energy pursuit, the state is pushing businesses and residents to use electric-based energy and vehicles, an effort that is causing all parties to further scrutinize electricity costs.

A letter submitted by the chair of the Longmeadow Energy and Sustainability Committee said that “the electricity bills have increased substantially” for residents who have already begun the electrification transition.

“At the same time, because contractors continue to recommend that homeowners continue to keep, and use in cold weather, gas-burning furnaces, these homeowners incur gas charges that have yet to decrease in significantly meaningful ways," Andrea Chasen wrote in a letter that included detailed information on the supply and delivery charges that specific Longmeadow residents have faced. "As a result, homeowners who are working to meet the state goals of transitioning to using more electricity and less fossil fuel, are faced with the much higher than anticipated utility bills."

An analysis from the Department of Energy Resources found that heating oil was the most expensive fuel to heat an average household last winter, costing $2,023 to get through the 2022-23 winter. Propane customers paid $1,492 while natural gas heat cost $907 for the heating season. Electric heating, primarily electric baseboard heating, cost an estimated $1,080, though DOER said that also "reflects the smaller average home size for units that heat with electric resistance (baseboard) heat."

For this winter, DOER estimated that heating with oil would cost $2,220, up 10 percent; that propane heat would cost $1,606, up 8 percent; that natural gas heat would cost $911, down 0.5 percent; and that electric heat would cost $862, down 20 percent.

The federal government is also keeping an eye on the burden that energy bills put on household budgets. When the U.S. Department of Energy announced Tuesday morning that 17 energy improvement projects in rural or remote areas (the nearest to Massachusetts is a project in Maine) would receive a total of $366 million in federal funding, a DOE official said that energy burden was one of the things the department considered when choosing projects to fund. The DOE official said that energy costs are 33 percent higher, on average, in rural and remote parts of America.

Report: New Bedford's population growing twice as fast as available housing

According to a new report produced by the Regeneration Project Committee of the New Bedford Economic Development Council (NBEDC), New Bedford's population has been steadily growing twice as fast as new housing units.

Per the NBEDC:

"Between 2010 and 2020, the number of households in New Bedford grew by 7.8% but the city's housing stock increased by just 3.8%. This means 3,000 new households are currently vying for less than 1,600 new housing units. A key finding reveals that there are nearly 9,500 households with earnings below 30% of the area median income, yet fewer than 6,500 affordable rental units in Greater New Bedford."

Throw in high interest rates and inflation, higher property taxes, an influx on migrants to Massachusetts, and it's not hard to figure out why rents have sky rocketed over the past year and decade. **In Fall River, home prices have nearly doubled in the past five years, up 25% the past year**.

In Boston Business Address,

Healey Touts Investment, Spending Restraint

By Sam Drysdale
State House News Service

Months after a coalition of regional business chambers warned Beacon Hill politicians to rein in spending, Gov. Maura Healey pitched her new state budget recommendation to members of the state's business community on Thursday as "balanced" and "responsible."

The governor's budget, unveiled on Wednesday, relies on a number of new recurring, multi-year or one-time revenues to finance new spending initiatives, since tax collections have slowed and come in below projections so far in fiscal 2024.

Despite slower revenue growth on the horizon, Healey made a point to note that she does not plan to raise taxes.

"After working hard to make our state more competitive, we will not be introducing new taxes or tax increases," she said, to applause from those in attendance at the Associated Industries of Massachusetts (AIM) event in Newton.

She and legislative leaders have said they have no appetite to raise state taxes to cover spending priorities, though Healey did introduce a bill last week that would allow municipalities to increase certain hospitality taxes and establish a 5 percent local surcharge on vehicle owners, who already pay a local vehicle excise tax.

AIM President and CEO Brooke Thompson celebrated the tax cuts that Healey signed into law last year, but the business group also wants to see more done in the way of tax reform.

AIM, the largest business group in the state, supports reducing the short-term capital gains tax to 5 percent (last year's tax package cut it from 12 percent to 8.5 percent), joining every other New England state in exempting rolling stock tractors, trailers and rail cars from the sales tax, and allowing deductions for business interests, Thompson said in her State of Massachusetts Business speech this month.

Healey didn't touch on any of these tax policy priorities during her speech on Thursday, but pitched her housing bond bill and new child care plan as business-friendly initiatives.

The governor also did not touch on a question mark hovering around the heads of the state and businesses – an unresolved error that may mean Massachusetts owes $2.5 billion back to the federal government, which was misused during the COVID-19 pandemic.

Thompson brought up the topic in her business address as one of AIM's main priorities this year.

"AIM strongly supports a swift resolution to the $2.5 billion deficit hanging over the state's unemployment system," she said. "Business should not be saddled with additional taxes because Massachusetts incorrectly utilized federal relief funds to pay for jobless claims during the pandemic."

As for her housing bill, the governor promoted a new University of Massachusetts Donahue Institute report on the potential impact of her $4.1 billion bill, which is meant to make housing more affordable and accessible as a lack of options pushes people out of the state.

The report said the housing bill would produce tens of thousands of new homes across the state and stimulate nearly $25 billion in economic activity, create 30,000 jobs and generate roughly $1 billion in combined state and local tax revenue.

"The analysis – and again this isn't me speaking, this is the

Donahue Institute speaking — it highlights an opportunity, they say, to create upward mobility for more residents. Ramping up housing production will require growing the construction industry with more firms and more workers," Healey said.

The Executive Office of Housing and Livable Communities, which Healey oversees, commissioned the study to estimate the impact of the housing bond bill on the state's economy. It estimates the total public and private spending associated with the full implementation of the bill to be $15.1 billion over five years, and that it would create a $24.8 billion total economic impact in the same time span.

Thompson said the business group supports the "overarching objectives" of the governor's housing bill, and particularly supports the acceleration of development near public transit.

In addition to injecting billions of dollars into housing production, the bill also includes policy changes such as enabling communities to enact local option transfer fees to pay for affordable housing and lowering the threshold for zoning reform.

A spokesperson for AIM said their "broad" support for the bill does not mean their members necessarily endorse every aspect of it.

"Almost every Massachusetts employer has heard from an employee at one time or another saying, 'I'd love to come to work here, or I'd love to stay here, but I can't afford to raise my family here," Thompson said in her State of Massachusetts Business address.

The Greater Boston Business Chamber and the Massachusetts Business Roundtable have also supported the so-called Affordable Homes Act.

Healey also pitched her administration's new early childhood education and care proposals, saying that the state’s high cost of living hit workers with children particularly hard.

The governor’s plan includes an expansion to the universal preschool program into all 26 “gateway cities” by 2026, making more low- and moderate-income families eligible for child care assistance, funding another year of the Commonwealth Cares for Children (C3) grants, and filing an executive order calling for a “whole-of-government” approach to boosting access to child care.

“We know we can reduce the costs for thousands of families. We can help women – thank you for the pink slip initiative – we can help women return and stay in the workforce, and we can importantly achieve the kind of high-quality education and care for our kids that they so deserve,” Healey said Thursday.

The governor also announced a new executive order she signed on Thursday, under which state agencies will no longer specify a minimum level of education when they look to hire new employees.

“Massachusetts is in the midst of a transition to a skills-based economy, in which demand for skilled employee talent is at an all-time high, and employers are seeking to broaden and strengthen their talent pipelines by prioritizing individual skills over traditional credentials like degrees,” the order says.

Her announcement was met with applause on Thursday, and she encouraged business leaders to adopt similar practices.

Healey said the state needs to shift to a “skills-based economy,” and that hiring practices just based on a degree “reduces people to a line on a resume.”

“We know how difficult it remains to fill open positions – and frankly, as the state’s largest employer, we face this challenge as well,” Healey said. “Massachusetts has the highest percentage of working-age adults with a four-year degree, at around 50 percent. We can be proud of that. But the other half of our workforce also makes immense contributions to our economy. Yet too often, job postings – both in the public and private sectors – call for a degree as a minimum requirement, even when that degree is not necessary to perform well in the role. That creates a barrier for both employers and workers alike."

Tonja Mettlach, executive vice president of the Mass Business Roundtable, sent out a statement commending the move to "[rethink] hiring practices and [be] creative about how we recruit, retain, and invest in talent."

Governor Healey bill would allow increased taxes for food, hotels and vehicles in New Bedford, Fall River and other Massachusetts communities

Massachusetts Governor Maura Healey filed a bill on Monday that would allow cities and towns to increase taxes on meals, lodging, and vehicles.

Per **Boston.com**:

"The bill gives municipalities the option to increase their hotel, motel, and other rental tax from 6% to 7% (or half a percentage higher for Boston), and their meal tax from the set .75% to 1%. The bill would also let cities and towns increase their motor vehicle excise tax by 5%."

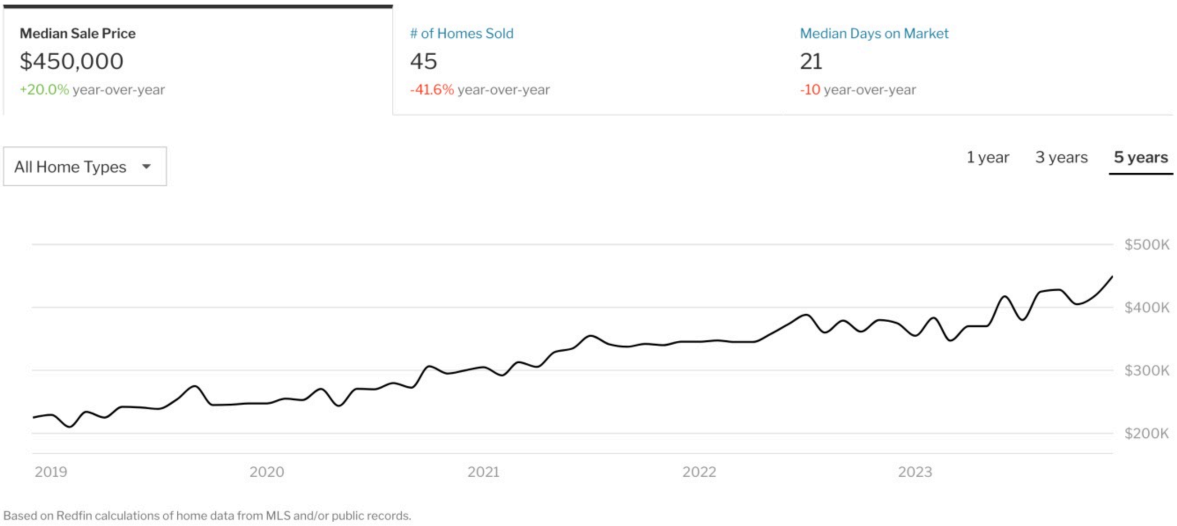
As Massachusetts residents see their rents/mortgages and other necessity costs almost double since 2020, 2024 is likely to see higher property taxes and increased taxes on their vehicles, hotels, and eating out. Higher home values, increased interest rates since 2020, and a surge in migrants to Massachusetts in 2023 are mostly responsible. The Governor Healy administration estimates **the cost of the state's emergency shelter system fueled in part by new migrant arrivals will cost more than $900 million annually in fiscal 2024 and in fiscal 2025**.

This higher shelter cost is due to Massachusetts having a 'Right to Shelter' law that provides hotels, health care, and other social services and a record surge of illegal immigration due to President Biden's weak border policy. Per **CBS News**: "Border Patrol has processed more migrants who entered the U.S. illegally in December than in any other month in the agency's history."

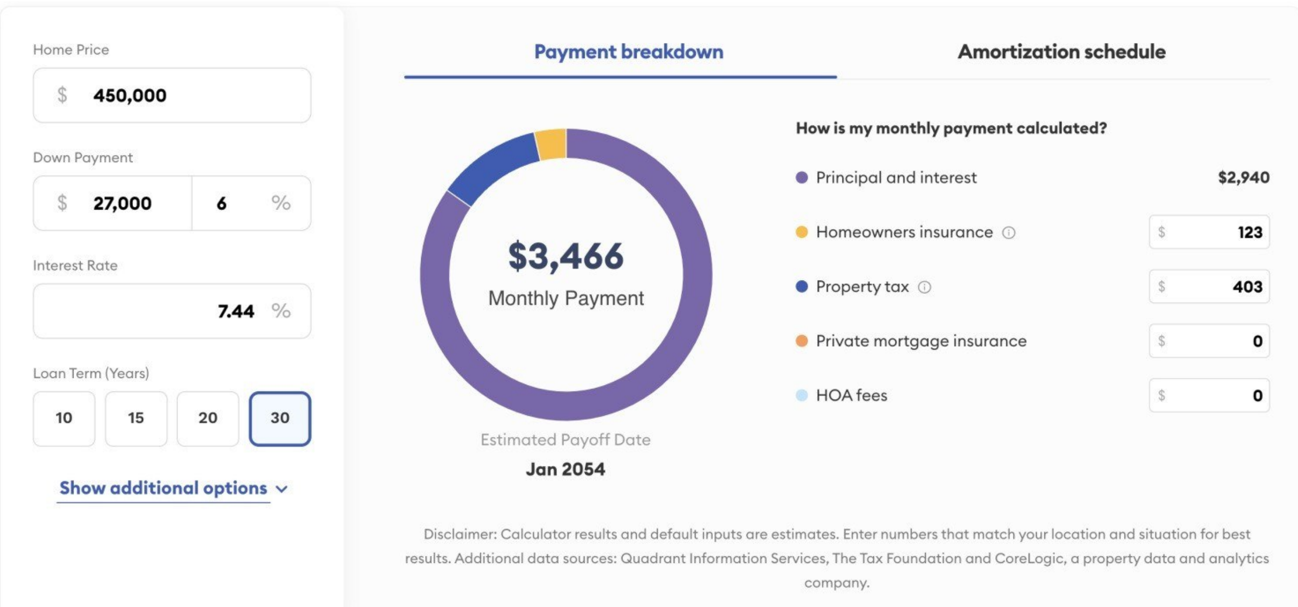
Homes in New Bedford are too expensive and first time home buyers can't afford it

According to data provided by Redfin Real Estate, single family home sales were down over 50% in New Bedford this past December, and that statistic is not an anomaly. One would have to believe that record high inflation and high interest rates played a major role in this scenario.

When you factor in all types of residential real estate (multi-family, condos, land, etc.) home sales were down 47% year over year in December, while the median sale price was $450,000 and median days on market being 29 days.



This market is particularly difficult for first time home buyers. Given this data we used the Forbes Advisor Mortgage Calculator to determine a typical monthly payment for the average first time home buyer in New Bedford. We used the average price of a home ($450k) with the average down payment of a first time home buyer (6%) and the current average mortgage rate for a 30 year fixed rate mortgage (7.4%).



The average first time home buyer would be looking at roughly a $3,500 mortgage payment when buying a home in New Bedford. The problem is, according to the US Census the average income in New Bedford is $29,591, with the average household income being $54,604.

A household making $55k/year in New Bedford would bring home roughly $3,638/month, which is nowhere near enough to afford a $3,500 monthly payment.

If a young single man/woman (that doesn’t have wealthy parents who can give them money) wanted to get a job and save up to buy a home in New Bedford, they are looking at a steep mountain to climb.

The average income in New Bedford is roughly $30k which equates to roughly $2,100/month after taxes. According to Rent.com, Zillow, and other sources, the average rent in New Bedford is $1,575. Millennials and Gen Z are living in a generation where they NEED to live with roommates, work multiple jobs, and invest their money as efficiently as possible for years before it makes any logical sense to even think about buying a home.

Elon Musk uses ‘X,’ formerly Twitter, to expose Massachusetts, New York migrant housing issue

Elon Musk recently brought the “migrant housing” issue in Massachusetts to the attention of 38 million people on ‘X,’ formerly known as 'Twitter.' Musk shared a video of Lieutenant Governor Kim Driscoll asking Massachusetts residents to host undocumented migrants in their homes and properties.

> *New York City just forced kids out of their school to house illegals https://t.co/RlXHNfAvKC*
>
> *— Elon Musk (@elonmusk) January 11, 2024*

> *They've run out of hotel rooms, are kicking kids out of school for illegal housing and now they want your homes too https://t.co/Cro82sGjq9*
>
> *— Elon Musk (@elonmusk) January 10, 2024*

Musk captioned the video stating, "New York City just forced kids out of their school to house illegals". He is referring to the situation at James Maddison High School where students are now learning at home via zoom while the school is being used as shelter for migrants.

> *First group of migrants from Floyd Bennett field arrive at James Madison High School. Madison is a scan school where students get scanned upon entrance, but the migrants got to bypass that as per the NYPD. A lot of law enforcement and other agency resources have been poured into… pic.twitter.com/52kWetWRxA*
>
> *— Councilwoman Inna Vernikov (@InnaVernikov) January 9, 2024*

Elon Musk is not shy when it comes to voicing his opinion on controversial topics online. This one most definitely had 'X' buzzing with debate, although the idea that Massachusetts and

New York are mishandling this entire situation seems to be more bipartisan than other controversial issues.