

MAYOR MARTIN J. WALSH

HOUSING A CHANGING CITY

BOSTON 2030



CHAPTER 5

2014



STUDENT HOUSING

One of Boston's greatest resources is the world-class network of colleges and universities that call the city home. These institutions are among the key drivers of the region's economic strength, and underpin Boston's worldwide reputation as a hub of innovation and learning. Not simply educators and global pioneers, these institutions are important employers and contributors to Boston's cultural vibrancy. Despite the benefits Boston's thriving educational community brings to our city, these institutions also exert enormous pressure on the city's housing market.

Every student moving to Boston needs a place to live—whether on-campus in a dormitory or off-campus in rental housing provided by the private market. The City of Boston and its university and college partners share responsibility in ensuring that all of Boston's students find housing that is healthy and safe, while maintaining vibrant neighborhoods in which student renters do not overtake the city's limited supply of workforce housing.

Off-Campus Students often Displace the Workforce from Rental Housing

In 2013, more than 152,000 students came to Boston to pursue post-secondary degrees at the colleges and universities operating programs within city limits. Approximately 16,000 of these attended community colleges, while 136,000 attended four-year institutions.¹



Many of the students who go to school in Boston also choose to reside in the city (Table 28). Of the more than 72,000 students at four-year universities who chose to live in Boston in 2013, more than 36,000 lived in off-campus rental housing at 13,380 unique addresses² throughout the city.³

Of these students, approximately 11,746 are living in units that are classified as 1-3 family residential properties, most of which were originally built to house Boston's workforce.⁴

As shown in Graph 1, the rental housing market pressure exerted by students is intensified by the clustering of educational institutions into a few specific neighborhoods, i.e., Allston/Brighton, Fenway/Kenmore, and Jamaica Plain/Mission Hill. This clustering creates concentrated local competition where investors are willing to pay premiums for housing, which can then be rented by the bed to students.

The reasons students choose to live off-campus are varied, but of note is the fact that the cost of university-provided housing can be significantly higher than the cost of private housing, encouraging students to compete in the private market to find cheaper rents.

Residential landlords have capitalized on the ever-increasing demand for student housing near colleges and universities by renting to groups of students. These groups can afford to split monthly rent payments among more income streams than a family household. This results not only in families becoming displaced from the market, but also in creating a market trend toward higher rents, which encourages students to take on additional roommates to share the rent burden.

While rents in Boston are the highest in neighborhoods adjacent to downtown, the neighborhoods closest to universities have substantially higher rents than

TABLE 28: **Students Living On-Campus vs. Off-Campus**

	Undergrad	Graduate	Total
Housed On Campus Total	37,543	3,414	40,957
Housed On Campus in Boston	33,226	3,132	36,538
Housed Off Campus Total	49,792	46,032	95,824
Housed Off Campus in Boston	20,600	15,684	36,284

Source: City of Boston Request for Off-Campus Student addresses issued after meeting with Mayor Walsh on June 3rd, 2014.

neighborhoods with similar housing stock in other areas of the city. In 2013, the average monthly rent in Allston-Brighton was \$1,900; in the Fenway-Kenmore neighborhood, rents topped \$2,300. Meanwhile, in neighborhoods with fewer students, such as Roslindale, West Roxbury, Roxbury, and Dorchester, the average monthly rent in 2013 was \$1,600.⁵

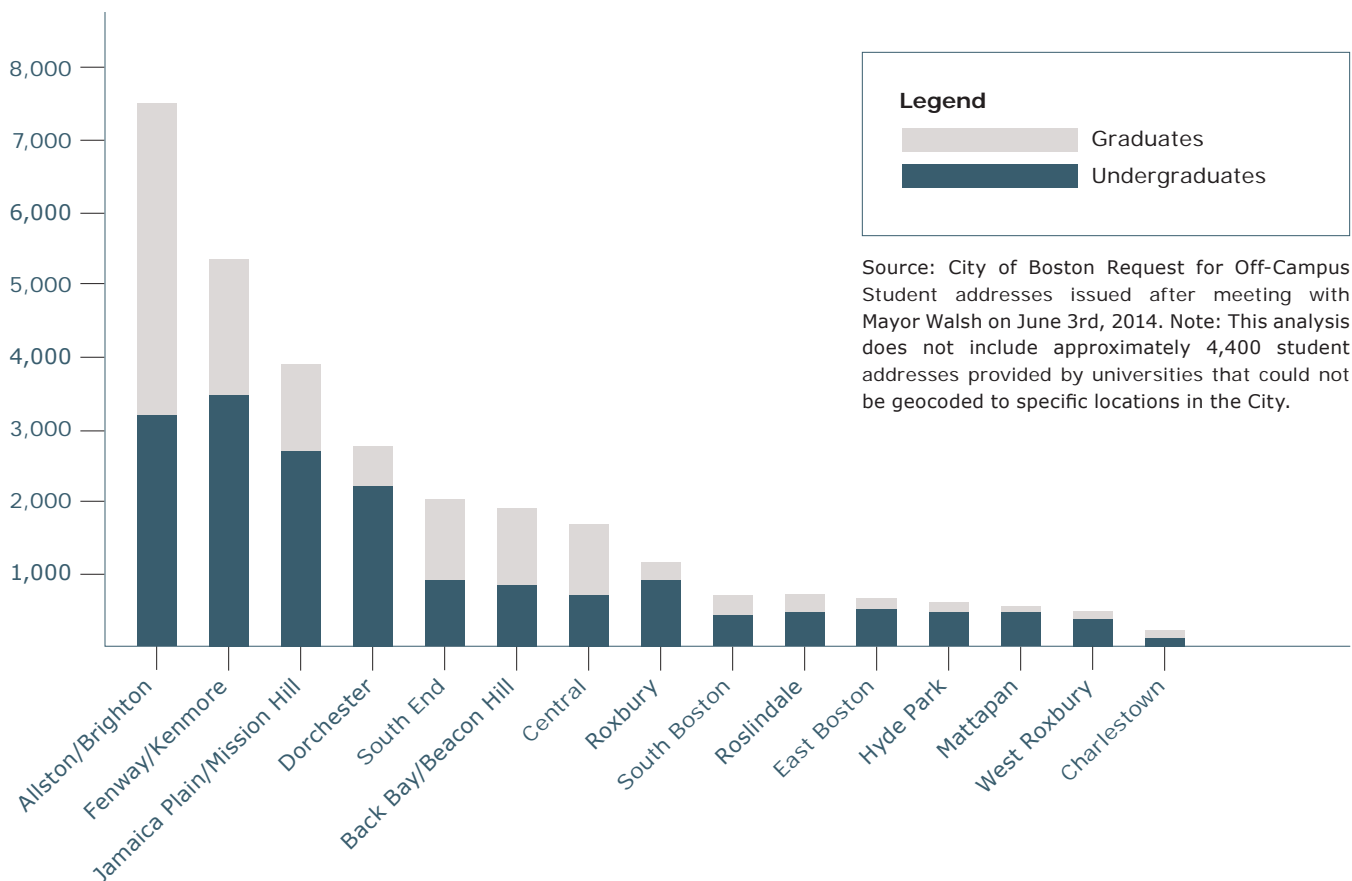
An important part of Boston’s workforce housing production strategy must include reducing the pressure students create in the rental housing

market. Assuming stable enrollments, for every three additional students housed in dorm beds, approximately one unit of rental housing is returned to the workforce housing market.⁶ Therefore, student housing creation is a critical relief valve for Boston’s rental housing market.

Ensuring Safe Student Housing

Students are also at particular risk for living in unsafe housing. Code violations often go unreported due to high unit turnover among students and low engagement

GRAPH 1: **Location of Students Housed Off-Campus**





levels between students, parents, and City officials. Some students may be unaware of their rights as tenants, while others, particularly out of state and international students, are so desperate for housing that they are willing to accept low housing standards despite paying high rents.

While the majority of Boston's landlords and rental real-estate brokers are law-abiding, there are unscrupulous individuals disregarding City and State housing codes meant to protect students. For example, the City's zoning code limits the number of undergraduates

living in one housing unit to four. An analysis of off-campus housing addresses filed by students with their universities during the 2013 school year found 645 unique addresses with more than four undergraduate residents; however, many of these addresses have more than one unit. A deeper analysis of these properties prioritized 149 units⁷ at highest risk for overcrowding; these units are now being proactively inspected by the City. To see density maps of Boston's student populations by neighborhood, please refer to Pages 85 and 86.



Housing Boston's Students: Key Issues

For Boston to continue to be an international leader in higher education, it must develop new strategies to expand the supply of student-specific housing, increase production of on-campus dormitories, and ensure all off-campus student housing is healthy and safe. To do this, the City must address several challenges:

University Enrollments Continue to Increase

During the period from 1995 to 2010, student enrollments at Boston-based colleges and universities rose by approximately 21 percent, adding more than 29,000 students to the Boston housing market. More than half of this growth can be attributed to a massive increase in graduate student enrollments, which grew 47 percent during the same period (Table 29).

While recent trends toward online education may dampen these growth rates in future decades, the

increasing importance of post-secondary and advanced degrees in both the American and international economies suggests that further enrollment growth in Boston remains likely. With each new enrollment that comes without new housing production, the pressure on the housing market increases.

More than 20,000 Undergraduates are Housed Off-Campus

There are more than 84,000 students enrolled at undergraduate programs within the city of Boston.⁸ However, on-campus housing is provided for only 43 percent of these students. This means that almost 50,000 undergraduates enter the private rental housing market each year, and of these, more than 20,000 choose to live in Boston (Table 28, page 70).

TABLE 29: **Student Enrollment Trends at Boston's Institutions (1995-2010)**

	1995	2000	2005	2010	Change 1995 to 2010	% Change 1995 to 2010
Undergraduate Totals	104,503	103,520	104,801	118,126	13,623	13%
Graduate Totals	32,994	33,977	39,009	48,641	15,647	47%
Combined Total	137,497	137,497	143,810	166,767	29,270	21%

Source: National Institute for Education Statistics IPEDS Data Center. Note these numbers are larger than enrollment figures mentioned elsewhere in this report as IPEDS includes undergraduates in non-Boston based programs.



While students are spread throughout Boston, the majority of off-campus undergraduates are clustered in three neighborhoods: Allston/Brighton, Fenway/Kenmore, and Jamaica Plain/Mission Hill.

These numbers only account for undergraduate degree programs based in Boston. The actual number of undergraduates living in private rental housing within city limits is likely even higher, given that students from colleges and universities in surrounding communities may also choose to live in Boston.

These figures also do not separate students in the private rental market from commuter students who live at home. While some universities have no commuter students, others, like UMass Boston, have significant numbers of commuter students. Therefore, not all of the 20,000 students living off campus are exerting pressure on the rental market. (Note: community colleges are not included in the analysis in this chapter, as the vast majority of their enrollments are commuters.)

Graduate Student Housing is in Short Supply

In 2013, 43 percent of Boston students living off-campus were enrolled at the graduate student level. Boston-based programs enrolled nearly 49,000 graduate students, yet only seven percent of these students were provided with housing on-campus. In fact, only eight percent of the new dorm beds built in the past 12 years in Boston were made available for students enrolled in graduate programs.

Graduate student enrollment in Boston has increased by nearly 50 percent since 1995; there are more than 15,000 graduate students living off-campus in Boston. If graduate enrollment growth continues, it will further exacerbate the pressure graduate students place on the strained rental housing market (Table 29, page 73).

It is important to note that graduate student housing is fundamentally different from undergraduate housing. First, a significant percentage of graduate students are working professionals who enroll in degree programs; that is, they are residents who become students, rather than students who move to Boston to study and in doing so, create demand for additional housing. Second, graduate students tend not to be associated with the same types of behavior and quality of life issues as undergraduates. That said, graduate student housing may provide unique opportunities since it tends to meet with less resistance than dormitories and could potentially be located farther from campus, in areas where land is more plentiful and less expensive.

On-Campus Housing Varies by Institution

Today, there are 37,543 undergraduate dorm beds in Boston. More than 7,000 dorm beds are either currently in construction or planned for future development as part of the approved Institutional Master Plans that larger universities have filed with the Boston Redevelopment Authority. If Boston were to house all of its undergraduates on-campus, the higher education community and the City would need to plan and build 39,468 dorm beds (Table 31, page 77).

TABLE 30: **Off Campus Students Living in Boston during the 2013-2014 School Year by College or University**

	Undergraduate Students Off-Campus in Boston	Graduate Students Off-Campus in Boston	Total Students Housed Off-Campus in Boston
Northeastern University	4,365	2,644	7,009
University of Massachusetts Boston	4,817	1,158	5,975
Boston University	1,327	4,518	5,845
Berklee College of Music	3,135	N/A	3,135
Boston College	889	1,780	2,669
Massachusetts College of Pharmacy and Health Sciences	1,288	468	1,756
Suffolk University	1,196	517	1,713
Harvard University	32	1,346	1,378
Tufts University (Health Sciences)	-	1,178	1,178
Simmons College	149	557	706
Wentworth Institute of Technology	616	51	667
Urban College of Boston	629	N/A	629
Massachusetts College of Art and Design	588	31	619
New England Conservatory of Music	232	268	500
Massachusetts Institute of Technology	29	467	496
MGH Institute of Health Professions	-	303	303
Boston Architectural College	139	153	292
Boston Conservatory	223	67	290
Fisher College	279	N/A	279
Emmanuel College	179	65	244
Benjamin Franklin Institute of Technology	222	N/A	222
Bay State College	193	N/A	193
Emerson College	67	110	177
Wheelock College	6	3	9
Total	20,600	15,684	36,284

Source: City of Boston Request for Off-Campus Student addresses issued after meeting with Mayor Walsh on June 3rd, 2014. Note that Commuter students are not separated out from this analysis – some students living off-campus are likely living at-home. This analysis includes both full-time and part-time students.



The rate of on-campus housing varies greatly by institution. Boston College leads Boston-based undergraduate programs by housing 80 percent (7,202) of its student body on-campus and has plans on file to build another 810 dorm beds. This will take the college's on-campus housing rate to nearly 90 percent. Meanwhile, Northeastern University provides the second largest number of undergraduate dorms of any university in Boston (7,838); however, this accounts for less than 60 percent of the student body (Table 31).

The City recognizes that on-campus housing production is challenging for institutions. Dorms must compete for the same capital dollars and finite real estate as other priorities, including new science labs or increased instructional space, and smaller schools may lack the resources and scale to independently create the housing they need.

Community Support for Dorm Creation is Unpredictable

While nearly all Boston's community groups and neighborhood associations agree that Boston's colleges and universities need to house a greater percentage of their students on-campus, opinions vary widely on the proper places to site these dorms.

To effectively mitigate the pressure student renters place on the housing market, student dorms need to be located in close proximity to colleges and universities or in close proximity to transit, have access to the

amenities that students desire, and have sufficient density to house a large number of students. This density also makes dorm construction more financially feasible.

A core challenge is that housing towers filled with students often create concern among community groups and neighbors. If institutions and private dorm developers are to build dorm beds in sufficient numbers in the coming years, the City and the community must develop an effective process for selecting dorm locations and, once the community process is complete, continue to support these developments through construction.

The Rental Market Rewards Off-Campus Student Overcrowding

As outlined earlier, landlords of properties in proximity to universities can maximize rents by marketing their properties to groups of students, who can then divide the rent burden across roommates. The result is often cheaper housing than students can find in on-campus dorms and increased incomes for landlords who are able to charge rents higher than those that a one- or two-income household would be able to afford. In these shared housing situations, each additional bedroom space allows a landlord to attract a paying customer as long as the overall cost per roommate is reduced by the additional space. If left unregulated, the market trend is toward overcrowding.

TABLE 31: Undergraduate Enrollment versus Dorm Beds Provided

	Undergrad Enrollment	Currently Housed on Campus	Additional new On-Campus beds in Pipeline	Difference b/w Enrollment and Planned Beds
University of Massachusetts Boston	12,366	0	2,000	10,366
Northeastern University	14,345	7,838	1,720	4787
Suffolk University	5,779	1,206	0	4573
Boston University*	15,990	11,136	523	4331
Berklee College of Music	4,402	1,194	450	2,758
Massachusetts College of Pharmacy and Health Sciences	3,499	675	0	2,824
Wentworth Institute of Technology	3,708	1,860	305	1,543
Emerson College	3,720	2,093	405	1,222
Massachusetts College of Art and Design	1,776	654	0	1,122
Boston College	9,049	7,202	810	1,037
Bay State College	1,194	180	0	1,014
Urban College of Boston	767	0	0	767
Simmons College	1,732	1,003	0	729
Fisher College	978	309	48	621
Benjamin Franklin Institute of Technology	463	36	0	427
Boston Architectural College	407	0	0	407
Boston Conservatory	545	161	0	384
Wheelock College	837	523	0	314
Emmanuel College	2,035	1,336	500	199
New England Conservatory of Music	430	137	250	43
Total	84,022	37,543	7,011	39,468

Source: Enrollment and housed on campus figures from Fall 2013 University Accountability Reports unless otherwise noted. Pipeline data from City of Boston Institutional Master Plan or provided by universities. Note that commuter students are not separated out from this analysis unless otherwise noted. Therefore, the difference between enrollment and planned beds may be overestimated as commuter students do not require dorms. Analysis includes both full-time and part-time students. *BU enrollment excludes study abroad and commuter students.



Housing Boston's Students: Goals

1. Create 16,000 new undergraduate student dorm beds, reducing the number of students living off-campus in Boston by 50 percent

The City will do this by increasing dorm production rates and by working with universities to ensure that this new on-campus housing is affordable to students. Assuming current undergraduate enrollment growth rates, an increase of 16,000 beds will cut in half the number of students competing for off-campus housing in 2030.⁹

The City estimates that production of 16,000 dorm beds will effectively return 5,000 units of housing currently occupied by students to the Boston workforce after accounting for enrollment growth.¹⁰ At current construction rates, this commitment will require private and institutional investment of \$2.2 billion to finance construction.¹¹ This rate of dorm construction is in line with previous investments made by universities in the past decade.¹²

2. Create dedicated housing for 2,500 additional graduate students

Currently, there are only 3,404 dedicated graduate student beds citywide. Graduate student housing is difficult for universities to prioritize; however, many of these beds could be created by private developers at off-campus locations. If, for example, constructing graduate dorms is 20 percent more expensive than constructing undergraduate dorms, an additional 2,500 graduate beds would require private and institutional investment of \$405 million to finance construction.

3. Improve living conditions for off-campus students

The City of Boston will use all tools to vigorously enforce housing codes and create improved communication with students and families.



Housing Boston's Students: Actions

1. Partner with colleges and universities to set specific student housing commitments

The City must work with all large universities to establish firm commitments to house a greater percentage of their student bodies on-campus and ensure that any growth in enrollment also corresponds with a growth in housing. These plans will set numerical targets for dorm creation, as well as deadlines for decreasing dependence on private rental housing. To that end, these plans should also identify target rents for dorms that are competitive with the rents students can obtain by sharing private market rental housing. Dorm creation targets should also include a growth factor commitment, so that if enrollment plans increase, the commitment for increased housing production should increase in a corresponding fashion. These plans should be negotiated with the BRA and finalized by the end of 2016.

2. Explore public-private partnerships to create off-campus dorms and student villages

The City recognizes that it is not reasonable to expect that universities will be able to house 100 percent of their student populations, particularly at the graduate student level, in on-campus housing. Therefore, the City must play a facilitating role between institutions, the community, and private-sector developers with expertise in designing and

developing off-campus student housing. Privately-financed dorm space unlocks production by defraying project costs and risk across multiple partners, and, unlike on-campus dorms, has the added benefit of being subject to City taxes.

While not every site is appropriate, several successful off-campus models have been piloted by both Northeastern and Harvard Universities. Any effort to create off-campus housing must also include strategies for security and student supervision that are acceptable to the community.

One particularly promising model of dorm bed creation is shared institutional master leasing between several different universities in a single development. By distributing the commitment to rent dorm space across multiple institutions, this may allow for the development of student housing at a rate that may not be financially feasible for universities acting alone. This option may be particularly attractive to smaller universities with fewer resources available for capital projects.

The City will host an exploratory session with developers and universities to identify barriers to co-development of off-campus housing and outline strategies for fast-tracking one or more development projects.



3. Work with the community to establish approved locations for both on- and off-campus student dormitories

The City will continue to work with colleges and universities through the Institutional Master Plan process to set ambitious goals for on-campus housing and forge agreements with neighborhoods on the specific locations for that housing.

Additionally, the City will work with neighborhoods, universities, and the development community to identify areas that are suitable for off-campus student housing. This housing will be subject to specific requirements such as university-employed live-in residential advisors.

The City will partner with developers, universities, and community members to establish specific criteria for locating and developing off-campus dorms by fall 2015.

4. Work collaboratively with Greater Boston area college leaders and mayors to address student housing issues in the region

Any effort to address student housing challenges in Boston inevitably impacts student housing in the greater Boston area. It is in the region's best interest to work collaboratively to find student housing that is both healthy and safe for all Greater Boston's students. Future meetings with mayors and college leaders from surrounding communities will help ensure that this issue will be addressed in the long-term.

Additionally, the City should explore opportunities to help university employees buy homes or secure apartments near their campuses. This type of assistance has the potential to attract working and middle-class families back into these neighborhoods and to increase the number of people using public transportation to work in Boston.

5. Enforce the updated University Accountability Ordinance

In Summer 2014, the Boston City Council passed a University Accountability Ordinance, which was signed into law by Mayor Walsh. The ordinance requires each higher education institution to report either quarterly or by semester its total number of enrolled students, the number of students housed both on- and off-campus, the locations of all university-owned or affiliated housing, and the specific addresses of each student housed off-campus in Boston.

In order to protect student identities, this law requires all student data to be provided anonymously and without any personal identifiers.

Building on Mayor Walsh's work with Boston's higher education community, the ordinance will help the City better understand the locations of off-campus students, correct student housing safety concerns, and better analyze the impact students have on the city's housing market.

By capturing this data on a regular basis going forward, the City can monitor progress towards the goals of this plan. To that end, the City should commit to publishing a regular report on the trends identified in this data as well as the City's response to student housing concerns.

6. Establish routine proactive inspections of all off-campus student housing

In 2013, the City enacted a new rental housing ordinance calling for the inspection of all rental housing units at least once every five years. Using this new structure, as well as the data provided by universities on the addresses of off-campus students, the City should begin prioritizing the inspection of student housing units. As a priority, any properties suspected of illegal, dangerous or overcrowded housing should be brought to the top of the list and proactively inspected.

7. Improve communication with students and families about housing conditions

To ensure students and their families are aware of their rights as tenants and know how to report unsafe and dangerous conditions, the City should

produce and distribute through the universities a "Housing Rights For Students" pamphlet that explains their rights as tenants and where to call if they need help. Additionally, to assist students with finding safe housing during their housing search, the City should launch an accompanying website which provides transparent data on complaints, code violations, and police activity at all addresses citywide. To enhance the utility of this data, the City should host a hackathon to encourage student innovators to produce an application targeted for their peers to use.

8. Use fines available under the Problem Property Ordinance to make operating unsafe and overcrowded off-campus housing financially non-viable

Unfortunately, some absentee landlords are only motivated by their financial bottom line and fail to maintain their student-occupied properties. In order to motivate action by this small but recalcitrant group, the City should deploy the Problem Properties Ordinance, including a previously unused rule that allows the City to fine the owners of designated "problem properties" \$300 per violation per day.

"My greatest concern is the health and safety of every young college student living off campus in overcrowded apartments"

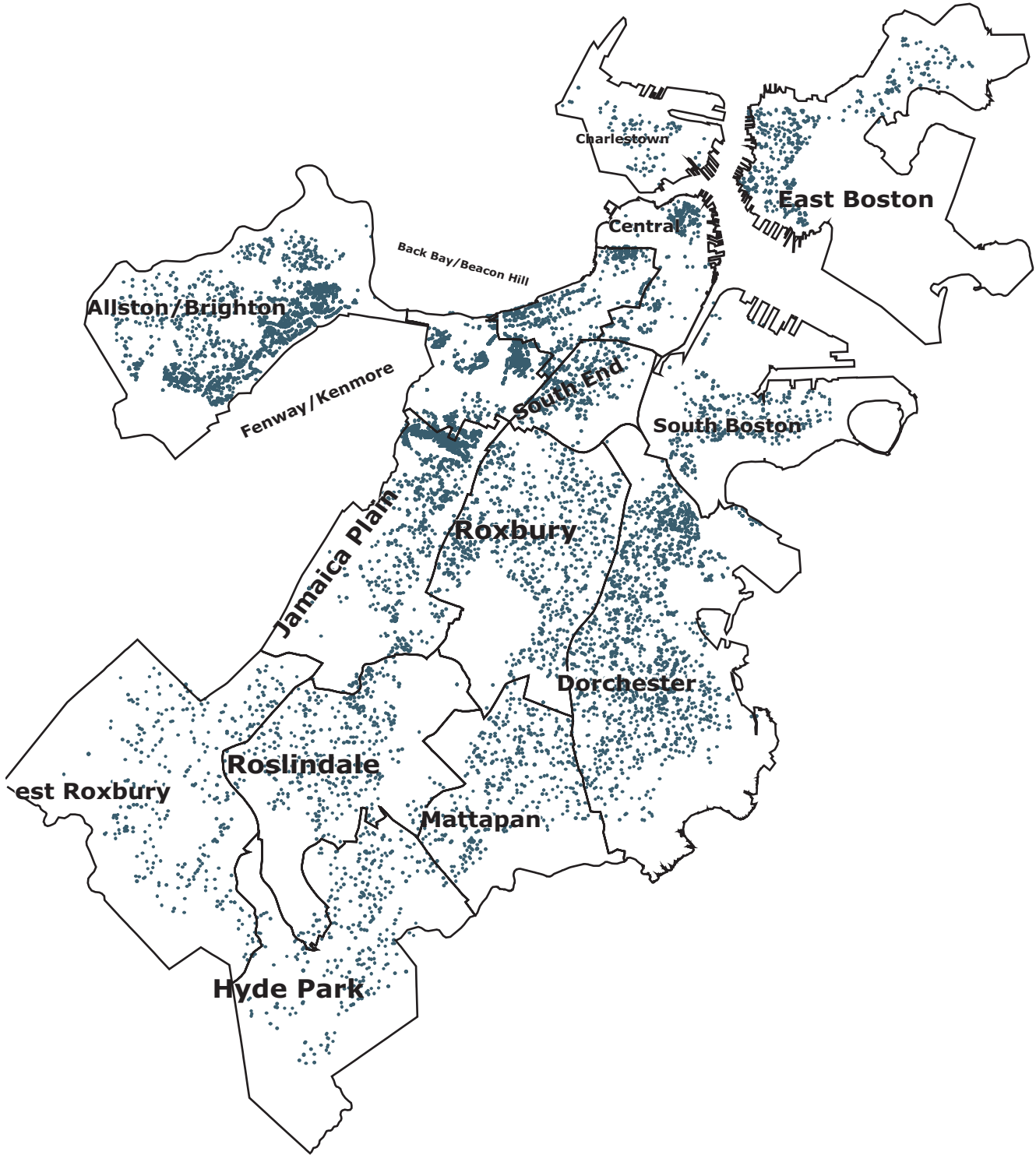
- Mayor Martin J. Walsh



NOTES:

- 1 Enrollment figures from University Accountability Reports. This figure does not include non-Boston based students attending Harvard and MIT. The majority of these students is housed on-campus and therefore exerts minimal pressure on the Boston housing market.
- 2 An address can contain multiple units. This analysis does include 4,444 addresses provided by universities that could not be geocoded.
- 3 Housing numbers provided and confirmed via data request to universities.
- 4 From address data provided by universities. These 11,746 students are living in 7,072 unique parcels; a parcel often includes multiple units.
- 5 MLS listings
- 6 Assumes 2 students per off-campus address, the average found in data provided by universities. This also assumes that one third of new dorm beds built goes to students currently living off campus in other municipalities.
- 7 These addresses are in three groups: 1) parcels that have more students than number of bedrooms 2) residential 1-3 family parcels that have more students than 3x the number of units at the parcel 3) larger rental parcels with 10+ students. This analysis does not include approximately 4,400 addresses provided by universities that could not be geocoded to specific addresses in the City.
- 8 This figure does not include Harvard and MIT, which have large undergraduate programs in Cambridge. The majority of their students are housed on-campus and therefore put minimal pressure on the Boston housing market.
- 9 These statistics assume a .5 percent annual increase in undergraduate enrollment. Additionally, this analysis assumes that one third of new dorm beds built go to students currently living off-campus in other municipalities.
- 10 Same enrollment growth and municipality mix assumptions as above. Additionally, assumes that 10 percent of students living off-campus live at home. For those not living at home, we assume that there are two students per apartment (the average found in address data provided by universities.)
- 11 The average cost per dorm bed for all dorm beds built between 1999 and 2013 was \$135,000 per bed.
- 12 From 1999 to 2013 there were 12,376 new dorm beds created in Boston at a total development cost of \$1.67 billion. This represents growth rate of 884 beds per year and an investment rate of \$119 million per year.

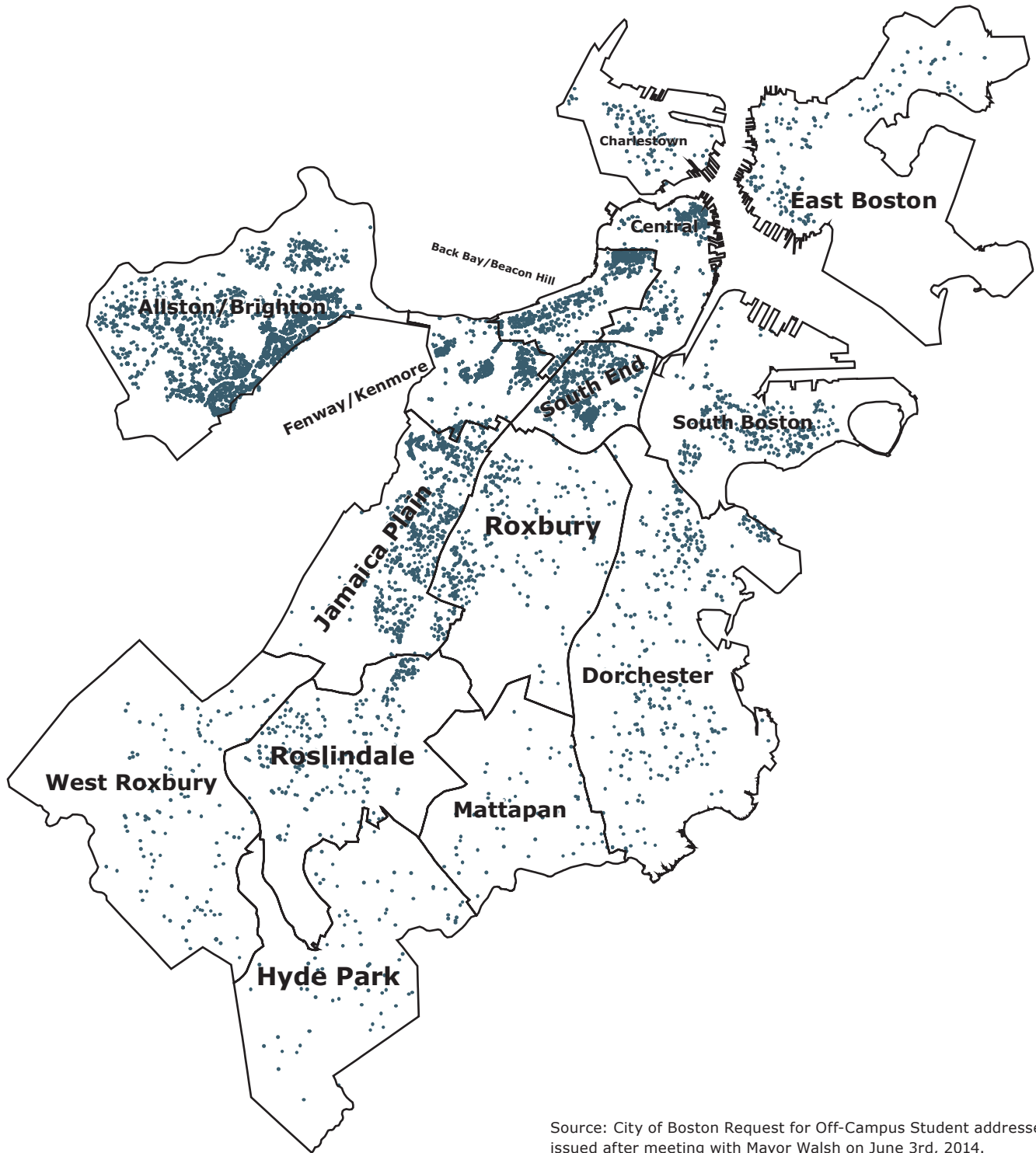
MAP 3: Locations of Off-Campus Undergraduate Students



Source: City of Boston Request for Off-Campus Student addresses issued after meeting with Mayor Walsh on June 3rd, 2014.



MAP 4: Locations of Off-Campus Graduate Students



Source: City of Boston Request for Off-Campus Student addresses issued after meeting with Mayor Walsh on June 3rd, 2014.