

Hull Community Profile

DRAFT - August 8, 2003

Introduction

Homes and the choices for housing are keys to defining a community. The evolution of modern communities started from relatively permanent settlements of people willing to live under a common organization. Who lives where and how they live are basics for understanding a community. This information can also be used to determine how to maintain a high quality living experience for those same people.

Housing conditions can be assessed by past, present, and projected demographic and housing data. Hull has a unique geography and history that has influenced local housing characteristics. As a barrier spit, largely surrounded by water and tidal marshes, the connection to the water attracted many people, especially during the first part of the 19th Century when it became a popular tourist destination and summer vacation spot. These early development patterns evolved into the more recent interest to live in Hull year round, which in turn has created an evolution to the housing stock that is present today.

With similarities to an island community, Hull has very little land left available for new development. In summary:

- Over the past ten years, only 11 new housing units have been built per year (about 110 total in the decade);
- But 73 units per year (about 730 total) were newly occupied, created mostly from homes converted from seasonal or vacant status, and the majority of the above new units may also have been conversions.
- The assessors' records now show about 125 vacant lots left;
- But of those lots, only about six would meet the size criteria for building.

The population is growing and the town is seeing significant alterations in its housing stock and population, but this is happening without substantial new construction and without significant land area available for building.

The Profile

The following profile is organized to first provide information on the people of Hull, then summarizes information on the housing stock, includes an analysis of the gap between housing availability and the market (including for low, moderate and middle income), and concludes with a the key findings.

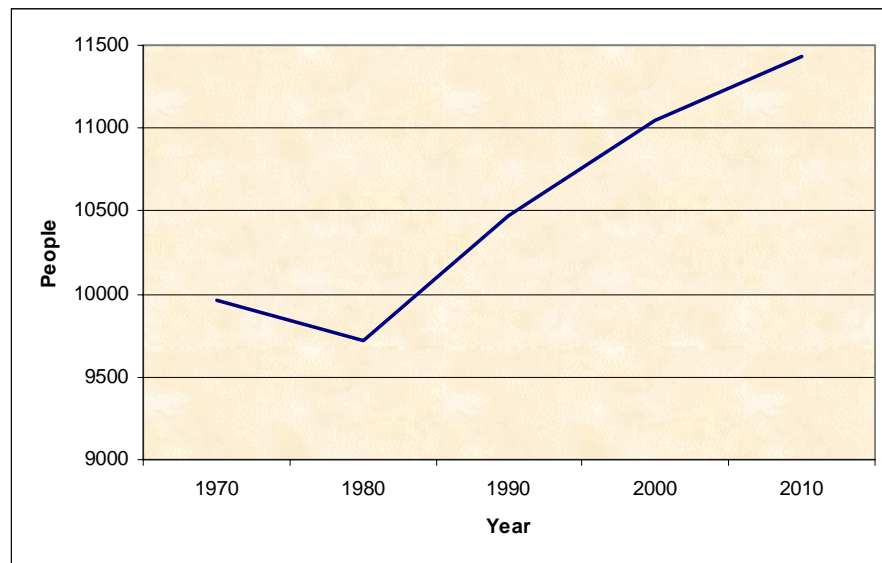
Demographics

The following summary information is used to present certain key characteristics which identify the unique population of Hull.

Population Trends

Hull's geography, location on the Atlantic Ocean, and close proximity to Boston make it an attractive community for those seeking homes in the region. The population of Hull has increased approximately 11 percent over the past 30 years, or almost 0.3 percent on an annual basis (see Figure 1). This increase occurred even though the population declined approximately 2.5 percent between 1970 and 1980.

Figure 1. Population in Hull over the Past 30 Years

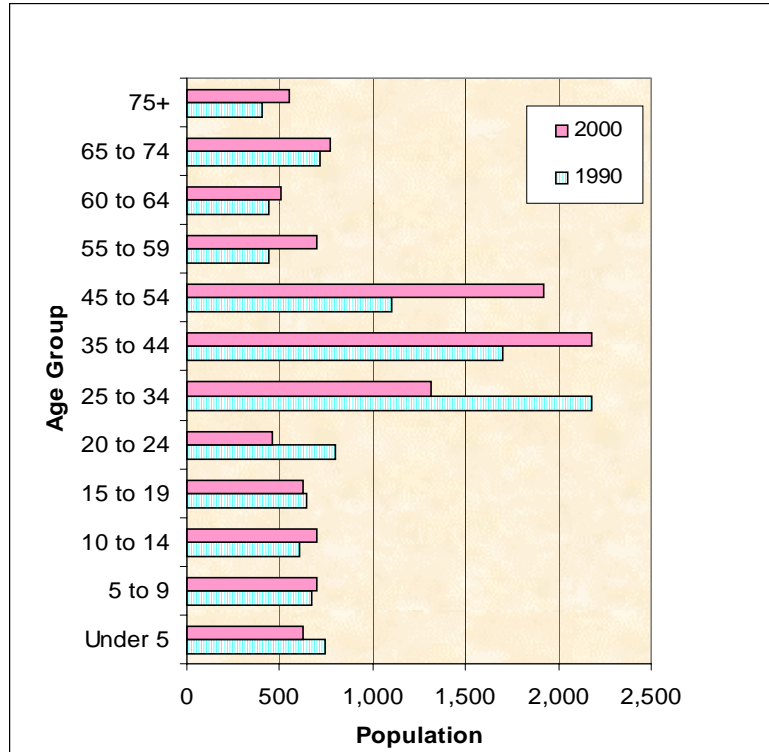


Sources: US Census, 2000, Massachusetts MISER Population Projections, 1999

Population Characteristics

Population profiles typically reveal the composition of age groups or cohorts and their changes over ten-year periods (see Figure 2). A significant portion of the population in Hull is in the 25 to 34, 35 to 44, and 45 to 54 age cohorts, which is typical of many communities in Massachusetts. During the period between 1990 and 2000, there were significant shifts in these age groups as well: As the chart shows, the 24 to 34 age cohort has lost a significant number of people, which have most likely shifted to the older cohort. However, the loss or out-migration of this cohort may also be due to several other factors including the inability to afford a home or obtain a job.

Figure 2. Population by Age Group by Census Years 1990 and 2000



Source: US Census 2000, Summary File 1.

Population Density

The density of a community impacts the way land is developed and managed in order to support the number of people that live, work, and visit an area. In general high-density communities have little room for development, need appropriate land management tools and policies that address dense areas, and do not have much flexibility with land use changes such as increasing the amount of open space. In contrast, areas of low density have the ability to “spread out” uses and retain flexibility in land use decisions such as determining locations for new development.

Hull has a small amount of land area as compared to neighboring communities (see Table 1). The density of Hull is approximately 4,550 people per square mile, which is based on a land size of 2.43 square miles.

Table 1. Population Density of Communities in the Hull Area

Town	Density	Population	Land Area
Cohasset	736	7,261	9.9
Hingham	885	19,882	22.5
HULL	4,547	11,050	2.5
Scituate	1,057	17,863	16.9
Weymouth	3,233	53,988	16.7

Sources: US Census 2000, Mass GIS Land-use Database

Household Income

Hull's median household income of \$52,377 is relatively low compared to neighboring communities (see Table 4). It is significantly lower than the Boston MSA median income of about \$74,200 and even less than the median for the adjoining towns of Cohasset and Hingham.

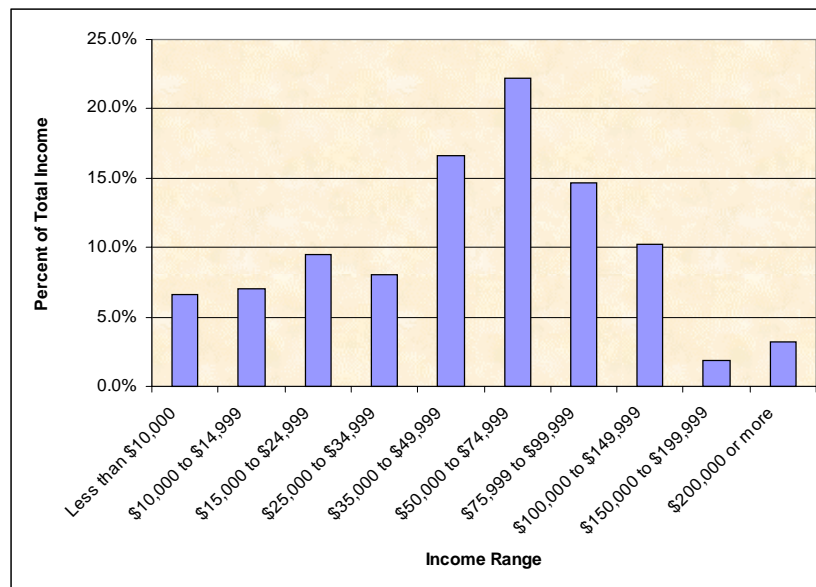
Table 4. Household Incomes for Communities in the Hull Area

Community	Median Household Income
Cohasset	\$84,156
Hingham	\$83,018
HULL	\$52,377
Scituate	\$70,868
Weymouth	\$51,665

Source: US Census, 2000, DP-3

While, there is a large range of household incomes within Hull, about 70% of the local population is at or below the Boston MSA median (see Figure 4). Only 3 percent of the households have greater income than \$200,000. Approximately 35% of households are at or below the low range of incomes, which is 80% of the median income or about \$42,000.

Figure 4. Household Incomes in Hull, 1999



Source: US Census, 2000

Housing Assessment

This housing assessment provides an overview of the existing conditions of the housing stock derived from its physical characteristics and those development patterns.

Physical Characteristics of the Housing Stock

Hull's 5,000 housing units represent a broad range of residential use types from single-family homes to eight or more unit apartment complexes (see Table 2). More than 70 percent of the town's inventory consists of single-family homes. Hull has higher portion of condominiums than multi-unit apartments. There are also relatively few units in the mixed-use classes.

Table 2. Hull Housing Unit Inventory

Classification Use	Land Use Code	Parcels	Minimum Units*	Percent of Total
Mixed Use, Primarily Residential	13	21	20	0.4%
Mixed Use, Primarily Commercial	31	18	10	0.2%
Single Family	101	3,740	3,733	73.2%
Condominium	102	703	698	13.7%
Two Family	104	139	278	5.4%
Three Family	105	28	84	1.6%
Multi-House Parcel	109	36	72	1.4%
4-8 Unit Apartment	111	32	128	2.5%
More than 8 Unit Apartment	112	9	72	1.4%
Rooming/Boarding Houses	121	6	6	0.1%
Other Non-Transient Living	125	1	1	0.0%
Developable Land	130	125	1	0.0%
Totals		4,858	5,103	100.0%

Source: Town of Hull Assessor Database for all records including 2002.

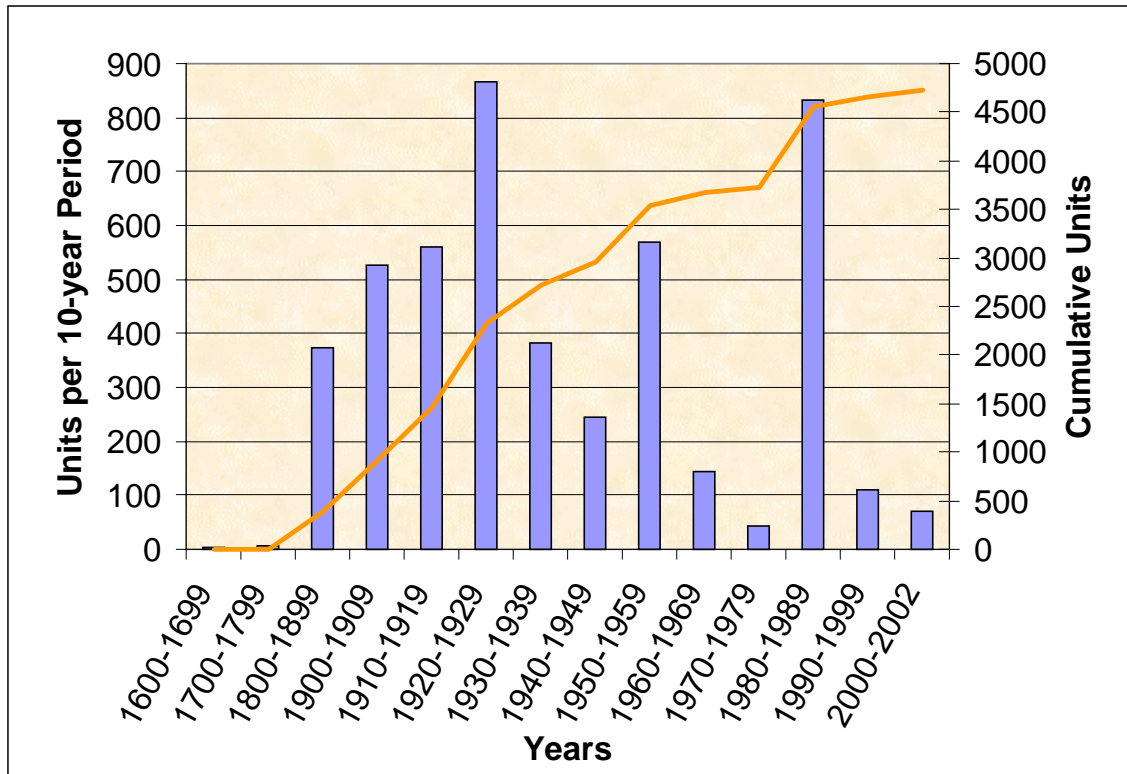
* Adjustments of the database were made to the minimum units based on the unit type, the number of bedrooms and bathrooms, and the year built. E.g. 28 parcels within the 3-family class were multiplied by 3, which equaled 84 units. This information is for planning purposes only.

A review of the age of the housing stock in Hull reveals several key characteristics that explain how historical development occurred in this community (see Figure 3).

- Almost 75 percent of the housing stock in Hull was built before 1970.
- The largest percent increases in the numbers of units built were in two periods: 1920 – 1929 and 1980 – 1989.
- The “post-war” boom, which extended into the 1960’s for some other communities in the region, was not as prolonged in Hull.
- There were relatively few housing units built between 1960 and 1979 and between 1990 and 1999.

- Between 1980 and 1989, more than 80 percent of the units built were condominiums.
- Since 1990, more than 85 percent of the built units have been single-family homes.
- Development of housing units, mostly single-family homes, has occurred at a decidedly slower pace since the condominium boom of the 1980's.

Figure 3. Age of Housing Stock and Number of Units in Hull, 1600 – 2002



It should be noted that the above data are based on the Town of Hull's Assessor database, which differs from the US Census data due to the various methods of recording and classification. Nonetheless, the data are useful since they provide an overview of the housing inventory and characteristics in Hull as well as indication of past trends.

Developable Land

Hull has a relatively small amount of vacant land that is available for new residential development (see Table 3). An analysis of parcel location and current zoning districts would determine which parcels could be developed, but there are several key points regarding the available data:

- There are only 28 acres or less than 3 percent of the total assessed land in Hull that are available for residential development.
- The average parcel size, within the 125 parcels that are classified as developable, is less than ¼ of an acre or approximately 10,000 square feet.
- Approximately 24 of these parcels could not be developed since they do not meet the minimum lot size requirements, which is at least 6,500 square feet in the Single-family A zone (SF-A).

Table 3. Characteristics of Developable Land in Hull

Land Characteristics	Amount
Total Land Assessed Land Area	1185.1 Acres
Available for Residential Development	28.2 Acres
Number of Developable Parcels	125 Lots
Average Developable Parcel Size	0.23 Acres (10,000 SF)
Number of lots larger than minimum lot size (6,500 SF)	101 Lots

Source: Town of Hull Assessor Database, 2002.

Furthermore, a review of the recent build-out analysis by the Metropolitan Area Planning Council shows that there are no developable parcels in SF-A districts. Most of developable parcels are in the SF-C district, which requires at least a 20,000 square-foot lot. Based on this number, only six of the 125 parcels could be developed since they are greater than 20,000 square feet. Additional lots may be developed, however, if parcels were combined in order to meet the minimum lot size requirement.

Housing Tenure

Housing tenure provides an indication of the number of homes that are owned and rented within the community as well as the shift in tenure, if any. In Hull, more than 80 percent of all units are owner occupied. This amount increased from approximately 72 percent in 1990 (see Table 5). There was a significant increase of occupied units (734). It appears that many vacant units were converted to owner-occupied units since the total number of all units only increased by 110.

There has been a substantial drop in the average number of people per unit that either rent or own properties in Hull. But, the household size of rental units is smaller than owner-occupied units by approximately 15 percent. Both of these changes in rental units are

indicative of a shift in the ownership patterns and conversions of vacant to owner-occupied units.

Table 5. *Housing Tenure in Hull and the State, 1990 and 2000*

Housing Tenure	1990	2000	Change	Change (%)
Total Housing Units	5,256	5,366	110	2
<i>Occupied Housing Units</i>	3,788	4,522	734	19
Owner-occupied unit	2,534	3,282	748	30
Renter-occupied unit	1,254	1,240	-14	-1
Renter-occupied units (% of total occupied units)	33%	27%		-6%
Vacant housing units	1,468	844	-624	-43
<i>Average Household Size</i>				
Hull				
Owner-occupied units	2.85	2.53	-0.32	
Renter-occupied units	2.50	2.18	-0.32	
Massachusetts				
Owner-occupied units	2.82	2.72	-0.1-	
Renter-occupied units	2.24	2.17	-0.07	

Source: US Census 2000, DP-1.

Household size has also decreased significantly for both owner and renter-occupied units. This decrease is greater than the state averages, which show only a slight decrease in household sizes of both owner and renter-occupied units.

Housing Affordability

In Massachusetts, the term “affordable housing” covers the range of homes made affordable to lower-, median- and moderate- income households. There are two aspects to determining local needs and affordability in Hull. One is the socioeconomic condition of Hull residents and what they can afford for their housing. The other is the real estate market that sets the price point for that housing. This section includes summaries of demographic data and housing market information with the intent of showing how any disparities may have caused impacts to the local population.

Chapter 40B

Chapter 40B is the Massachusetts statute that sets the state’s goal for creating subsidized low and low-moderate income housing. Chapter 40B establishes a legal presumption of unmet housing needs when less than 10% of a community’s year round housing stock is affordable to households at or below 80% of median family income. The statute allows subsidized housing to be developed with an override of local zoning through use of a

comprehensive permit. This statute allows both for-profit and non-profit applicants for residential development to bypass local zoning regulations if they include a percentage, usually 25%, of the total units at affordable rates. The measures used to ensure affordability are deed restrictions or covenants that are able to restrict sale and resale prices and rents when the units are vacated, sold, or leased.

Generally, communities such as Hull that do not meet the 10% threshold must issue a comprehensive permit unless there is a compelling basis to deny one. However, the state regulations implementing Chapter 40B have been amended in recent years and the law is currently under legislative review. The recent changes have frequently set new criteria for determining acceptability of applications under the statute.

Local, Regional, and State Chapter 40B Housing Units

The state maintains a database of housing units for all 351 of its communities. Housing units that the state determines qualified for Chapter 40B are listed as a percentage of the total units. Hull currently has 151 units or 3.23% of its total year round units that qualify as affordable under Chapter 40B (see Table 6).

Table 6. *Qualifying Local and State Housing and Chapter 40B Units*

Community	2000 Census Year Round Units ¹	Total Development Units ²	Ch. 40B Units ³	Percent Subsidized Y2000 Base
Cohasset	2,752	76	76	2.76%
Hingham	7,307	190	172	2.35%
Hull	4,679	151	151	3.23%
Scituate	6,896	300	292	4.23%
Region Totals	21,634	717	731	3.14%
State	2,526,963	218,140	213,459	8.45%

Source: DHCD inventory through 10/1/01, revised April 24, 2002

- Notes:
1. These are housing units that were documented during the 2000 Census.
 2. Development units are the total amount of units that were part of Chapter 40B comprehensive permits, which include the non-subsidized units.
 3. Chapter 40B units include only the subsidized units that were part of a comprehensive permit.

Hull's percent of qualifying units is significant compared to the surrounding communities but smaller than the state average. The four communities listed here, including Hull, have an average of 3.14% of Chapter 40B units. Statewide, 8.45% of all houses and apartments meet the statutory definition of low and moderate-income housing units. However, only 27 of the state's 351 communities have met the 10% goal.

Cost Burden as a Measure of Housing Affordability

Housing affordability can be measured by the ability of households to pay a mortgage or rent as a certain percentage of income. A need for affordable housing exists when the median household pays more than 30% of its income for housing. Specifically, if the monthly housing costs – mortgage payment, property taxes, and home insurance – are

higher than 30% of monthly gross incomes or where tenants pay more than 30% of their gross monthly income for rent and utilities, than a need for more affordable units is indicated. This measure of affordability is typically known as “housing cost burden.”

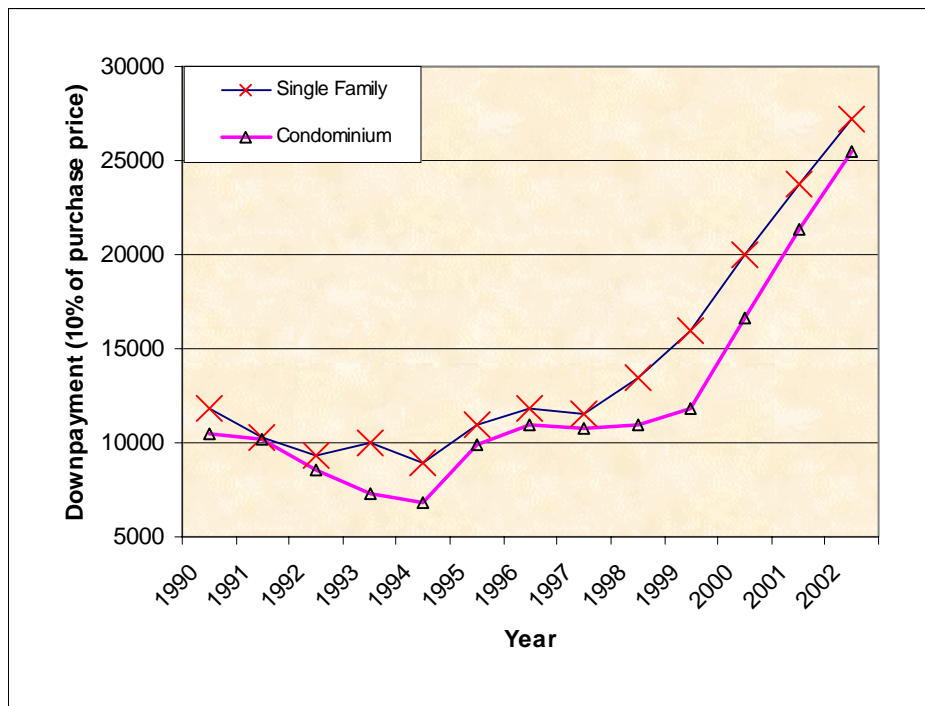
Home Ownership Affordability

A way to measure home ownership affordability is to determine the disparity between two economic figures: 1) ‘buying power’ based on the income of a buyer in the same community or region as the home being sold, and 2) the sales price of the home.

Homeowners typically have to pay monthly housing costs, which usually consist of a monthly mortgage payment, taxes, and insurance. However, also necessary to enter the market is equity or cash that must be used in most cases as a down payment for a new house. Home sales, determined by the recent sale prices of units in this area, show the demands on homebuyers for both savings to create the down payment and the cost of the mortgage. This in turn can be used to determine the disparity or “gap” between those sales and the buying power of the potential owner.

Conventional underwriting standards usually offer mortgages with a 30-year payment period and require a 10% down payment. Figure 5 depicts the amount of savings that would be required as a 10% down payment for homes in Hull over the past ten years. As the graphic shows, the amount of savings needed to finance a mortgage with a sufficient down payment has increased approximately \$15,000 (\$3,000 per year) over the past five years.

Figure 5. Savings Required for a 10% Down Payment for Homes in Hull between 1990 and 2002



Source: The Warren Group: Median Single-Family and Condominium Sales, 1990 - 2002.

Using the conventional mortgage provisions and an interest rate of 7.5 percent, homebuyers in Hull with a median income of \$52,377 can afford a purchase price of about \$208,000 (see Table 7). Since the town's median single-family sale price of a home is \$237,250 there is an affordability gap of \$29,250. This amount means housing is not affordable for households that have median incomes at or below \$52,377. Other towns in the area also have similar gap amounts. Households in Scituate, for example, can only afford about 85 percent of the home sales prices. This situation is also typical for many other communities in the Boston metropolitan area.

Table 7. Housing Affordability Gap in the Hull Region, 2000

Community	Median Household Income	Affordable Purchase Price Based on Median Income¹	Median Single Family Sale Price (2001)	Gap + / -
Cohasset	\$84,156	\$334,000	\$647,500	-\$313,500
Hingham	\$83,018	\$330,000	\$395,000	-\$65,000
Hull	\$52,377	\$208,000	\$237,250	-\$29,250
Scituate	\$70,868	\$282,000	\$329,950	-\$47,950
Weymouth	\$51,665	\$205,000	\$229,000	-\$24,000

Sources: US Census 2000, SF 3, P53, The Warren Group: Median Single-Family Home Sales, 2001.

1. These figures were based on mortgage interests rates of 7.5% for 30 years with 10% down payment.

Affordability gaps were calculated for both 1990 and 2001 based on interest rates during their respective years (see Table X). As the table shows, households with median income levels could afford homes in 1990, and the gap increased over the ten-year period. Although this change does not necessarily indicate a trend, it shows that the affordability of homes has changed dramatically in a negative direction for Hull as well as the neighboring towns. Another way to consider the data is that because of the escalation in purchase price, Hull residents have seen about a 3% loss in buying power when comparing the two census points.

Table 8. Changes in Housing Affordability Gap for Hull and Neighboring Communities, 1990 - 2000

Community	1990 Gap (+/-)	1990 Gap (+/-)	2001 Gap (+/-)	2001 Gap (+/-)
	@7.5 %	@9.5 %	@ 7.3%	@ 7.5%
Cohasset	+\$25,000	-\$17,000	-\$306,500	-\$313,500
Hingham	+\$49,500	+\$9,000	-\$59,000	-\$65,000
HULL	+\$44,750	+\$19,750	-\$24,250	-\$29,250
Scituate	+\$34,500	\$0	-\$42,950	-\$47,950
Weymouth	+\$40,000	+\$12,500	-\$20,000	-\$24,000

Sources: US Census 1990 and 2000, SF 3, P53, The Warren Group: Median Single-Family Home Sales, 2001, HSH Associates, Financial Publishers.

Sensitivity Analysis

The figures in the previous table, which were based on a 7.5 interest payment for all mortgages, show that homes were affordable in 1990. However, interest rates were significantly higher in 1990 (9.5%), and therefore, could reflect the interest rates during that time. As the table shows, homes were not as affordable in 1990 with the 7.5% rate as with the 9.5 % rate. Furthermore, actual interest rates were slightly lower in 2001 (7.3%) than the standard rate used (7.5%) for the previous calculations.

Rental Housing Market and Demand

Hull's rental market is considered part of the Boston area market for this analysis because of its proximity to jobs and its transportation access. Hull is also part of the US Census Boston metropolitan statistical areas (MSA). A key factor that affects both ownership and rental housing is Hull's coastal features and related amenities such a views and beach access. Furthermore, the needs of tenants vary among the different age groups that seek different amenities in Hull: young people who seek to enjoy their independence; new families needing a short-term rental while they search for a home to buy; young professionals who want maintenance free homes; senior citizens who no longer want the burden of or expense of homeownership; and others who do not want to rent but cannot afford to purchase a home. Some general assumptions also affect the demand for rental housing:

- Income has the most influence on housing type and tenure. Those with higher incomes generally prefer to own a home rather than to rent one.
- Mobility is higher for people aged 20 to 34. People in that age group generally have less income than people that are older. They are also less likely to have children (at least in the younger half of this group). All these factors mean that younger households are more likely to be renters than older households.
- Price and affordability of housing units are affected by both the supply and demand for housing units within the local and regional area, not just in Hull.

Knowledge of key housing factors helps in understanding the rental market in Hull. The average rental cost of a two-bedroom apartment in Hull in 2000 was \$841 (see Table 9). This price is affordable for households earning at least \$33,640 per year. Since about 1,400 of Hull's households earn less than this amount, some are forced either to spend more than 30% of their incomes on rents or to seek housing outside of the Town.

Table 9. Cost of Rental Housing in Hull, 1990, 2000, and 2003

	1990	2000	2003 1 Bedroom	2003 2 Bedroom
Renter-occupied units	\$658	\$841	\$1,305	\$1,464
Median household income ¹	\$37,683	\$52,377	\$52,377	\$52,377
Income Required to be Affordable*	\$26,230	\$33,640	\$52,200	\$58,551
Households below affordable income ²	1,088	1,412	2,166	2,166
Households below affordable income (%)	29%	31%	48%	48%

1. Median household income was not adjusted for 2003.

2. Affordable income is based on rent at 30% of US Census median household income.

A survey of rental prices conducted in August 2003 reflects a substantial increase in rents since 2000 when the Census was conducted (see Table 9 and 10). These rents show that almost half the households in Hull pay more than 30% of their income for rent, although this does not account for possible changes in household income between 2000 and 2003.

Table 10. Cost of Rental Housing in Hull, 2003¹

Units	Average Prices	Range
Studio	\$805	\$650 - \$1,000
1 Bedroom	\$1,305	\$800 - \$1,700
2 Bedroom	\$1,464	\$1,100 - \$1,730
3 Bedroom	\$1,633	\$1,500 - \$1,800

1. Telephone and internet survey of Realtors and rental properties in Hull on August 6, 2003.

The percent of rental units as part of occupied units decreased 6% between 1990 and 2000 (see Table 5). This decrease creates two issues, it limits the choices and availability of rental units for the residents of Hull, and it decreases the supply, thereby raising the cost. Both of these create more pressure on lower cost housing options.

Conclusions

From this assessment, several issues are recognized which will be important in Hull's future housing programs and overall planning. The population is aging and households are becoming smaller in number, just as in the rest of the region; however, locally:

- Population density is much higher than in surrounding communities and is closer to urban than suburban. However, multi-family developments, which were very strong in the 1980's, have not been a locally preferred housing option in more recent years.
- Land available for new construction is down to a handful of remaining lots. Regardless however, a key shift in local demographics has been towards home

ownership, which has been increasing as households invest in previously rented units.

- Median housing prices are higher than median income levels can easily afford, but the disparity is not as greater as in most of the surrounding communities. The affordability gap has increased by about 3% when comparing the 1990 and 2000 information.
- Rental units are becoming scarcer and more expensive. This limits the range of housing choices and increases the impacts to low and moderate-income households. However, this does not take into account the possible unlisted accessory units that might exist but go unrecorded.

This analysis suggests that the key housing programs that the town may consider will be based mainly on disperse unit development within existing structures and the few remaining available sites. These types of programs could include encouraging accessory apartments for homeowners, and development of tax title properties. Multifamily development (outside of the redevelopment parcels) will probably prove to be very difficult because of the need to accumulate parcels with existing homes on them.