

Valadus Consulting

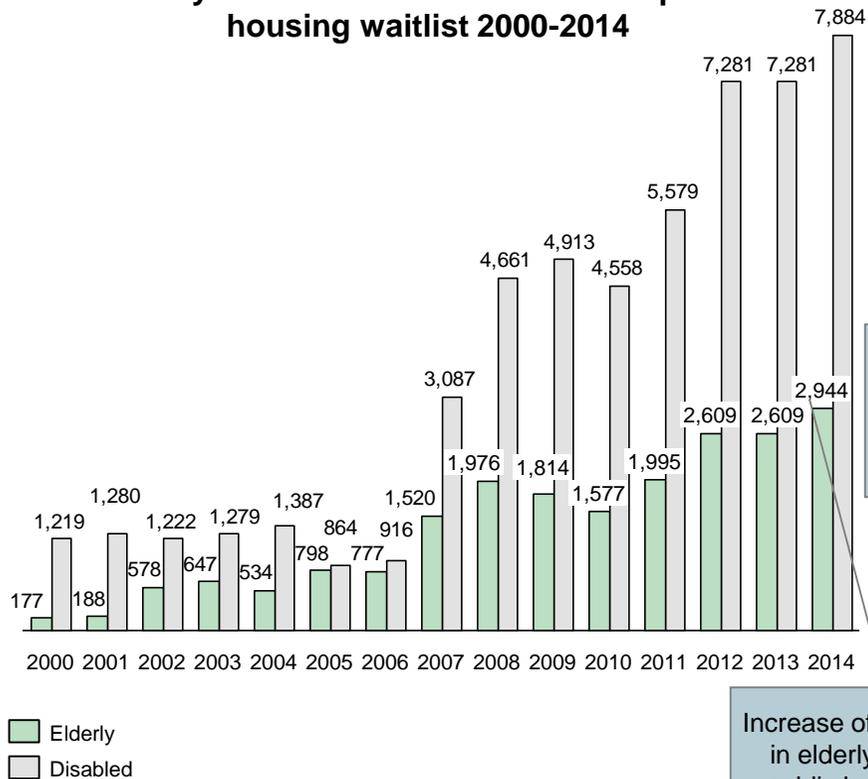
**Presentation: Elderly & Non-Elderly Disabled Housing
Demand**

September 2014

Disabled applicants have gradually reduced as a percentage on waiting lists for public housing

Public housing waitlist for elderly increasing

Elderly and disabled households on public housing waitlist 2000-2014

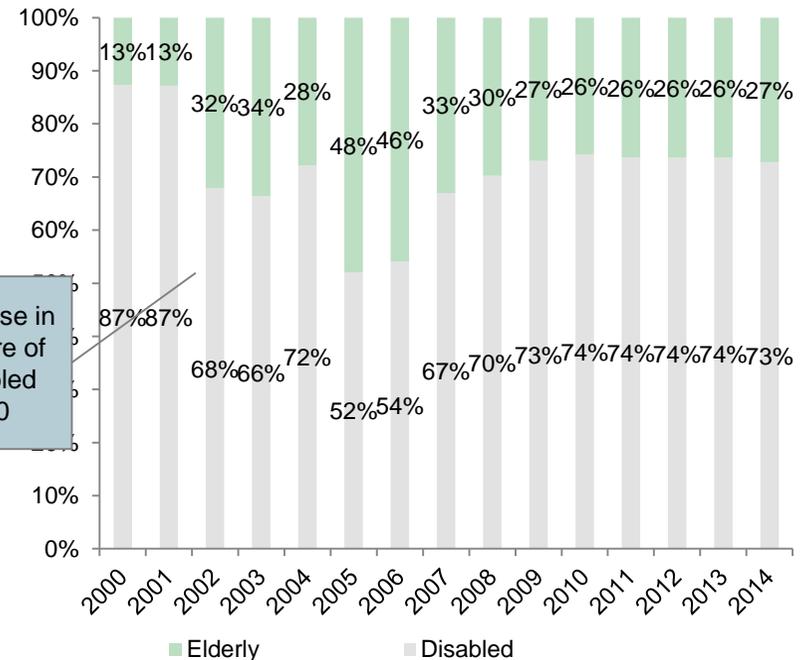


14.5% decrease in disabled share of elderly/disabled since 2000

Increase of over 1,500% in elderly waitlist for public housing since 2000

Elderly growing as proportion of total public housing waitlist

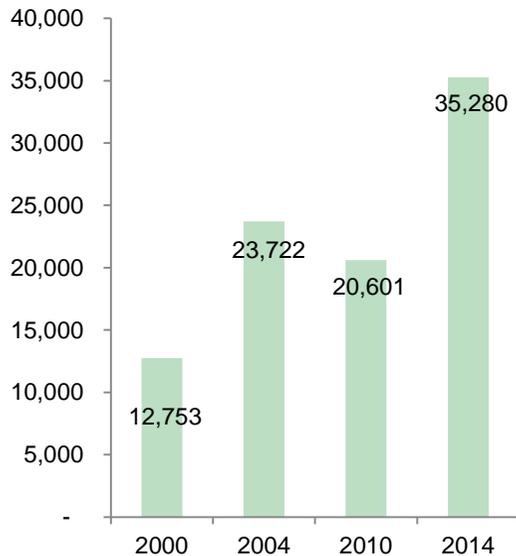
Elderly and disabled households on waitlist (as a % of combined total)



The waiting list alone understates the problems facing elderly people in securing housing in Boston

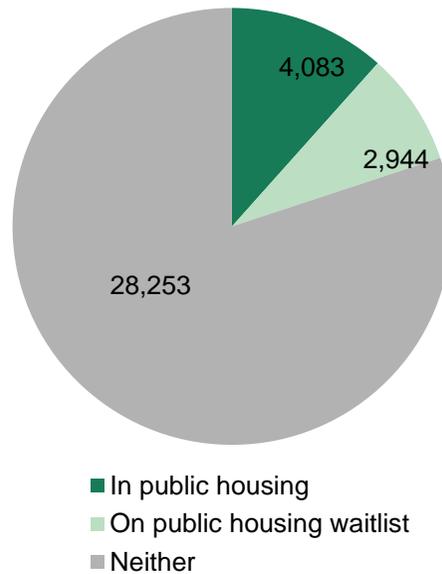
Number of elderly people requiring housing support increasing...

Elderly households under 80% of median income in Boston 2000-2014



...in 2014 only 20% of elderly in need on the waitlist or housed*...

Elderly people with below 80% of median income in Boston by housing status (2014)



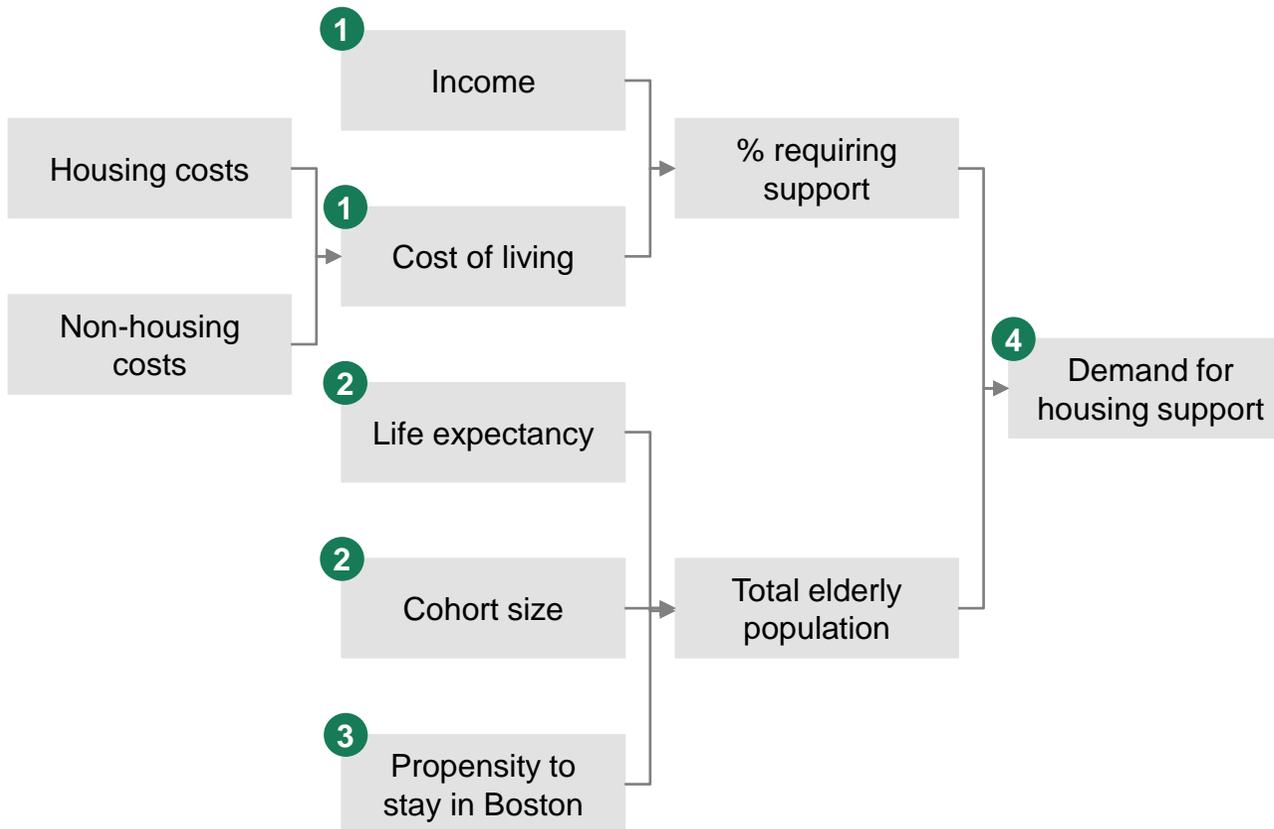
...while supply of housing for the elderly is likely to be flat

HUD 202 program no longer funded for new capital projects, so no increase coming in supply for elderly housing

*Lower fulfillment rate for disabled, but with broader range of alternative supply.
Source: UMASS Aging Report 2014

It is very likely that housing needs for the elderly will rise sharply in the next several years

Drivers of Demand



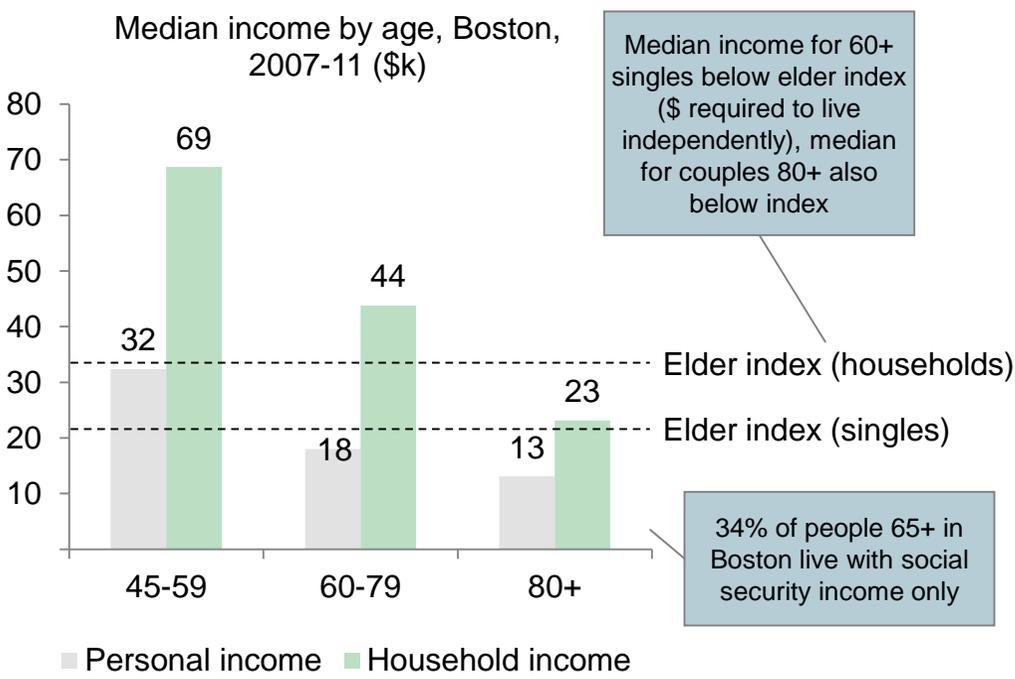
Analysis in this section

- 1 Older people more likely to come from historically disadvantaged groups with lower incomes in future

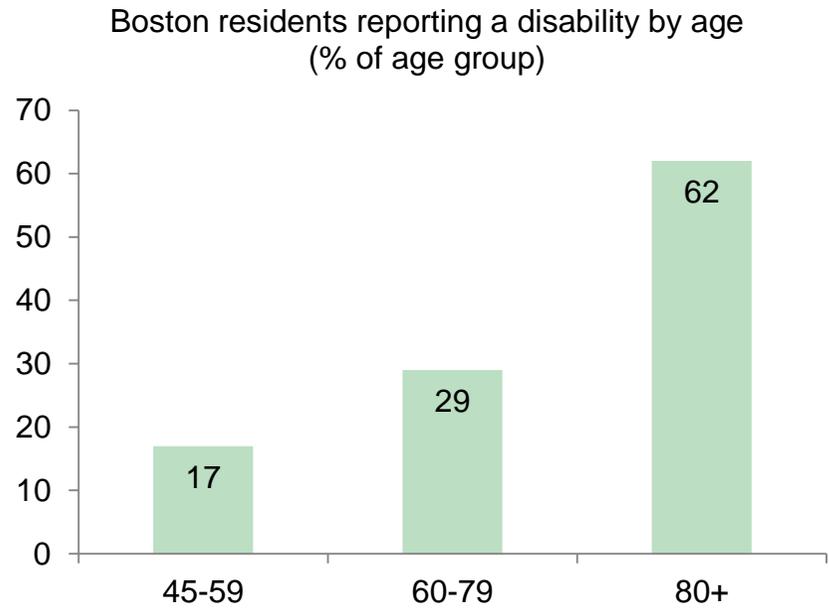
Detailed analysis by The University of Massachusetts shows increasing gap between elder income and cost of living
- 2 Higher life expectancy and large cohort size driving 2% growth per annum in number of elderly
- 3 While propensity to stay in Boston is not strong, this is very likely to be driven partially by inadequate housing options and may not continue with larger 60-69 cohort
- 4 Given these factors, we estimate that demand for elderly housing will increase at least 2% per annum, and 90% of new elderly/disabled demand will come from elderly people

75% of elderly people in Boston do not have enough income to live comfortably, and many are disabled

High proportion of singles and couples do not have funds to live comfortably



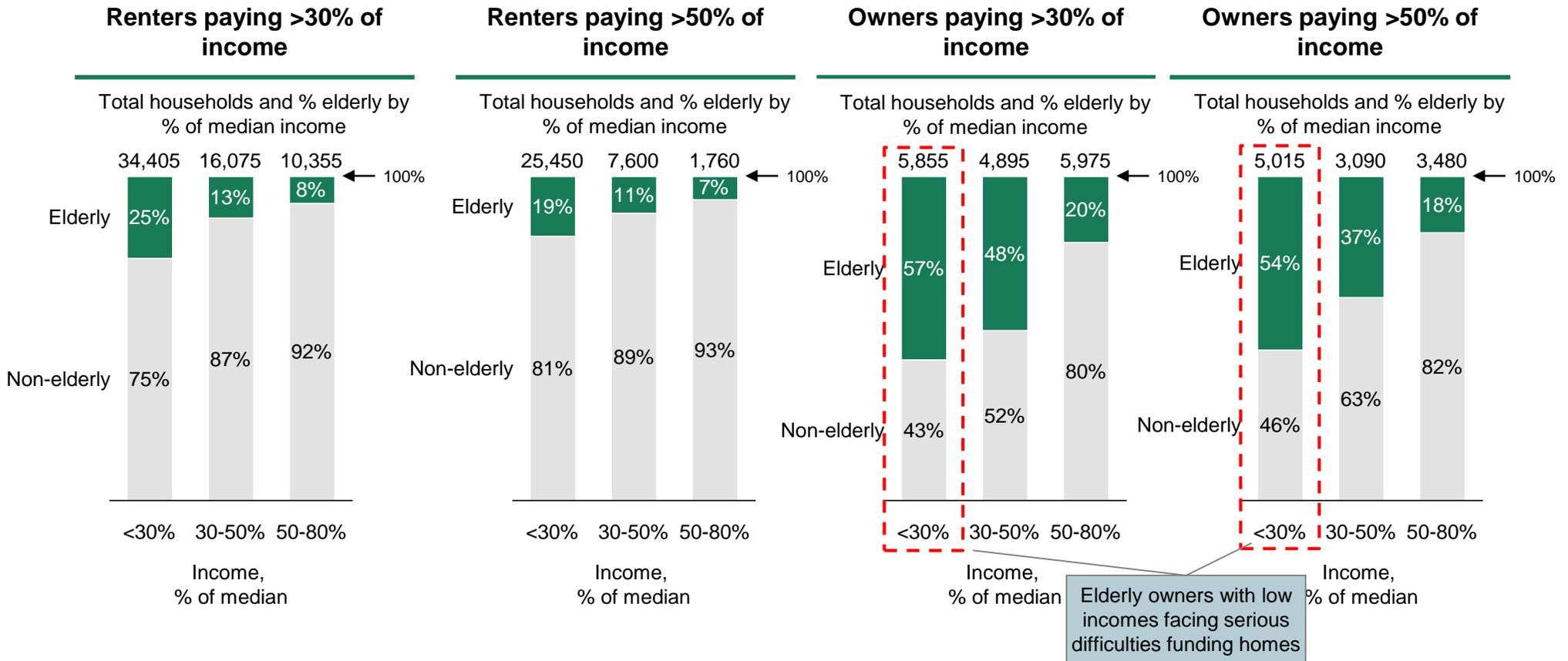
Older people also most likely to live with a disability



Source: UMASS Aging Report 2014

Elderly population continues to have high need for housing support as it grows in absolute and relative terms

Boston consolidated plan shows high number of elderly with severe housing cost burdens relative to income



Source: City of Boston Consolidated Plan 2013-18

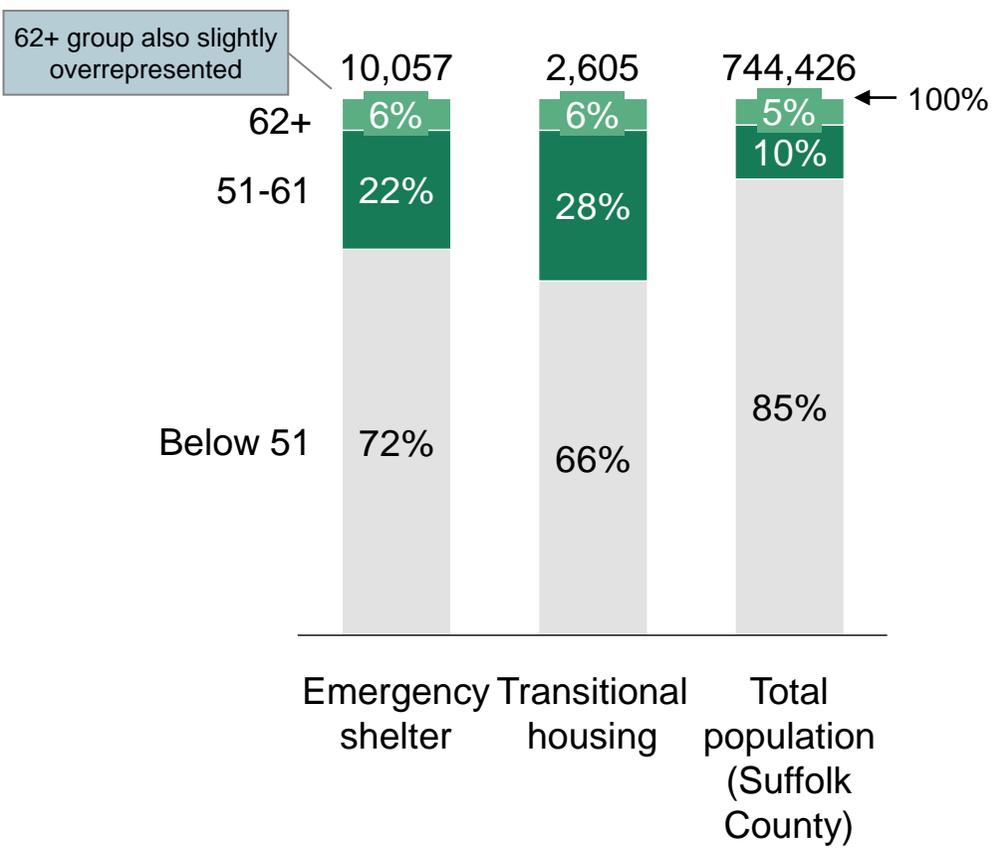
Elderly people highly overrepresented in most disadvantaged low income-high cost groups

The near-elderly are particularly likely to be in emergency housing, meaning more elderly with urgent needs in future

51-61 year olds are overrepresented among residents of emergency accommodation

May represent potential growth in urgent needs for elderly over next several years

Total population and %s by age group, 2012*



Large cohort of people in some form of emergency or transitional housing moving into elderly age group over next several years

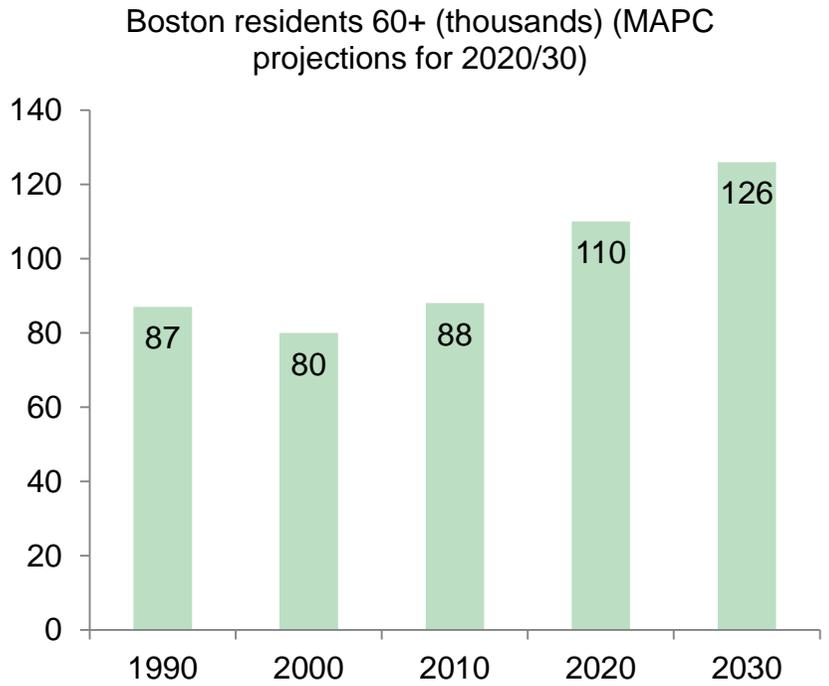
Represents both a present problem and a demonstration of the difficulties likely to be faced by this cohort

May be leading indicator of demographic and supply problem for next cohort of elderly

Source: American Community Survey; *Sheltered Homeless Persons in Boston*, Homeless Management Information System

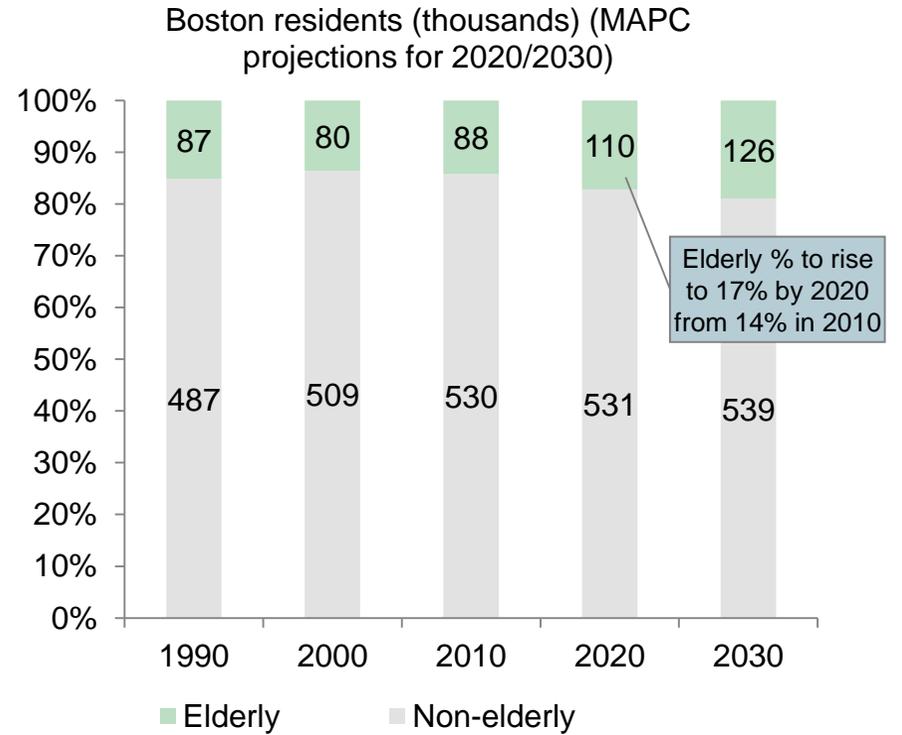
Boston's elderly population is growing both in absolute and relative terms

Elderly population increasing quickly



Source: UMASS Aging Report 2014

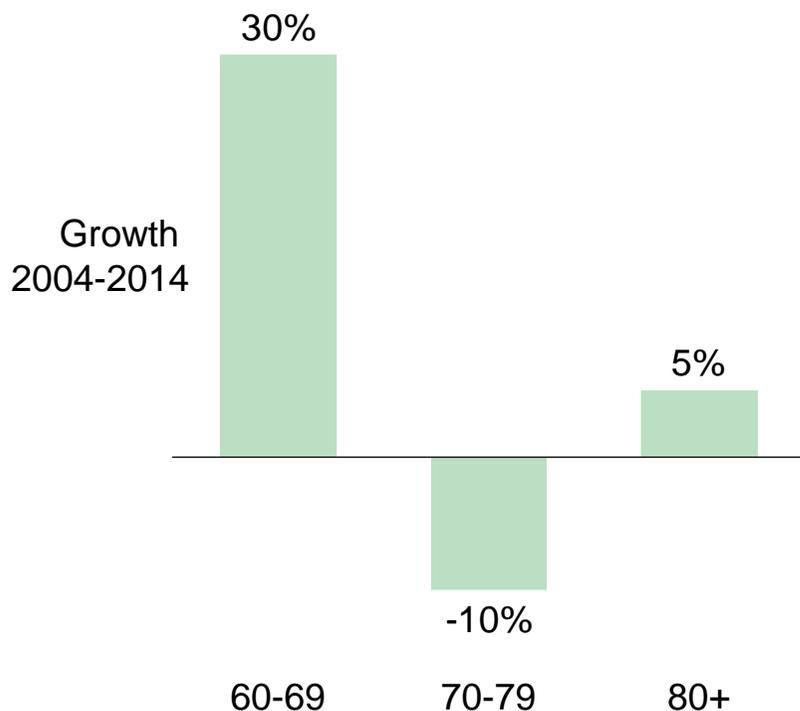
Elderly growing as proportion of total



Current trends also indicate ‘gray flight’ – suggesting that many Boston elderly are unable to find housing

70-79 population declined from 2004-14

Population growth by cohort 2004-14



Implications of previous gray flight

Drop in 70-79 population most likely reflects some gray flight: this cohort contains some born before baby boom, but should show some growth from leading edge/increasing life expectancy

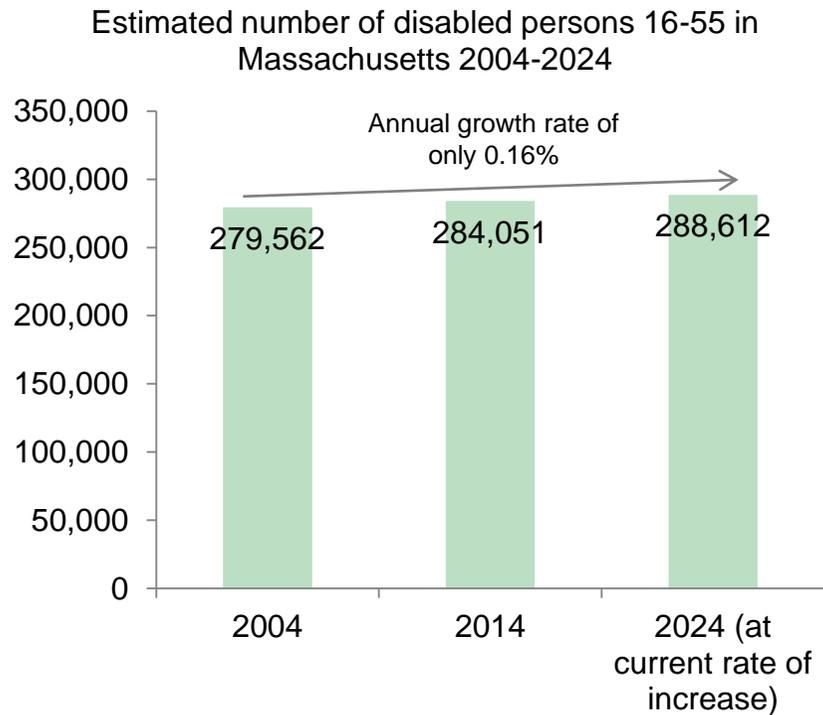
- May reflect inadequate housing options
- Also likely to have dampened revealed demand: those without options left rather than remaining on waitlists

Even some gray flight would still see a substantial increase in size of 70-79 cohort because of large growth in 60-69 cohort to 2010

- Higher proportion of very elderly means more with severe disabilities
- Also means more likely to have exhausted cash reserves and require support

In contrast, the disabled population is unlikely to grow quickly based on current trends

Estimated growth in Massachusetts disabled population very low



Unlikely that other demographic changes will drive further change

Projected decrease in number of households in Massachusetts in 35-49 age group – decreasing number of disabled-headed households

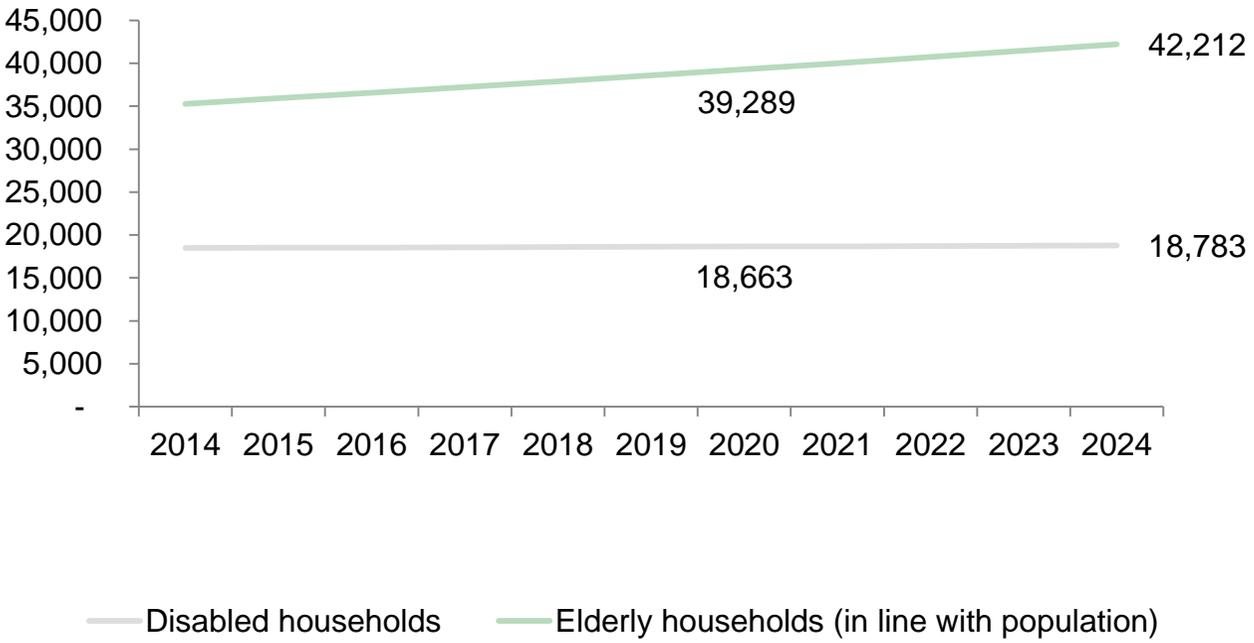
Although disability more common among people with non-White ethnicity, non-elderly non-White groups growing less quickly than elderly non-White groups

Source: Northeastern University Adult Disabled Population in Massachusetts Report 2006; Valadus analysis

Using these trends, we estimate ~90% of new demand for housing will come from elderly households from now to 2024

Higher growth among elderly likely to change balance between categories continuously into the future

Estimated number of households requiring support by category (elderly/non-elderly disabled) 2014-2024*



Effect on demand

- Growth in number of elderly households requiring assistance to 42k+
- Small growth in disabled households requiring assistance to ~19k
- Overall change in balance between elderly and non-elderly disabled from 66%/33% to 69%/31%
- 90% of new demand to come from elderly households, with 7k additional households needing assistance compared to 1k non-elderly disabled

*Linear projection using current trends in population growth by UMASS, US Census