

The Need for Affordable Home Ownership Opportunities in Newton

In 2000, Newton had 31,201 households, containing approximately 83,000 people. Despite an average single family house price of \$725,000, Newton only has 26 permanently affordable ownership units. Whose needs are not being met? ¹

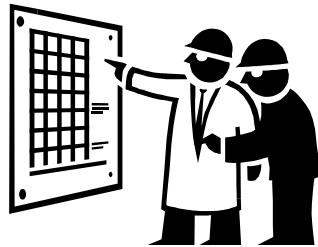
Municipal Employees

With an average Newton single family home price of \$725,000, many municipal employees are unable to afford purchasing a home.²

Sample Municipal Salaries (2005 Budget)

- Reference librarian - \$39,010
- Certified school nurse - \$42,792
- Police department head clerk - \$38,763,
- DPW Foreman - \$37,000

These employees are a target market of the Covenant Residences on Commonwealth.



Market Renters

Market renters will have a broader choice to spend their housing budget more effectively, while maintaining ties to their chosen community.

Market rent on a two bedroom unit in the Chestnut Hill/Newton area ranges between \$1,400 and \$2,600 per month.⁶

In the event that the renter's income qualifies for the affordable units, the projected total housing payment on an affordable two bedroom condominium in the Covenant Residences is \$1,302.⁴

Affordable Renters

There is a quantifiable demand for affordable housing in Newton.

The new Avalon at Newton Highlands, with its 74 affordable rental apartments, had a waiting list of 1300 when it opened its doors in Fall 2004. After open approximately one year, the list had grown to 1379. Approximately 275 of these people are Newton residents, trying to stay in their home community.

Because of the comparable rates between projected total housing payment at the Covenant Residences and the affordable rents at Avalon at Newton Highlands, buying at the Covenant Residences will enable affordable renters to move up the "housing ladder."⁷

The Newton Workforce

Newton has significant local employers, with Educational Development Center, Boston College, and Newton Wellesley Hospital combining to employ more than 4,000 people. However, many workers with salaries below the Newton household median income of \$86,502 cannot afford to live near their employer.⁵

Sample Salaries — Boston Area

- Proofreader - \$38,471
- Admissions representative - \$35,636
- Licensed Practical Nurse - \$40,491



The Covenant Residences will provide opportunities for people to live near their place of work.

¹Respectively are Census 2000 Data and the Warren Group.

²Census 2000

³Town of Newton Annual budget

⁴Assumptions include 70% of the median income at \$52,080, down payment of \$7,950 a maximum mortgage of \$151,050, and a permanent loan with an interest rate of 6.25%

⁵Monster.com salary wizard for Greater Boston area. Median (50th percentile) salaries for a given profession.

⁶Craigslist, Avalon at Newton Highlands, and The Copley Group (Hammond Pond Parkway)

⁷Rent for a 2 bedroom affordable apartment in Avalon at Newton Highlands is \$798-\$1356. Projected monthly mortgage payments on a 2 bedroom at the Covenant Residences is \$1302. See note 4.