

May 15, 2014

TO: Lee Newman, Director of Planning and Community Development  
Alex Clee, Assistant Planner

FROM: Karen Sunnarborg, Community Housing Specialist

RE: Demolition/Replacement Activity for Residential Units

I thought it would be useful to review updated data on the level of demolition and replacement activity since this analysis was last conducted as of the end of 2012. This information should provide some useful input into the Large House Review Study Committee and the Housing Production Plan.

As expected, Christina in the Building Department was extremely helpful in providing back-up data for this analysis. The results are as follows:

**Summary of Demo/Replacement Activity  
January 1, 2013 through May 12, 2014**

| <b>Period</b>        | <b># New Residential Units</b> | <b># Residential Units Demolished</b> | <b>Net New Units</b> |
|----------------------|--------------------------------|---------------------------------------|----------------------|
| 2013                 | 104                            | 96*<br>92.3% of all new units         | 8                    |
| 2014 through 5-12-14 | 42                             | 30<br>71.4% of all new units          | 12                   |
| Total                | 146                            | 126<br>86.3% of all new units         | 20                   |

\*One of the demolitions involved a two-family house that counts as a loss of two units.

This data suggests that the total number of housing units in Needham is now up to about 11,200 units. It also indicates the recycling of residential property remains high, involving the replacement of smaller homes with much larger and expensive ones.

While the data shows that teardown activity decreased somewhat in 2014, going from 92.3% of all new residential building in 2013 to 71.4% in 2014 as of May 12<sup>th</sup>, it should be noted that not all teardown activity involves a one for one replacement of units. For example, the teardown of two (2) houses to make way for the Greendale Village 40B development will ultimately be replaced with 20 new homes with four (4) of the new units counted thus far in this analysis (the other buildings have not yet been permitted). Additionally, a single-family home was demolished at 28 Webster Street for the Webster Street Green 40B development, and four (4) of the planned 10 units were included in this analysis (only one building has been permitted thus far). Also, the demolition of a building at 50 Dedham Avenue will create 10 units, and the demolition of a house at 1285 South Street made way for a group home that is counted as a single unit in this analysis but will be counted as five (5) units in the Subsidized Housing Inventory (SHI). Consequently more units have involved demo/replacement than these figures reveal. It is also worth noting that 92% of all new single-family homebuilding between 2010 and 2012 involved demo/replacement activity, the same as the 2013 level.

I also examined the sizes of units that are being demolished to those that are being built in comparison to lot sizes. This data for January 1<sup>st</sup> through May 12<sup>th</sup> of this year is provided below.

**Floor Area Ratios for Demolished Units and New Replacement Homes**  
**January 1, 2014 through May 12, 2014**

| <b>Lot Size in Square Footage</b> | <b>Size of Demo House</b> | <b>Previous Floor Area Ratio (%)</b> | <b>Size of New House**</b> | <b>New Floor Area Ratio (%)</b> |
|-----------------------------------|---------------------------|--------------------------------------|----------------------------|---------------------------------|
| 31,798                            | 1,846                     | 5.8                                  | 3,904                      | 12.3                            |
| 10,019                            | 908                       | 9.1                                  | 5,353                      | 53.4                            |
| 10,454                            | 1,944                     | 18.6                                 | 5,317                      | 50.9                            |
| 12,197                            | 1,608                     | 13.2                                 | 6,679                      | 54.8                            |
| 10,454                            | 1,608                     | 15.4                                 | 5,732                      | 54.8                            |
| 11,761                            | 1,388                     | 11.8                                 | 5,346                      | 45.5                            |
| 10,890                            | 1,248                     | 11.5                                 | 6,376                      | 58.5                            |
| 6,970                             | 1,416                     | 20.3                                 | 4,651                      | 66.7                            |
| 11,761                            | 989                       | 8.4                                  | 6,338                      | 63.9                            |
| 15,682                            | 2,258                     | 14.4                                 | 8,066                      | 51.4                            |
| 15,682                            | 1,764                     | 11.2                                 | 5,116                      | 32.6                            |
| 43,996                            | *                         | *                                    | 7,479                      | 17.0                            |
| 11,326                            | 1,536                     | 13.6                                 | 4,382                      | 38.7                            |
| 54,450                            | *                         | *                                    | 8,473                      | 15.6                            |
| 25,700                            | *                         | *                                    | 5,369                      | 20.9                            |
| 11,326                            | 2,544                     | 22.5                                 | 5,008                      | 44.2                            |
| 10,019                            | 1,588                     | 15.8                                 | 3,780                      | 37.7                            |
| 9,148                             | *                         | *                                    | 5,314                      | 58.1                            |
| 13,068                            | 1,574                     | 12.0                                 | 4,902                      | 37.5                            |
| 9,583                             | 2,400                     | 25.0                                 | 5,944                      | 62.0                            |
| 13,068                            | 1,953                     | 14.9                                 | 5,688                      | 43.5                            |
| 10,019                            | *                         | *                                    | 6,138                      | 61.3                            |
| 17,424                            | 1,080                     | 6.2                                  | 4,265                      | 24.5                            |
| 10,890                            | 988                       | 9.1                                  | 2,890                      | 26.5                            |
| 10,019                            | 1,592                     | 15.9                                 | 5,008                      | 50.0                            |
| 6,970                             | 1,232                     | 17.7                                 | 5,009                      | 71.9                            |
| 10,019                            | 1,121                     | 11.2                                 | 4,338                      | 43.3                            |
| 10,019                            | 1,485                     | 14.8                                 | 6,228                      | 62.2                            |
| 11,326                            | 1,845                     | 16.3                                 | 5,855                      | 51.7                            |
| 17,242                            | 1,652                     | 9.6                                  | 6,132                      | 35.6                            |

\*No record of a previous unit so most likely not a teardown. \*\*Does not include the size of decks.

The analysis does not include four (4) units at Greendale Village.

This information suggests the following key findings:

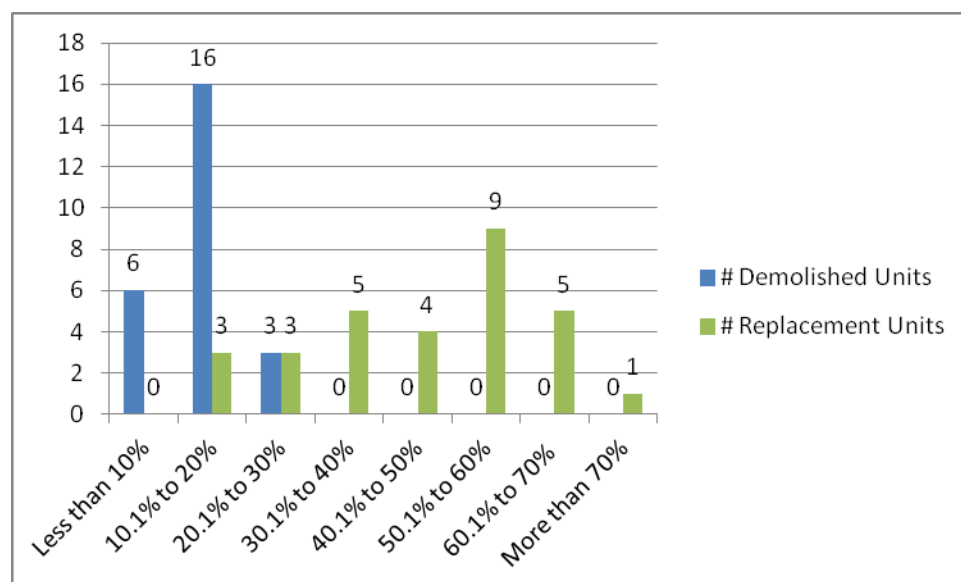
- Not surprisingly, teardown activity has focused on the smaller and consequently relatively more affordable units in Needham's private housing stock. Home sizes ranged from a low of 908 square feet to 2,544 with the median size of 1,608 square feet. It should be noted that one of the largest homes that was demolished was a beautiful Victorian home of 2,258 square feet (valued at \$801,400), replaced by a home of 8,066 square feet that is on the market for \$2.5

million.<sup>1</sup> Another demolition involved a two-family Victorian of 2,400 square that was replaced by a very large single-family with 5,944 square feet, thus resulting in the likely loss of both a relatively affordable ownership and rental unit.

- Corresponding to the small sizes of the demolished units are floor area ratios ranging from 5.8% to 25% with a median of 14.9%.
- The new homes are very large. Only one property contained less than 3,000 square feet in living space with seven (7), or less than one-quarter, with less than 5,000 square feet. The median size of these replacement homes was 5,353 square feet.
- Clearly many of the new homes are being squeezed onto relatively small lots with half of the 30 properties having floor area ratios greater than 50% and almost two-thirds greater than 40%.
- It should also be noted that unlike quite a few other suburban communities Needham's zoning allows development on smaller lots, which is a "smart" thing in appropriate locations.

A comparison of the number of units involving demolition and replacement within ranges of floor area ratios is presented in the following graph clearly demonstrating the dramatic shifts in the consumption of land as a result of demolition/replacement activity in Needham neighborhoods.

**Numbers of Demolished and Replacement Units by FAR  
January 1, 2014 through May 12, 2014**



Note: Five (5) of the lots did not involve demolition.

<sup>1</sup> Town Building Department records indicate that the house is 8,066 square feet but the real estate listing suggests 6,091 square feet.