

Needs Assessment

The needs assessment takes into consideration the current and projected demographic profile of the community, as well as the existing housing supply, market trends, and estimated housing growth since 2010. A comparison of household incomes and housing costs provides an indication of the gap in affordability for different types of households and forms of housing.

Data for this analysis comes from public sources, including the US Census/American Community Survey (ACS), Town of Dover Assessor, Massachusetts Department of Housing and Community Development (DHCD), Executive Office of Labor and Workforce Development (EOLWD); as well as proprietary data sources such as The Warren Group.

The Federal Department of Housing and Urban Development (HUD) establishes income guidelines that are used to define housing affordability and defines median incomes on a regional basis in order to identify households with low and moderate incomes in relation to the communities in which they live. Dover is located in the Boston-Cambridge-Quincy, MA-NH HUD Metro Fair Market Rent Area (FMR Area). While the analysis focuses on the Town of Dover, data for larger geographical areas is provided for context. Dover is located in Norfolk County in the western suburbs of the Boston metropolitan area. It is located on the edge between the SWAP (Southwest Advisory Planning Committee) and TRIC (Three Rivers Interlocal Council) sub-regions of the Metropolitan Area Planning Council (MAPC).

Demographic Profile

This Housing Production Plan is grounded in a thorough examination of Dover's demographic makeup. An analysis of the current and projected population, household composition, and social and income characteristics provides insight into existing housing need and demand.

Key Findings

- Dover's population grew by about 8 percent over the past decade, despite projected decline.
- Dover has a high concentration of families with school-aged children; however, the trend has been shifting toward smaller households and a growing senior population.
- Of Dover's total households, 87 percent are families; of non-family households, a large (and growing) share are seniors living alone.
- Dover's median household income is above \$250,000. For households headed by seniors (over age 65), the median income is \$159,000, while the median income for non-family households (who are primarily people living alone) is \$116,442 per year. Median household incomes in every category substantially exceed county and state cohorts.

Population Trends

As of 2019, Dover's total population is just over 6,000, with over 2,000 households. Average household size has declined since 2000, and the rate of household growth exceeded population growth.

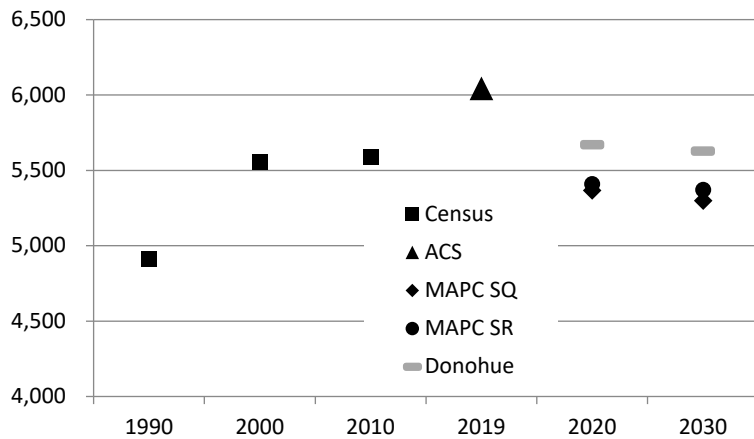
Dover’s population leveled off between 2000 and 2010, but has resumed growth, according to ACS estimates. The implications of a decline in household size while there is growth in the number of households is that it takes more housing units to house relatively fewer people than have historically been required. A need for smaller housing units is also correlated with a reduction in household sizes.

Table 1: Population and Household Growth

	2000	2010	2019
Population	5,558	5,589	6,044
% Change		1%	8%
Households	1,842	1,869	2,031
% Change		1%	9%
Average Household Size	3.02	2.99	2.98

Source: US Census 2000 and 2010; ACS 2015-2019

Figure 1: Comparison of Population Projections



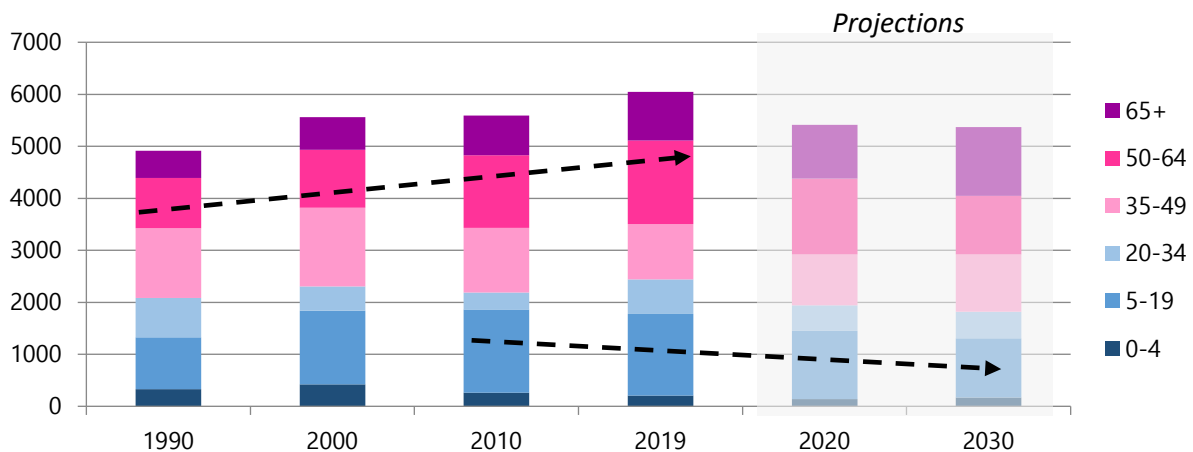
Source: US Census, ACS (2019), MAPC Status Quo and Strong Region, Donohue Institute

As shown in **Figure 1**, the Metropolitan Area Planning Council (MAPC) offers two projection scenarios for Dover: The “Strong Region” projection makes assumptions about development-friendly regulatory changes throughout its region over the coming decade, while the “Status Quo” projection assumes no regulatory changes. Differences between the Status Quo and Strong Region projections are minimal for Dover, both indicate declining population over the coming decades.

A third projection provided by the University of Massachusetts Donohue Institute shows level population or slight growth over 2010. By ACS estimates (5-year, 2015-2019), the town’s population has actually grown by 8 percent since 2010, showing significantly higher growth occurred than was projected.

Figure 2 shows population trends and projections by age. Since 1990, the number of adults over age 50 has grown consistently, and is expected to continue to climb. Comprising 30 percent of Dover residents in 1990, 42 percent of the population is over 50 today. By Status Quo estimates for 2030, it is expected that 46% of the population will be over 50, and of those residents nearly 25 percent will be over the age of 65. The population of

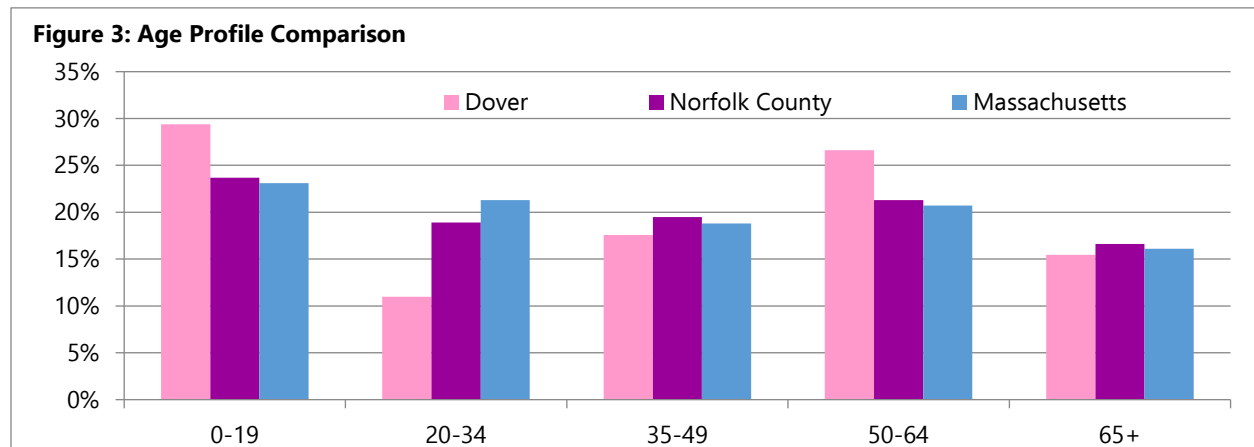
Figure 2: Population by Age, Historic/Projected



Source: US Census, ACS (2019), MAPC Status Quo Projections

younger adults and children has fluctuated in recent time. In particular, the share of young adults (age 20-34) diminished significantly between 1990 and 2010, but more recently has grown. The number of school-aged children increased through 2010, but has since declined and is expected to continue to fall.

As shown in **Figure 3**, The age profile of Dover residents contrasts with Norfolk County and the state as a whole. The town has a larger share of children and older working-aged adults, comparatively fewer young adults, and a slightly smaller share of seniors over the age of 65. The median age of Dover residents is 45.2 years, compared with 40.9 years in Norfolk County and 39.5 years statewide.



Approximately 6 percent of Dover residents have a recognized disability, according to ACS estimates. A disability can be a physical, cognitive, or mental impairment. The incidence rate for disabilities is higher for seniors than younger residents; about 17 percent of residents over the age of 65 report a disability, which may include difficulties with hearing, vision, physical mobility, self-care, or the ability to live independently. Young adults, aged 18 to 34, also have a relatively high rate of disability, at 13 percent. The reason may be that young adults with disabilities may be more likely to continue living at home with their parents rather than living independently.

Table 2: Disability Status

	Total Population	With a Disability	% with Disability
Population (Civilian)	6,044	354	6%
Under 18 years	1,674	40	2%
18 to 34 years	765	103	13%
35 to 64 years	2,671	56	2%
65 years and over	934	155	17%

Source: ACS 2015-2019

Table 3: Social Characteristics

	Dover	Norfolk County	MA
Race/Ethnicity			
White, not Hispanic	84.8%	74.9%	71.6%
Asian	10.1%	11.0%	6.6%
Black	0.0%	6.7%	6.9%
Other	2.0%	2.8%	3.1%
Hispanic (any race)	3.1%	4.5%	11.8%
Immigration/Language			
Born in US	84.3%	81.6%	83.2%
Foreign born	15.7%	18.4%	16.8%
Limited English-Speaking	2.4%	8.2%	9.2%
Educational Attainment			
High School Graduate or Higher	99.0%	93.9%	90.8%
Bachelor's Degree or Higher	84.8%	53.6%	43.7%

Source: ACS 2015-2019

As the number of older residents grows, the need for safe housing to accommodate people with disabilities – particularly those with mobility challenges – will increase as well, as natural consequence of an aging population.

Dover residents are predominantly white and non-Hispanic, with the largest racial minority group being Asian. About 16 percent of residents were born outside of the US, and less than 3 percent have limited

English proficiency. Dover has relatively low social diversity compared with Norfolk County or Massachusetts as a whole. Dover residents have a higher level of educational attainment than Norfolk County or the state as a whole.

The characteristics of Dover households are consistent with population trends. In comparison with Norfolk County and the state, Dover has a higher average household size, and a higher proportion of family households. Dover also has a relatively high proportion of households with children under age 18, while the proportion of households with seniors is on par with Norfolk County but slightly higher than the state. A smaller share of Dover households are “non-families”, defined as individuals living alone and unrelated people living together. About 12 percent of Dover households are individuals living alone. Mostly these are seniors (over the age of 65) living alone.

The predominance of families with children has declined slightly since 2010, corresponding to a decrease in average household size, and an increase in people living alone. At the same time, the proportion of households with seniors over the age of 60 also increased from 39 percent in 2010 to 42 percent in 2017. As these trends are projected to continue, the implications of growth in smaller and older households are that the most significant demand on the housing stock will be for smaller, lower-cost, housing units physically designed to maximize the ability to age in place. These types of housing are notably in short supply in Dover, which may explain why the senior population has grown more slowly than was projected by MAPC.

Table 4: Household Composition

	Average Household Size	Families	Nonfamily Households	Individuals Living Alone	With Children under 18	With Seniors over 60
Dover (2019)	2,031	2.98	87%	13%	12%	45%
Norfolk County	265,300	2.57	66%	34%	27%	31%
Massachusetts	2,617,497	2.52	63%	37%	29%	29%
Dover (2010)	1773	3.12	87%	13%	11%	46%

Source: ACS 2015-2019, ACS 2006-2010

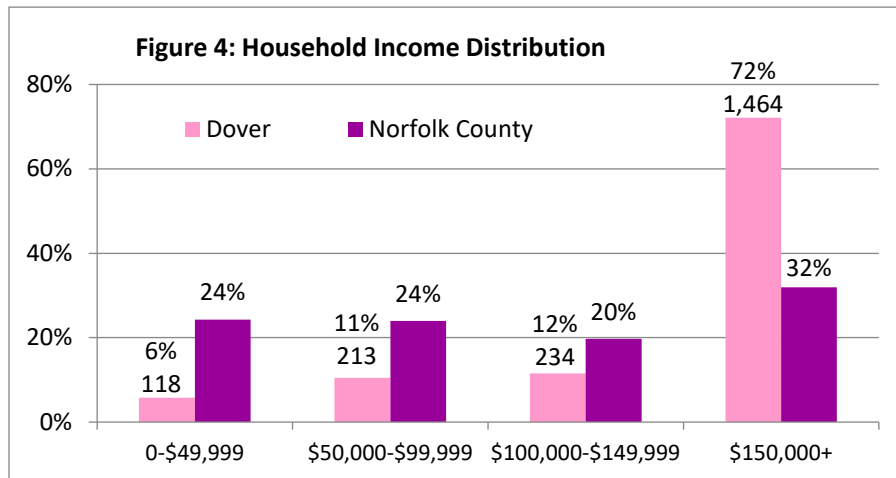
Dover households have considerably higher median incomes than Norfolk County or the state as a whole. ACS only reports a range where household incomes exceed \$250,000, and Dover’s median is above this level. Family households tend to have the highest incomes, and the median likewise exceeded \$250,000 in 2019. Nonfamily households have much lower incomes, nevertheless a median of just \$116,442 is more than twice the median for Norfolk County or the state. As mentioned above, the majority of non-family households are seniors living alone. Household incomes in Dover have grown at a considerably faster pace than those in Norfolk County or Massachusetts as a whole.

Table 5: Median Household Incomes

	Median Income All Households	Median Family Income	Median Nonfamily Income	Change in Household Income since 2010
Dover	\$250,000+	\$250,000+	\$116,442	52%+
Norfolk County	\$103,291	\$101,870	\$54,874	27%
Massachusetts	\$81,215	\$81,165	\$46,467	26%

Source: ACS 2015-2019

As shown in Figure 4, A relatively small proportion of Dover households have low and moderate incomes. Approximately 118 households (9.5 percent) earn less than \$50,000, which falls below the “low income” threshold



for all household sizes. (See Table 22 for income thresholds.) Almost three-quarters of households have incomes above \$150,000.

Table 6 shows how incomes vary by the age of heads of household. There is a marked disparity between middle-aged households and seniors and young adults. Householders aged 25-64 have median incomes above

\$250,000, while the median income for seniors in Dover is much lower, although still considerably higher than the median for seniors throughout Norfolk County). Across the county, young adults have the lowest median household income. ACS found no young adult households in Dover. To a large extent, earning potential follows an arc correlated to age where we see younger households at the beginning of their careers earning less than their more experienced counterparts as well as a dip in income as households age and transition into retirement. The cost of housing in Dover may contribute to the disproportionate share of households who are in the peak of their earning potential, indicating that the town is a transitory destination.

Table 6: Household Income by Age of Householder

	Dover			Norfolk County	
	Households	%	Median Income	Households	Median Income
15 to 24 years	0	0%	NA	2%	\$60,758
25 to 44 years	301	15%	\$250,000+	30%	\$116,137
45 to 64 years	1204	59%	\$250,000+	41%	\$126,936
65 years & over	526	26%	\$159,000	27%	\$59,435

Source: ACS 2015-2019

Among surrounding communities, Dover bears the most resemblance to Sherborn in terms of size, density, income, and population characteristics. By contrast, Wellesley, Natick, and Needham are much larger and have higher population densities, while Westwood, Walpole and Medfield are mid-sized. Only Medfield has a higher average household size and comparable share of households with children. Dover has by far the highest median household income, although all of the neighboring communities are relatively affluent, with Walpole and Natick being closer to the average for Norfolk County.

Table 7: Regional Context, Population and Households

	Population	Pop Density (Pop/Mi ²)	Household Size	% Households with Seniors	% Households with Children	Median Income
Wellesley	28,747	2,824	2.85	44%	44%	\$197,132
Needham	30,970	2,458	2.79	46%	42%	\$165,547
Westwood	16,136	1,467	2.91	48%	38%	\$160,132
Walpole	25,129	1,226	2.81	41%	39%	\$119,846
Medfield	12,841	886	3.01	38%	45%	\$160,963
Sherborn	4,316	270	2.83	39%	42%	\$198,681
Natick	36,128	2,393	2.46	37%	34%	\$115,545
Dover	6,044	395	2.98	42%	45%	\$250,000+
Norfolk County	265300	670	2.57	42%	31%	\$103,291

Source: ACS 2015-2019

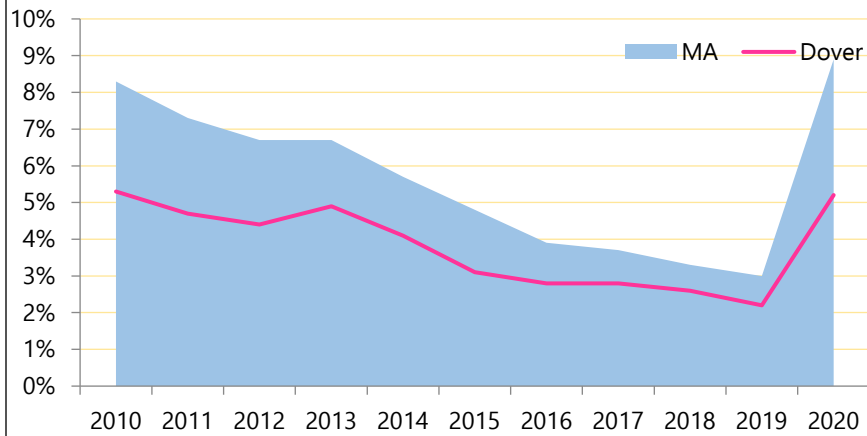
Economic and Employment Profile

Dover’s housing demand is influenced by economic conditions, including workforce participation, and employment opportunities within the town and region. Dover’s location along major multimodal corridors and proximity to several labor markets increases its desirability.

Key Findings

- Dover has a modest economic base; local establishments employ 0.33 workers for every resident member of the workforce. The majority of jobs (57 percent) are in the public sector.
- The rate of participation in the workforce is high, at 60 percent of residents over age 16, while about 14% of Dover residents receive retirement income.
- The unemployment rate had reached a low of 2.2 percent in 2019; the annual average for 2020 was 5.2 percent, reflecting impacts of the economic crash caused by the COVID-19 pandemic.
- Dover residents primarily work in Boston, Cambridge, and surrounding western suburbs; 5 percent are employed in town.
- About 65 percent of the jobs in Dover are in industries where the average wage would be considered low income for a single income household. Only about 20 percent of jobs are in industries where the average wage is above the “low income” threshold for a family of four (per HUD 2021 Income Limits).

Figure 5: Unemployment Rates



Source: MA Executive Office of Workforce & Labor Development (EOWLD)

Dover has a small commercial base, with few employment opportunities relative to the number of residents who are in the workforce, with a jobs-to-workforce ratio of 0.33. About 60 percent of Dover residents over the age of sixteen are in the labor force, while 14 percent receive retirement income.¹ The unemployment rate in Dover was around 2.2 percent in 2019, having fallen from 5.3 percent in 2010. Due to the pandemic, unemployment rates spiked in 2020, averaging 5.2 percent in

Dover over the calendar year, compared with 8.9 percent in Massachusetts overall.² The rate of unemployment in Dover has remained consistently lower than for the state.

About one-third of Dover residents work in Boston; close to 20 percent work within Dover and immediately surrounding towns.

Table 8: Journey to Work (2018)

Where Dover Residents Work		Where Dover Workers Live:	
Boston	32%	Dover	14%
Dover	5%	Boston	7%
Newton	5%	Natick	5%
Needham	4%	Medfield	4%
Cambridge	4%	Millis	4%
Wellesley	3%	Sherborn	3%
Waltham	3%	Walpole	3%
Norwood	3%	Framingham	3%
Natick	2%	Holliston	3%
Framingham	2%	Franklin	2%
All other locations	36%	All other locations	52%
Total Residents in the Workforce	2,513	Total Dover Jobs	869

Source: Census On The Map 2018

¹ ACS 2015-2019

² The annual average for 2020 captures a wide range of conditions, as the economic effects of the COVID-19 pandemic began abruptly in late March, 2020 peaked in the second quarter, and gradually improved in the third and fourth quarters.

Industries describe the type of activity at a place of work — classifying what business, government and nonprofit entities do based on their major products or services, while **occupations** describe what individual workers do — their tasks and responsibilities. About 49 percent of Dover residents work in the Finance, Insurance, Real Estate, Professional Services, Management and Administration industries. The Education, Health Care, & Social Services industries employ 24 percent of Dover’s workforce, and Construction and Manufacturing, employs another 9 percent. Within these industries, over 75 percent of Dover residents are employed in professional, business, and management occupations, compared with 14 percent in sales and office occupations, and 6 percent in service occupations.

Table 8: Industry of Employment for Dover Workforce

Major Industries	Workers
Total Employees	2,708
Construction & Manufacturing	9%
Retail, Restaurants & Hospitality, Arts, Entertainment & Recreation	6%
Finance & Insurance, Real Estate & Leasing, Professional & Technical Services, Management & Admin	49%
Education, Health Care & Social Services	24%
Wholesale trade, Transportation & Warehousing, Information, Other Services	8%
Public Administration	4%

Source: ACS 2015-2019

In addition to the population who currently live in Dover, the Town’s housing needs are also driven by those who work in the town, and by local employers seeking to attract a quality workforce. As of 2020, there were 177 establishments employing 975 workers (year round average). This includes about 558 people employed by the public sector, such as by Dover’s schools, public safety, public works, and other government services. Average wages for jobs located in Dover are significantly lower than median household incomes. Two-thirds of the Town’s jobs, including retail, restaurants, and hospitality, as well as education and health care, pay an average wage below \$75,000 annually, which would be considered low income for most single-income households. Only 2 percent of jobs in Dover are in industries where the average wage is above \$150,000, which is the income required to obtain market rate housing in Dover. **Only a small minority of people who work in Dover can afford to live in Dover.**

Table 9: 2018 Employment and Wages in Dover

Major Industries	Employers	Average Wages	Jobs	% of Jobs
Goods Producing	13	\$65,052	19	2%
Construction	9	\$79,664	13	1%
Service-Providing	164	\$68,016	956	98%
Retail, Restaurants & Hospitality, Arts, Entertainment & Recreation	11	\$33,583	77	8%
Finance & Insurance, Real Estate & Leasing, Professional and Technical Services, Management & Administration	60	\$113,868	173	18%
Education, Health Care & Social Services	17	\$59,072	480	49%
Wholesale trade & Electronic Markets and Agents and Brokers	10	\$209,144	24	2%
Other Services	56	\$50,700	71	7%
Total Employers/Employees	177	\$67,964	975	100%
Industries with average annual wage below \$75,000			637	65%
Industries with average annual wage above \$100,000			197	20%

Source: MA EOWLD, ES-202, 2018

Housing Inventory

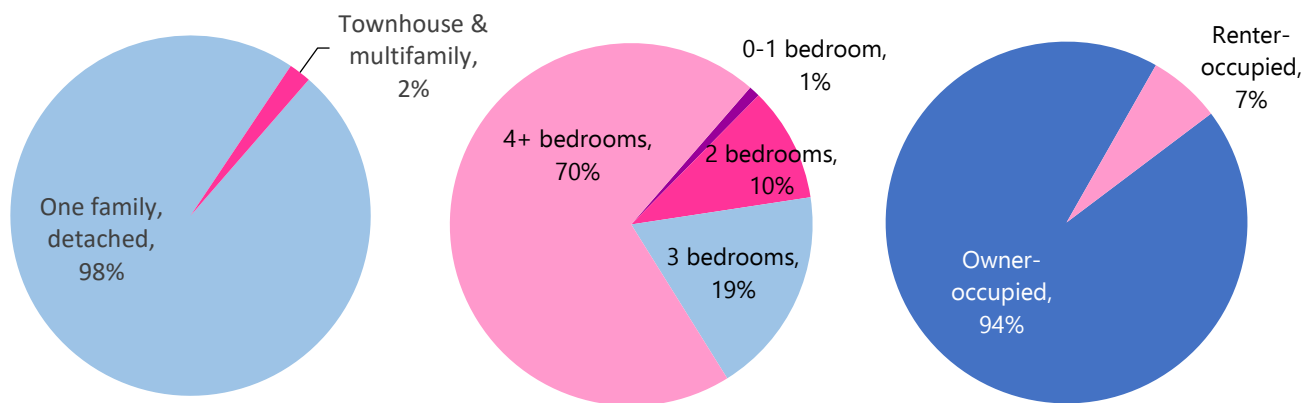
The following section examines Dover’s current housing supply and how it has changed over time. Identifying the physical characteristics, market, and development trends of Dover’s existing housing will contribute to an understanding of housing needs.

Key Findings

- Existing housing in Dover is predominantly larger, owner-occupied, single-family homes.
- Homes are becoming more expensive as the average square footage and lot sizes are growing over time.
- Very little housing exists in Dover that offers an alternative to single-family homeownership.

The Decennial Census in 2010 counted 2,128 housing units, of which 3,403 (95 percent) were occupied year-round. The majority are detached single-family houses (98 percent). Most of these housing units (94 percent) are owner-occupied, and 70 percent have four or more bedrooms. Dover has a limited supply of housing that would be suitable for households seeking smaller housing options, such as young households or seniors wishing to downsize. There are also limited housing units that would be suitable for residents with impaired physical mobility, for people who want to have less property to maintain and/or those who are seeking to rent.

Figure 6: Characteristics of Dover Housing Inventory (ACS 2015-2019)



Vacancy rate provides an indication of the availability of housing for people who are looking to buy or rent. A vacancy rate of 5 percent is considered to be an indication of a healthy level of housing turnover. Currently there is very little vacancy in residential units in Dover. The American Community Survey estimates that approximately 97 units, or 5 percent of the town’s homes were vacant at the time that they were sampled. Common reasons for units to have been vacant are because they were under construction or renovation, on the market for sale or rent, or seasonally occupied. The vacancy rate for owner-occupied units is about 3 percent, and for units available to rent, 0 percent.

Table 10. Residential Vacancy

	Units	%
Vacant Units	97	4.6%
Vacancy Rates		
Owner-occupied		3.00%
Renter-occupied		0.00%

Source: ACS 2015-2019

Local Tax Assessor’s data provides the most current profile of the housing supply (see Table 11). The Assessor’s database identifies 2,014 residential properties in Dover, of which 91 percent are single-family houses, 4 percent

are condominiums, and 5 percent are other forms of structures, including two-family, mixed use, multiple houses, etc. Although Dover has a notable stock of historic residential properties dating as early as 1680, the majority of residential units were built in the mid 20th century. One in four single-family homes in Dover was built in the 1960's, when the town experienced its largest surge in construction. Most of the Town's supply of condominiums are in developments constructed during the 1990's.

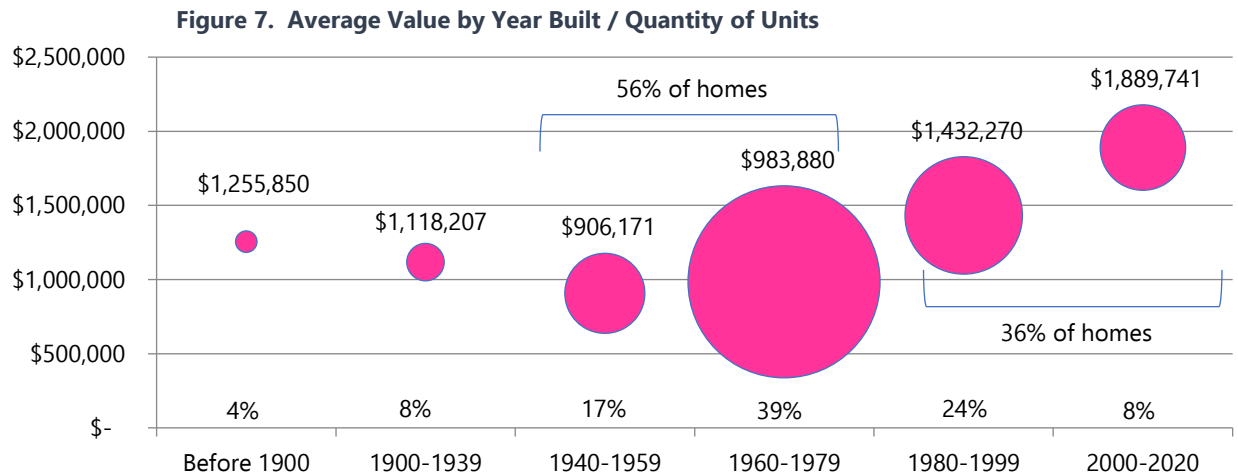
Table 11: Residential Properties by Land Use

Use/Year Built	Properties	Average Lot Size (Acres)	Average Value	Average Living Area (Square Feet)
Single Family	1837	1.99	1234774	4363
1670-1899	66	3.66	\$1,255,850	3,738
1900-1939	130	2.11	\$1,118,207	3,425
1940-1959	283	1.8	\$906,171	3,124
1960-1969	460	1.46	\$939,288	3,436
1970-1979	200	1.78	\$1,086,441	3,924
1980-1989	223	2.25	\$1,300,686	4,773
1990-1999	181	2.58	\$1,594,387	5,789
2000-2009	134	2.68	\$2,097,228	7,356
2010-2020	160	1.75	\$1,715,970	6,100
Condominiums	62	NA	\$485,531	2,236
1990-1999	56		\$431,355	2,042
2000-2009	6		\$991,167	4,048
2010-2020	19		\$740,795	3,463

Other Residential	Properties	Average Year Built
2 Family	21	1925
Mixed Use	23	1946
Multiple Houses on Single Lot	50	1924
Other Residential	2	1946

Source: Town of Dover Assessor's Database, FY2021

Figure 7 illustrates the quantity of housing built in each era, along with the average cost of homes in each cohort. The average cost of homes corresponds with average living area; homes built since 2000 are about twice as large as homes built in the mid-20th century.



Source: Dover Assessor's Database 2021

More diverse housing forms were constructed prior to the mid-20th century, although Dover has few examples of these today, including two-family homes, mixed use, and multiple houses on a lot. Other residential properties include a five-unit multifamily structure and a property classified by the Assessor as a boarding house having 6 units each with a bedroom and bathroom. Dover has very little housing that offers any alternative to high end single-family homeownership.

Development Pipeline

Dover is not generally attracting significant amounts of new development, averaging approximately 158 units a decade since the 1990's. Given Dover's small size, this nevertheless represents a moderate rate of growth, increasing by about 10 percent between 2010 and 2020. A few major housing development projects are currently under construction or in the permitting pipeline. Recently approved projects include:

Regional Context

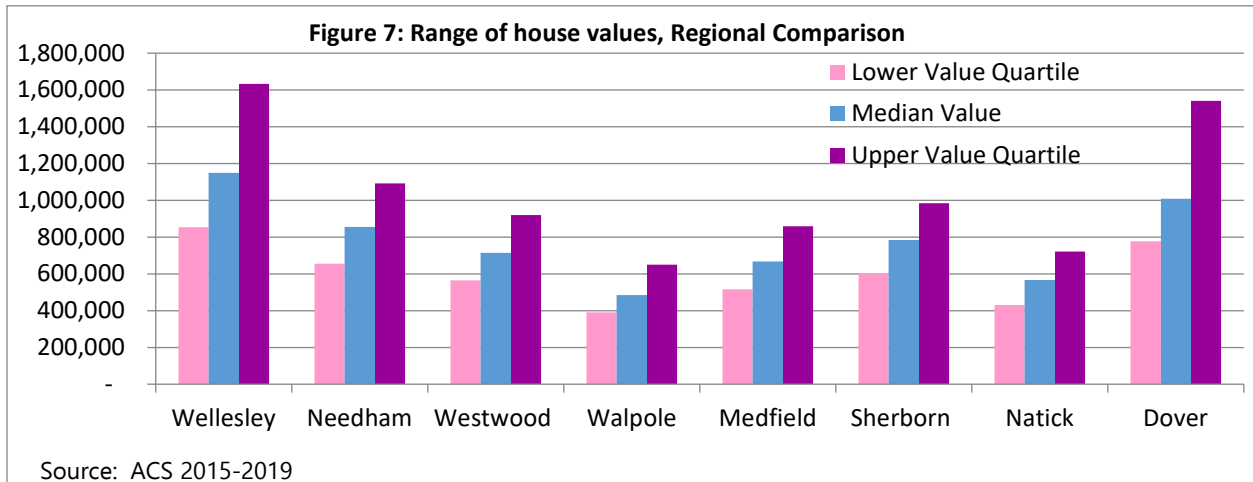
Dover is surrounded by communities with widely varied development patterns. Natick is a larger community with higher density development and more diversity in housing types, while Dover and Sherborn are at the low end in terms of the number of housing units and share of rental housing. Wellesley, Needham, Westwood, and Medfield have moderate patterns of density and housing diversity. Wellesley has the oldest housing stock, by far, with 22 percent constructed since 1980. Two-thirds of Dover's housing stock is at least 40 years old, while Walpole, Medfield, and Natick have a larger share of new housing. The majority of housing stock throughout all of the towns in the region is single family homes. Rental housing options are limited, with the largest quantity being located in Natick. Dover's home values are the second highest among surrounding towns, which spans from a median of \$566,400 in Natick to \$1,149,100 in Wellesley.

Table 12. Regional Context, Housing Inventory

	Housing Units	Average acres per unit	Median Home Value	% Rental	% Detached Single-family	% built after 1980
Wellesley	8,926	0.73	\$1,149,100	19%	81%	22%
Needham	11,309	0.71	\$855,300	16%	76%	31%
Westwood	5,977	1.18	\$713,800	15%	78%	34%
Walpole	9,049	1.45	\$484,800	18%	73%	40%
Medfield	4,354	2.13	\$667,500	13%	83%	37%
Sherborn	1,601	6.40	\$783,800	4%	92%	31%
Natick	15,269	0.63	\$566,400	31%	58%	36%
Dover	2,128	4.60	\$1,008,600	6%	98%	34%

Source: ACS 2015-2019

The range of home values (shown in Figure 7) shows that the nearby towns with the most affordable inventory of housing are Walpole and Natick, where the lower quartile median is around \$400,000, compared with nearly \$800,000 in Dover.



Housing Cost

Housing costs within a community reflect numerous factors, including demand and supply. Where there is insufficient housing supply available to meet demand, prices and rents tend to rise. Housing availability and cost have regional impacts; people who have a connection to Dover or a preference to live in Dover for proximity to family, community, employment, or educational opportunities, may seek housing in other communities if they cannot find suitable housing that meets their needs in Dover.

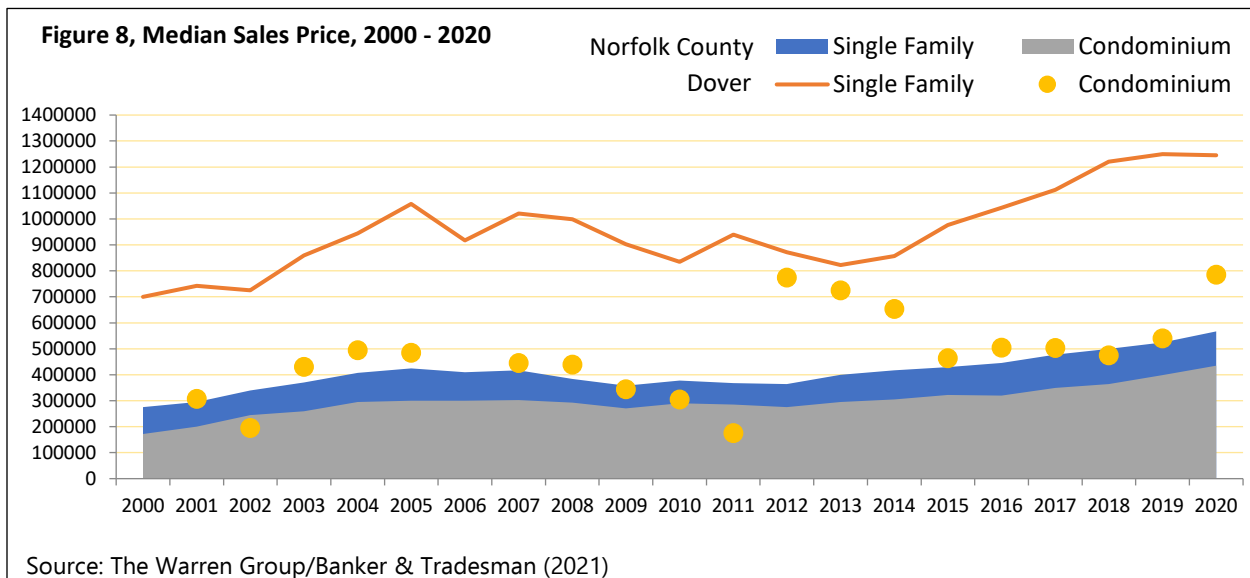
Key Findings

- Dover's home prices are among the highest within the Boston metropolitan region.
- Home prices fluctuated between 2005 and 2013, but have since trended upward at a faster pace than regional market trends.
- The cost of entry-level market rate housing in Dover is affordable to households earning \$150,000 for homebuyers.
- There is too little rental housing available in the community to identify market trends. Market rents likely exceed the monthly ownership cost for carrying a mortgage on comparable homes.

Housing prices in Dover are consistently higher than the median for Norfolk County. The Metropolitan Area Planning Council (MAPC) classifies Dover in a housing submarket described as "premium-priced low-density suburbs with predominantly large, older housing stock in very expensive single-family home neighborhoods with low and declining renter share."³ Fluctuation over the past twenty years has generally reflected volatility in the regional market; prices peaked in the mid 2000's, then dipped around 2006-2013, and have climbed since, well surpassing previous bubble-era 2005 peaks. Overall, median sales prices for single-family houses rose from \$700,000 in 2000 to \$1,245,000 in 2020. As a snapshot of current market conditions, the asking price for homes on the market in June, 2021, ranged from \$649,900 to \$6,500,000, with 20 homes available. Of these, 1 home was priced under \$700,000, 5 homes were priced between \$1,000,000 and \$1,500,000, and 13 homes were priced over \$1,500,000.⁴ One home was on the market as a foreclosure, listed at \$3,482,100.

³ MAPC Housing Submarkets, 2020

⁴ Zillow, June 2, 2021.



Sales prices for condominiums, which represent approximately 1-5 percent of property sales in any given year, have seen steeper fluctuation. Over the 20-year period the median price rose from about \$308,000 to \$785,000. There are currently no condos or townhouses listed on the market.⁵

Given the small supply of rental housing in Dover, at the time of this writing there was only one advertised rental listing, which was for a 3 bedroom single family house listed at \$4,750 per month.⁶ The income needed to be able to afford this rent is \$190,000. By contrast, the income needed to be able to purchase what would qualify as an entry level house in Dover (assuming a purchase price of \$700,000 and a 20% down payment) would be about \$150,000 with monthly housing payments of approximately \$3,750 per month.

Rental housing in Dover is predominantly occupied by households who earn less than the income needed to be able to afford market rents; nearly half (48 percent) of renter households have incomes less than \$100,000, which is considered to be “low income” for a household of 4. As shown in Table 13, renters tend to be less affluent than homeowners, and a larger share of renters are households headed by middle-aged adults with 3 or more people. Young adult households (under age 35) have the lowest rate of homeownership, as they tend to have lower incomes and have not yet accumulated the savings needed for a down-payment. The proportion of homeowners and renters in each age category may be reflective of the cost and availability of housing that meets the needs of households give the stages of their careers and lifecycles.

⁵ Zillow, June 2, 2021.

⁶ Zillow, June 2, 2021.

Table 13: Characteristics of Homeowner and Renter Households

	Owner	Renter	Renters as % of all Households
Dover Households	1898	133	7%
Less than \$50,000	4%	31%	35%
\$50,000-\$99,999	10%	17%	10%
\$100,000 or more	86%	53%	4%
1-2 person households	47%	45%	6%
3 or more persons	53%	55%	7%
Householder under age 35	3%	8%	17%
Householder age 35-64	70%	86%	8%
Householder age 65 and older	27%	6%	2%

Source: ACS 2015-2019

While sales and advertised rent prices reflect the cost for people seeking housing today, ACS estimates median housing values and median rent based on a sample of all units in the community. The ACS estimate for median gross monthly rent in Dover from 2015-2019 was \$2,181, which includes affordable units along with market rate units.⁷ The median value of single-family owner-occupied units was \$1,008,600.

Affordability

In the previous sections, Dover's population, economic conditions, housing stock, and market conditions were examined. This section assesses affordability of Dover's housing for Town residents and employees, which is determined by the intersection of these factors.

Key Findings:

- Over half of Dover's renters and one quarter of homeowners are paying more than they can afford on housing.
- Young adults, seniors, and lower income households are all disproportionately cost-burdened.
- The supply of housing affordable to households earning less than \$150,000 is very limited. About 10 percent of homes are valued at less than \$700,000.
- The town has attracted homeowners with increasingly high incomes, outpacing the growth in home values over the past 10 years. By contrast, the median income of renter households has declined over this time.
- About 2 percent of jobs based in Dover the salary needed to be able to afford housing in Dover (at least \$150,000). Two-thirds of jobs pay less than \$75,000.

A dwelling unit is considered unaffordable to low- and moderate-income people if their monthly payments for housing – mortgage, property taxes, and homeowner's insurance for owners; or rent and utilities for tenants – exceeds 30% of their monthly gross income. By definition, when this occurs when they are *housing-cost*

⁷ Affordable units comprise approximately 14 percent of the Town's total rental housing stock.

burdened. Those whose housing costs exceed 50 percent of their income are considered to be **severely cost burdened.**

The majority of households in Dover are homeowners with a mortgage. ACS estimates that 25 percent of these households pay more than 30 percent of their income on housing, with 8 percent bearing a severe housing cost burden. A smaller proportion of those who own their properties without a mortgage are burdened with housing costs. Among renters, 57 percent of households are cost burdened, with 23 percent paying more than half of their income on rent.

Table 14: Households by Cost Burden by Tenure

Housing Costs as % of Income	Renters	%	Owners w/ Mortgage	%	Owners w/out Mortgage	%
Less than 20.0 %	35	43%	723	56%	480	80%
20.0 to 29.9%	0	0%	255	20%	38	6%
30.0 to 34.9%	0	0%	118	9%	0	0%
35.0 to 49.9%	27	33%	98	8%	58	10%
50.0% or more	19	23%	102	8%	26	4%
Not calculated	52		0		0	
Total	133		1,296		602	
All Cost-burdened Households	46	57%	318	25%	84	14%
Severely Cost-burdened	19	23%	102	8%	26	4%

Source: ACS, 2015-2019

As one might expect, households who earn less than \$50,000 per year are far more likely to be cost-burdened and unable to afford their housing costs than those earning more. All of the households sampled by ACS earning less than \$50,000 pay more than they can afford for housing, while two-thirds of those earning between \$50,000 and \$100,000 pay more than 30% of their income on housing, Young adults (under age 35) have the highest rate of housing cost burden, while seniors are also disproportionately cost-burdened.

Table 15: Cost Burden by Income, Age Householder

Household Income	Cost-Burdened Households	Total % Cost Burdened	Age	Cost-Burdened Households	% Cost Burdened
Less than \$50,000	118	100%	Under 35 years	42	64%
\$50,000-\$100,000	141	66%	35-64 years	283	20%
More than \$100,000	217	13%	65+ years	175	33%
Total	476	23%	Total	500	25%

Source: ACS 2015-2019

According to ACS 2017 estimates, the median income for households in Dover is above \$250,000. About 10 percent of residents earn below \$75,000, while 72 percent earn more than \$150,000. Table 16 provides a comparison of household income distribution and the supply of homes affordable at each income range, based on ACS estimated value of single-family homes. Less than 10 percent of the Town's housing stock is valued so that it would be affordable to households earning below \$150,000.

Table 16: Housing Demand and Supply by Income Threshold

Income (ACS)	Households	% of all Households	Affordable Purchase Price*	Housing by Value	% of Housing
<\$75,000	193	10%	up to \$350,000	27	1%
\$75,000-\$99,999	138	7%	\$350,000 - \$449,999	41	1%
\$100,000-\$149,999	234	12%	\$500,000 - \$699,999	193	7%
>\$150,000	1,464	72%	\$700,000+	1,657	58%

Sources: ACS 2015-2019, Dover Assessor's Database 2021; Affordable price range calculated by Author.

* Assumes mortgage + property tax + insurance payment = 30% of monthly income with 20% down payment, 3.8% interest rate, and estimated tax and insurance.

Property taxes also contribute to housing cost burden, particularly for seniors who often own homes without a mortgage. In 2020, Dover's property taxes averaged \$15,679 for single-family homes, compared to \$6,177 average state-wide (ranking 3 out of 351 cities and towns). The average property tax bill for single-family homeowners in Dover has risen by 34% since 2010, with a property tax rate of \$12.84 per \$1,000, compared to \$10.92 per \$1,000 in 2010.

Median household incomes for homeowners in Dover have increased faster than cost of housing. While home values in Dover have risen by about 11 percent since 2010, the median income of homeowners has increased by at least 51 percent over the same period of time. This is a reflection of the increasing homogenization of Dover's population, where homes are unattainable for first-time homebuyers or downsizers. Meanwhile the median income of renters actually declined by 12 percent. (Median gross rent was expressed as a range in 2010, so it is not possible to compare how rents have changed.)

Table 18: Change in Median Housing Costs and Median Income

	2010	2019	Change 2000-2019	% Change
Median Value Single Family Owner-Occupied Units	\$912,000	\$1,008,600	\$96,600	11%
Median Gross Rent	\$2000+	\$2,181	\$181	9%
Median Household Income Homeowners	\$165,833	\$250,000+	\$84,167	51%
Median Income Renter Households	\$114,028	\$100,795	\$(13,233)	-12%

Source: ACS 2006-2010, 2015-2019

The increase in median household income for homeowners may be a reflection of the income required to be able to obtain housing in Dover, rather than actual growth in income. It should also be noted that given the high proportion of income-restricted units in Dover's rental housing supply, the households who can obtain rental housing are more likely to have low incomes. However, despite the relative increase in housing costs vis a vis household income, the proportion of cost-burdened households has declined, from 28 percent of households in 2010 to 20 percent in 2019. The local decline in cost-burdened households is not reflective of a declining regional need for more affordable housing; that need is growing. It simply demonstrates the existence of barriers for low- and middle-income households to access housing in Dover.

Table 19: Change in Cost Burden

	2010	2019
Pay More than 30%	28%	20%
Pay 30-49%	17%	13%
Pay 50% or more	11%	6%

Sources: Census 2000, ACS 2015-2019

About 2 percent of jobs in Dover are in industries in which the average wages are sufficient to be able to afford housing in town. At the lowest end of the wage scale – including retail, restaurants, and other services – workers

may earn less than half the income required to rent, while those employed in education and health care, the Town's largest employment sector, earn well below the threshold needed to access market rate housing. Jobs that pay enough to comfortably support the cost of housing comprise approximately 20 percent of employment opportunities in Dover. In order to support economic vitality and reduce reliance on regional commuting, more affordable housing is needed for people who work locally.