

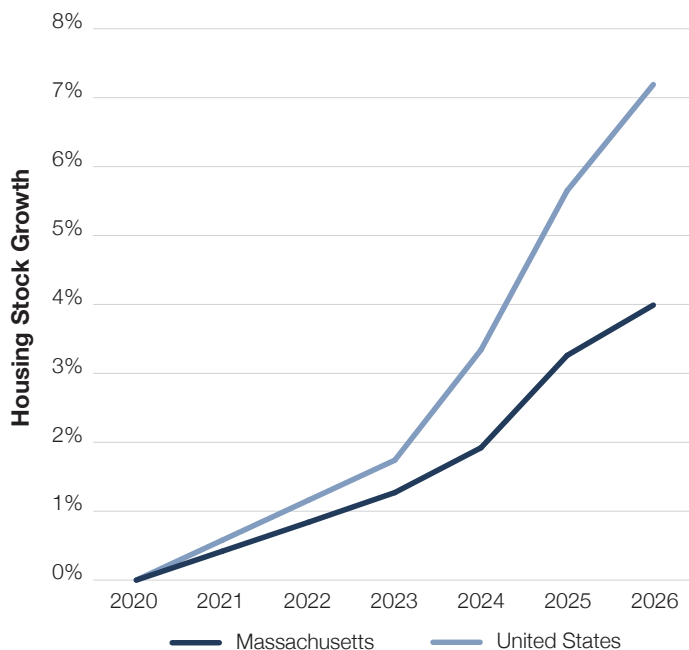
CENSUS BUREAU: MASSACHUSETTS HOME CONSTRUCTION HAS ROUGHLY TRACKED STATE GOALS, LAGGED MOST OF THE COUNTRY

According to the U.S. Census Bureau's [address count listing files](#), Massachusetts added 21,891 units to the housing stock between July 2025 and July 2026. The figure is [a marked slowdown](#) in home completions from July 2024 to July 2025 (40,069), but still faster than the overall pace of production since 2020 (19,925 homes per year on average).

It's also much slower than the pace of construction in the nation as a whole. Massachusetts expanded its housing stock by about 4 percent between the 2020 Census and July 2026, while the United States expanded its housing stock by 7.2 percent (see Figure 1). On a per capita basis, Massachusetts ranked 39th in the pace of its housing stock growth from April 2020 to July 2026 and 44th from July 2025 to July 2026.

Within Massachusetts, Suffolk County—which includes Boston—and Nantucket had the fastest growing housing stocks since the 2020 Census. Hampden County—which includes Springfield—had the slowest-growing housing stock over the same period.

Figure 1: Cumulative Housing Stock Growth Since 2020 in Massachusetts and the United States*



*Housing stock figures are compiled in July of each year

A Federal Reserve working paper found that, from 2021 to 2024, an influx of unauthorized immigrant workers of 1 percent of the existing employment base was associated with a 2.2 percent increase in home prices and a 1.4 percent increase in market rents at the metropolitan level.

[Source: [Federal Reserve Bank of Dallas](#)]

FACT OF THE MONTH

Notably, the 21,891 homes added between July 2025 and July 2026 reflect [a very similar pace](#) to the 10-year, 222,000-unit production goal set in the state's [A Home for Everyone](#) report from February 2025. In June, using the same address files data, the Executive Office of Housing and Livable Communities (EOHLC) [noted](#) that Massachusetts added 34,561 homes between November 2024 and November 2025.

But this relatively fast pace of home construction largely reflects [a backlog of development projects that were delayed during COVID](#) and the ensuing [national rise in interest rates](#). According to the Census Bureau's Building Permits Survey, the number of new homes authorized to be built in Massachusetts [hit a 13-year low](#) in 2025. Thus, for the next few years, stakeholders should expect a relatively slow pace of new construction in Massachusetts unless there is substantial intervention and/or market shifts.

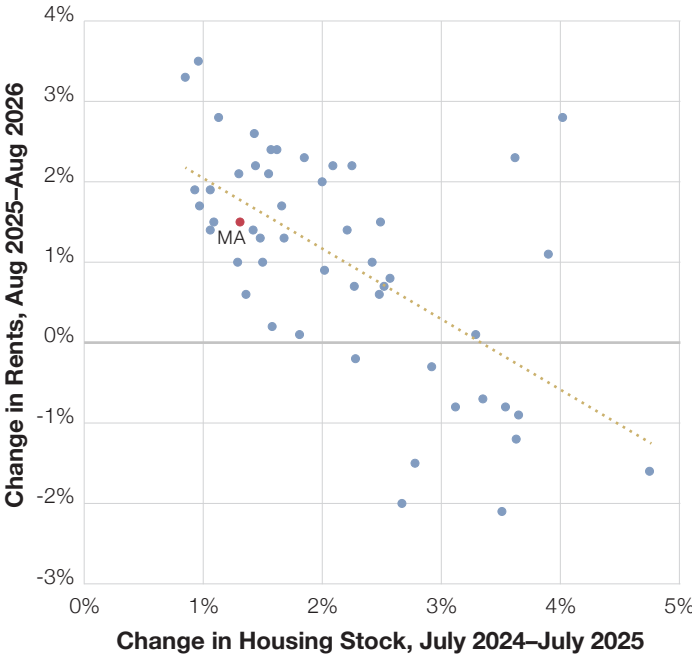
With the national surge in home completions in 2024, residential rents stabilized or even fell in many states, including [Arizona](#), [Colorado](#), and [Texas](#). But slower-growing regions in the Northeast and Midwest have seen rents continue to rise, including by more than 3 percent year-over-year in Illinois and Rhode Island. At the state level, there is a substantial negative correlation between [annual housing stock growth](#) and [rent growth the following year](#) (see Figure 2).

RECENT OP-ED

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Figure 2: Correlation Between State-Level Housing Stock Growth from July 2024–July 2025 and Change in Average Residential Rents from August 2025–August 2026



Since 2024, some economic indicators [have softened substantially](#) in Massachusetts. Median rents have declined in [Gateway Cities like Everett and Peabody](#) even as rent growth remains positive in [major enclaves like Boston](#). It’s unlikely that Massachusetts would need to sustain housing stock growth rates of, say, 3 percent per year—as Idaho, Texas, and Utah [have done](#) since 2020—to achieve healthy vacancy rates and improve affordability in the long term.

But some analyses conclude that the needed pace of construction is substantially faster than what Massachusetts has attained in recent memory. CommunityScale, an urban planning consultancy based in Cambridge, [has estimated that](#) Massachusetts would need to build 271,774 new homes over a five-year period (about 1.7 percent growth per year) to “accommodate projected growth while addressing existing market imbalances.” The 21,891 homes Massachusetts added from July 2025–July 2026 represent a 0.7 percent growth rate.

“

The building code demarcation naturally incentivizes either the largest duplex you can build under the residential code or the largest multifamily structure you can build under the commercial code. The losers of this framework are the small starter house and small multifamily housing.”

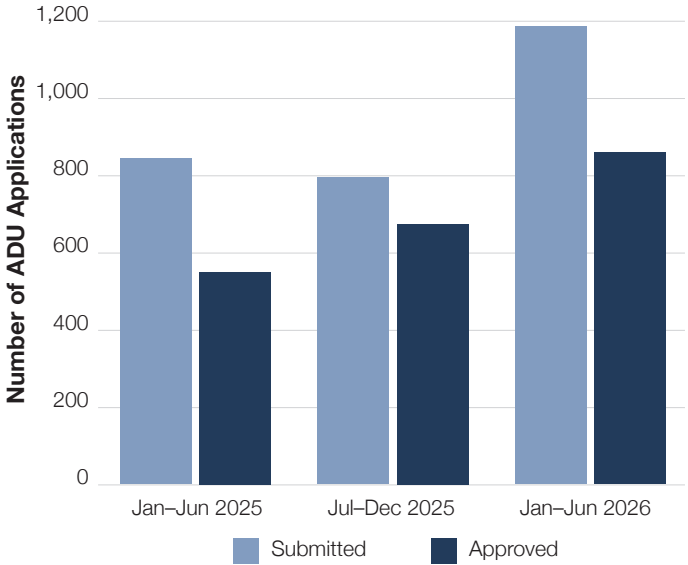
Architect and educator [Sam Naylor](#)

QUOTE OF THE MONTH

EOHLC’S AUGUST 2026 SURVEY SHOWS HIGHEST NUMBER OF ADU APPLICATIONS ON RECORD

On August 12, 2026, the Massachusetts Executive Office of Housing and Livable Communities (EOHLC) completed its third semi-annual [accessory dwelling unit \(ADU\) survey](#) of municipalities. Against a backdrop of [low and declining permitting volumes](#) for new housing statewide, the number of new ADUs authorized across the Commonwealth is accelerating (see Figure 3). At least 860 ADUs were approved at the local level from January to June 2026, up from 550 in the corresponding period in 2025.

Figure 3: Number of ADU Applications Submitted and Approved in Massachusetts, January 2025–June 2026



ADUs are small homes located on the same tax parcel as larger, “principal” dwellings, often in backyard cottages, attached additions, or attic or basement apartments. The Affordable Homes Act of 2024 legalized ADUs statewide, with related regulations finalized [in February 2025](#).

Before then, ADU production in Massachusetts was sparse. One 2018 survey of several dozen Massachusetts communities found that most authorized [no more than one or two new ADUs](#) in a given year. In the first half of 2026, [57 communities](#) approved at least five ADUs, including highly desirable suburbs like Andover and Brookline.

In total, 2,084 ADUs were approved statewide between January 2025 and June 2026, likely an undercount since 28 communities [haven’t responded](#) to any of the state’s ADU surveys. Based on preliminary estimates of monthly permitting [from the U.S. Census Bureau](#), those 2,084 ADUs accounted for 10.9 percent of the total new homes authorized in Massachusetts over that year and a half period.



An ADU in Chatham, Massachusetts.

Lowell permitted [the most ADUs](#) of any Massachusetts municipality from January 2025 to June 2026 (53). Meanwhile, Boston has received the most applications for ADU building permits over that period (118). Boston's 42 percent ADU application acceptance rate (compared to 74 percent statewide) likely reflects the fact that, as of this writing, building ADUs still [requires discretionary waivers](#) of underlying zoning rules. Boston is [the only community in the state](#) not subject to the state law that legalized ADUs by right. An [ongoing reform effort](#), dubbed the "Neighborhood Housing Zoning Initiative," aims to allow more ADUs without discretionary approval processes in the city.

While larger cities like Lowell, Boston, Somerville, and Lawrence dominate the list of most ADUs permitted overall, five of the top six communities by per capita ADU permits issued are in the Cape & Islands region. In such vacation and retirement destinations, ADUs could be a good way of providing much-needed workforce housing as well as easily navigable and low-maintenance living arrangements for seniors.

The most recent ADU survey also asks municipal officials to list the number of ADUs that have completed construction and been occupied since January 2025. In that category, Chelsea leads with 18.

Massachusetts' ADU legalization has allowed new homes to be built in existing single-family neighborhoods at a scale that was previously very uncommon in most of the state. While many types of housing face [high regulatory and financing barriers](#) to breaking ground, ADUs provide a framework for community-driven and incremental growth in the housing stock. The inclusion of [a statewide duplex legalization provision](#) in a pending economic development bill is a testament to the ongoing salience of broad-based incremental zoning reforms.

COMING SOON

Upcoming issues of *The House Call* will include segments on:

- Takeaways from the midterm election
- 2025 American Community Survey data
- And more!