

# TENANTS OPPORTUNITY TO PURCHASE ACT: HOUSING RESEARCH 2019-2020

The data pictured here represents the sale of 309 multifamily rental properties with four or more units, in the 12 month period immediately prior to the COVID-19 lockdown. The research represents over 4,800 housing units in Gateway and Hub cities in the State of Massachusetts. Data was aggregated using CoStar Research. For more information, visit [TOPA4MA.org](http://TOPA4MA.org).



## MAP OF OBSERVED CITIES



**Hub Cities:** Boston, Cambridge, Somerville

**Gateway Cities:** Brockton, Chelsea, Chicopee, Fall River, Fitchburg, Gardner, Holyoke, Lawrence, Leominster, Lowell, Lynn, New Bedford, Pittsfield, Salem, Springfield, Taunton, Worcester

# Research Highlights:



## Two-thirds were all cash sales.

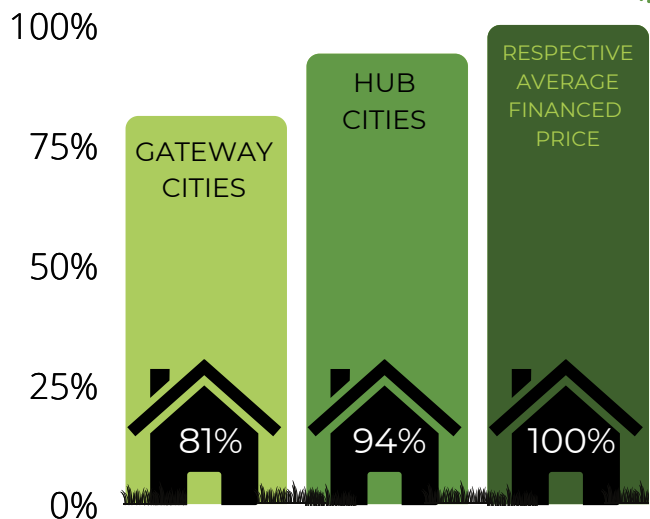
Cash sales do not have the same regulations regarding the condition of the property, whether there is lead paint or toxic materials in the home, or what the current rents are.



Private, off-market sales represent a significant portion of all sales (33% in Hub cities; 50% in Gateway cities).

These sales are done without brokers, and thus unknown to members of the public, including local planners and housing officials.

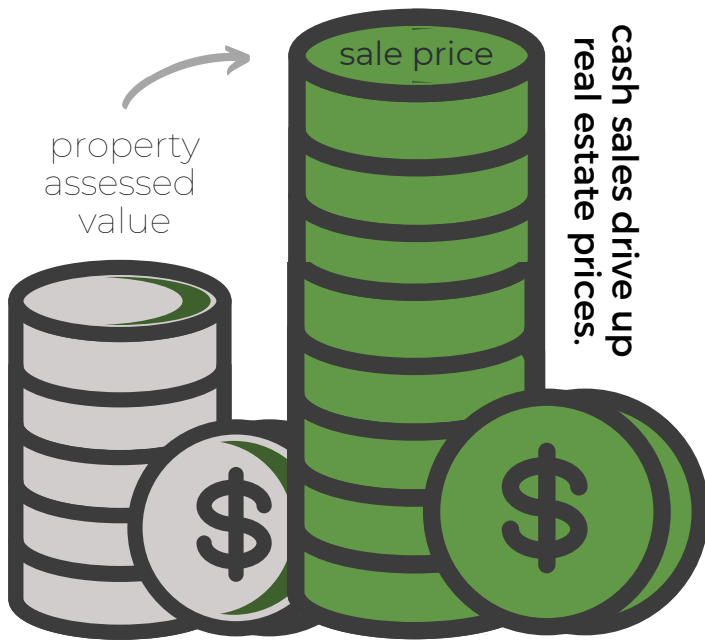
## The overall price per unit for cash sales was 13% lower than financed sales.



The price per unit for cash sales was most dramatically lower than financed sales in Gateway Cities (by 19%).

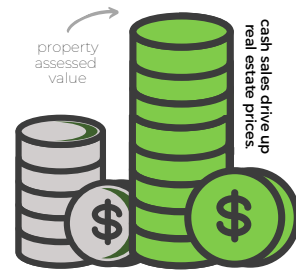


Sellers appear to be willing to discount prices if they do not have to deal with financing contingencies. (hazardous waste clearances, deleeding certifications, delays of scheduling appraisal).



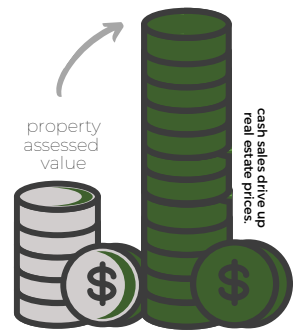
In total, the sale prices of all properties was **62% higher** than their aggregate assessed values.

### In Gateway Cities



Average sales were **59%** above the property's assessed value.

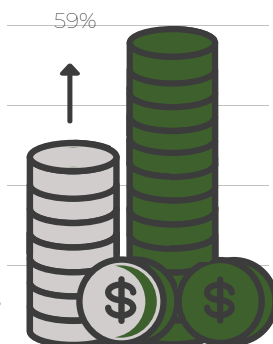
### In Hub Cities



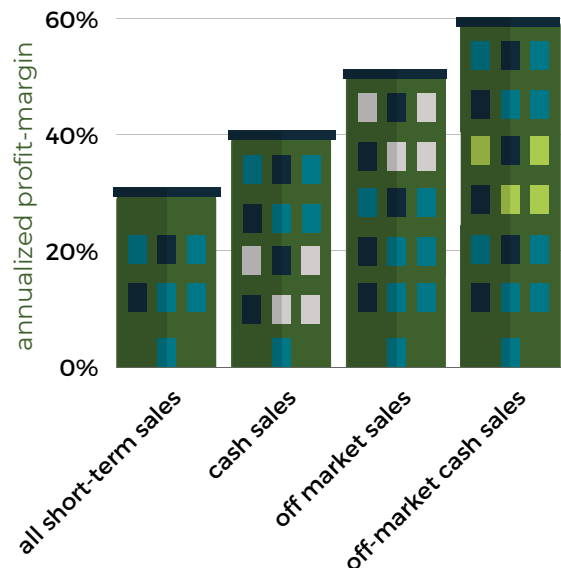
Average sales were **more than double (213%)** the property's assessed value.

## Short-term sellers make enormous profits from speculation in Gateway & Hub cities.

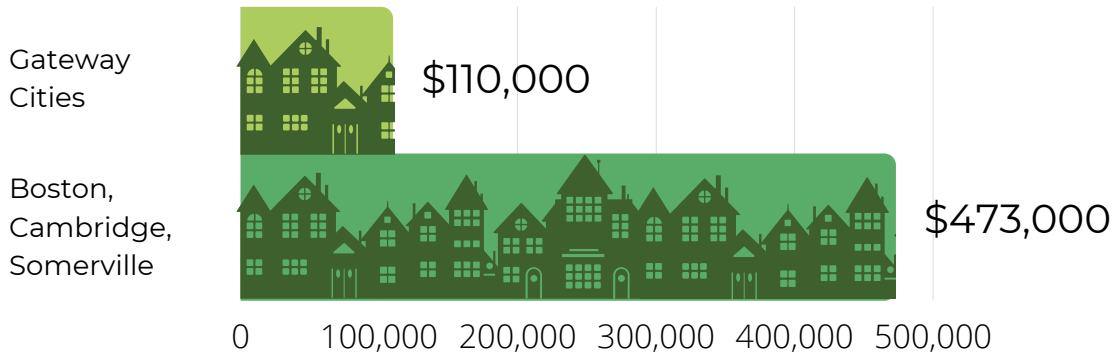
Properties in Gateway & Hub cities that were purchased & "flipped" in under **3 years** resulted in an average profit of **59%**.



TOPA stabilizes the market by supporting non-speculative, occupied ownership.

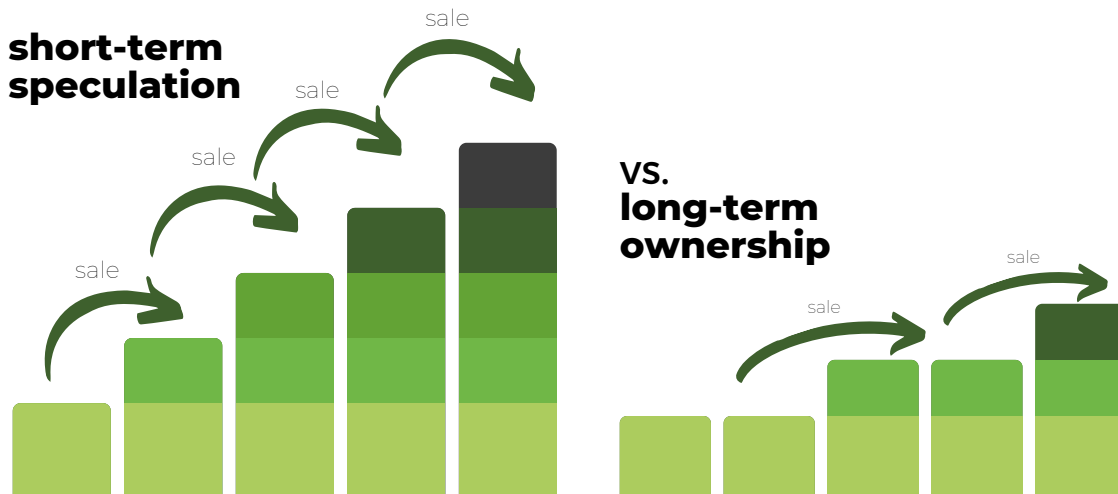


In **GATEWAY CITIES**, the per unit sale prices are drastically lower than the prices in the **HUB CITIES**.



TOPA can help preserve and protect **naturally occurring affordable housing** in the Gateway Cities.

In **HUB CITIES**, the relentless churning of properties is driving up prices at an astronomical rate.



Local programs to subsidize the acquisition cost of such properties are running out of funds and unable to pay for the urgent capital repairs that these properties need.

**TOPA stabilizes the market** by supporting non-speculative, occupied ownership.

# TOPA IN ACTION

A Closer Look at First Right Purchase in DC: 1417 N Street Cooperative Association

## THE 1417 N ST. COOPERATIVE ASSOCIATION

Located in the Logan Circle neighborhood in DC's Ward 2, the building consists of 84 housing units which the tenants purchased in July 2011 with help from DCHD's First Right Purchase program.



## PRIOR TO PURCHASE

The tenants had been faced with poor living conditions including rodents, leaks, and mold.



## TENANTS FACING DISPLACEMENT

After realizing that many of the current residents would no longer be able to afford to live there, the tenants organized, formed a tenant association, and six years later purchased their building with technical assistance from the Latino Economic Development Center.

## SINCE PURCHASING THEIR BUILDING

the tenants have begun repairs and plan to do significant rehabilitation as well as add a childcare center.



## BECAUSE OF THE FIRST RIGHT PURCHASE PROGRAM

The 1417 N Street Cooperative Association is still home to low and moderate-income families and individuals in one of DC's more expensive neighborhoods.

### STORY PROVIDED BY:

DC Fiscal Policy Institute, "DC's First Right Purchase Program Helps to Preserve Affordable Housing and Is One of DC's Key Anti-Displacement Tools," [www.dcfpi.org](http://www.dcfpi.org)