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## **Is warm weather finally here? Is there hope springing out in Boston's building industry? - by David O'Sullivan**

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David O'Sullivan

As the city of Boston slowly shakes off the remnants of winter, a sense of renewal begins to emerge. While the sidewalks may still bear the traces of snow and the trees remain bare, the promise of warmer weather brings a collective sigh of relief to the building industry. Construction teams can finally push forward without the persistent challenges of frozen ground and frigid temperatures. Spring has officially arrived, and with it comes new opportunities and fresh perspectives on the state of the building market.

Nationally there are some signs pointing to improvement. February marked a significant turning point for housing starts, jumping by 11.2% compared to January. This equates to an annual rate of 1.5 million units, which is still 2.9% lower than the same period last year, but an encouraging rebound, nonetheless. Single-family home starts saw an even more impressive rise of 11.4%, reaching an annual rate of 1.1 million units. Although permits dipped slightly last month, the uptick in starts signals a revitalized momentum as spring construction gears up. Moreover, sales of existing homes surprised analysts with a 4.2% increase, reaching an annualized rate of 4.26 million units. These defied expectations of a 3% decline, underscoring the ongoing demand despite challenges within the housing market. The median sale price reflects a 3.8% increase from last year, illustrating that while the market has cooled from its pandemic-driven peak, the desire for homeownership remains steadfast.

Boston's economic outlook remains bright, with the unemployment rate sitting at a modest 3.8% last month, below the long-term average of 5.28%. This economic stability is largely supported by a diverse range of industries, including healthcare, biotechnology, finance, technology, and education. As a result, the city continues to attract professionals from all walks of life, fostering a dynamic urban environment that seamlessly blends tradition with innovation. This is not without some warning signs with the uncertainty in funding for research and education coming from Washington, DC. Our area relies heavily on this funding. This diversity not only enhances economic resilience but also supports the housing market. As more individuals and families choose Boston for career growth and quality of life, the demand for residential properties remains robust. From the historic charm of Beacon Hill to the family-friendly neighborhoods of Newton and other suburbs, Boston's varied communities continue to appeal to both locals and newcomers alike.

There has been a strong effort to address the Massachusetts housing crisis with the MBTA zoning and the Housing Bond Bill, both of which are showing signs of success. These legislative efforts aim to address long-standing barriers to affordable housing. The Unlocking Housing Commission's recent report sheds light on critical recommendations to bolster the housing landscape in Massachusetts. Among the most notable proposals is the creation of an Office of State Planning, reminiscent of the state planning office that existed in the mid-1970s. Back then, under the leadership of Frank Keefe, the office focused on growth policy and city and town center planning. Reviving this concept in 2025 holds the potential to unify urban development strategies, prioritize affordable housing initiatives, and support comprehensive planning across the state. As the area's building industry continues to evolve, establishing a modern planning office with real authority could be instrumental in shaping the future of development.

Inclusivity is increasingly becoming a cornerstone of Boston's building sector. At a recent event, Mass. Housing secretary Edward Augustus joined Eastern Bank chairman Bob Rivers to discuss mobilizing emerging developers, particularly those from underrepresented communities. In line with Massachusetts' commitment to diversity, the state continues to champion programs that break down barriers to entry for developers of color. By investing in diverse builders, Boston not only addresses its housing crisis but also enriches the industry with new perspectives and innovative solutions.

As our local building industry embarks on a new season, optimism permeates the air. The increase in housing starts and the rise in existing home sales signals that demand remains strong, despite lingering economic uncertainties.

Spring is more than just a change in weather, it's a time of hope and progress. As the landscape transforms, both physically and ideologically, the building industry is prepared to capitalize on renewed energy and opportunities. Whether it's breaking ground on new housing developments, nurturing emerging talent, or pushing for comprehensive planning, Massachusetts is set to bloom in more ways than one.

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