



Boston's affordable housing crisis and the impact of corporate short-stays

Journalism article written by Jin YC, originally submitted April 2020. Edited June 2026.

At an [annual population growth rate of around 3.1%](#) Boston is rapidly running out of affordable living spaces, but not due to a lack of housing units in the city.

Boston's rental regulations

As of January 2019, owners of short-term rental units are now [required to show proof](#) that they are currently residing in the unit they are listing, among other restrictions. Before, the lack of rental infrastructure, allowed corporate short-stay companies, such as Airbnb, to create a vast network of rentals without any form of verification.

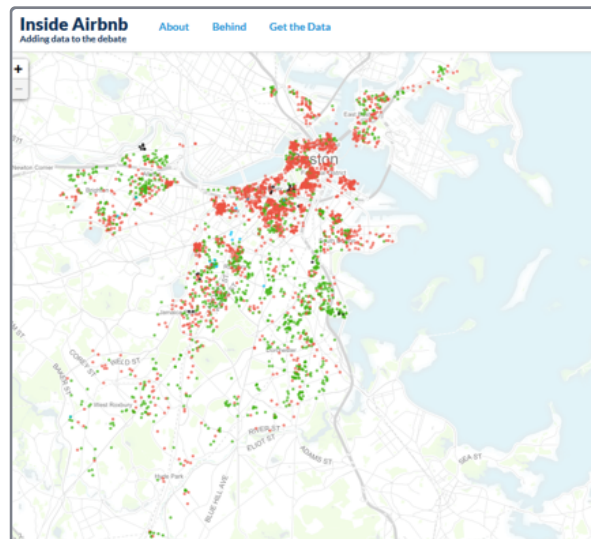
The City of Boston, in response to a public records request for information on rental units in the area, provided a link to a [basic spreadsheet of registered short-term listings](#). The data did not specify whether the units were for affordable housing or the years of the listings, and the office of public records was unresponsive after further requests.

Where is the affordable housing?

Several housing advocacy organizations in Boston answered the query on why affordable housing is so difficult to find. They include:

- Alliance of Downtown Civic Organizations (ADCO)
- Boston Tenant Coalition (BTC)
- Chinese Progressive Association (CPA)
- Fenway Community Development Corporation (Fenway CDC)

These organizations share a common enemy: **corporate short-stay entities.**



Public data from [Inside Airbnb](#) reveals the immense short-term rental presence in Boston, totaling 3,507 units in 2020 alone.

The long shadow of Airbnb

Until around 2015, **Airbnb** was not well known in the cities. But in just four years, the company has expanded their presence in Boston and other large cities. With it has come a plethora of fake homeowners and rental listings.

Now, the large number of short-term rentals often overshadows the markets for both long-term and affordable housing.

Common corporate short-stay tactics

“Corporations, or small real estate brokers or short stay companies were all masquerading as individual homeowners,” says Richard Giordano, the director of policy and community planning at the **Fenway CDC**. “These companies, they get one registration number and try to use it for 20 units.”

Corporate short-stays either try to bulk-lease apartments or negotiate development deals with landlords, where they control around one-quarter to one-third of the apartments.

In addition, many real estate agencies take unoccupied housing units off the market. Giordano stated that it is a common practice for real estate agencies to delist their units and wait for short-term rentals to push up the average rent price. Only once it reached a certain threshold would the units be put back on the market--for far higher than a fair value.

In Boston alone, Airbnb and other corporate short-stays have taken about 4,000 to 6,000 apartments off the rental market. Ever since the new regulations went into place, organizations like the **Fenway CDC** and the **BTC** have seen a noticeable reduction of Airbnb listings on the market.

Registration loopholes

“[City officials] really have to police the zoning commission hearings,” says Giordano, describing a loophole the companies have been trying to exploit after the new regulations were put into effect. “Because now the corporate entity guys are trying to get listed as executive suites. They’re all trying to get exemptions.”

While following new restrictions, the short-stay companies have looked for other methods to bypass them. This includes applying for the unit to be considered an “**executive suite**,” which would exempt the unit from the short-term registration requirements.

In January 2020, the [Boston Zoning Committee held a public hearing](#) discussing the issue of executive suites and their exempt status. The new zoning amendment now requires a full public hearing process to approve the executives suites.

[ADCO](#) claimed that **only 20%** of Airbnb listings had been formally registered with the city. They estimated that most were listed as executive suites, thereby almost completely avoiding the new regulations.

“Of course now, there’s hearings all the time,” says Giordano. While the new amendment was meant to close the loophole, it merely caused an influx of zoning approval requests. “It will take another year or two to get this more or less sorted out. They’re going to keep going until someone cracks down on them.”

Impact on ethnic communities

Another aspect to consider is the location of most of the short-stay rentals. In particular, areas such as Fenway, Back Bay, Jamaica Plain and Chinatown have seen the worst impact from Airbnb and corporate short-stays.

Chinatown, in particular, has seen more than its fair share of excessive luxury developments.

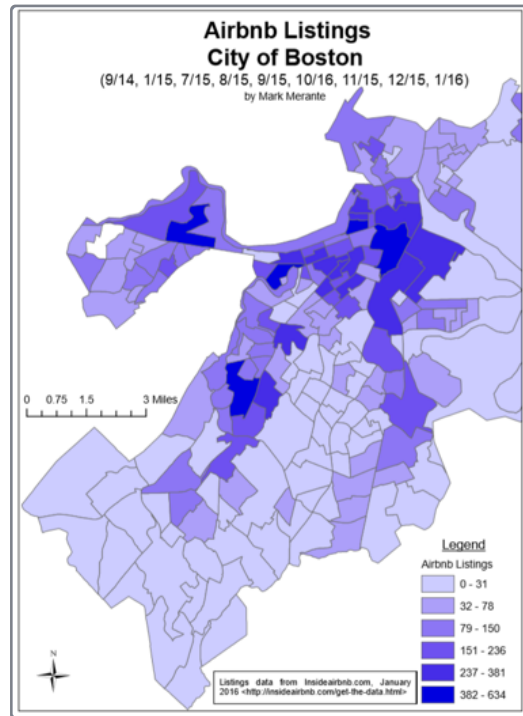
“In the last 15 years... because of a lot of private housing, actually, the rental price went up,” says Karen Chen, the executive director of the **Boston CPA**. “And that used to be all low income [housing].”

Chinatown specific organizations, such as the Asian Community Development Corporation (ACDC) work to build affordable housing in the area. But the demand vastly outnumbers the supply.

“In the last five years, a lot of these buildings were turned into short-term rental,” says Chen.

“All these people [rushed], once the short-term rental ordinance passed, to get a second suite. And that’s because they want to use it as a way to maintain the value of the property.”

In a [long-term study by the Displacement Research and Action Network](#) (DRAN) for residents of Chinatown, DRAN and the Boston found that **80%** of their survey respondents experienced some kind of housing insecurity.



A 2016 report by Mark Merante and Keren Mertens Horn shows a map of Airbnb Listings by Census Tract

The never-ending rental rise

Rent costs are steadily on the rise, in line with increased property value, and building and construction costs. Based on rent statistics from <http://realestate.boston.com>, the average price for a one-bedroom apartment in Chinatown is just over **\$3,000 a month** in 2020.

“[Even] affordable housing isn’t so affordable,” says Kathy Brown, the coordinator of the BTC. She cited needing around a **\$50 hourly wage** to afford a two-bedroom apartment in the city. “One of the most important [considerations] is looking at rents versus wages.”



Luxury Apartments on Washington St. in Chinatown, where a studio space costs over \$3,000 per month

Rent prices only continue to go up because most construction projects involve luxury apartments. Furthermore, annual median income (AMI), used to set benchmarks for affordable housing costs, has declined over the past two years. Rent prices have shown marked increases.

Not-so inclusionary policies

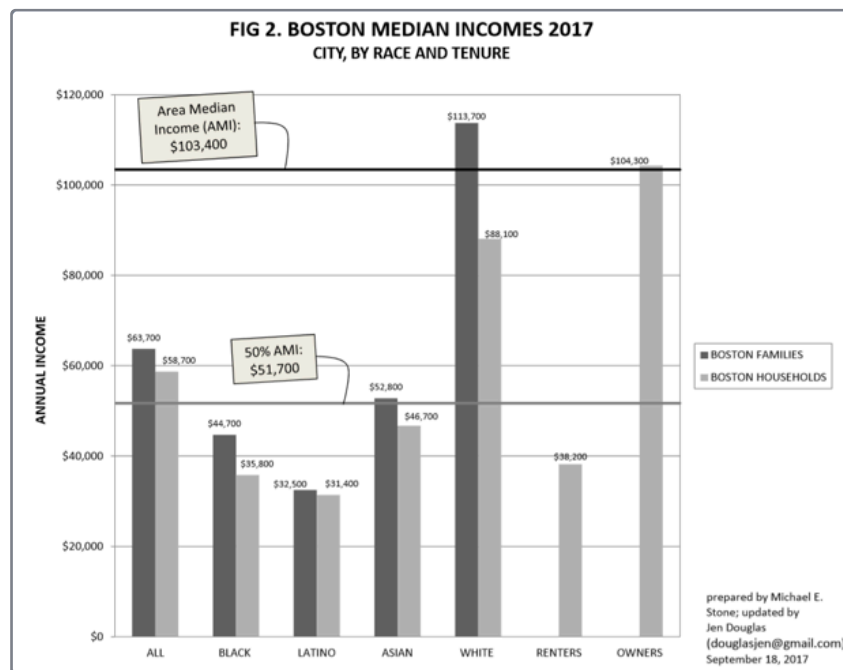
The [Boston Inclusionary Development Policy](#) (IDP), which the BTC and other tenant advocacy groups push for, have certain requirements for housing developers.

- Real estate agencies must make 13% of their units affordable housing units, OR
- Donate to the affordable housing funds when their projects create 10 or more units

Advocates like Brown believe it is possible that agencies are purposefully creating projects with nine or fewer units, sidestepping the regulations entirely.

Furthermore, the executive order is that the rents in IDP units still have to be 70% of what the area median income is, according to Giordano. Over the years, however, the requirements have gotten tougher, with incomes that don't match the constant increases in rent costs.

In a chart prepared by Michael Stone from the BTC in 2017, communities of color are also clearly shown to be at a disadvantage in affording IDP rental units.



A comparison of annual median income (AMI) in Boston, as well as a comparison between renter and owner AMI, by Michael Stone in 2017

“We need to find out different ways to really address... communities of color that have been disproportionately affected,” says Brown. “We’re asking for [a raise to] a third of the housing to be affordable.”

A raise of 33% from 13% would more-than-double the amount of affordable housing units, which, at most, are only one-eighth of total rental units.

With the combination of inadequate affordable housing opportunities, coupled with a lack of non-corporate rental listings, however, it is unknown whether the City of Boston's housing crisis will be fixed any time soon.

"The housing crisis [is] captive to its own creations," says Giordano, as he looks over a long spreadsheet of requests from affordable housing applicants.

"The end result is what kind of project pays all the costs: luxury. We're building the wrong kinds of apartments."
