HOUSING STUDY & ANALYSIS

SALEM, MA | 2020-2035

HISTORIC SALEM INC

Prepared by Historic Salem, Inc. (HSI)
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Housing Study & Analysis - Salem, MA

Like many cities across Massachusetts and, indeed, the country, Salem has made housing an overarching priority. In his January 6, 2025, State of the City address, Salem Mayor Dominick Pangallo cited housing creation and affordability as a primary focus for the city and his administration. He set a goal of 2,200 new units by 2035, excluding smaller infill or accessory dwelling units (ADU). Mayor Pangallo shared,

> *We need more homes of all types to protect our existing affordable units and create more opportunities for reasonably priced housing. Our vision is for a Salem where people who work here can also afford to live here, and people who live here can afford to age in place here.*[1]

A year later, in his January 5, 2026, inaugural address, Mayor Pangallo reaffirmed his belief that housing remains a critical need for the city of Salem and suggested a 1% per year increase in housing was feasible over the next nine years. Given Salem's existing 21,490 housing units in 2025, this number coincides with his earlier call for 2,200 new units by 2035.[2]

Historic Salem, Inc. (HSI) applauds the mayor and his administration for their foresight and hard work on the housing issue in our city of Salem. As Salem's established preservation conscience, our organization has compiled 2020-2026 housing development data. Given the substantial housing production since 2020, HSI believes now is an opportune time to review progress to date, and to assess the impact on infrastructure, neighborhood character, and environmental resilience created by future housing development projects.

Key Summary Findings

The 2020-2026 housing development data below summarize a comprehensive study HSI created using public data from city records and Salem Planning Board decisions. The detailed project data are included at the end of this report.

As of June 2026, the numbers tell us that:

- The mayor's commitment to build housing of all types by 2035 is well underway. Between 2020 and 2024, HSI found a dramatic increase of 659 new housing units, including 124 affordable (19%). HSI determined that the city has built or expects to complete an additional 488 new units by the end of 2026, of which 204 (42%) are affordable.
- Housing production is now surpassing the mayor's annual target, positioning the city to reach 2,200 units well before 2035.

[1] City of Salem, *State of the City Address, Mayor Dominick Pangallo*, January 6, 2025, pp. 3-4.
[2] City of Salem, *Inaugural Address, Mayor Dominick Pangallo*, January 5, 2026, p. 4.

- Even more significantly—even if not all permitted projects are developed by the end of 2034, Salem will still be well ahead of its target. As of the first half of 2026, 1,018 housing units were permitted. Of those permitted units, 267 (27%) will be affordable. This number excludes the proposed units at Shetland Park.
- Data under Other Projects are included to indicate additional impacts on city infrastructure.

With this summary of the city's success in hand, HSI feels that the time is right for the city to review its projected housing development needs with particular attention to the three major areas awaiting zoning review. These are Shetland Park, Highland Avenue, and Jefferson Avenue.

Where do we go from here?

Given the progress already made toward Salem's housing goals, the city has the time and flexibility to shape the remaining major development areas in a manner that balances housing production with infrastructure requirements, neighborhood character, and environmental resilience. This thoughtful approach is vital because the three remaining development areas not yet zoned — Shetland Park, Highland Avenue, and Jefferson Avenue — present far more complex planning challenges. These include rising sea levels, traffic congestion, neighborhood impacts, and the capacity of existing infrastructure and public services, including water and sewer, electrical, telecommunications, waste management, and emergency response systems.

Our suggestions for next steps include:

- Revisit infrastructure assumptions contained in the 2022 Housing Roadmap to ensure they reflect current conditions and future development pressures and modify them if necessary.
- Closely scrutinize future development plans to ensure we preserve Salem's respected historic character, including at Shetland Park and for Jefferson and Highland Avenues.
- Balance interest in continued accelerated housing growth with informed long-term planning for other land uses, such as commerce and recreation, as well as a commitment to preserving the unique culture of the city.

Housing Development Data

Salem, Massachusetts | 2020–June 2026

Project-level data underlying HSI's Housing Study & Analysis. Data compiled from public City of Salem records, Planning Board decisions, and other Board and Commission minutes. Figures may change as projects advance. This data excludes ADUs and individual single-family housing.

PROJECTS: 2020-2024

659 units • 124 affordable

Project	Status (year completed/expected)	Units	Affordable
Breakaway 94 Washington Square East Apartments	2020	18	2 80% of AMI
Halstead Salem Station 72 Flint St, 60-67 Mason St, 71 Mason St Apartments	2020	130	13 80% of AMI
River Rock Residences 70-90 ½ Boston St Apartments	2020	50	5 80% of AMI
Brix 65 Washington St Condos	2021	61	6 3 @ 70% of AMI 3 @ 65% of AMI
Traders Row 45 Traders Way, 40 First St Apartments	2021	212	21 % AMI unknown
University Square 124-134 Canal St Apartments	2021	52	5 80% of AMI
Clark Avenue Houses	2022	26	0
St. Joseph's / Former Rectory 129 Lafayette St Apartments	2023	13	3 80% of AMI
St. Joseph's / Former School 20 Harbor St Apartments	2023	21	21 100% affordable
The Lighthouse (Leavitt Sq) 47 Leavitt St Apartments	2023	25	25 100% affordable

The Lighthouse (Peabody St) 34 Peabody St Apartments	2023	21	21 100% affordable
Vavel Apartments 602 Loring Avenue Apartments	2023	20	2 80% of AMI
10 Osborne Street Condos	2024	5	0
143-145 Derby Street Condos	2024	5	0

PROJECTS: 2025-2026

488 units • 204 affordable

Project	Status (year completed/expected)	Units	Affordable
23 Summer Street Condos	2025	10	1 % AMI unknown
Grove Street Landing 60-64 Grove St; 1, 3, 5 Harmony Grove Apartments	2025 Plus additional buildings in the future	41	13 80% of AMI
Hawthorne Row 9-11 Franklin St Condos	2025	12	1 60% of AMI
LORE 266 Canal St Apartments	2025	250	50 50 @ 60% of AMI
Old Salem Jail (Add'l Units) 50 St. Peter St Apartments	2025	3	0
Riverwalk 16, 18, 20R Franklin St Condos	2025	37	4 % AMI unknown
The Residences at St. James 160 Federal St Apartments	2025	32	32 100% affordable
Hawthorne Lofts 13 Hawthorn Blvd Apartments	2026	29	29 30%, 60% and 80% of AMI Split unknown

Lee Fort Terrace / Collins Cove 1 Lee Fort Terrace Apartments *NOTE: 74 new units, 50 replacement units.*	2026	74	74 50% of AMI

PROJECTS: Post 2026 Permitted

1,018 units • 267 affordable

Project	Status (if known)	Units	Affordable
275 Lafayette Street Condos	Under construction	10	1 60% of AMI
38 Norman Street Apartments		20	3 % AMI unknown
75 North Street Apartments		60	6 % AMI unknown
84 Congress Street Apartments		12	2 80% of AMI
County Commissioners Building 34 Federal St Apartments		14	14 % AMI unknown
El Centro Housing 73-75 Lafayette St, 8 Peabody St Apartments		48	48 % AMI unknown
Forest River Residences 8, 11, 20-32 Harrison Rd, 262 Loring Ave Apartments		475	95 Half - 80% of AMI Half - 60% of AMI
Gateway Center 44 Boston St, 401 Bridge St Apartments		117	12 80% of AMI
Jerry's Department Store 301 Essex St Apartments		30	3 60% of AMI
Old Senior Center 5 Broad St Condos		16	1 60% of AMI
Strongwater Crossing 57 and 71 Marlborough Rd Single-family houses	Since 2007 and continuing	48	0

Tabernacle Church 50 Washington St Veteran housing studio apartments		48	48 100% affordable
The Exchange (Crescent Lot) 252 Bridge St Apartments	2028	120	34 60% of AMI

OTHER PROJECTS: Unpermitted Housing, Hotels + Short-Stay Rentals, Transitional Housing, and Shelters

Project	Status (if known)	Units/ Rooms	Affordable
UNPERMITTED PLANNED HOUSING	1200 units • 240 affordable		
Shetland Park 27 Congress St Apartments		1,200	240 % AMI unknown
HOTELS / B&BS	480 hotel rooms		
Hampton by Hilton 11 Dodge St Hotel	2020	113	n/a
Courier Hotel 201 Washington St Hotel	2026	21	n/a
25 Washington Square North B&B	2026	8	n/a
Shetland Park Hotel 27 Congress St Hotel		200	n/a
AC Marriott 17 Canal St Hotel	2027	132	n/a
21 Webb Street B&B		6	n/a

TRANSITIONAL HOUSING	53 units • 100% affordable	
Harborlight Homes Margin and Endicott Streets Apartments Located in 40R Zone	53	53 100% affordable

SHELTER HOUSING	59 units • 100% affordable	
Centerboard 1 Holyoke Square Temporary Shelter	39	39 100% affordable
Lifebridge (Canal St) - CLOSED 47 Canal St Temporary Shelter		
Lifebridge (Margin St) 56 Margin St Shelter *50 current beds + 20 new planned beds	20*	70* 100% affordable