



Real Estate Trends 2005

CITY OF BOSTON/THOMAS M. MENINO, MAYOR

DEPARTMENT OF NEIGHBORHOOD DEVELOPMENT CHARLOTTE GOLAR RICHIE, CHIEF AND DIRECTOR

Boston Housing Summary

Volume of Housing Sales (1)	
2004	11,078
2005	10,741
Change	-3.0%
Median Sales Price (1)	
2004	\$380,000
2005	\$390,000
Change	2.6%
Median Advertised Rents (2)	
2004	\$1,500
2005	\$1,550
Change	3.3%
Number of Rentals Advertised (2)	
2004	7,402
2005	4,334
Change	-41.4%
Foreclosure Deeds (3)	
2004	25
2005	60
Change	140.0%
Abandoned Residential Buildings (4)	
2004	227
2005	188
Change	-17.2%

(1) One- to three-family homes and condominiums with purchase price greater than \$25,000. Data source: The Warren Group

(2) One- to three-bedroom apartment listings without utilities or parking, as advertised in The Boston Globe on the first Sunday of each month.

(3) Foreclosure deeds as listed on-line at the Suffolk County Registry of Deeds, one-three unit properties.

(4) For information on annual DND survey of abandoned buildings, see www.cityofboston.gov/dnd/U4_Abandoned_Buildings_Information.asp.

(5) "Neighborhood" refers to Boston Redevelopment Authority defined Planning Districts.

See map on page 6.

Sales Citywide The median sales price increased a weak 2.6% from 2004 to 2005, the lowest increase in median prices since 1995 (up 1.7% over 1994). This could be interpreted as a flattening of the market, but an examination of the quarterly data (Table 1) indicates that sales prices peaked in the second quarter of 2005 and declined 3.8% in the last six months of the year. The sales volume dropped 3.0% from 2004 to 2005, but with 10,741 sales, 2005 was still in record sales volume territory, as sales varied in the range of 7,000 to 8,000 sales a year from 1998 to 2003.

Sales by Property Type With 67% of residential sales, condominiums drive Boston's real estate market. The meager 0.2% increase in prices dragged down the overall median sales price for 2005. On the other hand, the number of condominium sales decreased less (-1.4%) than other residential types, increasing the condominium share of the real estate market. Single-family sales saw the greatest decrease in the number of sales (-10.8%), but prices increased a moderate 4.4% to \$386,995. Two-family median sales prices increased 6.7%, more than other property types, and only saw a 1.5% decrease in sales. Three-family home sales prices also increased (5.9%), though this sector experienced the second largest drop in the number of sales (-2.7%).

Sales by Neighborhood (5) In 2004, two neighborhoods, Central and the South End, had median sales prices that exceeded \$500,000. In 2005, Back Bay joined these elite neighborhoods with a jump in prices to \$540,000 and the Central neighborhood's median sales price increased 15.6% to \$601,000. The increase in prices in the South End (up 2.3% to \$525,000) was a result of condominium sales prices (up 2.6%), as prices for single-family and two-family homes dropped, 4.2% and 9.9%, respectively. Single-family sales prices exceeded \$2 million for the first time in Back Bay/Beacon Hill (\$2,095,351).

With sales concentrated in mid-priced condominiums, Fenway/Kenmore (\$305,000) and Allston/Brighton (\$314,500) had the lowest median sales prices. Median sales prices decreased in Roxbury (-1.7%), Jamaica Plain (-5.3%), and East Boston (-9.6%). In all three neighborhoods, there was no drop in prices for any property type. Instead, these decreases represent a shift from single-, two- and three-family sales to condominium sales. This is especially true in East Boston, where 199 of the 318 sales (62.6%) were in the recently completed Porter 156 and Carlton Wharf developments, accounting for the 274.1% increase in East Boston's condominium sales.

Real Estate Trends is published by the Policy Development and Research Division of the Department of Neighborhood Development. For more information about this publication, contact Tim Davis at (617) 635-0269 or email tdavis.dnd@cityofboston.gov.

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Chart 1: Median Price by Quarter

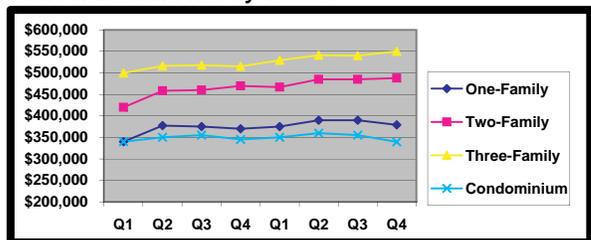
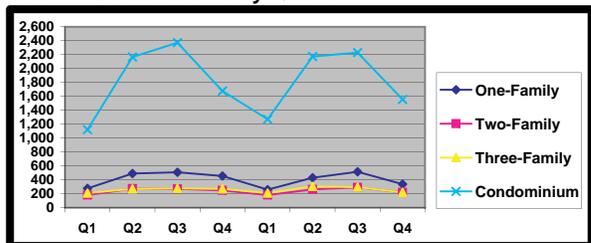


Chart 2: Sales Volume by Quarter



Sales by Neighborhood (continued) The number of sales decreased in all property types and across the city. Single-family home sales decreased the most in South Boston (-33.9%). Mattapan was the only neighborhood that saw an increase in such sales (8.7%). Two-family sales decreased in nine neighborhoods and increased in five. Hyde Park had the largest decrease in these sales (-28.5%) and Roxbury (17.8%) and Mattapan (17.6%) had the highest increases.

In terms of the number of sales, the three-family market turned in the most mixed results, with seven neighborhoods experiencing decreasing sales, three neighborhoods remaining the same, and five neighborhoods had increased sales. Sales dropped 19.1% in South Boston and increased 20.8% in Roslindale. The drop in three-family sales in South Boston could be indicative of a slow down in the conversion of three-family homes to condominiums, as condominium sales dropped 21.3%. Condominium sales decreased in nine additional neighborhoods, with Mattapan condominium sales falling the most at 28.4%. Condominium sales increased in five neighborhoods, led by East Boston (274.1%) and Hyde Park (135%). As with East Boston, a new development temporarily increased the number of sales

Table 1: Residential Median Sales Price and Sales Volume

Year	Quarter	Median 1-Fam	Volume 1-Fam	Median 2-Fam	Volume 2-Fam	Median 3-Fam	Volume 3-Fam	Median Condo	Volume Condo	Median All	Volume All
2004	Q1	\$340,000	278	\$420,000	181	\$500,000	210	\$340,000	1,123	\$370,000	1,792
	Q2	\$377,500	492	\$458,500	276	\$516,220	270	\$350,000	2,165	\$380,000	3,203
	Q3	\$375,000	508	\$460,000	270	\$518,000	279	\$355,000	2,373	\$385,000	3,430
	Q4	\$370,000	456	\$469,500	248	\$515,000	272	\$345,000	1,677	\$387,450	2,653
2005	Q1	\$375,000	259	\$467,000	183	\$529,000	209	\$350,000	1,272	\$395,000	1,923
	Q2	\$390,000	431	\$485,000	265	\$540,800	305	\$359,950	2,172	\$399,000	3,173
	Q3	\$390,000	516	\$485,000	291	\$540,000	297	\$355,000	2,230	\$389,000	3,304
	Q4	\$379,200	340	\$488,000	221	\$550,000	222	\$339,450	1,558	\$384,000	2,341

Table 2: Median Sales Prices and Sales Volume by Neighborhood For All Residential Property

Neighborhood	2004 Median Sales Price	2005 Median Sales Price	% Change Median 04 to 05	2004 Sales Volume	2005 Sales Volume	% Change Volume 04 to 05
Allston/Brighton	\$285,000	\$314,500	10.4%	1,131	1,107	-2.1%
Back Bay/Beacon Hill	\$491,500	\$540,000	9.9%	1,019	885	-13.2%
Central	\$520,000	\$601,000	15.6%	939	914	-2.7%
Charlestown	\$422,000	\$468,750	11.1%	665	600	-9.8%
Dorchester	\$357,000	\$384,900	7.8%	1,199	1,333	11.2%
East Boston	\$375,500	\$339,450	-9.6%	420	620	47.6%
Fenway/Kenmore	\$300,000	\$305,000	1.7%	368	313	-14.9%
Hyde Park	\$337,000	\$357,000	5.9%	505	539	6.7%
Jamaica Plain	\$375,000	\$355,000	-5.3%	639	661	3.4%
Mattapan	\$334,350	\$377,500	12.9%	324	327	0.9%
Roslindale	\$337,000	\$348,500	3.4%	596	557	-6.5%
Roxbury	\$349,950	\$344,000	-1.7%	526	643	22.2%
South Boston	\$369,000	\$377,750	2.4%	1,165	910	-21.9%
South End	\$513,000	\$525,000	2.3%	986	796	-19.3%
West Roxbury	\$368,250	\$390,000	5.9%	596	536	-10.1%
Citywide	\$380,000	\$390,000	2.6%	11,078	10,741	-3.0%

* Data Source: The Warren Group. Condominiums and one-, two-, and three-family properties.

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Table 3: 2004 and 2005 Single Family Home Sales

Neighborhood	2004 Median Sales Price	2005 Median Sales Price	% Change Median 04 to 05	2004 Sales Volume	2005 Sales Volume	% Change Volume 04 to 05
Allston/Brighton	\$ 439,000	\$ 479,000	9.1%	90	83	-7.8%
Back Bay/Beacon Hill	\$ 1,837,500	\$ 2,095,351	14.0%	33	27	-18.2%
Central	*	*	*	5	4	*
Charlestown	\$ 546,500	\$ 560,000	2.5%	67	65	-3.0%
Dorchester	\$ 350,000	\$ 374,950	7.1%	233	204	-12.4%
East Boston	\$ 280,000	\$ 329,500	17.7%	67	64	-4.5%
Fenway/Kenmore	*	*	*	6	5	*
Hyde Park	\$ 323,250	\$ 350,500	8.4%	292	280	-4.1%
Jamaica Plain	\$ 520,000	\$ 552,500	6.3%	103	80	-22.3%
Mattapan	\$ 295,000	\$ 325,000	10.2%	103	112	8.7%
Roslindale	\$ 370,000	\$ 377,750	2.1%	203	176	-13.3%
Roxbury	\$ 301,250	\$ 335,000	11.2%	64	52	-18.8%
South Boston	\$ 380,000	\$ 406,500	7.0%	109	72	-33.9%
South End	\$ 1,043,750	\$ 1,000,000	-4.2%	24	35	45.8%
West Roxbury	\$ 419,900	\$ 435,000	3.6%	335	287	-14.3%
Citywide	\$ 370,000	\$ 386,995	4.6%	1,734	1,546	-10.8%

Table 4: 2004 and 2005 Two-Family Sales

Neighborhood	2004 Median Sales Price	2005 Median Sales Price	% Change Median 04 to 05	2004 Sales Volume	2005 Sales Volume	% Change Volume 04 to 05
Allston/Brighton	\$ 570,000	\$ 602,500	5.7%	114	110	-3.5%
Back Bay/Beacon Hill	*	*	*	5	4	*
Central	*	*	*	3	4	*
Charlestown	\$ 627,500	\$ 649,000	3.4%	24	21	-12.5%
Dorchester	\$ 440,000	\$ 470,000	6.8%	191	211	10.5%
East Boston	\$ 385,000	\$ 414,500	7.7%	95	82	-13.7%
Fenway/Kenmore	*	*	*	-	-	*
Hyde Park	\$ 449,000	\$ 484,000	7.8%	130	93	-28.5%
Jamaica Plain	\$ 561,750	\$ 566,250	0.8%	46	42	-8.7%
Mattapan	\$ 419,950	\$ 460,000	9.5%	74	87	17.6%
Roslindale	\$ 482,000	\$ 500,000	3.7%	82	85	3.7%
Roxbury	\$ 390,000	\$ 435,000	11.5%	101	119	17.8%
South Boston	\$ 450,000	\$ 496,250	10.3%	47	42	-10.6%
South End	\$ 1,250,000	\$ 1,126,250	-9.9%	19	14	-26.3%
West Roxbury	\$ 500,000	\$ 545,000	9.0%	44	46	4.5%
Citywide	\$ 450,000	\$ 480,000	6.7%	975	960	-1.5%

Data Source: The Warren Group *Insufficient data (less than 10 records) for calculating median or percent change.

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Table 5: 2004 and 2005 Three-Family Sales

Neighborhood	2004 Median Sales Price	2005 Median Sales Price	% Change Median 04 to 05	2004 Sales Volume	2005 Sales Volume	% Change Volume 04 to 05
Allston/Brighton	\$ 710,000	\$ 755,000	6.3%	49	40	-18.4%
Back Bay/Beacon Hill	*	*	*	2	1	*
Central	*	*	*	4	5	*
Charlestown	\$ 680,000	\$ 700,000	2.9%	18	16	-11.1%
Dorchester	\$ 510,000	\$ 535,000	4.9%	331	356	7.6%
East Boston	\$ 460,000	\$ 493,500	7.3%	173	156	-9.8%
Fenway/Kenmore	*	*	*	-	-	*
Hyde Park	\$ 506,000	\$ 553,000	9.3%	23	25	8.7%
Jamaica Plain	\$ 642,000	\$ 642,500	0.1%	64	60	-6.3%
Mattapan	\$ 490,000	\$ 532,500	8.7%	80	80	0.0%
Roslindale	\$ 559,000	\$ 580,000	3.8%	24	29	20.8%
Roxbury	\$ 500,000	\$ 515,000	3.0%	162	146	-9.9%
South Boston	\$ 554,000	\$ 577,000	4.2%	89	72	-19.1%
South End	*	\$ 1,292,500	*	9	14	*
West Roxbury	*	*	*	3	3	*
Citywide	\$ 510,000	\$ 540,000	5.9%	1,031	1,003	-2.7%

Table 6: 2004 and 2005 Condominium Sales

Neighborhood	2004 Median Sales Price	2005 Median Sales Price	% Change Median 04 to 05	2004 Sales Volume	2005 Sales Volume	% Change Volume 04 to 05
Allston/Brighton	\$ 253,000	\$ 285,550	12.9%	878	874	-0.5%
Back Bay/Beacon Hill	\$ 480,000	\$ 525,000	9.4%	979	853	-12.9%
Central	\$ 515,000	\$ 594,000	15.3%	927	901	-2.8%
Charlestown	\$ 405,000	\$ 442,000	9.1%	556	498	-10.4%
Dorchester	\$ 250,000	\$ 279,950	12.0%	444	562	26.6%
East Boston	\$ 219,000	\$ 260,287	18.9%	85	318	274.1%
Fenway/Kenmore	\$ 297,750	\$ 305,000	2.4%	362	308	-14.9%
Hyde Park	\$ 256,000	\$ 259,000	1.2%	60	141	135.0%
Jamaica Plain	\$ 324,000	\$ 324,900	0.3%	426	479	12.4%
Mattapan	\$ 220,000	\$ 237,500	8.0%	67	48	-28.4%
Roslindale	\$ 293,000	\$ 299,000	2.0%	287	267	-7.0%
Roxbury	\$ 250,000	\$ 280,000	12.0%	199	326	63.8%
South Boston	\$ 346,000	\$ 353,250	2.1%	920	724	-21.3%
South End	\$ 495,000	\$ 507,700	2.6%	934	733	-21.5%
West Roxbury	\$ 238,500	\$ 265,250	11.2%	214	200	-6.5%
Citywide	\$ 349,150	\$ 350,000	0.2%	7,338	7,232	-1.4%

Data Source: The Warren Group *Insufficient data (less than 10 records) for calculating median or percent change.

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Rents Median asking rents for two-bedroom units fell 12.5% from 2001 to 2004. This was reversed in 2005 with a 7.9% increase in rents, from \$1,575 to \$1,700. This was accompanied by a reduction in the number of listings (-40.4%), which is typical of a tightening market. Internet listings also may be cutting into the number of listings advertised in The Boston Globe. As such, we will be completing an examination during 2006 to see if newspaper listings still represent an adequate sample of the market.

Rents in the Central, South End and Back Bay/Beacon Hill markets far exceed rents in other neighborhoods and surrounding towns, while rents in outer neighborhoods are generally equal to neighboring suburbs. Everett had the lowest rents (\$975) amongst Boston's inner suburbs.

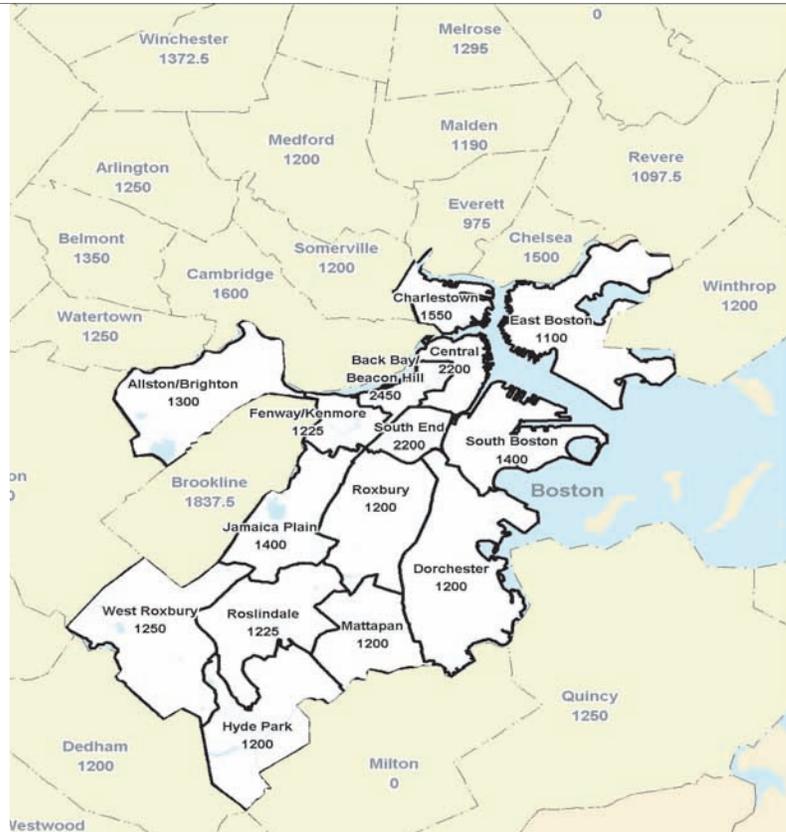


Table 7: Two-Bedroom Median Advertised Asking Rents and Number of Listings (1)

Neighborhood	2004 Median	2005 Median	Percent Change, 04 to 05	2004 Listings	2005 Listings	Percent Change, 04 to 05
Allston/Brighton	\$ 1,300	\$ 1,300	0.0%	514	242	-52.9%
Back Bay/Beacon Hill	\$ 2,250	\$ 2,450	8.9%	742	420	-43.4%
Central	\$ 2,200	\$ 2,200	0.0%	684	597	-12.7%
Charlestown	\$ 1,650	\$ 1,550	-6.1%	154	107	-30.5%
Dorchester	\$ 1,300	\$ 1,200	-7.7%	153	97	-36.6%
East Boston	\$ 1,100	\$ 1,100	0.0%	28	32	14.3%
Fenway/Kenmore	\$ 1,498	\$ 1,225	-18.2%	92	24	-73.9%
Hyde Park	\$ 1,250	\$ 1,200	-4.0%	43	15	-65.1%
Jamaica Plain	\$ 1,325	\$ 1,400	5.7%	165	97	-41.2%
Mattapan	\$ 1,200	\$ 1,200	0.0%	15	10	-33.3%
Roslindale	\$ 1,225	\$ 1,225	0.0%	109	36	-67.0%
Roxbury	\$ 1,250	\$ 1,200	-4.0%	29	24	-17.2%
South Boston	\$ 1,400	\$ 1,400	0.0%	163	63	-61.3%
South End	\$ 1,950	\$ 2,200	12.8%	115	42	-63.5%
West Roxbury	\$ 1,225	\$ 1,250	2.0%	89	39	-56.2%
Citywide	\$ 1,575	\$ 1,700	7.9%	3,095	1,845	-40.4%

(1) Rental data are taken from classified listings in The Boston Globe on the first Sunday of each month. Rentals with utilities and parking are not included.

Real Estate Trends 2005

Foreclosures In 2005, there were 60 foreclosures of one- to three-unit properties (including condominiums) in Boston, up 140% from 2004. While this is a very high percentage increase in the number of foreclosures, 2004 was a record low year for foreclosures, and this number is far below the 1,679 foreclosures seen in 1992.

With so few foreclosures (0.06% of residential properties), it is more useful to look at petitions to foreclose, filed by lenders in Land Court to start the foreclosure process. Table 9 shows the change in the number of foreclosure petitions from 2003 to 2005. From 2004 to 2005, petitions increased 53.5% citywide. Among the neighborhoods, Roxbury had the highest percent increase in petitions (117%), with Hyde Park experiencing a similar increase of 115.2%. Citywide, foreclosure proceedings were begun on only 0.56% of one- to three-unit properties. In three neighborhoods, foreclosure proceedings were begun on more than 1% of properties: Roxbury (1.7%), Mattapan (1.49%), and Dorchester (1.17%).

Table 8: Foreclosures by Type

Type	2004 Number	2004 Percent	2005 Number	2005 Percent
Condominium	8	32.0%	23	38.3%
One-Family	7	28.0%	11	18.3%
Two-Family	2	8.0%	15	25.0%
Three-Family	8	32.0%	11	18.3%
Total	25	100.0%	60	100.0%

Data Source: Suffolk County Registry of Deeds

Table 9: Foreclosure Petitions of One- to Three-Unit Properties, by Neighborhood

Neighborhood	2003 Petitions	2004 Petitions	Percent Change 03 to 04	2005 Petitions	Percent Change 04 to 05	2005 Petitions as Percent of Residential Properties
Allston/Brighton	14	21	50.0%	18	-14.3%	0.15%
Back Bay/Beacon Hill	8	11	37.5%	6	-45.5%	0.07%
Central	5	4	-20.0%	6	50.0%	0.12%
Charlestown	9	12	33.3%	12	0.0%	0.31%
Dorchester	67	118	76.1%	165	39.8%	1.17%
East Boston	15	15	0.0%	23	53.3%	0.45%
Fenway/Kenmore	4	4	0.0%	3	-25.0%	0.12%
Hyde Park	26	33	26.9%	71	115.2%	0.98%
Jamaica Plain	10	10	0.0%	20	100.0%	0.31%
Mattapan	41	42	2.4%	76	81.0%	1.49%
Roslindale	17	22	29.4%	26	18.2%	0.37%
Roxbury	65	47	-27.7%	102	117.0%	1.70%
South Boston	17	18	5.9%	28	55.6%	0.40%
South End	11	13	18.2%	19	46.2%	0.32%
West Roxbury	12	15	25.0%	16	6.7%	0.17%
Citywide	321	385	19.9%	591	53.5%	0.56%

Data Source: 2003 and 2004 petitions gathered from www.real-estate-analyst.com. 2005 petitions data from The Warren Group. Property types include condominiums and one-, two-, and three-family properties.