



# Boston Real Estate Market Report

A Quarterly Survey of Boston's Prime Neighborhoods Condo Sales

**3Q 05**

## Author's note.

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Sincerely,

Elad Bushari,  
Author

## Boston Market Overview

### Number of Sales drop while Average Sales Price holds strong.

In the third quarter of 2005, 1,495 units were sold in Boston, representing a 3% decrease in sales from the previous quarter and a 16% decrease from the same quarter last year. However, the average sales price of the units held steady at the second quarter price of \$540,788, a 3% increase in price from the third quarter of 2004. While the average sales price remained steady, the median sales price decreased from \$415,000 to \$405,000, a 2% drop since the second quarter of this year.

### Price Per Square Foot increased while Average Condo Size decreased.

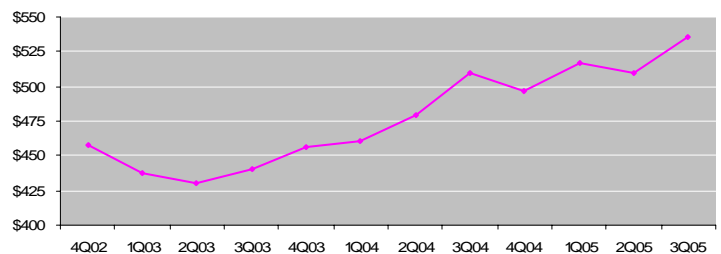
The average price per square foot increased 5% to \$535 per square foot from \$509 per square foot during the same quarter last year and increased 2% since the second quarter this year. Meanwhile, the average total size of Boston condos sold this quarter marked a 2% decrease to 1,003 square feet, a 23 square foot decline from the same quarter last year.

### Units Sold Faster with less Days on the Market.

This quarter was marked by a 42% faster rate of sales than the same quar-

Boston Market Matrix	Cur. Qtr	Pr Yr Qtr	%Chg	Pre. Qtr	% Chg
Average Sales Price	\$540,788	\$526,468	3%	\$541,467	-0.2%
Average Price per Sq.Ft	\$535	\$509	5%	\$525	2%
Median Sales Price	\$405,000	\$403,169	0.5%	\$415,000	-2%
Avg. Marketing Time	58	100	-42%	69	-16%
Average Condo Size	1,003	1,026	-2%	1,096	-8%

### Average Price Per Square Foot



ter last year, with the average marketing time of only 58 days compared to the average of 100 days seen during the third quarter last year. Condos in this quarter sold 16% faster than this year's second quarter average marketing time of 69 days.

### Outside Influences and Mortgage Rates.

Two devastating hurricanes in the Gulf led to increased energy prices and spurred concerns of increased inflation. However, core inflation remained steady despite the energy cost spikes. Mortgage rates fluctuated through the third quarter; but generally stayed below 6% for a 30-year fixed rate. "Interest rates

on 30-year fixed-rate mortgages remained low, averaging 5.76 percent, in the third quarter while the prime rate, key to home equity lending and lines of credit, rose to 6.75 percent," said Frank Nothaft, Freddie Mac vice president and chief economist. Freddie Mac expects 30-year fixed mortgage rates to rise through the end of the year, ending with a fourth quarter average near 6.0 percent, approximately one-quarter of a percentage point higher than the third quarter average.

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## Back Bay

**Average Price Per Square Foot falls as Inventory increases.** The average price per square foot was \$729, a 1% decrease from last quarter but a 13% increase from the third quarter of 2004. The average sales price was \$885,707 a 2% from the prior quarter and a 37% increase from the same quarter last year. Listing inventory increased 38% from the previous quarter; however, only 37% sold this quarter as compared to 63% last quarter. The average size of condos sold in this quarter was 1,132, an 18% increase in size from the same quarter last year.

**Studio Market.** 17 Studios sold in the third quarter. The average sales price was \$365,068 an increase of 31% from last year's third quarter average price of \$278,700. The average price per square foot increased 9% since the same time last year, from \$652 per square foot to \$710 per square foot. This

Back Bay Market Matrix	Current Qtr	Prior Yr Qtr	%Chg	Prev. Qtr	% Chg
Average Sales Price	\$885,707	\$645,959	37%	\$872,382	2%
Average Price per Sq.Ft	\$729	\$645	13%	\$738	-1%
Median Sales Price	\$610,000	\$455,500	34%	\$641,250	-5%
Avg. Marketing Time (DOM)	58	69	-16%	59	-2%
Average Condo Size	1132	958	18%	1111	2%

marked a 4% increase in price per square foot since the second quarter of this year.

**1 Bedroom Market.** 62 units sold at an average price of \$455,586, a 5% increase from last year's third quarter, but a 11% decrease since the previous quarter this year. The average marketing time was 43 days. Price per square foot appreciated 16% to \$699.

**2 Bedroom Market.** 81 units sold this quarter. The average price was \$942,667, a 25% increase from last year, but a 7% de-

crease from this year's second quarter. With the average marketing time of 56 days, the average price per square foot decreased by 5% to \$716 since the second quarter, but marked 18% increase since last year.

**3+ Bedroom Market.** 23 units sold this quarter. The average sales price was \$2,229,386, a 12% increase since the third quarter last year, and a 13% increase since last quarter. The average price per square foot, marked at \$931, increased 14% since last year and 7% since last quarter. The average marketing time was 114 days.

## Beacon Hill

**Median sales Price drops while Inventory almost doubles.** Average sales price increased 3% from last year's third quarter to \$537,071. The median sales price dropped to \$395,000, a 10% decrease from last year. Average price per square foot increased 4% from last year but decreased 1% from previous quarter. Listing inventory jumped 84% from the previous quarter and the average condo size this quarter was 824 square feet, a 1% increase from last year.

**Studio Market.** 15 studio units sold this quarter. The average sales price was \$350,733, holding steady from the same quarter last year but marking a 38% decrease in price from last quarter. The average price per square foot increased 22% from last year and increased 6% from the previous quarter this year, settling at \$782. The average marketing time was 55 days, an increase of 21

Beacon Hill Market Matrix	Current Qtr	Prior Yr Qtr	%Chg	Previous Qtr	% Chg
Average Sales Price	\$537,071	\$523,726	3%	\$682,862	-21%
Average Price per Sq.Ft	\$677	\$648	4%	\$686	-1%
Median Sales Price	\$395,000	\$441,000	-10%	\$535,000	-26%
Avg. Marketing Time (DOM)	57	62	-8%	85	-33%
Average Condo Size	824	813	1%	964	-15%

days since last quarter.

**1 Bedroom Market.** 50 condos sold in this quarter. The average sales price was \$388,670, falling 5% from the third quarter last year and 1% from the last quarter. The average price per square foot was \$680, a decrease of 4% from the previous quarter but a 4% increase from last year. The average marketing time was 51 days, an increase of 15 days from last quarter.

**2 Bedroom Market.** 28 condos were sold in this quarter. The average sales price was

\$645, 479, a 2% decrease from last year's third quarter price of \$736,280. The average price per square foot was \$628, maintaining the same mark as last year and showing a 3% decrease from last quarter. The average marketing time was 57 days.

**3+ Bedroom Market.** 6 units sold this quarter. The average sales price increased 52% from last year to \$1,733,683. The average price per square foot increased 4% from last year's price of \$751 to \$758. The average marketing time was 97 days.

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## South End

**Average Sales Price drops while Average Price Per Square Foot remains unchanged.** The average sales price was \$566,035, a 20% drop since the third quarter last year. The median sales price dropped 14% from last year to \$472,500. The primary cause was the sale of Atelier | 505 on Tremont Street. The building sold 25% of all units in the third quarter last year. Average price per square foot remained \$591 and increased 1% from the second quarter this year. Listing inventory increased 46% from the previous quarter. The average condo size was 964 square feet, a 16% decrease from the same quarter last year and a 4% decrease from the previous quarter this year.

**Studio Market.** 15 Studios sold this quarter. The average sales price was \$494,007 a 13% increase from last year but a 16% decrease from the previous quarter. The average

South End Market Matrix	Current Qtr	Prior Yr Qtr	%Chg	Previous Qtr	% Chg
Average Sales Price	\$566,035	\$703,529	-20%	\$585,306	-3%
Average Price per Sq.Ft	\$591	\$590	0%	\$585	1%
Median Sales Price	\$472,500	\$550,000	-14%	\$518,000	-9%
Avg. Marketing Time (DOM)	48	94	-49%	59	-19%
Average Condo Size	964	1154	-16%	1004	-4%

price per square foot was \$547, an 11% decrease from last year. The average studio size was 563 square feet.

**1 Bedroom Market.** 102 condos sold this quarter. The average sales price was \$398,799 an 11% decrease from last year and 6% decrease from the past quarter. The average price per square foot was \$614, a 10% increase since last year and a 2% increase from the previous quarter. The average condo size was 657 square feet.

**2 Bedroom Market.** 112 units sold this

quarter. The average sales price was \$630,202, an 8% decrease since last year's third quarter but increased 2% from the previous quarter. The average price per square foot was \$575, a 3% decrease from last year and 1% decrease from the previous quarter.

**3+ Bedroom Market.** 23 units were sold. The average sales price was \$1,042,196, a 22% decrease from last year but a 13% increase from the previous quarter. The average price per square foot was \$580, 3% decrease since the third quarter of 2004.

## Luxury Market

**Luxury Market slows down.** 190 luxury condos sold during this quarter. The average sales price dropped to \$753,750, a 27% decrease from the same quarter last year and a 14% decrease from the previous quarter this year. The average price per square foot was \$629, a 9% decrease since the third quarter last year and 13% decrease from the second quarter this year. The average luxury condo size was 1,148 square feet, a 20% decrease from last year and 6% decrease from the previous quarter.

**Studio Market.** The average sales price was \$449,662, a 51% decrease from last year and 43% decrease from the previous quarter. The average price per square foot was \$615, an 11% decrease from the previous quarter.

**1 Bedroom Market.** The average sales price was \$527,424, decreasing 8% since the

Luxury Market Matrix	Current Qtr	Prior Yr Qtr	%Chg	Previous Qtr	% Chg
Average Sales Price	\$753,750	1,029,839	-27%	\$880,308	-14%
Average Price per Sq.Ft	\$629	\$693	-9%	\$662	-5%
Median Sales Price	\$550,000	\$875,000	-37%	\$635,000	-13%
Total Amount sold	\$143,212,518	\$261,579,160	-45%	\$149,652,365	-4%
Average Condo Size	1148	1433	-20%	1215	-6%

third quarter last year but remaining the same as the previous quarter. The average price per square foot was \$617, a 2% decrease since last year and a 3% decrease from the previous quarter. The average condo size was 856 square feet, a 9% decrease since last year.

**2 Bedrooms Market.** The average sales price was \$802,850, a 25% decrease since the same quarter last year and an 11% decrease from the previous quarter. The average price per square foot was \$610, a 14% decrease from last year and 5% decrease from the

previous quarter. The average condo size was 1,265 square feet, a 15% decrease from the third quarter last year.

**3+ Bedrooms Market.** The average sales price was \$1,845,000, a 9% increase since the third quarter last year but 17% decrease from the previous quarter. The average price per square foot was \$802, a 7% increase from last year but 5% decrease from the previous quarter. The average condo size was 2,265 square feet, an 11% increase from the third quarter last year.



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## Real Estate Advisor

**Q** “I’m in the process of buying a new home, why do I need a pre-approval letter from a lender?”

**A** A pre-approval letter is a letter from an accredited lender that assures the seller that you can afford the property and you can get a mortgage for it.

The lender will check your credit history and financial stability before he will provide you with the pre-approval letter. In



the letter you can find the amount of the loan you’ve been pre-approved for, as well as the down payment necessary for the loan.

It is in your best interest, as a buyer, to get a pre-approval letter early. That way, you won’t waste your time looking for properties you can’t afford; and, if there is a problem with your credit history, you’ll be able to detect and fix it before you need to move.

It is important to use an accredited lender who will check your situation thoroughly. Usually the pre-approval is free.



*Elad Bushari is a real estate agent and the author of the “Boston Real Estate Market Report”. If you have any questions, please*

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