

# Boston Real Estate Market Report

A Quarterly Survey of Boston's Prime Neighborhoods Condo Sales

Year End 2006



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## Boston Market Overview

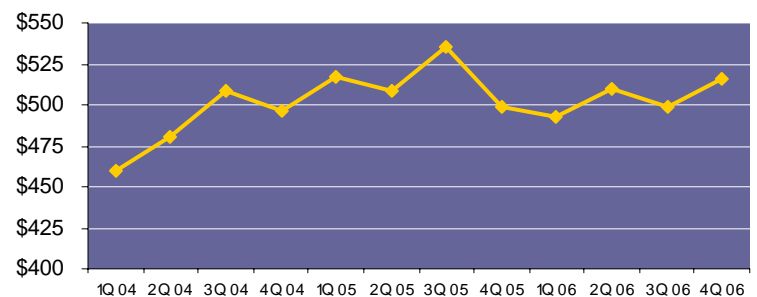
### Market Sees Healthy Correction in 2006.

Despite all the news chatter about a housing market bubble-bust in 2006, Boston managed to keep its head above the water. As buyers became wary with thoughts of over-paying, many sellers decided to rent their units rather than significantly lower their prices. Most neighborhoods saw relatively small price decreases with an increase in the number of days on the market. The year 2006 brought a healthy caution to both buyers and sellers. It did not, however, bring a bust. To top it off, *Business 2.0* magazine even named Boston one out of five national "Bubble-Proof Markets" in the November 2006 issue.

**Numbers Show Moderate Decreases.** The average sales price in 2006 saw a decrease of 8% from 2005, falling to \$494,823. The median sales price saw a drop of 7% from the previous year, ringing in at \$377,750. The average price per square foot de-

Boston Market Matrix	2006	2005	%Chg	2004	% Chg
Average Sales Price	\$494,823	\$538,602	-8%	\$513,603	-5%
Average Price per Sq.Ft	\$504	\$522	-3%	\$490	3%
Median Sales Price	\$377,750	\$404,950	-7%	\$399,000	-5%
Avg. Marketing Time	99	70	41%	109	-9%
Average Condo Size	1073	1030	4%	1047	2%

### Quarterly Average Price Per Square Foot



creased 3% to \$504. Boston condos sold 41% slower than in 2005, averaging 99 days on the market.

**Outside Influences.** Interest rates remained near historic lows this year. According to Freddie Mac, a leader in the secondary mortgage market, the national average 30-year-fixed interest rate was 6.54% with 0.5 points. Although low, the interest rate was significantly higher than last year's average of 5.87% with 0.6 points. Rates were highest

during the summer, cooling the usually hot summer market. Interest rates steadily rose to a crescendo of a 6.8% weekly average on July 20th, then slowly fell to a low weekly average of 6.11% on December 7th. The unpredictable rates had many buyers playing the sidelines.

Year End 2006

## Back Bay

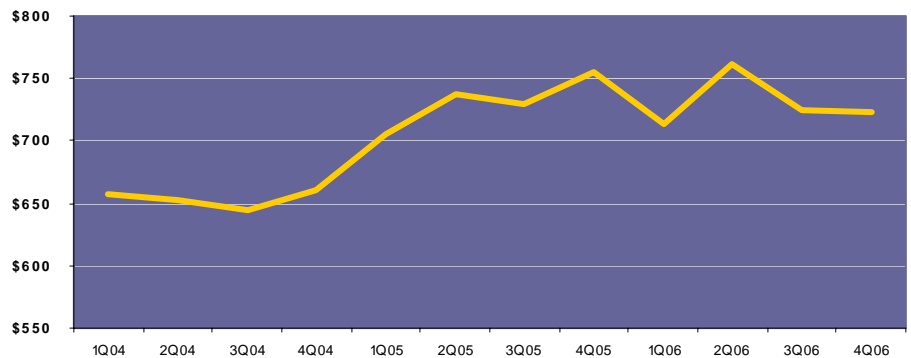
**Back Bay Prices Remain Strong Despite Longer Marketing Time.** The average price per square foot in 2006 was \$722, a 1% decrease from the 2005 price of \$731, and a 11% increase from the 2004 price of \$653. The average sales price was \$854,122 a 5% decrease from the 2005 average \$897,270 price-tag. Meanwhile, the median sales price of \$602,000 showed a 9% drop from last year, but a 10% increase from 2004. The average size of condos sold this year was 1132 square feet, a 2% decrease from last year. Condos sold 42% slower than last year, averaging 104 days.

**Studio Market.** 86 Studios sold in 2006. The average sales price was \$417,420 an increase of 22% from the average 2005 price of \$341,641, and a 29% increase from 2004. The average price per square foot decreased 1% last year, ringing in at \$694; however, it increased 9% from the 2004 average. The median selling price dropped 5% to \$301,000 in 2006, but still showed a 9% increase from 2004. The average days on the market increased 35% to 81 days. The average studio size in 2006 was 486 square feet.

**One Bedroom Market.** 188 One bedroom units sold in 2006. The average sales price increased 1% from \$497,512 in 2005 to \$500,306 in 2006. This was an 11% increase from the 2004 average sales price of only \$451,834. The average price per square foot was \$683 last year, marking a 1% increase from 2005, and a 10% increase from 2004. The median selling price was \$455,500 marking a 1% decrease from 2005, but an 11% from

Back Bay Matrix	2006	2005	%Chg	2004	% Chg
Average Sales Price	\$854,122	\$897,270	-5%	\$773,474	10%
Average Price per Sq.Ft	\$722	\$731	-1%	\$653	11%
Median Sales Price	\$602,000	\$661,500	-9%	\$545,000	10%
Avg. Marketing Time	104	73	42%	88	18%
Average Condo Size	1132	1160	-2%	1099	3%

### Average Price Per Square Foot 2004 –2006



2004. The average marketing time increased 81% from 2005, ringing in at 94 days. The average condo size was 729 square feet.

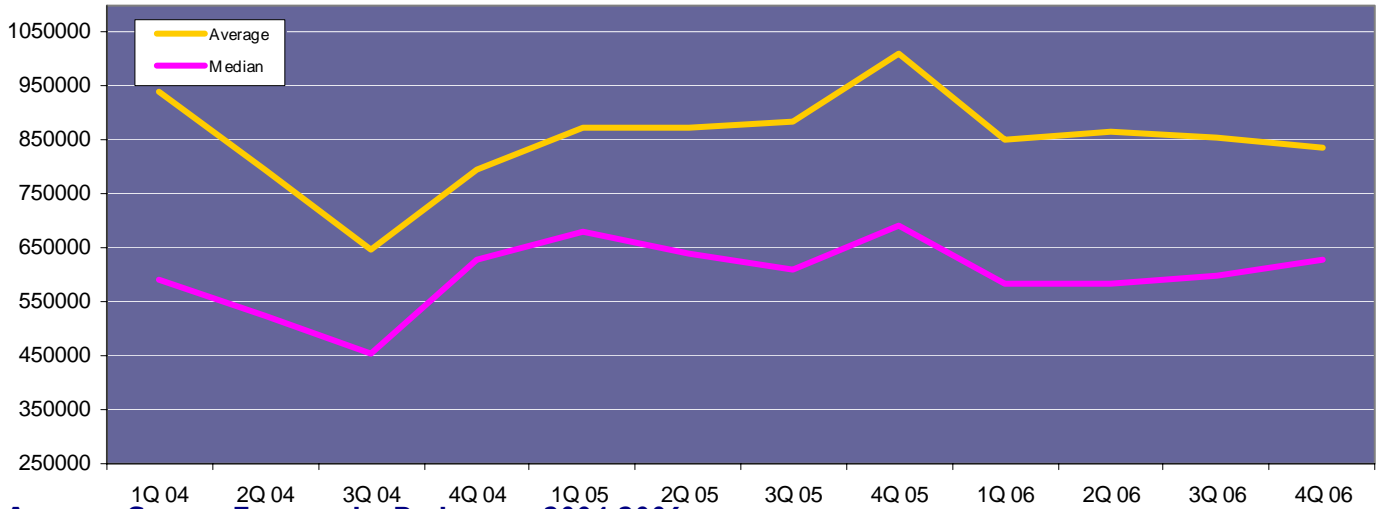
**Two Bedroom Market.** 190 Two bedroom units sold in 2006. The average sales price was \$981,131 marking a 2% decrease from 2005, but a 9% increase from 2004. The average price per square foot was \$726 showing a 1% decrease from last year, but a 11% increase from 2004. The median selling price in 2006 was \$842,500. This price showed a 2% drop from 2005, but an 11% spike from 2004. Condos sold 26% slower than in 2005, averaging 88 days on the market. The average condo size was 1316 square feet.

**Three + Bedroom Market.** 60 Three + bedroom units sold in 2006. The average selling price was \$2,186,494 a 7%

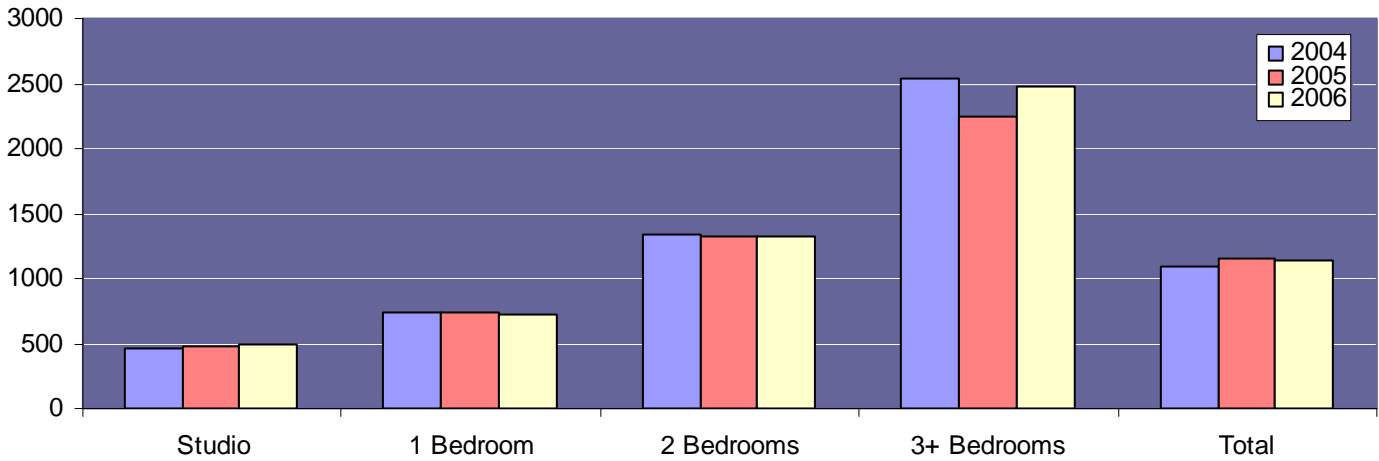
increase from the 2005 average price of \$2,049,479. This was a 3% decrease from 2004. The average price per square foot decreased 2% to \$864. The median selling price broke the two-million dollar mark, ringing in at \$2,075,000. This showed a 16% increase from 2005 and a 15% increase from 2004. Condos sold 39% slower than in 2005, averaging 202 days on the market. The average condo size was 2477 square feet.

# Back Bay Graphs

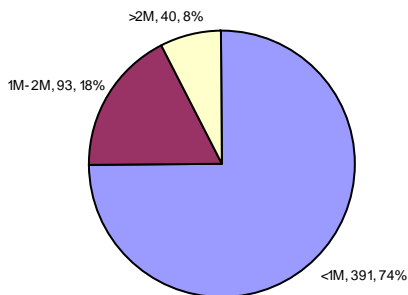
**Average Sale Price vs. Median Sales Price 2004-2006**



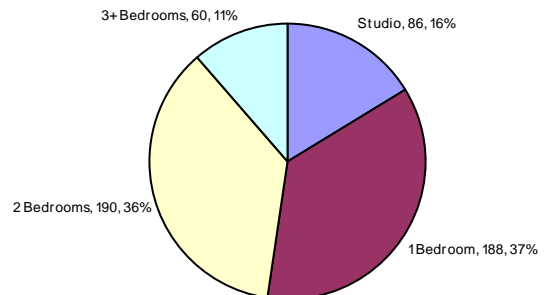
**Average Square Footage by Bedrooms 2004-2006**



**Number of Units Sold by Price 2006**



**Number of Units Sold by Bedrooms 2006**



Year End 2006

## Beacon Hill

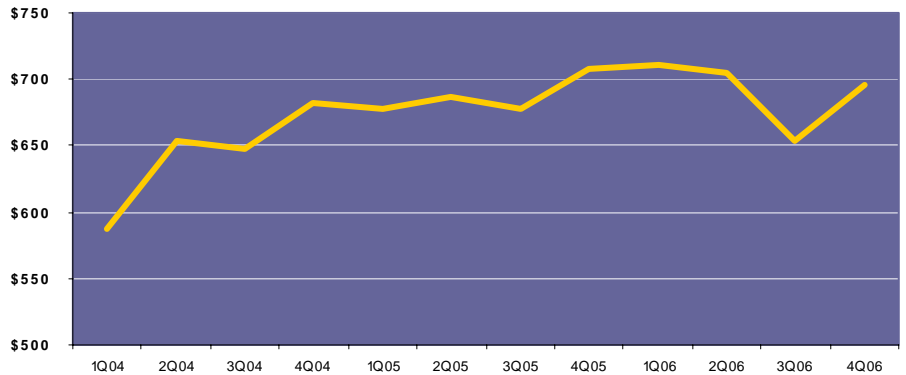
**Beacon Hill Market Remains Sluggish.** The average sales price dropped to \$594,210 a 8% decrease from last year, and a 10% decrease from 2004. The median sales price saw a drop of 3% from 2005 and 6% from 2004. The median sales price of \$457,000 showed a 3% decrease from 2005 and a 6% decrease from 2004. The price per square foot remained stable at \$688, and increased 6% from 2004. Time on the market increased 19% from 2005, averaging 94 days on the market. The average condo size was 986 square feet.

**Studio Market.** 29 Studios sold in 2006. The average sales price was \$378,114 marking a 6% decrease from 2005 but a 6% increase from 2004. The average price per square foot was \$621, marking a 15% decrease from last year, but a 2% increase from 2004. The median selling price decreased 2% from 2005, but increased 9% from 2004, ringing in at \$317,500. Condos sold 4% slower than in 2005, spending an average of 56 days on the market. The average unit size was 409 square feet.

**One Bedroom Market.** 79 One bedroom units sold in 2006. The average sales price of \$405,981 showed a 2% decrease from 2005 and 1% drop from 2004. The average price per square foot was \$699 last year, marking a 1% increase from 2005, and a 12% increase from 2004. The median selling price increased 6% to \$399,000. Condos sold 63% slower than last year, averaging 80 days on the market. The average condo size was 586 square feet.

Beacon Hill Matrix	2006	2005	%Chg	2004	% Chg
Average Sales Price	\$594,210	\$647,667	-8%	\$663,305	-10%
Average Price per Sq.Ft	\$688	\$686	0%	\$647	6%
Median Sales Price	\$457,000	\$469,000	-3%	\$485,000	-6%
Avg. Marketing Time	94	79	19%	95	-1%
Average Condo Size	986	924	7%	795	24%

### Average Price Per Square Foot 2004 –2006



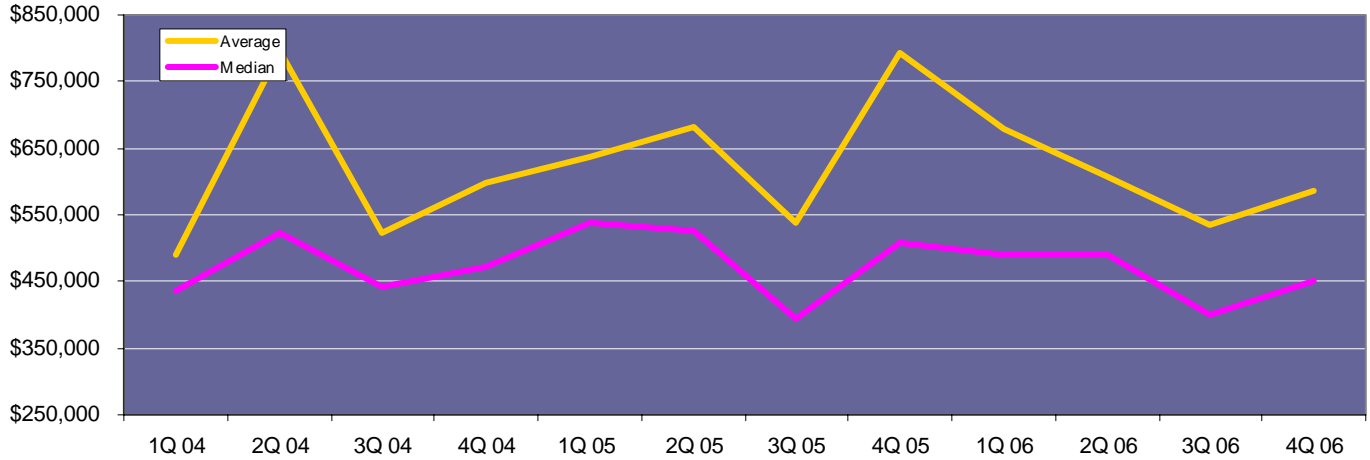
**Two Bedroom Market.** 67 Two bedroom units sold in 2006. The average sales price was \$751,179 a 4% increase from 2005, but a 5% decrease from 2004. The average price per square foot was \$703 marking a 7% increase from 2005 and an 8% increase from 2004. The median selling price was \$664,950. This price remained on par with the 2005 median, but showed a 3% decrease from 2004. Condos sold 6% faster than in 2005, averaging 96 days on the market. The average condo size was 1066 square feet.

**Three + Bedroom Market.** 11 Three + bedroom units sold in 2006. The average selling price was \$1,523,818. This showed an 8% decrease from the 2005, and a 27% decrease from 2004. The average price per square foot fell 16% from 2005, and 21% from 2004, ringing in at to \$619. The median selling price increased

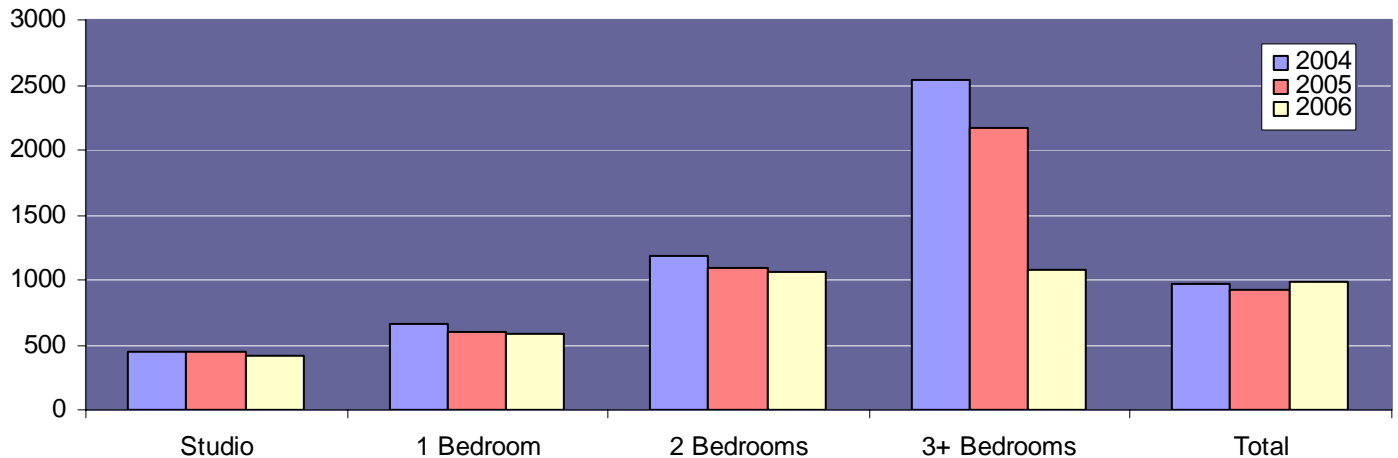
23% from 2005 to \$1,600,00. However, this number showed a 10% decrease from the 2004 median selling price. Units sold 82% slower than last year, averaging 227 days on the market. The average condo size was 2076 square feet.

# Beacon Hill Graphs

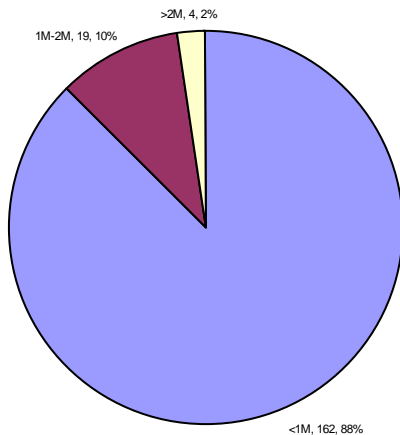
### Average Sale Price vs. Median Sales Price 2004-2006



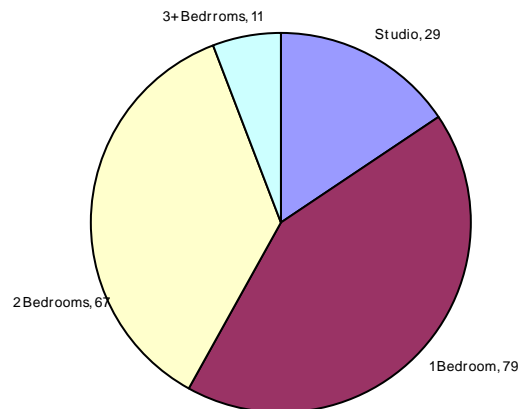
### Average Square Footage by Bedrooms 2004-2006



### Number of Units Sold by Price 2006



### Number of Units Sold by Bedrooms 2006



Year End 2006

## South End

### The South End Market Faced Slow-down Despite A Positive Upswing in the 3+ Bedroom Market.

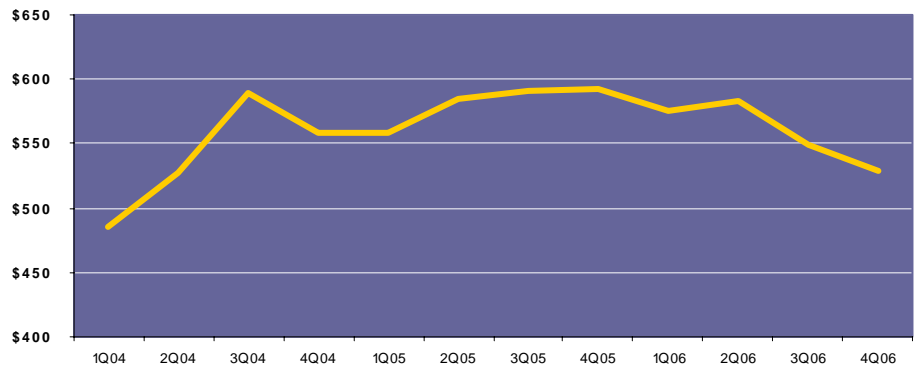
The average sales price in 2006 was \$552,254 a 4% decrease from last year, and an 8% decrease from 2004. The median sales price of \$475,000 showed a 4% decrease from both 2005 and 2004. The price per square foot decreased 4% from last year, but increased 1% from 2004, ringing in at \$558. Condos sold an average of 56% slower than in 2005, remaining 89 days on the market. The average condo size was 1009 square feet.

**Studio Market.** 83 Studios sold in 2006. The average sales price was \$412,672 a decrease of 12% from 2005, but a 3% increase from 2004. The average price per square foot fell 7% from 2005, and 5% from 2004, ringing in at \$541. The median selling price was \$355,000 marking a 7% increase from 2005 and a whopping 30% jump from 2004. The average days on the market fell 160% to 135 days, and the average condo size was 621 square feet.

**One Bedroom Market.** 289 One bedroom units sold in 2006. The average sales price was \$403,039. This price remained steady from last year and decreased 1% from 2004. The average price per square foot was \$560 last year, marking a 7% decrease from 2005, but a 2% increase from 2004. The median selling price was \$395,000 showing a 1% increase from the previous year and a 3% increase from 2004. Condos sold 44% slower than in 2005, averaging 72 days on the market. The average condo size was

South End Matrix	2006	2005	%Chg	2004	% Chg
Average Sales Price	\$552,254	\$575,652	-4%	\$600,047	-8%
Average Price per Sq.Ft	\$558	\$584	-4%	\$551	1%
Median Sales Price	\$475,000	\$497,000	-4%	\$492,500	-4%
Avg. Marketing Time	89	57	56%	79	13%
Average Condo Size	1009	1000	1%	1084	-7%

### Average Price Per Square Foot 2004 –2006



727 square feet.

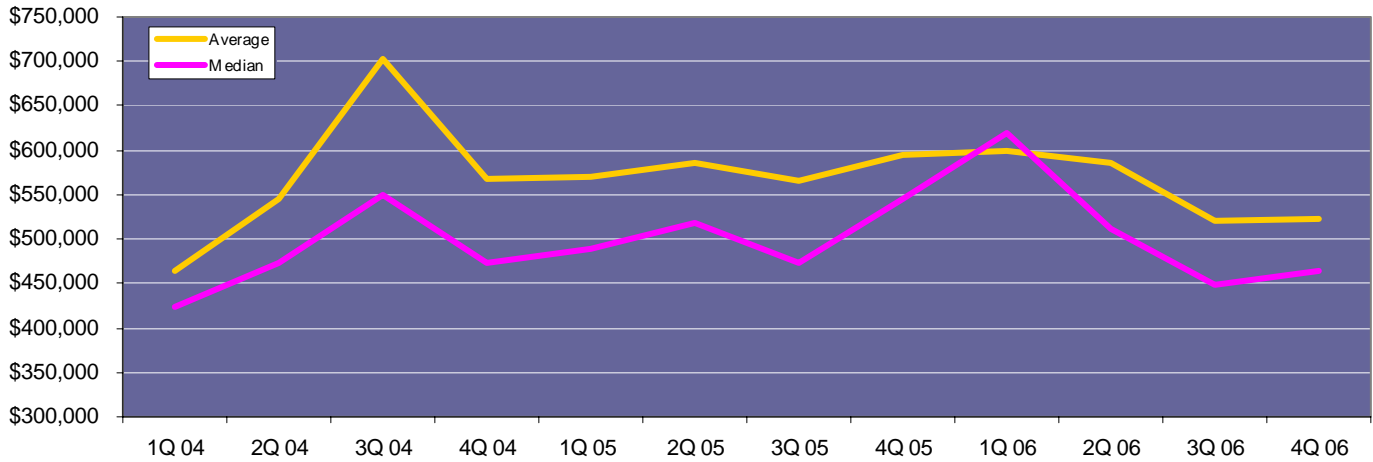
**Two Bedroom Market.** 317 Two bedroom units sold in 2006. The average sales price \$625,169. This marked a 1% drop from 2005 and a 6% decrease from 2004. The average price per square foot was \$555 marking a 4% decrease from last year, but a 1% increase from 2004. The median selling price in 2006 was \$591,150 showing a 3% decrease from the previous year, but a 4% increase from 2004. Condos sold 59% slower than in 2005, averaging 97 days on the market. The average condo size was 1134 square feet.

**Three + Bedroom Market.** 58 Three + bedroom units sold in 2006. The average selling price returned to the million plus mark, ringing in at \$1,096,983. This was a 14% jump from 2005 and a 6% increase from 2004. The average price

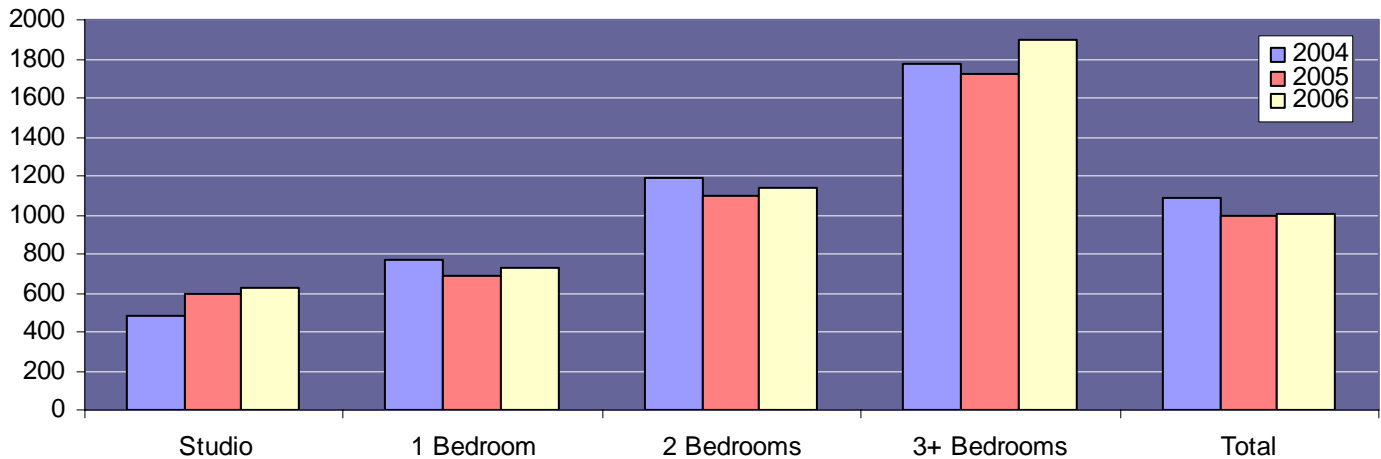
per square foot was \$571 marking a 2% increase from last year and a 4% increase from 2004. The median selling price broker the one-million dollar mark for the first time, hitting \$1,005,250. That shows a 7% increase from last year and a 15% jump from 2004. Condos sold 73% slower than in 2005, averaging 111 days on the market. The average condo size was 1899 square feet.

# South End Graphs

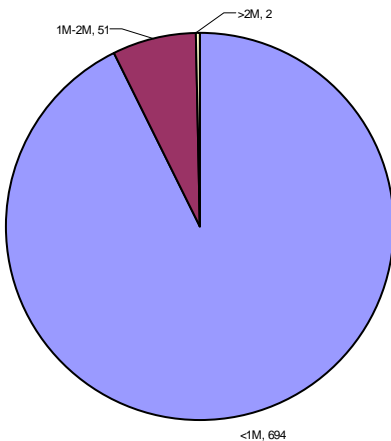
**Average Sale Price vs. Median Sales Price 2004-2006**



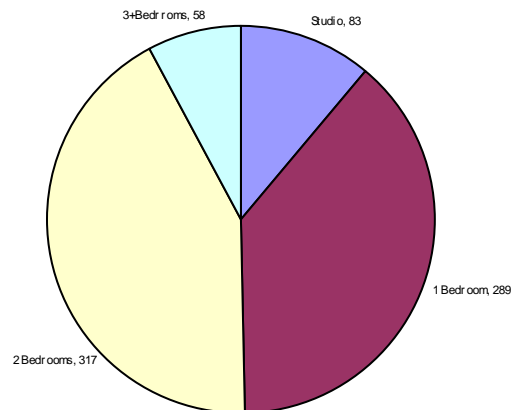
**Average Square Footage by Bedrooms 2004-2006**



**Number of Units Sold by Price 2006**



**Number of Units Sold by Bedrooms 2006**



Year End 2006

## Down Town

### Downtown Market Continues To

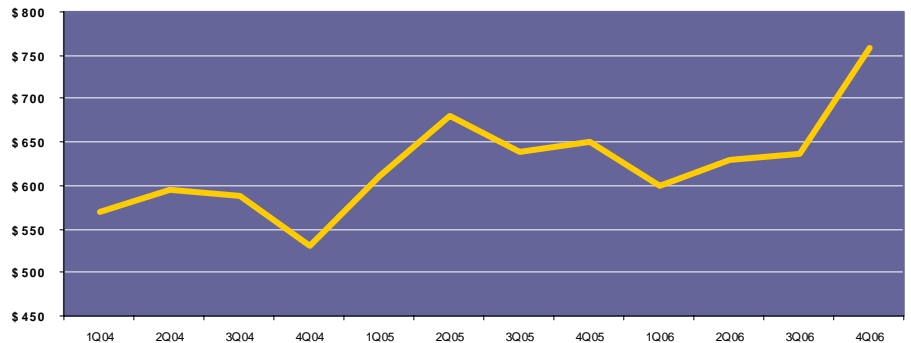
**Climb.** The average sales price was \$841,732 in 2006 marking a 3% decrease from last year, but a 15% jump from 2004. The median sales price increased 1% from 2005 and 18% from 2004, ringing in at \$675,000. The average price per square foot saw a 2% increase since 2005 and a 15% spike since 2004, settling at \$663 in 2006. Properties sold 18% slower than the previous year, averaging 105 days on the market. The average condo size was 1265 square feet.

**Studio Market.** 92 Studios sold in 2006. The average sales price was \$545,671 marking a 13% decrease from 2005 and a 21% drop from 2004. The average price per square foot decreased 10% from the previous year, and actually returning to 2004 prices at \$541 per square foot. The median selling price was \$467,500 in 2006, marking a 14% decrease from 2005, but an 18% increase from 2004. Studios sold 80% slower than in 2005, averaging 117 days on the market. The average studio size was 830 square feet.

**One Bedroom Market.** 171 One bedroom units sold in 2006. The average sales price was \$559,583 marking a 3% decrease from last year, but a 17% increase from 2004. The average price per square foot hit \$627 in 2006, marking a 2% increase from 2005 and a 13% spike from 2004. The median selling price was \$515,000 which showed a 5% decrease from the previous year but an 18% increase from 2004. Condos sold 29% slower than last year, averaging 93 days on the market. The average condo size

Down Town Matrix	2006	2005	%Chg	2004	% Chg
Average Sales Price	\$841,732	\$865,336	-3%	\$731,138	15%
Average Price per Sq.Ft	\$663	\$674	2%	\$575	15%
Median Sales Price	\$675,000	\$671,250	1%	\$572,000	18%
Avg. Marketing Time	105	89	18%	214	-51%
Average Condo Size	1265	1285	-2%	1232	3%

### Average Price Per Square Foot 2004 –2006



was 905 square feet.

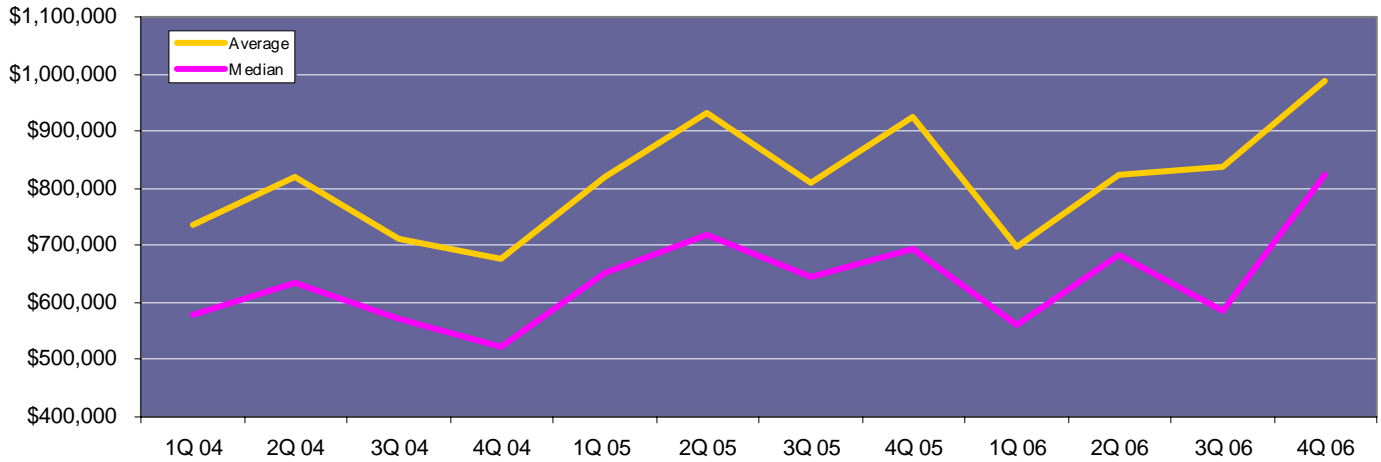
**Two Bedroom Market.** 187 Two bedroom units sold in 2006. The average sales price broke the one-million dollar mark, ringing in at \$1,043,348. This marked a 14% increase from last year and a whopping 33% jump from 2004. The average price per square foot was \$704, which showed a 9% increase from last year and a 20% spike from 2004. The median selling price was \$895,000. This price showed a 11% increase from 2005 and a 35% upswing from 2004. Condos sold 5% slower than in 2005, averaging 104 days on the market. The average condo size was 1466 square feet.

**Three + Bedroom Market.** 34 Three + bedroom units sold in 2006. The average selling price was \$1,973,532 marking a 5% decrease from last year, but an amazing 60% increase from 2004. The

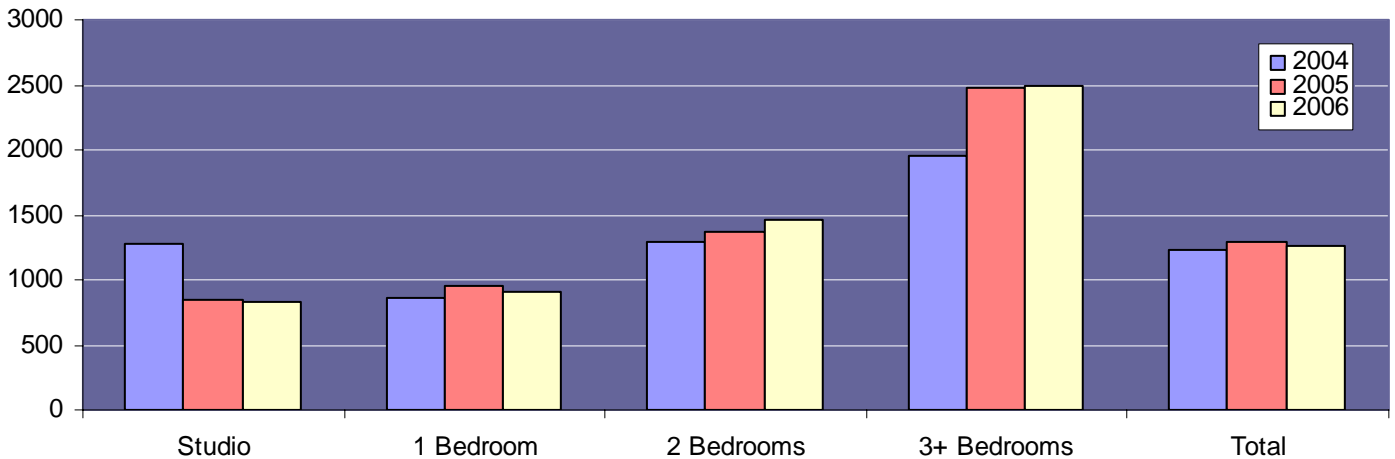
average price per square foot was \$767, showing a 3% decrease from last year but a 32% increase from 2004. The median selling price was \$1,800,000. This was a 1% decrease from 2005 but a 65% spike from 2004. Condos sold 17% slower than in 2005, averaging 148 days on the market. The average condo size was 2487 square feet.

# Down Town Graphs

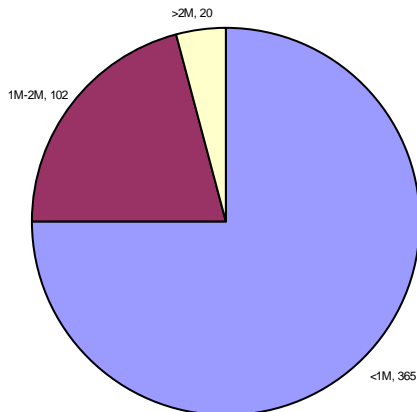
**Average Sale Price vs. Median Sales Price 2004-2006**



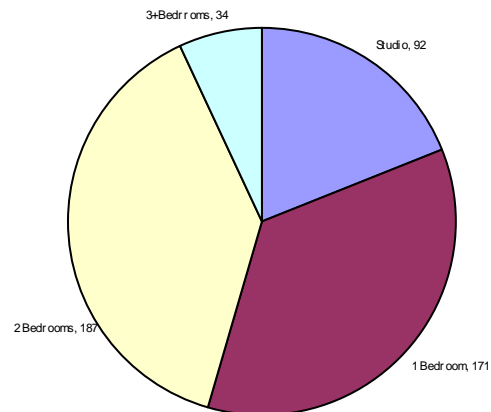
**Average Square Footage by Bedrooms 2004-2006**



**Number of Units Sold by Price 2006**



**Number of Units Sold by Bedrooms 2006**



## Luxury Market (Full Service Developments)

### The Luxury Market Showed Large

**Growth and Price Increases.** The average sales price in 2006 was \$830,257. This marked a 3% decrease from 2005, but a 9% increase from 2004. The average price per square foot was \$665 marking a 1% increase from last year and a 17% jump from 2004. The median selling price was \$624,900. This price showed a 2% drop from 2005, but an 8% increase from 2004. Condos sold 8% faster than in 2005, averaging 98 days on the market. The average condo size was 1238 square feet.

**Studio Market.** 136 Studios sold in 2006. The average sales price was \$516,284. This showed a decrease of 5% from 2005 and 21% from 2004. The average price per square foot decreased 10% from last year, but increased 6% from 2004, ringing in at \$576. The median selling price was \$433,660 in 2006, marking an 8% increase the previous year, and a 10% increase from 2004. Studios sold 24% faster in 2006 than in 2005, averaging 65 days on the market. The average condo size was 765 square feet.

**One Bedroom Market.** 256 One bedroom units sold in 2006. The average sales price

Luxury Market Matrix	2006	2005	%Chg	2004	% Chg
Average Sales Price	\$830,257	\$876,160	-3%	\$758,289	9%
Average Price per Sq.Ft	\$665	\$658	1%	\$570	17%
Median Sales Price	\$624,900	\$640,000	-2%	\$576,500	8%
Avg. Marketing Time	98	106	-8%	249	-61%
Average Condo Size	1238	1233	0%	1242	0%

was \$558,797 marking a 6% increase from 2005 and a 21% spike from 2004. The average price per square foot hit \$626 this year, marking a 1% increase from last year and an 18% increase from 2004. The median selling price was \$496,500. This marked a 6% increase from the previous year and a 14% increase from 2004. Condos sold 4% slower than in 2005, averaging 83 days on the market. The average condo size was 894 square feet.

**Two Bedroom Market.** 291 Two bedroom units sold in 2006. The average sales price was \$963,177 marking a 5% increase from 2005 and a 16% jump from 2004. The average price per square foot was \$677 marking a 4% increase from last year and a 16% increase from 2004. The median selling price was \$840,000. This price showed a 3% increase

from 2005 and a 14% increase from 2004. Condos sold 18% faster than in 2005, averaging 94 days on the market. The average condo size was 1370 square feet.

**Three + Bedroom Market.** 58 Three + bedroom units sold in 2006. The average selling price was \$2,088,381 marking a 1% decrease from 2005, but a 29% increase from 2004. The average price per square foot was \$840. This showed a 3% decrease from 2005, but a 25% spike from 2004. The median selling price was \$1,903,500 marking a 4% increase from last year and a whopping 48% jump from 2004. Condos sold 4% slower than in 2005, averaging 189 days on the market. The average condo size was 2432 square feet.

### About the Author.

Elad Bushari has been writing The Boston Real Estate Market Report since 2005 in order to give his clients better insight into local market trends. He discusses Boston market trends every Friday morning on the "Stu Taylor on Business" radio show on WBIX 1060AM.

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