

your
agent
matters



"How's the real estate market doing?" As a Realtor, that has to be the most frequent question I hear. So I thought I'd share the numbers for the first 3 quarters of 2007 with you and compare them to the same period last year.

First, the good news. Comparing the first 3 quarters of 2007 to the first 3 quarters of 2006, the 3 largest downtown Boston neighborhoods continue to do quite well. This is in stark contrast to many other parts of the country. Here are the numbers:

Comparing the first 9 months of 2006 to 2007, the average price paid is either stable or up significantly:

| | Average Sale Price | Average Sale Price | |
|--------------------------|--------------------|--------------------|-------------|
| | Q1 - Q3 2006 | Q1 - Q3 2007 | % change |
| Back Bay | \$816,421 | \$861,157 | +5.5 |
| Beacon Hill | \$583,968 | \$700,363 | +20 |
| South End | \$599,999 | \$608,203 | +1.4 |
| Neighborhood Avg. | \$666,796 | \$723,241 | +8.5 |

Likewise, the median price (Median price is the price that is midway between the least expensive and most expensive home sold in an area during a given period of time) is up:

| | Median Sale Price | Median Sale Price | |
|--------------------------|-------------------|-------------------|-------------|
| | Q1 - Q3 2006 | Q1 - Q3 2007 | % change |
| Back Bay | \$565,000 | \$610,500 | +6.5% |
| Beacon Hill | \$467,000 | \$500,000 | +7.1 |
| South End | \$499,500 | \$549,950 | +10.1 |
| Neighborhood Avg. | \$510,500 | \$550,483 | +7.8 |

Furthermore, the number of units sold has increased:

| | Units Sold | Units Sold | |
|-------------|--------------|--------------|--------------|
| | Q1 - Q3 2006 | Q1 - Q3 2007 | % change |
| Back Bay | 317 | 359 | +6.5 |
| Beacon Hill | 120 | 123 | +.025 (flat) |
| South End | 410 | 484 | +18 |

| | | | |
|--------------------------|------------|------------|-------------|
| Neighborhood Avg. | 282 | 322 | +7.8 |
|--------------------------|------------|------------|-------------|

While the number of units currently under agreement has increased:

| | Units Under Agreement | Units Under Agreement | |
|--------------------------|-----------------------|-----------------------|--------------|
| | Q1 - Q3 2006 | Q1 - Q3 2007 | % change |
| Back Bay | 333 | 386 | +15.9 |
| Beacon Hill | 129 | 140 | +8.5 |
| South End | 459 | 540 | +17.6 |
| Neighborhood Avg. | 307 | 355 | +15.6 |

Moreover, with the exception of Beacon Hill, inventory has dropped significantly::

| | Available Inventory | Available Inventory | |
|--------------------------|---------------------|---------------------|--------------|
| | As of 10/1/06 | As of 10/1/2007 | % change |
| Back Bay | 231 | 192 | -16.9 |
| Beacon Hill | 73 | 88 | +20 |
| South End | 327 | 230 | -29.6 |
| Neighborhood Avg. | 210 | 170 | -19.0 |

Now the possible bad news. While the first 3 quarters have been good, we do not have much in the way of hard data on units that have closed since the recent credit crunch. We'll have to wait until later this year for the data to become public to see what effect the mortgage markets are having on our local market.

There is little question that some buyers have been denied financing and some deals have fallen apart due to financing difficulties. And my own experience is that buyers this Fall are taking their time, with many looking now but not planning to buy until the Spring. But the good news is that overall mortgage rates have come back down since the height of the credit crunch, and things have eased up a bit. While inventory is not huge like in other parts of the country, there are a number of good properties out there for qualified buyers. So if you are in the market for a new home, it's not a bad time to get out there and take a look. Of course it would be my pleasure to help with that search!

I hope you found this report helpful. Please feel free to forward to anyone else you think might find it interesting.

Have a great weekend,

Ken

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