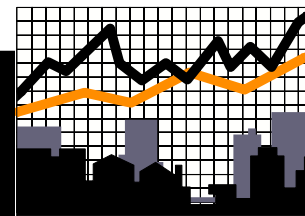




Real Estate TRENDS



REVISED ANNUAL REPORT 1998

DEPARTMENT OF NEIGHBORHOOD DEVELOPMENT • RESEARCH & DEVELOPMENT UNIT • CITY OF BOSTON • THOMAS M. MENINO, MAYOR

BOSTON'S HOUSING SUMMARY

Volume of Housing Sales*

1997:	5418
1998:	7041
Change:	+30%

Median Sales Price*

1997:	\$142,000
1998:	\$162,500
Change:	+14%

Mortgage Foreclosures*

1997:	266
1998:	210
Change:	-21%

Median Rent Two-Bedroom Apartment

1998:	\$1500
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*1-, 2-, 3-family & condominiums

Percentage Change in Median Sale Price 1997 - 1998 (in dollars)

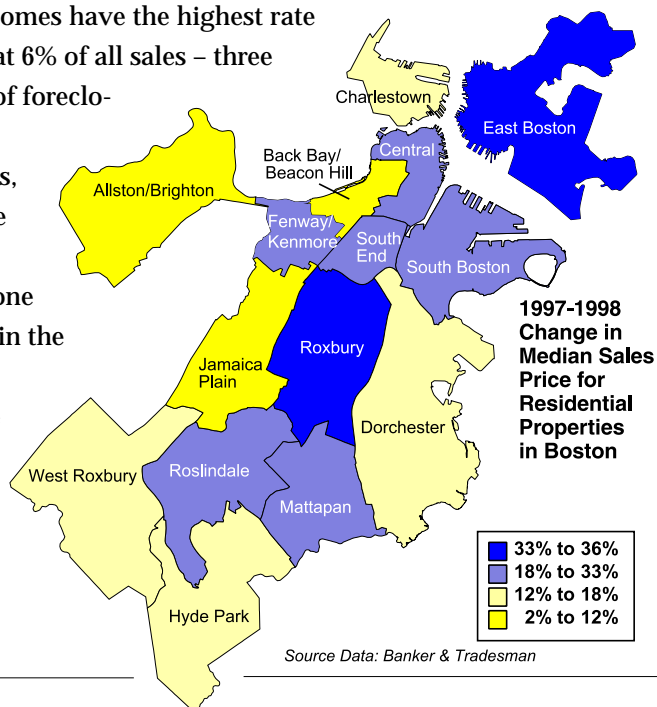
Neighborhood	'97	'98	% Change in Median
ALLSTON/BRIGHTON	124000	127000	2%
BACK BAY/ BEACON HILL	249000	263000	6%
CENTRAL	174000	212500	22%
CHARLESTOWN	191500	225000	17%
DORCHESTER	125000	140000	12%
EAST BOSTON	88051	120000	36%
FENWAY/KENMORE	122000	145100	19%
HYDE PARK	125000	144100	15%
JAMAICA PLAIN	162000	165500	2%
MATTAPAN	110500	130000	18%
ROSLINDALE	137500	167000	21%
ROXBURY	90000	119000	32%
SOUTH BOSTON	133000	160000	20%
SOUTH END	179000	220000	23%
WEST ROXBURY	172382	198500	15%

SALES: Boston's median sales price for residential property increased by 14% between 1997 and 1998. Of all property types, condominiums, which saw the highest increase in sales volume in 1998, now represent 53% of all sales in Boston. The median sales price for condominiums, however, saw the smallest increase of all property types (10%).

RENTS: Rents continue to climb. The 1998 citywide median advertised rent for a two-bedroom apartment was \$1500, a 82% increase from 1995 when a citywide two-bedroom rent was \$825. Neighborhoods, outside the central core, seeing the highest increase in two-bedroom rents since 1995 are East Boston (54%), South Boston (45%), Jamaica Plain (42%), and Allston/Brighton (34%).

SUBSIDIZED RENTS: The high rental housing market is difficult for even subsidized households seeking housing. The current two-bedroom advertised rent of \$1500 is 66% above HUD's FY99 Section 8 Fair Market Rents (\$906 for a two-bedroom, not including HUD's neighborhood exceptions).

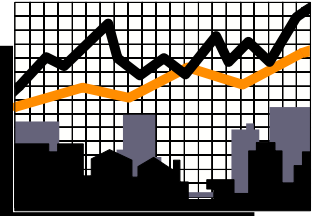
FORECLOSURES: Mortgage foreclosures declined by 21% between 1997 and 1998. Compared with 1992, when foreclosures were at their highest level, 1998 shows a dramatic 90% decrease. Foreclosures now represent only 3% of all sales compared to 17% of all sales in 1994. Three-family homes have the highest rate of foreclosure at 6% of all sales – three times the rate of foreclosures overall. Condominiums, historically one of the most foreclosure-prone housing types in the early 1990s, now only have 1% of its sales as foreclosures — the lowest of all housing types.



Source Data: Banker & Tradesman



Housing SALES & PRICES



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Table 1. Median Residential Sales Price
1st Quarter 1997 through 4th Quarter 1998

Year	Quarter	Single Family	Two Family	Three Family	Condominium
1997	Q1	\$125,000	\$135,000	\$121,000	\$139,750
	Q2	\$143,000	\$150,000	\$134,500	\$146,600
	Q3	\$137,250	\$150,000	\$146,500	\$153,000
	Q4	\$139,000	\$149,500	\$145,000	\$150,000
1998	Q1	\$137,900	\$161,250	\$150,000	\$165,500
	Q2	\$155,000	\$169,000	\$150,000	\$179,000
	Q3	\$172,700	\$178,500	\$162,000	\$158,000
	Q4	\$155,000	\$173,250	\$165,000	\$159,650

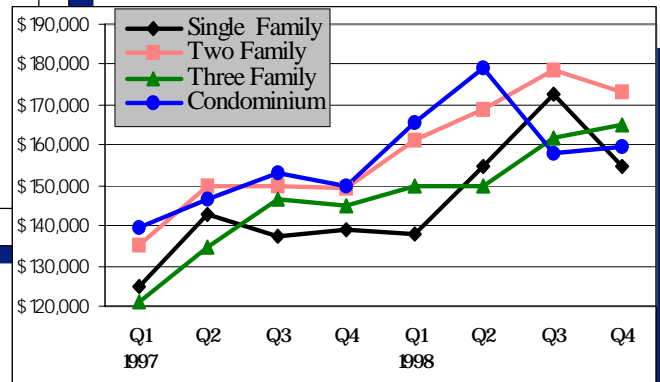
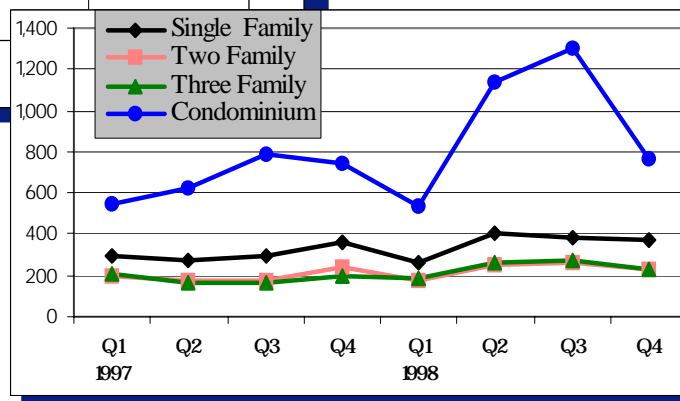


Table 2. Volume of Residential Sales
1st Quarter 1997 through 4th Quarter 1998

Year	Quarter	Single Family	Two Family	Three Family	Condominium
1997	Q1	290	197	205	542
	Q2	269	175	160	626
	Q3	294	172	162	785
	Q4	363	238	197	743
1998	Q1	263	172	188	540
	Q2	402	251	263	1133
	Q3	382	264	274	1307
	Q4	373	226	233	770

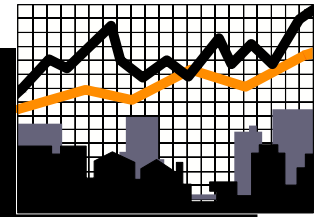


Data Source: Banker & Tradesman

Data includes residential sales, which have a sales price between \$25,000 and \$1,000,000.



Housing SALES & PRICES



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**Table 3. Sales of Single Family Homes
in Boston's Neighborhoods
1997 and 1998**

Neighborhood	1997		1998		% Change in Median
	Median	# of Sales	Median	# of Sales	
ALLSTON/BRIGHTON	\$184,000	59	\$211,500	64	15%
BACK BAY/BEACON HILL	\$575,000	11	\$927,500	6	61%
CENTRAL	\$385,500	6	\$558,000	18	45%
CHARLESTOWN	\$249,000	53	\$263,000	70	6%
DORCHESTER	\$118,500	165	\$133,000	227	12%
EAST BOSTON	\$71,000	28	\$96,000	48	35%
FENWAY/KENMORE	\$740,000	1	\$745,000	3	1%
HYDE PARK	\$122,500	200	\$134,450	226	10%
JAMAICA PLAIN	\$245,000	57	\$252,000	74	3%
MATTAPAN	\$98,750	90	\$115,000	71	16%
ROSLINDALE	\$130,000	157	\$159,500	180	23%
ROXBURY	\$83,500	42	\$103,000	45	23%
SOUTH BOSTON	\$127,000	75	\$151,000	76	19%
SOUTH END	\$437,500	17	\$415,000	13	-5%
WEST ROXBURY	\$178,000	255	\$200,000	296	12%
Citywide	\$135,000	1216	\$157,000	1420	16%

**Table 4. Sales of Two Family Homes
in Boston's Neighborhoods
1997 and 1998**

Neighborhood	1997		1998		% Change in Median
	Median	# of Sales	Median	# of Sales	
ALLSTON/BRIGHTON	\$220,000	84	\$260,650	94	18%
BACK BAY/BEACON HILL	\$322,000	2	\$933,000	1	190%
CENTRAL	\$400,000	9	\$450,000	9	13%
CHARLESTOWN	\$304,500	18	\$333,000	19	9%
DORCHESTER	\$135,000	173	\$156,000	185	16%
EAST BOSTON	\$95,000	45	\$132,000	50	39%
FENWAY/KENMORE	\$819,000	3	\$870,000	2	6%
HYDE PARK	\$140,000	89	\$165,000	129	18%
JAMAICA PLAIN	\$188,750	58	\$219,250	52	16%
MATTAPAN	\$130,000	54	\$140,500	58	8%
ROSLINDALE	\$157,750	94	\$185,000	121	17%
ROXBURY	\$90,000	63	\$125,500	72	39%
SOUTH BOSTON	\$155,000	46	\$195,000	46	26%
SOUTH END	\$382,000	12	\$715,000	13	87%
WEST ROXBURY	\$214,050	32	\$240,000	62	12%
Citywide	\$145,250	782	\$170,000	913	17%

**Table 5. Sales of Three Family Homes
in Boston's Neighborhoods
1997 and 1998**

Neighborhood	1997		1998		% Change in Median
	Median	# of Sales	Median	# of Sales	
ALLSTON/BRIGHTON	\$264,000	33	\$300,000	39	14%
BACK BAY/BEACON HILL	\$540,000	2	\$757,500	2	40%
CENTRAL	\$374,500	5	\$335,917	8	-10%
CHARLESTOWN	\$225,000	25	\$370,000	23	64%
DORCHESTER	\$130,000	195	\$150,000	297	15%
EAST BOSTON	\$100,000	85	\$125,000	141	25%
FENWAY/KENMORE	NA	NA	\$290,000	2	NA
HYDE PARK	\$155,000	19	\$177,000	26	14%
JAMAICA PLAIN	\$157,000	63	\$190,000	77	21%
MATTAPAN	\$108,500	58	\$144,000	63	33%
ROSLINDALE	\$165,750	40	\$182,750	48	10%
ROXBURY	\$119,900	115	\$126,300	134	5%
SOUTH BOSTON	\$160,000	75	\$218,000	79	36%
SOUTH END	\$401,000	7	\$355,000	13	-11%
WEST ROXBURY	\$272,500	2	\$248,875	6	-9%
Citywide	\$135,000	724	\$155,000	958	15%

**Table 6. Sales of Condominiums
in Boston's Neighborhoods
1997 and 1998**

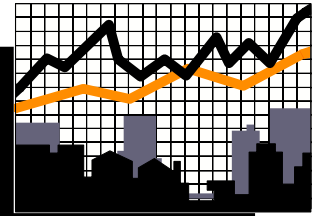
Neighborhood	1997		1998		% Change in Median
	Median	# of Sales	Median	# of Sales	
ALLSTON/BRIGHTON	\$88,500	313	\$104,900	533	19%
BACK BAY/BEACON HILL	\$240,750	439	\$259,803	529	8%
CENTRAL	\$171,000	631	\$205,000	637	20%
CHARLESTOWN	\$175,000	204	\$204,900	359	17%
DORCHESTER	\$70,000	77	\$73,930	108	6%
EAST BOSTON	\$40,000	28	\$65,000	35	63%
FENWAY/KENMORE	\$120,000	238	\$143,000	373	19%
HYDE PARK	\$106,000	44	\$109,900	31	4%
JAMAICA PLAIN	\$120,000	129	\$131,000	265	9%
MATTAPAN	\$54,500	6	\$63,700	14	17%
ROSLINDALE	\$75,500	34	\$106,000	61	40%
ROXBURY	\$63,500	10	\$90,000	34	42%
SOUTH BOSTON	\$124,000	143	\$144,000	241	16%
SOUTH END	\$175,000	335	\$215,000	454	23%
WEST ROXBURY	\$97,000	65	\$112,500	76	16%
Citywide	\$150,000	2696	\$165,000	3750	10%

Data Source: Banker & Tradesman

Data includes residential sales, which have a sales price between \$25,000 and \$1,000,000.



Residential FORECLOSURES



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Table 7. Mortgage Foreclosures in Boston's Neighborhoods 1997 and 1998

Neighborhood	1997	1998	% Change	1998 Foreclosures As a % of Sales
Allston/Brighton	18	10	-44%	1%
Back Bay/Beacon Hill	4	NA	-100%	NA
Central	5	2	-60%	0%
Charlestown	2	NA	-100%	NA
Dorchester	72	62	-14%	8%
East Boston	9	11	22%	4%
Fenway/Kenmore	4	6	50%	2%
Hyde Park	21	18	-14%	4%
Jamaica Plain	11	5	-55%	1%
Mattapan	44	27	-39%	13%
Roslindale	17	13	-24%	3%
Roxbury	30	33	10%	12%
South Boston	19	12	-37%	3%
South End	9	6	-33%	1%
West Roxbury	1	5	400%	1%
Citywide	266	210	-21%	3%

1998 Foreclosures as a Percentage of Sales

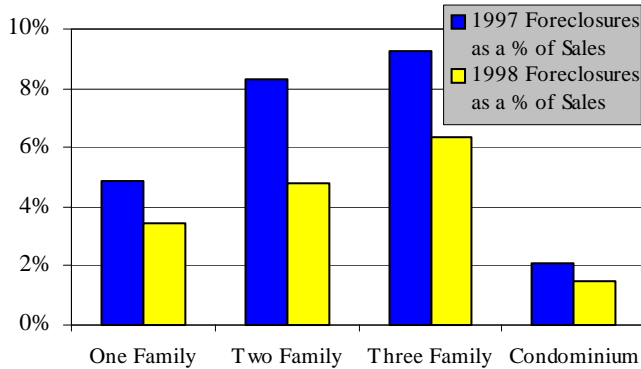
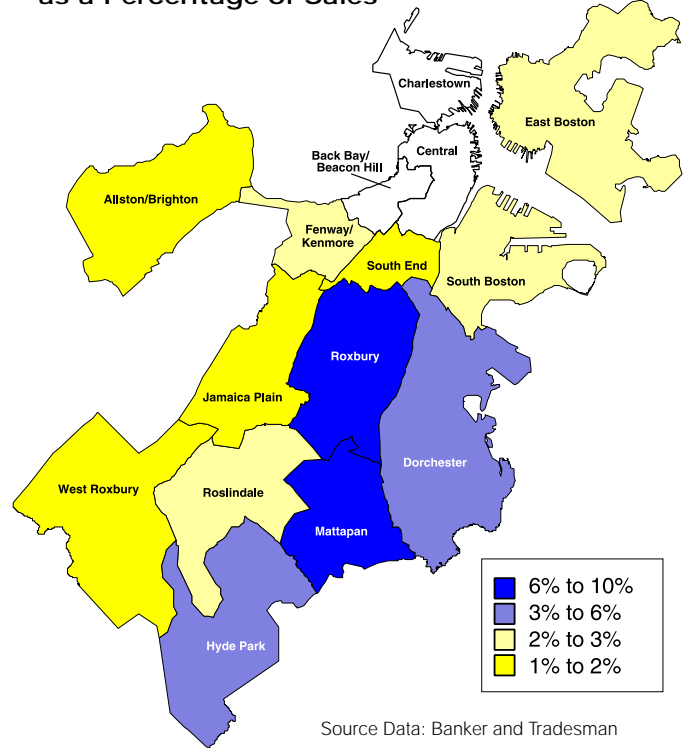
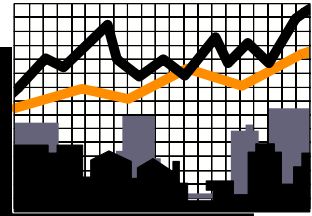


Table 8. Mortgage Foreclosures by Housing Type in Boston 1997 and 1998

Housing Type	1997	1998	% Change	1998 Foreclosures as a % of Sales
One Family	59	49	-17%	3%
Two Family	65	44	-32%	5%
Three Family	67	61	-9%	6%
Condominium	75	56	-25%	1%
TOTAL	266	210	-21%	3%

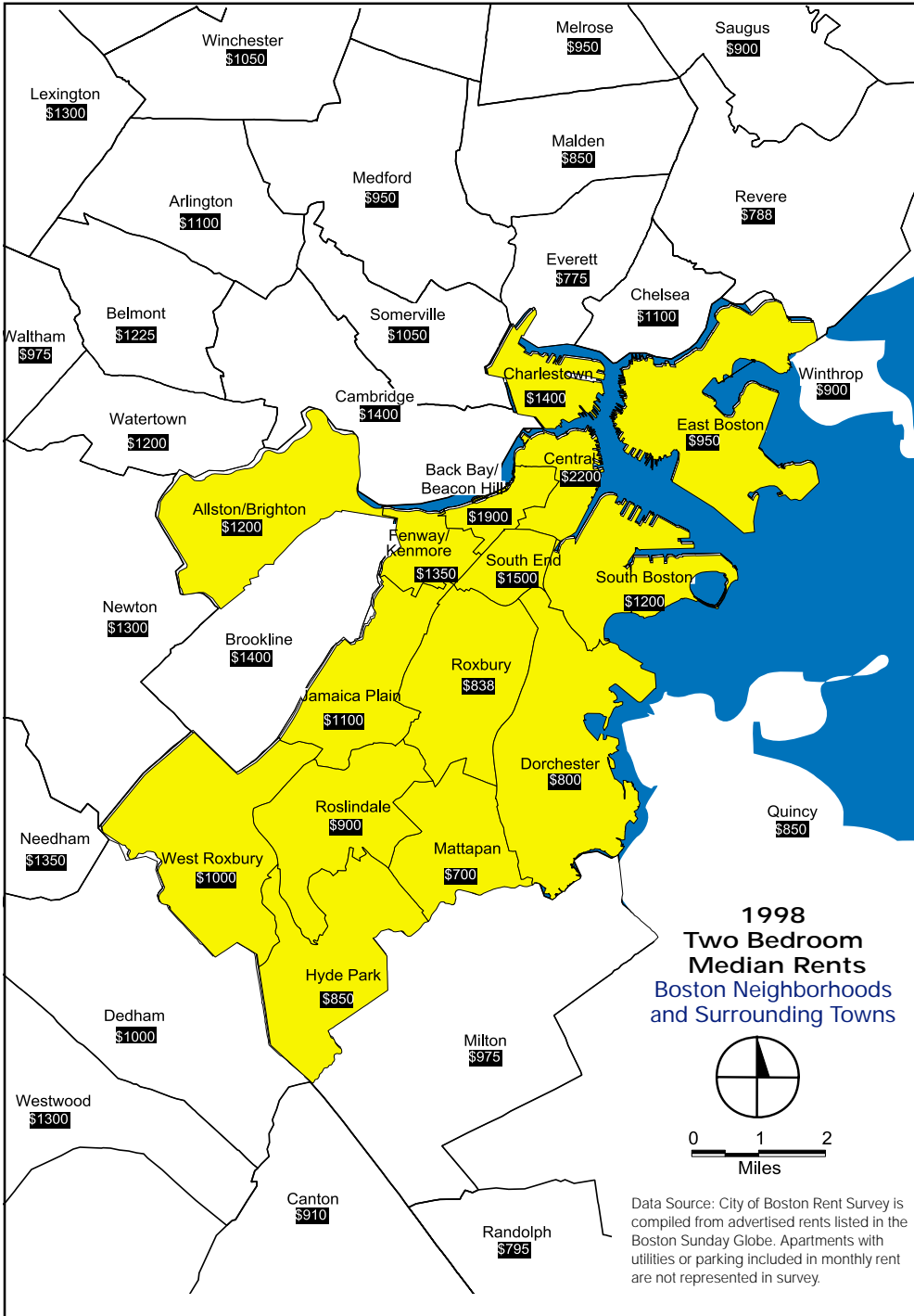


ADVERTISED AREA RENTS



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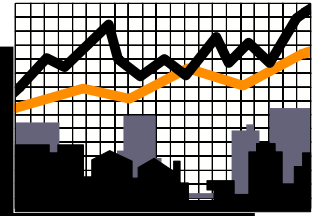
**Table 9.
Median Advertised Rents
in Boston Neighborhoods
1998**

	One Bedroom	Two Bedroom	Three Bedroom
*ALLSTON/ BRIGHTON	\$875	\$1,200	\$1,500
*BACK BAY/ BEACON HILL	\$1,375	\$1,900	\$2,250
*CENTRAL	\$1,200	\$2,200	\$2,000
CHARLESTOWN	\$1,025	\$1,400	\$1,900
DORCHESTER	\$600	\$800	\$900
EAST BOSTON	\$650	\$950	\$1,150
*FENWAY/ KENMORE	\$925	\$1,350	\$1,443
HYDE PARK	\$695	\$850	\$1,150
JAMAICA PLAIN	\$838	\$1,100	\$1,400
MATTAPAN	\$550	\$700	\$875
ROSLINDALE	\$800	\$900	\$1,200
ROXBURY	\$650	\$838	\$1,200
SOUTH BOSTON	\$775	\$1,200	\$1,500
SOUTH END	\$1,250	\$1,500	\$1,800
*WEST ROXBURY	\$750	\$1,000	\$1,300
CITYWIDE	\$1,150	\$1,500	\$1,600
HUD FY99 Section 8 Fair Market Rent	\$723	\$906	\$1,132

* HUD Exception Rents Apply with maximum rents being 17-20% above Fair Market Rent.



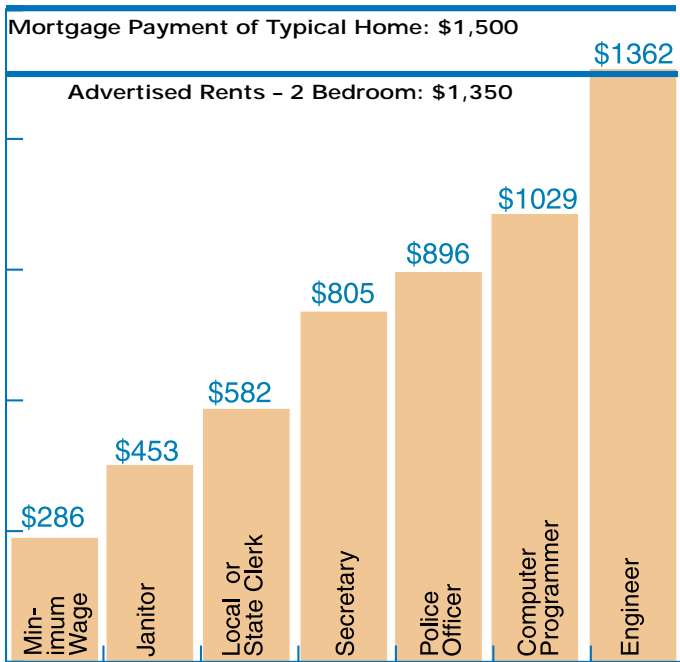
Housing AFFORDABILITY



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Table 10. Affordable Housing in the City of Boston



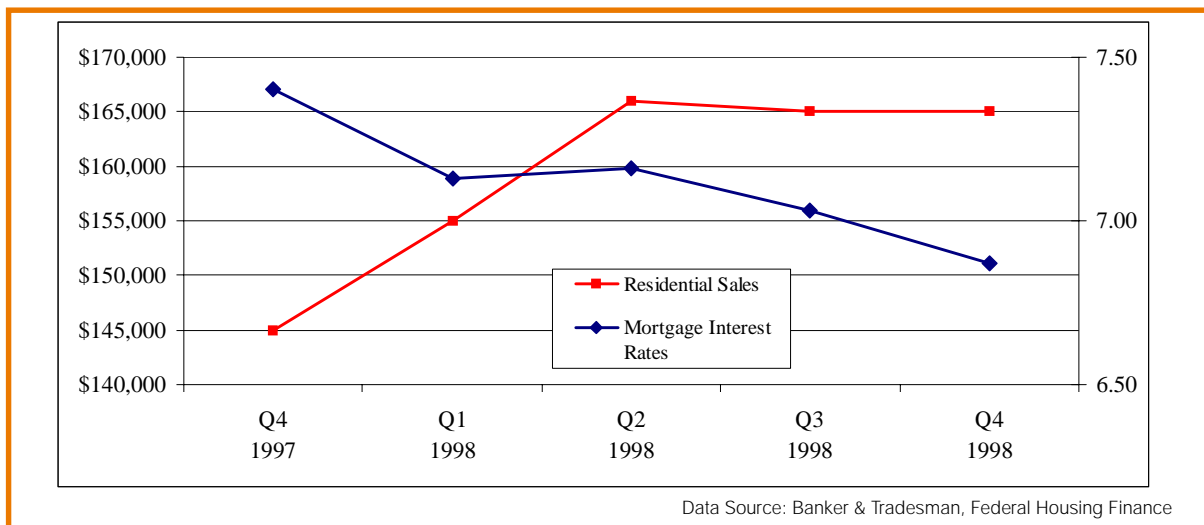
*Samples reflect 30% of monthly gross income toward housing costs for various occupations.

■ In 1998, rising housing prices made Boston a relatively expensive place to live, despite favorable mortgage rates. Rental housing, the only option for people who cannot afford to buy, is equally expensive.

■ In Table 10, we see what people can afford in Boston given a sampling of earnings for various occupations for the metropolitan area. For example, a computer programmer earning \$41,157 a year has a monthly gross of \$3,430. Assuming 30% of gross income is applied to housing costs, the computer programmer can afford to spend \$1,029 a month on housing. This is lower than an advertised two-bedroom rent of \$1,350 and a monthly mortgage payment of \$1,500 for a median priced home in Boston.

Data Source: Occupational Compensation Survey: Pay Only, Consolidated Metropolitan Statistical Area. U.S. Department of Labor Bureau of Labor Statistics 1996. Samples were adjusted by the Employment Cost Index for the Northeast at 3.1%-1997 and 3.6%-1998.

Table 11. Comparison Trending of Average Mortgage Rates and Residential Sale Prices Boston Metropolitan Area, 1997-1998



Data Source: Banker & Tradesman, Federal Housing Finance

While declining mortgage rates in the Boston Metropolitan area are making homeownership more affordable, increasing sales prices are virtually eliminating the benefits of the lower mortgage rates.