

SEMI-ANNUAL MARKET REPORT

Boston • Cambridge • Somerville



August 2021



Table of Contents

1. Market Overview
2. Boston Market
3. Cambridge Market
4. Somerville Market

Dear Friends of Senné,

What a year it's been so far! It's hard to imagine the summer is almost over. 2021 has certainly been an interesting year for the real estate industry — coming out of 2020, the market exploded with eager buyers across the country, but the usual spring flurry of homes for sale never materialized in 2021. Instead, higher than usual demand for single-family homes and condominiums was met with a smaller than usual number of available properties. Buyers resorted to all kinds of strategies, including paying in cash, waiving home inspections, writing letters to sellers about their properties, and making offers so far over the asking price that the sellers couldn't refuse.

Safe to say, everyone in the industry snapped to attention. Sellers who benefited from the high-demand market this summer frequently found themselves on the other side of it, competing for minimal housing stock with the rest of the crowd. I'm predicting a steady increase of new inventory on the market through mid-fall from savvy homeowners who waited it out. Potential first-time buyers will still need to account for high prices this fall, but low mortgage rates will help broaden their options. Sellers can still expect to get excellent offers on their properties. The fall is looking bright for everyone — buyers, sellers, renters, and investment property owners too.

Renters certainly enjoyed the upper hand in the past year and a half. Remote work, remote school, temporary closures, and more, all contributed to an unforeseen lull in a typically booming rental market in Greater Boston. Most students stayed home and a large number of young professionals either moved out of the city or dug in on their current leases instead. Landlords throughout the area were forced to reduce their rent rolls, offer huge concessions, or renew leases with tenants that were paying below the expected market rent. However, with the return of in-person school semesters and office work, the rental market appears to be making a steady recovery. Only time will tell whether this is permanent or temporary, but our team is keeping a close eye on it for our investment portfolio owners and other clients.

The good news for the fall season just keeps coming. The Senné team has a wide variety of properties coming to market soon, from Boston, Cambridge, and Somerville to MetroWest and the North and South Shores, and the list is always growing. Our talented team of residential associates is like an all-star Olympics lineup. No matter who you're working with, we'll bring home the gold!

To everyone who weathered the uncharted waters of 2020 and 2021 with us, I want to thank you for your continued support and your faith in our company. We're focused on your future, and we're proud to be your partner.

See you soon,



Deb Hauser, Executive Director
Residential Brokerage



Residential

SEMI-ANNUAL MARKET REPORT

Boston • Cambridge • Somerville

BOSTON, CAMBRIDGE, AND SOMERVILLE SHARE A COLLECTIVE POPULATION OF JUST UNDER 1,000,000 PEOPLE ACROSS 40+ NEIGHBORHOODS. IN THIS REPORT, WE PRESENT KEY MARKET STATISTICS AND EXPLORE WHAT THESE FIGURES COULD MEAN TO BUYERS, SELLERS, AND RENTERS.

Overview

Greater Boston's real estate market has remained resilient as the city continues to recover from the Covid-19 pandemic. Thriving sectors like education, technology, and life sciences continue to bolster Boston's economy and drive people to the city. Between Boston, Cambridge, and Somerville a combined 1,255 single-family homes and condominium units have come on the market from January to June. **Cambridge saw the most expensive single-family homes listed for an average of \$1,952,839, while Somerville single-family figures were the lowest at \$995,549. Real estate activity in Boston held steady in the first half of the year; to date, a total of 500 single-family and condo properties have been put up for sale.**

This first half of the year showed definite signs of a market favoring sellers. Both Cambridge and Somerville saw single-families and condos sell for above their listing prices. **Single-family homes in Cambridge exchanged owners for just about \$1,998,400 and in Somerville for \$1,020,260. These same home types went for approximately \$1,184,752 in Boston, a**

figure below the overall asking prices. The most expensive condos were found in Cambridge and sold for \$964,344, the least in Somerville at \$832,047. Again, Boston condos fell short of asking; these residences went for \$829,592, a little under \$25,000 less than their listing prices.

The rental markets in Boston, Cambridge, and Somerville look to be on the upswing from the end of 2020. Though landlords were making concessions with renters to keep them as tenants, property owners see more people returning to the city and possibly less incentive to lower their rates. **Boston reports the most expensive rents at an average of \$3,165 for a two-bedroom over six months. Cambridge and Somerville follow behind at \$2,885 and \$2,483.** Though these may seem high, fear not. Communities like Jamaica Plain, Dorchester, and Roxbury offer more reasonably priced housing and feature the newly constructed residential apartments. These developing communities are transit-oriented and include just as many close-by amenities as the more expensive areas around the city.

January-June 2021 Housing Snapshot*

	Boston		Cambridge		Somerville	
	Single-Family	Condos	Single-Family	Condos	Single-Family	Condos
Properties on the Market	93	407	56	344	41	314
Average List Price of Sold	\$1,249,788	\$853,925	\$1,952,839	\$945,071	\$995,549	\$814,696
Average List Price/SF of Sold	\$509/SF	\$744/SF	\$818/SF	\$842/SF	\$581/SF	\$638/SF
Average Sale Price	\$1,184,752	\$829,592	\$1,998,400	\$964,344	\$1,020,260	\$832,047
Average Sale Price/SF	\$497/SF	\$726/SF	\$840/SF	\$857/SF	\$595/SF	\$653/SF
Average Days on Market	56.48	64.54	35.79	45.27	42.29	46.51
Average Asking Rent	\$3,165		\$2,885		\$2,483	

*All statistics above are calculated on activity within the period from January 1, 2021, to June 30, 2021. Information provided by MLSPin.com.

Boston

Boston Overview

Consisting of 23 neighborhoods across 48 square miles, each one of Boston's unique communities contains special features that add to the city's distinct identity. Boston is well known for its Victorian and triple-decker-style homes that have survived the decades that serve as a modern-day glimpse into the past. Its historic residential architecture and more contemporary luxury high-rises drive this area's real estate market and make Boston a well-sought-after city among homebuyers and renters.

Boston Housing Snapshot												
	January		February		March		April		May		June	
	Single-Family	Condos	Single-Family	Condos								
Properties on the Market	80	340	45	271	62	438	62	438	67	433	61	439
Avg. List Price of Sold	\$1,333,131	\$843,159	\$885,053	\$885,236	\$834,340	\$942,332	\$1,140,894	\$893,717	\$1,119,172	\$1,036,097	\$1,140,779	\$913,817
Avg. List Price/SF of Sold	\$515/SF	\$740/SF	\$446/SF	\$752/SF	\$440/SF	\$724/SF	\$550/SF	\$767/SF	\$529/SF	\$814/SF	\$515/SF	\$792/SF
Avg. Sale Price	\$1,256,261	\$819,019	\$891,629	\$858,298	\$858,544	\$917,460	\$1,141,666	\$879,292	\$1,132,776	\$1,019,187	\$1,178,352	\$914,564
Avg. Sale Price/SF	\$500/SF	\$722/SF	\$445/SF	\$733/SF	\$454/SF	\$714/SF	\$556/SF	\$761/SF	\$542/SF	\$809/SF	\$544/SF	\$798/SF
Avg. Days on Market	58.34	63.72	43.60	79.45	42.16	72.96	52.58	59.41	45.07	54.38	25.59	41.18
Avg. Asking Rent	\$2,659		\$2,932		\$3,111		\$2,985		\$2,947		\$3,187	

*All statistics above are calculated on activity within the period from January 1, 2021, to June 30, 2021. Information provided by MLSPin.com.

Single-Family Homes

The city saw 377 single-family homes on the market from January to June this year compared to only 79 listings on the market at this same time last year, about a 377% increase.

January started off the year with 80 single-family homes on the market for an average of \$1,333,131. Homes that sold went for an average sale price of \$1,256,261. Real estate in this city has always been exceptionally high; even with properties typically going for less than asking, buyers in this market should expect to pay more than what they may have bargained for. Inventory in Boston has been steady and shows trends of a balanced market between both buyers and sellers.

Condominiums

In 2020, from January to June, there were a total of 421 condo units for sale. This year, 2,359 condos have been put on the market representing a 460% increase. **Condos figures peaked in May; 433 units were listed this month alone for an average of \$1,036,097. Those that sold did so for an average of \$1,019,187.** Activity picked up in March, April, May, and June as each month saw over 400 units listed for sale. Condo owners

who have yet to sell their residences need not worry; these properties remain a driving force in Boston real estate and will always attract buyers.

Rentals

Though last year's pandemic may have caused some waves in the market, rental rates are still performing well. Overall, units for lease in 2020 averaged out to \$3,407 per month for a two-bedroom while 2021 saw an average of \$3,165 per month for these same types of apartments. **This year's figures were the lowest in January; landlords rented 294 two-bedroom units for approximately \$2,659 per month. June saw the most activity, over 500 two-bedrooms leased for an average of \$3,187 per month.** Places like Jamaica Plain or Dorchester offer modernly outfitted apartments for a more affordable price.

Cambridge

Cambridge Overview

Cambridge is a much-admired suburb seated just across the Charles River. Adoringly called the “City of Squares” for its intersecting streets that create informal neighborhood centers, Cambridge is known for its many ethnic restaurants, churches, bars, live music and theatre venues, and beautiful real estate. Home to both Harvard University and MIT, hopeful homebuyers relish the opportunity to live in this epicenter of innovation and knowledge.

Boston Housing Snapshot												
	January		February		March		April		May		June	
	Single-Family	Condos	Single-Family	Condos								
Properties on the Market	5	32	3	25	6	57	9	66	10	86	23	78
Avg. List Price of Sold	\$1,594,400	\$702,362	\$1,831,663	\$950,592	\$2,151,500	\$930,605	\$2,228,000	\$917,839	\$1,746,200	\$993,384	\$1,976,913	\$1,023,222
Avg. List Price/SF of Sold	\$844/SF	\$848/SF	\$884/SF	\$863/SF	\$819/SF	\$825/SF	\$707/SF	\$790/SF	\$792/SF	\$883/SF	\$857/SF	\$844/SF
Avg. Sale Price	\$1,536,800	\$703,169	\$1,770,000	\$951,932	\$2,083,000	\$946,493	\$2,311,599	\$944,009	\$1,861,000	\$1,011,021	\$2,043,652	\$1,054,256
Avg. Sale Price/SF	\$805/SF	\$841/SF	\$856/SF	\$859/SF	\$802/SF	\$833/SF	\$748/SF	\$811/SF	\$846/SF	\$902/SF	\$889/SF	\$868/SF
Avg. Days on Market	30.60	61.97	50.00	65.80	80.17	58.25	56.56	48.56	15.10	37.71	24.35	27.90
Avg. Asking Rent	\$2,838		\$2,675		\$2,804		\$2,815		\$2,979		\$2,953	

*All statistics above are calculated on activity within the period from January 1, 2021, to June 30, 2021. Information provided by MLSPin.com.

Single-Family Homes

Cambridge single-family homes usually list and sell for well over \$1 million, making them some of the most expensive homes in the area. Last year in Cambridge, only 39 single-family homes were listed compared to 56 Cambridge this year, about a 44% increase. This year, listing and sale prices were at their highest at the beginning of spring. **In April, nine properties were up for sale for an average of \$2,228,000. Sold homes this month went for an average price of \$2,311,599.** Homebuyers looking to Cambridge for a new place may end up paying a pretty penny for their new homes; aside from its beautiful residential homes, the city’s proximity to Boston, Arlington, and Somerville makes it a great location for professionals frequently any of these areas.

Condominiums

This year, 344 total units come on the market in Cambridge, a 77% increase from 2020’s 194 units. **February saw the fewest condos for sale at 25. These listed for an average of \$950,592, and those that sold exchanged owners for an average of \$951,932. May saw the most activity with 86 condos for sale.**

These listed for an average of \$993,384, and those that sold went for approximately \$1,011,021. Though not as available as in neighboring Boston and Somerville, condos in this area can still fetch a hefty price.

Rentals

Students of nearby colleges and universities presumably make up a fair amount of renters in the Cambridge market. With last year’s pandemic at its peak, there were 233 rentals on the market from January to June compared to 422 during this same period in 2021, about an 80% increase. **The lowest average asking rental rate occurred in February; a two-bedroom reportedly cost renters about \$2,675 per month. June saw the highest numbers so far as two bedrooms rented for about \$2,953 per month.** Renters may expect to see these numbers continue to climb as we enter the busy season and an influx of people look for new housing.

Somerville

Somerville Overview

Somerville is a city on the rise. Recent developments in Union and Davis Squares provide more contemporary housing options for homebuyers and renters, and the MBTA's Green Line Extension project will increase accessibility into the area. Single- and multi-family homes, condos, and apartments line the streets of many Somerville neighborhoods and bolster this region as a preferred destination in the housing market.

Boston Housing Snapshot												
	January		February		March		April		May		June	
	Single-Family	Condos										
Properties on the Market	8	33	4	25	8	54	2	66	7	69	12	67
Avg. List Price of Sold	\$973,375	\$770,591	\$848,475	\$800,152	\$1,066,613	\$812,163	\$719,000	\$783,520	\$1,315,571	\$827,303	\$871,392	\$861,618
Avg. List Price/SF of Sold	\$468/SF	\$601/SF	\$577/SF	\$637/SF	\$616/SF	\$630/SF	\$629/SF	\$613/SF	\$623/SF	\$664/SF	\$603/SF	\$662/SF
Avg. Sale Price	\$929,563	\$765,192	\$887,225	\$796,800	\$1,056,000	\$821,156	\$735,000	\$791,464	\$1,411,429	\$847,752	\$920,604	\$910,708
Avg. Sale Price/SF	\$453/SF	\$598/SF	\$598/SF	\$637	\$606/SF	\$634/SF	\$641/SF	\$622/SF	\$663/SF	\$684/SF	\$634/SF	\$698/SF
Avg. Days on Market	63.63	51.73	48.50	61.72	63.63	52.83	15.50	56.68	14.86	46.64	32.25	23.01
Avg. Asking Rent	\$2,299		\$2,443		\$2,497		\$2,481		\$2,542		\$2,534	

*All statistics above are calculated on activity within the period from January 1, 2021, to June 30, 2021. Information provided by MLSPin.com.

Single-Family Homes

Though a popular market among buyers and renters, there were fewer buying and renting opportunities here in the first half of the year. **A total of 41 single-family homes were put on the market in Somerville from January to June, a 64% increase from 25 in 2020. June saw the most properties listed at only 12. During this month, they were marketed for an average of \$871,392 and sold for approximately \$920,604.** April saw the fewest inventory listed with only two single-family homes listed for sale. As a growing city, it could be that Somerville homeowners want to hold on to their properties for a few more years when future developments will add a bit more value.

Condominiums

Somerville's condo market was more active than its single-family. From January to June, the city saw 314 total condo units up for sale, about a 59% increase from 197 in 2020. **Except for a slight dip between March and April, Somerville condos have steadily grown in average sale prices throughout the year with figures reaching a high of \$910,708**

in June. Though only a few thousand dollars difference between these prices and condos in Boston, homebuyers could save a little more in this market and put that money towards HOA fees.

Rentals

With newer luxury units sprinkled throughout the area, Somerville has become favored among students and professionals. In the first half of the year, about 281 two-bedroom units have seen new tenants compared to 168 units during this same period in 2020, a 67% increase. **Rental figures were at their lowest in January, when 36 apartments went for an average of \$2,299 per month. The market peaked in May when 57 units were leased for an average asking price of \$2,542 per month.** Renters willing to pay above this average should consider Assembly Row or Union Square that have more modern accommodations.