



THE CITY CENTRAL REPORT

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BROKER'S NOTE

The season is coming to a close and I've decided to let the numbers speak for themselves. We've laid out all the data we've collected for the 2013 season and also noted changes evolved from 2012. In 2013, clients seem to understand the market much better than in years past. The sticker shock has worn off from the previous season's price hikes, coupled with having to pay four months rent to move in, has forced incoming tenants to start their hunt early for the best selection. The residential housing market has also heated up this spring, and MANY clients who walked through our doors were displaced out of condos or multifamilies whose owners had decided to take advantage and put their property up for sale.

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Broker, City Central Realty, LLC

Andrew Saltzman has over thirteen years of real estate sales and leasing experience. He founded City Central Realty, LLC in 2004, and since then, Andrew has kept a close watch on the pulse of Boston real estate trends.



2013 RENTAL SEASON - STATISTICS ROUND-UP

It's been said that with every season comes change, but with the 2013 Rental Season the market seems to be leveling out. By mid-August in both 2011 and 2012, apartment inventory in Boston had been wiped out. This August, clients are still able to see over a dozen options on any one tour instead of choosing between two equally grim basement studios littered with mouse traps. Landlords who chose to keep rent prices steady (and who will still profit from 2012's rent increases) sold out by early July. As the summer crept on, and units began to grow stale, even those Landlords who lowered their asking price still failed to see the flurry of action hoped for. However, Landlord's who opted instead to pay the broker's fee did see a huge amount of action. Even if the offer lasted only a few weeks. Why? Today's client already understands that prices have gone up, so NO FEE is psychologically more tempting. Less money up front eases the burden of moving costs, and is often the tipping point for a sale. Although, with more units switching to No Fee the phones are up and ringing again, so we may be in for one final push.

CLIENT MAXIMUM BUDGET vs ACTUAL PRICE RENTED

Apartment prices may continue to climb, and for those who need to move this 2013 season, a good price was clearly a motivating factor in putting down a deposit day-of. Despite rent increases, clients had their pick for prices, and were quick to say yes to a good deal. Landlords who chose to hold prices steady (or at least minimize rent increases) had well-qualified applicants lining up early to fill vacant units. Over **30%** of clients ended up paying \$100 or LESS than their listed maximum budget. Alternatively, only 8% of clients had to pay more than \$100 for the unit of their choice.

\$201 or LESS	\$101-200 LESS	\$11-100 LESS	AT PRICE (\$0-10)	\$11-100 MORE	\$101-200 MORE	\$201 or MORE
17%	14%	19%	25%	17%	6%	2%

Number of the Week

47%

47% of ALL September 1st units that rented this season were rented before the end of MAY. This is a 5% increase from 2012, and a 15% increase from the 2011 season. Many clients cited the reason for their early search to be getting "stuck" with an undesirable unit. To see the month by month break down, please see page 3 of the CCRE Report.



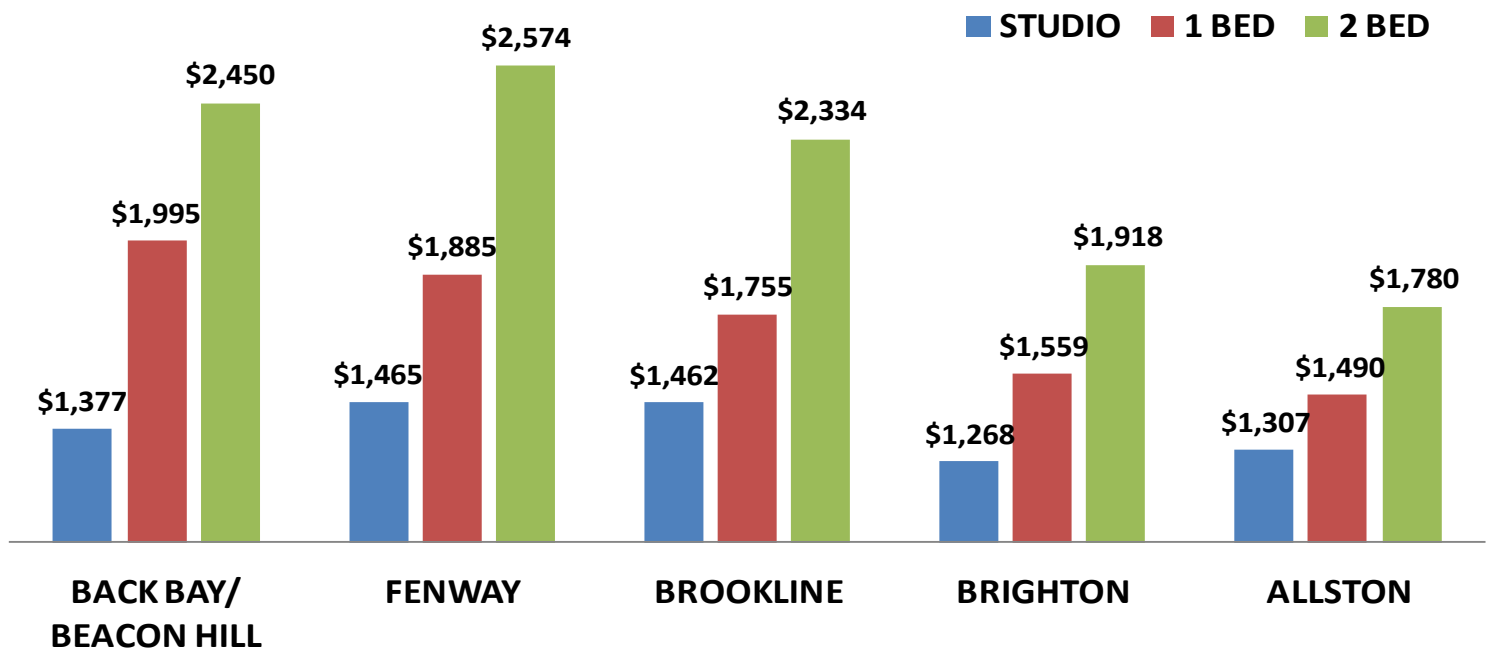
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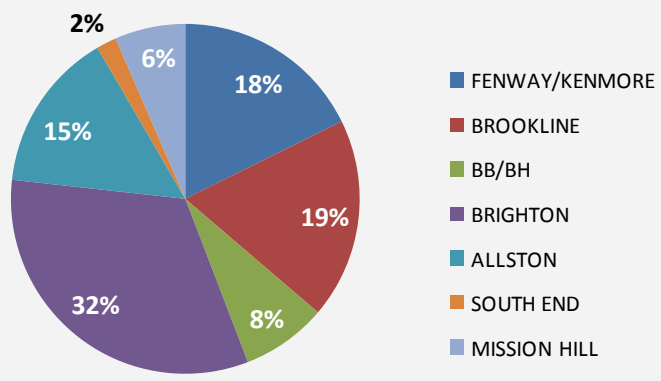
AT A GLANCE RENTAL STATS

AVERAGE PRICE OF UNIT RENTED BY NEIGHBORHOOD



In BRIGHTON, 2013 prices remained relatively constant from 2012. In correlation, BRIGHTON took the lion share of 2013 units rented at 32% - a roomy 13% higher than next most popular, Brookline. Actual final price of STUDIOS continued to climb in 2013: ALLSTON studios UP 14%; FENWAY studios UP 12%; and BROOKLINE studios UP 6%. 1 BED prices were scattered in 2013. BACK BAY/ BEACON HILL 1 beds were DOWN 5%, likely because clients only chose to move to these neighborhoods for a good deal. Actual final price of BROOKLINE 1 beds UP 5%; ALLSTON 1 beds UP 9%; and FENWAY 1 beds UP 11%. Actual final price of 2 BEDs climbed: ALLSTON 2 beds UP 6%; BRIGHTON 2 beds UP 7%, BROOKLINE 2 beds UP 9%; and FENWAY 2 beds, with the most dramatic increase and topping the list for highest 2013 rent rolls, UP 12%. BACK BAY and BEACON HILL 2 bed prices held steady for the 2013 season.

2013 UNITS RENTED BY NEIGHBORHOOD



TRENDING IN 2013: MOST POPULAR CLIENT SEARCH

1 BED \$1650 SEPTEMBER 1st FENWAY

In a surprising turn this 2013 rental season, the popularity throne held in 2012 by Brookline was finally usurped by FENWAY. Since the average MARKET PRICE for a 1 BED in the Fenway neighborhood rented in actuality was \$1,885, 50% of clients opted to down-size in order to remain in the Fenway neighborhood by renting a STUDIO. It should also be noted that the LAYOUT type that was rented out most quickly in Fenway were 1 BED SPLITS. The next most popular neighborhood sought after by clients was surveyed to be evenly split between Brookline and Brighton. For clients seeking Brighton, CLEVELAND CIRCLE was the most popular area.

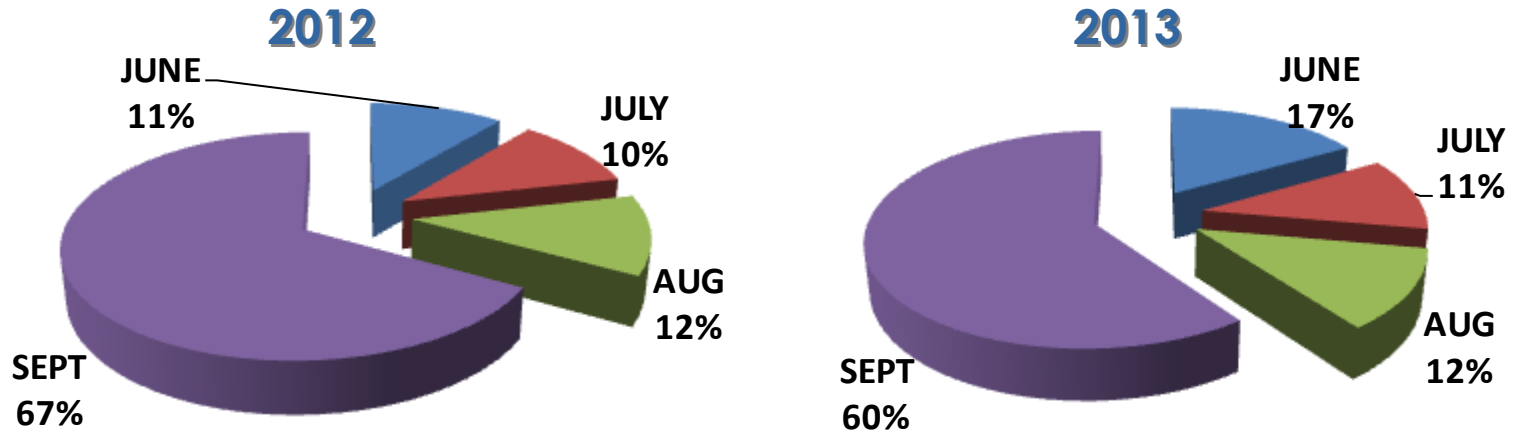
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AT A GLANCE 2012 vs 2013

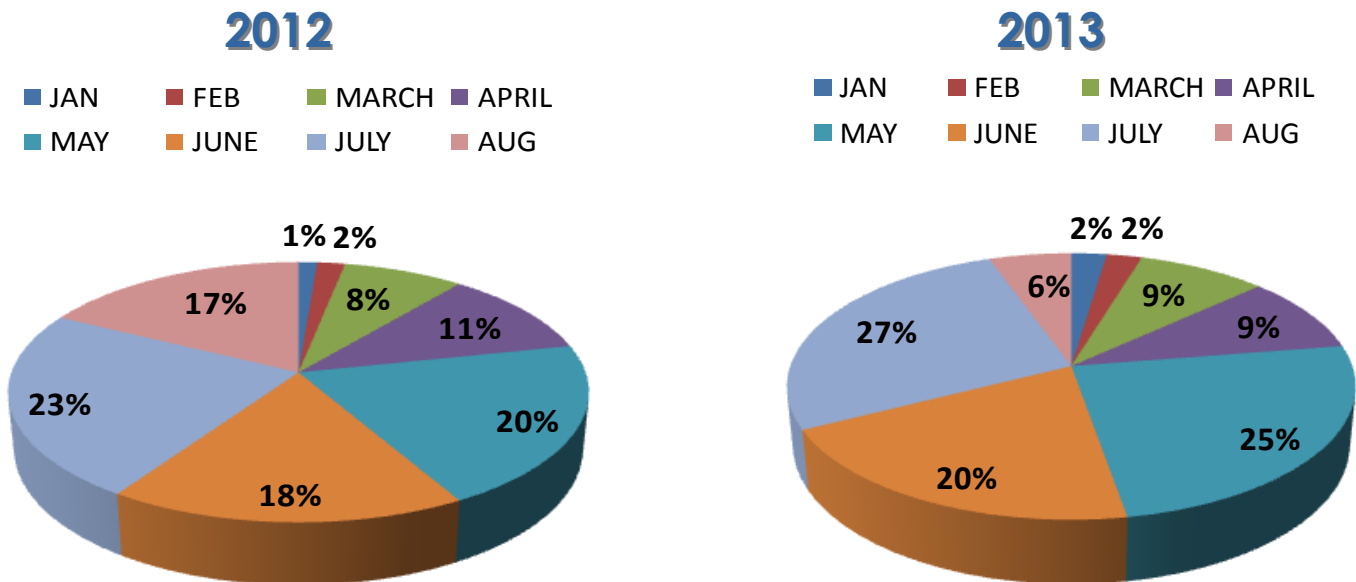


MOVE-IN DATE OF APARTMENTS RENTED



For the 2013 Rental Season there was a 7% drop in clients who were seeking September 1st move-in dates. While July and August took the same market share this season, June gained popularity. Based on surveyed clients, the most reoccurring reason for June 1st move dates were new employment opportunities. Many of these were recent college graduates from the area transitioning into the workforce. It should also be noted that for all clients who had flexibility in their move dates, anytime between July and September, 53% opted to NOT move in September.

MONTH UNIT RENTED FOR 9/1 MOVE-IN



47% of all 2013 September 1st units rented before the end of May. The month of May had the largest increase of 9/1 deals, a hearty 5%. July had a strong showing at 27%, as expected. More surprisingly, the first half of August has been slower than the previous 2011 and 2012 seasons. In August 2012, 88% of September deals were solidified before the 15th. This year, halfway through August there is still inventory to rent. As a result, anxious Landlords across the city have either dropped prices, offered to pay broker fees, or both. It remains to be seen if and when inventory will sell out.

Disclaimer: The statistical data appearing in The City Central Report is based upon information gathered from the City Central Realty, LLC database and client records. At the time of this issue's publication, the statistics are based on the best information available. Data collected locally may vary from other real estate offices within the greater Boston area.