



BACK BAY STAKEHOLDERS' REPORT

FALL 2020



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BOSTON REAL ESTATE

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ABSORB, ADJUST, ADVANCE

THE WINNING STRATEGY

Selling real estate is a big commitment. Each home sale is unique, but whether Steven Cohen Team clients are selling the family home where they raised their children or an investment property that has been providing passive income for years, the ultimate goal is generally the same: secure the highest-paying buyer as efficiently as possible.

As seasoned real estate agents, we are continually refining processes designed to do precisely that for our clients, and we are accustomed to accounting for the myriad variables that could affect the final outcome. It takes a lot to faze a veteran agent, but “black swan” events — extremely rare phenomena with drastic implications for the future — require a different playbook. Affecting nearly every aspect of international life and running the gamut across political, economic, and sociological arenas, the COVID-19 pandemic is the “Super Bowl” of black swan events. So when such a critical historical moment stands as the backdrop to a home's sales and marketing effort, this normally-intimidating process can seem even more daunting.

During black swan events like the one we are currently navigating, home sellers typically have one of three impulses. Two may be more natural, but only one consistently achieves the ultimate goal of maximizing a property's final sale price efficiently and proactively:

STRATEGY #1

Move forward with the sale of the home as though nothing has changed

As nice as it would be to disregard market factors big or small, ignoring changes to the market landscape is equivalent to covering one's ears after hearing something objectionable. Investment advisors consistently note that past performance is not indicative of future results; in real estate, failing to recognize and adapt to changing circumstances surrounding a home sale is a recipe for disaster. As hard as it may be, home sellers who accept changes as they come and address them promptly will be far ahead of their peers each and every time.

STRATEGY #2

Hold off entirely and “wait it out until things return to normal”

Though a natural reaction, this impulse carries with it the fatal assumption that there will be a complete return to “the way things were” at any point in the near future, if at all. For home values, considering this possibility is of paramount importance.



BOSTON TEN YEAR PRICE INDEX: APPRECIATION RATE

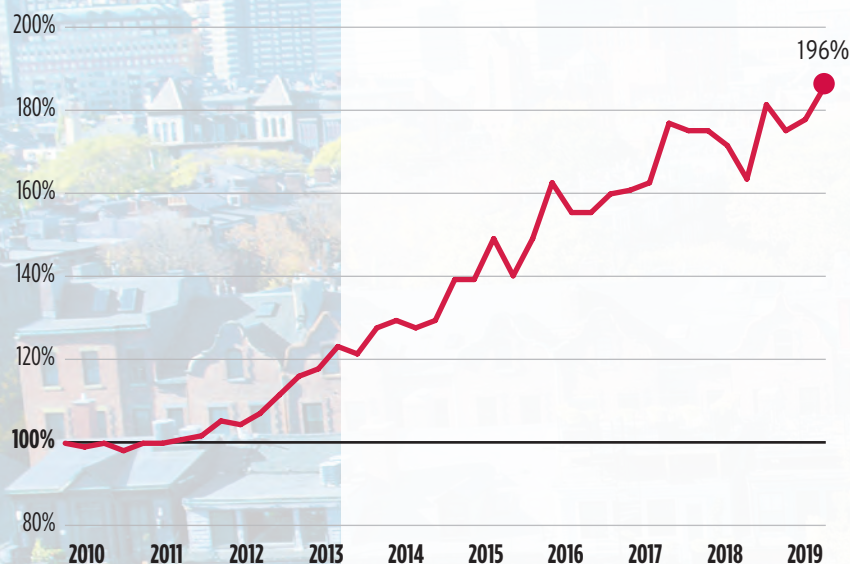


Chart Source: [LINK Boston](#)

If you own an investment property and would be happy to hold it until the end of time - regardless of the income it produces for you — then maybe it's worth waiting things out. But if you're an owner-occupant who will want to sell your home and do it for the best price possible at some point in the next few years, or an astute in-

vestor mindful of the best utilization of capital, you may be "waiting it out" for a market that is not as favorable in the future as it is now.

Real estate in Boston has appreciated at a record pace over the past decade; our city's prospects are, by all measures, extremely healthy. But as the longer-term impacts to our local and the broader economies are truly realized, it is unlikely the real estate market will come out unscathed and keep up the rate of appreciation we've recently come to enjoy. The old adage "bull markets don't die of old age" rings true.

STRATEGY #3

The protean response

The strongest course of action when selling real estate during or after a black swan event is to employ a measured response and adapt proactively to any new or changing information.

The protean response, so to speak. Indeed, it is essential to take the time necessary to absorb any fluctuations to market dynamics, and to adjust the strategy for a home sale appropriately.

During black swan events there is a concentration toward subject matter expertise and sophisticated residential sales practitioners. As such, our team's analytical and data-based marketing and action plans are proving particularly effective at this time. Hoping for the best, all on its own, is not a viable strategy. Armed with knowledge and careful consideration of all factors at play, we are working with our seller clients to advance marketing efforts deliberately and compellingly. Since our city's stay-at-home order was enacted this spring, we have executed on several ambitious but risk-adjusted marketing plans that are yielding strong results while less-thoughtful efforts across the landscape are faltering. To be certain, this is a time to align with experts and lean on the resources they alone are able to offer.

There may be unrest and uncertainty across the landscape, but fear is not an option for us. We must move forward with confidence, because the only way to sell during a black swan event is to address it head on. We invite you to consult with the Steven Cohen Team at any time, and we will be here to help you chart the course of each and every property sale successfully through these challenging times.

Absorb. Adjust. Advance.



COCOONING, COVID-19, AND REAL ESTATE

THE CENTRAL QUESTION

Casual observers and home trend obsessed realtors alike are pondering the following question: Will the mandated and widely embraced short term home cocooning phenomenon carry forth beyond the COVID-19 crisis? In other words, will we choose to spend considerably more time in our homes when we are no longer required to do so? The question is an interesting one from both the sociological and economic perspectives, and the conclusions at which we arrive are material in the shaping of our housing demand and living pattern projections.

CHANGE CHUGS ALONG BEFORE IT CHARGES


The hypothesis suggesting that some degree of cocooning may be here to stay is strengthened through consideration of the manner in which change often takes place. It occurs slowly then quickly, with seemingly sudden shifts, in fact, not actually being sudden at all. Such is true in geology when pressure builds beneath a volcano until it erupts or when tectonic plates shift beneath the surface resulting in an unexpected earthquake. This same dynamic is evident in matters of human behavior as when important social structures and conventions persist past their relevance, usefulness or appropriateness. The fall of most great empires, the U.S abandonment of the gold standard and the rise of the civil rights movement are all cases in point. Whether the straw that breaks the camel's back is simply a matter of the pot boiling over or is triggered by a random, profound, exogenous event, the common denominator is that the ground for the change has been softened up ahead of the point in time when it manifests.

TECHNOLOGY ALREADY IN PLACE

In applying the above model, one must consider which preconditions and developments brewing beneath the surface suggest that the COVID-19 catalyst may usher in a different level of cocooning. Let's first establish that in order for cocooning to be sustainable, connectivity with the outside world from within the bunker must be feasible as well as perceived to be desirable for both social and business purposes. The technologies that allow for that connectivity already exist and have been improving at an impressive rate. The penetration of high speed broadband, and advancements in teleconferencing, remote desktop access and platform sharing have created the preconditions necessary for business cocooning to flourish. Likewise, socialization and entertainment enjoyed from within the walls requires nothing more than a Twitter password, Zoom call, and Netflix account.

FIRST ABLE, NOW WILLING

If advances in technology make cocooning more feasible, what, precisely, has made it more desirable? The stage has indeed been further set for the emergence of a cocooning trend by factors that have been increasingly placing pressure on the status quo. On the business side, worsening traffic congestion and resulting increases in commuting times as well as



spiking office rents have gotten the attention of businesses altering their thinking on how and where work can be accomplished. On the personal side, the rise of e-retailers like Amazon and other forms of e-commerce and proliferation of social media allow people to quite comfortably conduct their consumer and social lives from domestic command central.

CHILDREN LEAD THE WAY

Demographics are placing their thumbs on the scale as well, with younger people at the vanguard of this possibly coming new world order. According to Cell Press, while the average American spends 8 days more at home per year than in 2003, those that fall within the 18 to 24 age bracket are spending a whopping 70% more time at home. Younger people are not only more comfortable with these new technologies that allow them to engage in remote interface, they are patently less comfortable with the social and business style preferred by their parents. For these younger people, an on-line introduction is often preferable to an in-person meeting and a text is better than a phone call. Our youth are coming of age alongside the technology and it is not at all as strange to them as it is to dad and Aunt Edna.

DAD AND AUNT EDNA JOIN THE (COCKTAIL) PARTY

So now comes the COVID-19 pandemic. The earthquake has struck, the volcano has erupted, and our societal surface is realigning to reflect the tectonic shifts that have been brewing beneath. Young workers are utilizing the new technologies and showing the rest of us how to work them too. Businesses are glimpsing what their new world could look like with less office overhead bringing down the bottom line. Commuting times are down, traffic congestion has eased and the skies have cleared. The new Peloton has arrived and the gym membership seems suddenly expendable. Children have largely adjusted to on-line classroom learning. Even dad and Aunt Edna are getting in on the action in establishing a Zoom cocktail hour habit that they are starting to enjoy. Of course, the world will come out of hibernation, but it may not look quite the same. The fundamentals are in place to make a greater degree of cocooning part of the new normal.

THE IMPLICATIONS FOR REAL ESTATE

What are the implications for housing demand suggested by this emerging trend? In all likelihood, home buyers will be more focused on hearth and home and real estate will be the beneficiary. Though cost considerations are paramount in urban areas and Millennials have been preferring smaller homes, that trend may now reverse. Regardless of the direction in which the average home size will go, certain features such as larger kitchens, a separate home office and dedicated storage will take on added importance.

We can expect the office market to shrink in size with more office and commercial complexes being converted to residential dwellings. Developers of new apartment and condominium complexes which have in recent years begun to feature more lounge and conference room facilities, will beef up this amenity. They will begin planning for full blown business centers to accommodate residents who plan to work from home but want to stroll down the hall to the "office".

A cottage industry will instantly grow up around consultants who will ensure the proper sanitization of the common areas in these medium sized and larger complexes. At the high end of the market, look for the large screen Zoom room to emerge as the new status amenity of choice for luxury buyers. Tech companies and smart home firms will race to meet the demand for innovations that allow people to work, socialize and be entertained virtually. Many of these technologies will incorporate cutting edge artificial intelligence and they will at first feel somewhat complex and confusing to most of us. Rest assured though, that while the younger and more tech savvy among us will take the lead, most of these innovations will soon enough be mastered by the rest of us, including dad and Aunt Edna.

MEET A BACK BAY RESIDENT

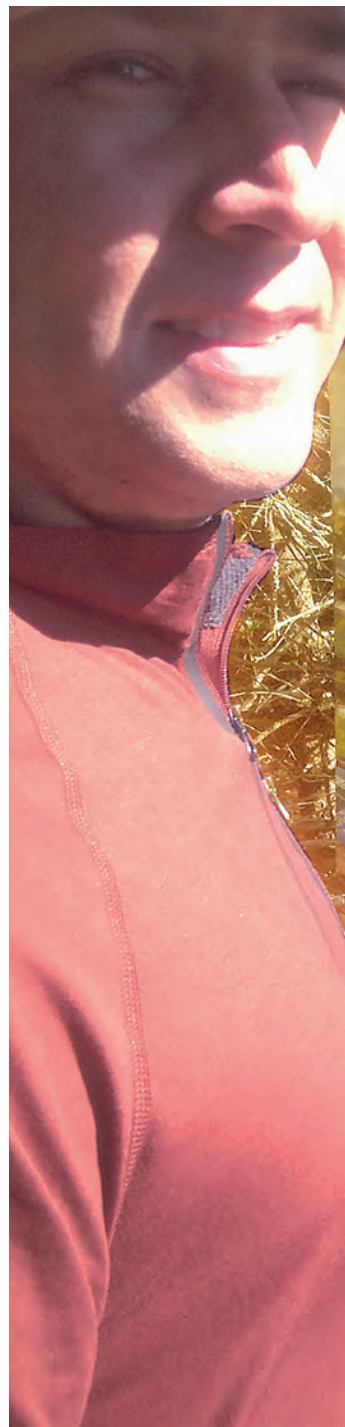
RENOWNED ARTIST STEPHEN WOOD

In his own words, Stephen Wood's is a very pro-Back Bay story. Born and raised in Texas, he didn't grow up in the area. He visited Boston for the first time with his parents when he was eight or nine years old. "We were going up to Nantucket for summer vacation and we stopped in Boston for a night or two to see the historic sights," he recalled. "We walked around the Back Bay area and I remember even then thinking how lovely it was." As someone who responds to beautiful, historic architecture — of which there is plenty in Back Bay — Stephen was smitten. Living in the neighborhood became a lifetime goal of his.

An avid painter since the age of 15, Stephen attended the Pennsylvania Academy of Fine Arts and the Cape Cod School of Art, and undertook private studies with several acclaimed artists. He started his career at a Rockport gallery in 1995. Since then, his portraits and landscapes have been exhibited widely, including throughout Europe, Russia, and Japan. His paintings hang in the collections of universities, institutions, and private homes. An accomplished artist with a side-business of renovating historic Boston homes, Stephen achieved his lifetime goal in 2016 when he moved to his current residence on Marlborough Street, in the heart of his beloved Back Bay.

"It's so cosmopolitan," Stephen said. "It's not a single demographic, you have people who come and live here from all over the world. You hear people speaking in all kinds of different languages." His love for the architectural beauty to be found in the neighborhood has not waned at all, either. "It was intended to be beautiful and a lot of thought went into making Back Bay specifically into the ideal neighborhood," he said. "It was planned out and there is some really grand architecture. I love the continuity, the history, the effort to beautify that went into the making of these buildings." His favorite is the Burrage Mansion on Commonwealth Avenue, a white, ornately detailed structure with an elaborate stonework mosaic laden with deeply undercut French Gothic and early Renaissance ornaments.

Many of Stephen's art heroes were part of the Boston School of the early 20th century and lived and worked in the city. Those include Edmund C. Tarbell and Frank Weston Benson. But ever since he first became aware of him, Stephen's favorite has always been John Singer Sargent. Sargent's murals can be found in the Boston Public Library, the Museum of Fine Arts, and Harvard's Widener Library. He also painted a number of prominent Bostonians, including Isabella Stewart Gardner. "The way he lived his life and certainly the quality of his work have always been inspirational to me," Stephen



said. "He was someone who lived out of a bag, always traveling. He had a very adventurous and successful life, and left a rich legacy of artwork."

Stephen himself travels frequently. These days, he does a lot of work in Florida. He also spent quite a bit of 2019 painting in Italy, specifically Florence and Venice. But Boston and Back Bay always call him back. "I always used to tell people that Marlborough Street is the most beautiful street in North America," Stephen said. When the weather permits it, he enjoys setting up his easel in front of his home on that very same street, capturing the streetscape that has fascinated him since childhood one brushstroke at a time.

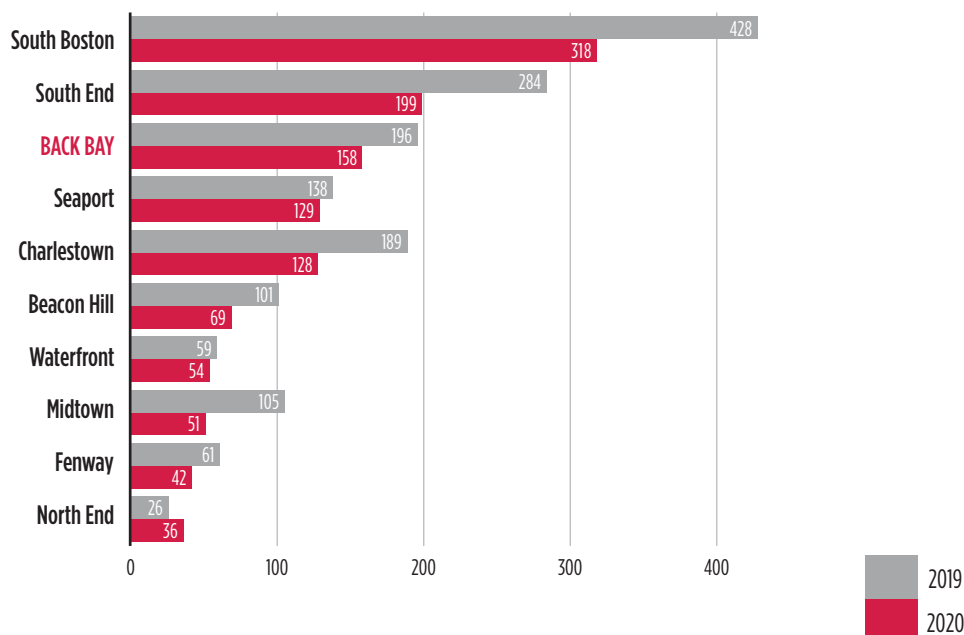
View Stephen Wood's work at stephenwoodartist.com.



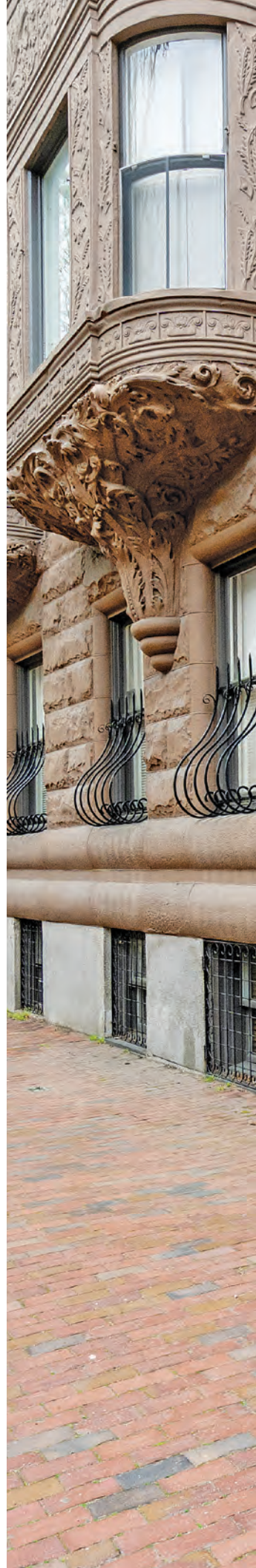
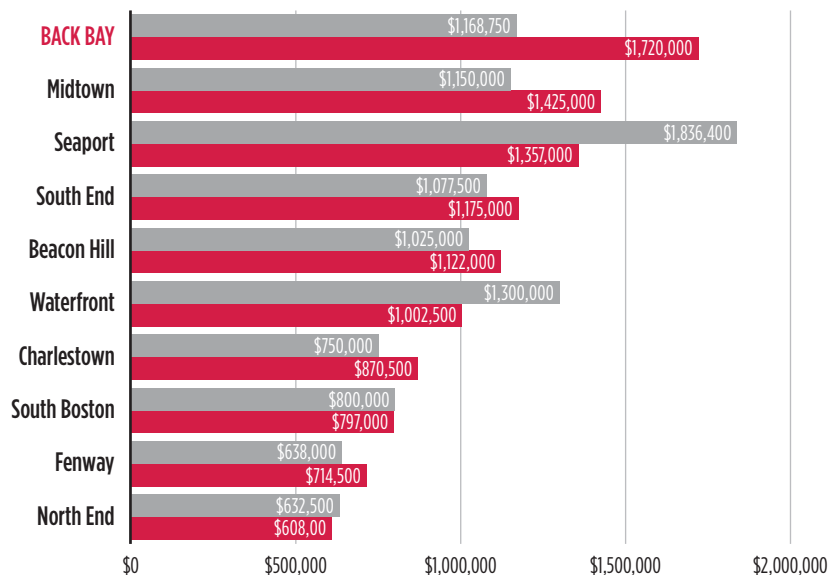
BOSTON'S TOP 10 NEIGHBORHOODS: Q1+ Q2, 2020

While the number of Back Bay sales in the first half of 2020 decreased by 20% compared to the number of sales in the first half of 2019, thanks to several sales at the Four Seasons at 1 Dalton Street, the neighborhood's median sale price increased by over 47%. Back Bay remains one of Boston's top performing areas.

Top 10 Boston Neighborhoods by Number of Sales

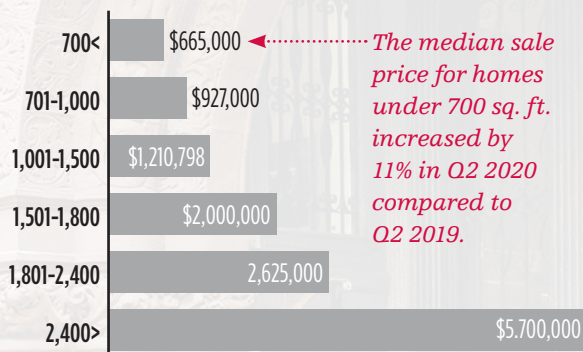


Top 10 Boston Neighborhoods by Median Sales Price

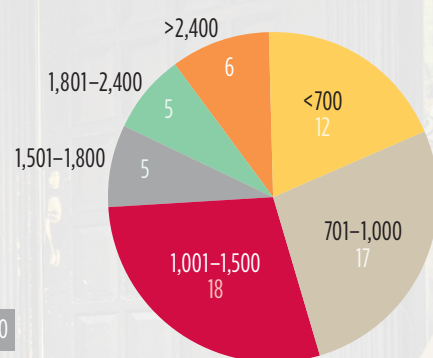


FOCUS ON BACK BAY: Q2, 2020

Back Bay Median Selling Price by Square Footage



Back Bay Sales by Square Footage

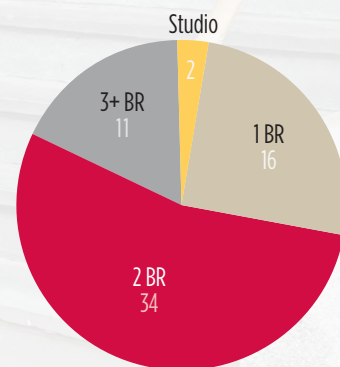


Back Bay Median Selling Price by Number of Bedrooms



Note: The median sale price for studios increased by 24% in Q2 2020 compared to Q2 2019.

Back Bay Number of Sales by Number of Bedrooms



20 MOST EXPENSIVE BACK BAY SALES: Q2, 2019

	ADDRESS	SALE PRICE	TYPE
1	Four Seasons @ 1 Dalton Street #6102	\$34,000,000	CONDOMINIUM
2	Four Seasons @ 1 Dalton Street #5502	\$16,650,000	CONDOMINIUM
3	Four Seasons @ 1 Dalton Street #5004	\$12,286,900	CONDOMINIUM
4	Four Seasons @ 1 Dalton Street #4602	\$12,280,000	CONDOMINIUM
5	208 Beacon Street	\$10,750,000	SINGLE-FAMILY
6	Four Seasons @ 1 Dalton Street #3801	\$10,650,000	CONDOMINIUM
7	Four Seasons @ 1 Dalton Street #4201	\$10,625,000	CONDOMINIUM
8	The Converse Mansion @ 348 Beacon Street #5	\$9,900,000	CONDOMINIUM
9	Four Seasons @ 1 Dalton Street #5202	\$9,750,000	CONDOMINIUM
10	309 Marlborough Street	\$8,800,000	SINGLE-FAMILY
11	The Carlton House @ 2 Commonwealth Avenue	\$7,500,000	CONDOMINIUM
12	Four Seasons @ 1 Dalton Street #4504	\$7,300,000	CONDOMINIUM
13	Four Seasons @ 1 Dalton Street #4804	\$7,300,000	CONDOMINIUM
14	142 Beacon Street #2	\$6,375,000	CONDOMINIUM
15	The Heritage @ 300 Boylston Street #1202	\$6,250,000	CONDOMINIUM
16	314 Dartmouth Street #B	\$6,150,000	CONDOMINIUM
17	398 Beacon Street #1	\$6,000,000	CONDOMINIUM
18	Four Seasons @ 1 Dalton Street #4203	\$6,000,000	CONDOMINIUM
19	7 Marlborough Street #2	\$5,530,000	CONDOMINIUM
20	The Clarendon @ 400 Stuart Street #27-E	\$5,400,000	CONDOMINIUM

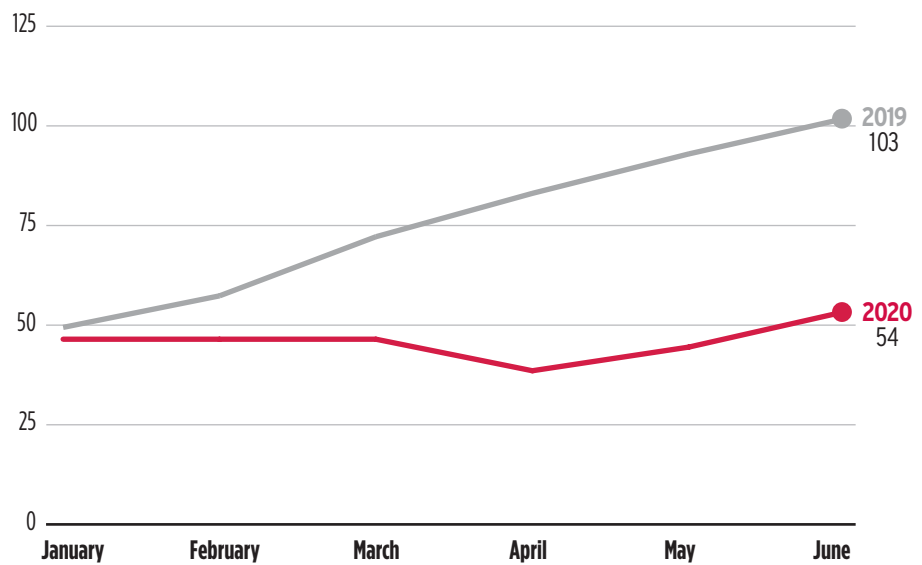
**Median sale price among the 20 most expensive
Back Bay Sales, Q1+Q2 2020: \$8,150,000**

Note: Results include single-family homes, multi-family homes, condominiums, and co-ops.

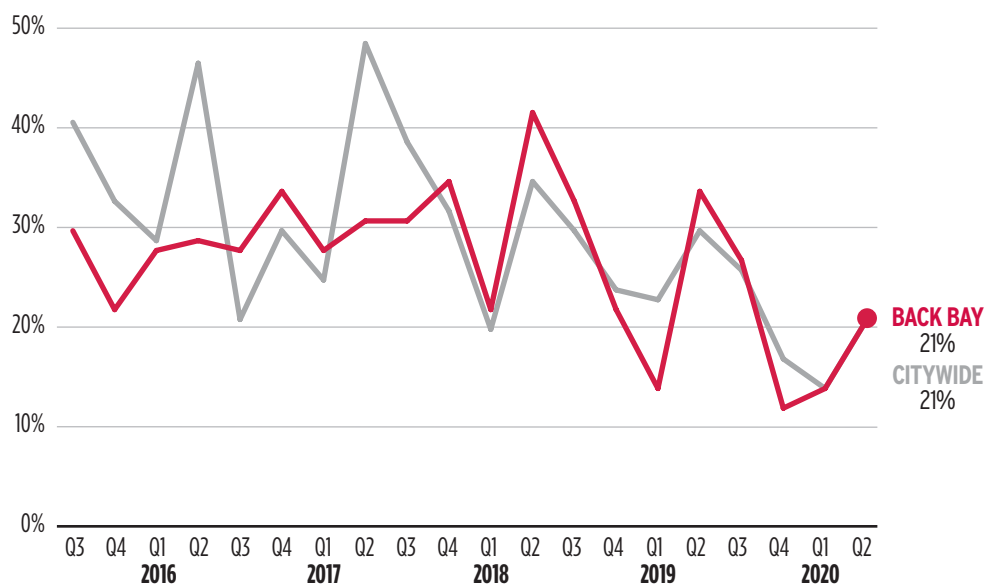
Source: LINK Boston

BACK BAY INVENTORY AND SALES OVER ASKING PRICE

Back Bay Inventory Q1 + Q2 2020 vs. Q1 + Q2 2019



Sales Over Asking Price for Past Five Years: Back Bay v. Citywide



Source: LINK Boston



MEET THE REAL ESTATE ECONOMISTS OF CHOICE

The Steven Cohen Team provides expert insight, guidance and representation for discerning residential property buyers and sellers in Boston's Back Bay and adjacent neighborhoods. Our unmatched experience in the local real estate market, long-term approach to customer service, and coordinated teamwork make us an industry leader in Back Bay and beyond.

Now, more than ever, you need a real estate professional with skill and experience.

Contact us today: 617-861-3636



CLIENT TESTIMONIALS

*"...it was comforting to know we were working with a **professional, experienced and compassionate team** that would get us through..."*

*"I cannot praise the Steven Cohen Team enough for the **service and support** they provided ... as the COVID-19 pandemic was descending upon us."*

*"We felt like we had a **real-estate superhero** on our side."*

*"[The team's] **smarts, energy, accessibility, empathy, and deep knowledge** of the market...enabled us to get under contract at a fair price, flexible terms for us, and with buyers who'll be a great fit with our building's community."*

For additional Steven Cohen Team client testimonials, visit stevencohenteam.com/testimonials

HOME HAS NEVER MEANT MORE



Boston Magazine's #1 Ranked Team, 2020



NOTABLE STEVEN COHEN TEAM BACK BAY SALE

THE CLARENDON AT 400 STUART STREET #19B

This expansive 2 bedroom/2 bathroom corner exposure home at The Clarendon offers discerning buyers the finest standard of living in Boston's premier Robert A.M. Stern-designed building. The entry hall leads to a beautiful open-concept living/dining area framed by a wall of floor-to-ceiling windows with stunning south and east-facing views. The living area opens to a chef's kitchen featuring a 5-burner gas range, wine fridge, and ample prep space. The expansive master bedroom suite easily accommodates a full king bed set as well as additional seating, with abundant closet space and a luxurious en-suite full bath with a double vanity, stand up shower, and large soaking tub. The large guest bedroom with views downtown to the State House and full second bath are perfect for guests and entertaining. All this along with a best-in-class suite of amenities including 24-hour concierge, Equinox-branded fitness center, various resident lounges, outdoor areas, and more just steps from the best Boston has to offer.

BEDROOMS: 2
BATHROOMS: 2

SIZE: 1,372 sq. ft.
PARKING: 1 Deeded





MEET A BACK BAY LANDMARK

THE PAINE FURNITURE BUILDING AT 75-81 ARLINGTON STREET

On a highly visible Back Bay corner site defined by three major thoroughfares — Arlington, Stuart, and St. James — stands the Classical Revival Paine Furniture Building. It was the first new building to be constructed on the former yards of the New York and New Haven Railroad near Park Square and is one of the few remaining downtown buildings to survive relatively unchanged since its construction. It is significant for its contribution to the development of the area in the 1910s and 1920s, as well as for its association with the Paine Furniture Company, at one time the largest furniture manufacturer and dealer in New England.

The company itself was founded in 1835 by Leonard Baker Shearer, who initially established a production and sales operation in a small rented space. John S. Paine joined the business in 1845 and the name was changed to Shearer & Paine in 1854. Upon Shearer's death in 1864, the firm officially became Paine's Furniture Company. The building, located at 75-81 Arlington Street, opened on April 21, 1914. The new furniture store was described in contemporary accounts as the largest of its kind in the world, and its construction was a pioneer step in the extension of the boundaries of the old Boston business district.

The Paine Furniture Building was designed by the architectural firm of Densmore & LeClear, who were in practice from early in the century to 1942 and designed numerous buildings in Boston and Cambridge. The fireproof, ten-story structure has a total floor area of almost six acres and stood 125' high, purposely a few inches short of the limit placed by the city on the height of buildings at the time. It has a rectangular plan, with eleven bays on Arlington Street, three bays on Stuart Street, and four bays on St. James Avenue,





with a beveled bay at each corner. The exterior is faced with smooth limestone blocks and buff-colored brick at the principal elevations, and utilitarian gray brick at the west (rear) elevation. A terra cotta cornice, minus the original balustrade, surmounts the building. The rear elevation originally had an uncovered loading dock accessible from Stuart and St. James. A covered one-story brick and reinforced concrete delivery structure was added onto the loading dock circa 1930 and demolished in 1998.

A large arched metal canopy, decorated with elaborate anthemion and acanthus leaf details, projects over the original main entrance centered on the Arlington Street facade; the canopy, which is supported from the building by two large chains with escutcheons, features a medallion with the letter "S" in recognition of the company's original founder, Shearer. Above the canopy is a projecting limestone balcony with turned balustrade and classically inspired details. Additional entrances were added over the course of the building's history and the display windows at the beveled corners of the Arlington Street facade were converted into entrances serving new retail uses.

The Arlington Street entrance is composed of two sets of glazed, double wood doors which open into an entry vestibule highly ornamented with marble panels, engaged pilasters with entablature, a molded plaster cornice surrounding a coved ceiling, and decorative grates. A similar set of double doors provides entry from the vestibule into the main lobby space dominated by a sweeping open staircase constructed of cast metal panels and marbles. The original interior contained the entrance lobby and retail furniture sales on the ground floor, with offices and merchandise showrooms on the second floor. The upper floors contained showrooms for furniture, rugs, draperies, bedding, and accessories, in addition to upholstery, repair, and manufacturing areas. The layout of the showroom and display areas was typically open with the mushroom columns exposed and temporary partition walls arranged as needed to suit groupings of furniture. Historic photographs of the manufacturing areas show the rooms to be completely open with no partitions and no interior wall finishes. The Paine Furniture Company sold the building in 1989 but retained its showroom at this location until the early 1990s.



Although features such as the concrete mushroom columns, the main staircase, and molded plaster cornices and ceiling detailing remain, the building has seen several stages of renovation since its construction. Those include the addition and redesign of the St. James Avenue entrance and elevator lobby, replacement of the exterior windows, reconfiguration of the main Arlington Street lobby, and reconfiguration of first floor retail space for tenant use. On the upper floors, spaces that were no longer used by Paine Furniture for manufacturing and sales were divided and fitted out for leased tenant space. Today, the building is connected to the modern, 20-story glass and masonry tower at 10 St. James Avenue by a dramatic glass-enclosed galleria. The Paine Furniture Building was officially added to the National Register of Historic Places in 2002.

Sources: Massachusetts Cultural Resource Information System (MACRIS)

BEHIND EVERY GREAT PIECE OF COVER ART IS A GREAT ILLUSTRATOR

MEET THE ARTIST

Twice a year our team curates the latest community news and real estate market analysis in our Stakeholders' Reports. Twice a year, we strive to provide you with an up-to-date closeup of Boston's neighborhoods meant to entertain and inform. But before you, our stakeholders, read any of that, you see the stunning custom illustrations decorating our reports' covers. Over the years, we've given you everything from a New Yorker inspired neighborhood view of the world, to a playful take on the City of Boston in the year 2120 à la Hanna-Barbera's *The Jetsons*. We wouldn't have been able to do any of it without honorary Steven Cohen Team illustrator and artist extraordinaire, Belle Hornblower.

Belle began her collaboration with our team in 2014. "It seemed huge and so exciting," she recalled. "It was a big deal for me to be working with such a sophisticated group of people and have the opportunity to create something that readers can look at and identify as their city."

Belle has been drawn to the arts since a young age. Her uncle and grandfather taught painting and drawing, her father is an architecture historian and librarian, and her mother is a botanical illustrator. "It would have been strange if I didn't do art," Belle said. Her mother's side of the family also owned a jewelry store in Manhattan. Belle remembers going to bead stores as a child and selling the pieces she'd make at yard sales in her hometown of Baltimore. She came to Boston for college; she studied art history at Boston University (BU) and went on to do a post-baccalaureate study at the School of the Museum of Fine Arts (SMFA).

After graduation, she began work at Firestone and Parson, a long-standing buyer and seller of estate and fine jewelry and antique silver items in Back Bay. This is where she met who would eventually





BACK BAY
STAKEHOLDERS' REPORT

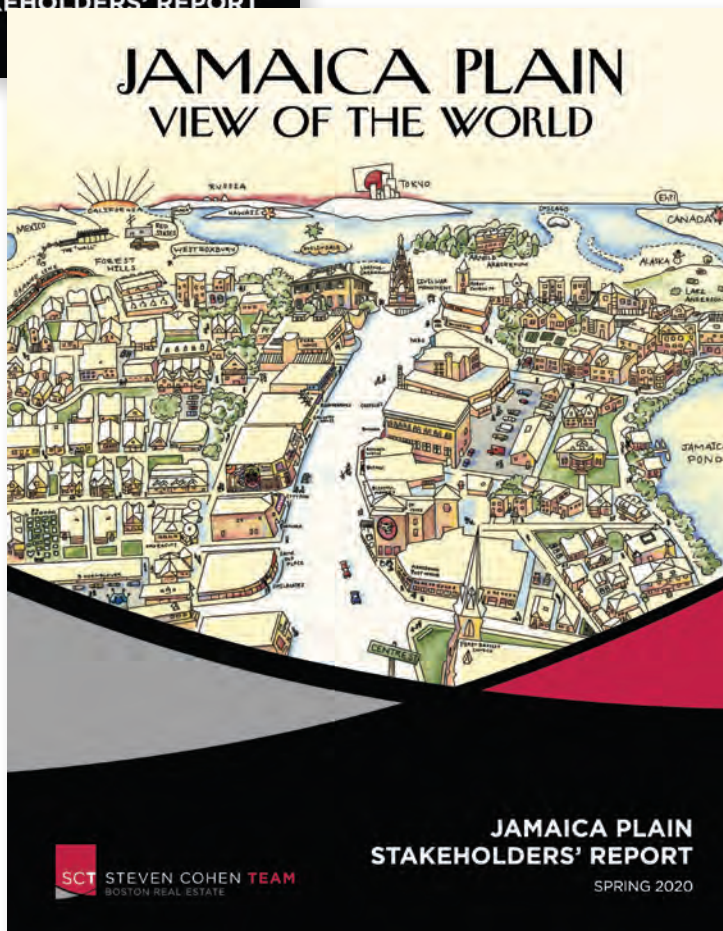
become her husband. "Breton came in to see about getting some family items appraised at the shop," Belle remembered. "He came into our shop to see if he could sell them and while he was waiting for the bookkeeper to cut him a check, I tried to sell him some cufflinks behind the counter. He came back a few days later with a New Yorker article about a show that had opened and we started talking. I wrote him an email, we went on a date, and we've been together ever since."

Her life in Boston over the years has followed, in her opinion, a fairly predictable trajectory. She lived on the BU campus in Allston, a fifth-floor studio walkup in Back Bay and, as her family grew, a more spacious Jamaica Plain condo. Today, she lives on the north shore in West Newbury with her husband and their two children, their chocolate lab Pepper, their cat Puma, and five chickens. She's teaching her own daughter about art and drawing and is pleased that, so far, she seems to embrace it.

These days, Belle considers herself a freelance editorial illustrator. She works with us on a regular basis, but she's also done work for a tech company in San Francisco, Tufts University, a feminist art collective, as well as other personal clients. Her day job also allows her to flex her creative muscles. She's in charge of window design and visual merchandising for

jewelry store Zinnia, and marketing for Cabot's Candy company. "I never saw myself as a fine artist," Belle said. "I always liked the commercial side of it. I like it when someone gives me an idea and I can run with it."

This is why she enjoys the work she does with our team so much. "I think we start on an idea," she said. "I have something in mind, and so do you, but we're always able to bring it to the same juncture in the end. And I always enjoy when the team finds the little things that you love in my work." Belle has never taken architectural drawing classes, but the stylized nature of her work lends itself perfectly to getting across the spirit of Boston and its neighborhoods, as seen in her latest work, the Spring 2020 issue of our Stakeholders' Report. In fact, the Leventhal Map & Education Center at the Boston Public Library even reached out about adding our "view of the world" style covers to their collection as a unique piece of Boston cartographic history.



JAMAICA PLAIN
STAKEHOLDERS' REPORT
SPRING 2020

SCT STEVEN COHEN TEAM
BOSTON REAL ESTATE

A BACK BAY RENOVATION

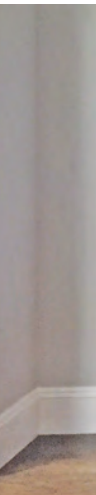
CITY ELEGANCE

With over 25 years of experience, Paula Daher combines her classical training in design with an analytical mindset to accommodate the most discerning residential and commercial clients, delivering sophisticated, modern interior spaces. Her award-winning firm, Daher Interior Design, has completed projects throughout the New England region, including the New Hampshire and Maine seacoasts, the Cape, Vermont, and Connecticut. Since moving her firm to Boston 13 years ago, Paula has worked on more than 40 high-rise renovations and 30 Back Bay and South End historic row house remodels. A Back Bay resident herself, she is frequently inspired by the timeless design of cities such as Paris and Marrakech, as well as Boston's own rich architecture.

A recent example of her work is a stunning three-level Back Bay condominium. "The original developer finishes were generic, cold, and uninviting," Paula recalled. "We took what was essentially a white box and added character." Using the term "city elegance" as a starting point, her team tailored the design to the clients' style and needs, adding custom millwork, new decorative lighting, furniture, and window treatments. The biggest challenge throughout the 8-month remodel process was deciding if and how the design would work around the structural items already in place.

Paula and her team left the perimeter cabinetry in the kitchen, but changed the island to match the overall aesthetic, and while the physical gas fireplaces were salvaged easily enough, their surrounds were further detailed with stone and millwork that reflected the new design. Paula's personal favorite space is the master bedroom. "With most brownstones, the ceilings are tall yet the rooms are often narrow," she said. "The master bedroom headboard wall includes millwork and upholstery that celebrate the height of the space, yet bring the room down to a human scale with color, texture, and originality in the design."

To learn more about Daher Interior Design, visit daherinteriordesign.com



BEFORE

AFTER



MARKET UPDATE

While it is not yet entirely clear which of the trends that emerged during the COVID-19 crisis will be temporary and which will endure, an analysis of recent sales activity offers some clues. The uncertainty of the pandemic's early days locked up markets everywhere with inventory and transaction levels initially plummeting. The natural reaction of both buyers and sellers was to pause and digest the enormity of what was transpiring. The passage of the Cares Act in late March and associated infusion of liquidity into the financial system brought relief to the market and sales activity began to recover. Of course, like many other facets of our lives, the post-recovery real estate landscape will not look precisely as it did before the onset of the crisis. Massive external shocks often bring lasting cultural, political, and economic changes.

Sales activity in Boston's surrounding towns has been brisk as buyers look outside the city for more space. There's no profound or thunderous exodus from the city underway but the trend is clearly evident. Multiple offer scenarios are quite common, especially in the entry level and mid-price ranges. A similar bustle is evident in other suburban markets throughout the country. According to Realtor.com's director of economic research, Javier Vivas, while this migration to the suburbs is not a new trend it has become more pronounced this spring. Many vacation and second home markets throughout the country have also been the beneficiaries of the emerging work-at-home culture, as well as the buyer demand for larger homes and more green space. Nantucket sales volume is up 45% year-to-date and prices are up 7%, according to Douglas Elliman. The Palm Springs Desert Sun reports that the Coronavirus has resulted in a sellers' market throughout the Coachella Valley. The same phenomenon has been observed in New York's second home spots throughout the Hudson Valley. After dipping during the initial stages of the pandemic, sales have rebounded sharply and prices are firm.

Urban markets have reacted unevenly to the crisis. The cities most impacted were already vulnerable to a downturn even before COVID-19, urban areas characterized by an oversupply of housing on the market or in the pipeline with economies largely dependent on affected industries such as energy, transportation, and tourism. According to USA Today, the 10 housing markets most adversely impacted by the crisis are:

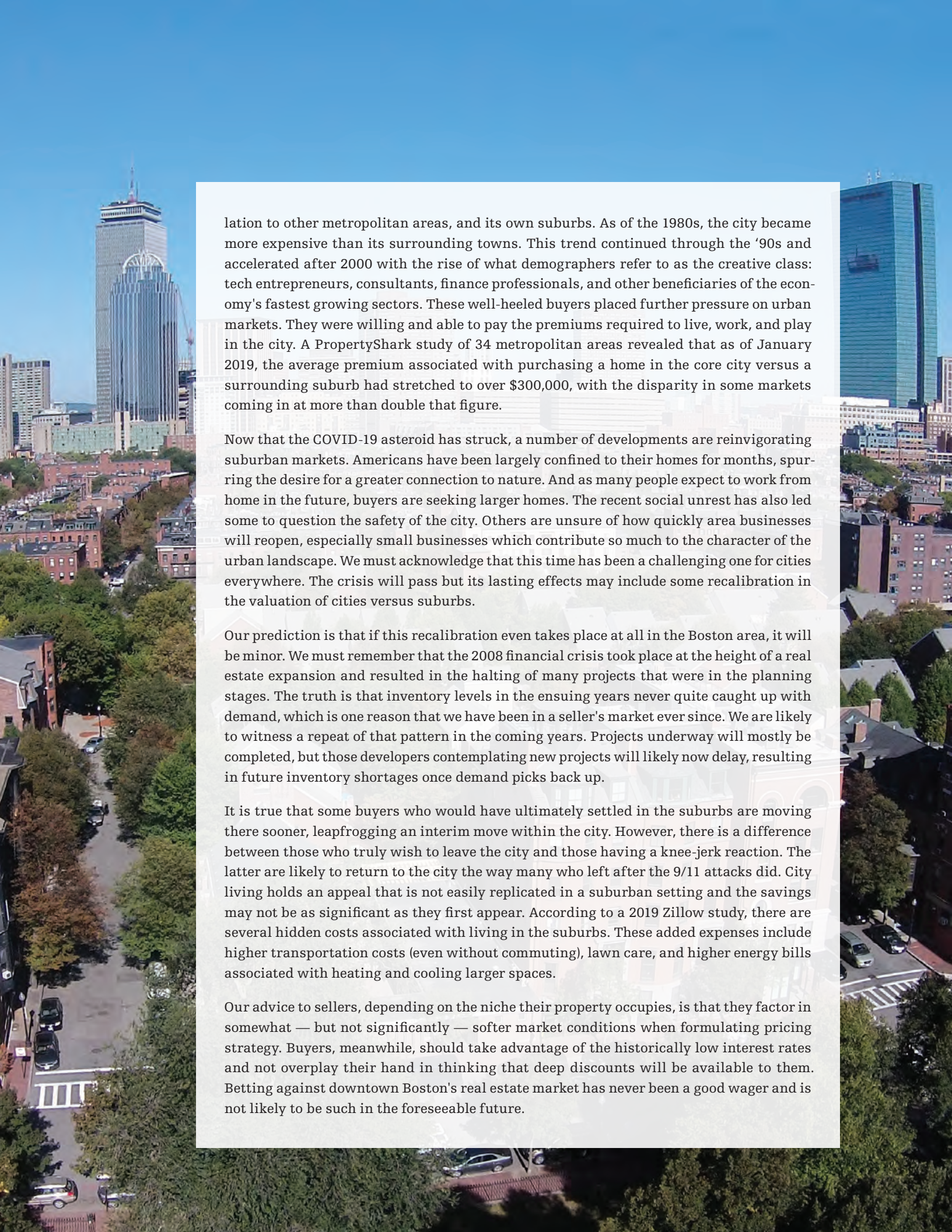
Within the downtown Boston market, the winners have been properties in the lower and mid price ranges, as well as recently renovated homes in prime locations. Luxury properties above \$3 million have been slower to sell. A review of LINK 2nd quarter statistics reveals that while volume was down sharply during the second quarter in the South End (by 36%), Back Bay (by 46%), and Jamaica Plain (by 87%), the average sale prices held steady with the Back Bay unchanged year over year, the South End actually registering a 9% increase, and Jamaica Plain a 7% increase.

To understand where we are likely to go from here, one should consider that Boston's real estate market has prospered for more than a generation in absolute terms, in re-

THE 10 HOUSING MARKETS MOST ADVERSELY IMPACTED BY THE COVID-19 PANDEMIC

1. Las Vegas
2. New Orleans
3. Bakersfield
4. Los Angeles
5. Miami
6. Orlando
7. Riverside-San Bernardino
8. Cape Coral-Fort Myers
9. Cleveland
10. New York-Jersey City



An aerial photograph of Boston, Massachusetts, showing a mix of urban development and greenery. In the background, the Boston skyline is visible, including the prominent Prudential Tower. The foreground shows a residential area with brick buildings, trees, and a street with parked cars. A large white rectangular box is superimposed over the center of the image, containing three paragraphs of text.

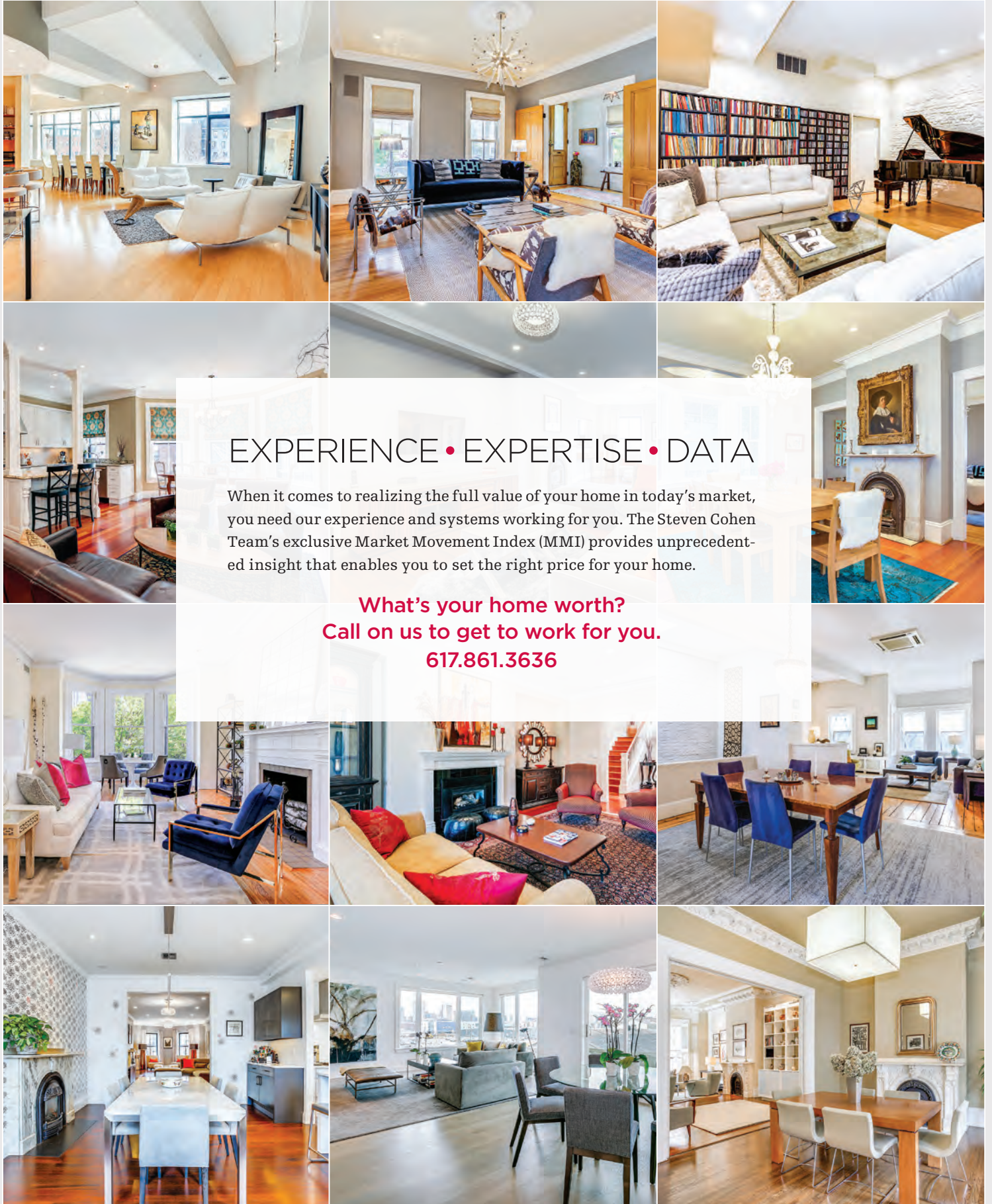
lation to other metropolitan areas, and its own suburbs. As of the 1980s, the city became more expensive than its surrounding towns. This trend continued through the '90s and accelerated after 2000 with the rise of what demographers refer to as the creative class: tech entrepreneurs, consultants, finance professionals, and other beneficiaries of the economy's fastest growing sectors. These well-heeled buyers placed further pressure on urban markets. They were willing and able to pay the premiums required to live, work, and play in the city. A PropertyShark study of 34 metropolitan areas revealed that as of January 2019, the average premium associated with purchasing a home in the core city versus a surrounding suburb had stretched to over \$300,000, with the disparity in some markets coming in at more than double that figure.

Now that the COVID-19 asteroid has struck, a number of developments are reinvigorating suburban markets. Americans have been largely confined to their homes for months, spurring the desire for a greater connection to nature. And as many people expect to work from home in the future, buyers are seeking larger homes. The recent social unrest has also led some to question the safety of the city. Others are unsure of how quickly area businesses will reopen, especially small businesses which contribute so much to the character of the urban landscape. We must acknowledge that this time has been a challenging one for cities everywhere. The crisis will pass but its lasting effects may include some recalibration in the valuation of cities versus suburbs.

Our prediction is that if this recalibration even takes place at all in the Boston area, it will be minor. We must remember that the 2008 financial crisis took place at the height of a real estate expansion and resulted in the halting of many projects that were in the planning stages. The truth is that inventory levels in the ensuing years never quite caught up with demand, which is one reason that we have been in a seller's market ever since. We are likely to witness a repeat of that pattern in the coming years. Projects underway will mostly be completed, but those developers contemplating new projects will likely now delay, resulting in future inventory shortages once demand picks back up.

It is true that some buyers who would have ultimately settled in the suburbs are moving there sooner, leapfrogging an interim move within the city. However, there is a difference between those who truly wish to leave the city and those having a knee-jerk reaction. The latter are likely to return to the city the way many who left after the 9/11 attacks did. City living holds an appeal that is not easily replicated in a suburban setting and the savings may not be as significant as they first appear. According to a 2019 Zillow study, there are several hidden costs associated with living in the suburbs. These added expenses include higher transportation costs (even without commuting), lawn care, and higher energy bills associated with heating and cooling larger spaces.

Our advice to sellers, depending on the niche their property occupies, is that they factor in somewhat — but not significantly — softer market conditions when formulating pricing strategy. Buyers, meanwhile, should take advantage of the historically low interest rates and not overplay their hand in thinking that deep discounts will be available to them. Betting against downtown Boston's real estate market has never been a good wager and is not likely to be such in the foreseeable future.



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