

STEVEN COHEN TEAM

BOSTON'S PREMIERE REAL ESTATE AGENTS

Mayor Michelle Wu
moves to cap rents

"BOSTON'S
RENT CONTROL
REDUX"
PAGE 2



BOSTON STAKEHOLDERS' REPORT

FALL 2023



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An aerial photograph of a city, likely New York City, showing a dense urban landscape with various buildings and a prominent skyscraper with a dome. Overlaid on the image is a large, semi-transparent orange balance scale. The scale is tilted, with the left pan being lower than the right. The text is overlaid in a white, serif font, with some words appearing on the left pan and others on the right pan. The overall color palette is warm, dominated by the orange of the scale and the golden-brown tones of the city at what appears to be sunrise or sunset.

housing shortages

skyrocketing rents

landlord

property

Long-term effects

free market

gentrification

potential ability

past failures

valuable work

tenant rights

growing inequality

rights
rights

ficat

worker loss

ality

BOSTON'S RENT CONTROL REDUX

MAYOR WU MOVES TO REVIVE
RENT STABILIZATION

BY STEVEN COHEN

If you've recently sought an apartment rental in Boston, you know that the search can be a contact sport requiring persistence, flexibility, and a modicum of good luck. According to the *Apartment Guide*, as of September 2022 and utilizing the long held 30% rule as the basis for calculating maximum advisable rent expenditure, Boston is the second most expensive city in the nation in which to rent. In fact, a salary of \$188,000 is required to afford the average apartment in our city.

Boston's Mayor, Michelle Wu, who ran on a platform calling for the re-establishment of rent control, has moved quickly to make good on her campaign promise. In March of 2023, Wu garnered support for her home rule petition from Boston's City Council with an 11-2 vote, sending the initiative to the state legislature where it must be passed and signed by Governor Healey before it can be enacted. The specifics of Mayor Wu's proposal allow rent hikes of up to 6% over the increase in the Consumer Price Index (CPI), or 10% maximum, whichever is lower. Other rental protections are included in the proposal which would prohibit evictions for other than "just cause". New construction apartment buildings would be exempt for the first 15 years after they are built as would owner occupied properties with fewer than 6 units.

Rent control proponents point to some rents that have increased by as much as 50% or more year over year and overall living costs that place Boston out of reach for many. Beyond the obvious financial hardship that comes with high rents, these advocates contend that the social fabric of city neighborhoods has been adversely impacted. Many tenants simply cannot afford even basic accommodations in their own city. Displaced families suffer the disruption associated with children being forced to change schools and move away from friends due to relocation. Business staffing needs are also more difficult to satisfy given an acute shortage of entry level workers for whom Boston's rents are unaffordable.

There is now evidence that Boston's high cost of housing is repelling not only entry level workers but highly skilled talent as well. A recent *Political Wire* article reports,

...Boston is the second
most expensive city
in the nation in
which to rent.



"It appears in domestic migration data, that years after lower-wage residents have been priced out of expensive coastal metros, higher paid workers are now turning away from them, too." The *New York Times* has placed Boston on a list of cities that are losing educated residents. The paper reports, "Boston's pull with college graduates has weakened. Seattle's edge vanished during the pandemic.

And the analysis shows San Francisco, San Jose, Los Angeles, and Washington all crossing a significant threshold: More college-educated workers left than moved in."

Presently, just six states permit rent control measures, New York and California being among them.



Presently, just six states permit rent control measures, New York and California being among them. Another 30 states have laws specifically prohibiting rent control. The tide has been turning in favor of rent control advocates in recent years, however, with municipalities throughout the country from Portland, Maine to Portland, Oregon approving rent stabilization measures. Portland, Maine now limits rent increases to 70% of the Consumer Price Index (CPI) and conversions from apartment to condominium are subject to a \$25,000 levy. Portland, Oregon passed rent control 3 years ago and each year establishes a permissible percentage increase with the increase allowed for 2023 being

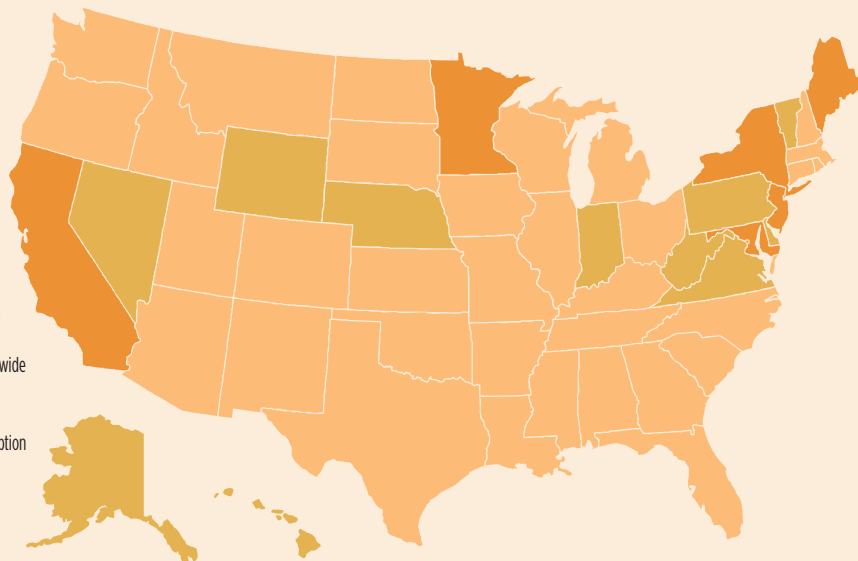
14.6%. Though Connecticut, New Mexico, Hawaii, and Nevada have rejected rent control initiatives, advocates in those states are reintroducing proposals amidst a climate that is perceived as being more receptive. The battle is also being waged on the national stage and Senator Elizabeth Warren is one of 50 members of Congress who are urging President Biden to get behind a bill establishing rent protections across the country.

It is fairly well known that Boston adopted rent control back in 1970 after the legislature voted to allow municipalities with more than 50,000 people to do so. Many landlords were not incentivized to maintain their properties, and some fell into disrepair. Abuses were also brought to light with stories of well-heeled Bostonians and politicians living in rent controlled dwellings. This dynamic has been explored by the *New York Times* in an article titled, "Why Do My Rent-Stabilized Neighbors Own Vacation Homes?" Over the years, opponents effectively communicated their opposition and in 1994, rent control was overturned in a ballot initiative with just 51% of the vote.

Rent control had also been implemented numerous times previously in Boston and throughout the United States. Post World War I, Boston was afflicted by a housing shortage as it is now. In 1920, a state statute was enacted that limited rent increases to 25%. It lasted just three years before being repealed. The Pioneer Institute for Public Policy details subsequent World War II era legislation that was passed

RENT CONTROL LAWS BY STATE

- Rent control statewide and/or at the local level
- State preemption of statewide and/or local rent control
- No Rent Control or Preemption



Source: National Apartment Association 2023

by Congress. "In 1942 the 77th Congress passed the Emergency Price Control Act establishing an Office of Price Administration (OPA) which was empowered to designate an area as a "defense rental area". In Massachusetts, all counties were eventually designated in this way.

After the war ended, Congress extended price control provisions and established a new maximum rent cap every year until 1953 when it expired. The Massachusetts legislature passed a law that year allowing localities to continue the rent control measures if they chose to do so. Most towns and cities opted in. The new law instituted fines for landlords who charged tenants more than the allowed maximum. Yet, as with the original state law, this law too expired after two-and-a-half years."

It is natural that the rent control debate would again heat up in the face of the current shortfall in the housing supply as well as growing inequality throughout our country. The impulse to deliver direct relief to impacted households is also understandable. Quite a bit of research suggests, however, that rent control may not be the best way to achieve the desired objective. According to the *CommonWealth Non-Profit Journal*, "Rent stabilization could actually exacerbate the inequity. A Stanford study found that rent control accelerates gentrification by encouraging landlords to convert rental housing to high-end condominiums or cooperatives. This is already what we are seeing in numerous areas throughout Massachusetts and rent control would reinforce this move toward unaffordable, and gentrified, neighborhoods." The Brookings Institution has also weighed in on the matter, questioning the benefits of rent control. "Rent control appears to help affordability in the short run for current tenants, but in the long-run decreases affordability, fuels gentrification, and creates negative externalities on the surrounding neighborhood."

These results highlight that forcing landlords to provide insurance to tenants against rent increases can ultimately be counterproductive. If society desires to provide social insurance against rent increases, it may be less distortionary to offer this subsidy in the form of a government subsidy or credit." Another unintended consequence of rent control is that it can create a mismatch between residents' current needs and the homes in which they remain for longer than their needs are actually met. Some middle-class tenants have been adversely impacted by rent control, electing to remain in their rent controlled apartments while foregoing what would have been significant increases in equity they could have realized through purchases they could have actually afforded.

It is far from certain the MA legislature will approve the home rule petition that was passed by the city council. The battle lines have been drawn with landlord groups squarely in opposition. Greg Vasil, CEO of The Greater Boston Real Estate Board explains his position, "The difficulty is doing business in Boston is really hard," Vasil said. "Developers, landlords, and lending institutions have told us that 'if we're in a rent control environment and if there are government price controls in the city on projects, they'd rather be elsewhere.' And we're concerned about that, because it's not going to solve our problem for the people of the city. That's our biggest issue, I think we are all in agreement on what the housing problem is, I think it's just philosophy on how we get there is the biggest stumbling block."

Massachusetts State Rep. Mike L. Connolly is among the many who disagree with this assessment. "We've been in a state of affordable housing emergency really for over two decades now," he said. "Today, a more accurate way to describe the housing issues that we face is that this is a disaster. We have never seen the level of homelessness that we see now in the Commonwealth of Massachusetts," Connolly added. "We have never seen the kind of cost burden that renters now face." Connolly, supported by a group of tenant advocates, renters, and local officials, has now filed a petition for a ballot initiative, which may effectively circumvent the state legislature and place the question before the voters. As Connolly sees it, "The public is hungry for action on these issues."

It is natural that the rent control debate would again heat up in the face of the current shortfall in the housing supply as well as growing inequality throughout our country.



NOTABLE STEVEN COHEN TEAM SOUTH END SALE

1313 WASHINGTON STREET #612

Spotlight on a rare loft-style home in a neighborhood landmark building offering an extraordinary urban lifestyle. One can't help but marvel at the unobstructed South End and Back Bay skyline views from this magnificent Wilkes Passage residence graced with one of the finest private terraces in the city! Expansive window walls and glass doors connect grand entertainment space to nearly 2,000 sq ft of wrap-around terrace. The recently renovated interiors showcase a sophisticated aesthetic across an open floor plan. The top-of-the-line kitchen features wonderful breakfast bar and seamlessly flows into spectacular living and dining spaces. A spectacular den/family room with fire-place provides a more intimate gathering place. The primary suite includes a luxurious bathroom with high-end finishes, a walk-in shower, and built-in closets. A lovely en suite guest bedroom with outdoor access completes the residence. Two tandem garage parking spaces offer the utmost convenience. With a rare combination of prime location, exquisite contemporary design, and unheard of private outdoor space, the Steven Cohen Team is proud to have facilitated the sale of this premier property.

SALE PRICE: \$4,550,000

BEDROOMS: 3

BATHROOMS: 2

SIZE: 2,358 sq. ft.

YEAR BUILT: 1890

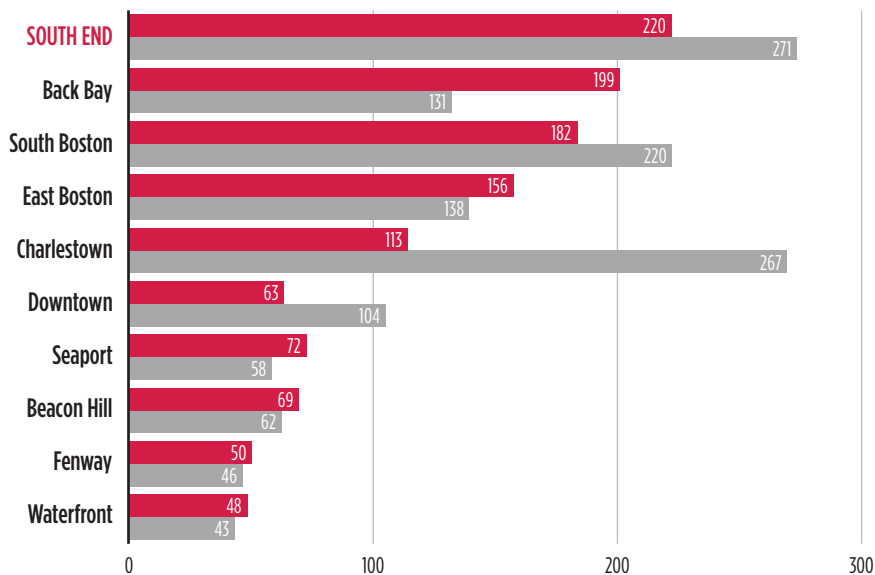




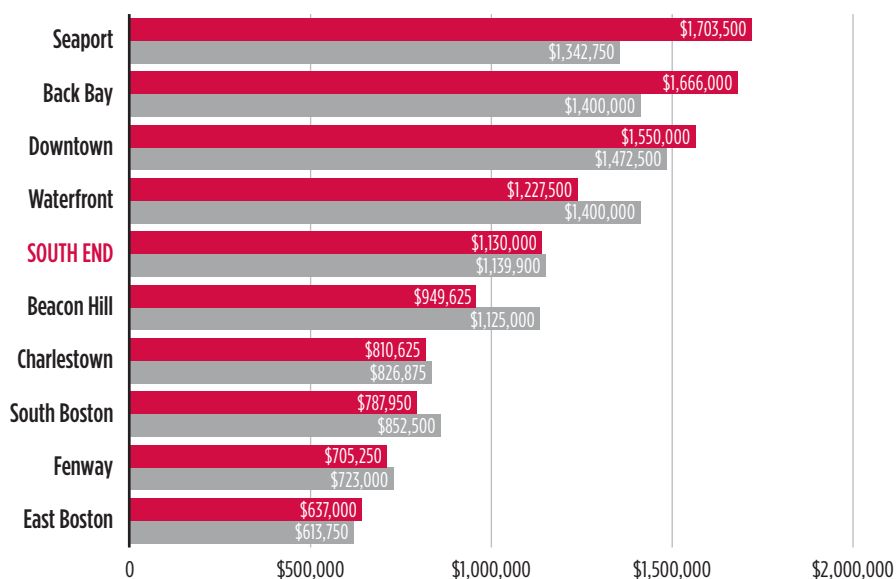
BOSTON'S TOP 10 NEIGHBORHOODS: 2023 Q1+Q2 VS. 2022 Q1+Q2

While the number of South End sales has decreased by 18% compared to the number of sales in the first half of 2022, the neighborhood's median sales price stayed relatively constant. The South End remains one of Boston's top performing areas.

Top 10 Boston Neighborhoods by Number of Sales

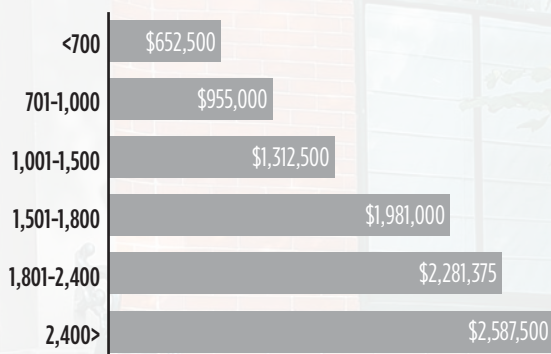


Top 10 Boston Neighborhoods by Median Sales Price

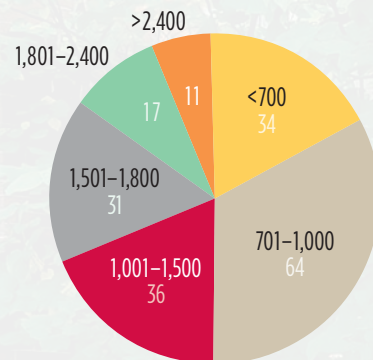


FOCUS ON THE SOUTH END IN 2023 Q1+2

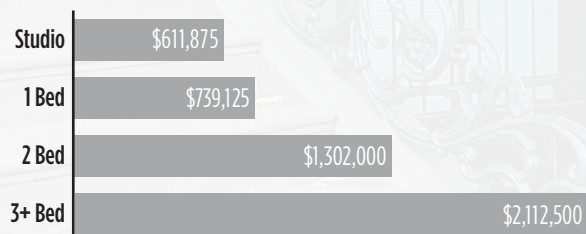
South End Median Sales Price by Square Footage



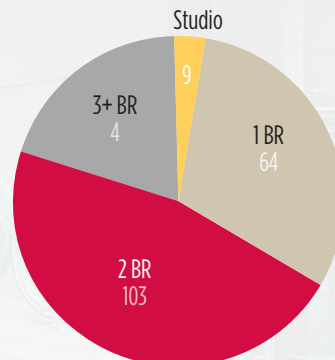
South End Number of Sales
by Square Footage



South End Median Sales Price by Number of Bedrooms



South End Number of Sales
by Number of Bedrooms



20 MOST EXPENSIVE SOUTH END SALES IN 2023

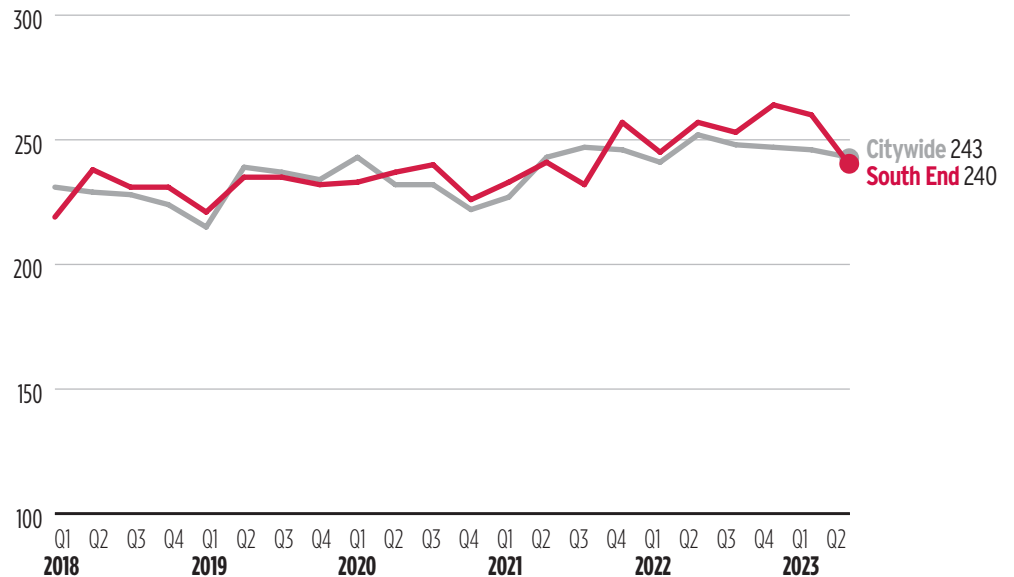
	ADDRESS	SALE PRICE	PRICE /SF	TYPE
1	24 Union Park	\$12,100,000	\$2,003	SINGLE
2	167 W. Brookline Street	\$6,325,000	\$1,530	SINGLE
3	161 W. Canton Street	\$5,945,000	\$1,408	SINGLE
4	13 & 15A Cazenove Street	\$4,800,000	\$1,364	SINGLE
5	22 Cumberland Street	\$4,400,000	\$1,093	MULTI
6	332 Shawmut Avenue	\$3,895,000	\$820	MULTI
7	The Lucas #8a	\$3,750,000	\$1,430	CONDO
8	16 Greenwich Park	\$3,650,000	\$869	MULTI
9	156 West Concord Street #2	\$3,295,000	\$1,402	CONDO
10	Atelier 505 #610	\$3,250,000	\$1,898	CONDO
11	196 West Springfield Street #2	\$3,150,000	\$1,260	CONDO
12	The Bryant Back Bay	\$3,100,000	\$1,602	CONDO
13	139 Appleton Street	\$3,000,000	\$1,364	SINGLE
14	20 Claremont Park #1	\$2,995,000	\$1,069	CONDO
15	114 Pembroke Street #1 & 2	\$2,942,500	\$1,187	CONDO
16	7 E. Springfield Street #PH6	\$2,935,100	\$1,576	CONDO
17	Atelier 505 #405	\$2,925,000	\$1,802	CONDO
18	201 W. Brookline Street #202	\$2,925,000	\$1,190	CONDO
19	34 Dwight Street #1	\$2,900,000	\$1,151	CONDO
20	287 Shawmut Avenue #2	\$2,860,000	\$1,352	CONDO

*Average price per square foot among the
20 most expensive South End Sales for 2023 Q1+2:*

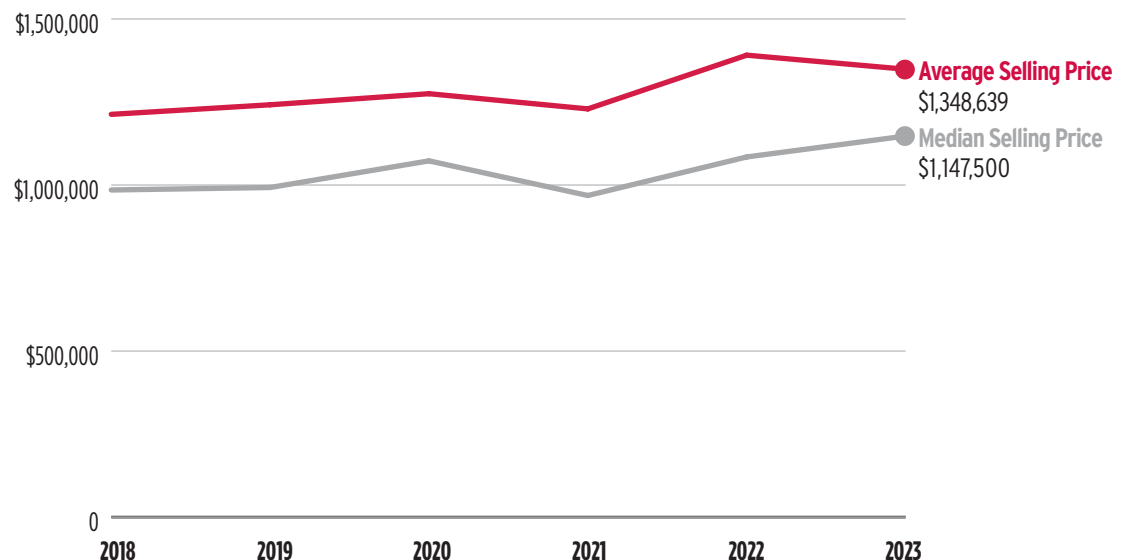
\$1,369

20 YEAR PRICE INDEX (APPRECIATION RATE)

MOST RECENT 5 YEARS SHOWN



SOUTH END AVERAGE SELLING PRICE VS. MEDIAN SELLING PRICE



Source: LINK Boston



THE STEVEN COHEN TEAM:
**OVER
\$900 MILLION**
OF TRANSACTION
VOLUME IN THE LAST
5 YEARS

STEVEN COHEN **TEAM**

MEET BOSTON'S PREMIERE REAL ESTATE AGENTS

The Steven Cohen Team provides expert insight, guidance and representation for discerning residential property buyers and sellers throughout greater Boston. Our unmatched experience in the local real estate market, long-term approach to customer service, and coordinated teamwork keeps us #1 on MLS in South End transactions year after year.

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

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PRINCIPAL & LISTING SPECIALIST



Josh Leibowitz
AGENT



Kevin Concannon
AGENT



Barrie Stavis
AGENT



Kate Wood
AGENT



Nicole Spencer
AGENT



Mei Salas
SHOWING & RENTAL SPECIALIST



Joe Maiorana
RENTAL SPECIALIST

SUPPORT



Patti Lautner
CHIEF OPERATING OFFICER



Tim McCarthy
DIRECTOR OF OPERATIONS



Cam Dean
TRANSACTION COORDINATOR



Bruce Withey
MARKETING DIRECTOR



Kenny McCarthy
DIGITAL MARKETING



Natasha Nelson
ADMINISTRATIVE SUPPORT

WHAT OUR CLIENTS SAY ABOUT US

"...you benefit tremendously from the **length and depth** of the team's experience in the South End real estate market..."

—JEFF J.

"...Steven **knows the South End** like the back of his hand. He knows every building, the layout, and the square footage. We asked Steven and his team to find a unicorn and they found it!..."

—MIKE P.

"...I have worked with the Steven Cohen team for 10 years now in both the buyer & rental markets and would **absolutely recommend** them..."

—COLLEEN B.

"...When it came to negotiations, we were so lucky to have Nicole **in our corner**..."

—JENNA M.

"...**I keep coming back** to Steven Cohen and his team for my family's real estate needs in Boston."

—ALEX K.

THANK YOU TO OUR CLIENTS

KW New England Region Group Award Winner

#2 on the **Large Teams by Volume** for **Massachusetts** list in **America's Best Real Estate Professionals**, as published in the *Wall Street Journal*

#1 Boston's top REALTOR® and Real Estate Agents in HomeLights

#1 Producing Team — *Boston Magazine*

Top 250 Real Estate Teams — *Wall Street Journal*

Top 5 Residential Real Estate Agents — *Leaderboard*

DURING 2023

Among 6,000+ New England Keller Williams Associates:

#1

- ▶ **In Contracts Written Volume**
- ▶ **In Listings Taken**
- ▶ **In Listings Taken Volume**

Average Price Point =

\$1,500,000

COMMUNITY CLOSE-UP

EIGHT STREETS NEIGHBORHOOD ASSOCIATION

Rounding the corner on to Milford Street late one Sunday afternoon in June, the festive clamor of neighbors socializing grew louder on the approach to party central. If the children playing and puppies frolicking didn't give it away, then the music and laughter of the many Eight Streets residents who were gathered and clearly happy to be together would have done so. Music, food platters fit for a Super Bowl party, and coolers overflowing with the beverage of your choice added to the ambience.

The early summer stoop sip (note that is sip rather than sit :-)) was first conceived by neighbors Jennifer Wilson and Alyssa Stevens. The two began chatting and sipping during COVID across adjacent roof decks a couple of buildings away from one another.

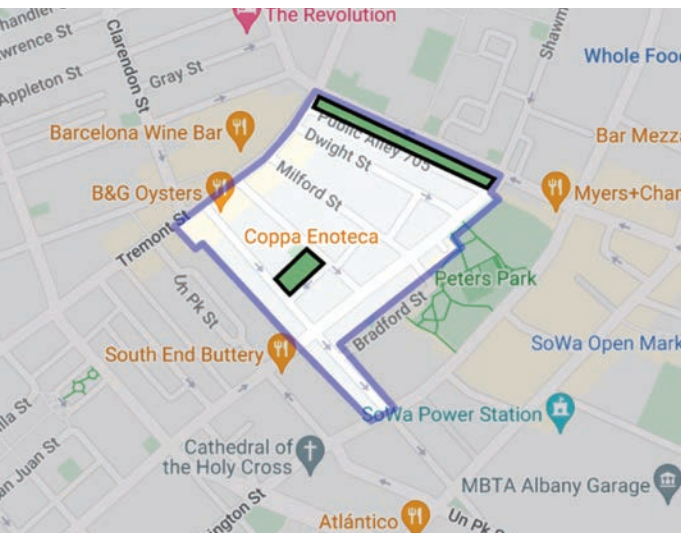
Jennifer and Alyssa recall that it was summer sangria for summer sips and hot toddies for the winter warmer edition, all from a safe distance. A note that Alyssa placed in Jennifer's doorway led to the exchange of emails that eventually resulted in their becoming friends who collaborated to bring stoop sips to the entire neighborhood. Their hope is that the sip sessions will in the future take place monthly during the warmer weather months, with the location rotating among each of the Eight Streets.

The Eight Streets neighborhood is widely known for how passionate its residents feel about living there. Some people remain in their homes even as they have outgrown

them in order to extend their tenure in this particular section of the South End. Eight Streets resident Julia Carroll sums it up this way, "We all want bigger homes, but want them right here. Everyone knows each other's kids and if they run down the block, someone will catch them." Julia is not alone in her almost fanatical devotion to this particular sliver of the South End. Nick Kelly and wife Nayeli seriously considered changing the date of their honeymoon in order to be in the neighborhood for the annual Halloween festivities. Who needs Hawaii with the world class festivities going on in Ringgold Park? Kristen Massimine searched literally for years before finding the perfect space in the perfect place, which could only be in the Eight Streets Neighborhood. "The biggest draws are the community and the people," she adds.

Eight Streets neighborhood president, Colleen Fitzpatrick, points out that the neighborhood association does more than just plan holiday parties and afternoon socials. "For

*Nayeli and Nick Kelly
with baby Federica*



Zander feeding Walter

Eight Streets resident Kristen Massimine (left), Eight Streets Neighborhood Association President Colleen Fitzpatrick (right)



example, one of the projects we have under consideration is the reconfiguration of Watson Park on Taylor Street at the corner of Milford. We are working with the Parks Department putting together plans for a big reveal party (yes, another party!) to share three options for what the transformed space might look like." A survey was also sent out to area residents eliciting ideas from constituents as well.

In order to fully take part in the Eight Streets revelry, you might want to consider moving there. If you see a place you like, though, you should probably move on it pretty quickly or it could be years before the next one comes along. Just ask Kristen.



Alyssa Stevens (left) and Jennifer Wilson (right)



Canine children, Carly Simon and Prince William with mom Lulu

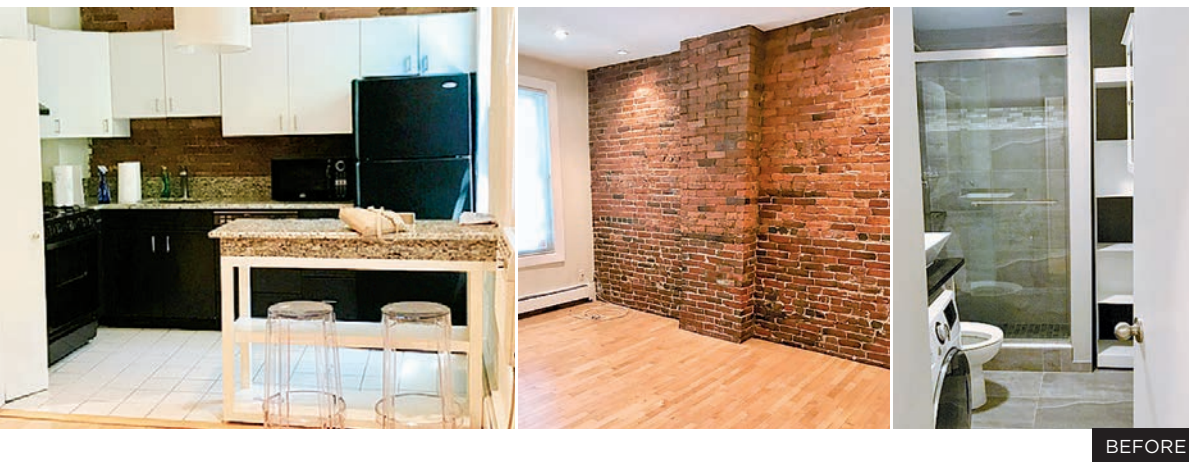
LITTLE SPACE GOES A LONG WAY

LAWRENCE STREET BEFORE AND AFTER

Wendy Polins has a great deal of experience executing on the design/build of grand and elaborate spaces. Her track record completing larger scale projects, both for herself and her clients, is indeed quite impressive. Wendy is clear, however, to observe that smaller projects require no less skill, imagination, or resourcefulness. Her complete transformation of the Lawrence Street pied-a-terre which she and her husband, Rich, purchased as a less inspired but very well-located city pad is a perfect case in point. "Many city projects are also about the challenge of how to make the most out of small spaces", Wendy noted. "I have found that city buyers are willing to trade square footage for a prime location; choosing to live in the city instead of the suburbs. Yet, having space for storage, for work, for relaxing and entertaining- even a feel of an outdoor space - are important. As both an architect and interior designer, I move quickly to identify my clients' priorities and wish list, and then give them more than what they've asked for."

Historic properties exude their own history and spirit, which Wendy always seeks to respect and enhance. Her ability to simplify and unify through her choice of materials and placement of everything from doorways to space saving design elements all combine to create inviting and useful spaces. "I really believe that wall covering is often the secret ingredient, adding warmth, wrapping the room and giving it a cocoon like quality. We all want comfort and drama and we all want to stay on budget!" As is clearly evident from these "before and after" photos, Wendy's vision, creativity and technical expertise are on full display in this small but spectacular city dwelling.

You can see much more of Wendy's work at www.WDPdesign.com.



BEFORE



AFTER



MARKET OUTLOOK

POST PANDEMIC REAL ESTATE FORECAST

BY STEVEN COHEN

Boston's real estate market activity during 2023 has been influenced by changes in market conditions and demographic shifts, the obvious ones being higher interest rates, lower levels of available inventory and an acceleration of remote work patterns. As we have observed in past issues of *The Stakeholders' Report*, Boston continues to be in an enviable position among major cities with its educated populous and diversified presence in important future fields such as health care, education, biotech and robotics. Our market has demonstrated its characteristic resilience through this turbulent period, surprising absolutely nobody.

It isn't enough, though, to rely on axioms, thereby closing our eyes to some of the important trends that are currently shaping the future of housing. The higher rates are attributable to the actions of our policymakers who are responding to economic conditions in textbook fashion, utilizing the impactful yet imprecise Keynesian monetary tools at their disposal. After all, protecting the dollar and guarding against inflation are the longstanding chief mandates of the Fed.

Multiple drivers of change often work in tandem, however, and post pandemic living patterns are shaping up to be markedly and enduringly different than they were before. While these profound changes have been a boon to vacation real estate markets as well as to the entire states of Vermont and Florida, new research suggests that larger knowledge economy based cities like Boston may have to innovate in order to maintain their dominant positions.

FED WATCHING AND THE IMPACT OF HIGHER INTEREST RATES

The higher interest rates we have suffered are tied directly to the Fed action, which in turn is prompted by its read on key economic numbers. Every important metric has a target range and the idea is that monetary policy can bring the numbers into line. The most important number the Fed monitors is the rate of inflation, which it wants to see in the range of 2%.

Of course lower rates of inflation are necessary to protect the currency and promote stability of society. It is an interesting piece of trivia that the precise figure of 2% was arrived at somewhat arbitrarily in 1988 when New Zealand's central banker, Don Brash, off-handedly suggested in an interview that New Zealand's target rate of

CHART 1 INFLATION (MONTHLY)

Source: U.S. Bureau of Labor Statistics

CHART 2 UNEMPLOYMENT (MONTHLY)

Source: U.S. Bureau of Labor Statistics

CHART 3 GDP (QUARTERLY)

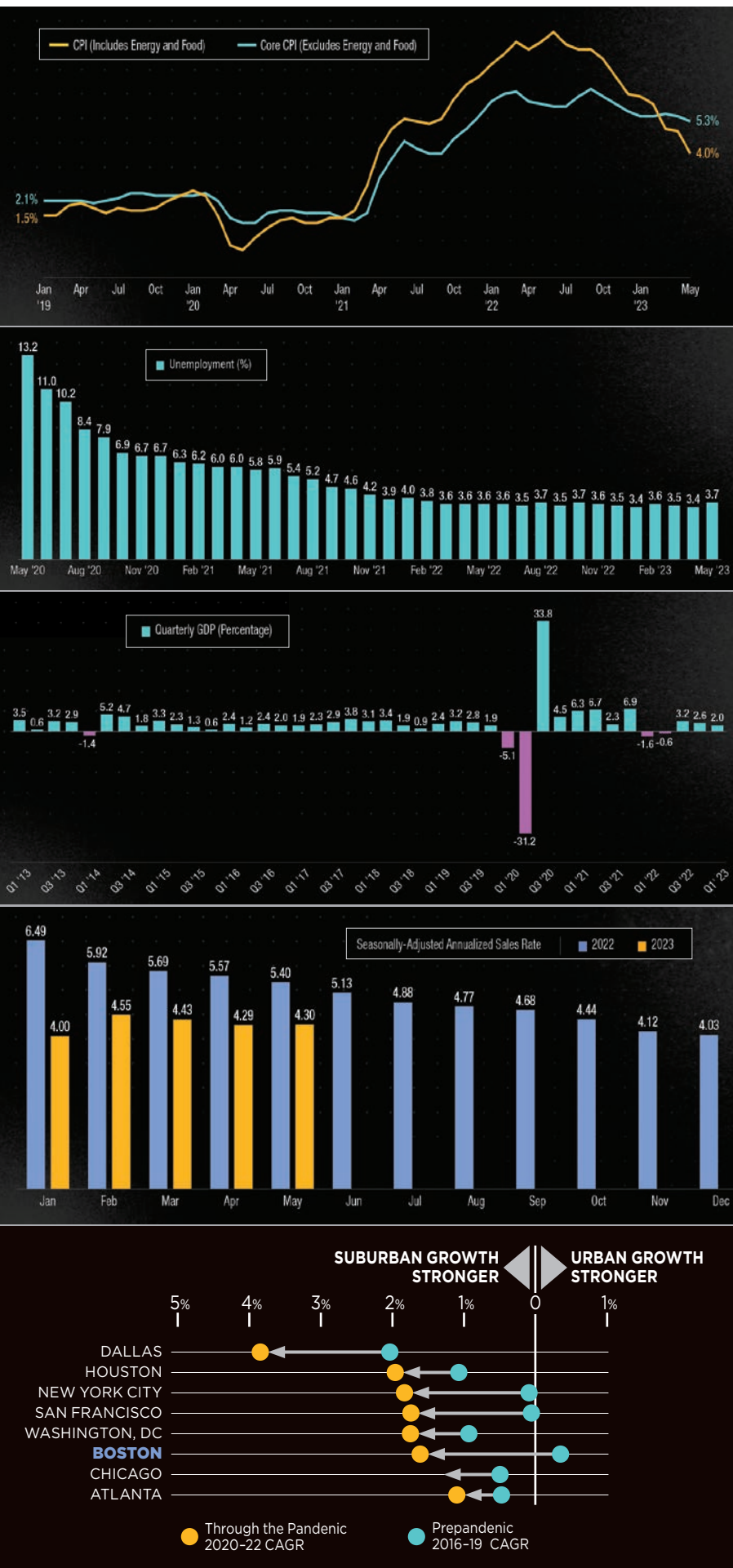
Source: U.S. Bureau of Economic Analysis

CHART 4 HOME SALES (MONTHLY)

Source: U.S. Census Bureau

CHART 5 DIFFERENCE BETWEEN URBAN AND SUBURBAN POPULATION GROWTH RATES (PERCENTAGE POINTS)

Source: Mckinsey Global Institute 7/12/2023 report
Empty spaces and hybrid places: The pandemic's
lasting impact on real estate



inflation should be 2%. Both inflation targets and the 2% figure in particular subsequently gained favor in countries throughout the industrialized world. Fed Chair Ben Bernanke made the 2% target explicit in 2012.

After spiking to 9.1% in June of 2022, the inflation rate by June of 2023 had dropped to 3% (SEE CHART 1). Along with dampening inflation, increasing rates 11 times since March of 22' as of this writing has also resulted in a direct hit to the affordability of real estate for every home borrower. The Fed does not consider the battle with inflation to be over by any means, though its actions have not resulted in more joblessness as would be expected. In fact, as of July 2023, the unemployment rate stood at an astonishingly low 3.6% with anything under 5% being considered full employment (SEE CHART 2).

Gross domestic product (GDP) has moderated as the result of the rate increases, with the 2% to 3% zone being the range that economists believe represents sustainable growth without unduly fueling inflation (SEE CHART 3). Importantly, home sales, are trending down from levels seen in 2022 (SEE CHART 4). The common sense interpretation of these statistics as they relate to real estate is that higher rates have meant fewer transactions. Many homeowners have opted to hold on to their low rate mortgages. Some prospective home buyers have stayed on the sidelines and those that have entered the market have still had to compete for choice homes notwithstanding the higher rates.

THE DOUGHNUT EFFECT AND THE CHALLENGES FACED BY SUPER CITIES

Fed watching alone without consideration of greater context could cause one to miss the enormity of the changes in

housing patterns that are taking place. Cities are facing major challenges on a number of fronts. In what has been coined the “Doughnut Effect”, demand has shifted from many core cities to the areas immediately surrounding them. Remote work and online shopping have caused the urban retail sector to weaken and the office market has been weaker still. Crime rates and homelessness in many major cities have worsened. The high cost of housing in major cities has resulted in Millennials, younger Gen Xers, and older Gen Zers to look outside to the radius of the doughnut.

...Boston has actually experienced one of the more pronounced shifts in momentum away from the urban core

In a comprehensive report recently released by McKinsey Global Institute, titled *Empty Places and Hybrid Spaces: The Pandemic’s Lasting Impact on Real Estate*, real estate trends in and around 17 superstar cities were analyzed. The term “superstar cities” originally coined by Joseph Gyourko of Wharton Business School and The Bureau of Economic Research, refers to those cities which are responsible for a disproportionate share of GDP and GDP growth. The study measured rates of urban versus suburban population growth in detail from the onset of the pandemic through 2022. It turns out that Boston has actually experienced one of the more pronounced shifts in momentum away from the urban core (SEE CHART 5).

The study further concludes that by 2030, there will be 9% lower demand for retail space in the median city studied and 13% lower demand for office space. The outlook for residential is also murky with a projected 10% lower demand is forecast for the median city studied, notwithstanding the fact that housing demand actually increased nominally from 2019 to 2022. The report does suggest that downward price adjustments for residential real estate are not accounted for in the study and that should such adjustments occur, urban growth rates could be favorably impacted. These trends may have implications for Boston, though they are developing amidst a continuing housing shortage within the city.

REASON FOR HOPE

All real estate is inherently local and there is good reason to believe that Boston’s prospects are very good for the creation of the conditions necessary to thrive in the post pandemic era. First, it should be noted that the impact of remote work is expected to be felt mostly in the neighborhoods within cities that feature a particular density of office space. Neighborhoods such as the South End, Beacon Hill, and even Back Bay will be relatively less impacted.

The McKinsey report is also clear to state that downtowns with a high density of office space also possess opportunities to reinvent themselves through addition of hybrid office space (think “drop by for a meeting” rather than being chained to your desk from 9:00 to 5:00) and advent of spaces that will draw out the non-commuters (perhaps a pickle ball court to replace that floundering department store near you?).

The innovation required to remain relevant must also include the creation of additional housing. This new housing is needed in order to accommodate both the luxury market and, importantly, to build the “workforce housing” we will require while at the same time revitalizing the areas within the city that have the highest concentration of office space. Toward that end, Mayor Michelle Wu announced this past July that the City

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will launch a new “Downtown Office to Residential Conversion” pilot program, a public-private partnership to incentivize the conversion of underutilized office buildings to residential use in the downtown. Under the program, developers will see up to a 75% reduction in city taxes on properties converted from office to residential use for a period of up to 29 years.

Boston does score highly among urban centers in terms of public safety and overall livability and features a highly ranked public transportation system. According to Urban Scout, Boston makes the top ten list of safest large cities in America and according to *Visual Capitalist*, Massachusetts is home to an impressive 26 out of the 100 safest communities in the country overall. According to Resonance Consultancy, from thousands of U.S. cities, Boston ranks number 36 of best cities in which to live and ranks #14 for Prosperity (number of Global 500 headquarters, GDP per capita, employment rates and income equality). In a study conducted by WalletHub, Boston's public transportation system was ranked as the second best in the country despite its many problems, with \$9.2 billion dollars to be spent on further upgrades in the next five years.

TAKEAWAYS FROM THE STEVEN COHEN TEAM

- 1 HOUSING PATTERNS ARE IN FLUX ACROSS THE GLOBE and we can't predict precisely how they will shake out in the coming years. According to The Royal Institution of Chartered Surveyors (RICS), North America is struggling to find a new pattern. Their study concluded, however, that while urbanization overall will not reverse, it will likely be distributed more evenly between the cores of major cities to the areas around them. This fact cannot be ignored.
- 2 CERTAIN CITIES APPEAR BETTER ABLE TO WEATHER THE EFFECTS of changes underway, and for all of the reasons stated in this article, Boston is likely to be one of these cities.
- 3 A SEVERE SHORTAGE OF HOUSING EXISTS, which according to Freddie Mac is in the range of 3.8 million homes nationally (some estimates are even higher). While Boston remains challenged in terms of its ability to create affordable housing, there is a shortage of luxury housing as well. Boston needs to continue to be viewed as a place worthy of the premium that one must pay to live here and it is a good bet that such will be the case.
- 4 PRICES WILL LIKELY NOT DROP IN BOSTON BUT INTEREST RATES ULTIMATELY WILL. Trying to time the market is not a winning strategy. According to prominent real estate expert Barbara Corcoran of *Shark Tank*, when rates come down two points, “It's going to be a signal for everybody to come back and buy like crazy and the house prices will likely go up by 20%.”

Steven Cohen Team Bottom-line Advice:

NOW COULD BE A GOOD TIME TIME TO “MARRY THE HOUSE AND DATE THE RATE.”

THE YGB GAMES

COMPETING TO LEVEL THE PLAYING FIELD

the  Are you and your co-workers looking for a fun group activity that will enhance cohesion and morale in your workplace as well as raise money for an important cause? Then you should plan now for your company's participation in the 2024 YGB Games. It was on a Friday afternoon this past May that ten groups of co-workers took a break from their workplaces and gathered at Boston's Huntington branch YMCA for the 2023 Games. This annual athletic competition is a community event and an important revenue source which benefits the YMCA and enables it to carry out its stated mission of improving the health, mind, body, and spirit of individuals and families in its communities. Originally established in 2017 as the brainchild of Deborah Taylor and fellow YMCA advisory board member Sharon Riley, the games have grown in size each year that they have been held with only a one-year break in 2020 during the pandemic.

The Steven Cohen Team was honored to be a sponsor of this past year's games and to compete in activities ranging from a fast paced mini-spin class to holding yoga poses and planks for a seemingly interminable period. Our team suffered from pregame jitters, notwithstanding that it was composed of some pretty fit and fabulous realtors and their college age children. YMCA member Angel rounded our team out as its sixth member and added the skill, strength and speed that helped us to compete with the best of them.



As the proprietor of Listing Information Network (LINK), Boston's leading purveyor of timely market data, reports, and export functions for real estate professionals, Deb Taylor had experience in drawing from the strengths of others in advancing an organizational objective. Upon taking her seat on the general board of the Y in 2020, she approached fellow board members Ariel Dawkins and Alan Tuck with the idea of expanding, prompting them to consider holding the games at more than one branch. And so with some help from Tuck in coming up with a model to scale the annual event, the Huntington Games in 2022 became the YGB Games. Further assistance came from John Swisher and Ronin Advertising, which created a new website, logo, and marketing plan for the promotion of the Games.

Boston YMCA's current President and CEO David Shapiro has marshaled all of the Y's resources to help ensure its continued success. Shapiro puts it this way, "The YGB games are really like a triple win for folks that get engaged. It's health, wellness, and competition which is at the core of the Y. For companies, it's an opportunity to build community, practicing the skills you need in the workplace, like communication, healthy camaraderie and connection. It's an opportunity to do all of that, surrounded by fun." The positive impact that participation in the games has on the organizations that take part is a benefit of which Deb Taylor also makes note. "I am an advocate of sustainable philanthropy where donors not only give but also have a memorable experience, engaging in our branches with staff, members, and leadership. An experience that stays with you.

I see the games growing every year and we hope to offer the games at all 13 of our branches", says Deb.

In addition to the trophy that is awarded annually, there is one other prize for which this year's YGB Games participants competed; the bragging rights that come with being the team that earns the greatest number of points. That honor went this year to none other than the Steven Cohen Team. With a number of the teams' scores closely bunched going into the final relay event, the Steven Cohen Team emerged victorious with a combination of perfect push-ups, a worthy wheelbarrow relay performance and an unforgettable round trip down the lane with a ping pong ball balanced precariously on a spoon! Thanks to all of our team members and a special shout out to the Steven Cohen Team's newest honorary member, Angel.



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The Steven Cohen Team has many years of experience facilitating all aspects of the Boston real estate market. In addition to assisting our customers with the buying and selling process, we have a clear understanding of the work and responsibilities that go into managing properties for landlords. That is why we are proud to work closely with ExtraMile Property Management.

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