

## RESIDENTIAL REAL ESTATE

SPIFF IT UP

# Local Brokerages Offer to Pay for Home Renovations

Programs Offer Way to Bring More Homes onto Tight Market

BY HEATHER BEASLEY DOYLE  
SPECIAL TO BANKER & TRADESMAN

**W**hen the coronavirus hit Massachusetts in early March, the illness and restrictions to contain it winnowed down real estate listings in the commonwealth's already-tight housing market. Shortly into the pandemic, Carol Conway Bulman grew concerned.

"Listings had been down significantly year-over-year, and then during COVID they dropped even more dramatically," said Bulman, who is president and CEO of Jack Conway & Co. She asked: "What's another tool in the toolbox that we can provide our Realtors and our clients to help them move their properties quickly, and for the price that they want?"

Bulman's answer to that question, Conway HOMERedi, launched last month. The program allows sellers to renovate their homes – and delay paying for the work until closing. The launch makes Jack Conway part of a growing cohort of real estate brokerages, including Compass and Coldwell Banker, willing to temporarily foot the bill for home improvements that keep housing stock moving and fetching higher prices.

In Greater Boston, such programs unfurl into a competitive market that is growing ever more so. According to data compiled by Zillow, typical homes in Boston spent 45 percent fewer days on the market, a reduction of 7.3 days, in August 2020 than they did last Au-

Market Segment	Days to Pending	Change from 2019
\$808,470 and up	13.7	-43.1
\$605,333 - \$808,470	7.7	-47.7
\$486,133 - \$605,333	6.67	-42.9
\$376,247 - \$486,113	6.7	-37.5
\$376,247 and below	6.3	-36.7

• Source: Zillow • August 2020

gust. Homes that sold for less than \$376,000 stayed on the market for 10 days in August 2019, but this August sold after 6.3 days. The most expensive homes (selling for more than \$808,000) spent 24 days on the market in 2019; one year later they took just 13.67 days to sell – a 43 percent reduction.

### Different Funding Methods

Before Jack Conway launched Conway HOMERedi on Sept. 4, Bulman had been researching such a program for a couple of years. Studies "have shown that buyers prefer to have the [option] of one-stop shopping, so all of the real estate services under one roof," Bulman said.

Ultimately, the brokerage partnered with Massachusetts-based ReNovo, a general contracting company focused on pre-sale renovations. Sellers must spend at least \$15,000 on their homes through ReNovo; there's no maximum amount "as long as post-work the seller still has 20 percent equity," said Al Becker, Jack



Faced with an ever-tighter housing market, some local brokerages are funding homeowners' renovation projects as a way to secure more home sales.

Conway executive vice president and COO, via email.

ReNovo secures a lien on homes in the HOMERedi program to ensure repayment. Ideally projects are ones "where... we can do the work for less than it will bring in the sale," Becker said.

RealVitalize, Coldwell Banker's home renovation program, works somewhat differently. The program, which is offered in partnership with HomeAdvisor, arrived at Coldwell Banker Realty New England in September 2019. HomeAdvisor is a digital marketplace of prescreened contractors. Sellers apply for the program, and as the work is done

"[Coldwell Banker pays] HomeAdvisor, and then the seller pays back those costs to Coldwell Banker at the closing...with no hidden fees or interest or mark-up," said Pauline Ben-

nett, president of Coldwell Banker Realty New England.

While the company has no detailed data for New England, Coldwell Banker reports from other markets that homes improved through RealVitalize sell 25 percent faster and 4 percent closer to list price. So far, 100 New England agents have used RealVitalize and 59 listings have completed at least one project through the program.

One of those was an older home listed in an area with new construction. After two weeks, the listing agent, Boston-based Jessica Quirk of Coldwell Banker's Quirk Group, understood that buyers felt the property needed improving. The sellers were reluctant to do the work, so Quirk told them about RealVitalize.

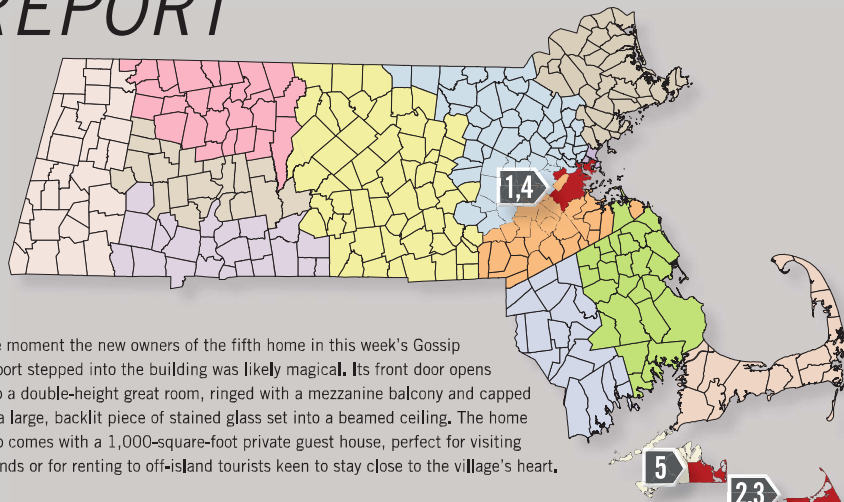
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## GOSSIP REPORT

### 1 BOSTON

Address: 1 Dalton St. #5601, Boston  
Price: \$13,500,000  
Buyer: 1 Dalton 5601 T  
Seller: 1 Dalton Owner LLC  
Size: 3,696 square feet  
Agent: Campion & Co.  
Sold: 10/1/2020



The moment the new owners of the fifth home in this week's Gossip Report stepped into the building was likely magical. Its front door opens into a double-height great room, ringed with a mezzanine balcony and capped by a large, backlit piece of stained glass set into a beamed ceiling. The home also comes with a 1,000-square-foot private guest house, perfect for visiting friends or for renting to off-island tourists keen to stay close to the village's heart.

### 2 NANTUCKET

Address: 1 Crows Nest Way, Nantucket  
Price: \$9,125,000  
Buyer: Nantucket Sunrise LLC  
Seller: Beach Nut LLC  
Size: 6,309 square feet on 1.1 acres  
Agent: Sam Parsons, Great Point Properties  
Sold: 9/30/2020



### 3 NANTUCKET

Address: 67 Squam Road, Nantucket  
Price: \$8,680,000  
Buyer: Sandhurst MV LLC  
Seller: Garrett E. Bewkes  
Size: 3,378 square feet on 5.47 acres  
Agent: Edward Sanford and Alexa Coleman, Great Point Properties  
Sold: 10/2/2020



### 4 SOUTH BOSTON

Address: 22 Liberty Drive #PH2D, South Boston  
Price: \$7,450,000  
Buyer: 22 Studio NT  
Seller: RK Liberty LLC  
Size: 2,891 square feet  
Agent: Michael Harper, MGS Group Real Estate  
Sold: 9/29/2020



### 5 EDGARTOWN

Address: 38 Morse St., Edgartown  
Price: \$6,875,000  
Buyer: David W. Rommel and Patricia A. Rommel  
Seller: 38 Morse Street LLC  
Size: 3,526 square feet on 0.29 acres  
Agent: Bonnie Pierce, Wallace & Co. Sotheby's International Realty  
Sold: 9/28/2020







Work is underway at Hines' 1.1 million-square-foot South Station Tower, along with another 4 million square feet of office space in the downtown core.

## Historic Uptick in Vacancies as Office Construction Booms

BY STEVE ADAMS  
BANKER & TRADESMAN STAFF

Office vacancies and sublease listings soared during the third quarter as companies continued to hold off on long-term real estate decisions, according to local brokerage research.

The 1.2 percent increase in metro area vacancies is the largest in 15 years, according to Newmark Knight Frank's third-quarter report. Negative absorption of 1.1 million square feet in the Boston central business district was an all-time high, at a time when more than 5 million square feet of construction is under way at large projects such as Hines' South Station Tower, Millennium Partners' Winthrop Center and HYM Investment Group's One Congress.

"Though the marketplace is beginning to thaw, few lease transactions are taking place outside of expiration-driven activity," the report states.

Institutional landlords have held firm on asking rents thus far, but local owners of class B properties have begun offering rent conces-

sions, the report states.

Office vacancies now stand at 13.6 percent across the 181 million-square-foot metro area market, compared with 11.6 percent the previous year. The Seaport District's 13.8 percent vacancy rate is the highest among Boston submarkets, and Interstate 495 west lags the suburban markets at 30.7 percent.

In its third quarter report, Colliers International said both direct and sublease space increased by 630,000 square feet, with North Station leading all Boston submarkets with the highest vacancy rate of 23.2 percent and highest ratio of sublease space at 7.9 percent.

Colliers also tracked rent concessions in the class B market, with a 1-percent decline in rents during the third quarter.

Suburban markets saw a 860,000-square-foot increase in sublease space during the third quarter.

"There is talk in the market, though we have yet to see it, of a trend to move back to the suburbs," the report states. "Some groups are considering suburban offices in addition to their urban spaces."

## Renovation Help Gives Sellers Peace of Mind

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"We had the kitchen painted white; it was [an] older darker brown," she recalled.

After kitchen hardware and faucet upgrades and some light staging, Quirk put the house back on the market. "and we got an offer that very first weekend," she said.

### An Alternative to iBuyers

Quirk's clients aren't the only homeowners averse to doing upgrades that will align their properties with buyers' expectations.

"Somehow the thought of getting their home ready to come onto the market seems overwhelming to them," Bennett said.

Bulman sees that same feeling in some clients.

"Maybe there's something that has happened that has just caused them to think, 'I just can't think of open houses and negotiations,'" she said.

That feeling sometimes leads sellers to iBuyers, she said. Services like RealVitalize and Conway HOMERedi offer "a good alternative to that, because it takes some of the stress off of [sellers]," Bulman said. In fact, two of Quirk's clients who used RealVitalize "could have come up with the money themselves," she said.

Some sellers face greater barriers to pre-sale home improvements.

"We can watch these home improvement shows, but actually doing the work ... requires capital, and people don't have that kind of capital [or] knowledge of how to get the work done," said Charles George, a senior vice president at Compass's Boston offices.

George joined Compass in March after owning his own brokerage for many years, largely because of the company's Concierge program. In that program, sellers apply for

what George likened to a bank or debit card with a \$50,000 limit in the Boston area (that figure varies according to local economic conditions), then use it to pay for home improvements with the agent acting as a resource. Compass gets its money back at closing.

While some properties benefit from large projects – a new roof, major kitchen upgrades – readying a home for Boston's uber-competitive market sometimes doesn't take much.

**"What's another tool in the toolbox that we can provide our Realtors and our clients to help them move their properties quickly, and for the price that they want?"**

—Carol Conway Bulman, president and CEO, Jack Conway & Co.

One of George's clients used Compass just for staging. Most often, local sellers have used RealVitalize for painting, according to Barrett.

While interest in Conway HOMERedi abounds, Bulman is still waiting for the first seller to go through the program. It's possible that a year in, she might express the same hunch about in-house repair services that Quirk did – a positive one for Boston's perennially low housing stock.

"I think it absolutely would push people to sell," she said.

Email: editorial@thearrengroup.com



A 26-story Northeastern University dormitory tower in Roxbury is attracting neighborhood complaints to little avail, in contrast to a similar project in the Fenway, raising questions about who has power in Boston planning debates.

## Why Do the Rich Get a Louder Voice in Boston?

Continued from Page 3

Circle. Far from it. Rather, Scape's proposed new high-rise stands on the border that effectively represents the leading edge of the tower-packed Longwood Medical Area, with similarly-sized buildings around it.

Then, of course, there is the "transient" nature of the renters that Scape's latest proposal would attract. ACNA President Dolores Boogdanian argued in a letter to the Boston Planning & Development Agency.

The group is pushing Scape to simply ban undergraduates from renting the apartments, which it calls "critical to preventing the occupancy that ACNA regards as a negative, unwelcome and inappropriate intrusion into the neighborhood."

"Inappropriate intrusion." Right.

### Who Gets a Vote?

Unfortunately, the pushback by Audubon Circle has already had an impact, with the BPDA having recently extended the comment period to this past Friday.

All of which offers a striking contrast

to Northeastern University, which is seeking city approval to build its second student dorm tower with private development partner American Campus Communities.

The 26-story, 975-bed dorm would take shape on a surface parking lot in Roxbury. It follows the developer's rollout of its 825-bed LightView residence hall on a Columbus Avenue lot across from the Northeastern campus.

As with any dorm project, it has sparked grumbling in the neighborhood, but so far, city officials and the developer aren't jumping through hoops to placate project critics.

City planners clearly have not given veto power to Roxbury residents when it comes to new dorm construction. The same could be said for Dorchester, where UMass Boston built its first dorm after years of griping from opponents.

It's not clear why Audubon Circle should be treated any differently.

Scott Van Voorhis is Banker & Tradesman's columnist; opinions expressed are his own. He may be reached at sbvanvoorhis@hotmail.com.

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