

SPRING MARKET PREVIEW

SEE PAGE 10

BANKER & TRADESMAN

THE
WARREN
GROUP
Since 1872
Real Estate & Financial Information

BY THE NUMBERS PAGE 6

County close-up:
Dukes and Nantucket
Spotlight: Oak Bluffs

IN PERSON PAGE 8

Architecture was a change of career for Marilyn Shen, who started out in consulting and, like many professionals of her age group, enrolled in graduate school following the dotcom meltdown. Shen joined TRIA in March following 15 years at Visnick & Caulfield.



WEEK OF MONDAY, APRIL 19, 2021



RESIDENTIAL REAL ESTATE BY THE NUMBERS

► \$8,942,400

The purchase price of the most expensive home in this week's Gossip Report. See page 9.

Source: The Warren Group

► 61.9 percent

Single-family inventory was 61.9 percent down in Greater Boston in March. See Heather Beasley Doyle's story on this page.

Source: Massachusetts Association of Realtors

► 75

Listings in 75 markets are seeing double-digit numbers of showings per listing. See Lew Sichelman's column on page 4.

Source: ShowingTime

► 68.5 percent

Single-family inventory was 61.9 percent down in the Pioneer Valley in March. See Heather Beasley Doyle's story on this page.

Source: Massachusetts Association of Realtors

► 94 percent

The year-over-year increase in the number of single-family sales on Nantucket in February. See By the Numbers on page 6.

Source: The Warren Group's Statistics Module

► 77.7 percent

Single-family inventory was 61.9 percent down on Cape Cod and the islands in March. See Heather Beasley Doyle's story on this page.

Source: Massachusetts Association of Realtors

► \$950,000

The median single-family sales price on Martha's Vineyard in February. See By the Numbers on page 6.

Source: The Warren Group's Statistics Module

► 15 minutes

Columnist Lew Sichelman is questioning whether 15 minutes is enough time for a showing. See his column on page 4.

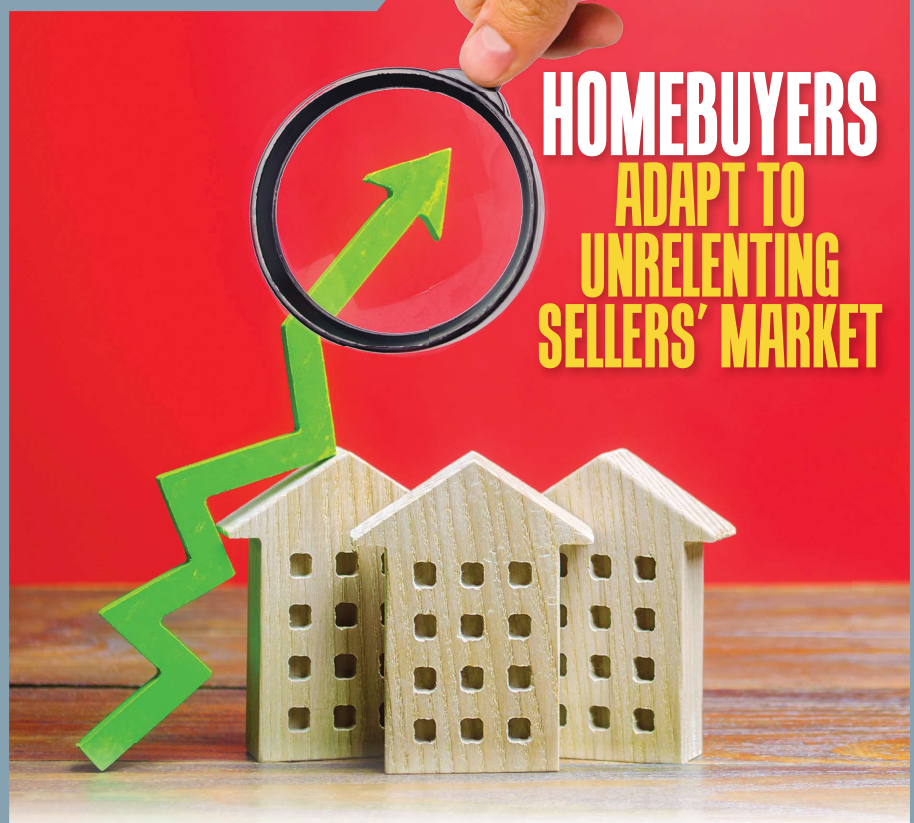
Source: ShowingTime

THE WARREN GROUP

Real Estate & Financial Information Since 1872

Unless otherwise noted, all data is sourced from The Warren Group's Mortgage Market Share Module, Loan Originator Module, Statistics Module and/or proprietary database. For more information please visit www.thewarrendgroup.com/business/datasolutions.

SPRING MARKET PREVIEW



HOMEBUYERS ADAPT TO UNRELENTING SELLERS' MARKET

BY HEATHER BEASLEY DOYLE
SPECIAL TO BANKER & TRADESMAN

The 2021 spring home market is in full swing, with high demand and low inventory still the norm. Buyers in Massachusetts are adjusting their expectations and taking measures to weight offers in their favor: looking farther afield, prioritizing or going beyond their budget for the right thing – even as some abandon their search altogether.

Home inspections aren't the only contingency that many buyers consider optional right now. Some are waiting appraisals or

Buyers Compromise on Location, Condition of Homes

are willing to rent homes back to sellers, amid an inventory of single-family homes for sale in March that was 61.9 percent below March 2020's totals in Greater Boston, 68.5 percent down in the Pioneer Valley and 77.7 percent down in Cape Cod and the islands, according to the Massachusetts Association of Realtors.

"It used to be the high-end or luxury market, buyers that were more familiar with the buying," said Lee Joseph, a Realtor at Coldwell Banker Realty Worcester. Recently, though, she's seen cash offers and contingency waivers "across the board."

Continued on Page 13

REVERSE MIGRATION

Momentum Grows for Office Park Redevelopments

Biomanufacturing Demand Spreads to Marlborough, Lexington

By Steve Adams | Banker & Tradesman Staff

Commercial Real Estate
PAGE 7

DEAL OF THE CENTURY

Eastern Gains Growth Opportunities in Latest Acquisition

Deal Should Please Shareholders, Create Customers for Existing Products

By Diane McLaughlin | Banker & Tradesman Staff

Banking & Lending
PAGE 9

SPRING MARKET PREVIEW

SPRING MARKET PREVIEW

Amid Hot Market, Buyers Overlook Some Defects

Continued from Page 1

Whether at the outset of their home search or after unsuccessful bids, buyers throughout the commonwealth and across price points are broadening their search areas right now. Arlington-based Nellie Aikenhead, broker/owner of Aikenhead Real Estate, said that while some of her clients are expanding their search areas, it's not by much. Buyers interested in East Arlington ended up looking in certain parts of Belmont, for example – but the net effect has been negligible.

In nearby Boston, buyers who would normally look within 1 mile of the city core are looking anywhere from 5 to 20 miles away, said Pauline Bennett, president of Coldwell Banker Realty New England, adding that Interstate 495 has replaced Route 128 as an outer search border.

Joseph reported a similar widening in the Worcester area. There, buyers are eyeing towns such as Berlin with new interest, despite its few listings, because "it abuts Boylston, it abuts Northborough, or other towns they may have been considering."

"Some people have an absolute priority on location, so they'll compromise on the house, or the price," she said. "And some people have an absolute priority for house, and they'll compromise on location."

Akers' clients won't settle for smaller. Worcester buyers are most likely to cede amenities such as a garage or a second bathroom. Homes needing some updating are a reasonable fit for those looking for a second home on the Cape earmarked for eventual retirement, Clay said.

"Time's on their side, because they're only here weekends and vacations," he said. "Once it becomes their year-round home, then they probably want to do the work then."

For the most part, Aikenhead's buyers are compromising on price, paying more than they'd planned. Not every buyer can override their budget, but she noted that her clients are highly paid. As a result, Aikenhead has worked on multiple million-dollar transactions in recent months. She's "always had a few each year," she said, but never this many.

"Some people have an absolute priority on location, so they'll compromise on the house, or the price. And some people have an absolute priority for house, and they'll compromise on location."

– Alyx Akers, Realtor, 5 College Realtors

Buyers on the Cape have begun looking even farther afield, often amid mounting frustration, said Steve Clay, team leader of The Clay Group in North Falmouth. Buyers focused on Falmouth, for example, have started looking in Mashpee, Bourne and Sandwich. For home-hunters unsuccessful in those towns, "Plymouth has come into play," he said.

The story of the broadest search area came from Western Massachusetts, where Realtor Alyx Akers of 5 College Realtors in Northampton, recently spoke with a couple entering the housing market. Unable to offer a 20 percent down payment, they're home shopping throughout Franklin, Hampshire and Hampden counties.

"That's a big area," Akers said, adding that this kind of broad net makes sense right now.

While not every client will consider three counties, she has seen a shift into more affordable towns such as Longmeadow, Agawam and Wilbraham.

A Conglomeration of Concessions

Many of Akers' buyers are also looking at homes needing work, a trend Aikenhead, in Arlington, echoed, adding that her buyers are all unique.

And while a house needing a bit of work might do for a portion of buyers, those seeking a true fixer-upper should change tactics, the agents interviewed by Banker & Tradesman advised. Contractors and builders look at those properties with equal interest, they said, and are likely to beat out other buyers. Builders "know the pricing of what these items are going to be, and don't have to waste time trying to reach out to find people who can help them with the pricing," Joseph said.

Even homes that are in good shape, but less than perfect, are hot commodities worthy of full price, or more.

"It's too competitive," Aikenhead said.

Before the pandemic in 2019, 10 homes easily be on the market in the Worcester area for \$200,000 to \$250,000 price range, Joseph said.

"Now, if one comes on the market, there's tons of interest," she said.

That's why pristine properties are often getting way over asking price, she added.

Aikenhead and Joseph said that, compared with the pre-pandemic market, more buyers are compromising as they look for a home, and they're relinquishing more of what they want than their pre-pandemic homebuying peers.



This spring's buyers are prioritizing outdoor space among the qualities they want most in a single-family home.

SINGLE-FAMILY SALES THROUGH MARCH 31

COUNTY	Total Sales	Change Since 2020	Median Sale Price	Change Since 2020
BARNSTABLE	965	12%	\$525,000	27%
BERKSHIRE	312	23%	\$230,750	9%
BRISTOL	946	7%	\$370,000	16%
DUKES	78	-1%	\$914,250	9%
ESSEX	1,047	-1%	\$530,000	13%
FRANKLIN	135	21%	\$240,000	19%
HAMPDEN	904	14%	\$235,000	18%
HAMPSHIRE	233	1%	\$320,000	17%
MIDDLESEX	1,948	10%	\$619,200	11%
NANTUCKET	52	79%	\$1,876,500	14%
NORFOLK	1,195	10%	\$585,000	14%
PLYMOUTH	1,131	4%	\$440,000	13%
SUFFOLK	270	19%	\$630,000	15%
WORCESTER	1,520	3%	\$335,000	18%
STATEWIDE	10,736	8%	\$450,000	14%

• Jan.-Mar. 2021
• Source: The Warren Group

Recently, Akers has experienced a new pattern: Clients who bought their Berkshires homes early in the pandemic under pressure to act fast are contacting her anew.

"[They've realized] 'We paid X number of dollars over asking price, and we want to improve the house for our own enjoyment'" while planning to sell the house in five or 10 years, she said, and they want her input.

For the most part, agents haven't experienced a recent uptick in current buyers seeking advice on contractors and renovations. Clay noted that, influenced by HGTV and other real estate shows, many buyers come into the process with firm aesthetic and design ideas. Nonetheless, agents remain comfortable connecting clients with the home improvement professionals they need.

And Coldwell Banker Realty New England, noticing that buyers are struggling to secure contractors to get their new homes just right, is exploring a tweak to its RealVitalize program. RealVitalize connects sellers with HomeAdvisor, a digital marketplace of prescreened contractors, as they renovate

ahead of selling. Coldwell Banker is exploring the possibility of expanding it to include buyers.

"That is in discussion," company president Bennet said. "It's definitely been on our radar screen."

Statewide, buyers' one clear, non-negotiable right now is outdoor space, while people will bid more for certain things. On the Cape, that's a good-condition home in a great location, while Akers' clients are upping their price limit for a home that "checks all the boxes," she said. Around Worcester, Joseph's buyers will pay more for a home that feels large enough.

As challenging as the market is for buyers, most seem to be adapting, rather than canceling, their searches. Akers sees many buyers trying to buy, pulling back, then tentatively re-entering the market.

"We will lose some of them for now, but they'll probably be back within a year, I think," she said.

Email: hbeasleydoyle@gmail.com

Tax Policy Debates Could Boost Real Estate

Continued from Page 11

Mortgage rates remain low right now, although a bit higher than their all-time low. It is still a good time for purchase and sale of property.

As the year unfolds, watch whether the Biden administration's proposed tax hikes will drag down the economy. As long as the economy remains strong, so, too, should the real estate market.

Watch the state and local tax deduction debate, too. Under the previous administration, there was a \$10,000 cap placed on state and local property tax deductions. If President Joe Biden and Congress repeal portions of the Trump tax cuts, and this cap goes away, that one change could provide an additional incentive to purchase in towns where property

taxes are higher.

Our industry has always been about personal service. Even with the advancement of technology, the knowledge that a broker has about a community and property is invaluable to a buyer. Our industry will and must continue to adapt with the times, but we must always remember that our role is to serve our customers – whether that's in person, over Zoom or some combination of the two. This remains a strong market, and there are opportunities for both buyers and sellers. And we believe, as we have for years, that this a great profession to be in, COVID notwithstanding.

Paul Herrick is a partner at Herrick Lutts Realty Partners, located in Beverly.

Avoid Off-Market Listings with Tech

Continued from Page 12

be in your best interest to reap the benefits of technology instead. Virtual tours are a smart alternative, and can help preserve privacy and limit in-person showings to those who have made serious offers.

The takeaway? Off-market listings have their shortcomings, and the ideal real estate transaction exposes a property to all real estate professionals and clientele in an effort to obtain the best offer.

Before a listing agent recommends an off-

market listing to a seller, or if a seller requests to take this route, the agent must explain the risks of such arrangement, even (and perhaps, especially) in today's frenzied market. The caliber of the agent working on a seller's behalf – his or her integrity, competence and work ethic – will considerably impact the results of the home sale in finances, time, stress and long-term satisfaction.

Larry Rideout is the chairman and co-owner of Gibson Sotheby's International Realty.