DEAR SOUTH ENDER,

Our Spring 2017 issue of the South End Stakeholders’ Report shines light both on important work being undertaken right within the borders of our neighborhood, as well as developments taking place on the other side of the world that have implications for us here at home.

One benefit of the South End’s considerable diversity is that much of the world is already represented here. Many of us identify as members of communities within our community and we all certainly cherish our unifying identities as South Enders. It is through this lens that the vital contribution being made by the National African Community Organization (NACO) should be viewed, and this edition of our report includes a close-up on this vibrant non-profit.

The focus shifts to the Far East with our article on the accelerating rate at which Chinese capital is deploying into Boston real estate, including within the South End. The statistics cited in our Global Outlook feature place into perspective the bargain that Chinese investors consider a Boston property purchase to be, by providing a comparative snapshot of real estate values in Boston, top markets across the country, and throughout the world. Foreign investors are gravitating toward luxury and we pause in a separate piece to examine evolving conceptions of luxury that are redefining the nature of high end housing, as reflected in both the renovation of sale properties as well as the construction of significant new rental buildings such as the Gerard.

You can count on us to continue telling the South End’s real estate story through its people and numbers. As the economists of choice for South End real estate, we at the Steven Cohen Team relish the opportunity to explore the many subjects that relate to South Enders and their real estate. We are committed to earning your business and to always finding new ways to contribute to the community in which we work and live.

Best Regards,

Steven Cohen

Cover art designed by Boston-based illustrator and jewelry designer Belle Hornblower (www.bellepepperboston.com). Commissioned for proprietary use by the Steven Cohen Team. If you're interested in purchasing a print, please call us at 617-861-3636 or email info@stevencohenteam.com.
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While Boston real estate values have been rising sharply over the past few years, property prices are still a veritable bargain when compared to the 10 most expensive markets worldwide. In fact, according to August 2016 numbers compiled by Knight Frank, these global cities make most U.S. cities look like lightweights when it comes to price.

Nationally, Manhattan, Brooklyn, and metro-Boston were the only areas outside California included on the list of the 10 highest priced markets in 2016. The average price for a luxury home in Suffolk County for the first half of the year was up 10.3% from 2015 and 24% compared with 2013. A combination of large employers, world-class institutions of higher education, technology, and healthcare, an increased number of international flights, and a national trend toward city living, make Boston an attractive option for buyers from all over the world.
10 U.S. Counties with the Highest Luxury Prices*

<table>
<thead>
<tr>
<th>County</th>
<th>Luxury Price</th>
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10 Most Expensive Boston Neighborhoods by Average Sale Price in Q3, 2016

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<thead>
<tr>
<th>Neighborhood</th>
<th>Average Sale Price</th>
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<tr>
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<tr>
<td>Back Bay</td>
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<td>Waterfront</td>
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<tr>
<td>South End</td>
<td>$1,079,647</td>
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<td>Beacon Hill</td>
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<tr>
<td>Charlestown</td>
<td>$719,054</td>
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<td>South Boston</td>
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<tr>
<td>North End</td>
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<td>Fenway</td>
<td>$551,740</td>
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*Luxury prices based on county-wide averages.
Sources: Knight Frank, Mansion Global, Realtor.com Luxury Home Index, LINK Boston Q3
The Chinese Connection

The Chinese Investors Playing in Boston’s Real Estate Market

It’s no secret that foreign investors have been eager to park their money in U.S. real estate. According to the National Association of Realtors, foreign buyers spent $102.6 billion on U.S. residential properties in 2015, up more than 50% since 2010. And while purchases by buyers from Canada and the United Kingdom fell, they surged from China, nearly tripling to $27.5 billion a year in 2015. A study by the Rosen Consulting Group, a real estate economics firm headquartered in Berkeley, CA, predicted Chinese buyers will spend $50 billion on U.S. real estate by 2025. Boston, as a hotbed of innovation and perfectly positioned for sustained growth in the shift to a digital economy, is expected to draw more than its share of those buyers.

The city’s real estate market is propelled by some truly extraordinary economic fundamentals. The relocation to Boston of Fortune 500 firms such as General Electric and Reebok, the presence of world-class educational, healthcare, and financial institutions, and the continued growth of the innovation sector are among the factors that make the city an attractive place to invest for the Chinese buyer. According to Barron’s recently published report, Boston is also ranked as the 9th most undervalued U.S. city, with a -7.78% difference of median price to intrinsic value price.

Chinese buyers, who primarily buy high-end condominiums, tend to be either parents purchasing homes for children who study here, or investors looking to move their money to safer havens. There are 59,500 international students in Boston, with the Chinese accounting for 33%, according to the latest Open Doors Report by the Institute of International Education. The city’s famed higher education institutions attract Chinese students from affluent families, willing to pay up for luxury homes with all the bells and whistles. They prefer premium locations such as the Back Bay, Brookline, and the South End, where median listing prices are well past the $1 million mark. Luxury hotel condominiums such as the Ritz-Carlton Hotel and Residences are especially popular among Chinese buyers, partly because of the brand name recognition.
Foreign buyers are expected to make up a quarter of sales at the Four Seasons Hotel and Private Residences at One Dalton Street which, upon completion in 2018, will be one of New England’s tallest and most expensive residential buildings. It will sit atop Boston’s second Four Seasons hotel. Only a handful of cities—including London and Shanghai—can claim more than one. And buyers at Boston’s high-end Millennium Tower have come from Greece, Hong Kong, and the Middle East. But it was recent Chinese immigrant Binyi Chen, who lives with his wife in a modest townhouse in Concord and who made the news. Chen scooped up the largest number of units, buying 16 Millennium Tower condominiums on behalf of investors in his home country. He paid a total of $16.6 million, all in cash. The units were immediately listed for rent, starting at $4,100 a month, with the proceeds heading right back to China. And those are only a few of the approximately 8,000 luxury condominiums expected to come to the Boston market over the next three years.

Odds are that the influence of Chinese investors in the Boston real estate market will increase in the coming years, and both they and the city that has what they want will be the beneficiaries.

Sources: Boston Redevelopment Authority, Boston Globe, Forbes, Barrons.com
BOSTON’S TOP 10 NEIGHBORHOODS
BY NUMBER OF SALES

While many of Boston’s top-selling neighborhoods experienced a slight decrease in number of sales, one area stood out. The phenomenal spike of Midtown sales is a direct result of the hundreds of units at Millennium Tower that hit the market this year. The ultra-luxury building sold out quickly, with buyers ranging from Chinese investors who paid all in cash, to an American-born Irish billionaire financier who bought the 13,000 square foot penthouse for a whopping $30+ million.
HOME SALES
BY HOUSING TYPE

Condominium Sales by Neighborhood, Q3 2015 vs. Q3 2016

- **Midtown**: 424
- **South Boston**: 170
- **South End**: 147
- **Back Bay**: 124
- **Charlestown**: 121
- **Seaport**: 81
- **Waterfront**: 51
- **Beacon Hill**: 48
- **Fenway**: 44
- **North End**: 42

The median sale price for a South End condominium was $818,000, a 5% increase year-over-year.

Top 5 Neighborhoods for Single Family Homes, Q3 2016

- **South Boston**: 30
- **Charlestown**: 20
- **South End**: 9
- **Beacon Hill**: 6
- **Back Bay**: 3

The median sale price for a South End single family home was $2,555,000, a 1.2% increase year-over-year.

Source: LINK Boston, 2016 Q3 Report
MEET A SOUTH END LANDMARK

THE CYCLORAMA

The cluster of buildings that make up the Boston Center for the Arts (BCA) was originally built as elegant luxury apartments, organ manufactories, and grand exhibition halls. The buildings themselves vary in style, from French Academic to Victorian commercial, and from vernacular domestic to “cycloramic.” The Cyclorama is the signature BCA building. It is architecturally unique, a Victorian social document, and a reflection of the tastes and lifestyle of an era.

It was built in 1884 by Charles F. Willoughby, a wealthy Chicago merchant, for the express purpose of housing the “Battle of Gettysburg” cyclorama, a painting method popular in the 19th century. It is a pictorial representation, in perspective, of a landscape or event on the inner wall of a cylindrical room viewed from the center. The space between the audience and the picture contains real objects that gradually blend into the picture itself, the drama of the spectacle heightened by intricate lighting effects.

The “Battle of Gettysburg” was only the second cyclorama ever exhibited in Boston, five years after French artist Henri Philippoteaux’s cycloramic painting of the “Siege of Paris.” Henri’s son, Paul, executed the “Battle of Gettysburg” in two years and the final product was an impressive 400 feet in circumference and 50 feet high. The exhibit opened on December 22, 1884, and was a great success for several years. It eventually closed and the painting was lost for 20 years, found by chance in a wooden box on a vacant lot in Roxbury, only slightly damaged. It was acquired by the National Park Service in 1924 and resides at the Gettysburg National Military Park in Pennsylvania.

The Cyclorama building has hosted a number of acts over the years. Austin and Stone’s Museum presented “A Living Man with Two Heads,” the New England Roller Polo held its championship games there, and Dr. Landis gave free illustrated lectures on the subject of “Single Life Injures the Vital Organs and the Brain. Silo Singing.” A cyclorama of the Hawaiian volcano Kilauea briefly returned to the building in 1895 but, for the next few years, it was a roller skate rink with a full military band, a work-out spot for heavyweight boxing champion John L. Sullivan, a bicycle arena, and a garage where Albert Champion set up shop. Champion went on to invent the A.C. spark plug and make millions in automobile accessories manufacturing.

The Commercial Flower Exchange bought the Cyclorama from the Isabella Stewart Gardner estate in 1922 and changed the facade to its present look, putting the skylight into the dome without destroying the interior. In 1969 the Boston Redevelopment Authority (BRA) named it as part of the BCA. Today, the Cyclorama is a popular venue for weddings, corporate events, trade shows, galas, seminars, and more, hosting anywhere between 100 and 1,000 guests.

IS THERE A SOUTH END LANDMARK BUILDING YOU THINK SHOULD BE FEATURED NEXT?
CONTACT OUR COMMUNICATIONS SPECIALIST, ANASTASIA YEFREMOV, AT ANASTASIA@STEVENCOHENTEAM.COM.
While mortgage rates surged to over 4% in the wake of the presidential election, it’s worth remembering that they are still close to historic lows and at the same level that they were at the start of 2016. The falling rates helped boost sales for much of the year, and most experts say that higher rates at this stage will not fully disrupt the trend, although they might cause some existing homeowners to stay in place rather than upgrade to new homes and costlier mortgages. Boston’s real estate market in particular, with its large pool of high-income buyers, strong demand, and tight inventory, often doesn’t move in sync with other markets around the country and likely will not be affected.

Source: Freddie Mac, CNN Money, Finance & Commerce
THE NEW LUXURY HOME BUYER

A PROFILE

People have been drawn to the finer things in life since antiquity, as evidenced by the ruins of once grand palaces, treasure-filled tombs, and exquisite works of art. To the leader-class of the past, luxury was a birthright, the possession of which was proof of rank. Many of today’s wealthy would describe their access to luxury in a very different way. By and large raised by post-World War II working parents, the new “affluent class” grew up believing in hard work, education, and reward-by-merit. The wealth required to pursue contemporary luxury more often follows than precedes study, hard work, pursuit of passion, and the seizing of opportunity.

The number of high net worth individuals (HNWI) has been growing faster since the 1980s than at any other point in history. Since the point in time when U.S. tax rates were lowered, the number of millionaires has surged from 574,000 in 1980 to more than 14 million today. According to financial services company Credit Suisse, the global annual growth rate of HNWI since 2010 has been 6.85%. Global personal wealth went from $130 trillion in 2000, to $250 trillion in 2015, an annual growth rate of 4.86%. For affluent consumers around the world, discretionary spending on travel, entertainment, fashion, and, most notably, real estate, is on the rise.

“The most commonly cited starting price point for luxury properties is $2 million.”
— INMAN SELECT REPORT

The luxury housing market was the first to recover after the 2008 crisis and has been going strong ever since, benefitting from a booming stock market, low interest rates, and overseas investment. The U.S. is both the largest luxury market in the world, and offers a high standard of living, excellent educational opportunities, and access to business hubs. Personal wealth through real estate investment is growing and many of the HNWIs of today own multiple properties all over the world.
THE EVOLUTION OF LUXURY

Every generation gets the opportunity to place its imprint on the continuously evolving concept of luxury. As the influence of maturing baby boomers (born 1946–1964) begins to diminish and the buying power of affluent millennials increases (born 1980–2000), a new kind of luxury home buyer is emerging, one with different concerns and expectations. The average size of a luxury home today is only 3,800 square feet, down from 5,000-plus just a few years ago. The mantra “bigger is better” has been replaced by “smaller and smarter,” and that trend is evident even at the very high end of the price spectrum. Demand is also growing for sustainable living and homes with integrated smart technology. A healthy and smart environment is here to stay, and it’s becoming increasingly important to today’s consumer. As home builders and tech companies race to satisfy these demands, here is a closer look at a few of the criteria influencing luxury home buyers’ choices:

GREEN LIVING — Fabrics that don’t hold dust, quartz stone countertops that are durable, lower maintenance, and have antibacterial properties, under-mounted sinks that don’t trap bacteria in the lip of the sink. Imaginative plans for drought-free landscaping, and an overall clean design aesthetic all appeal to the environmentally-conscious.

SMART HOMES — Discerning home buyers seek smart home features that can be broken down into three main categories: practical use items such as thermostats, kitchen appliances, and lighting systems, entertainment systems ranging from next generation TVs and whole-house radio to wireless connectivity, and cutting edge security features, all activated and monitored from one’s smart phone.

SIMPLE AND EFFICIENT DESIGN — Buyers are looking for well-designed homes with plenty of space in the central living areas, great flow, and clever, built-in storage. Luxury home buyers don’t like clutter. What is displayed is done so thoughtfully and purposefully, whether it be a stunning mountain view or a priceless piece of art.

LUXURY LIFESTYLE AMENITIES — Today, those include outdoor showers, procedure rooms, and in the very high end, private museums. The millennials and Generation X-ers that will make up the largest portion of homebuyers in the coming years look for pet-friendly facilities, observatories, luxury spa services, valet parking, and on-site workspaces.

“In the affluent society, no useful distinction can be made between luxuries and necessities.”

— JOHN KENNETH GALBRAITH
ECONOMIST AND DIPLOMAT

Sources: Inman, Luxury Portfolio International, Redfin, Credit Suisse
MEET THE SOUTH END SPECIALISTS

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

The team stands ready to answer your real estate questions!
SPOTLIGHT ON BELLE HORNBLOWER
ILLUSTRATOR (AND HONORARY TEAM MEMBER)

Belle became an honorary member of the Steven Cohen Team when she created the New Yorker-inspired cover illustration for the Spring 2015 issue of our South End Stakeholders’ Report, “A South Ender’s View of the World.” Her relationship with our team has grown stronger ever since, as her work appears regularly on the cover of our report.

You could say Belle Hornblower has art in her blood. Her mother is an artist specializing in botanical illustration, her father is an art historian who ran the University of Pennsylvania Fisher Fine Arts Library, and both her grandfather and uncle were professors of academic drawing at Yale, the Lyme Academy College of Fine Arts, and the Art Students League of New York. Encouraged to pursue art from a young age, in 2001 she enrolled in Boston University’s Art History program, and completed her post-graduate study in illustration at the Boston Museum of Fine Arts. While Belle enjoys all aspects of the creative process, her favorite may be the preliminary lineart stage, before the concept is finalized. She is influenced by other artists, such as expressionist painter Egon Schiele and fashion illustrator Rene Gruau, and loves to see movement and change in a piece.

Belle met her husband, Breton, when he lived in the South End. One of their first dates was at B&G Oysters on Tremont Street. Today she is a mother of two, the manager of two Harvard Square boutiques, and a freelance illustrator in various styles and subject matters. When she isn’t busy being an all-around Superwoman, she loves spending time at her parents’ Maine cabin sailing, hiking, and mushrooming.

YOU CAN REACH BELLE VIA:
Email: bkhornblower@gmail.com
Website: bellepepperboston.com
NOTABLE SOUTH END SALE

602 TREMONT STREET #1
ROWHOUSE CONDOMINIUM

This impeccably designed and maintained 3+ bedroom, 2½ bath duplex is located in an extra wide building and features coveted garage parking for 2 cars. A private entrance leads to a gracious foyer and a beautiful bow front living room with a gas fireplace and recessed lighting. The wide-open, top-of-the-line granite and stainless steel kitchen has a convenient breakfast bar and offers plenty of storage, including a pantry closet and cherry cabinets. The kitchen opens to a separate formal dining room with a rear bow and a door leading to a huge private deck. A half bath and what could be either a home office or a fourth bedroom complete this level. Walk downstairs to a huge master suite with a door to a private patio, and a marble bath featuring double sinks, a soaking tub, and a separate shower. Two additional bedrooms, one with a built-in Murphy bed, are on this level. Follow the hallway to the patio and garage. A large storage room plus laundry complete this beautiful home. Sold by the Steven Cohen Team in four days and for above asking price.

SALE PRICE: $2,300,000
BEDROOMS: 3
BATHROOMS: 2 full, 1 half
SIZE: 2,163 sq. ft.
PARKING: 2 deeded
BUILT: 1899
South End prices continued their upward climb in the third quarter of 2016. The median sale price for the biggest seller, two-bedroom condominiums, increased by 15.5% year-over-year.

**South End Median Selling Price by Square Footage, Q3**

- 700<: $570,000
- 701-1,000: $745,500
- 1,001-1,500: $1,000,000
- 1,501-1,800: $1,700,000
- 1,801-2,400: $1,965,000
- 2,400+: $2,950,000

**South End Number of Sales by Number of Bedrooms, Q3**

- Studio: 810,000
- 1 Bed: 647,000
- 2 Bed: 960,000
- 3+ Bed: $1,897,500

**South End Median Selling Price by Number of Bedrooms, Q3**

- Studio: $810,000
- 1 Bed: $647,000
- 2 Bed: $960,000
- 3+ Bed: $1,897,500

**South End Sales by Square Footage, Q3**

- <700: 701-1,000
- 1,001-1,500
- 1,501-1,800
- 1,801-2,400
- 2,400+

**South End Number of Sales by Square Footage, Q3**

- <700
- 701-1,000
- 1,001-1,500
- 1,501-1,800
- 1,801-2,400
- 2,400+
## 20 MOST EXPENSIVE SOUTH END SALES, Q3

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<th>ADDRESS</th>
<th>SALE PRICE</th>
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<td>47 Warren Avenue #2</td>
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Source: LINK Boston
A SOUTH END RENOVATION STORY

ANABELLE AND ATLE’S UPPER TRIplex

Anabelle and Atle spent a year looking for the perfect home to accommodate their growing family. With a baby on the way, they had outgrown their Columbus Square lower duplex but didn’t want to leave the South End. “My husband is Norwegian, so we’ve always been very attracted to the Scandinavian look,” Anabelle said. However, new construction homes were either too transitional or too identical to each other in finishes and design. Open to the idea of a fixer-upper, everything they looked at was either too much work or too expensive. Then they came across a lovely upper triplex on West Newton Street, steps from where they were living.

“We really liked the bones,” Anabelle recalled. “It didn’t look anything like what we wanted, but the layout was there.” The high ceilings, the roof deck, and the rare private entrance in an upper unit also played a large part in the couple’s decision. With a solid vision of the final product in mind, they tackled a renovation that would, ultimately, take about three months. “Our contractor and friend, Paul Grant, helped us build it out,” Anabelle said. “We
developed the design, chose the paint colors, tiles, hardware, etc. The only thing we didn’t design was the kitchen.” For that, they hired Samantha DeMarco, of Leicht, one of Germany’s most popular kitchen and cabinetry manufacturers.

The result is a bright, airy space with the minimalistic Scandinavian look Anabelle and Atle love. The structural work was kept to a minimum, with most of the changes contained in the realm of “makeup,” as Anabelle said. The white oak floors, for example, were already there, simply sanded down and stained a delicate gray, unlike the dark hardwood floors more popular in Boston. The warm, light aesthetic that now defines this family’s dream home is a contemporary style many can appreciate.
What in 2006 began as a family-based organization meant to promote civic engagement and promote cultural awareness among young people, has become a resource for diverse communities across Boston. Through a combination of community service projects, cultural banquets, and education programs, the National African Community Organization (NACO) aims to celebrate all forms of diversity and give them a tangible presence in the city’s social fabric.

“It wasn’t an easy road, getting to where we are,” said founder and current NACO Director of Operations, Josephine Erewa. “Now, the city reaches out to us and people recommend us as a resource.” The organization has been involved with the mayor’s neighborhood cleanup program, Boston Shines, helping clear an underground pass in Mattapan last year. And after participating in the 2010 Caribbean parade, NACO received a call from the U.S. Census Bureau for help in connecting with the African demographic, including Ethiopians, Somalis, UGandans, Guineans, and Nigerians. “We also get calls from all sorts of places looking for interpreters,” Josephine said. “We got a call recently from a community center in Dorchester about that, and I can usually tell right away if it’s a language that I speak just from the name of the person who needs help.”

Aside from community service projects, Josephine’s favorite program is NACO’s annual holiday toy giveaway. It accomplishes one of her main goals by attracting a large number of young volunteers. “It gets better every year,” Josephine said. “People are already sending us messages, saying they want to volunteer.” This past December, NACO held the toy giveaway at the South End Branch of the Boston Public Library in partnership with Toys for Tots, who helped get the word out.

NACO is also involved with a number of other Boston community organizations, including Inquilinos Boricuas en Acción (IBA) in the South End, the Caribbean Foundation of Boston in Dorchester, and Haitian-Americans United (HAU) in Mattapan. “You have to come out, you have to show that you have something to contribute,” Josephine said. “NACO isn’t about politics, but about doing things that show that you are here, that you are an active, productive part of society.”

Josephine’s drive comes from her background. She was born in Nigeria to a mother who never went to school, yet taught her brothers, her relatives, and their sons. This touched Josephine. Nicknamed “one in a thousand” for the leadership skills she has demonstrated since early childhood, she was determined to move past the cultural limitations of her gender. To do this, Josephine decided she had to travel and, in 1975, moved to Boston. She graduated the University of Massachusetts with a sociology minor and a business major,
and has not been idle for a second since. "A good life brought me here and I’m glad I came to this country," Josephine said. "I think about what I’ve gained and how much I’ve benefited, and I think about what I can do to give back." She started NACO with her three sons but, true to her dream, it’s young, new volunteers and strong connections with other diverse organizations that have made it into the integral part of Boston that it is today.

For more information on how to get involved with the National African Community Organization, visit new-naco.org.
MADE IN THE SOUTH END

A SOUTH END DEVELOPER BRINGS CONTEMPORARY FLAIR TO A HISTORIC NEIGHBORHOOD

Boston is known as a city of neighborhoods, with residents who care deeply about the social fabric of their communities. Peter Roth is one such resident. The founder and president of New Atlantic Development — known for some of the Boston area’s most innovative mixed-use undertakings — lives in one of his most well-known South End developments, ArtBlock.

Roth moved to Boston in 1982 for MIT’s professional master’s degree in architecture, and ended up a member of the first class of the real estate master’s program. “I came here for graduate school and couldn’t leave, I liked it so much,” Roth recalled. “I fell in love with Boston and I never saw a need to leave it to find interesting work.” Today, he teaches a course on mixed-income housing development at MIT, introducing graduate students to methods of affordable housing creation, giving back to the institution that helped launch his career as a real estate developer.

Roth’s most recent contribution to the South End is the contemporary, mid-century inspired Girard at 600 Harrison Avenue. Located adjacent to the landmark Cathedral of the Holy Cross, the project was conceived as a solution to a simple economic problem. The Cathedral, which happens to be the largest religious structure in New England, was land rich and cash poor. Father Kevin O’Leary had the idea of converting the parish-owned parking lot into an income stream that would support the Cathedral and secure its future. He turned to Roth and New Atlantic Development for help.

“For 99 years we will be paying significant sums toward a ground lease which will support the operation, care, and upkeep of this wonderful neighborhood institution,” Roth said. “And regardless of whether you’re Catholic or agnostic, the Cathedral is an iconic architectural landmark, an important and meaningful part of our community’s character.” At ArtBlock, affordable artist space helped preserve the area’s cultural richness. While the context and environment were undeniably different, Roth and his team viewed Girard as a similar opportunity to address a unique need and to protect one of the South End’s bedrock institutions.
The unique shape of the site — long and narrow — posed some interesting challenges. Located in a formerly industrial section of the South End, the area features a number of long, wharf-style buildings in the brick and cast-iron style of architecture. Roth decided to stay within that historical context, adhering to the 70-foot height limit in the area. His design team evoked some of that industrial past by including a rich ground-face masonry block on the lower floors, and a mix of limestone-like fiber-cement panels and folded metal panels interspaced with generous floor to ceiling windows on the upper five floors. In contrast, the carefully curated mid-century style interior spaces are conducive to a warm, comfortable, modern lifestyle.

Roth also endeavored to build for a very specific market. ArtBlock’s loft- and townhouse-style condominiums were conceived in response to the demand for affordable artist live/work space, in a busier, more transportation-impacted part of the neighborhood that was just emerging at the time. In contrast, the Girard is sited in an established part of the neighborhood, surrounded by the Cathedral of the Holy Cross and beautiful historic buildings, steps away from the heart of the SoWa district. Roth decided to target more mature, established households seeking to enjoy a part of the city that features access to culture and great restaurants, and all the South End offers.

Roth and his team paid close attention to the detailing of the apartment layouts and finishes. They include more spacious closets, discreet dining areas, and larger kitchens more suitable for cooking and entertainment. “We have hardwood floors throughout, no carpet at all,” Roth said. “That’s what people want in the historic South End.” But in keeping with the Girard’s contemporary bent, the floors are a pale, Scandinavian white oak, fitting in with the general aesthetic quality of the project. “This building will be home for 160 families,” Roth said. “We very much want them to be supremely comfortable. We also want the rich palette of materials and colors to brighten their lives, for our amenity space furnishings and finishes to inform them about great designers of the mid-20th century, and for the project as a whole to bring a sense of great quality and a contemporary perspective to the community.”

THE GIRARD LIFESTYLE: CONTEMPORARY. CURATED. COMFORTABLE.

**Rotating gallery:** The private Galleries at Girard feature rotating exhibitions of contemporary Boston artists’ work in twelve viewing spaces, connecting residents to artist enclaves in different parts of the city.

**Sustainability:** The Girard is built to a LEED Silver Certification standard, and includes filtered fresh air and all LED lighting with motion sensors. It’s anticipated to have some of the lowest utility bills of any building in the city.

**Penthouse living:** The Eames Penthouse is a common amenity space that offers a design library, a media area with views of the South End and Back Bay, and a demonstration kitchen where prominent neighborhood chefs will give residents classes.

**Guest suite:** A fully furnished one-bedroom apartment will be available for residents to rent for their guests on a nightly basis.

**Additional amenities:** Residents will have access to a fitness center, a roof terrace with a gas fire pit, a separate roof terrace for pets, a pet grooming station, two conference rooms, underground parking, and a “wheel room” to protect bikes from the elements.
MARKET OUTLOOK

Boston real estate is at an interesting crossroads. As South End residents, we can observe Boston growing up in the world to join the select ranks of cities where $35 million apartments sales are even possible (witness the Millennium penthouse transfer). In trying to determine the direction our market is heading, we are whip-sawed by the multitude positive and negative signs and wondering to which ones we should give greater weight.

On the minus side, a sharp acceleration in the rate of new rental construction and corresponding rental inventory spike have brought about a softening rental market. Interest rates for 30-year mortgages have now poked up over 4% and are poised to go higher. The current boom has, by historical standards, reached maturity and the further decline in the affordability index during 2016 has further placed a Boston home purchase out of range for middle class homebuyers. On the other hand, one can derive comfort from Boston’s promising economic fundamentals.

The market continues to be characterized by persistently low levels of downtown inventory and buyers’ markets cannot exist with little for sale. Strong interest in Boston property on the part of foreign investors (see article on page 4 of this report) continues unabated. Furthermore, the demographic perfect storm of two generations simultaneously pursuing the same American dream has found empty nesters competing with their own children for housing. Lastly, whatever one's opinion of the election outcome, high income families will have more buying power on the strength of anticipated income tax cuts.

The analysts are very bullish on Boston with recent studies out by Standard and Poor's as well as Barron's suggesting our property market is actually undervalued. There will always be a contrarian point of view, and the real estate bulls and bears both have plenty of ammunition to support their arguments. One thing feels fairly certain to us; we are not in a bubble. We all need a place to live and many of us choose to own rather than to rent. Properties that we purchase in 2017 are likely to perform well as an asset class over the medium term and they will surely pay the priceless dividend of hearth and home. It is with this idea in mind that we offer a piece of advice to our team's buyer clients: it is better to get a good deal on a great home than a great deal on a good one.
Don’t hire anyone but the best. Check out our testimonials on Zillow and Yelp, then call the real estate economists of choice.

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Watch out for the inaugural issue of our SOUTH END STAKEHOLDERS’ REPORT: MARKET METRICS EDITION, coming to your mailboxes this March!
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