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Ready for Peak Real Estate Season? Trust Boston Realty Company for Expert Guidance

March 2025

2025 Top 50 Metro Areas

According to Zillow, this year **Boston** ranked #16 within the Top 50 Metro Areas, this is 10 spots higher versus prior year (PY).

Many cities that made that list are smaller metropolitan areas.

Providence, RI ranked #3 and **Hartford, CT** came in as #4.

City, State	Average Sales Price	Comment
Boston, MA	$ 694,494	4.7% up vs PY
Providence, RI	$ 484,019	3.7% up vs PY
Harford, CT	$ 363,298	4.2% up vs PY

Table 1. Average Sales Price, Zillow, 2024

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Real Estate Facts about Boston and Massachusetts...

Did you know?

- An average sales price for market exposed single family and condominiums in Boston is $1,261,449 YTD with median price of $800,000 (Multiple Listing Service Data, March 18, 2025).
- *An annual household income of $217,000 is needed to afford an average-priced home in Boston (2024 Harvard Study).*

- In Boston, median sold is 6.3 times annual income, which is more than one point higher than the national averages according to 2024 Harvard Study.
- Massachusetts has the highest annual average salary at $80,330 in the US, second highest cost of living at $53,860 (first - Hawaii with $55,491) and the third highest average sales price at $587,875 following Hawaii and California in 2024 (boston.com, Forbes Advisory, July 2024).
- MA ranked second in the nation, right behind New York, with the average rent of an 1-Bedroom apartment at $2,450 as of January 2025 (boston.com, February 5, 2025).

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- Boston rent averages are 119% higher than the national average as of March 2025 according to apartments.com.

Average Price	Apartment Type	Average Size
$ 2,833	Studio	536 sf
$ 3,412	1-Bed	701 sf
$ 4,389	2-Bed	979 sf
$ 5,883	3-Bed	1,236 sf

Table 2. Average Rent Price, apartments.com, March 2025

Why Boston and Massachusetts?

Boston and Massachusetts as a whole are on the high-end pricewise, but there are many reasons for that.

Boston consistently ranks among the top in the nation in work production, educated workforce, job market and income.

Both Boston and Massachusetts show up consistently in the Best Places to Live category, due to facts mentioned earlier and quality education options, proximity to the coast and mountains, four seasons and the love of sports and the culture. All this makes these two unique and popular.

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Boston Commercial Market Analysis

The Boston Commercial Market is seeing high vacancies for office space at 21.1% (Newmark Real Estate) and dropping property values for office buildings. Some of the buildings are selling at 40-60% of their pre-covid price. The historical average for office vacancy in Boston is 10.7%.

One Lincoln Street is currently in foreclosure and is set to go to auction next week. The building was refinanced at $1 billion in 2022. Like many buildings in the Financial District it has struggled with vacancy. Approximately 1/3 of total vacancies are located in the Financial District. Long time tenant State Street Corp. occupied close to half the building for two decades before moving across town in 2023. The building is still about half occupied and is expected to sell for significantly less than its 2022 valuation.

Many of these large office buildings are owned by large corporations, real estate firms, wealth funds, private equity firms and pension funds. They were given long leashes offering extensions on repayments for a year or two, but many bills are coming due now resulting in movement on the sales front.

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The reduced property values have a residual affect on the City's finances. A recent report released by nonprofit Boston Policy Institute and Tufts University's Center for State Policy Analysis from 2024 estimates, that tax revenue from commercial buildings could fall up to $1.5 billion below prior projections over the next five years.

71.1% of Boston's $4.6 billion budget is funded by property taxes. This combined with recent extensive federal cuts could add additional pressure on the taxpayers. The commercial real estate taxes are already at the maximum allowed by law without an exception.

Office vacancies are up nationwide due to post-covid hybrid work schedules requiring less space (Boston Globe, March 12, 2025).

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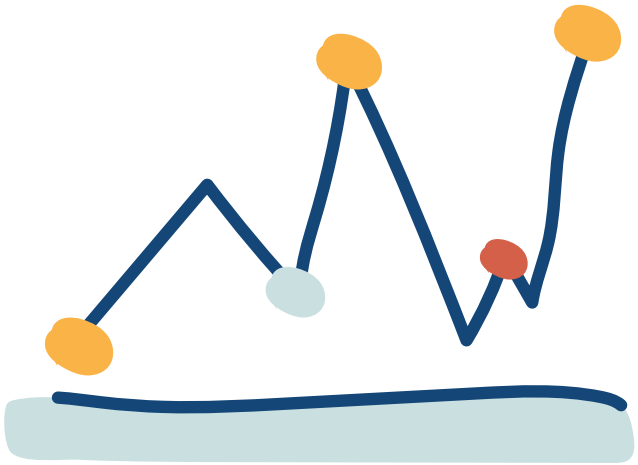
Forecast ahead...

Panel of 100 housing experts at Fannie Mae predicts modest home price growth nationwide of 3.8% in 2025 and 3.6% in 2026.

The Boston market is expected to increase 2.1% in 2025 according to Zillow (patch dated January, 25, 2025).



There is a lot happening on a national level, but it takes a long time to turn the boat with an economy of the size of the United States. Outside of an unexpected large global event the predictions are slow, steady growth for housing locally, mostly due to lack of supply.

The current interest rate is 6.63% as of March 12, 2025. Rates are predicted to drop to the low 6's by the end of the year from the high 7's in late 2023 (Federal Reserve Economic Data).

The neighborhoods of Boston and beyond all support different values with internal and external factors such as location, size, condition, quality of construction, features, school quality/proximity and price point indicating the percentage of buyers in those markets able to buy in that range. These all factor in value and approach to marketing.

I'm happy to provide you with specific data related to your markets and discuss any other real estate related questions you may have.