

BOSTON COMMON

A Look at Boston's Exciting Condo Market

Boston's condo market keeps getting hotter, with luxury high-rises and boutique properties alike attracting top dollar.

October 5, 2015 | By Scott Van Voorhis



Luxury living in Boston is still a bargain compared with Manhattan, but costs are catching up fast, with posh condos at dramatic new skyscrapers shattering price records in the Hub's most coveted neighborhoods. And as developers push the envelope with these projects, they help justify ever higher prices at established upscale addresses. "These are starting to look like New York prices," says Joe Baglio, the owner of Back Bay Residential. "Units that were \$1 million a few years ago are now selling for \$2 million." Here we take a close look at select properties that are redefining the market.

Sky High: The New Four Seasons

Aggressive sales campaigns by the developers of the new Four Seasons and Millennium towers are helping drive up luxury condo prices across downtown Boston, brokers say. The area is on track to see more than 500 condos sell for at least \$1,000 per square foot by year's end, up from 377 last year and 180 in 2008, according to the luxury condo marketing and research firm Otis & Ahearn.

Boston can also expect to see 75 to 80 downtown condos sell this year for more than \$1,500 a square foot, the firm estimates, topping last year's 46, with that rate typically indicating multimillion-dollar sales. Millennium Partners made headlines when it announced the list price for the top-floor penthouse of the new tower the company is building at Downtown Crossing: \$37.5 million. But developers of the new, 61-story Four Seasons tower,

under construction near the Christian Science Plaza, appear to be aiming even higher.

“There is some good separation,” says Baglio. “It doesn’t feel like the units have been all placed on top of each other.” He also gives high marks to the concierge staff and doormen: “You can come and go without these guys knowing your life. At The Clarendon, they got it right; they hired the right people. They know how to keep their distance and how to make these tenants feel special and comfortable.”

The word on the street is that some penthouses in the \$750 million tower, expected to open in early 2018, have been quietly shopped around for more than \$3,000 per square foot, according to Elaine Dolley, director of sales at Otis & Ahearn. That would mean a price tag of more than \$24 million. Each unit comes with its own elevator entrance and a 600-square-foot two-story private deck.

The soaring prices are reverberating around the downtown Boston market, bolstering brokers and sellers seeking top dollar for units in older but still luxurious high-rises. “Buildings like that are driving these prices—when one is driving, everything else is following,” Dolley says. “That is the new pricing.”

Private Lives: The Clarendon

A relatively new Back Bay tower, The Clarendon, has been breaking price records since it opened in 2010. The \$200 million luxury apartment and condo building has won fans with its tastefully designed lobby, its floor-to-ceiling windows, and a layout that creates the feeling that its condos have private entryways, as opposed to a long hall with doors on either side.

Buyers have also rated the building highly. A Clarendon penthouse broke price records in 2013 when it fetched \$6.5 million, or more than \$1,800 per square foot, but this past June saw three other notable deals. One condo at the tower, next door to Copley Square, sold for just under \$1,700 a square foot, or \$2.5 million. Two others sold for close to \$2,000 a square foot: \$3.5 million and \$4.8 million.

Small Wonders

Some condos don’t need a skyline view to command top dollar. A bevy of new boutique projects in the South End, some in renovated churches and other historic buildings, are also selling condos for top prices, in some cases pushing \$1,500 a square foot.

New Boston Ventures is moving forward with plans to convert the Holy Trinity German Catholic Church, located in a once-edgy but now fast-redeveloping section of the South End, into a boutique condo building with 33 units. The exterior of the historic church will be preserved, with an eight-story glass and steel building set to rise through the center of what’s now the church’s roof. One attraction will be fairly large units—most of them more than 2,000 square feet, with the largest, at over 3,000 square feet, featuring four bedrooms. The prices will range from the mid-\$600,000s to \$4 million.

“A project like the Millennium tower—how can you compete with that?” says Ricardo Rodriguez of Coldwell Banker Residential Brokerage (137 Newbury St., 617-266-4430), who is handling sales for the Holy Trinity project. “It becomes, who is going to get bigger and larger?” So where does the Boston luxury condo market go from here? “The answer is that you go in the opposite direction,” he says. “I think there’s a huge segment of the market that’s not looking for that size project. They’re looking for something that’s a little more personalized and organic.”