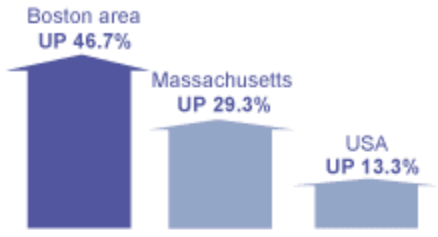


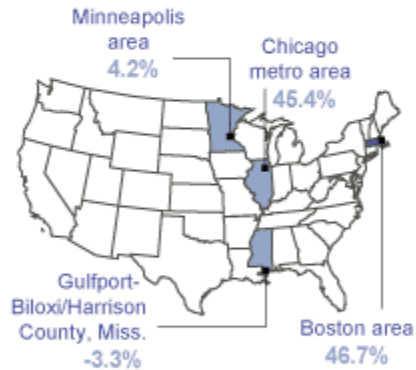
■ **Location**
Boston, Mass.

■ **Monthly sales volume**
 Change from one year ago:



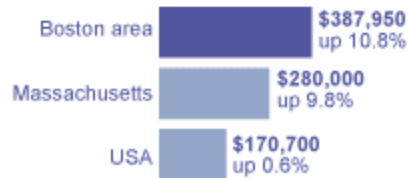
■ **Comparing sales volume**

The four most-recent cities in the USA TODAY Close to Home series and their one-year change in monthly sales volume when originally published:



■ **Median home price**

Change from one year ago:



Sources: Greater Boston Association of Realtors, Massachusetts Association of Realtors, National Association of Realtors.

Boston: Tax credit helped housing market bounce back

May 14, 2010

By [Christine Dugas](#), USA TODAY

The [Greater Boston](#) housing market dodged much of the real estate meltdown and is showing signs of improvement.

It's unclear if the market will continue to rebound, though, now that the federal first-time home buyer tax credit has expired. But buyers can still take advantage of low mortgage rates and decent prices.

"There is still a pent-up demand," says Mel Martocchia, president of the Greater Boston Association of Realtors. "The key is if people feel comfortable with their employment."

CLOSE TO HOME: [A look at real estate markets across the USA](#)

HOUSING MARKET: [Track the rise, fall and ... rebound?](#)

•**Sales status.** In March, home sales were 46.7% higher than in March 2009. That was the seventh-consecutive month of sales increases in Greater Boston.

The home-buyer tax credit reinvigorated the market, Martocchia says. It wasn't the only reason, but it made a huge difference if people had been on the fence about buying.

First-time home buyers helped stimulate higher home sales as existing homeowners bought more-expensive homes. "Everything builds on itself," Martocchia says.

•**Price points.** Home prices in the Boston area did not fall dramatically during the housing bust, in part because the area didn't have much new home construction. As home to universities and the financial and high-tech industries, the city experiences a seemingly constant demand for homes.

Home foreclosures did not wreck the market. Martocchia says many bank-owned properties have had multiple offers and have sold for more than the listing price.

Local economy. "Life has been easier during the recession in the Boston area," says Michael Lynch, regional economist at IHS [Global Insight](#). Not only was it insulated from much of the housing bubble, but also employment remained stronger than in many other parts of the country.

The metro area unemployment rate was 7.8% in March, lower than the state rate of 9.3%.

Financial jobs have been vulnerable, and even the education sector has been affected by the recession as some projects have been delayed. But universities provide a higher concentration of jobs, and they've had a stabilizing influence. "They're not going anywhere," Lynch says.

There are some good signs. Among them: Payrolls have hit bottom and are starting to turn the corner, Lynch says.

•**Hot 'hoods:** Melrose, about 7 miles north of Boston, is being discovered by many different types of home buyers.

When people start having families, they often want a yard and a bigger house, and move to a community such as Melrose, which is more suburban but still has downtown shops and restaurants, wooded paths and bike trails, says Linda O'Koniewski, broker/owner of RE/Max Heritage.

Higher gas prices in recent years started attracting another group of homeowners who prefer the nearby commuter trains to Boston to spending money driving long distances to work. The area offers many Victorian homes.

A broad range of home prices exists, but first-time home buyers will pay about \$350,000 to \$450,000, O'Koniewski says.

Courtesy of JB Goodwin