



2014 Annual East Side Real Estate Report



Overview of Single Family, Condominium and Multi-Family Homes

Single Family Homes East Side Providence



When we look back at 2014 here are the key points to note:

The market continues to stabilize and improve with small gains in median sales price, shorter days on the market and slightly higher prices per square foot. Our bottom in this market was clearly in 2011 and we have seen stabilization and slow growth movement ever since. One key variable that helped the market was falling interest rates (predicted to rise higher in 2014, but did not), which buoyed sales even into the late fall.

Condominium Homes East Side Providence



Condos in 2014 showed a slight decline vs. 2013 when the market was stronger. A healthy amount (98) sold, vs. the return of the condo market in 2013 which had more buyers (127). Of particular note is that nearly 75% of all East Side condos sell for \$399,000 and under, indicating that the majority of our East Side market for condos are as a rental alternative or first time homebuyer purchase. One bright spot is the sprinkling of high end condos sold at 77 Angell (\$945,000), 101 North Main (\$850,000) and 2 Thomas Street (\$720,000). To illustrate the unevenness in the condo market, the Friedrich St Florian-designed 2 Pratt Hill had one surprising low resale at \$500,000. For perspective, these highly desirable units sold for \$750,000 (off 33%) at the height of the market. There are HALF the amount of condo buyers that there were in 2005. However, condos are still selling and larger associations, like East Side Commons have had strong sales. We are on the road to recovery with condos, but they still have a way to go.

Multi-Family Homes East Side Providence



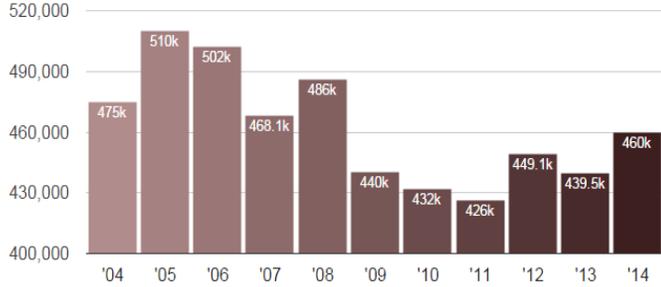
Multi-family home sales showed improvement in 2014 but at a very very slow rate. The bright spot for 2014 was that the median price improved 12% over 2013 to \$340,000, which is the highest since 2007. Two high sales, both on Benefit Street (257 Benefit – \$1,625,000 and 314 Benefit – \$1,450,000) show a blink of investment potential for the 4-unit+ segment. Of note, these buildings were purchased for rental, not condo conversion. The bulk, 66%, of all sales were in the \$200,000-\$399,000 range. We observed many owner-occupants purchasing. The investor market for the small multi-family homes it all but dead save for a couple in the 4 unit+ market where the number of units and resulting incomes have the only chance of offsetting Providence's unfavorable non-owner occupied tax rates.

Single Family Homes – East Side Providence

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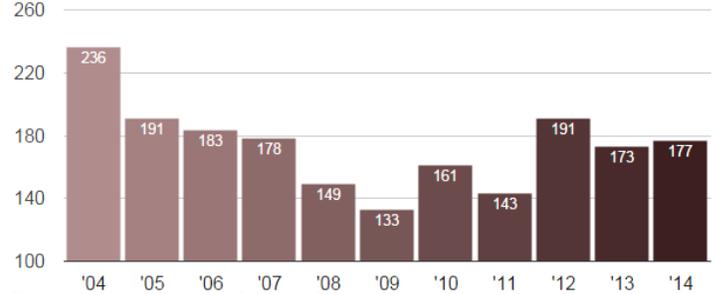
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MEDIAN SALES



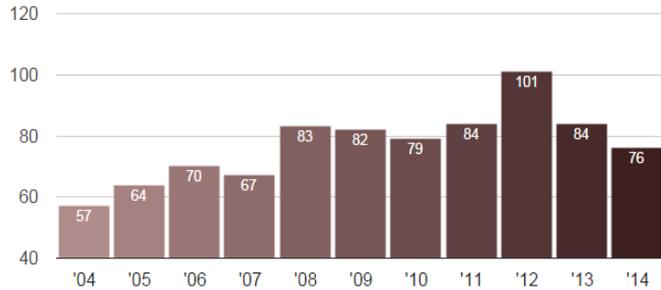
The median sales price was \$460,000, up nearly 5% vs. \$439,500 in 2013. The good news is that this is the highest median price-per-square-foot since 2008, and is up 8% since the market low in 2011. To put this in perspective, the high Median Sales price was \$510,000 in 2005, so we are 9% off the peak. Relatively, the East Side has performed better than the rest of the state in terms of holding values. The East Side is exhibiting stability and growth in the single family market.

NUMBER OF SALES



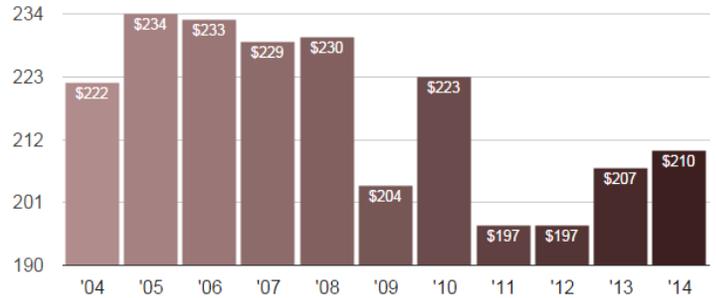
There were 177 sales of single family homes, which is relatively stable at +2% vs. the prior year, and still far better than the low of 2009: 133 sales. This is indicative of a slow upward stabilization trend since the bottom of the East Side single family market in 2011.

AVERAGE DAYS ON MARKET



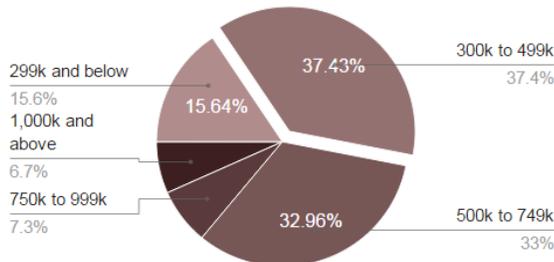
Another bright spot: days on market are decreasing. At 76 days, 2014 showed the fastest movement in recent years. 80+ days on market has been the norm since 2008 when the market turned. Prior to the turn, the seller's market frenzy days of 2000-2005 saw lower days on market (45-60). Like last year, well-priced homes in good condition moved very quickly, sometimes resulting in multiple offers.

MEDIAN SALES PRICE PER SQUARE FOOT



The median price-per-square-foot for a single family home on the East Side of Providence RI, was \$210. The median price-per-square-foot has leveled off the peak of \$234 in 2005; however, it is showing upward trending since we bottomed out in 2011 when the price-per-square-foot was only \$197.

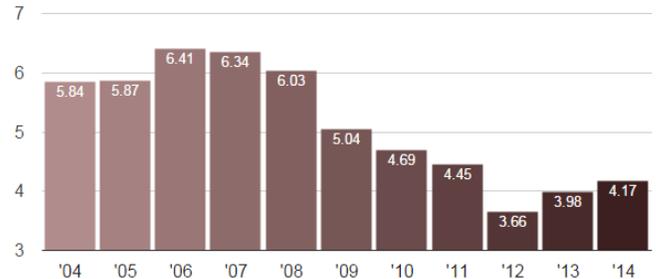
SALES BY PRICE RANGE



The bulk of single family home sales on the East Side of Providence are in the \$300K-\$499K range, representing 37% of all transactions. Of note however is that the \$500K-\$749K segment picked up steam, growing 28%. This indicates solid trade-up volume.

For comparison, the upper end of the market: \$1mm+, (the highest sales price on the East Side was a 3 bedroom contemporary at 51 Prospect Street for \$1,964,000) had 7% of home buyer with 12 sales. The lowest end of the market, up to \$299K, (the lowest sale price was 175 Pleasant Street in Mt. Hope for \$104,600), had 16% of home buyers with 28 home sales. The upper mid-range, \$500,000-\$749,000, had 33% of home buyers with 59 sales.

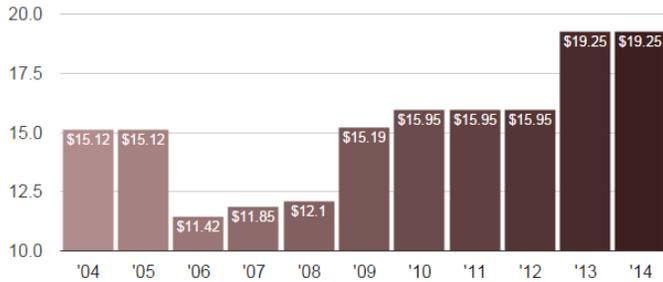
INTEREST RATES



Interest rates for 30-year-fixed reached their lowest point in history in March, 2013, then ticked up into 2014 despite predictions, and have paradoxically fallen to 19 month lows. Contributing to this is the Fed's concern over the lack of income growth in the economy. As of this writing, 30-year-fixed rates are 3.95%. Predictions for 2015 have rates moving up. Only time and the economy will tell for this wild card. For now, interest rates are extremely favorable.

Single Family Homes – East Side Providence

PROVIDENCE TAXES



Providence total taxes (including car tax) are the second highest in the state of Rhode Island and represent 13.2% of median income. Despite the lower re-evaluations, the tax rates have increased and effectively they are the highest they have ever been. 2013 marked the first year of the elimination of the homestead exemption (or 50% less tax rate) for owner-occupancy and the establishment of 2 separate rates: one for owner occupied and non-owner occupied.

SUMMARY

2014 will be remembered as a year for solid improvement and continued stability for the East Side single family market. Median sales prices are up since the bottom of 2011, sales prices per-square-foot are up and days on market are shorter. There are fewer bargains at the low end as prices inch upward and foreclosures are few, and there is more movement in the trade-up market. Taxes on the East Side are still the top complaint we hear from homeowners.

WHAT TO EXPECT FOR 2015?

FOR SELLERS

The 2015 East Side real estate market is already off to a hot start! Listings we put on the market at 186 Taber Avenue (\$899,000), 217 8th Street (\$349,000) and Unit 1505 at Waterplace (\$279,000) were all under contract in less than a week. With extremely low inventory and low interest rates, the outlook for Sellers has not been this advantageous since the real estate boom years.

But it takes much more than sticking a sign in the ground to get your home sold quickly and for the highest price the market will bear. And this is where CC Wall and Chris Wall come in: we have a proven track record of sales excellence that is built on earning our clients' trust and painstakingly working our unique strategy and system for preparing your home for market.

Homes in updated condition in good locations that are staged, marketed and priced well will attract more buyers and a quicker sale and higher price. The superior quality of our staging, photography and online marketing is the key to achieving your real estate goals. 90% of home buyers will start their search online, so it is imperative that your house stands out.

If you or someone you know is thinking of selling this spring, we encourage you to be in touch with us. We understand what a huge step selling your home is and would love to work with you! It is vital to have Realtors with the skills, knowledge, passion and experience to get your home properly and beautifully staged, photographed and marketed and we are ready and eager to do it! Please call CC at 401-965-2005 or email her at ccwall@residentialproperties.com or Chris at 401-743-5478 or cw@residentialproperties.com

FOR BUYERS

The surprise of 2014 was that interest rates did not rise as predicted but fell instead. The Fed has promised higher rates moving into 2015 so if you are to purchase, do it sooner rather than later in the year. We have noticed this year that more sellers are putting their houses on the market in winter rather than waiting until spring. Buying in winter may give you more purchasing power than waiting if interest rates tick upwards and more buyers enter the marketplace (more competition = higher selling prices).

We have returned to more normal times, with slow but steady appreciation. The trade-up market has seen continuing momentum. This segment could see increased buyer competition in 2015.

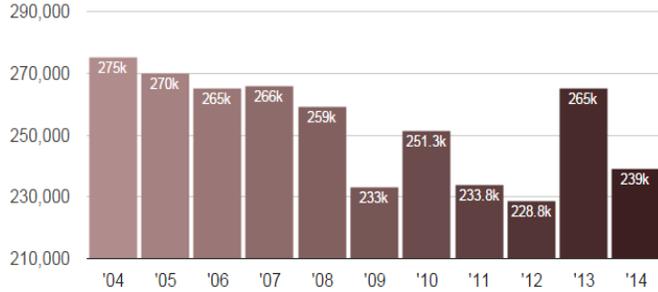
We still believe that the high end of the market holds some good bargains.

If you are a buyer at the uppermost range of the market, this could be the time to buy and get a good deal for the long run. There are fewer buyers in this category, a trend which is not likely to change in 2015, indicating an opportunity to negotiate a good deal.

Condominium Homes – East Side Providence

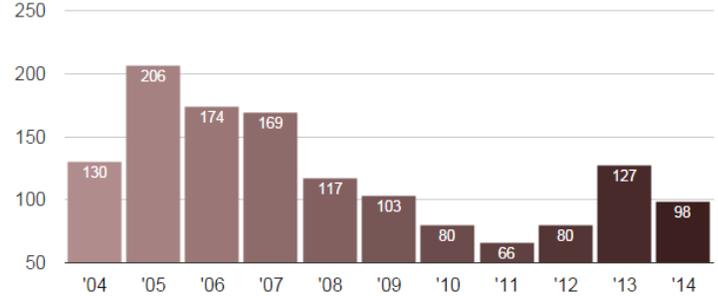
Condos in 2014 showed a slight decline vs. 2013 when the market was stronger. A healthy amount (98) sold, vs. the return of the condo market in 2013 which had more buyers (127). Of particular note is that nearly 75% of all East Side condos sell for \$399,000 and under, indicating that the majority of our East Side market for condos are as a rental alternative or first time homebuyer purchase. One bright spot is the sprinkling of high end condos sold at 77 Angell (\$945,000), 101 North Main (\$850,000) and 2 Thomas Street (\$720,000). To illustrate the unevenness in the condo market, the Friedrich St Florian-designed 2 Pratt Hill had one surprising low resale at \$500,000. For perspective, these highly desirable units sold for \$750,000 (off 33%) at the height of the market. There are HALF the amount of condo buyers that there were in 2005. However, condos are still selling and larger associations, like East Side Commons have had strong sales. We are on the road to recovery with condos, but they still have a way to go.

MEDIAN SALES



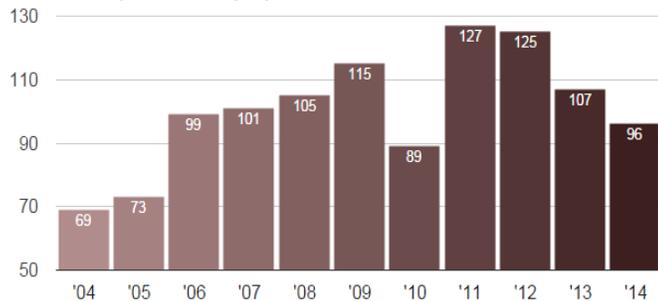
The median sales price was \$239,000, down 10% vs. \$265,000 in 2013. To put this in perspective, the high median sales price was \$275,000 in 2004. So, prices rose in 2013 but have remained uneven in 2014.

NUMBER OF SALES



There were 98 sales of East Side condos, which was down 23% over last year. The peak of the condo market was in 2005 when there were 206 buyers for condos. So, there are still 38% fewer buyers than the peak but we are far better off than in 2011 when there were only 64 buyers.

AVERAGE DAYS ON MARKET



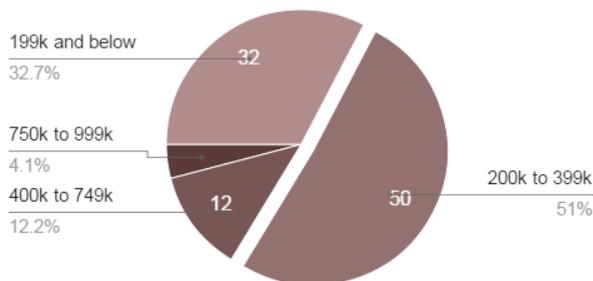
Even though there were fewer buyers in the market in 2014, condos sold a bit faster, averaging 96 days vs. 107 in 2013. 80+ days on market has been the norm since 2008 when the market turned. Prior to the turn, the seller's 'market frenzy days' of 2000-2005 saw lower days on market (57-73).

MEDIAN SALES PRICE PER SQUARE FOOT



The median price-per-square-foot for a condo on the East Side of Providence, RI was \$212. The median price-per-square-foot has leveled off the peak of \$255 in 2005. The price-per-square-foot has hovered between \$203 – \$228 over the last several years.

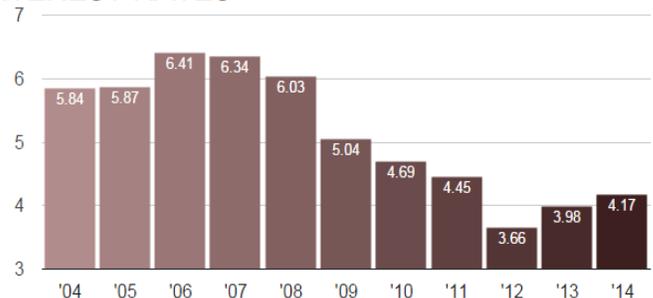
SALES BY PRICE RANGE



The bulk of condo sales on the East Side of Providence are in the \$200K-\$399K range, representing 50% of all transactions.

For comparison, the upper end of the market, \$750K+, (the highest sales price on the East Side, 77 South Angell at \$945,000) had 4% of condo buyers with 4 sales. The lowest end of the market, up to \$199K, (the lowest sale price was great deal short sale in the heart of College Hill at \$83,850) had 33% of home buyers.

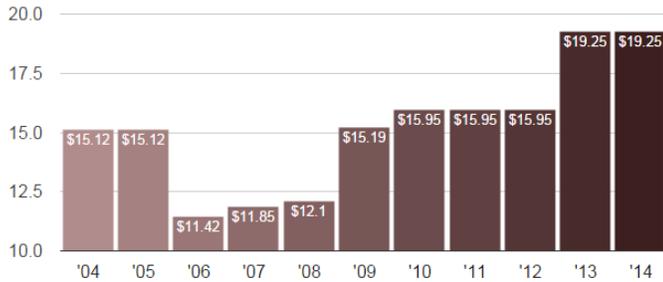
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Interest rates for 30-year-fixed reached their lowest point in history in March, 2013, then ticked up into 2014 despite predictions, and have paradoxically fallen to 19 month lows. Contributing to this is the Fed's concern over the lack of income growth in the economy. As of this writing, 30-year-fixed rates are 3.95%. Predictions for 2015 have rates moving up. Only time and the economy will tell for this wild card. For now, interest rates are extremely favorable.

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WHAT TO EXPECT FOR 2015?

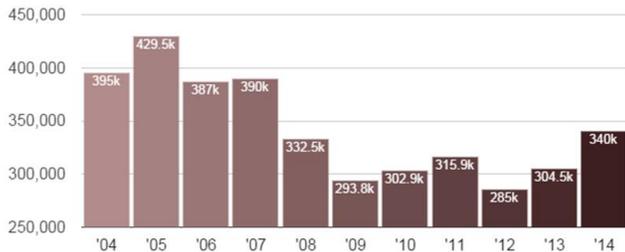
We predict continuing, slow, sustained recovery for condos especially since interest rates remain extremely low. East Side condos will continue to grow as a rental alternative and as a first time homebuyer product. What we see putting downward pressure on this segment is the high end rental offerings such as Ken Dulgarian's newly constructed "The Premier" apartment building with 26 units that rented at full occupancy before finishing construction. One has to think that down-sizers see this as a viable alternative to purchasing. Also, Downcity Waterplace Park and certain condo offerings in the Jewelry District provide unique products (concierge, full service, or loft spaces) that rival East Side condo offerings. Larger associations with distinct and desired amenities like underground parking and elevators such as East Side Commons remain attractive to buyers.



Multi-Family Homes – East Side Providence

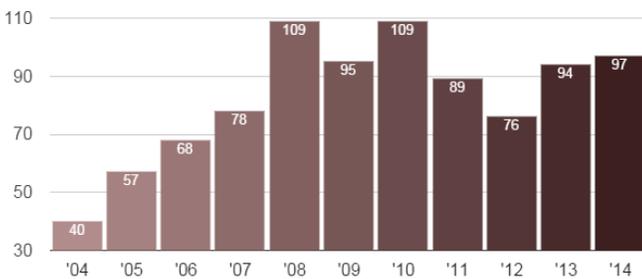
Multi-family home sales showed improvement in 2014 but at a very very slow rate. The bright spot for 2014 was that the median price improved 12% over 2013 to \$340,000, which is the highest since 2007. Two high sales, both on Benefit Street (257 Benefit – \$1,625,000 and 314 Benefit – \$1,450,000) show a blink of investment potential for the 4-unit+ segment. Of note, these buildings were purchased for rental, not condo conversion. The bulk, 66% of all sales were in the \$200,000-\$399,000 range. We observed many owner-occupants purchasing. The investor market for the small multi-family homes it all but dead save for a couple in the 4 unit+ market where the number of units and resulting incomes have the only chance of offsetting Providence's unfavorable non-owner occupied tax rates.

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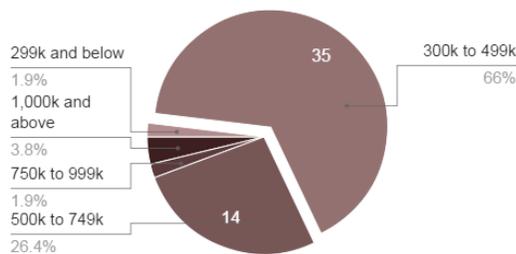
The median sales price for East Side multi-family homes was \$340,000, up 12% vs. \$304,50 in 2013. For reference, compare this to the height of the market in 2005 when the median sales price was \$429,500. We are now 21% off the peak.

AVERAGE DAYS ON MARKET



Multi-family homes averaged 97 days on market, a far cry from the 40-day-averages and multi-bid situations of 2004 when the multi-family homes got gobbled up for condo conversions.

SALES BY PRICE RANGE

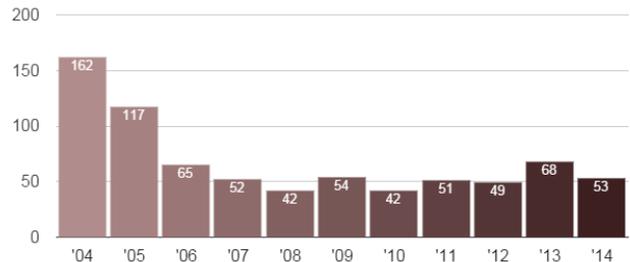


The highest priced sale this year was at 257 Benefit Street for \$1,625,000. This was a 4 unit home on Atheneum Row, right next door to the Providence Athenaeum. An iconic townhouse right across from the courthouse, this sale goes to prove the old adage: location, location, location. Ditto for the sale of the General Burnside house across from the John Brown House for \$1,450,000.

Despite these two outliers above, the bulk of sales for East Side multi-family homes fell squarely in the \$200,000 – \$399,000 price segment. The majority of these properties were purchased for owner-occupancy with offsetting rental income vs. investment income.

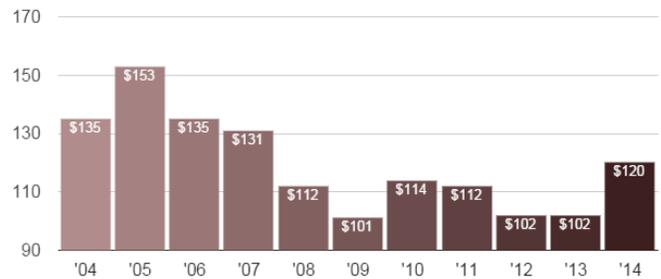
There was only one sale of a multi-family property under \$200,000: 32 Royal Street, which sold for \$195,000. The bargains of the last few years have all but gone. However, multi-family homes, with their low price-per-square-foot, combined with low interest rates and the ability to offset one's mortgage with supplemental rental income, are a good buy on the East Side right now.

NUMBER OF SALES



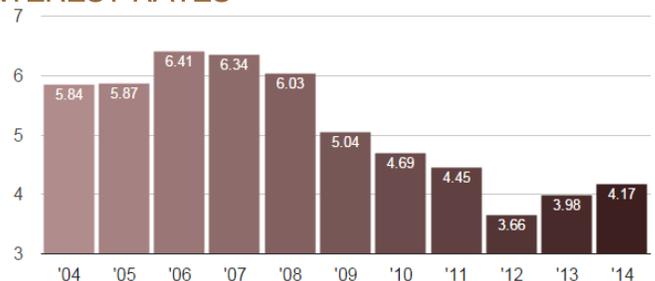
There were 53 sales of East Side multi-family homes, down 22% vs. the prior year. This is better than the lows of 2008 and 2010 when there were only 42 sales but far off 10 years ago when there were 162 sales of multi-family homes on the East Side. That inventory was mainly converted into condominiums during the boom years.

MEDIAN SALES PRICE PER SQUARE FOOT



The median price-per-square-foot in 2014 was \$120, up from \$102 in 2013. The median price-per-square-foot has remained within the \$212 – \$120 range since 2008.

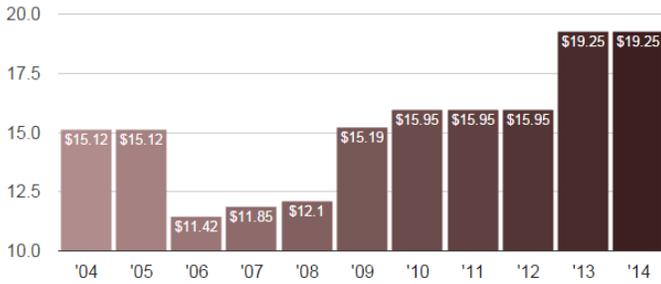
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WHAT TO EXPECT FOR 2015?

For multi-family homes on the East Side of Providence, 2014 will be remembered as the return of the "owner-occupant". The investor market has been dead for quite some time.

Echoing what was said above, with interest rates at a now 19-month-low, few buyers in the market, and relatively low prices per square foot, multi-family properties present a good opportunity right now. It could be a very smart financial decision to purchase an owner-occupied multi-family property to offset one's mortgage, have supplemental rental income and gain tax breaks. Whether or not landlording is something that appeals to you may be the key in your decision to purchase.

VACANT LAND & FORECLOSURES: 2014 YEAR-END ANALYSIS

VACANT LAND

There were only 2 sales of vacant land on the East Side of Providence in 2014. This seems to be a hot commodity since there is so little available. The highest sale was at 117 Loring with raw land selling for \$450,000, and a lot at 52 Harwich that sold for \$425,000.

FORECLOSURES

Among all property classes, there were only 7 bank-owned properties conveyed through MLS: 2 single families and 5 condos. This is the lowest amount since 2009. Foreclosures are few and far between on the East Side. Those that do go into foreclosure are sometimes purchased at auction and never make it into MLS for tracking. However, this market is minuscule on the East Side as property values and ownership remain stable.



ABOUT C.C.WALL & CHRIS



C.C.



CHRIS

The team of C.C. Wall & Chris Wall brings a wealth of experience along with an unmatched dedication to their field. C.C. and Chris are award winning, top producers at Residential Properties LTD, the leading real estate company on the East Side of Providence & Barrington and the largest independently owned real estate company in Rhode Island.

Our real estate success is built on the trust that you and all of our clients have placed in us these past 10 years. We are so grateful for this faith and are more committed than ever to continue to earn it.

We have been so appreciative of the generosity of your real estate referrals and would love to provide superior service and market knowledge to anyone you know who may be thinking about selling or buying a home, whether a down-sizer, a family looking to move to the suburbs or a renter wanting to become a first time home buyer, we have, and will continue, to serve them all.

Hope to see you soon and with every best wish for a great year!

CC Wall & Chris Wall



CC WALL REAL ESTATE



Please visit our website:

<http://www.ccwallrealestate.com>

CC WALL TEAM

Platinum PLUS Level Award Winners \$20 million + Sales in 2013