

Rents hit a record high in Hub area

Tenants scramble
to find vacancies
in a tight market

By Jenifer B. McKim

GLOBE STAFF

Boston-area rents are hitting new heights — with the median price recently reaching \$1,665 a month — as the vacancy rate falls to the lowest level in almost a decade, new data show.

In a region long known for its costly housing, the tight rental market has left many frustrated apartment seekers scrambling to find places they can afford before Sept. 1, the area's traditional changeover date. Facing competition, some renters are taking properties sight unseen. Others, answering ads, find apartments already snatched up before they can get a tour.

"This is the tightest it's been," said Ishay Grinberg, chief executive of RentalBeast.com, a Somerville company that has provided a database of apartments for renters since 2003. "We have a significant number of companies that have zero vacancies."

Record-high rents in the Boston area — loosely defined as the region bounded by Interstate 495 — were reached during the second quarter of this year after recovering from the 2008 financial crisis, which deflated rents around the country, according to Reis Inc., a New York company that tracks rental data.

Boston is the fifth-most-expensive rental market in the country, behind Fairfield County in Connecticut, Westchester County in New York, San Francis-

Region's median rent at \$1,665

RENTAL MARKET

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to, and New York City, according to Reis.

The vacancy rate for Boston-area apartments dropped to 4.4 percent in the second quarter of the year, down from 6.2 percent a year earlier, and is the lowest it has been since the end of 2002, according to Reis.

RentalBeast.com reports that availability in some neighborhoods such as Beacon Hill and the Back Bay is even tighter — at about 1.2 percent. Rents are also higher, with a two-bedroom in the Back Bay averaging \$2,658, compared to \$2,316 in Charlestown, according to RentalBeast.com.

Prices are heading up as inventory shrinks, largely because of the stalled housing market, the foreclosure crisis, and the growing graduate student population, said Barry Bluestone, dean of the School of Public Policy and Urban Affairs at Northeastern University.

In Massachusetts, the foreclosure crisis forced many homeowners into apartments, while many young people who normally would purchase homes can't get financing or are concerned home prices will continue to slide. Sales of single-family homes in the state slowed by nearly 20 percent during the first five months of the year, according to the Warren Group, a Boston company that tracks real estate.

At the same time, Boston's population of graduate students is growing, while few new housing units are being built. Over the past decade, about 20,000 graduate students have been added to the Boston area, Bluestone said.

"We continue to have a serious affordability problem," he said. "Prices stay high and are now at an all-time high level, despite the fact the economy is very weak."

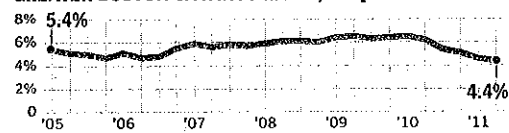
Nancy McCreary, the manager of Hammond Rental Group in Chestnut Hill, said this is good news for landlords, many of whom were not able to raise rents for several years. She said it also will help the real estate market; more investors — seeing a potential for profit — are becoming interested in purchasing rental properties, she said.

Unfortunately, she said, some landlords have gone too far with rent hikes — a prerogative owners can exercise at will after a lease expires or if they provide at least 30 days' notice to tenants who lack a written agreement.

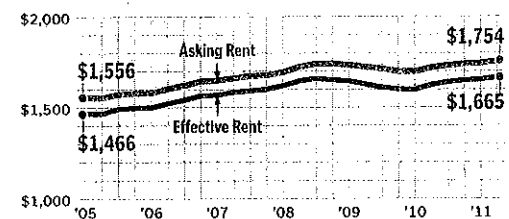
"I've been getting calls from people who say their landlords have raised their rents astronomically," she said. "They are upset. They don't know what their recourse is, and they are probably going to move."

Andrea Whitecomb, director of residential leasing for Gibson Sotheby's International Realty in Boston, said her rental listings are down about 20 percent from

GREATER BOSTON VACANCY RATES, BY QUARTER



MEDIAN APARTMENT RENT IN GREATER BOSTON



SOURCE: Reis Inc.

AVERAGE RENT FOR 2 BEDROOMS IN BOSTON

As of May 2011

West End	\$2,746
Back Bay	\$2,658
North End	\$2,950
Charlestown	\$2,316
South End	\$2,180
Longwood	\$2,162
Beacon Hill	\$2,122
Fenway	\$1,779
Brighton	\$1,607
West Roxbury	\$1,572
Mission Hill	\$1,571
Allston	\$1,567
South Boston	\$1,527
Roxbury	\$1,478
Jamaica Plain	\$1,427
Hyde Park	\$1,353
East Boston	\$1,266
Roslindale	\$1,264
Mattapan	\$1,241
Dorchester	\$1,150

SOURCE: RentalBeast.com

PATRICK GARVIN/GLOBE STAFF

last year as many prospective home buyers stay put. She is seeing multiple applications for some apartments, submitted by hopeful would-be tenants.

"It's not a frenzy," she said, "but it is definitely easier to rent out an apartment these days."

Indeed, many renters have begun their apartment searches early, leaving the last-minute types out of luck or forced to expand their searches.

Angela Weininger, leasing manager at Coppola Realty Management, which manages 375 units, said the company is completely booked for Sept. 1. "It was not like this last year," she said.

Eriq Sagin, 23, a marketing intern and waitress from Miami, recently went out with a real estate agent to look at seven properties. As they were driving around the city, she learned that three had just been leased.

Eventually, Sagin decided on an Allston one-bedroom for \$1,400 a month. Getting approved, she said, was a challenge. She and her boyfriend had to undergo credit checks, have their parents cosign their lease agreement, and pay first and last month's rent as well as a \$1,400 security deposit and a \$700 broker's fee.

"It's hard for people just coming out of school," she said. "We don't have any money to begin with. It's virtually impossible to find a job."

Tiffany Ma, who is starting graduate school in Cambridge in the fall, feels lucky she was able to lock in a studio for \$1,350 a month for Sept. 1. "There is not a lot out there, and the turnover is extremely quick," she said.

As apartments fill up, some seekers, including Janis Pryor, 61, are feeling hopeless. Pryor, who hosts a public affairs show on WUMB radio, said she has rented apartments in Cambridge for decades and has never had such a hard time finding something that would accommodate her and her two cocker spaniels — even though she is willing to pay as much as \$2,800 a month.

Landlords, enjoying the upper hand, are excessively demanding, she said. One wanted to see her tax returns, while another required the equivalent of four months' rent to start.

"The prices are absurd," she said. "The expectations from landlords are absurd. I'm seriously thinking of leaving the area."

Edward Glaeser, a Harvard University economist, said higher rental costs are a burden for tenants, but at the same time a good omen for the region.

"It is a positive sign that there is some life in the housing market and some life in the economy," he said.

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