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Boston's home value is on the rise

In a clear sign the times may be changing in the Northeast, the Boston metro area had the nation's largest gain in home values in 2009, according to an analysis by Zillow.com, a real estate Web site.

Rhode Island had the second largest gains.

Overall, U.S. homes lost \$489 billion in home values during the first 11 months of the year, a drop from \$3.6 trillion in 2008, according to the study. However, one in three markets tracked by Zillow showed a price upswing.

According to several Boston realtors who spoke to us, the Zillow statistics aren't surprising.

"The past six months [have] certainly seen resumption in activity," said Patrick Cutter, a realtor with Otis & Ahearn. "The recent buyer tax credit with increased income limits and low interest rates have started to have a positive impact on transaction velocity and price stabilization in the downtown market."

In addition, Boston was one of the first markets to feel the downturn and therefore is one of the first to experience an uptick in prices, said some real estate experts.

"The inventory that sat on the market when it first went soft was finally sold, and buyers and sellers were quicker to come to a middle ground on fair-market value. This year we are experiencing a leveling out where buyers and sellers are willing to meet on a price. In some areas, we've seen those final prices rise," said Paul Santucci of Boston Lofts.

The biggest home value losses were in the metropolitan areas of Los Angeles, Chicago and New York City. According to the analysis, this was attributed to the high number of home inventory and the decreases in median home values.

NORTHEAST ON TOP

Top housing markets with biggest value gains (represented by home value change, HVC) in 2009 by Zillow.com

1 Boston, Mass.
HVC '09: \$23.3 billion
HVC '08: -\$53.4 billion

2 Providence, R.I.
HVC '09: \$12.4 billion
HVC '08: -\$28.7 billion

3 Denver, Colo.
HVC '09: \$10.7 billion
HVC '08: -\$20.2 billion

CHRISTINA WALLACE

Your turn:



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