



# nerelj

## **Pricing Nation Econometrics predicts the average home price in Boston will decrease by .225%**

September 06, 2012 - Front Section

Pricing Nation Econometrics, a division of Pricing Nation, predicts that the average home price in the city Metropolitan Statistical Area (MSA) will decrease by .225% twelve months from now. Residents can be pleased that housing price declines continue to bottom out in August 2013. Pricing Nation Econometrics has also just released their heat map predicting home price changes for each zip code in the city one year from now. The zip codes with the largest predicted improvement in home prices are Milton Mills, NH (03852) with a 5.10% increase followed by Melrose, Mass. (02176) with a 1.95% increase.

The zip code with the largest predicted decrease in home prices is East Hampstead, NH (03826) with a 8.21% decrease followed by Newton Upper Falls, Mass. (02464) with a 6.98 % decrease.

Pricing Nation will provide its monthly projections, initially just for Boston and its related zip codes, at 7 a.m. of the last Tuesday of each month.

Pricing Nation has developed an integrated suite of regression based models that predict housing price changes at the MSA level, zip level and house level. These models have been built using data over the last ten years which is a robust training period as there has been both an upswing and downswing in prices during that time. The model results for the Boston MSA are statistically highly significant. Of particular importance is that the Pricing Nation model, when used for historical periods, would have predicted the severe downturn in Boston MSA housing prices in August, 2006, 12 months before it actually occurred in August, 2007 (downturn data reported by S&P/Case-Shiller Home Price Indices) and 16 months before the U.S. officially went into a recession according to the National Bureau of Economic Research (NBER), a nonprofit group entrusted by the government with determining when recessions begin and end.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540