

Fringes of the city

Boston beckons, but some buyers can't afford the prices. So they're turning to emerging neighborhoods.

By Kate M. Jackson, Globe Correspondent | August 14, 2005

Allegra Pawlowski and Danielle Giannone find the sound of cars whooshing overhead on the Tobin Bridge soothing. Like the soft roar of waves rolling ashore by an oceanfront home, the sound above serves as a constant reminder of where they live. It makes their home more alive.

For Pawlowski and Giannone, home is a renovated 1860 brick town house on Medford Street in Chelsea. While it's one street up from the waterfront, the house sits in the shadow of the Tobin and in the company of gas tanks -- a small sacrifice, say the women, to live in a multi-level town house one exit from downtown Boston.

"I can't imagine the bridge not being there. I think it's cool," said Giannone, who believes the bridge adds an urban vibe to the neighborhood that she and Pawlowski call "Chelsea-by-the-Sea."

Tired of paying rent, the former college roommates, now in their early 30s, decided to pool their money and invest in a property together.

Discouraged by the high prices of other communities close to Boston, and smitten by the charming row houses along Medford Street, the women purchased the Chelsea town house in June 2002 for \$275,000.

"It looked like Beacon Hill," said Pawlowski. "And the price was right."

Pawlowski and Giannone join a growing number of home buyers who want to embrace the culture and energy of the city, but don't want to be house-poor in a 500-square-foot "luxury" condo; who want a backyard, but don't want to move 40 miles out of Boston to have one. At a time when people are leaving the city in record numbers because of skyrocketing housing prices, others are digging in their heels and finding ways to stay. For many, living in the city today means living in a neighborhood in the early stages of revitalization, in areas that are still a bit rough around the edges, ones without a [Starbucks](#) on the corner . . . yet.

According to a 2004 report from the Boston Indicators Project, new housing construction has concentrated on luxury studios and one- and two-bedroom condos in Boston over the past few years. This focus, according to the report, is pricing out young and immigrant families and young singles hoping to experience city life. Moreover, the new construction is isolating some buyers who simply don't want to live in luxury condos, regardless of how many Jacuzzi jets are in the bathtub.

"We'd much rather be in a place with history and charm. We wanted to find a neighborhood that had investment potential and was close to the city. Then we'd make it comfortable on our own terms," said Giannone, who happily traded granite countertops for intricate moldings, and stainless steel appliances for unique alcoves. For the two women, buying the town house was a no-brainer.

"We have four levels of living space and paid considerably less than we would have for a condo a quarter this size," said Giannone. A friend of the women bought a condo in Charlestown --

another neighborhood with areas shadowed by the Tobin Bridge -- for "well over \$300,000," she said.

"When she saw our place and the space we had, she couldn't believe it. We live about five minutes from each other," said Giannone.

"We've had to do a lot of work . . . which we wouldn't have necessary had to in a condo, but it's been worth it," added Pawlowski.

The women replaced cornucopia-and-fish wallpaper borders with bright funky colors and eclectic artwork, including a framed map of old Chelsea. They converted a basement in-law apartment into a gym and jazzed up their small courtyard, adding a brick patio and flower garden. They're thinking about building a roof deck, although they said it seems like a futile endeavor unless they could build it on stilts.

"The only drawback of this property is the 'view that could have been,' " said Giannone. Looking west from the roof on Medford Street, you can see clear across the harbor. However, four stout gas tanks are squatting directly in front of what would be a perfect view of the Boston skyline.

Nevertheless, Giannone, who became a realtor as a result of her experience with the town house, said she and Pawlowski are constantly seeing signs that they made their investment "in the right place at the right time."

"The first time we were able to walk to a nice restaurant and have dinner was a good sign," she said. When they heard rumors of a Starbucks opening around the corner, Giannone said they were ecstatic.

"It was just a rumor," she said, sipping her iced coffee from Dunkin' Donuts, which opened instead. "It's OK. We got in just in time."

Starbucks and trendy restaurants are unofficial benchmarks that investors and home buyers often use as evidence that a neighborhood has been "found," said Will Montero, a vice president with ERA Boston Real Estate. Now, people may be scrambling to get into emerging neighborhoods like Chelsea and East Boston before the Starbucks opens, he said, but noted the coffee chain has already signed a lease in East Boston near Clippership Wharf.

"Right now, all those people who were kicking themselves for not getting into the South End or Charlestown in the early days are now getting a second chance," said Montero, who sold his Back Bay condo three years ago to move to Admiral's Hill in Chelsea.

Montero admits it takes a little vision and a lot of patience to move into a neighborhood before it turns, but said that pride of ownership gives a neighborhood its initial boost.

"In the preliminary stages, you always have the investors who come in and say, 'I'm going to throw some money into a three-family in Chelsea but there's no way I want to live there,' " he said. Condo development helps increase value but the owners are the ones "who sweep the sidewalks, put up the window boxes, and make the neighborhood a more attractive place to live."

Currently, Montero said, about 75 percent of people living in Chelsea are renters, while 25 percent are actual owners. But those numbers are increasing as more developments like Spencer Lofts, the Burke School, and Chelsea Creek are completed, he said.

Brian MacDonald knows firsthand of the rewards for patience and vision. He purchased a three-family row house on Elm Street in Charlestown for \$133,000 in 1993 -- a time when City Square and parts of the Navy Yard were still construction sites. At the time, MacDonald said Elm Street was fairly run down and had some problems with drugs and crime. Nonetheless, he lived in the third-floor apartment for nearly 10 years, renting out the other two floors while he fixed the place up little by little.

"Earlier this year, the house was assessed at \$690,000," said MacDonald, who still owns the three-family in Charlestown but has since moved. "I put a lot of sweat equity into the property over the years . . . and it's paid off. And I think it sent a good message to other buyers. Condos on Elm Street are selling upwards of \$500,000." He said his experience in Charlestown inspired him to invest in multifamily homes in East Boston and Providence.

"Demand is what initially drives people to these neighborhoods, but there is a point where it can go too far," said Karl Case, who teaches economics at Wellesley College. "When a real estate market is hot, the first places to go are the higher-income locations. As people are priced out, they are driven into the lower-income areas.

"However, when things go bad, these are usually the first places to suffer," Case said. But this time, unlike the mid-'80s when there was a glut of condos, Case said we have the baby boomers to come to the rescue. With so many boomers downsizing into condos in the city, demand will likely stay stronger and these neighborhoods should continue to benefit, he said.

Frank Mamone's friends told him he was crazy when, more than four years ago, he told them he was buying a house in East Boston. Who would actually choose to live next to the airport and pay tolls to come and go?

Mamone and his then-partner, Kevin Norton, purchased a meticulously restored four-bedroom row house on Monmouth Street in 2002 for \$262,000.

"The neighborhood has been slow to change but you can see it happening," said Mamone. "The cars are changing. That's how I can tell."

The home has three levels and 1,584 square feet, an office, and a small backyard and patio with flower and vegetable gardens and tomato plants growing in pots.

"I travel frequently for work and I'm five minutes from the airport. I never worry about finding a parking space, I haven't sat in traffic in years, and I pay 40 cents for the tolls as an East Boston resident," Mamone said. "I am in a different situation financially than I was before. I could move in town. I could move to South of Washington Street but I don't want to. I love it here."

He and Norton have since split up but together are investing in a two-family in the East Boston's Jeffries Point. Mamone was recently told by a real estate professional that he could list his home on Monmouth Street for \$785,000.

"Who's crazy now?" he said.