

Home Sales near Two Massachusetts Rail Trails

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Summary

Homes sales were examined in the seven Massachusetts towns through which the Minuteman Bikeway and Nashua River Rail Trail run. Statistics on list and selling prices and on days on the market were analyzed. The analysis shows that homes near these rail trails sold at 99.3% of the list price as compared to 98.1% of the list price for other homes sold in these towns. The most significant feature of home sales near rail trails is that these homes sold in an average of 29.3 days as compared to 50.4 days for other homes. These results are similar to those for other rail trails showing that homes near rail trails have become desirable.

Introduction

There are many indications that rail trails enhance the quality of life in the communities through which they run. Homes close to rail trails have become increasingly desirable. A number of studies of existing rail trails have shown that the average value of property near the trails is similar to or slightly above the value of other properties in the area. A number of these studies can be examined at:

http://brucefreemanrailtrail.org/trail_plans/rail_trail_studies.html

Earlier this past fall, the Boston Globe published a piece about the relatively new phenomenon. Houses for sale adjacent to a rail trail are now being advertised with signage on the rail-trail side of the house. The article was titled "Houses Hawked on the Bikeway" <http://www.craigdp.com/pages/11/index.htm>. It had some quotes from local realtors who mentioned that posting for-sale signs along the rail trail is something they do on a regular basis now. The theme of the article was about how much a novelty it was to see real-estate signs touting the proximity of the house to the trail.

As a Realtor® I know the most important things a homeowner needs to know when selling a home are what price to list it at in order to get the highest logical sale price and how many days it will take to sell the property. Our office has found that homes along rail trails sell readily. In order to quantify our experience, statistics on home sales were gleaned from the Realtor® database from H3-MLSPIN for seven eastern Massachusetts towns that have had several years of experience with rail trails. The Minuteman Bikeway runs through three of these towns, Arlington, Lexington and Bedford. The Nashua River Rail Trail runs through Ayer, Pepperell, Groton and Dunstable. Information on these rail trails can be found at:

<http://minutemanbikeway.org/>
<http://www.mass.gov/dcr/parks/northeast/nash.htm>

Home-sale data were collected for the period from 6/1/2005 to 9/30/2005. The data were divided into two sets. The first set included data for real estate listings that cited proximity to a rail trail (bike path, trail, bike trail, walkway or bikeway). The second set included the data for all other home sales in these towns.

Table 1. Home Sales near Rail Trails

Town	No. of Properties Sold	Average List Price	Average Sale Price	Ratio of Sale to List	Days on the Market
Arlington	10	\$513,750	\$509,690	99.2%	27.1
Lexington	10	\$906,090	\$907,040	100.1%	18.5
Bedford	3	\$511,600	\$500,833	97.9%	55.3
Ayer	1	\$329,900	\$317,500	96.2%	47.0
Groton	2	\$689,900	\$675,000	97.8%	22.0
Dunstable	1	\$695,000	\$685,000	98.6%	20.0
Pepperell	3	\$385,833	\$376,333	97.5%	48.3
Average		\$643,180	\$638,377	99.3%	29.3

Table 2. Home Sales not near Rail Trails

Town	No. of Properties Sold	Average List Price	Average Sale Price	Ratio of Sale to List	Days on the Market
Arlington	119	\$558,775	\$556,327	99.6%	28.3
Lexington	166	\$871,533	\$849,470	97.5%	54.4
Bedford	38	\$633,912	\$624,289	98.5%	42.4
Ayer	30	\$344,677	\$340,155	98.7%	73.0
Groton	53	\$605,198	\$584,689	96.6%	80.4
Dunstable	12	\$587,946	\$578,965	98.5%	83.2
Pepperell	57	\$384,818	\$379,482	98.6%	80.2
Average		\$645,607	\$633,072	98.1%	50.4

Analysis

The small number of homes sold near rail trails in Bedford, Ayer, Groton Dunstable and Pepperell makes the statistics in those towns less meaningful than for Arlington and Lexington. The ratio of sale price to list price favored homes near rail trails in Lexington, Groton and Pepperell. It is clear that homes near rail trails are particularly desirable in Lexington where the average sale price near rail trails was above the average list price. Averaging over all of the homes sales in the seven towns, the ratio of sale to list price favors homes near rail trails by 99.3% as compared to 98.1% for other home sales.

The most striking difference between sales near rail trails and other home sales is the time on the market. In every town except Bedford and Ayer (with small numbers of sales near rail trails), the time on the market was less for homes sold near rail trails. Here again, the desirability of homes along the Minuteman Bikeway in Lexington is reflected in the fact that such homes sold on average in only 18.5 days as compared to 54.4 days for other homes, a difference of over five weeks. For all of the towns together, the average time on the market for homes near rail trails was 29.3 days as compared to 50.4 days for other homes, a difference of three weeks.

The combined data make a strong case for the assertion that rail trails enhance the quality of life as reflected in the favorable sales statistics for homes near rail trails. The results show that the houses near the trail sell for a higher proportion of the asking price in about half the time that it took for houses in the general inventory to sell. If living near a rail trail were a negative in any way, the results would be the opposite.