

MASSACHUSETTS ASSOCIATION OF REALTORS®

Detached Single-family Home Sales

<u>April '02</u>	<u>April '03</u>	<u>% Change</u>
3,959	3,563	- 10.0%
<u>March '03</u>	<u>April '03</u>	<u>% Change</u>
3,170	3,563	+ 12.4%

Condominium Sales

<u>April '02</u>	<u>April '03</u>	<u>% Change</u>
1,338	1,272	- 4.9%
<u>March '03</u>	<u>April '03</u>	<u>% Change</u>
1,128	1,272	+ 12.8%

Detached Single-family Home Average Selling Price

<u>April '02</u>	<u>April '03</u>	<u>% Change</u>
\$327,760	\$350,196	+ 6.8%
<u>March '03</u>	<u>April '03</u>	<u>% Change</u>
\$345,381	\$350,196	+ 1.4%

Condominium Average Selling Price

<u>April '02</u>	<u>April '03</u>	<u>% Change</u>
\$241,446	\$254,136	+ 5.3%
<u>March '03</u>	<u>April '03</u>	<u>% Change</u>
\$248,948	\$254,136	+ 2.1%

NOTE: Figures reflect data from 5 of 5 REALTOR-affiliated Multiple Listing Services in Massachusetts as of May 19, 2003.

Talking Points

Detached Single-family Home Sales:

- Despite the slower sales pace from a year ago, April 2003 was the fourth busiest for detached single-family home sales in state history. Only April 1999 (4,128 sales), April 1998 (4,082 sales) and April 2002 (3,959 sales) saw higher volume.
- The sales decline of 10 percent in April from April 2002, marks the fourth consecutive month that sales of detached single-family homes have decreased across Massachusetts from the same month one year earlier. The last time sales activity decreased in Massachusetts for four consecutive months (vs. the same month the prior year) was September – December 2001, when consumer activity fell sharply following the terrorist attacks in New York and Washington, D.C.
- The 10 percent decline in sales this April compared to the same month last year reflects the fact that the spring market started late this year due to an extended period of cold stormier winter weather that lasted into late March. In addition, the state's unemployment rate rose during the first quarter of 2003 leading to lower consumer confidence and less market activity (compared to a year ago) as people grew more concerned about job security issues, and the war with Iraq.
- One positive result of the slower sales pace is the fact that inventory of detached single-family homes has risen steadily over the past year. The number of active listings of homes for sale rose 16.6 percent, or more than 4,000 units, over the past year, from 25,517 listings in April 2002 to 29,761 in April 2003. As a result, there was roughly 8.4 months of supply on the market statewide this past April compared to 6.4 months of supply in April 2002. The improvement in inventory levels means more opportunities for home buyers, and a better balance between supply and demand, which should offer consumers a more relaxed housing market in which they can move through the home buying process at a less hectic pace.
- Mortgage rates remain very attractive – as the average 30-year fixed rate mortgage in Massachusetts fell nearly 1 ¼ points in the past year from 7.11 percent in April 2002 to 5.93 percent in April 2003. Today's low rates and improved inventory levels should keep the housing market healthy through the spring, although sales are likely to remain below last year's sales pace until the economy strengthens and consumer confidence improves. However, sales volume should climb above the prior month's sales level through August due to the seasonal nature of the housing market in New England.

Condo Sales:

- The 1,272 condo units sold in April 2003 makes last month the second strongest April on record for condominium sales in Massachusetts, exceeded only by April 2002. As a result, the 4.9 percent decline in sales from last March reflects a small, modest decline from last year's record sales level for the month.
- This is the third consecutive month that condo sales have declined in Massachusetts from the comparable month one year earlier (after six months of increases). The last time condo sales fell for two straight months (compared to the same month a year earlier) was October-December 2001. Nonetheless, the condominium market remains an attractive entry point to the housing market for first-time buyers frustrated by the high price of starter detached homes in many markets.

Detached Single-Family Home Average Selling Price:

- This the first month since October 2002 that there has not been a double-digit increase in the statewide average selling price for detached homes. The more modest appreciation rate is good for buyers and the market as a whole and offers further proof that there is better balance between supply and demand in today's market compared to the last few years.
- April 2003 marks the 82nd consecutive month in which the statewide average selling price for detached homes in the Bay State has risen over the same month the prior year (dating back to June 1996 when the average price fell 0.1 percent). It's also the 50th consecutive month in which the average selling price has risen at least 1 percent from the same year one year earlier (dating back to February 1999). With homes only taking a few days longer, on average, to sell this year vs. last year, and home values still rising steadily, it remains a good time to put a home on the market.

Condominium Average Selling Price:

- April 2003 marks the 52nd consecutive month in which the statewide average selling price for condos has risen over the same month the prior year in the Bay State (dating back to December 1998 when the average price fell 6 percent). It's the first month since June 2000 (+6.5%) that the statewide average selling price for condos increased less than 10 percent.