

MASSACHUSETTS ASSOCIATION OF REALTORS®

Detached Single-Family Home Sales

February '03	February '04	% Change
2,450	2,433	- 0.7%

January '04	February '04	% Change
2,805	2,433	- 13.3%

Condominium Sales

February '03	February '04	% Change
735	779	+ 6.0%

January '04	February '04	% Change
828	779	- 6.0%

Detached Single-Family Home Average Selling Price

February '03	February '04	% Change
\$333,362	\$359,437	+ 7.8%

January '04	February '04	% Change
\$387,532	\$359,437	- 7.2%

Detached Single-Family Home Median Selling Price

February '03	February '04	% Change
\$280,000	\$304,200	+ 8.6%

January '04	February '04	% Change
\$315,000	\$304,200	- 3.4%

Condominium Average Selling Price

February '03	February '04	% Change
\$231,855	\$261,906	+ 13.0%

January '04	February '04	% Change
\$266,629	\$261,906	- 1.8%

Condominium Median Selling Price

February '03	February '04	% Change
\$200,000	\$228,000	+ 14.0%

January '04	February '04	% Change
\$229,000	\$228,000	- 0.4%

NOTE: Figures reflect 5 of 5 REALTOR® -affiliated Multiple Listing Services in Massachusetts as of March 14, 2004.

Talking Points

Detached Single-family Home Sales:

- The 2,433 single-family home sales in February 2004, make it the sixth busiest February on record in Massachusetts.
- The modest sales decline of 0.7 percent in February compared to the same month last year, follows seven consecutive months in which sales rose over year ago levels (dating back to June 2003). The flat sales reflect consumer apprehension over continued job losses and a slower than anticipated economic recovery in Massachusetts.
- The 13.3 percent decline in sales this February compared to January is largely seasonal in nature, as closings that occur in February typically reflect market activity in the holiday period from late November to early January. Sales also tend to be less in February as there are 2-3 fewer days for closings can occur compared to January and other “typical” months.
- The supply level of detached single-family homes on the market has remained constant over the past 12 months, with the inventory of homes listed for sale holding steady at 5.9 months of supply between February 2003 and February 2004. Total listings declined slightly however, by 0.9 percent, from 14,416 units last February to 14,280 units in February 2004.

In Massachusetts, the market is considered to be in equilibrium for buyers and sellers when 7.5-8.5 months of housing supply is available, thus buyers continue to face limited inventory levels, especially for starter and entry-level homes.

- Mortgage rates remained very attractive in February, falling to their lowest level in nearly three quarters, which has helped to keep buyers’ purchasing power strong. The average 30-year fixed rate mortgage in Massachusetts is down two-tenths of a point over the same period last year, having declined from 5.97 percent in February 2003 to 5.77 percent in February 2004. The last time rates were lower was June 2003, when the average 30-year fixed rate loan was 5.50 percent.

Condo Sales:

- The condo market remained very active last month. In fact, the 779 condo units sold in February 2004 makes last month the second strongest February on record for condominium sales in Massachusetts, exceeded only by February 2002.
- February 2004 is the tenth consecutive month that condo sales have improved from the same month one year earlier.
- Condominium sales have remained strong, in part, because the inventory in this market has continued to improve during the past year. The number of condos and townhouses on the market has increased 10.8 percent since last February, climbing from 4,527 units for sale in February 2003 to 5,016 listings in February 2004. As a result, there was 6.4 months of supply available this February compared to 6.2 months of supply in February 2003.
- First-time buyers frustrated by low inventory levels (and high prices) for starter homes in the detached single-family home market, and older baby-boomers looking to downsize or purchase vacation properties and second homes are helping to keep the condo market strong across Massachusetts.

Detached Single-Family Home Selling Prices:

- After experiencing rapid price appreciation during the first three years of this decade, selling prices for detached homes have moderated in recent quarters, with the statewide average selling price climbing 7.8 percent between February 2003 and February 2004 and the median selling price up 8.6 percent over the same 12 month period. The statewide average selling price of \$359,437 is the lowest in 10 months, and February 2004 marks the eighth consecutive month in which there has been single-digit price appreciation in this market.
- The decline in the average and median selling prices from January 2004 reflects increased activity among first-time buyers eager to take advantage of today’s low mortgage rates and the quieter period that precedes the busy spring market. Simply stated, the purchase of entry-level and mid-priced homes were more prevalent in February than in January, while high-end and luxury home sales slowed as that market tends to be busiest late in the year and then again in the spring.
- This is the 92nd consecutive month selling prices have risen vs. the same month the prior year (dating back to June 1996).

Condominium Selling Prices:

- The sharp increase in condominium prices from February 2003 to February 2004 reflects the near record demand for condos being experienced in many areas of the state. February 2004 marks the third consecutive month and fifth time in the last six months that the average selling price for condominiums has seen double-digit price appreciation over the same period one year earlier.
- The 13 percent increase in the statewide average selling price from February 2003 to February 2004 is the largest annual month-to-month gain since May 2003, when prices rose 13.2 percent over the prior May. However, with the inventory of condos rising steadily in recent months, it is expected that buyers in this market should find less dramatic price increases and improved affordability in the year ahead.
- This is the 62nd consecutive month selling prices have risen vs. the same month the prior year (dating back to Dec. 1998).