

MASSACHUSETTS ASSOCIATION OF REALTORS®

Detached Single-family Home Sales

<u>June '02</u>	<u>June '03</u>	<u>% Change</u>
5,157	4,889	- 5.2%
<u>May '03</u>	<u>June '03</u>	<u>% Change</u>
4,214	4,889	+ 16.0%

Condominium Sales

<u>June '02</u>	<u>June '03</u>	<u>% Change</u>
1,529	1,740	+ 13.8%
<u>May '03</u>	<u>June '03</u>	<u>% Change</u>
1,535	1,740	+ 13.4%

Detached Single-family Home Average Selling Price

<u>June '02</u>	<u>June '03</u>	<u>% Change</u>
\$369,077	\$414,517	+ 12.3%
<u>May '03</u>	<u>June '03</u>	<u>% Change</u>
\$366,597	\$414,517	+ 13.1%

Condominium Average Selling Price

<u>June '02</u>	<u>June '03</u>	<u>% Change</u>
\$255,516	\$276,653	+ 8.3%
<u>May '03</u>	<u>June '03</u>	<u>% Change</u>
\$274,872	\$276,653	+ 0.6%

NOTE: Figures reflect data from 5 of 5 REALTOR®-affiliated Multiple Listing Services in Massachusetts as of July, 20, 2003.

## Talking Points

### **Detached Single-family Home Sales:**

- A weak labor market, dismal spring weather and increased inventory levels led to slower market activity in June compared to recent years. Especially with mortgage rates remaining near historic lows, buyers are feeling less hurried than in years past and using the time to look at the growing number of listings that have hit the market in recent months.
- The sales decline in June marks the sixth consecutive month that sales have decreased across Massachusetts from the same month one year earlier. Notably, however, the 5.2 percent sales decline from June 2002 to June 2003 is the smallest variation in monthly sales activity this year (when compared to year ago levels.) The last time sales fell in Massachusetts for six consecutive months or more (vs. the same month the prior year) was September 1999 – September 2000, a 13-month period in which rising mortgage rates and shrinking inventory levels slowed market activity.
- Although sales activity has slowed from last year, by historic standards June 2003 was the seventh busiest June for single-family home sales in state history. However, last month was the least busiest June for detached home sales since June 1996 when 4,570 homes sold. The highest sales volume in June occurred in June 1999 when 5,445 sales closed.
- With the slower sales pace, inventory levels have continued to rise. The number of active listings of detached single-family homes for sale has risen 26 percent, or more than 6,400 units, over the past year, from 24,693 listings in June 2002 to 31,108 in June 2003. As a result, there was roughly 6.4 months of supply on the market statewide this past June compared to 4.8 months of supply in June 2002. The improvement in inventory levels means more opportunities for home buyers, and a better balance between supply and demand, which should provide for a more relaxed housing market.
- 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 6.79 percent in June 2002 to 5.50 percent in June 2003. Today's low rates and improved inventory levels should keep the housing market healthy through the summer, but 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 1,740 condo units sold in June 2003 makes this the most active June for condominium sales on record in the Bay State. The previous June record for condo sales was 1,529, recorded in both June 2002 and June 1999. Additionally, the 1,740 condos sold during June are the most ever recorded in a single month in Massachusetts. The prior one month high for condominium sales volume was 1,660 unit sales in August 2001.

### **Detached Single-Family Home Average Selling Price:**

- This is the first time in three months that there's been double-digit appreciation in the statewide average selling price. This partly reflects the fact that the market for high-end homes has showed some improvement of late, with sales of homes priced at \$1 million or more nearly doubling over the past year from 14 in June 2002 to 24 in June 2003 (most of that activity was confined to Cape Cod and the islands where sales rose from 11 to 22). In addition, sales of homes priced \$500,000 or more also are up 15.6 percent in the past year from 1,080 in June 2002 to 934 in June 2003. In addition, the sharp increase in the statewide average selling price in the last year suggests a high level of confidence in the housing market and continued strong housing demand from consumers despite generally weak economic growth.
- June 2003 marks the 84<sup>th</sup> consecutive month that the statewide average selling price for detached homes has risen over the same month the prior year (dating back to June 1996). It's also the fourth time this year and the sixth month in the last eight that the average selling price has seen double-digit appreciation. With homes only taking a few days longer, on average, to sell in 2003 vs. 2002, and home values still rising steadily, it remains a good time to list a home for sale.

### **Condominium Average Selling Price:**

- June 2003 marks the 54<sup>th</sup> consecutive month that 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).
- This is the second month in the last three that the statewide average selling price rose by less than 10 percent, an indication that supply and demand ratios also are improving in the condo market. Statewide, listings have improved from 7,173 units, or 4.7 months of supply in June 2002 to 10,348 units, or 6 months of supply in June 2003.