

**MASSACHUSETTS ASSOCIATION OF REALTORS®**

**Detached Single-Family Home Sales**

March '03	March '04	% Change
3,129	3,443	+ 10.0%

February '04	March '04	% Change
2,397	3,443	+ 43.6%

**Condominium Sales**

March '03	March '04	% Change
1,071	1,365	+ 27.5%

February '04	March '04	% Change
829	1,365	+ 64.7%

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

March '03	March '04	% Change
\$339,464	\$380,306	+ 12.0%

February '04	March '04	% Change
\$362,433	\$380,306	+ 4.9%

**Detached Single-Family Home Median Selling Price**

March '03	March '04	% Change
\$290,000	\$318,000	+ 9.7%

February '04	March '04	% Change
\$307,000	\$318,000	+ 3.6%

**Condominium Average Selling Price**

March '03	March '04	% Change
\$239,725	\$274,523	+ 14.5%

February '04	March '04	% Change
\$260,798	\$274,523	+ 5.3%

**Condominium Median Selling Price**

March '03	March '04	% Change
\$205,000	\$239,100	+ 16.6%

February '04	March '04	% Change
\$228,000	\$239,100	+ 4.9%

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

## Talking Points

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

- The 3,443 single-family homes sold in March 2004, is the fourth highest home sales total for one March in state history. Only March 1999 (3,506 homes sold), March 1998 (3,482 homes sold), and March 2002 (3,470 homes sold) were busier.
- The healthy 10 percent increase in home sales this March compared to March 2003 is the result of improving conditions across the state and milder weather conditions this year vs. last year. The mood among consumers has been much more positive in the first quarter of 2004 than during the same period last year, when a rising unemployment rate and concerns over the war in Iraq dampened demand in the housing market. Today's brighter forecast for job growth, along with lower mortgage rates, and higher inventory levels also have prospective home buyers feeling more confident, and the nearly snow free first quarter of 2004 has allowed the spring market to get off to an early start this year.
- The increase in home sales from March 2003 to March 2004 marks the eighth time in last nine months that sales have improved over the comparable month one year earlier. Last month, single-family homes sales decline a modest 2 percent.
- The 43.6 percent increase in sales from February to March 2004 is the largest month-to-month gain in single-family home sales in nine years, dating back to 1995 when sales rose 75 percent between February and March of that year.
- The number of detached single-family homes on the market has improved 5.2 percent over the over the past 12 months, from 27,284 listings in March 2003 to 28,709 listings in March 2004. However, the stronger sales pace this year means there's been a decline in months of supply, which has slipped from 8.7 months of supply last March to 8.4 months of supply in March 2004. Inventory levels have increased even more dramatically between February and March, reflecting the transition from winter to spring. The number of homes for sale rose 12 percent last month from 25,646 listings in February to 28,709 in March. The increase in inventory means more homeownership opportunities for buyers this spring. 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 March, falling to their lowest level in nine months, which has helped to keep buyers' purchasing power strong. The average 30-year fixed rate mortgage in Massachusetts declined just over one-quarter of a point during the past 12 months, from 5.92 percent in March 2003 to 5.64 percent in March 2004. The last time mortgage rates were lower was June 2003, when the average 30-year fixed rate loan was 5.50 percent.

### **Condo Sales:**

- First-time buyers, empty-nesters looking to downsize or purchase second homes are helping to drive condo sales to record numbers. In fact, the 1,365 condos sold in March 2004 established a new state record for the month. The previous March record for condo sales was 1,164, set in March 2002. March's monthly sales record marks the tenth time in the last 11 months condo sales have set a new monthly sales record in Massachusetts (May 2003-January 2004, March 2004.)
- Condo sales have improved for last 11 consecutive months compared to the same month a year earlier.
- The condominium market has remained strong, in part, because the inventory has continued to improve in the past year. In fact, the number of condos listed for sale has increased 16.4 percent in the past year, from 9,553 units in March 2003 to 11,116 in March 2004. Inventory also rose 8.6 percent from February, when there were 10,234 listings. Due to record sales this March, there was just 8.1 months of supply in March 2004 compared to 8.9 months of supply in March 2003.

### **Detached Single-Family Home Selling Prices:**

- Selling prices for detached single-family homes saw their greatest increase in nine months during March, as declining mortgage rates enabled buyers to purchase more home or pay full asking price. In addition, the high-end market also saw some improvement, which boosted selling prices. The statewide average selling price climbed 12 percent between March 2003 and March 2004, while the statewide median selling price rose 9.7 percent over the same 12 month period.
- This is the 93<sup>rd</sup> 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 March 2003 to March 2004 reflects the record demand for condos in many areas of the state, especially among buyers seeking vacation property on Cape Cod and luxury condo units in Boston, Cambridge, and several coastal communities in eastern Massachusetts.
- The 14.5 percent increase in the statewide average selling price from March 2003 to March 2004 is the largest annual month-to-month gain since January 2003, when prices rose 15.1 percent. However, with inventory levels rising steadily in recent months, it is expected that this market will see less dramatic price appreciation in the months ahead.
- This is the 63<sup>rd</sup> consecutive month selling prices have risen vs. the same month the prior year (dating back to Dec. 1998).