

MASSACHUSETTS ASSOCIATION OF REALTORS®

Detached Single-family Home Sales

March '02	March '03	% Change
3,470	3,170	- 8.6%
February '03	March '03	% Change
2,353	3,170	+ 34.7%

Condominium Sales

March '02	March '03	% Change
1,164	1,128	- 3.1%
February '03	March '03	% Change
834	1,128	+ 35.3%

Detached Single-family Home Average Selling Price

March '02	March '03	% Change
\$303,432	\$345,381	+ 13.8%
February '03	March '03	% Change
\$340,166	\$345,381	+ 1.5%

Condominium Average Selling Price

March '02	March '03	% Change
\$225,416	\$248,948	+ 10.4%
February '03	March '03	% Change
\$237,439	\$248,948	+ 4.8%

NOTE: Figures reflect data from 5 of 5 REALTOR-affiliated Multiple Listing Services in Massachusetts as of April 18, 2003.

Talking Points

Detached Single-family Home Sales:

- Despite the slower sales pace from a year ago, March 2003 was the sixth busiest March for detached single-family home sales in state history. However, this was slowest March for detached single-family homes sales since March 1997 when 2,713 sales closed.
- Additionally, the sales decline in March from March 2002, marks the third consecutive month that sales of detached single-family homes have decreased from the same month one year ago.
- The 8.6 percent decline in sales this March compared to the same month last year was anticipated due to the fact that a year ago the market experienced a surge in activity during the first quarter as buyers who had postponed home buying decisions in the wake of the September 11, 2002 terrorists attacks returned, thus creating strong pent-up demand. Additionally, in 2003, we experienced a much stormier winter than was observed last year, which contributed to a slightly less active market. The state's unemployment rate also has been on the rise during the first quarter of 2003 leading to lower consumer confidence as people grew more concerned about job security, not to mention a 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 12 percent, or nearly 3,000 units, over the past year, from 24,357 listings in March 2002 to 27,284 in March 2003. The improvement in inventory levels means more opportunities for home buyers, and a more relaxed (normal) housing market in which they can proceed 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 7.15 percent in March 2002 to 5.92 percent in March 2003. Today's low mortgage rates and improved inventory levels should keep the housing market healthy through the spring, although sales will likely continue to lag behind year ago sales levels, which in historical terms was the third best on record for home sales in Massachusetts.

Condo Sales:

- The 1,112 condo units sold in March 2003 makes last month the second strongest March on record in state history for condominium sales, exceeded only by March 2002. As a result, the 3.1 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 second 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 for two straight months (compared to the same month a year earlier) was November and December 2001.
- Similar to the detached single-family housing market, the condo market has experienced a steady increase in inventory levels over the past year. The number of active listings rose 33.5 percent in March 2003 over the comparable month last year, an increase of nearly 2,400 units. This sharp increase in listings may indicate that many current condo owners have a desire to trade-up to a detached single-family home and are looking to do so now while interest rates remain low. Still, 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:

- March 2003 saw a 22 percent increase (78 homes) in the number of high-end homes sold (those priced \$500,000 and above) compared to the same month last year. The increased activity at the high-end of the market helped boost the statewide average selling price by 13.8 percent from March 2002. Therefore, the actual appreciation in home values in the single-family market is likely somewhat lower than the 13.8 percent increase in selling price
- This is the fifth consecutive month that the statewide average selling price has experienced double-digit appreciation over the same month one year earlier, an indication that demand remains healthy and housing continues to be a solid investment for consumers. With homes only taking a few days longer, on average, to sell during the first quarter of this year vs. the same time last year, and home values still rising steadily, it remains a good time to put a home on the market.