

MASSACHUSETTS ASSOCIATION OF REALTORS®

Detached Single-family Home Sales

November '03	November '04	% Change
3,460	4,063	+ 17.4%
October '04	November '04	% Change
4,238	4,063	- 4.1%

Condominium Sales

November '03	November '04	% Change
1,040	1,597	+ 53.6%
October '04	November '04	% Change
1,545	1,597	+ 3.4%

Detached Single-family Home Median Selling Price

November '03	November '04	% Change
\$302,000	\$345,950	+ 14.6%
October '04	November '04	% Change
\$344,900	\$345,950	+ 0.3%

Condominium Median Selling Price

November '03	November '04	% Change
\$226,900	\$263,000	+ 15.9%
October '04	November '04	% Change
\$252,500	\$263,000	+ 4.2%

NOTE: Figures reflect data from 5 of 5 REALTOR®-affiliated Multiple Listing Services in Massachusetts as of December 15, 2004.

Talking Points

Detached Single-family Home Sales:

- The increase in detached single-family home sales from November 2003 to November 2004 ends a three-month decline in statewide sales activity from year ago levels. The last year-to-year gain in monthly home sales occurred in July when sales rose 10.4 percent over July 2003 levels. The 17.4 percent increase in detached home sales in November is the largest percentage gain in year-to-year sales since December 2003, when sales rose 19.9 percent over December 2002 sales levels.
- November home sales rose to their highest level in six years, and the 4,063 detached single-family homes sold during November 2004 are the second most ever recorded in one November in state history. The record for highest sales volume in the month of November remains November 1998, when 4,150 detached single-family homes were sold in the Bay State.
- The jump in home sales activity is due to a nearly quarter point drop in mortgage rates since August, a strengthening labor market (the state's unemployment has dropped from 5.4 percent in August to 4.6 percent in November), and pent-up demand in the entry-level market following a jump in interest rates late this spring. Notably, first-time buyers who were forced to postpone home purchases for several months in the late spring and early summer have since returned to the market as rates fell back below 6 percent in September and this has helped boost activity in the abbreviated fall market.
- The sales decline of 4.1 percent that took place between October and November is not unusual and generally reflects seasonal changes that occur in the local housing market once school resumes, the warm weather disappears, and the holidays grow closer. In fact, the trend of shrinking sales volume will likely continue through February, before picking up in March when inventory levels improve and the spring market shifts into high gear.
- The inventory of detached single-family homes on the market slipped 0.7 percent over the past 12 months, from 24,333 listings in November 2003 to 24,168 listings this November. Meanwhile, inventory, as expressed in months of supply has declined from 7.0 months last November to 6.0 months of supply in November 2004. In addition, inventory is down 16.1 percent, or more than 4,600 units, from October when there was 28,811 homes on the market and 6.9 months of supply. 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 homes) and rising prices.
- Mortgage interest rates remain at historically low levels. The rates for fixed-rate mortgages fell for a sixth consecutive month in November, with the average rate for a 30-year fixed-rate loan in Massachusetts declining to 5.81 percent -- its lowest level since March 2004 (5.64 percent). Furthermore, rates on 30-year fixed mortgages have declined nearly a third of a percentage point from a year ago, when the average rate for a 30-year fixed loan was 6.11 percent November 2003.

Condo Sales:

- First-time buyers and empty-nesters looking to downsize and purchase second homes have boosted condo sales to record levels. The 1,597 units sold in November set a new state record for the month, eclipsing the four-year-old record of 1,124 condos sold in November 2000. Condo sales have improved for 19 consecutive months vs. the same month a year earlier.
- The 53.6 percent increase in condo sales between November 2003 and November 2004 is the largest percentage increase in year-to-year monthly sales since April 1996, when condo sales increased 75 percent over April 1995 sales levels.
- The condo market remains healthy, in part, because inventory levels continue to rise. Active listings have increased 14.0 percent in the past year, up from 9,083 units in November 2003 to 10,356 this November. Inventory, as stated in months of supply has fallen in the past year however, due to the surge in November sales, decreasing from 6.5 months of supply in November 2004 to 8.7 months of supply last November. Compared to a month earlier, condo listings have decreased 10 percent, or over 1,100 units, from October when there was 11,503 condominiums for sale and 7.4 months of supply.

Detached Single-Family Home Selling Prices:

- Selling prices for detached single-family homes have continued to climb steadily, rising 14.6 percent in the past year to a statewide median price of \$345,950 in November, but its still less than the all-time monthly high of \$360,000 set in June 2004. It's the largest year-to-year price gain since April, when the median selling price rose 14.8 percent vs. April 2003.
- This is the 101st consecutive month selling prices have risen vs. the same month the prior year (dating back to June 1996).

Condominium Selling Prices:

- Median selling prices for condos posted their seventh consecutive month of double-digit appreciation, climbing 15.9 percent over the past 12 months to a statewide median price of \$263,000 this November. It's the largest year-to-year increase in condominium selling prices since March, when the statewide median price rose 16.6 percent vs. March 2003.
- The November median selling price for condominiums remains more than \$10,000 below the state's all-time monthly high price of \$273,900, set in August 2004.
- This is the 70th consecutive month selling prices have risen vs. the same month the prior year (dating back to Dec. 1998)