

MASSACHUSETTS ASSOCIATION OF REALTORS®

Detached Single-family Home Sales

<u>November '02</u>	<u>November '03</u>	<u>% Change</u>
3,545	3,716	+ 4.8%
<u>October '03</u>	<u>November '03</u>	<u>% Change</u>
4,820	3,716	- 22.9

Condominium Sales

<u>November '02</u>	<u>November '03</u>	<u>% Change</u>
1,025	1,170	+ 14.1%
<u>October '03</u>	<u>November '03</u>	<u>% Change</u>
1,532	1,170	- 23.6%

Detached Single-family Home Average Selling Price

<u>November '02</u>	<u>November '03</u>	<u>% Change</u>
\$335,813	\$367,350	+ 9.4%
<u>October '03</u>	<u>November '03</u>	<u>% Change</u>
\$364,547	\$367,350	+ 0.8%

Condominium Average Selling Price

<u>November '02</u>	<u>November '03</u>	<u>% Change</u>
\$252,964	\$264,985	+ 4.8%
<u>October '03</u>	<u>November '03</u>	<u>% Change</u>
\$261,841	\$264,985	+ 1.2%

NOTE: Figures reflect data from 5 of 5 REALTOR-affiliated Multiple Listing Services in Massachusetts as of December 19, 2003.

Talking Points

Detached Single-family Home Sales:

- The sales increase between November 2002 and November 2003 marks the fifth consecutive month that home sales have exceeded the sales volume for the same month one year earlier in Massachusetts. The last time sales of detached single-family homes have risen for five consecutive months over the comparable period a year earlier in Massachusetts was January –May 2002.
- The 3,716 detached homes sold in November 2003 makes it the fifth busiest November on record for detached single-family homes sales in Massachusetts. The record for the month remains November 1998 when 4,150 sales occurred.
- The steady sales growth in the detached single-family market is the result of a strengthening economy, with rising consumer confidence, modest job growth, and today's low-interest rate environment helping to stimulate market activity.
- The number of listings has risen 2.6 percent over the past 12 months, from 23,717 listings in November 2002 to 24,333 in November 2003. The improvement in total inventory means more opportunities for buyers and a better balance between supply and demand, as inventory as expressed in months of supply rose from 5.9 months in October 2003 to 6.6 months in November 2003. However, the stronger sales pace this year means there's been a slight decline in months of supply from last year – 6.6 months of supply statewide this November vs. 6.7 months of supply in November 2002. 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, at present levels, home price appreciation has remained strong, near double-digits statewide.
- Mortgage rates remain attractive and, along with improved inventory levels, should keep housing demand and market activity relatively strong during the winter months. In November, mortgage rates were approximately two-tenths of a point lower than they were one year ago – with the average 30-year fixed rate mortgage in Massachusetts down from 6.29 percent in November 2002 to 6.11 percent in November 2003.

Condo Sales:

- First-time and immigrant buyers, as well as empty-nesters looking to downsize, are helping to drive condo sales to record levels. In fact, the 1,170 condos sold in November 2003 established a new state record for condo sales for the month. The previous November record for condo sales was 1,124, set in November 2000. November's monthly sales record marks the eighth time this year condo sales have set a new monthly sales record in Massachusetts (January and May-November).
- With the November sales increase, condominium sales in Massachusetts have now climbed for the last seven consecutive months when compared to the same month a year earlier. It's also the sixth consecutive month that condo sales have risen at least 10 percent over the comparable month in 2002.
- The condo market has experienced a steady rise in inventory over the past year. Listings have increased 15.2 percent statewide in the last 12 months, from 7,883 units in November 2002 to 9,083 this November. In spite of the record-setting sales pace for condos in November, last month available listings actually increased to 7.8 months of supply from 7.7 months of supply in November 2002, marking the first time since March 2003 that a balanced market for condos has been achieved.

Detached Single-Family Home Average Selling Price:

- After experiencing double-digit price appreciation for six consecutive months between November 2002 and March 2003, this is the seventh time in the last eight months that the statewide average selling price of detached homes has risen by less than 10 percent compared to the same month one year earlier. The more modest appreciation rate is good for buyers, suggesting a better balance between supply and demand in today's market vs. markets in recent years.
- This is the 89th consecutive month selling prices have risen vs. the same month the prior year (dating back to June 1996).

Condominium Average Selling Price:

- The 4.8 percent gain in the average selling price from November 2002 to November 2003 follows double-digit price appreciation during four of the last six months, and reflects the smallest increase in price since February 2003, when the average selling price climbed just 3.7 percent over February 2002. With demand still high, inventory levels rising and mortgage rates still low, buyers in the condo market should find less dramatic price increases during the year ahead, which should allow for improved affordability and a healthier market overall.
- This is the 59th consecutive month that the average selling price for condos has risen over the same month the prior year in the Bay State (dating back to December 1998).