

MASSACHUSETTS ASSOCIATION OF REALTORS®

Detached Single-family Home Sales

<u>October '02</u>	<u>October '03</u>	<u>% Change</u>
3,989	4,820	+ 20.8%
<u>September '03</u>	<u>October '03</u>	<u>% Change</u>
4,837	4,820	- 0.4%

Condominium Sales

<u>October '02</u>	<u>October '03</u>	<u>% Change</u>
1,197	1,532	+ 28.0%
<u>September '03</u>	<u>October '03</u>	<u>% Change</u>
1,688	1,532	- 9.2%

Detached Single-family Home Average Selling Price

<u>October '02</u>	<u>October '03</u>	<u>% Change</u>
\$339,751	\$364,547	+ 7.3%
<u>September '03</u>	<u>October '03</u>	<u>% Change</u>
\$375,541	\$364,547	- 2.9%

Condominium Average Selling Price

<u>October '02</u>	<u>October '03</u>	<u>% Change</u>
\$236,436	\$261,841	+ 10.7%
<u>September '03</u>	<u>October '03</u>	<u>% Change</u>
\$267,483	\$261,841	- 2.1%

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

Talking Points

Detached Single-family Home Sales:

- The 4,820 detached single-family homes sold in October 2003 are the most ever recorded in the month of October in state history. The previous record for October sales was 4,475 in October 1997. It's the third consecutive month that sales have set a new monthly record in Massachusetts, following record high sales in August and September as well. Additionally, the sales increase between October 2002 and October 2003 marks the fourth consecutive month that home sales have exceeded the sales volume for the same month one year earlier in Massachusetts.
- The sharp increase in sales (+ 20.8%) is the result of modest job growth, rising consumer confidence, and favorable demographic conditions (active immigrant and empty-nester markets). In addition, the October sale data reflects home buying activity in July and August that was spurred on by sudden 1 percent jump in interest rates between June and August which prompted many first-time buyers to move quickly to complete purchases before rates increased further. (The rate for a 3-year fixed mortgage rose from an average of 5.50 percent in June 2003 to an average rate of 6.55 percent in August 2003. Rates have since decreased over the past two months. See below for specific rate information.)
- The number of listings has risen 7.8 percent over the past 12 months, from 26,489 listings in October 2002 to 28,562 in October 2003. The stronger sales pace this year means there's been a decline in months of supply however – 5.9 months of supply statewide this October vs. 6.6 months of supply in October 2002. The improvement in total inventory means more opportunities for buyers and a better balance between supply and demand, which should provide for a healthier market in the long-term with more modest home price appreciation.
- Mortgage rates remain low by historic standards, which, along with improved inventory levels, should keep housing demand and market activity relatively strong during the winter months. In October, mortgage rates were nearly one quarter of a point lower than they were one year ago – with the average 30-year fixed rate mortgage in Massachusetts down from 6.34 percent in October 2002 to 6.12 percent in October 2003.

Condo Sales:

- First-time buyers, as well as empty-nesters looking to downsize, are helping to drive condo sales to record numbers. In fact, the 1,532 condos sold during October 2003 established a new state record for condo sales for the month. The previous October record for condo sales was 1,197, set a year ago in October 2002. October's monthly sales record marks the seventh time this year condo sales have set a new monthly sales record in Massachusetts (January and May-October).
- With the October sales increase, condominium sales in Massachusetts have now climbed for the last six consecutive months when compared to the same month a year earlier. It's also the fourth consecutive month that condo sales have risen at least 25 percent over the comparable month in 2002.
- Like the detached home market, the condo market has experienced a steady rise in inventory over the past year. Listings have increased 15.5 percent statewide in the last 12 months, from 8,635 units in October 2002 to 9,972 this October. Again, as with the detached home market, the record-setting sales pace for condos in October resulted in a modest drop in months of supply. This past October, available listings amounted to 6.5 months of supply compared to 7.2 months of supply in October 2002.

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 sixth time in the last seven months that the statewide average selling price of detached homes has risen between 6-8 percent over the same month one year earlier. The more modest appreciation rate is good for buyers and the market as a whole, suggesting a better balance between supply and demand in today's market vs. markets in recent years.
- This is the 88th consecutive month selling prices have risen vs. the same month the prior year (dating back to June 1996).
- The decrease in the statewide average selling price from September to October does not reflect a decline in home values between the two months, but rather it suggests greater activity at the low-end or entry-level segment of the market in October, driven, most likely, by declining mortgage rates attracting first-time buyers back into the market.

Condominium Average Selling Price:

- The 10.7 percent gain in the average selling price from October 2002 to October 2003 reflects the record demand for condos in the state. It's the sixth month this year that the average selling price for condos has posted double-digit price appreciation from year ago levels.
- This is the 58th 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).