

MASSACHUSETTS ASSOCIATION OF REALTORS®

Detached Single-family Home Sales

<u>September '02</u>	<u>September '03</u>	<u>% Change</u>
3,859	4,837	+ 25.3%

<u>August '03</u>	<u>September '03</u>	<u>% Change</u>
5,663	4,837	- 14.6%

Condominium Sales

<u>September '02</u>	<u>September '03</u>	<u>% Change</u>
1,221	1,688	+ 38.2%

<u>August '03</u>	<u>September '03</u>	<u>% Change</u>
1,868	1,688	- 9.6%

Detached Single-family Home Average Selling Price

<u>September '02</u>	<u>September '03</u>	<u>% Change</u>
\$348,060	\$375,541	+ 7.9%

<u>August '03</u>	<u>September '03</u>	<u>% Change</u>
\$393,768	\$375,541	- 4.6%

Condominium Average Selling Price

<u>September '02</u>	<u>September '03</u>	<u>% Change</u>
\$243,172	\$267,483	+ 10.0%

<u>August '03</u>	<u>September '03</u>	<u>% Change</u>
\$280,601	\$267,483	- 4.7%

NOTE: Figures reflect data from 5 of 5 REALTOR®-affiliated Multiple Listing Services in Massachusetts as of October 21, 2003.

## Talking Points

### Detached Single-family Home Sales:

- The 4,837 detached single-family homes sold in September 2003 are the most ever recorded during the month of September in state history. The previous record for September sales was 4,282 in September 1998.  
Notably, the sales increase between September 2002 and September 2003 marks the third consecutive month that home sales have exceeded the sales volume for the same month one year earlier in Massachusetts. It's also the second consecutive month that sales have set a new monthly record in Massachusetts, as August 2003 also saw record high sales.
- The 25.3 percent increase in sales between September 2002 and September 2003 is the largest annual monthly sales gain in six years, dating back to September 1997 when sales rose 27.4 percent from September 1996. The sharp increase in sales reflects improvement in the general economy and rising consumer confidence, as well as home buying activity spurred on by fluctuating interest rates. Rising mortgage rates early in the third quarter prompted many first-time buyers to move quickly to complete purchases before rates increased further. In addition, strengthening in the financial markets has provided buyers with the additional confidence and financial resources needed to move forward with home purchases.
- Inventory levels continued to rise last month, in spite of strong September sales. The number of listings has risen 12.5 percent over the past 12 months, from 26,753 listings in September 2002 to 30,088 in September 2003. As a result, there was 6.2 months of supply on the market statewide this past September compared to 6.9 months of supply in September 2002. The improvement in inventory levels 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 are essentially unchanged from one year ago – with the average 30-year fixed rate mortgage in Massachusetts up just slightly from 6.31 percent in September 2002 to 6.32 percent in September 2003. The average 30-year fixed rate mortgage rate declined nearly one quarter of a point ( $\frac{1}{4}$ ) point during the final two months of the third quarter, from 6.55 percent in August to 6.32 percent in September 2003 (and stands at 6.24 percent for the week ending October 24) – thus rates appearing to be stabilizing, and this should keep the housing market healthy for much of the fall.

### 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 1,688 condos sold during September 2003 established a new state record for condo sales for the month. The previous September record for condo sales was 1,275, set in September 2000.
- With the September sales increase, condominium sales in Massachusetts have now climbed for five consecutive months when compared to the same month one year earlier. It's also the third consecutive month that condo sales have risen at least 25 percent over the comparable month in 2002, and the 38.2 percent increase from September 2002 to September 2003 is the largest annual monthly sales gain since April 1996, when condo sales rose 75 percent over April 1995 levels.
- Like the detached home market, the condo market has experienced a steady rise in inventory over the past year. Listings have increased 20 percent statewide in the last 12 months, from 8,399 units in September 2002 to 10,076 this September. At the current sales pace, there is 6 months of supply on the market compared to 6.9 months of supply in September 2002.

### Detached Single-Family Home Average Selling Price:

- After experiencing double-digit price appreciation for five consecutive months between November 2002 and March 2003, this is the fifth time in the last six 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 87<sup>th</sup> 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 August to September 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 September, driven, most likely, by declining mortgage rates attracting first-time buyers back into the market.

### Condominium Average Selling Price:

- The 10 percent gain in the average selling price from September 2002 to September 2003 reflects the record demand for condos in the state. It's the fifth month this year that the average selling price for condos has posted double-digit price appreciation from year ago levels.
- This is the 57<sup>th</sup> 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).