

MASSACHUSETTS ASSOCIATION OF REALTORS®

Detached Single-family Home Sales

June '04	June '05	% Change
6,051	6,084	+ 0.5%
May '05	June '05	% Change
4,142	6,084	+ 46.9%

Condominium Sales

June '04	June '05	% Change
2,329	2,775	+ 19.1%
May '05	June '05	% Change
2,141	2,775	+ 29.6%

Detached Single-family Home Median Selling Price

June '04	June '05	% Change
\$356,350	\$373,500	+ 4.8%
May '05	June '05	% Change
\$359,900	\$373,500	+ 3.8%

Condominium Median Selling Price

June '04	June '05	% Change
\$265,000	\$287,000	+ 8.3%
May '05	June '05	% Change
\$279,900	\$287,000	+ 2.5%

NOTE: Figures reflect data from 5 of 5 REALTOR®-affiliated Multiple Listing Services in Massachusetts as of July 15, 2005.

Talking Points

Detached Single-family Home Sales:

- The 6,084 detached single-family homes sold in June 2005 not only represents a new all-time high for sales volume in the month of June, but also establishes a new record for most homes sold in any one month in state history. The previous single-month sales record in Massachusetts was set just a year ago when 6,051 single-family homes sold in June 2004. Notably, the only other month in which home sales activity in the Bay State exceeded 6,000 units sold was June 1999 when 6,026 single-family homes were sold.
- Although modest, the increase of half a percentage point (0.5%) in sales this June over the same month last year follows two months of declining sales in April and May, demonstrating that demand for housing remains strong across the state.
- The rebound in sales this June can be attributed to improving economic conditions and better weather. Specifically, consumers have been buoyed by declining mortgage rates, which fell to their lowest level in four months in June, and a stronger labor market, which added jobs for a tenth consecutive month in June in Massachusetts. As a result, consumer confidence remains high, and mortgage financing terms are more attractive than they were earlier in the year.
Last month's sales gain also may be due in part to this year's delayed spring market. Slowed by a prolonged winter, and cool, damp weather in March and April – not to mention higher mortgage rates which topped 6 percent during March and April – the spring home buying season started much later than normal in 2005. As a result, sales that might typically have occurred in earlier months under more seasonable conditions have closed later this calendar year, as buyers only became motivated when new inventory started to come onto the market in abundance in April.
- Active listings for detached homes increased steadily over the past 12 months, climbing 20.6 percent from 29,712 homes for sale in June 2004 to 35,820 listings this June. Inventory, as expressed in months of supply, also rose from 4.9 months last June to 5.9 months in June 2005. Housing supply fell during the past month however, declining 1.2 percent from May when there were 36,259 listings and 8.8 months of supply. In Massachusetts, the market is considered at equilibrium for buyers and sellers when 7.5-8.5 months of housing supply is available.
- Mortgage rates remain attractive, declining for a third consecutive month in June. The average rate for a 30-year fixed mortgage fell one-tenth of a point from 5.92 percent in May to 5.79 percent in June, its lowest level since February. The rate for 30-year fixed mortgage also is down nearly two-thirds of a point from June 2004, when the rate was 6.44 percent.

Condo Sales:

- The 2,775 condos sold last month sets a new state record for most condominiums sold in a single month in state history. The previous record for one month was set one year ago when 2,329 condos were sold in June 2004. The record demand for condominiums reflects their broad appeal to first-time buyers as an affordable entry-level home, empty-nesters looking to downsize, and aging baby-boomers who are purchasing second homes as vacation and/or investment properties.
- Condominium sales have now improved for each of the past 17 consecutive months vs. the same month one year earlier.
- In the condo market active listings have increased 31.7 percent in the past year, climbing from 11,662 units in June 2004 to 15,362 this June. Inventory, as stated in months of supply, also has risen modestly in the past year, increasing to 5.5 months of supply in June 2005 from 5.0 months of supply last June. Additionally, compared to a month earlier, condo listings have inched up 0.5 percent from May when there were 15,287 condo units on the market or 7.1 months of supply.

Detached Single-Family Home Selling Prices:

- The statewide median selling prices for detached single-family homes rose 4.8 percent over the past 12 months to a new record high of \$373,500 in June 2005. The previous monthly high selling price was \$360,000 set in June 2004.
- This is the 108th consecutive month selling prices have risen vs. the same month the prior year (dating back to June 1996).
- While selling prices are at record levels, the rate of price appreciation has started to moderate. From April 2004–March 2005, double-digit appreciation occurred in 11 of the 12 months during that period. Since then, the detached single-family home market has experienced three consecutive months of more modest single digit price appreciation on an annual basis. The last time this market saw three consecutive months of single-digit appreciation was December 2003-February 2004.
Today's more modest price appreciation is good news for home buyers as it reflects a more plentiful supply of homes for sale. As inventory levels rise, sellers must be careful to price their home competitively as overprice property will not sell.

Condominium Selling Prices:

- The statewide median selling price for condos rose a healthy 8.3 percent over the past 12 months to a new record high of \$287,000 in June. The previous record for monthly high selling price was set just last month (May 2005) at \$279,900.
Similar to the detached home market, the condo market has seen annual price appreciation of less than 10 percent in each of the past two months, after witnessing 12 consecutive months of double-digit price gains from May 2004-April 2005.
- This is the 77th consecutive month selling prices have risen vs. the same month the prior year (dating back to Dec. 1998)