



Press Releases

January Median Prices for Homes Put Under Agreement in Massachusetts Over \$400K

by | Feb 13, 2020
by *Eric Berman*

WALTHAM, Mass. – February 13, 2020 – The Massachusetts Association of Realtors® (MAR) reported today that the median price for single-family homes put under agreement saw almost a seven percent increase to \$406,000 while condominiums saw a ten percent increase to \$404,500 compared to January of 2019. The number of single-family homes and condominiums put under agreement in the month of January rose over 10 percent compared to the same time last year. This marks 12 straight months of year-over-year increases.

January's 'Hot Topic' question asked Realtors® to describe their clients' current attitudes towards the home buying and selling process as housing inventory continues to plunge.

January 2020 Pending Sales:

Single-Family	January 2020	January 2019	% Change
Pending Sales	3,628	3,293	+10.2%
Median Price	\$406,000	\$379,900	+6.9%

- Pending sales have been up for the past 12 months.

Condominium	January 2020	January 2019	% Change
Pending Sales	1,580	1,435	+10.1%
Median Price	\$404,500	\$366,250	+10.4%

- Pending sales have been up for the past 12 months.

"The spring market started on January first as buyers made accepted offers that kept prices above \$400,000," said 2020 MAR President Kurt Thompson, broker at Keller Williams Realty North Central in Leominster. "While football-free weekends and mild temperatures in January helped, it's truly the demand to live in Massachusetts that has kept prices going up."

January 2020 Realtor® Market and Price Confidence Indexes:

Confidence Index	January 2020	January 2019	% Change
Market	65.11	52.11	+24.96%
Price	71.08	60.84	+10.57%

- Measured on a 100-point scale, a score of 50 is the midpoint between a "strong" (100 points) and a "weak" (0 points) market condition.

"Realtor® confidence continued on an upswing in January as demand remained high and interest rates continued to drop," said Thompson.

Monthly 'Hot Topic' Question:

The January 'Hot Topic' question asked Realtors® to describe their clients' current attitudes towards the home buying and selling process as housing inventory continues to plunge.

For buyers, almost six percent said their clients were not frustrated by the shortage of inventory at this point. Over 95 percent of respondents reported that their buyer clients were either somewhat frustrated but still hopeful and aggressively in the market (57%), increasingly frustrated and complaining or weighing other options, (24%), or very frustrated and taking a break from house-hunting right now (12%). Only one percent of respondents reported that their buyers were seeing no shortage of inventory in their local markets.

For sellers, 17 percent of respondents said that their clients are not worried about finding a home when it's time to buy. Almost 73 percent of respondents reported that their clients are either somewhat concerned (38%), very concerned (29%), or concerned to the point where they have decided to take their home off the market because they feel like they won't be able to find a home when it's time to buy (5%).

"There is always going to be segments of buyers and sellers that are somewhat immune to market conditions due to either their financial health or family situation," said Thompson. "But for the rest of buyer and seller clients out there, the lack of inventory is a frustrating situation."

About the Data Sets:

The tracking of signed purchase and sales agreements (also called "pending sales") provide reliable information about where the real estate market is heading in coming months.

A pending sale or a sale "under agreement" happens when the buyer and seller agree on the terms of the sale of a home and have a signed purchase and sale agreement but have yet to close and be recorded as such. MAR is the only organization, which compiles this statewide information from Multiple Listing Services each month.

Monthly pending (or under agreement) data and closed sales data comes from the three Realtor®-affiliated Multiple Listing Services in Massachusetts. They are the Berkshire County Multiple Listing Service, Cape Cod & Islands Association of Realtors® Multiple Listing Service, Inc.; and MLS Property Information Network, Inc. The data is compiled by 10K Research and Marketing, Inc. and updated each month. As a result, previous data may change after the reports have been run.

The Realtor® Index Methodology:

The Massachusetts Realtor® Market Confidence Index (RMCI) and Price Confidence Index (RPCI) are based on monthly responses from a random sampling of Massachusetts Association of Realtors® members on the state of the housing market. More specifically, the survey asks members two basic questions pertaining to the real estate business in their market area in Massachusetts.

- How would you describe the current housing market?
- What are your expectations of home prices over the next year?

In addition to these standard questions, the survey each month includes one wildcard question that changes each month and is based on an industry hot topic*. (*because of an error in the question design, no hot topic question will be released with the January Future Indicators Release)

The RMCI is calculated in the following way. Respondents indicate whether conditions are, or are expected to be "strong" (100 points), "moderate" (50 points), and "weak" (0 points). The results are the average score for each question. A score of 50 is the threshold between a "strong" and a "weak" condition. Similarly, the question about home prices over the next year (Realtor® Price Confidence Index) is calculated using five categories: "Rise 0-5%" (75 points), "Rise 5%+" (100 points), "Level" (50 points), "Fall 0-5%" (25 points), and "Fall >5%" (0 points).

About the Massachusetts Association of Realtors®:

Organized in 1924, the Massachusetts Association of Realtors® is a professional trade organization with more than 25,000+ members. The term Realtor® is registered as the exclusive designation of members of the National Association of Realtors® who subscribe to a strict code of ethics and enjoy continuing education programs.

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Editors and reporters: Please note that the term Realtor is properly spelled with an initial capital "R", per the Associated Press Stylebook.