



Press Releases

Mass. Homes Put Under Agreement Up in December and All of 2019

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by *Eric Berman*

WALTHAM, Mass. – January 8, 2020 – The Massachusetts Association of Realtors® (MAR) reported today that the number of single-family homes put under agreement in the month of December rose almost five percent over the last year, marking 12 months of year-over-year increases. Condominiums put under agreement also rose 15.5 percent from last December. The median price for pending single-family homes saw almost an 11 percent increase to \$415,000 while condominiums saw a seven percent increase to \$385,000 compared to December 2018.

Year-end data shows there was an increase in average median prices for both single-family homes and condominiums in 2019 compared to last year. This year also saw an increase in total pending sales for single-family homes and condominiums.

December's 'Hot Topic' question asked Realtors® to choose the most notable real estate stories of 2019. Record-low inventory of homes for sale, low interest rates, and all-time high median prices were the top three.

December Pending Sales:

Single Family	December 2019	December 2018	% Change
Sales	2,910	2,774	+4.9%
Median Price	\$415,000	\$375,000	+10.7%

◦ Pending sales have been up for the past 12 months

Condominium	December 2019	December 2018	% Change
Sales	1,132	980	+15.5%
Median Price	\$385,000	\$358,635	+7.4%

◦ Pending sales have been up for the past 12 months

Year-End Pending Sales*:

Single Family	2019	2018	% Change
Sales	62,722	62,209	+0.8%
Avg. Median Price	\$408,421	\$392,083	+4.2%

Condominium	2019	2018	% Change
Sales	23,979	23,265	+3.1%
Avg. Median Price	\$384,906	\$371,513	+3.6%

*Year-end pending sales data derived from monthly published pending sales reports.

"Buyers have been working really hard to make their best offers on the limited supply of homes we have for sale in Massachusetts," said 2020 MAR President Kurt Thompson, broker at Keller Williams Realty North Central in Leominster. "Whether it was December or all of 2019, the competition has been steady and that has pushed prices up and up."

December Realtor® Market and Price Confidence Indexes:

Confidence Index	December 2019	December 2018	% Change
Market	58.23	57.40	+1.44%
Price	64.29	56.30	+14.18%

- 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

Year-End Realtor® Market and Price Confidence Indexes:

Confidence Index	2019	2018	% Change
Market	67.83	71.42	-5.03%
Price	63.50	66.39	-4.35%

"The second half of the year has seen both indexes trending in a positive direction, but those increases haven't been quite enough to push the average up for the year. Hopefully, the numbers continue to trend in a positive direction in 2020," said Thompson.

Monthly 'Hot Topic' Question:

The December 'Hot Topic' question asked Realtors® what they saw as the real estate story of the year. Respondents had the option to choose more than one story.

The top choice among respondents for real estate story of the year, at 57 percent, was record-low inventory of homes for sale. Almost 32 percent of respondents said that their story of the year was low interest rates, and 18 percent said that it was all-time high median prices.

Of those who responded, two percent reported that the story of the year was home share apps, (Airbnb, HomeAway, VRBO, etc.) three percent reported that it was Internet connected homes, (Amazon Echo, Google Home, etc.) and seven percent reported that it was iBuyers.

"Having houses to sell is the bread and butter of the industry, so it wasn't too much of a surprise to see 'historically low inventory' as the top choice," said Thompson. "However, I find it interesting to see what didn't make it to the top in 2019 and whether we'll be talking about those at the end of 2020 or if they will fall off the list altogether."

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.

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*.