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SHORT SUPPLY COOLS FEBRUARY HOUSING MARKET IN GREATER BOSTON

Boston, MA, -- Amid a short supply of inventory, rising mortgage rates and higher prices in the condominium market, sales of single-family homes and condos softened in February in Greater Boston, according to data issued today from the Greater Boston Association of REALTORS® (GBAR).

Sales of single-family detached homes saw a year-over-year decline of 14.4 percent in February as 504 homes were sold compared to the 589 homes sold in February 2016. This year's sales total the tenth highest figure on record, with the month's record high of 665 homes sold coming in 2007. The condo market experienced a more modest decline in sales, falling 3.8 percent from 473 in February 2016 to 455 last month. Last month's condo sales total is the ninth highest on record, with the record-high of 642 also coming in 2007. In addition, both markets fell short of their historical monthly sales averages of 535 (single family) and 467 (condos).

“Sales could have been much stronger had the inventory been up. Unfortunately, we've noticed that potential sellers have become more reluctant to list their homes because they are apprehensive that they may not be able to find another home themselves,” said GBAR President Melody Skye Roloff, an agent with Exit Realty Beatrice Associates in Middleton. “Our local housing market is seasonal though, and it is our expectation that as we get into the spring market, more homes will be available and our market will hit its stride again.”

The median sales price of single-family homes dropped slightly to \$505,000 last month, down from the record-high February price of \$517,500 from last year. Despite this 2.4 percent drop in median sales price, last month was the second highest median sales price on record for February. Meanwhile, the condo market experienced an increase in median sales price, from \$449,000 in February 2016 to \$515,000 last month. This is a 14.7 percent increase and is a record-high median sales price for the month of February.

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With prices at or near record levels, and mortgage rates ticking up, we saw an increase in the volume of entry and mid-level homes sold last month which led to the lower median sales price,” added Roloff. “Also with the median price of a condo nearly equal to that for detached homes, first time buyers are turning their focus to the single-family home market, making for strong activity in the starter home sector. For those looking to trade up, it’s a great time to put a home on the market.”

Indeed, active listings, or, the number of properties available at the end of the month, dropped significantly in both markets. The single-family home market had 1,891 active listings at the end of February 2017, which was a 35.2 percent drop from the 2,918 last February. Similarly, the condo market active listings fell 27.6 percent from 1,756 in February 2016 to 1,273 last month.