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# LOW INVENTORY, MILD WINTER FUELED BUYER DEMAND AND RISING HOME VALUES IN MARCH

**Boston, MA**, -- A limited supply of residential properties for sale, along with a steady stream of buyers enticed into the market by mild winter weather and a strong local economy led to healthy price gains in the single-family home and condo markets across Greater Boston in March, according to data issued today by the Greater Boston Association of REALTORS® (GBAR).  Sales of condominiums rose steadily despite sharply declining inventory, but the lack of listings slowed sales of single-family homes which tend to have higher median selling prices, the GBAR report found.

Specifically, the condo market experienced an annual increase of 7.9 percent in closed sales, climbing from 706 units sold in March 2019 to 762 this March. Last month’s condo sales total is the seventh highest sales total on record for the month of March, and also reflects a healthy 27 percent increase from the 600 units sold in February. Meanwhile, in the single-family home sector, sales decreased 6.8 percent on a year-over-year basis, declining from 800 homes sold in March a year ago to 746 in March 2020. This year’s sales total is the twelfth highest on record for the month of March in metro Boston, and up 36 percent from the prior month when 548 homes sold in February 2020.

 “The spring market was looking pretty promising until the virus hit about a month ago and access to properties started to have an impact on showings and sales,” said GBAR President Jason Gell, an agent with Keller Williams Realty Chestnut Hill in Newton. “We certainly could have benefited from a larger inventory of homes to sell, but activity was brisk for much of March with large crowds of buyers at open houses and listing time shrinking,” he added, noting that low mortgage rates, a lack of snow, and the healthy local economy were all pulling buyers into the market.

The high volume of buyer traffic combined with diminished inventory helped boost the median sales price of single-family homes for a fifth consecutive month, while the condominium median selling price rose for the fifth time in the last six months in March. For single-family homes the monthly median selling price increased 6.8 percent over the past 12 months, from a median price of $599,400 last March to a new record-high for the month of $640,000 in March 2020. Additionally, in the condo market, the median sales price rose 12.7 percent on an annual basis, climbing from $550,000 in March 2019 to $619,950, a new monthly record high price for March which also ties the all-time monthly record high median sales price previously reached in June 2019.

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“The fundamentals of the housing market remain strong, and that’s evident in the willingness of so many to pay top dollar to own a piece of the American Dream,” stated Gell. “The challenge going forward remains the severe listing shortage we face, which coupled with steady buyer demand continues to put upward pressure on prices. To keep prices from rising further we must produce more housing to increase the supply. So, we urge local and state lawmakers to amend zoning laws, pass the Housing Choices bill, and create incentives to build more homes” he remarked.

Notably, during the most recent month, active listings fell again in both markets. Single-family home listings declined 25.7 percent from the same month last year, from 2,329 homes for sale in March 2019 to 1,730 homes on the market as of the last day in March this year. In addition, on a monthly basis, listings were essentially flat, increasing just 1.2 percent from 1,709 homes for sales in February. Similarly, in the condo market, the number of units listed for sale fell 22.8 percent over the past 12 months, decreasing from 2,030 units on market last March to 1,567 in March 2020, and from one month earlier listing inventory declined 7.3 percent, from 1,691 condos for sale in February.

Obviously a lot has changed in recent weeks, but little in the way of improving the supply-and-demand dynamic.

“Certainly, the health and safety of all residents has to be the priority right now, but understandably that’s taken most of the air out of the market. From stay-at-home orders, to restrictions on business and access to housing, and all of the economic uncertainties associated with the pandemic, it’s no surprise the market has slowed considerably,” Gell observed.

 The extent of the slowdown won’t become clear until business and day-to-day life returns to normal. Until then, a glimpse into the future activity can be found in the pending sales data in the GBAR report which shows the number of single-family homes placed under agreement rose 4.8 percent, from 1,148 in March 2019 to 1,203 this March. However, in the condo market, pending sales declined 7.3 percent, dropping from 1,027 condos put under agreement last March to 952 in March 2020.

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