

## **In the Detached Single-Family Home Market:**

- Sales of detached single-family homes declined for a sixth consecutive month in June, declining almost 14 percent from the same month a year ago. In the second quarter, sales of detached single-family homes decreased 15 percent from the comparable April – June period in 2010, while sales volume is down a slightly more modest 12 percent over the first six months of 2011 compared to the same period one year ago.

Sales of detached single-family homes have now declined for 11 of the past 12 months on an annual basis, dating back to June 2010 which coincides with the closing date (June 30) originally noticed to be eligible for the expanded federal home buyer tax credit. While buyer interest has been on the upswing in recent months, today's more stringent financing requirements, an inventory of pre-dominantly older homes and houses that have sat on the market, plus flat or declining prices has left many buyers frustrated and/or lacking the confidence to buy now.

The 1,208 detached single-family homes sold in June 2011 is the fifth lowest sales volume for the month of June since 1995, however it exceeds the sales pace of homes sold in 2008 (1,173 homes sold) and 2009 (1,122 homes sold).

- On a month-to-month basis, sales of single-family homes rose for a fourth consecutive month in June, climbing 48.8 percent from May. An increase in month-to-month sales during the spring and summer quarters is typical given the seasonal nature of the local housing market.

- The median selling price for detached single-family homes remained stable over the past 12 months at \$510,000 in June. Notably, with buyer demand easing and the inventory of homes for sale up 5 percent over the past year, there is not a lot of upward pressure on prices at the moment, even with just 4.2 months of supply on the market.

The median selling price did show growth on month-to-month basis in June however. In fact, the monthly median price for single-family homes sold rose nearly 10 percent in June from one month earlier to its highest level since July 2010, when the median price was \$513,750. This marks the fifth time in the past six months that the median price has improved from the previous month, which offers evidence of improving consumer confidence in the local housing market, as well as increased activity in the trade-up market since the beginning of the year.

The June median selling price of \$510,000 is 45.7 percent higher than the March 2009 median price of \$350,000, which marked the nadir in the monthly median price during the recent market correction, and is just 5.4 percent below the all-time high monthly median price of \$539,000 set in August 2005.

- The average listing time for homes sold in June rose by nearly two weeks (12 days) over the past year to 91 days this June, but is also down steadily from one month earlier when homes sold in May were on the market for an average of 104 days. Furthermore, the average days on market for homes sold in June is the lowest in 11 months, dating back to August 2010 when the average list time to sell was also 91 days.

- On an annual basis, pending home sales rose for a second consecutive month in June, jumping 19 percent over the same month last year. It's the largest annual increase in monthly pending home sales since April 2010, when pending sales rose 29 percent. Pending sales also rose on a month-to-month basis for a fifth consecutive month in June, climbing inching up 1 percent from May. These are encouraging numbers that suggest today's more modest home prices, improved job market, and financial gains on Wall Street are starting to entice buyers off the fence, especially those in higher-income households and trade-up buyers or those looking to downsize who have equity in an existing home.

- After declining each of the first four months of this year, the inventory of single-family homes for sale improved for a second consecutive month in June, climbing 5 ½ percent over the comparable month a year ago. The steady increase in the supply of homes for sale is welcome since it means more housing choices for buyers, and offers evidence that sellers are becoming more confident in their ability to sell their home at the desired price and within a desired time frame. Despite the rise in the number of homes listed for sale, inventory remains below the level at which the market would be considered in equilibrium. In fact, at the current sales pace, it will take just 4.2 months to sell off the existing supply of homes for sale. In a balanced market, there is typically 7.5 – 8.5 months of supply, thus the current scenario indicates that supply levels are inadequate to meet existing demand, which is favorable to home sellers.

## **In the Condominium Market:**

- Sales of condominiums declined on an annual basis for a sixth consecutive month in June, decreasing by 15.7 percent over the past 12 months. This marks the eleventh time in the past 12 months the volume of condo sales has fallen from the comparable month one year earlier. In spite of this downturn in activity, on a historical basis the 1,033 condos sold this June ranks as the seventh best sales total on ever recorded for the month of June in Greater Boston.

During the three months from April – June, condo sales fell nearly 18 percent from the second quarter of 2010, and are down by 17 ½ percent for the first two quarters of 2011 compared to the first six months of last year.

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- On a month-to-month basis, condominium sales increased steadily for a fourth consecutive month in June, rising 38 percent from one month earlier. As previously noted, an increase in month-to-month sales from March through mid-to-late summer is quite common given the cyclical nature of the housing market in New England.

- The median selling price for condominiums rose on an annual basis by 5 percent in June to \$376,250. The monthly median price is now at its highest price point in eight months dating back to November 2010 when it stood at \$378,200. Furthermore, the median selling price has risen for 12 of the past 14 months on an annual basis, which offers clear evidence that condominium values have stabilized in most communities and price ranges over the past year.

- The median selling price for condominiums also increased on a month-to-month basis in June, climbing for a third consecutive month as it rose 3 percent from May's median price of \$365,000.

The June median selling price is down just 0.5 percent from the record monthly median selling price of \$378,200 which occurred in November 2010, and is up 39.4 percent from January 2009 when the monthly median price fell to a low of \$270,000 during the recent market correction.

- The average time it took for condominiums to sell rose by just over one week (8 days) over the past year to an average of 96 days, but that's still four days fewer than the average market time for condos sold in May. As a result, this June saw the least number of days, on average, for condos to sell in Greater Boston in 11 months, dating back to July 2010 when it also took an average of 94 days for condo units to sell.

- After declining for 12 consecutive months between May 2010 – April 2011, pending sales of condominiums improved on an annual basis for a second consecutive month in June, increasing a healthy 9 percent over last June 2010. The number of pending sales slipped by a similar percentage from the previous month however, when there were 100 more pending sales recorded in May of this year (1,091 in May 2011 vs. 991 in June 2011).

- The number of condos listed for sale declined for a seventh consecutive month, declining by 10 percent in June from the comparable month one year ago. At the current sales pace there is 4.4 months of supply on the market in Greater Boston – a figure nearly identical to the supply available in the detached home market. Given historic market trends, there is an insufficient inventory of condo units for sale to meet current buyer demand, and as economic conditions improve and consumer confidence rises that could result in continued upward pressure on prices.