

In the detached single-family home market:

- Sales of single-family homes increased for a ninth consecutive month in May on a year-to-year basis, rising 48 percent over last May's sales total. This is the seventh consecutive month of double-digit sales growth, and mirrors similarly strong increases of 45 and 46 percent in April and March sales respectively. The last time home sales rose for nine consecutive months on an annual basis was over a decade ago when sales improved from August 1997– April 1998.

- On a historical basis, last month's single-family sales volume of 930 homes sold is the best May sales total in three years and ranks as the 11th best sales total on record for the month of May in Greater Boston.

- On a month-to-month basis, single-family home sales increased for a third consecutive month climbing 16.4 percent in May, following four months of declining sales volume. An increase in month-to-month sales from March through mid-to-late summer is common in the local market given the cyclical nature of home sales in New England.

- After 10 consecutive months of increases, pending home sales slipped 4.8 percent in May over the comparable month last year, falling for the first time since June 2009 on an annual basis. Pending home sales also declined by 12 percent from April. The drop-off in pending sales was anticipated and coincides with the expiration of the home buyer tax credit.

- The median selling price for detached single-family homes rose 7.4 percent in May from the same month last year to \$435,000. Dating back to last September, the median selling price for detached single-family homes has risen in seven of the past nine months on an annual basis – the exceptions being February when the median price was flat and October when the median price slipped 1.1 percent from October 2008. The continuation of this positive trend is an indication that trade-up buyers are returning to the market in increasing numbers this spring, and that prices in most communities are either at or near bottom and are likely to continue to strengthen throughout the spring and summer.

- On a month-to-month basis, the median selling price slid a modest 1.2 percent in May from the preceding month, and has declined in four of the first five months of 2010. This is reflective of strong market activity among entry-level buyers this spring, as well as a willingness among sellers to negotiate, especially those motivated looking to move up in the current market or those who have been looking to sell for an extended period of time.

The monthly median selling price for detached single-family homes in Greater Boston is down 19.3 percent from its peak of \$539,000 recorded in August 2005.

This correction in home prices over the past over the past four years, combined with near record low mortgage rates, has resulted in a sharp improvement in housing affordability levels in eastern Massachusetts. For those who can afford to do so, now a good time to buy, especially since average rents are on the rise in greater Boston – having climbed 11 percent over the past four years to \$1,629 a month according to data from the Greater Boston Housing Report Card.

- After rising the past two months, the number of listings of homes for sale dipped 0.7 percent in May. It was hoped that inventory levels would continue to climb through the spring, it is worth noting that the number of homes for sale on the market typically does decline following the traditional spring market. That said, it is unclear if this small decrease in the number of homes for sale is evidence of sellers having lost some confidence in the market, or if it is a one month aberration following the modest gains in supply levels in March and April

At the current sales pace, inventory stands at 5 months of supply compared to 7.5 months of supply just one year ago. A balanced market is when there are 7.5 – 8.5 months of supply, so in today's market demand is still outpacing supply to a large degree which makes it a good time for prospective sellers to consider putting their home on the market.

In the condominium market:

- As in the single-family market, condo sales rose on an annual basis for a ninth straight month in May, and have improved for 10 of the last 11 months dating back to July 2009. There have been double-digit sales gains in eight of the past nine months. The last time sales rose for nine consecutive months was from August 1997 – April 1998.

- On a historical basis, last month's sales volume of 908 condos sold is sixth highest sales total for the month of May on record, topped only by May 2004-2008, however the 908 condos sold in this past May is the second lowest May sales total in the past five years.

- On a month-to-month basis, condominium sales rose for a third consecutive month in May, climbing roughly 14 1/2 percent over the April sales level.

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- Similar to the experience in the single-family home market, pending sales of condominiums declined for the first time in 11 months during May, sliding 11.4 percent from the same month one year ago. This follows double-digit gains in pending sales activity over each of the previous seven months. Pending sales also fell on a month-to-month basis, decreasing almost 19 percent from April, which suggests that demand among first-time home buyers softened last month following the expiration of the home buyer tax credit on April 30, 2010.

- The median selling price for a condominium unexpectedly decreased 4.3 percent to \$328,000 in May. This follows five consecutive months of gains in the monthly median price on an annual basis. While it is possible that prices could soften a bit with fewer buyers in the market following expiration of the tax credit, the decline in the median selling price last month has more to do with the fact that there was a significant increase in the number of condos priced under \$500,000 that sold in May 2010 compared to the same month last year (720 this May vs. 575 in May 2009).

- On a month-to-month basis, the median selling price rose modestly for a second consecutive month in May, improving 2.1 percent from April. The condo median selling price remains down 11.8 percent from its peak of \$372,000 in July 2007.

- The number of active listings declined on an annual basis for the first time in four months in May, to just shy of 5,000 units for sale. While the number of unsold condos is also down modestly from April, inventory levels are much healthier than they were at the beginning of the year when there were roughly 3,500 units on the market in January, which represents more opportunities for prospective buyers to get into the market. That said, at the current sales pace, demand continued to outpace supply at the end of May with just 5.5 months of inventory on the market. As a result, this will help to keep upward pressure on prices.