

SALES OF HOMES, CONDOS SLUGGISH WHILE PRICES EASE ACROSS GREATER BOSTON IN APRIL

Boston, MA. — The spring housing market got off to a cooler than normal start in Greater Boston last month as a diminished supply of properties for sale and rising mortgage rates throughout February and early March frustrated buyers, leading some to delay or pause their home search, while also prompting many would-be sellers to remain on the sidelines. As a result, total sales of single-family homes and condominiums in April slowed to their lowest level since 2009, and selling prices softened further on the weaker activity, data from the Greater Boston Association of REALTORS® (GBAR) show.

In the single-family home market, sales declined on an annual basis by 25.9 percent from 900 sales last April to 667 in April 2023, but did improve modestly on a month-to-month basis, increasing 5.9 percent from 630 homes sold in March. Meanwhile condominium sales decreased 33 percent over the past year, falling from 1,041 units sold in April 2022 to 697 this April, and sales slid 1.8 percent from the previous month when 710 condos were sold in March. Last month was the slowest April for single-family home sales since April 2009 when 660 homes were sold, while condominium sales dropped to their lowest level for the month of April in eight years, dating back to April 2015 when 690 units were sold.

“The market has been rather uneven so far this spring, with buyer activity rising and falling from week-to-week based on the timing of new listings coming to market, fluctuations in mortgage rates, and even the weather,” said GBAR President Alison Socha, an agent with Leading Edge Real Estate in Melrose. “The biggest challenges remain the lack of inventory and the reluctance of homeowners to sell and give up their low interest mortgage. However, after the frenzy of the last few springs, today’s slower sales pace provides the feel of a more normal market, and that’s enabled buyers the time to proceed more cautiously, while causing sellers to consider certain concessions during this period,” she added.

As a result of today’s more relaxed sales pace and higher mortgage rates limiting how much house buyers can afford, selling prices have eased over the past year. The median selling price for single-family homes fell 3 percent from \$845,000 last April to \$820,000 in April 2023, and declined 0.7 percent for condominiums from \$715,000 in April 2022 to \$710,000 this April. Further, on a month-to-month basis, the single-family home median sales price slid 0.6 percent from \$825,000 in March and is off 8.8 percent from a peak of \$899,950 in June 2022. Among condos, the median sales price rose 4.4 percent from \$680,000 in March, but it remains 1 percent below the record high median of \$717,000 set in April 2022.

-more-

“With listings at a premium, we’re seeing healthy competition at most price points, however as both the buyer pool and purchasing power have decreased over past year, so too has much of the upward pressure on prices,” Socha stated.

“Buyers still outnumber listings in many communities so multiple offers remain quite common, but bidding wars are much more rare. Sellers also have become increasingly more conservative on price when listing their home for sale. As a result, we’re not seeing a rapid run up in prices at the moment, though they remain not far from their peak,” she observed.

The primary factor helping to keep home prices high this spring is the limited supply of homes and condos available for purchase. Entering May, the residential market in Greater Boston featured just a 2-2 ½ month supply of properties for sale, which mirrors year ago levels, but not nearly enough to satisfy current buyer demand. On a year-over-year basis, active listings of single-family homes have declined 4.4 percent from 1,333 homes for sale in April 2022 to 1,275 last month, while condominium listings are down 1.7 percent over the same period, from 1,786 units for sale last April to 1,755 in April 2023. Additionally, the number of new listings placed on the market in April has decreased from year ago levels, with nearly one-third fewer new listings for single-family homes put up for sale in April 2023 compared to last April (1,189 vs. 1,730), and one-quarter fewer condo listings put on the market this April vs. April 2022 (1,238 vs. 1,648).

“For those thinking about selling, market conditions are favorable for doing so this spring,” Socha asserted. “Many buyers who left the market last fall when mortgage rates hit 7 percent have returned, and with inventory still in short supply and equity values close to their record level of last spring, it’s an opportune time to be listing a home for sale,” she added.

Indeed, to that end the GBAR report shows that after declining for much of the fall and winter, the percentage of sold to list price ratio improved for a second consecutive month in April, with the typical single-family home selling for 103.2 percent of its original asking price last month, which is up from 100.3 percent for homes sold in March, and the typical condominium selling for 99.9 percent of its original list price in April compared to 98.9 percent for condos sold in the previous month.

Meanwhile, the amount of time on the market before an offer is accepted has decreased steadily since the end of last year, with single-family homes listed for sale for a median of 15 days in April, compared to 34 days in December, and condos available on the market for a median of 17 days last month versus 41 days during December 2022.