

**AS BUYERS AND SELLERS SIT, GREATER BOSTON HOUSING PRICES SOFTEN IN NOVEMBER**

**Boston, MA.** — Sales of single-family homes and condominiums declined across Greater Boston in November, slipping to their lowest level for the month in at least 12 years, as mortgage rates rose steadily this fall to their highest level since 2000 and listing inventory remained in short supply. The weaker sales activity also has led to some moderation in selling prices, with annual price appreciation slowing last month to just 2-5 percent, its lowest in 5-6 months, while median sales prices have declined on a month-to-month basis for four consecutive months in the single-family home market and three of the past five months for condos, a report issued today by the Greater Boston Association of Realtors® (GBAR) shows.

Among single-family homes, sales fell 13.1 percent from one year ago, decreasing from 902 homes sold in November 2022 to 784 last month, and condominium sales declined 12.7 percent during the same period from 722 condos sold last November to 630 in November 2023. It was the slowest November for single-family home sales since November 2010 when 734 homes were sold and the least active November for condo sales since 600 units sold in 2011. Last month also marks 18 straight months in which single-family home sales have declined on an annual basis and the 24<sup>th</sup> consecutive month condominium sales have decreased from the same month the prior year. On a month-to-month basis, home sales decreased 3.6 percent from 787 homes sold in October and condo sales slid 2.3 percent from 689 units sold in October.

“With mortgage rates reaching their highest level in more than 20 years, the inventory of homes and condos for sale still tight, and inflation and instability in the financial markets diminishing savings rates and creating uncertainty about the economy, many prospective buyers and sellers have either lacked the confidence or buying power to enter the housing market this fall,” said GBAR President Alison Socha, an agent with Leading Edge Real Estate in Melrose. “Today’s slower sales pace doesn’t reflect actual demand however, as the number of millennials and Gen Xers in their prime homebuying years is substantial, as is the segment of baby-boomers looking to right-size. Pent-up demand has been growing steadily for two years now and that has our market well positioned for a rebound once the Fed starts to ease up on interest rates,” she said.

Despite the recent run up in mortgage rates and concerns over the economy, the number of properties listed for sale is still inadequate to meet buyer demand and that’s enabled home values to remain strong. In fact, median selling prices for both single-family homes and condominiums rose to new record highs for the month of November, the GBAR report shows.

**-more-**

In the single-family home market, the median sales price increased 5.3 percent over the past 12 months from \$759,500 in November 2022 to \$800,000 last month, while the median sales price for condominiums rose a more modest 2 percent from the from the same month one year ago, climbing from \$666,000 last November to \$679,000 in November 2023.

“Even though sales have been fewer and farther between this year, it’s still a competitive market that’s allowed many to maximize the equity in their homes, as selling prices have remained strong and even appreciated modestly over year ago levels,” Socha stated. “The buyer pool may be smaller at this time of year, but the reality is we still don’t have nearly enough listings to meet the demand, and that imbalance continues to put upward pressure on home prices,” she added.

As of the end of November, listing inventory sat at just 1 ½ - 2 ½ months of supply, reflecting a small drop one month earlier. Active listings of single-family homes declined nearly 14 percent over the past year, from 1,354 homes for sale in November 2022 to 1,166 last month, but new listings for sale rose 1.6 percent over the same time from 742 last November to 754 in November 2023. In the condo market, active listings dropped 9.5 percent, from 1,782 units for sale last November to 1,604 last month.

With listings limited, the market still favors sellers, with many closing at or near their initial asking price in November. Last month, the typical single-family home sold for 100.4 percent of its original asking price while condos sold for 99.4 percent of the list price, which is an increase from November 2022 when the ratios were 98.9 percent and 97.6 respectively.

Nonetheless, the GBAR president cautioned homeowners not to get too aggressive in their pricing this winter. “With many buyers sitting on the sidelines until inventory or affordability improve, pricing is going to be more critical than ever for those looking to sell in the coming months,” Socha observed. “In recent months we’ve seen more price adjustments and homes sitting longer, so especially in today’s high interest rate environment sellers need to price their property fairly to others on the market or they run the risk of making it harder to sell by limiting the number buyers for their home,” she explained.

Notably, not only has the rate of annual price appreciation cooled in the last few months, but median selling prices also have fallen from their peak earlier this summer. Specifically, on a month-to-month basis, the single-family home median selling price has declined for four consecutive months, most recently sliding 3.6 percent in November from a median of \$829,900 in October. Furthermore, the single-family median sales price is down 12 percent from its record high median price of \$910,000 set this past July. Meanwhile, in the condo market the median sales price decreased 2.3 percent last month from a median of \$695,000 in October, but is off 8.8 percent from its peak of \$745,000 observed in June 2023.

“The fact that prices have relaxed some and buyers have more room for negotiation is good for the long-term health of the market. Once mortgage rates start to slide and listings pick up, sales are likely poised to improve as well,” Socha asserted.