

**INVENTORY CLIMBS, BUT HOME SALES REMAIN SOFT IN SEPTEMBER IN GREATER BOSTON**

**Boston, MA.** — Home buying activity declined further across Greater Boston in September as steadily rising mortgage rates, increased consumer anxiety over the U.S. economy and financial markets, and general buyer fatigue led to weaker demand in the residential housing market. In addition, median selling prices for single-family homes and condominiums continued to experience healthy annual appreciation, but did decline on a monthly basis as an influx of new listings after Labor Day boosted inventory levels, according to data issued today by the Greater Boston Association of Realtors® (GBAR). Among single-family homes, sales declined on a year-over-year basis by 32.3 percent from 1,110 sales in September 2022 to 752 last month, while condominium sales slid 8.4 percent in the last 12 months from 749 condos sold last September to 686 in September 2023. This was the slowest September for single-family home sales since September 1995 when 577 homes were sold and the weakest for condo sales since September 2002 when 721 units were sold. Last month also marks 16 straight months in which single-family home sales have declined on an annual basis and the 22<sup>nd</sup> consecutive month condominium sales have decreased from the same month the prior year. On a month-to-month basis, home sales also fell by 31.6 percent from 1,096 homes sold in August, and condo sales fell 14.1 percent from 799 units sold in August.

“Economic forces have been weighing down the market for much of the summer which has caused an increasing number of buyers to stop looking, or at least pause their home search,” said GBAR President Alison Socha, an agent with Leading Edge Real Estate in Melrose. “With interest rates climbing, selling prices still close to record highs, and inventory levels at their lowest point in over two decades, few are in a rush to buy. Instead, many are choosing to sit tight until more homes come on the market that meet their budget, or mortgage rates and prices come down, and that’s led to slower sales,” she noted. Even though buyer demand has weakened, homes values remain strong due to tight supply levels, according to the GBAR report. In fact, median selling prices for single-family homes and condominiums each rose to new record highs for the month in September. The single-family median selling price has risen 11.7 percent over the past 12 months from \$761,000 in September 2022 to \$849,950 last month, while the median sales price for condominiums improved 8 percent from the from the same month one year ago, climbing from \$630,000 last September to \$680,500 in September 2023.

“Our market remains very competitive even though mortgage rates have risen to their highest level in more than 20 years,” Socha stated. “With so few properties listed for sale this summer, sellers were eager to seek top dollar, while many home buyers found themselves bidding against one another in multiple offer situations, and that has helped to support steady price gains over the past year. In addition, many of those buying in today’s market have accumulated the equity and savings necessary to do so in a higher interest rate and home price environment, thus allowing price growth to continue,” she observed.

In fact, the GBAR report shows the single-family median sales price remains up 21.5 percent from February when it hit a low of \$699,500 after previously peaking in June 2022, and the median sales price for condos is 11.4 percent higher than its low of \$610,750 in December, which was the nadir following its prior record high in April 2022. Furthermore, the sold to list price ratio has now reached or exceeded 100 percent for six consecutive months. In September, the typical single-family home sold for 101.2 percent of its original asking price and the typical condo sold for 99.7 percent of its list price.

On a month-to-month basis prices did experience some softening however, as inventory levels saw some modest improvement in September. Among single-family homes, the median selling price decreased 3.1 percent from \$877,500 in August, and is also down 6.6 percent from a record high median price of \$910,000 set this past July. Meanwhile, in the condominium market the median sales price slid 0.3 percent from \$682,500 in August and has dropped a more substantial 8.6 percent from the all-time monthly high median price of \$745,000 observed in June 2023.

At the end of September there was a 2-3 month supply of properties for sale, which is up from 1-2 months of inventory over the prior three months. On a year-over-year basis, active listings of single-family homes declined 20 percent from 1,812 homes for sale in September 2022 to 1,439 last month, but are up on a month-to-month basis by 31 percent from 1,097 homes for sale in August. Meanwhile new listings rose 46 percent from 862 in August to 1,502 in September. Similarly, condominium listings slumped 14 percent over the last year, from 2,178 units for sale last September to 1,873 in September 2023. However, active condos listings improved 25 percent from the previous month, climbing from 1,497 in August to 2,178 in September, and new listings rose 66 percent from 799 in August to 1,572 in September.

“With more buyers getting priced out as mortgage rates climb and a healthy dose of new listings coming on the market since Labor Day, we’re starting to see sellers adjust their expectations and be a bit more flexible on price. As a result there’s more room for negotiation, and sales prices have slowly begun to come down from their peak highs of earlier this summer,” Socha remarked. “Even so, there’s still plenty of demand to keep prices from dropping sharply,” she added.