

**LOWER MORTGAGE RATES, MORE INVENTORY LURE BUYERS BACK INTO MARKET,**  
**BOOSTING BOSTON AREA HOMES SALES IN JANUARY**

**Boston, MA.** — After two years of slower sales and softening prices, there are early indications this year may be a brighter one for the Boston area housing market as sales of single-family homes rose in January on a year-over-year basis, marking the first such increase in 20 months. Along with modestly stronger sales activity, the median single-family home sales price also rose on an annual and monthly basis as declining mortgage rates and a sharp increase in residential listings drew more buyers into the market last month, a new report from the Greater Boston Association of Realtors® (GBAR) shows.

Last month, sales of single-family homes improved 1.4 percent, from 512 homes sold in January 2023 to 519 homes sold this January, and even though small the increase is notable as it's the first annual increase in single-family home sales since May 2022 when volume rose 2.2 percent. On a month-to-month basis sales did slow however, sliding 24.6 percent from 688 homes sold in December, which is not uncommon as fewer buyers tend to shop for homes during the holiday season and colder winter months. In the condominium market, sales also fell, decreasing on an annual basis by 27.3 percent, from 565 units sold last January to 411 units sold in January 2024, and dropped 31 percent from 596 condos sold in December 2023. It was the slowest January for condo sales in 15 years, dating back to January 2009 when just 350 condos were sold.

“Buyers have been slowly returning to the market since mortgage rates started to drop in mid-November, and demand has grown increasingly stronger in the last month and a half with the holidays over and rates now under 7 percent,” said GBAR President Jared Wilk, a broker with Compass in Wellesley. “Inventory is still tight, which has limited overall sales volume, but listings are up about 20 percent since the start of the year and that's providing buyers a larger selection of properties to choose from and more room for negotiation on price, which has made the market much more attractive,” he observed.

With buyer interest on the rise and the number of homes and condos for sale still lagging what's typical in a balanced market, median selling prices have shown little sign of weakening. In fact, the median single-family home sales price set a new January record last month, climbing 16.2 percent from a median price of \$705,500 in January 2023 to \$820,000 this January 2024. That reflects the largest annual percentage gain in the single-family median sales price since it rose 17.5 percent between February 2021 and February 2022. The median selling price for single-family homes also increased on a month-to-month basis in January, appreciating 2.8 percent from December when the median price stood at \$797,500.

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Meanwhile, in the condominium market, the median selling price remained largely unchanged last month, with the January median sales price of \$685,000 slipping just 0.7 percent over the past 12 months from a median of \$690,000 in January 2023, and decreasing 1.4 percent on a month-to-month basis from \$695,000 in December 2023.

“Buyers have more purchasing power now, compared to this past fall, and with mortgage rates back to within a half point of where they were at this time last year, they’re more confident and better positioned to make a full price offer. In addition, listings remain limited, which increases the likelihood for competitive bids and keeps upward pressure on prices,” Wilk noted. Indeed, most properties sold in January went for near full asking price, with the typical single-family home selling for 98.3 percent of its original list price, and the typical condominium also garnering 98 percent of its initial sales price.

While market conditions remain favorable for those looking to sell this spring, the GBAR president cautioned homeowners against pricing their property too aggressively. “In today’s low inventory market the temptation to ask top dollar can be strong, but we find that those who overprice their property run the risk of making it harder to sell since the pool of buyers is often smaller and may require one or more price adjustments,” Wilk stated. “The homes that are going under agreement quickest are those that are updated, well-maintained, and priced fairly to similar properties either currently or recently on the market, but others tend to sit longer, require seller concessions, or sell below their original asking price,” he added.

Notably, pricing will become even more critical over the next few months as new listings are already up sharply since the end of last year, and inventory levels are anticipated to improve steadily between now and conclusion of the spring market. As of the end of January, active listings for single-family homes rose 21 percent over the prior month, from 676 homes for sale in December to 820 this January, and new listings increased 134 percent from 291 homes in December to 682 in January. Similarly, among condos, active listings improved 20 percent, from 1,056 units for sale in December 2023 to 1,276 in January, while new listings surged 193 percent from 315 this past December to 925 in January 2024.

“We’ve seen a steady increase in foot traffic at open houses since the beginning of the year, which bodes well for the upcoming spring market,” Wilk asserted. “The level of buyer interest is the strongest we’ve seen in at least six months, with the majority of those currently in the market much more serious and intent on buying than those who were shopping for a home this past summer and fall. What we need now is an influx of listings to meet the demand,” he remarked.