

BOSTON AREA HOME SALES, PRICES REBOUND IN OCTOBER AS MORTGAGE RATES EASE

Boston, MA. — Sales of single-family homes and condominiums rebounded across the Greater Boston region in October as buyers were lured back into the market by a combination of lower mortgage rates and an influx of new listings in the final weeks of summer and initial days of the fall. The brief bounce in buyer activity resulted in the first increase in sales volume in three months in the single-family home and condo markets, and also helped lift median selling prices which had declined in each of the three prior months, according to the latest data issued by the Greater Boston Association of Realtors® (GBAR). In the single-family home market, sales increased on an annual basis by 12 percent in October, climbing from 790 homes sold in October 2023 to 885 last month, and rose 17.8 percent on a monthly basis from 751 homes sold in September. It's the first time in three months that home sales have improved from the prior month and same month one year earlier, but on a historical basis last month's sales volume was the sixth lowest of any October in the past 20 years. Meanwhile, sales of condominiums rose 3.8 percent on a year-over-year basis, from 692 units sold last October to 718 in October 2024, and increased 12 percent from the previous month when 641 units sold in September. Last month marks the first time since June that condo sales have risen on a monthly basis, however like the single-family market, the sales volume this October was the sixth lowest for the month in the last 20 years as many home shoppers have chosen to look rather than buy of late. "Since mid-summer there's been a growing reluctance on the part of buyers to move forward, with many holding off on a home purchase due to affordability concerns and feelings of uncertainty about the outcome of the presidential election. However, there was a sharp, but short-lived spike in activity after the Labor Day Weekend, as mortgage rates fell below 6 ½ percent to help boost purchasing power and inventory also rose sharply, triggering a much larger than expected number of sales closings in October," said GBAR President Jared Wilk, a broker with Compass in Wellesley. Buoyed by last month's uptick in demand, median selling prices increased modestly on both an annual and monthly basis to reach new record highs for October. In the single-family home market, the median sales price rose 3 percent over the past year from \$829,950 in October 2023 to \$855,000 this October, and improved 0.6 percent from the previous month when the median was \$850,000 in September. On an annual basis, the median sales price has increased for 16 consecutive months dating back to July 2023. In addition, it's the first time in four months that the single-family home median sales price has increased on a month-to-month basis, dating back to June when it peaked at an all-time high of \$960,000.

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Similarly, the condominium median selling price appreciated 0.7 percent on an annual basis in October, increasing from \$695,000 last October to a new record high for the month of \$700,000 in October 2024, and improved 4.2 percent from one month earlier when the median price for September was \$672,000. This marks the first increase in the median selling price on a monthly basis since June, when the median price topped out at an all-time high monthly median of \$750,000.

“Buyers have more listings to choose from now than they did this summer, and that’s helped to relieve some of the upward pressure on prices, while also creating more opportunity for negotiation,” Wilk noted. “In many communities, prices have stabilized with little to no appreciation in selling prices over the past 12 months. In fact, the market has become moderately more affordable as prices for homes and condos are down 10 percent and 6 percent respectively since peaking earlier this summer,” he added.

Although inventory levels remain limited by historic standards, properties are tending to sit on the market longer before selling, thus the 3,917 single-family homes and condos listed for sale in October stands at a near three-year high. Last month, active listings for single-family homes rose 21.3 percent on an annual basis, from 1,372 homes for sale in October 2023 to 1,664 this October, while condominium listings increased 21.7 percent, from 1,851 units for sale last October to 2,253 in October 2024. Inventory did decline modestly on a monthly basis however, as the number of single-family listings dropped 5.8 percent from 1,766 homes for sale and condo listings slid 1.8 percent from 2,295 units for sale in September.

“With the peak selling season over, it’s not surprising that inventory has started to build,” Wilk observed. “Buyers no longer feel the same sense of urgency to pull the trigger on a property, and many seem intent on waiting for mortgage rates or prices to drop before making a move. As a result, we’re seeing fewer multiple offer situations, more price adjustments, and longer listing times before properties go under agreement,” he stated.

Nonetheless, even with the softer demand, GBAR’s report found that the majority of properties sold in October did so at or near full asking price, as demand continues to outpace supply in many communities. Last month, the typical single-family home sold for 100.6 percent of its original list price, while the typical condo received 99 percent of its initial sale price.

“Sellers still have an edge in this market, but not to the extent they did previously,” Wilk asserted. “Mortgage rates are on the rise again and with more properties to choose from, buyers are being more cautious and selective. Sales also tend to slow as the colder weather and holidays approach, so it’s essential that seller pricing reflect current market conditions. Today, we find its mostly properties that are priced fairly and in excellent condition that are selling for their full asking price,” he said.