

GREATER BOSTON HOME, CONDO SALES SOFTEN IN APRIL AMID PANDEMIC, LISTING DECLINE

Boston, MA. -- Sales of single-family homes and condominiums softened across Greater Boston during April as a shrinking supply of residential properties for sale, along with increased anxiety and property access restrictions associated with the coronavirus pandemic led to diminished market activity, according to data issued today from the Greater Boston Association of REALTORS® (GBAR).

Sales of single-family homes slipped 6.4 percent in April from the same month one year earlier, declining from 954 homes sold in April to 893 last month. This is the eighth highest sales total for the month of April in Greater Boston, and April's sales total reflects an 18.4 percent increase from one month earlier when 754 homes sold in March. Activity in the condo market also experienced a decline last month as sales fell on an annual basis by 15.4 percent from 872 units sold last April to 738 in April 2020. The sales total this April ranks as the thirteenth highest on record for the month in Greater Boston and comes in a full 5 percent below the previous month's sales pace when 777 condo units were sold during March.

“Buyer enthusiasm remains high, but once again this spring many of those searching for a new home have been frustrated by a paucity of listings to select from,” said GBAR President Jason Gell, broker-owner of Boston's Luxury Properties in Boston. “This supply shortage is a prime factor in the slower sales pace we're seeing, and that was exacerbated in April by the onset of the pandemic which temporarily limited access to some properties and caused other homeowners to hold off on putting their home on the market,” he noted.

Despite the more relaxed sales pace, median selling prices continued to increase last month. In the single-family home market, the median sales price rose 7.3 percent over the past year from \$620,000 in April 2019 to a new record high median for the month of \$665,000 this April. Similarly, the median selling price for condominiums rose 8.6 percent over the past 12 months, increasing from \$551,000 last April to a new record high median price for the month of April of \$598,224 last month.

The continued escalation in home prices is not proving to be much of a deterrent to home buyers, according to Gell. In fact, just the opposite.

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“The fundamentals of the housing market and our local economy remain strong, and that’s giving many buyers the confidence they need to enter the housing market,” stated Gell. “When you take into account today’s low mortgage rates, the increased equity many homeowners now have, and the ups-and-downs occurring on Wall Street, there is no shortage of factors driving demand,” he explained.

The upward pressure on prices is also a function of the severe imbalance between supply and demand. Last month, active listings of single-family homes fell 34 percent on an annual basis, dropping from 2,689 homes for sale in April 2019 to 1,775 last month. Meanwhile, the condominium market saw a 24 percent decline in active listings, from 2,234 condos for sale in April 2019 to 1,697 units on market last month. The diminished inventory levels are the result of new listings for both single-family homes and condos declining by more than half (53%) in April from the same month last year.

“Just as the supermarkets have struggled to keep stock on the shelves during this pandemic, our housing market is also running low on inventory,” Gell observed. “The increase we usually see in new listings during April didn’t happen this year, and that’s left buyers searching for properties that are fewer and farther between. With the number homes for sale so limited, those who are thinking about putting their property on the market would be wise to do so, if comfortable, since there is so little competition. It’s an ideal opportunity for anyone looking to maximize the sale of their home,” he added.

Not surprisingly, with a greatly reduced supply of homes and condos for sale on the market last month, pending sales saw a significant drop last month as well. Single-family pending sales fell by almost half on an annual basis, declining 49.5 percent, from 1,474 homes put under agreement last April to just 744 in April 2020, while pending sales of condominiums dropped an even more substantial 59.6 percent, from 1,274 condos put under agreement in April 2019 to 515 this April.

“What had looked to be a very promising spring market has become one that no one could have predicted. What we do know is that we are facing a health crisis, not a housing one,” Gell remarked. “Home values remain strong. Demand may be on pause, but has not dissipated. And, mortgage rates remain near record lows. With agents now adapting to provide virtual tours and showings on a more regular basis, we are confident the market is poised to bounce back with the summer months expected to be quite busy,” he predicted.