

SALES, PRICES OF SINGLE-FAMILY HOMES & CONDOS CONTINUE TO CLIMB

ACROSS GREATER BOSTON IN APRIL

Boston, MA. -- Sales of single-family homes and condominiums each rose steadily in April, improving on an annual basis for an eighth consecutive month, and median selling prices rose to new record highs as inventory levels remain constrained, a new report from the Greater Boston Association of REALTORS® (GBAR) shows. Strong demand from first-time buyers, a desire for more living space among existing homeowners, and increased availability of COVID-19 vaccines along with a broader re-opening of the economy have all helped to boost market activity and consumer confidence, GBAR officials said.

Sales of single-family homes rose 12.2 percent on an annual basis in April, increasing from 897 homes sold in April 2020 to 1,006 homes sold last month. It's the second-highest sales total for the month of April in Greater Boston, topped only by the 1,106 homes sold in April 2004, and reflects a 24.5 percent gain over the 808 homes sold in March. In the condo market, sales rose much more sharply as the number of units available for sale has improved steadily from year ago levels. In fact, sales set a new record for the month, increasing 60.3 percent to 1,220 condominium units sold this April from 761 last April. Condo sales also improved on a month-to-month basis by 12 percent from 1,089 units sold in March.

"April's sales data demonstrates just how frenzied our market has become," said GBAR President Dino Confalone, an agent with Gibson Sotheby's International Realty in Cambridge. "We're still living with a pandemic, listings are in short supply, and prices have never been higher. Yet we've never experienced a busier April. There seems to be an almost insatiable demand for housing across our region," he added, "and it's being driven by record low mortgage rates, a desire by many to seek out larger homes in the suburbs, and strong demographics as lots of millennials are looking to buy their first home."

As demand continues to outpace supply, median selling prices remain on the upswing. In fact, the monthly median sales price rose to new all-time highs in both the single-family home and condo markets last month. The single-family home median selling price increased 15.9 percent on annual basis to \$765,000 from \$660,000 in April 2020, and also increased on a monthly basis by 6 percent from a median price of \$721,450 in March. Meanwhile, the median selling price for condominiums rose a more modest 2.8 percent over the past 12 months to a record high of \$622,100 this April from \$604,915 in April 2020, and rose 1.2 percent from one month earlier when the median price was \$615,000 in March.

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“The run up in prices isn’t over yet,” stated Confalone. “With buyers far outnumbering listings, sellers are demanding top dollar. On top of that many properties are drawing multiple offers and those bidding wars are driving prices up even more.”

“This spring’s market has been one the most intensely competitive we’ve ever seen,” Confalone added. “We think that should soften a bit in the months ahead though as inventory levels tend to rise leading into summer. We’ve also seen some buyers who’ve been unable to get an offer accepted drop out of the market to renew a lease, while others have been squeezed out as home prices and mortgage rates have risen since the start of the year, and that should open up more opportunities.”

In fact, the GBAR report found that inventory levels improved in April. Most notably, active listings of condominiums increased on an annual basis by 34.6 percent, climbing from 1,706 condos for sale in April 2020 to 2,297 last month, and also rose on a monthly basis by 11.5 percent from 2,061 units listed for sale in March. Additionally, single-family home listings increased 29.7 percent in April from one month earlier, improving from 1,150 homes on the market in March to 1,491 this April. However, on an annual basis, listings remain down 15.4 percent from one year ago when 1,763 homes were available for sale in April 2020.

“As busy as the market has been, sales activity could have been even stronger if we had more product to sell,” Confalone observed. “Our listing inventory is down to less than two months supply for both single-family homes and condos, which makes it a good time sell as properties that are priced right are selling on average in three to four weeks time or less.”

Indeed, listing time declined on an annual basis for a tenth consecutive month during April, with average listing time for single-family homes down by two weeks over the past year down from an average of 33 days in April 2020 to 19 days this April, and average listing time for condo units to go under agreement sliding from 35 days last April to 32 days in April 2021.

In the short term, market conditions are expected to remain strong which is evident by the fact that pending sales activity rose modestly in both markets on a monthly basis during April, and are up sharply from year ago levels when the market was nearly shut down by the pandemic. In the single-family home market, pending sales increased on a month-to-month basis by 8.4 percent from 1,417 home put under agreement in March to 1,536 in April, and improved 115.6 percent from the 715 homes placed under agreement in April 2020. Similarly, pending sales of condominiums rose on a monthly basis by 4.6 percent from 1,527 in March to 1,597 during April, and improved on an annual basis by 218 percent from 502 condos put under agreement in April 2020.