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BUYER DEMAND KEEPS HOUSING MARKET HOT IN AUGUST IN GREATER BOSTON

Boston, MA, -- Sales and median selling prices of single-family detached homes and condominiums each rose steadily on an annual basis in August as strong job growth, attractive mortgage rates and years of pent-up buyer demand has made for a busier than normal summer market, according to data issued today by the Greater Boston Association of REALTORS® (GBAR).

Sales of single-family detached homes increased from 1,626 homes sold in August 2017 to 1,679 homes sold last month. This is a 3.3 percent increase in sales volume and ranks fourth all-time for homes sold in the month of August in Greater Boston. The condo market also experienced a sales increase last month, rising to 1,244 units sold from the 1,191 units sold in August 2017. This 4.5 percent increase makes for the eighth most active month of August for the condo sales in Greater Boston. This marks the second consecutive month that sales for both markets increased on a year-over-year basis. Notably, detached single-family homes also increased on a month-to-month basis, climbing nearly 2 percent from 1,648 homes sold in July, while condo sales fell from one month earlier, slipping 2 percent from 1,270 units sold in July.

“The lazy, hazy days of summer were anything but slow,” stated GBAR President Marie Presti, broker/owner of The Presti Group in Newton and Stoneham. “Competition for limited inventory remains intense in many communities, but we’ve seen a decline in multi-offer situations, and the number of new listings has improved which will help to create more opportunities for home buyers,” she observed. “With the local economy strong and mortgage rates still low, optimism among most first-time buyers remains, while older trade-up buyers and empty-nesters are eager to capitalize on the improved equity in their homes,” Presti added.

In fact, median prices in Greater Boston reached record-high monthly figures in both markets last month. The single-family home median sales price rose 3.3 percent from \$605,000 in August 2017 to a new record price for August of \$625,000 this year. Similarly, the condo market saw an 8.3 percent increase to \$573,778 last month, up from a median selling price of \$530,000 in August 2017.

“While it’s uncertain whether home prices have reached their peak, what is clear is that the desirability to live and own a home in greater Boston is strong, and many are willing to pay top dollar to do so,” Presti said.

Along with a healthy local economy and population growth, the inventory shortage that’s plagued the housing market for the last several years is also helping to put upward pressure on home prices. In the detached single-family home market, active listings fell 7.3 percent on an annual basis from 2,763 in August 2017 to 2,560 last month. Meanwhile, the inventory of condominiums for sale fell to 1,623 units last month from 1,771 in August 2017, which reflects an 8.4 percent drop.

“The imbalance between supply-and-demand has created a strong seller’s market for the past several years, but with home price appreciate rates beginning to soften and the number of new listings for single-family homes climbing now in each of the past five months on an annual basis, there are indications that the pace of home sales is starting to ease and that buyers may see some return to normalcy in market conditions in the months ahead,” commented.

Indeed, new listings in both markets increased on a year-over-year basis in August with single-family homes increasing a modest .3 percent from 1,245 to 1,252 last month, and new condo listings rose 6.1 percent to 968 from 912 in August 2017.