

GREATER BOSTON HOUSING MARKET ENDS 2019 WITH STRONG DECEMBER

Boston, MA, -- Sales of detached single-family homes and condominiums closed out 2019 on an incline in December even as median home selling prices rose modestly and the inventory of properties for sale declined sharply in both markets, according to data issued today by the Greater Boston Association of REALTORS® (GBAR).

In December, a total of 1,180 detached single-family homes were sold in metropolitan Boston, an increase of 21 percent from the 975 homes sold in December 2018. Last month's sales total also reflects a 12.3 percent gain from the 1,051 homes sold in November and is the third-highest sales volume on record for the month of December. The condo market saw similar gains, with sales up 18 percent on an annual basis from 752 condos sold in December 2018 to 887 units sold this December, while on a month-to-month basis sales improved 5.6 percent from 840 sales in November. It was the fourth busiest December on record for condo sales, according to the GBAR data.

“The flurry of sales activity we saw over the final month of last year is owed in part to the uptick in new listings we saw during the early fall which increased the supply of homes and condos for sale, not to mention the fact that job growth and consumer confidence in the housing market remain very strong locally,” said GBAR President Jason Gell, an agent with Keller Williams Realty in Cambridge.

For the year, market activity was essentially flat from the year prior, as 13,605 homes were sold in a Greater Boston in 2019, a 0.2 percent increase from the 13,582 homes sold in 2018, while condominium sales declined 0.7 percent from 10,905 units sold in 2018 to 10,834 in 2019.

“The pool of buyers is still large, and with mortgage rates now down more than a quarter point from this time last year to under four percent, it appears the largest obstacle to ensuring our housing market remain healthy this year is having a sufficient supply of homes for sale to meet buyer demand,” Gell noted. “We’re hopeful that state legislature will act in the coming months to address the need for more housing through zoning law reform and other initiatives.”

After seeing median selling prices flatten or fall in each of the previous six months, both the detached single-family home and condominium markets experienced steady gains in home price appreciation during December.

The median sale price of detached single-family homes rose 3.4 percent from \$585,000 in December 2018 to \$605,000 last month, making it the largest increase in annual price appreciation since March when the median selling price also rose 3.4 percent. Last month's figure sets a new all-time high median sale price for the month of December in Greater Boston. Similarly, the condo market experienced a 7.9 percent increase in selling price, from \$542,250 in December 2018 to \$585,000 last month, the largest annual increase in median sale price since a 7.5 percent in May.

"The steady jump in selling prices last month mirrors the surge in pre-holiday buyer traffic we saw this past fall, most notably at the upper-end of the market where the number of homes and condos valued at \$1 million or more which sold increased by one-third from the previous December," Gell observed.

Both markets experienced modest gains in the annual median selling price during the past year, as the median price for detached homes increased 1.6 percent from \$610,000 in 2018 to \$620,000 in 2019. Meanwhile, in the condo market saw a 0.9 percent rise in median sales price, from a 2018 year-end figure of \$565,000 to \$570,000 at the end of 2019.

"Home values have stabilized over the past year throughout much of the metropolitan area, especially in the mid-level and luxury markets, where the number of buyers and multi-offer situations has been on the decline," Gell observed. "As the market slowly becomes more balanced, buyers rather than sellers are dictating price, and homes are sitting on the market longer as property condition has become increasingly important to today's buyers who don't want to take on additional expenses given an already high purchase price," he added.

To that end, data from the GBAR report shows detached single-family homes sold in December were on the market an average of 66 before going under agreement, compared to 62 days during December 2018 and 56 days in November. Additionally, condominiums sold last month were listed on average for 70 days before being put under agreement, up from 57 days on market in December 2018 and a more than two week increase from 52 days on market in November.

And, properties sat on the market longer, despite a less plentiful supply of homes and condos for sale. In the detached single-family home market, active listings declined 30.6 percent from last December's total of 2,008 homes on market to 1,393 in December 2019, which also reflects a 42.3 percent decrease from the November 2019 total of 2,416 homes for sale. Similarly, the condo market experienced an annual decline of 16.8 percent, falling from 1,712 listings in December 2018 to 1,424 in December 2019, and a month-to-month drop of 35.7 percent from 2,216 units for sale in November 2019.