

**STRONG BUYER DEMAND, TIGHT SUPPLY, FUEL PRICE GAINS IN
GREATER BOSTON HOUSING MARKET DURING FEBRUARY**

Boston, MA, -- Strong buyer demand combined with a diminished supply of residential properties for sale led to sharp price gains in the single-family home and condo markets across metropolitan Boston during February, according to new data released today by the Greater Boston Association of REALTORS® (GBAR) shows. Sales of condominiums rose steadily despite the limited number of units listed on the market, but the lack of listings resulted in slower sales among single-family homes where the median selling price is currently substantially higher, the GBAR report shows.

Specifically, the condo market experienced an annual increase of 8.3 percent in closed sales, climbing from 540 units sold in February 2019 to 585 sold units this February. Last month's condo sales total is the third highest sales total on record for the month of February, but also reflects a 14.2 percent decline from the 682 units sold in January 2020. Meanwhile, in the single-family home sector, sales decreased 7.4 percent on a year-over-year basis, declining from 591 homes sold in February a year ago to 547 in February 2020. This year's sales total is the ninth highest on record for the month of February in Greater Boston, but it is down 29 percent from one month earlier when 770 homes sold in January 2020.

"It's been a fairly strong early start to the spring selling season," said GBAR President Jason Gell, an agent with Keller Williams Realty Chestnut Hill in Newton. "Over the first two months of the year, the volume of buyer traffic was running above normal, with long lines out the door at many open houses," he added, noting that low mortgage rates, the mild, relatively snow-free winter, and overall strength of the local housing market and economy have all helped to spur activity.

However, over the last 10-14 days there's been a change in the market with the escalation of the coronavirus outbreak, he acknowledged. "We've seen some buyers step to the sidelines these last two weeks, but many others are still actively house-hunting and remain eager to buy. The challenge now is getting them into properties, and the uncertainty as to if and when they may be able to close on a home due to all the restrictions being placed on business and daily life," Gell stated..

Along with some buyers reassessing their situation and sellers limiting access to their home, some homeowners also are likely to delay listing their home for sale until after the spring. "It's inevitable that we'll see a pause in sales activity from this pandemic, but the fundamentals of our market remain strong and should limit any price softening," Gell suggested.

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In fact, during February, with demand greatly outpacing supply, median selling prices for both single-family homes and condominiums appreciated at rates not seen in more than 12 months. In the single-family home market, the median sales price increased on a year-over-year basis by 8.3 percent, from \$572,500 last February to a new record-high price for the month of \$619,900 in February 2020. The last time the monthly median selling price for single-family homes increased at a greater rate on an annual basis was in February 2018 when it rose 8.9 percent from the same month one year earlier.

Similarly, the median sales price for condos sold in February rose 8.5 percent over the past 12 months, from \$530,000 in February 2019 to a median price of \$575,000 last month. The last time the monthly median sales price for condominiums appreciated at a faster annual rate was in January 2019 when it climbed 9.6 percent from January of the previous year.

“Our inventory of available single-family properties for sale is desperately low,” observed Gell. On top of that the population of the state has been on the rise for the last several years, yet new home construction is at a decades low, the GBAR president noted. “It should come as no surprise that there is continued upward pressure on home prices. To keep prices from rising further, it’s critical that we produce more housing to increase the supply. So, we urge local and state lawmakers to amend zoning laws, pass the Housing Choices bill, and create incentives to build more homes.” he said.

Notably, for the most recent month, active listings fell again in both markets. Single-family home listings declined 14.7 percent from the same month last year, from 2,007 homes for sale in February 2019 to 1,712 homes on the market on the last day February this year. Meanwhile, in the condo market, the number of units listed for sale fell 3.2 percent over the past 12 months, decreasing from 1,738 units on market last February to 1,682 in February 2020.

Despite the rather limited supply of homes and condos for sale last month, pending sales rose steadily in both markets. The number of single-family homes that went under agreement rose on an annual basis by 19.4 percent to 947 in February, from 793 pending sales in same month one year ago. Additionally, pending sales of condominiums increased 14.8 percent over the past year, from 758 condos placed under agreement last February to 870 units put under agreement in February 2020.