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STRONG BUYER ACTIVITY, RISING PRICES DURING FEBRUARY
SIGNAL EARLY START TO SPRING HOUSING MARKET IN GREATER BOSTON

Boston, MA, -- Sales of single-family homes and condominiums rose on an annual basis for the sixth consecutive month in metropolitan Boston during February, while median selling prices rose in both markets to new highs for the month, according to new data issued today by the Greater Boston Association of REALTORS® (GBAR) shows. The positive numbers offer an early sign that the local housing market is likely to be an extremely active one this spring.

In the single-family home market, 598 homes were sold in February which reflects an 8.3 percent increase from the 552 homes sold in February 2020. Last month's sales total is the fourth highest on record for February in Greater Boston, but also down 32.3 percent from the record 883 homes sold in January 2021. Similarly, condo sales improved 5.1 percent, from 604 units sold last February to 635 in February 2021, making last month the second most active February for condo sales on record. However, on a month-to-month basis sales declined 17.1 percent from a record high of 766 units sold in January.

“Buyer enthusiasm has been through the roof over the first two months of the year, with many eager to get a head start on the traditional spring selling season,” said GBAR President Dino Confalone, an agent with Gibson Sotheby's International Realty in Cambridge. “There's a lot of pent-up demand from buyers who've been house-hunting for months, if not years, and their search has become a year-long effort. When you factor in those now looking to trade-up for more home or to take advantage of record low mortgage rates, you get a busier than normal market. That's exactly what we're seeing, with lines of buyers waiting to get in to open houses, frequent multiple offer situations, and homes priced right selling quickly,” he added.

With the number of buyers outpacing the inventory of listings for sale in many areas, median sales prices continued to appreciate in both markets last month. The single-family home median selling price rose on an annual basis by 5.7 percent, climbing from \$614,000 in February 2020 to new all-time high for the month of \$648,750 this February. Additionally, in the condo market, the median selling price increased 3.1 percent over the prior 12 months, rising from a median price of \$579,000 in February a year ago to a new record high for the month of \$597,000 during February 2021.

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“There continues to be a severe imbalance between the number of properties for sale and those looking to buy in much of the market. That’s enabled sellers to hold the upper-hand and many are asking top dollar when they go to list. On top of that, many buyers find themselves having to compete to outbid one another, and that’s helping to drive up prices further,” Confalone observed. “Right now, buyer demand is strongest in the suburban single-family home market, especially in communities outside of Rt. 128, and that’s where we’ve seen home values rise most sharply over the past year,” he noted.

The inventory shortage is most pronounced in the single-family home market where active listings decreased on an annual basis by 42.8 percent in February, from 1,701 homes for sale in February 2020 to 974 last month. In addition, new listings declined 24.5 percent from year ago levels, from 1,297 to put up for sale last February to 979 in February 2021. Meanwhile, active condo listings rose 17.4 percent over the prior year, from 1,968 units for sale in February 2020 to 1,994 this February, and new condo listings increased 7.4 percent over the same period from 1,106 last February to 1,188 in February 2021.

Notably, the limited inventory of properties for sale is not just frustrating buyers, it’s also discouraging some sellers from entering the market, according to Confalone. “With so few homes for sale, we have had owners who are ready to sell, but aren’t willing to list for fear they’ll be unable to find another home to purchase. We also have buyers who are waiting for more listings to come on the market before acting. As a result, if listings were higher, so too would sales,” he remarked.

Over the last several months, it’s the single-family home market that has proven especially popular of late because of the increased desire for more living space, and the opportunity today’s low mortgage rates provide to purchase more home.

“The pandemic has caused many to reassess their housing needs, and that’s prompted many to forgo condo life in exchange for a single-family property in the suburbs where the dollar goes farther,” Confalone explained. “At the same time, condo listings are up by nearly one third in Boston and the immediate suburbs, and that’s created some terrific opportunities for entry-level buyers as well as those looking to downsize,” he stated.

With warmer weather on the horizon and COVID vaccinations now being administered, the GBAR report found that pending sales also rose last month for a ninth consecutive month. In the single-family home market, the number of homes put under agreement increased on an annual basis by 3.1 percent, from 846 pending sales in February 2020 to 872 this February, and also improved 38.4 percent from 630 homes placed under agreement in January. In addition, pending sales of condominiums climbed on 24.9 percent over the past 12 months, from 826 condos put under agreement last February to 1,032 in February 2021, and also rose 29 percent on a month-to-month basis from 800 pending sales in January.