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GREATER BOSTON HOMES SALES, PRICES INCREASE IN JANUARY

AMID SHRINKING SUPPLY OF HOMES FOR SALE

Boston, MA, -- Despite dwindling inventory levels and appreciating prices, sales of both detached single-family homes and condominiums rose steadily during January in Greater Boston, according to data issued today from the Greater Boston Association of REALTORS® (GBAR).

The detached single-family home market saw sales increase from 709 homes sold in January 2019 to 762 homes last month. This reflects an annual increase of 7.5 percent, and ranks as the eighth highest sales total on record for the month. Meanwhile, in the condo market, sales improved 21.1 percent from the same month last year, rising from 554 units sold in January 2019 to 671 units sold last month, making it the third busiest January on record for condominium sales in Greater Boston. This marks the second consecutive month of sales gains following a sharp slowdown in market activity late last summer.

“The last few months have been pretty active as we had an influx of new inventory last fall, and with the lack of snow and mortgage rates still remarkably low, we’re now poised for a strong spring market,” stated GBAR President Jason Gell, an agent with Keller Williams Realty Chestnut Hill in Newton. “Buyers have been out in force for the last several weeks, and although there has been some softening in demand at the upper-end of the market, overall confidence in the market is high,” he observed.

There is one factor that could dampen buyer enthusiasm however, and that’s a shortage of listings, according to Gell. To illustrate the point, last month active listings of single-family homes fell 32.1 percent from 2,178 homes for sale in January 2019 to 1,478 on market this January. Meanwhile, the condo market experienced a 19.1 percent decline in active listings, dropping from 1,975 units for sale last January to 1,598 in January 2020. These numbers reflect just a two-month supply of available inventory for sale in Greater Boston, as compared to a healthy balanced market which contains 6-7 months of supply of listings for sale.

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“There is a tremendous need for more inventory as we head into the peak home buying months,” said Gell. “With inventory so low, today’s buyers are often competing against many others for a limited supply of properties on the market, and that’s putting a lot of upward pressure on prices. This is a great time for anyone thinking about selling to do so and reap the benefits of the escalation in home values in the last several years.”

Indeed, the market experienced record high prices for the month of January in both the detached single-family home and condominium markets. Among detached homes, the median price rose 2.7 percent in the past year, from \$589,000 in January 2019 to a median of \$605,000 last month. Likewise, in the condo market, the median sales price increased 2.2 percent, from \$565,000 last January to \$577,500 in January 2020.

These modest price appreciation rates are good for the general health of the local housing market, but in order to continue the supply vs. demand imbalance can’t be ignored, the GBAR president cautioned. “We need more housing, especially in light of the recent growth in population,” noted Gell. “The best way to control price growth is to increase supply, so we call upon our local and state lawmakers to take action to help increase housing production by amending zoning laws, passing the Housing Choices bill, and creating incentives to build more homes. The economic health of the region and our ability to keep home prices and rents affordable demand it, he added.”