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GREATER BOSTON HOME SALES, PRICES RISE MODESTLY IN JULY, BUT CONDO MARKET COOLS

Boston, MA, -- Sales activity in the detached single-family home market continued to keep pace with year ago levels across metropolitan Boston in July as the median selling price remained stable, but condominium sales fell 10 percent from last July as listing inventory rose on an annual basis for an eleventh consecutive month and prices softened, according to data released today by the Greater Boston Association of REALTORS® (GBAR).

Sales of single-family detached homes improved for the fifth time in the past six months, increasing modestly from 1,654 homes sold in July 2018 to 1,676 homes sold last month. This reflects a 1.3 percent increase in sales volume and ranks fifth best all-time for homes sold for the month of July in Greater Boston and is a 3.7 percent increase on the 1,616 homes sold in June 2019. Buyer demand cooled in the condo market however, as units for sale have risen steadily over the past year. Condo sales slid 10.5 percent to 1,146 units sold this July from 1,280 in July 2018. Sales also declined 8 percent from June when 1,246 units sold, but last month's sales total is the ninth best on record for July in Greater Boston.

“Buyer traffic has remained steady across the single-family housing market this summer, but the sales pace has been far more relaxed in the condo sector where inventory has risen steadily over the past year and prices have begun to soften,” said GBAR President Jim Major, an agent with Century 21 North East in Woburn. “Looking ahead, if history holds, we can expect a modest influx of new listings after Labor Day, and that will provide more housing choices, a better balance between supply and demand, and less frenzied environment for any buyers in the housing market this fall,” he suggested.

As sales have moderated, so too have median selling prices over the past year, the GBAR report shows. In the detached single-family home market, the median price rose just 0.9 percent over the past 12 months, from \$648,840 in July 2018 to a new record high price for the month of \$655,000 this July. Still, it's the 29th consecutive month that the detached single-family median selling price has risen on an annual basis. Meanwhile, the median selling price for condominiums sold last month decreased a modest 3.2 percent, from \$599,750 last July to \$580,445 in July 2019. This marks the third time in 2019 that the condominium median selling price has declined from the same month the previous year.

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“Our housing market has proven to be remarkably resilient these last several years. However, after absorbing years of record high home values and steady price appreciation, not to mention unprecedentedly low levels of homes for sale, it appears our long-running seller’s market is nearing an end,” Major observed. “Home values have been slowly moderating throughout the year, and in a number of communities prices have either reached their peak or are in decline.”

As a result, homeowners must be careful to price their home properly, GBAR’s president cautioned. “Homes that are overpriced run the risk of multiple price adjustments, sitting on the market for a lengthy period of time, and becoming stigmatized by today’s savvy home buyers,” he stated.

This scenario is increasingly likely as listing inventory begins to increase and sellers face more competition in the market. In the condo market, the number of units for sale has risen for each of the past 11 months on a year-over-year basis, and jumped 17.8 percent over the past year, from 2,009 listings in July 2018 to 2,366 this July. In the detached home market, however, inventory declined last month by 3.9 percent from 3,085 homes for sale in July 2018 to 2,964 listings this July, but has risen on an annual basis in four of the first seven months 2019.

Additionally, time on the market has been increasing of late as well. Most notably, the average listing time for detached single-family homes increased to 42 days in July, an increase from 38 days in the same month a year ago and 36 days one month earlier. Meanwhile, listing time for condominium remained stable at 39 days over the past 12 months, but is up from 34 days in June.