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GREATER BOSTON HOUSING MARKET REMAINS HOT IN JUNE

Boston, MA, -- Sales of single-family homes and condominiums remained historically strong in June but were unable to keep pace with year ago levels due to stubbornly low inventory levels and steadily appreciating home values, according to data issued today by the Greater Boston Association of REALTORS® (GBAR).

The single-family detached home market experienced a softening in sales in June as 1,822 homes were sold compared to 1,942 homes sold in June 2017, which was a record high for the month. Despite this 6.2 percent decline, this was the fifth highest sales volume on record for the month of June in Greater Boston and reflects a near 50 percent increase in home sales over the number of homes sold in May. The condo market experienced a more modest decline in sales of 2.3 percent, as the 1,342 condos sold last month fell short of the June 2017 total of 1,374 units sold. This is the seventh highest sales total on record for the month of June and a healthy 20 percent improvement from the previous month.

“The fundamentals of a healthy housing market remain in place,” stated GBAR President Marie Presti, broker-owner of The Presti Group in Newton and Stoneham. “We simply lack enough homes to sell to satisfy current buyer demand. That’s led to some slowing in sales activity over the prior month, but it’s also helping to shorten market time and boost home values, making this an optimum time to sell for those considering doing so,” she observed.

In June, median selling prices once again rose to new record-high monthly figures in both markets. Among detached single-family homes, the median sales price rose 7.1 percent to \$652,500 this June, up from a median sales price of \$692,250 in June 2017, marking the fifteenth consecutive month the median home selling price has climbed on a year-to-year basis. Likewise, in the condo market, the median sales price increased to \$575,000, which is a 10.6 increase from a median selling price of \$520,000 in June 2017. Last month’s gain represents the ninth consecutive month the median selling prices for condominiums has risen on an annual basis in Greater Boston.

Today’s home prices speak to the desirability to live and work in the metropolitan Boston area, Presti asserts. “We are seeing little in the way of sticker shock. Rather, buyers and investors alike remain bullish on Boston,” she said.

Confidence in the local housing market is as high as its been in over a dozen years, according to Presti, principally due to the strong job market, recent population gains, and investments being made to improve our transportation infrastructure. “If there is a concern right now, it’s that the attractive mortgage rates we have today are expected to begin their inevitable climb upwards later this year, and that could price some first-time buyers out of the market,” noted the GBAR president.

One key factor fueling the appreciation in property values is the supply of homes for sale. Even though new listings for detached single-family homes improved 5 percent from last June, active listings for single-family homes fell a modest 4.6 percent to 3,059 homes, down from the 3,208 active listings in June 2017. Meanwhile, active listings of condos rose on a year-over-year basis from 1,975 in June 2017 to 2,007 units for sale last month, which is an increase of 1.6 percent, but new listings for condominiums slid nearly 3 percent from the previous June.

As a result, homes are selling more quickly than at the same time last year. Single family homes are remaining on market for just 33 days, which is a 10.8 percent drop from last June’s figure of 37 days to off market. The condo market also experienced a drop, falling 9.4 percent from 32 days to off market in June 2017 to 29 days this year.

“Unfortunately, there is no quick fix that will solve the current shortage in homes for sale, and if it continues to persist it could begin to negatively impact our economy,” Presti cautioned. “We call upon our state leaders and the Massachusetts Legislature to pass measures like H. 4290 that would simplify the process for communities to modify zoning regulations to allow for increased production of new housing, as well as approve other initiatives aimed at creating more housing units in the Commonwealth. Without action, we risk losing residents to outmigration and becoming less attractive to businesses that want to relocate, build, and grow their operations here,” she added.