

AFTER STRONG SPRING, GREATER BOSTON HOUSING MARKET COOLS IN JUNE

Boston, MA, -- Sales of detached single-family homes and condominium softened on a year-over-year basis in June as diminished inventory of entry-level and mid-priced homes for sale and steadily appreciating home prices took some air out of the market last month, according to data issued today by the Greater Boston Association of REALTORS® (GBAR).

The detached single-family home market experienced a softening in sales for the first time in five months during June as 1,596 homes were sold compared to 1,851 homes sold in June 2018, reflecting a 13.8 percent decline in sale volume. Despite this year-over-year drop in activity, June experienced a 20.6 percent increase on the 1,323 homes sold in May 2019. Similarly, the condo market also experienced a modest decline in sales of 8.9 percent, as the 1,204 condos sold last month fell short of the June 2018 total of 1,321 units sold. This is the fifth highest sales total on record for the month of June as well as a 3.1 percent improvement from the previous month.

“Despite this softening in sales, our housing market remains on solid footing, we simply lack the amount of homes for sale necessary to meet current buyer demand,” asserted GBAR President Jim Major, an agent with Century 21 North East in Woburn. “This year’s spring market began earlier than usual, and with strong sales gains each month from February through May in the detached home market it’s not unusual to see sales drop when supply lags. This June was no different. At the same time, we have seen new record-high median prices in both the condo and single-family home markets this spring which has had the result of pricing out some first-time homebuyers looking to enter the market,” he explained.

Among detached single-family homes, the median sales price rose a very modest 0.4 percent to \$652,555 this June, up from a median sales price of \$650,000 in June 2018. Likewise, in the condo market, the median sales price increased to \$618,450, which is a 6.8 percent increase from a median selling price of \$579,250 in June 2018.

“We know the desirability to live and work in metro Boston is high and the growth in home values in recent years speaks to that,” stated Major. “Still, homeowners must be careful to price their home properly as the rate of price appreciation has been moderating this year and even declined in some communities,” he noted. “Homes that are overpriced run the risk of sitting on the market for a lengthy period of time and can become stigmatized by today’s savvy home buyers.”

Notably, single-family homes and condominiums sold in June were on the market for nearly one week longer this year than in the same month one year ago. Detached single-family homes took 37 days before going under agreement this June compared to 32 days in June 2018. In addition, condos sold in June 2019 were on the market for 35 days before an offer was accepted as compared to 29 days last June.

The longer market time occurred despite a decrease in the inventory of homes for sale. Active listings of single-family homes dipped 1.7 percent on an annual basis, from 3,333 on market in June 2018 to 3,275 last month and fell 6.5 percent from May 2019 when 3,501 homes were up for sale. In the condo market listings rose 14.4 percent from 2,268 in June 2018 to 2,594 last month, however on a month-to-month basis listings fell 3.4 percent from 2,685 in May 2019.

“With a less hectic sales pace, home prices moderating, and mortgage rates also having come down since the spring, the opportunities for home buyers to get into the housing market should continue to improve,” said Major.

In fact, both markets saw an influx of pending sales last month with the number of single-family homes under agreement rising 5.1 percent, from 1,599 in June 2018 to 1,681 this June. Meanwhile, the condo market experienced a 3.3 percent increase in pending sales from 1,198 last June to 1,237 this past month.