

GREATER BOSTON HOUSING MARKET SEES STRONG GAINS IN SALES & PRICES DURING JUNE

Boston, MA, -- - Sales of single-family homes and condominiums each rose steadily this June, improving on an annual basis for a tenth consecutive month, and median selling prices rose to new record highs in both markets due to limited inventory levels, according to data issued today by the Greater Boston Association of REALTORS® (GBAR). Strong demand from millennial buyers, a desire for more living space brought on by the pandemic, and a healthier job market along with attractive mortgage rates have all helped to boost market activity and home values this spring, GBAR officials said.

Sales of single-family homes rose 59.2 percent on an annual basis in June, increasing from 1,161 homes sold in June 2020 to 1,848 homes sold last month. It's the sixth most active June on record for home sales in Greater Boston and largest percentage gain in home sales over a 12-month period since sales rose 68.7 percent in November 2009. Notably, sales also jumped 56.9 percent from the 1,178 homes sold one month earlier in May. In the condo market, sales rose even more sharply after falling to a 19-year low for the month last June. In fact, sales rose to a new all-time monthly high, climbing 104.4 percent to 1,596 condominium units sold in June 2021 from 781 last June. The previous record was 1,546 condos sold in June 2005. Condo sales also improved on a month-to-month basis by 15 percent from 1,388 units sold in May.

"It's been a spring for the ages. Just when it appears the market can't get any hotter it does," said GBAR President Dino Confalone, an agent at Gibson Sotheby's International Realty in Cambridge. "It began with traffic jams and buyers waiting in the snow for an hour or more to enter open houses and culminated in June with the single busiest month for sales ever in our market. The second half of the year likely won't be as fast-paced, so buyers should find less competition and more opportunity as listings have started to rise with more sellers eager to take advantage of historically high prices," he noted.

With sellers holding the upper hand throughout this spring, property values have been rising steadily, with median selling prices hitting new all-time highs in both the single-family home and condo markets last month. In fact, the single-family home median price rose on an annual basis for a 20th consecutive month in June, increasing 19.3 percent from \$680,000 in June 2020 to \$811,500 this June. It's the fourth straight month the single-family median selling price has set a new record.

Additionally, the condominium median selling price has reached a new record high during each of the past three months. In June, the median selling price for condos increased 9.1 percent over the same month one year earlier, climbing from \$590,000 last June to a new record high monthly median price of \$643,750 in June 2021.

“Despite the record sales pace last month, we’re still facing an inventory shortage in many communities, and that imbalance between supply and demand is fueling the latest run up in prices,” Confalone observed. “With more buyers than listings in the market, sellers have been able to dictate their price for months. We’ve also seen the value on many properties bid up considerably through multiple offer situations and that in turn is raising the ceiling on prices higher and higher,” he added.

Indeed, the supply of homes and condos for sale continues to lag behind year ago levels, most notably in the single-family home market where active listings have been declining on an annual basis since November 2019. During June, single-family home listings were down 31.6 percent, declining from 2,190 June 2020 to 1,498 last month, while the number of condominiums on the market decreased 7.4 percent from 2,509 listings last June to 2,324 in June 2021.

There’s been some softening in the market in the past 4-6 weeks however, according to Confalone. “Inventory levels have been rising since the start of June, and some buyers are opting to renew leases or put their home search on hold rather than overextend themselves financially and that’s help take some of the upward pressure off prices. In recent weeks, both the volume and frequency of multiple offers have declined, while price adjustments have become more commonplace,” he added.

That’s not unexpected given that active listings increased on a monthly basis by 18 percent for single-family homes between May and June, and by 8 percent for condos. Furthermore, for single-family homes, new listed properties coming on the market in June rose 25 percent from May and 13 percent over June 2020, while the number of newly listed condos in June improved on a month-to-month basis by 18 percent and 5.4 percent annually compared to the previous June.

With more homebuying options available, the GBAR report also found that pending sales activity improved last month as well. In the single-family market, pending sales rose on an annual basis by 4.1 percent, from 1,660 homes placed under agreement in last June to 1,728 in June 2021. Meanwhile pending sales of condominiums increased 26.4 percent, from 1,160 condos put under agreement in June 2020 to 1,466 this June.

‘It’s been an extremely overheated market this spring, but we think the market is poised to catch its breath,” Confalone remarked. We expect sales to slow and the run up in prices to ease in the second half of the year, as the current level of activity isn’t sustainable long-term,” he stated.