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GREATER BOSTON HOME SALES SOFTEN FOR SECOND STRAIGHT MONTH IN MAY

Boston, MA, -- A stubbornly low supply of homes for sale in Greater Boston resulted in slower sales of single-family homes and condominiums in May according to data released today by the Greater Boston Association of REALTORS® (GBAR).

Sales of single-family detached homes experienced a modest 2.2 percent decline in year-over-year sales in May, as 1,221 homes were sold compared to 1,249 homes sold in May 2016. Despite this softening of sales, this was the fourth highest sales volume on record for the month of May and was comfortably above the historical monthly average of 1,131 homes sold. The condo market had a similar cooling in sales volume as 1,074 units were sold last month, which compared to 1,122 condos sold in May 2016 is a 4.3 percent decrease. This was the sixth highest condo sales volume in May and was also above the historical average sales volume of 1,027 units sold.

“The market remains red hot as we head into the summer, with dozens of prospective buyers turning out for nearly every new home that comes on the market,” said GBAR President Melody Skye Roloff, an agent with EXIT Realty Beatrice Associates in Middleton. “The softening in sales isn’t due to a lack of demand, but rather too few homes to satisfy the number of buyers in the market.”

Median sale prices have continued to soar in Greater Boston, and both markets reached all-time record-high prices last month. Single-family homes sold for a median sales price of \$600,000, which is a 13.1 percent increase on the May 2016 median sales price of \$530,500. Similarly, the condo market experienced an 8.9 percent median sales price increase from \$482,500 in May 2016 to \$525,381 last month.

“The intense competition among buyers in the current market is contributing to the rapid price appreciation we’ve seen over the past year,” observed Roloff. “It’s not uncommon today for homes to

draw multiple offers, buyers to engage in bidding wars, and investors to come to the table with all cash above asking price to close a sale.” In fact, the sold-to-list priced for detached single-family homes rose to 100.5% this past May, while condominiums sold for 102% of the original list price in May.

Short supply continues to be the main hindrance to the Greater Boston housing market, as active listings declined in both markets last month. Active listings of single family homes dropped 29.6 percent from 4,233 homes for sale in May 2016 to 2,978 last month. Likewise, condo listings fell 21.1 percent from 2,248 in May 2016 to 1,774 on market last month.

Despite the inventory shortages, pending sales have increased in both markets in May, as the single family market saw a 10.1 percent year-over-year increase in pending sales in May from 1,675 to 1,845 pending sales. The condo market saw a modest 1.1 increase in pending sales, up to 1,349 from 1,334 in May 2016.